



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION
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PUBLIC NOTICE

O.P.No.11 of 2016

In the matter of according approval to the Power Purchase Agreements (PPAs) entered into between Telangana State Power Distribution Companies (TSDISCOMs) and individual generating companies (developers/investors) in the 60 MW solar park at Zaheerabad in Telangana State developed by M/s. Enrich Energy Private Limited and 2 MW in 10 MW solar park developed by M/s. Rays Power Infra Private Limited.

The then Government of Andhra Pradesh (GoAP) had given direction to APDISCOMs during 2012 to set up 1000 MW solar power plants in the State before June, 2013. Accordingly, the Andhra Pradesh Power Coordination Committee (APPCC) conducted the Competitive Bidding on behalf of Andhra Pradesh Central Power Distribution Company Limited (APCPDCL) and other three DISCOMS. There was poor response from many participants (except those for setting up 214 MW) to match the discovered price of Rs. 6.49/kWh.

Keeping in view the un-willingness of many participants to match the price of Rs.6.49 / kWh, the GoAP vide Letter No.1550/RES-A1/2013-8/Dt.12.07.2013, permitted C&MD, APTRANSCO to give an Open Offer to all other prospective solar developers against the remaining identified locations to produce and sell solar power at the price of Rs.6.49 / kWh by giving four weeks' time for response and adhering to the guidelines issued for the purpose.

Further, GoAP vide letter no. 4543/RES-A1/2013-2/ dated 01.02.2014 permitted DISCOMs to sign PPA with all applicants whose proposals were received upto 30.11.2013 so also permission to the solar power plants under REC mechanism was granted to change over to PPA at Rs.6.49 paise per unit (kWh). GoAP allowed 2 months to enter into PPA and 12 months from the date of PPA to complete the project.

Accordingly, M/s. Enrich Energy Pvt. Ltd., vide letter dated 21.11.2013 submitted their proposal for setting up of 40 MW solar power plant under solar park concept to supply to erstwhile APCPDCL at 132 kV Zaheerabad inter-connected substation, in response to the open offer guidelines of APTRANSCO dated 31.08.2013 at the tariff of Rs.6.49 paise / unit. APPCC issued Letter of Intent (LOI) to the firm on 22.02.2014 for 40 MW of solar power under solar park concept which was subsequently amended to 60 MW on 06.05.2014 with a request to enter into PPA with DISCOMs on or before 31.01.2015. This time line was further extended by APPCC upto 31.03.2015 for entering into PPA.

Similarly, M/s. Rays Power Infra Private Ltd was allowed to enter into PPA for the 2 MW capacity in the 10 MW Solar Park under the said Open Offer scheme of GoAP.

APPCC vide Lr.No.CE/IPC/APPCC/F.Solar/D.No.172/2014, dated 13.03.2014 informed erstwhile APERC regarding the 40 MW solar power plant of M/s. Enrich Energy Pvt. Ltd. under solar park concept. It was further informed that the company would start allocation of 1MW and multiples of 1MW capacity to its customers or individual owners of the solar project within a period of 1 year from the date of LOI.

In the meantime, APCPDCL was registered as TSSPDCL with effect from 02.06.2014 consequent upon formation of Telangana State. TSSPDCL vide Letter No. CGM(Comml & RAC) / SE(IPC)/F. Solar bid 2014/D.No.3647/2015, dated 23.01.2015, submitted Three Nos. of PPAs (for 18.5MW) to TSERC which were signed between TSDISCOMs and individual generating companies in the Solar Park of M/s. Enrich Energy Pvt. Ltd. during 23.12.2016 and 24.12.2016. Similarly, Nine PPAs for 9.5 MW signed during the period from 22.01.2015 to 10.03.2015 and Seventeen PPAs for 29.2MW signed during the period from 31.03.2015 to 05.05.2015 were submitted for the consent of the Commission vide TSSPDCL Letters No.D.No.4135/15, dated 18.03.2015 and D.No.410/15, dated 26.05.2015 respectively.

The Commission now invites comments and suggestions from all interested persons and stakeholders on the following issues before consent is accorded to the said PPAs.

- (1) The then GoAP did not specify park concept for solar energy procurement in the open offer made / offered to all prospective developers. Whether Solar Park concept is acceptable?
- (2) The Enrich Energy Private Limited is the developer of the Solar Park. Whether the firm can quote rate on behalf of the individual generating companies to match the discovered price and whether this can be accepted?
- (3) Whether park concept of development of solar energy under open offer permitted to M/s. Enrich Energy Private Limited is in conformity to the open offer as an extension to the competitive bidding process for the purpose?
- (4) Whether the extension of time for entering into PPA upto March 2015 by APPCC/TSPCC and signing of some PPAs beyond this date i.e. upto 05.05.2015 is appropriate without further approval from the Government?
- (5) In view of the downward trend of price for Solar Energy, whether the time extensions granted by APPCC/TSPCC to the owners of Solar Parks are acceptable against the time line prescribed i.e., one year from the date of signing of PPA.

Interested persons and all stakeholders may inspect the details of relevant documents and obtain copies of required documents on payment of photocopy charges @ Re.1 per page from the office of the Chief General Manager (Commercial & RA), TSSPDCL, corporate office, 6-1-50, Ground Floor, Mint Compound, Hyderabad – 500063, Telangana and submit their comments and suggestions, so as to reach the undersigned on or before 20th May, 2016 by 5.00 PM.

Hyderabad

Dated 29th APRIL, 2016.

Sd/-

COMMISSION SECRETARY