

Ref	CERC Draft Regulations 2019-24	Proposed Revision	Rationale
14 (1)	Components of Tariff: (1) The tariff for supply of electricity from a thermal generating station shall comprise two parts, namely, capacity charge (for recovery of annual fixed cost consisting of the components as specified in <b>Regulation 51</b> of these regulations) and energy charge (for recovery of primary and secondary fuel cost and limestone cost where applicable).	Components of Tariff: (1) The tariff for supply of electricity from a thermal generating station shall comprise two parts, namely, capacity charge (for recovery of annual fixed cost consisting of the components as specified in <b>Regulation 15</b> of these regulations) and energy charge (for recovery of primary and secondary fuel cost and limestone cost where applicable).	Typographical correction
14 (2)	The supplementary fixed cost for additional capitalization on account of implementation of revised emission standards in the existing generating station or new generating station, as the case may be, shall be determined by the Commission separately;	The supplementary fixed cost and variable cost for additional capitalization on account of implementation of revised emission standards in the existing generating station or new generating station, as the case may be, shall be determined by the Commission separately;	Supplementary VC should also be included in this provision
34	Interest on Working Capital: (1) The working capital shall cover: (a) Coal-based/lignite-fired thermal generating stations (v) Receivables equivalent to 45 days of capacity charges and energy charges for sale of electricity calculated on the normative annual plant availability factor; and	Interest on Working Capital: (1) The working capital shall cover: (a) Coal-based/lignite-fired thermal generating stations (v) Receivables equivalent to 60 days of capacity charges and energy charges for sale of electricity calculated on the normative annual plant availability factor; and	<ul style="list-style-type: none"> <li>- Receivables should include Monthly Tariff Invoice (Supplementary FC and VC).</li> <li>- Considering the present level of overdues of Discoms, Receivables of 60 days to be retained in Tariff Regulations, further it would be prudent to highlight that about 80% of discoms are still below 65% score distribution as per 6th Annual Rating Report of Discoms by MoP.</li> </ul>
35	Operation and Maintenance Expenses: (1) Thermal Generating Station: Normative Operation and Maintenance expenses of thermal generating stations shall be as follows:	Operation and Maintenance Expenses: (1) Thermal Generating Station: Normative Operation and Maintenance expenses of thermal generating stations shall be as follows:	<ul style="list-style-type: none"> <li>- O&amp;M Charges are less compared to actual being incurred. For the stations with 300MW to 350 MW capacity units , the normative O&amp;M cost in the new MYT period is almost 5% less than the normative O&amp;M cost of last FY in the current period &amp; the rate of escalation provided is only half (3.18%). In effect, there is only 1.26% escalation in the period FY19 to FY22 as per new proposed draft regulation. The units planning for major capital OH will be affected severely in the above period.</li> <li>- O&amp;M Escalation to be in line with earlier regulations (6.28%)</li> <li>- Norms for operations &amp; maintenance expenses of the facilities implemented to meet of new environmental norms should be provided.</li> <li>- Accordingly, O&amp;M norms of 5% of approved Capital cost incurred for meeting new environmental may be provided in the Regulations.</li> </ul>
50	Landed price of Reagent (Limestone, Sodium Bi-Carbonate, Urea and Anhydrous Ammonia etc)		<ul style="list-style-type: none"> <li>- The Provision only caters the scenario when the Generators are procuring the Limestone through Open market</li> <li>- However, methodology should also be specified in case the generator owns captive limestone mines.</li> <li>- The Normative Consumption norms of the reagents should be specified for particular purity/chemical composition of the reagent and if there is variation in the said composition, the methodology for suitable correction may please be provided in the regulations.</li> <li>- The Normative limestone Consumption norms of 15 gm/kWh may be considered for 95% purity limestone and same will increase if purity of the limestone reduces.</li> <li>- Purity of the limestone may vary from source to source.</li> <li>- Hence normative limestone consumption may be corrected for the actual purity of the limestone received at the plant.</li> </ul>

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51 (5)	Provided also that carry forward of under-recovery of Capacity Charge shall not be allowed for recovery from one quarter to the subsequent quarter.	To be deleted	There should not be any restriction for recovery of FC during the year subject to achievement of NA
69	Late payment surcharge: In case the payment of any bill for charges payable under these regulations is delayed by a beneficiary or long term transmission customers as the case may be, beyond a period of <b>45 days</b> from the date of billing, a late payment surcharge at the rate of <b>1.25% per month</b> shall be levied by the generating company or the transmission licensee, as the case may be.	Late payment surcharge: In case the payment of any bill for charges payable under these regulations is delayed by a beneficiary or long term transmission customers as the case may be, beyond a period of <b>45 days</b> from the date of billing, a late payment surcharge at the rate of <b>1.5% per month</b> shall be levied by the generating company or the transmission licensee, as the case may be.	Surcharge rate of 1.5% may be retained in view of huge receivables from Discoms
	Additional Norms for meeting new environmental standards		<p>Following additional norms for meeting new environmental standards may be included in the Regulations</p> <ul style="list-style-type: none"> <li>- Norms for auxiliary consumption (APC) for meeting new environmental standards for different units with different capacities may be provided as under <ul style="list-style-type: none"> <li>APC for Unit size upto 300 MW- 2 %</li> <li>APC for Unit size &gt;300 MW- 1.75%</li> </ul> </li> <li>- Provision for Gypsum Disposal expenses on actual basis may be provided in the Regulations in case the same is not salable in the market</li> <li>- Given the fact that there is no clarity on market scenario for sale of Gypsum, Revenue from gypsum sale to be considered only at the time of periodic true up by the Appropriate Regulator and may not be factored at the time of provisional tariff approval.</li> <li>- Norms for Additional Clarified water consumption for meeting new environmental norms may be provided</li> <li>- Norms for Waste Water generation and its treatment may be provided in the Regulations.</li> </ul>
	New Clause	Carrying cost on Change in Law from the date of occurrence of Change in Law event till the approval of Change in Law by commission	New clause to be inserted inline to the proposed amendment to Tariff Policy (22 Jun 2018)
	Additional Remarks		There should be a provision in the Regulation that the Hon'ble Commission should decide all the above issues in a time bound manner at an earliest possible by prescribing such time period (say 3 months) from the date of application made by the Claimant Petitioner and also making provision for imposition of penalty on the default Party for delaying in adjudication by the Hon'ble Commission on some pretext or other