
Fwd: Submission of Comments/Suggestions on Staff Paper on Draft Methodology for Computing 'Deterrent Charges'

From : Suman Shiva <shivvasuman@nic.in> Mon, Jun 20, 2022 12:46 PM
Subject : Fwd: Submission of Comments/Suggestions on Staff Paper on Draft Methodology for Computing 'Deterrent Charges' 📎 1 attachment
To : Gaurav Kaushik <gaurav.kaushik@cercind.gov.in>

From: "Sunil Kumar Jain" <sunil_jain@nic.in>
To: "Suman Shiva" <shivvasuman@nic.in>
Sent: Monday, June 20, 2022 12:28:49 PM
Subject: Fwd: Submission of Comments/Suggestions on Staff Paper on Draft Methodology for Computing 'Deterrent Charges'

From: "Harpreet Singh Pruthi" <secy@cercind.gov.in>
To: "Sunil Kumar Jain" <sunil_jain@nic.in>
Sent: Monday, June 20, 2022 11:13:23 AM
Subject: FW: Submission of Comments/Suggestions on Staff Paper on Draft Methodology for Computing 'Deterrent Charges'

From: chetanbundela@TORRENTPOWER.COM <>
Sent: 02 June 2022 10:45
To: Harpreet Singh Pruthi <secy@cercind.gov.in>
Cc: JIGNESHLANGALIA@torrentpower.com; lunapal@TORRENTPOWER.COM
Subject: Submission of Comments/Suggestions on Staff Paper on Draft Methodology for Computing 'Deterrent Charges'

Dear Sir,

This has reference to the Staff Paper on the "Methodology for Computing 'Deterrent Charges' for maintaining lower coal stock by coal based thermal generating stations" circulated with public notice dated 13th May, 2022.

In this regard, we take this opportunity to express our gratitude to the Hon'ble Commission for giving us an opportunity to submit our comments / suggestions on the Draft "Methodology for Computing 'Deterrent Charges' for maintaining lower coal stock by coal based thermal generating stations".

We earnestly request you to give due consideration to our comments/ suggestions while finalizing the Staff Paper on Draft "Methodology for Computing 'Deterrent Charges' for

maintaining lower coal stock by coal based thermal generating stations”.

Thanking You.

Yours faithfully,

Chetan Bundela

Vice President

Torrent Power Limited

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 **TPL Comments and Suggestions on CERC Staff Paper on 'Deterrent Charges'.pdf**
85 KB

Comments and Suggestions on Staff Paper on “Methodology for Computing ‘Deterrent Charges’ for maintaining lower coal stock by coal based thermal generating stations”

At the outset, we appreciate the intention of the Hon’ble Commission’s staff behind proposing a disincentive for maintaining lower coal stock by the thermal generating stations and proposing draft methodology for computing the ‘Deterrent Charges’.

In this regard, we request you to kindly consider following observations regarding proposed methodology as summarized under:

- CEA in its revised coal stocking norms has provided for grading of Gencos/IPP in Red, Orange and Green Zone based on defined criteria. This methodology has already been approved by the Ministry of Power vide letter no. FU-40/2020-FSC dated 26th November, 2021. This Grading of Gencos/IPP needs to be an integral part of this staff paper. Deterrent Charges should not be applicable to Gencos/IPP falling under Green Zone. Exception given in grading needs to be clearly mentioned and should be part of this paper.
- Plant Availability Factor (PAF) remains lower due to forced outage, Annual Survey/ Planned maintenance, Lower coal stock level and other reasons. We understand that this deterrent charge formula is applicable only to the plants whose PAF is lower because of low coal stock level. Hence, it should be clearly mentioned that deterrent charges are applicable only to plants whose PAF is lower than normative and falling in Red and Orange Zone of CEA coal stocking norms.
- Many times, it happens that due to lower coal supply from Coal company in particular month/months, the coal stock had depleted at plant and the same cannot be replenished unless the short supply of previous months coal is given to the plant. Thus, in subsequent months the coal stock will remain lower than normative. In this case, taking average coal stock of 3 months for calculating deterrent charges should not be applicable. CEA norms as referred above takes care of such scenario of short supply by coal companies.
- Alternatively, the deterrent charges should be aligned and graded in accordance with compensation payable by Coal Companies under Fuel Supply Agreements to GENCO for short supply (e.g. Compensation payable @ 10% of base price of Coal for short supply below 90% upto 85% of Annual Contracted Quantity.)

We request for your kind consideration of the submission made hereinabove.