

**SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED**



**RESPONSES TO OBJECTIONS / SUGGESTIONS**

**On**

**ARR & Tariff Filings Proposals of Retail Supply Business for FY 2023-24**

**and**

**Power Purchase True-Ups for FY 2016-17 to FY 2022-23**

## Response to the objections of Sri. K. Paparao

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>Financial year 2023-24, TSSPDCL has proposed parallel operation charges/Grid support charges(Captive Generating Plants, Co-Generation Plants, Third party Generation units merchant power generation units, Roof top Power Plants Etc are not having PPA/having PPA for partial capacity with the licensees as follows.</p> <p>Grid Support charges = Total Installed capacity* Rate of GSC(Rs per KW/Month)</p> <ol style="list-style-type: none"> <li>i. The parallel operation/Grid support charges are to be applied to the total installed capacity of the Generators connected to the Grid</li> <li>ii. Conventional Genarators shall pay Rs 50/KW/Month.</li> <li>iii. Renewable Energy Plants including waste heat recovery plants, the plants based on Municipal Solid waste and The Co-Gen Plants shall pay Rs:25/KW/Month.</li> <li>iv. Rooftop solar plants under net metering/gross metering policy shall pay Rs.15per KW per Month.</li> <li>v. Co-Gen sugar mills shall pay charges of Rs.25 per Kw per Month for a period of 4 months or Actual operation period, whichever is higher.</li> <li>vi. This charges shall not be applicable when the plants are under shut down for any reason and when such shut down period exceeds 2 months.</li> <li>vii. To the extent of PPA capacities of the generators to the DISCOMs shall be exempted from payment of these charges.</li> </ol>	No Comments

	<p><b>Suggestions:</b></p> <p>The following are the suggestions to the proposed GSC:</p> <ol style="list-style-type: none"> <li>a) The GSC Fee Has not considered the exemption of CMD from the installed capacity.</li> <li>b) The Formula for the GSC i.e. Rs.50 for conventional generators is not mentioned, so is the case with non-conventional GSC. The formula may be disclosed upfront to avoid any arbitrariness.</li> <li>c) Exemption available in case of shut down for for any reason that exceeds two months, which pre-supposes that the period of two months is continuous. instead the same may be taken as overall period of two months of shut down during the year i.e. period of shut down during the year, if the aggregate period of such shut down exceeds 2 months.</li> </ol>	
2	<p><b><u>Objections:</u></b></p> <p>There is no reference of the calculation GSC. In the absence of same, the justification for fixing up of Tariff appears to be arbitrary, irrational and without any ground.</p> <p>Earlier periods the below mentioned formula was used for fixing GSC.</p> $GSC = A - (B + C + D) * \text{Contract Demand charges} / 2$ <p>Where A= CPP capacity, B= Contracted Demand, C= Any other sources of Supply, D= any export of power.</p> <p>Therefore, it is imperative to disclose the formula for fixing the GSC</p>	<p>The proposed grid support charges of 50% of 475 per KVA per month during the FY 2022-23 RST filings, was supposed to be levied on differential capacity only i.e., difference between CPP capacity and CMD with Distribution Licensee. Whereas in other states, these grid support charges are calculated in entire capacity of Captive Power Plant (CPP).</p> <p>Considering the <b>interest of all stakeholders</b> involved, the licensee has revised its GSC proposal as :</p> <ul style="list-style-type: none"> <li>❖ The parallel operation/grid support charges are to be applied to the total installed capacity of the generators connected to the Grid</li> <li>❖ Conventional generators shall pay Rs.50 per kW per month</li> <li>❖ Renewable energy plants including waste heat recovery plants, the plants based on municipal solid waste, and the co-gen plants shall pay Rs.25 kW per month.</li> <li>❖ Rooftop solar plants under net metering/gross metering policy shall</li> </ul>

	tariff	<p>pay Rs.15 per kW per month.</p> <ul style="list-style-type: none"> <li>❖ Co-gen sugar mills shall pay charges of Rs. 25 per kW per month, for a period of 4 months or actual operation period, whichever is higher.</li> </ul>
4	<p>It is also requested to consider the present energy scenario in Telangana before fixing any charges. the following is the energy scenario in TS.</p> <p>The overall energy scenario for the Telangana State there is a surplus energy of 13441MU.</p> <p>The surplus energy in Telangana indicates that the grid is healthy and is not loaded and the impact of connected Generators will be minimal to the extent.</p> <p>Hence, the GSC charges should be levied reasonably for the generators.</p> <p>Any increase in the variable cost of generation, shall lead to financial burden on the Generators, which lead to layoffs of the generating units resulting in un-employment</p>	<p>TS Discoms, in their petitions for ARR &amp; FPT have submitted the details of the energy scenario in the Telangana State. The overall energy demand, energy availability, cost of power purchase, etc. are all given for FY 2021-22, FY 2022-23 and FY 2023-24.</p> <p>Eventhough, the Telangana state has surplus energy, it doesn't compensate for the parallel operation benefits of the CPPs. TS Discoms have considered the energy dispatch in line with the energy requirement only.</p> <p>The Captive Power Plants continue to get connected to the licensee network system and operate their plant in synchronism with the grid due to certain benefits which cannot be physically measurable. Thus the grid acts as the supporting system for the CPPs for its successful operation in terms of electrical performances. However, the grid support being an ancillary service extended by the licensee to the consumers, it has to be charged to the consumers who utilize the grid support.</p> <p>The justification for proposed methodology for levy of Grid Support Charges is detailed during the GCC meetings with stakeholders and is also detailed in above sections.</p> <p>Hon'ble TSERC has entrusted the responsibility of discussing and proposing the Grid Support Charges/ Parallel Operation Charges to the TS Grid Co-ordination Committee (GCC).</p> <p>The GCC has conducted meetings with all the stakeholders on different</p>

		<p>occasions to gather their views on the levy of GSC/POC. The detailed objections/ suggestions from the stakeholders received during these meetings were already addressed orally and in written by TS Discoms.</p> <p>Some of the stakeholders like CESS Siricilla, M/s PTC India, Mytrah Vayu (Godavari) Ltd., and representative of STU &amp; person nominated by Hon'ble TSERC under clause 5.3(n) – Chief Engineer/ Transmission have expressed that they are in line with the views of TS Discoms and that the levy of Grid Support Charges is justified.</p> <p>Hence, TS Discoms request Hon'ble Commission to approve the proposal for levy of Grid Support Charges. TS Discoms would abide by the directions of Hon'ble Commission in this regard.</p>
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