

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 63/MP/2017

Subject : Petition seeking the indulgence and intervention by the Commission to protect the rights and interests of all such Power Generator who have entered into competitively bid Case-I PPAs from being saddled with huge under-recoveries of energy charge on account of coal costs that they have incurred in the past but are not being able to pass through due to delay in publication of separate Wholesale Price Index.

Date of hearing : 16.1.2018

Coram : Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member

Petitioner : Association of Power Producers (APP)

Parties present : Shri Hemant Sahai, Advocate, APP
Ms. Mazag Andrabi, Advocate, APP

Record of Proceedings

Learned counsel for the Petitioner submitted that the present Petition has been filed for seeking intervention by the Commission to protect the rights and interests of all generators who have entered into competitively bid Case-I PPAs from being saddled with huge under-recoveries of energy charge on account of coal costs that they have incurred in the past but are not being able to pass through the same due to delay in publication of separate Wholesale Price Index. Learned counsel for the Petitioner further submitted as under:

(a) On 12.5.2017, the Ministry of Commerce and Industry has issued new WPI series based on which Commission has notified the final revised index of coal. However, new WPI series does not capture the actual variation in price of coal used by the generators and there exists certain discrepancy in the index which will hamper the power generation sector. In this regard, the Commission may consider the actual Coal India Limited price instead of WPI in respect of the relevant grades of Coal used by the generators for computation of escalation rate of domestic coal.

(b) The Petitioner had prayed earlier that the generators of the country are entitled to the escalation rates computed on the basis of new WPI for Non-Coking coal series for power sector based on power grade coal prices with base year 2011-12 to be published by the Ministry of Commerce and Industry. Subsequently, the Ministry of Commerce and Industry has published the revised WPI index for Non-coking coal from April, 2012. Learned counsel requested to ignore the earlier prayer of the Petitioner and revise the escalation rate for payment of energy charges w.e.f. Financial Year 2012-13.

(c) The escalation rate for domestic coal is published by the Commission on half yearly basis and the said rate is computed on the basis of WPI for Non-Coking coal for the corresponding preceding six month period. Therefore, any change in price of coal resulting in change in WPI for Non-Coking Coal gets translated into an escalation for domestic coal only after a gap of 9 to 15 months which resulted into loss of revenue. Learned counsel requested to consider the publication of escalation rate for domestic coal on quarterly basis.

(d) Learned counsel requested to revise the methodology for computing the escalation rate for domestic coal which considers the actual increase/ decrease in the price of domestic coal as notified by the Ministry of Coal/ Coal India Limited for the coal supplied to the generating station supplying power under Case-I bidding.

2. After hearing the learned counsel for the Petitioner, the Commission directed the Petitioner to file its written submission, if any, by 25.1.2018. The Commission directed that due date of filing the written submission should be strictly complied with. No extension shall be granted on that account.

3. Subject to above, the Commission reserved the order in the Petition.

By order of the Commission

**Sd/-
(T. Rout)
Chief (Law)**