

To, The Secretary, T.G. Electricity Regulatory Commission, Vidyut Niyantran Bhavan, GTS Colony, Kalyan Nagar, Hyderabad – 500 045	From, M. Thimma Reddy, Convenor, People’s Monitoring Group on Electricity Regulation, H. No.3-4- 107/1, Plot No. 39, Radha Krishna Nagar, Attapur, Hyderabad – 500 048
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Date: 19-04-2025

Dear Sir;

Sub: - Comments on TGDISCOMs’ petition seeking consent of TGERC for procurement of 200 MW Solar power from NLCIL under CPSU (Central Power Sector Undertaking) Scheme Phase - II Tranche – III.

Ref: - Public Notice dated 29-03-2025 with respect to O.P. No. 29 of 2025.

**1.** In response to the above-mentioned Public Notice calling for comments on TGDISCOMs’ petition seeking consent of TGERC for procurement of 200 MW Solar power from NLCIL under CPSU(Central Power Sector Undertaking) Scheme Phase - II Tranche – III we are submitting the following comments for consideration of the Commission.

**2.** According to the design of the CPSU Scheme Phase-II and Tranche-III of the Gol, under which the proposed solar plant is being set up, power generated in this plant has to be used by the Government or Government entities. Under this scheme third party sales is also not allowed. Given this design of this scheme, it is important to identify the Government Departments that will use this power.

**3.1** The proposed solar power plant is located in Kutch district of Gujarat. Inter State Transmission System/National grid has to be used to transmit this power to Telangana. According to Clause 1.2 (xxii) of the Power Usage Agreement, “Interface point of Solar PV power station with the transmission system developed by CTU at 765/400/200 KV Bhuj PS substation in Village Palanpur (Badi), Taluka – Nkhatrana, Dist – Kutch at 220 KV voltage level, where usage energy meter(s) are installed. Any cost of building transmission line from Solar PV plant to interconnection point/Delivery/Metering point shall be borne by NLCIL. All the associated transmission charges and losses beyond the point of interconnection of Solar Project shall be borne by selected Power Users...” According to Clause 3.1 of the Power Usage Agreement, “Transfer of title of Energy shall be at the Interconnection Point/Metering Point/Delivery Point. Power User shall make the required arrangement for evacuation of Energy beyond the Interconnection Point/Metering Point/Delivery Point.” But according to Letter of Award dated October 04, 2021 issued by IREDA to NLCIL, “... Waiver of ISTS charges and losses, for use of ISTS network, shall be available to Projects set up under the CPSU Phase – II Scheme.” (Para I, page 2-3) Further offer letters dated 18-02-2023 sent by NLCIL to DISCOMs all over the country included an assurance related to use of ISTS network as follows, “As per orders/guidelines issued by MoP, waiver of ISTS charge for use of ISTS network is available to projects setup under the CPSU Phase – II Scheme.” NLCIL in its letter dated 20-04-2023 to D. Prabhkar Rao, C&MD of TGTRANSCO reiterated it as follows, “Waiver of ISTS charge for use of ISTS network shall be available to projects setup under the CPSU Phase-II Tranche-III Scheme, as per relevant orders/guidelines issued by government authority...” Given these contradictory provisions related to use of ISTS network it has to be clarified whether 200 MW solar power being contracted by TGDISCOMs from NLCIL under CPSU Phase – II, Tranche – III is eligible for waiver of ISTS usage charges.

**3.2** ISTS charges will be about Rs. 1.20 per unit. If these ISTS charges are included

total unit cost of this solar power to Telangana will be Rs. 3.77 (2.57+1.20). ISTS charges will account for more than 30% of the cost of accessing this solar power. If waiver of ISTS charge as promised is not forthcoming it is advisable to exit this Power Usage Agreement and set up the solar PV plant of similar capacity in Telangana itself.

**4.** NLC in the letter dated 14-11-2022 to the Special Chief Secretary, Energy Department, GoTG proposed to set up the 200 MW solar PV plant in Telangana as follows, “Out of 510 MW CPSU Solar Power, 200 MW is available for usage of Telangana Govt. Establishing the 200 MW Solar Project under CPSU Scheme in Telangana, will further bolster not just the partnership between NLCIL and Govt. Of Telangana, but also help to fulfill the RPO obligation of the State and contribute towards the National targets for RE capacity and Energy Transition goal. Developing the Project within the state with STU connectivity will also bring economic benefits to Govt. of Telangana.” If the plant was setup in Telangana instead of Kutch in Gujarat the state would not have to undertake burden of ISTS charges. It was not known why Telangana Government did not take up this offer. According to the present petition the Power Usage Agreement was signed on 27-08-2024 and CoD of the plant has to be achieved within 18 months from this date. In case NLCIL has not yet started setting up this plant in Kutch, Gujarat TGDISCOMs may explore the possibility of setting up this plant in Telangana. In that case TGDISCOMs and consumers in the state will benefit from avoiding ISTS charges.

We request the Commission to take our above submissions on record.

Thanking you.

Sincerely yours,

M. Thimma Reddy

