

COMMENTS ON DRAFT 5<sup>TH</sup> AMENDMENT OF CERC (IEGC) REGULATION, 2016 ON  
BEHALF OF MPPMCL

Suggestions/ comments on behalf of MPPMCL on the draft notification of 5<sup>th</sup> amendment of CERC (IEGC) Regulations ,2016 are as under:-

1. In reference to proposed amendment in Regulation 5.2 (f) (iii) it is humbly submitted that, the capital cost of implementation of FGMO in generating units should be contributed from either Power System Development Fund (PSDF) or it should be borne by the generating company. It is requested that the additional capital cost of implementation of FGMO in generating unit, if any, may not be allowed as pass through in tariff.
2. In reference to proposed amendment in Regulation 8(c) it is humbly submitted that, in place of the original beneficiary shall communicate by 12:00 P.M. about the quantum and duration of such URS power to ISGS, the beneficiary shall communicate about the quantum and duration of such URS power to nodal agency i.e. SLDC/RLDC, being system operator and this agency in turn will communicate to ISGS to enable it to sell the URS in the market.
3. In reference to proposed amendment in Regulation 8(d) it is humbly submitted that for URS power which has been sold and scheduled by ISGS in the market (power exchange or through STOA), it is proposed that in case of system condition warrant to do so, the original beneficiaries must have the right to call the URS power back, from 4<sup>th</sup> time block or any other time block considered appropriate by the Hon'ble Commission as the original beneficiaries are bearing the Annual Fixed Cost of their share in that ISGS.
4. In reference to proposed amendment in Regulation 6.5 (A) (c) it is humbly submitted that:

“This methodology is not prudent as with the capacity charges, the transfer of URS does not qualify in Merit Order Dispatch of the beneficiary and therefore most of the time is not scheduled, due to which the ISGS, which is not even getting the TMM schedule in off peak hours goes under RSD. This is further hitting the generator and the beneficiary because, other than off peak period when it qualifies for delivering normal schedule of the beneficiary, the plant is not available. Thus to overcome it & to make best use of URS power it is proposed as follows-

***1. “The URS may be transferred with 50% capacity charges and 100% variable charges to the availing beneficiary. The balance 50% capacity charges are payable by the original beneficiary who surrenders the power but will have lien to take back such power if required from the 4<sup>th</sup> time block.”***

**OR**

***"The URS may be transferred with 100% capacity charges and 100% variable charges to the availing beneficiary. In such cases the original beneficiary will not have lien to take back such power once scheduled by other beneficiary".***

2 *“The ISGS be allowed to sale in the market, the quantum to meet its TMM without asking from the beneficiaries before taking the decision of going in to RSD.”*

5. In reference to proposed amendment in Regulation 6.5 (A) (d) it is humbly submitted for consideration that, in case of sell of un-requisitioned surplus power in market, by ISGS, **the generator and the beneficiaries would share the realized gain in ratio of 20:80** as the ISGS is a regulated entity and it has been allowed a return of 15.5% on the equity invested and after grossing up of RoE with the effective tax rate (about 21.34%) of the financial year, presently, it is coming around 19.7% and accordingly, it is proposed that the generator may be allowed to retain the gain only in the ratio of 20:80. The gain shall be calculated as the difference between selling price of such power and fuel charges including **actual incidental expenses subject to maximum of 1 paise per unit**. This is being proposed as the liability of Annual Fixed Cost in such cases has been proposed to remain with original beneficiary.

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