

Replies to Objections of Sri M Venugopala Rao on “ TSNPDCL-PPA with TSGENCO for procurement of 4.6MW Solar Power from TSGENCO Peddapalli Plant

SNo	Summary of the Objection	TSNPDCL Reply
1	<p>TSNPDCL initially sought for approval for purchase of solar power from 5MW Solar Plant of TSGENCO at Rs 3.72 Tariff. Commission expressed the view to procure it through competitive bidding. Now, NPDCL sought for purchase of solar power from 4.6MW Plant at Rs 3.16 Tariff. How TSGENCO reduced the capacity to overcome competitive bidding? Was initial tariff inflated?</p>	<ul style="list-style-type: none"> • TSGENCO reduced the capacity after considering the technical & commercial reasons and the proposed Tariff is found to be varied accordingly. • Initially TSGENCO has proposed for establishment of 5 MW solar power at 6th Mile 0.6MW; 7th Mile 0.6 MW; 9th Mile: 0.2 MW; 12th Mile : 1.2 MW; 14th Mile: 1.2 MW; 16th Mile: 1 MW and 19th Mile: 0.2 MW with Tariff of Rs3.72/Kwh in surplus land available at Mini Hydel Stations(MHS) of capacity 9.16 MW situated at various mile of D-83 Kakatiya Canal to fully utilize the available evacuation system, man power and to safeguard the TSGENCO vacant lands available at the MHS peddapalli from encroachments. • After detailed techno economical study of the project, it was concluded that establishment of smaller capacities are unviable. Hence the project capacity has been revised to 4.6 MW and leveled tariff was comedown to Rs.3.16/kWh due to enhancement of Capacity Utilization Factors(CUF) from 18% to 21% by considered as per central Electricity Regulatory commission (CERC) notification No:RA-14023(11)/4/2020-CERC dated: 23.06.2020 upon the bidders acceptance of the same. • However, the present petition filed by TSNPDCL is for consent to the PPA only. As per the directions of Hon'ble Commission, TSGENCO will file a separate petition for determination of Tariff after commissioning of plant.
2	<p>Commission is requested to consider the following points-</p> <p>(a) NPDCL agreed for purchase of this solar power to meet the Agl loads, LIS loads, 24Hr power supply, sounds superficial.</p> <p>(b) NPDCL says to maintain reliable power supply with least cost principle, this solar power purchase will be useful. This could have been ensured with competitive bidding.</p>	<p>These submissions are made by the objector for the consideration of the Hon'ble Commission. However, the following submissions are made for kind perusal</p> <ul style="list-style-type: none"> • Though at present, state DISCOMs are not obligated to comply with the MoP notified RPPO trajectory, it is likely that the State RPPOs may be directed to align with the MoP RPPO, in terms of National Tariff Policy & Electricity Act

	<p>(c) NPDCL submission that the present purchase will be useful in achieving the National target of 500GW solar, appears to be too generalized.</p> <p>(d) As per the submissions made, TSNPDCL has already crossed the RPPO targets, including Solar, given by TSERC.</p> <p>(e) Submission of NPDCL that in view of growing demand by 8% to 9%, higher RPPO targets in future can be met with this subject solar power purchase is devoid of substantiation based on factual position</p> <p>(f) Submission of NPDCL that addition of Solar power will also helpful in meeting the non-solar RPPO targets implies that setting non-solar RE targets under RPPO is unwarranted and does not correspond to limited availability of non-solar potential in the state.</p> <p>(g) Reference to draft MoP GoI Dt: 07.11.2022 that min 25% of thermal capacity is to be RE capacity, is legally not binding on DISCOMs. Such proposals of Central Govt without considering ground realities like existing thermal tie ups etc are detrimental to TSGENCO interests and interests of consumers.</p> <p>(h) Submission of solar power from the plants nearby load centre with reduce T&D losses is a valid point that was ignored in the PPAs with NTPC, SECI etc in spite of the submissions of Objectors.</p> <p>(i) Single part Tariff for Solar power is not new and revised Tariff does not reflect the efficiency of TSGENCO</p> <p>(j) As per the ARR filings of TSNPDCL, DISCOM is exceeding the RE power purchases under RPPO targets and hence the need for subject solar power purchase does not arise.</p>	<p>Amendments Bill in future.</p> <ul style="list-style-type: none"> • Solar Power purchases from Central entities like NTPC, SECI etc were considered in view of the competitive tariffs due to certain GoI schemes & waiver of ISTS charges. • Addition of Solar power is helping TSDISCOMs to cater to the Agl & LIS demands in day time largely. • In spite of limited availability of Non-Solar RE potential, TSDISCOMs are putting the efforts to add non-solar RE to the extent available. Any surplus solar will be helpful to bridge the gap . • As submitted, Tariff for the subject solar power purchase will be determined by TSERC separately, after the plant is commissioned. • Except already entered PPAs with thermal power projects, DISCOMs have no new plans in pipe line. Future power demands need to be met with Solar/RE power purchase tie ups. • When total power available for the whole year (from all sources) is calculated, there appears to be surplus power available. However, keeping the ‘24Hr reliable power supply to all consumers’ as per the mandate of the Govt. DISCOMs will have deficiency during certain time blocks in a day, more so in summer months.
3	<p>As per TSERC RPPO Regulation, DISCOMs are mandated to purchase a min of solar & non-solar of 9.25% for FY23-24, 10.5% for FY 2024-25, 11% for FY 25-26 & 13% for FY26-27. Going by the trend of availability of RE to TSDISCOMs, they would easily exceed the targets by FY 26-27</p>	<p>Since this is the expectation expressed, no specific replies are furnished.</p>

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4	<ul style="list-style-type: none"> • In the Orders, dated: 22.06.22 & 26.10.22, while issuing consents for purchase of power from NTPC, SECI & NHPC, Commission must have considered outcome of substantial increase in availability of surplus power and far exceeding RPPO targets as DISCOMs turn out to be with projected surplus availability of 13441MU for FY 23-24. As such, projected deficits for FYs 24-25, 25-26 & 26-27 projected in 'load generation balance' would turn out to be unrealistic. Periodical review and appropriate modification of load forecasts and procurement plans based on ground reality before issuing consents to PPAs is needed. Commission is expected to take holistic view and appropriate decisions as part and parcel of regulatory responsibilities. • With the availability of substantial surplus power, need for purchasing solar power from the subject plant does not arise. 	<ul style="list-style-type: none"> • In the purview of the Commission. • When total power available for the whole year (from all sources) is calculated, there appears to be surplus power available. However, keeping the '24Hr reliable power supply to all consumers' as per the mandate of the Govt. DISCOMs will have deficiency during certain time blocks in a day, more so in summer months.
5	Even if TSNPDCL cannot meet the RPPO RE targets, it can purchase the surplus available with TSSPDCL to meet RPPO.	Though such facility is available, it may be noted that power demand in TSSPDCL is increasing enormously.
6	Purchasing power from this solar project leads to further surplus power and thus leading to backing down the thermal plants and paying idle fixed charges and burdening the consumers.	Keeping the '24Hr reliable power supply to all consumers' as per the mandate of the Govt. DISCOMs will have deficiency during certain time blocks in a day, more so in summer months.
7	Commission may reject the proposal of TSNPDCL to purchase subject solar power from TSGENCO	In the purview of the Commission
8	Commission may permit for further submissions at the Public Hearing	In the purview of the Commission