



SEIL Energy India Limited
(Formerly Sembcorp Energy India Limited)
CIN: U40103HR2008PLC095648

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Date: 31st July 2023

To,

The Secretary,

Central Electricity Regulatory Commission

3rd & 4th Floor, Chanderlok Building,

36, Janpath, New Delhi- 110001

Tel (91) 11 23353503

Dear Sir,

Reference:

- 1) CERC Approach Paper on Terms & Conditions of Tariff for the period commencing from 01st Apr'24
- 2) addendum File No L-1/268/2022/CERC dated 03.07.2023
- 3) Public Notice File No L-1/268/2022/CERC dated 13.07.2023

In reference to above, wherein comments/suggestions have been invited on the CERC Approach Paper on Terms & Conditions of Tariff for the period commencing from 01st Apr'24 including the "Compensation methodology for operating a Thermal (coal) generating unit below 55% minimum power level".

At the outset, it is requested to exempt generating stations from the said scheme which do not have full capacity of the station tied up under long-term contracts due to following difficulties.

- a) The loss due to increased SHR, auxiliary consumption etc. due to backing down instructions will be on plant level. However, if backing down instructions are not received from all of the procurers (one or two procurers issue backing down instructions and others do not) under the said Regulation 2022, then it is not possible for determination and recovery of compensation from all the procurers, as



the procurer which have not issued instruction may not agree to pay any compensation on the grounds that it has not asked any backdown.

- b) Further, if the instructions received from procurer up to 40% can cause the overall load of the plant to go even below 40% due to unscheduled merchant/open capacity, it may cause either forced outage of the plant or non-adherence to the instructions.

Further, please find enclosed three (3) sets of comments/suggestions on behalf of SEIL Energy India Limited (Formerly Sembcorp Energy India Limited) for your consideration, we have separately emailed the soft copy of the same at tariff-reg@cercind.gov.in.

Thanking You,

Milind Nigudkar

Senior General Manager - Power Sales Operations

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**Sembcorp’s Comments/Suggestions on Approach Paper – CERC
MYT Regulations for 2024-29**

Sr. No.	Description	Sembcorp’s Comments/Suggestions
1	Exemption or Compensation for plants which are not fully contracted under long term	<p>For the plants which do not have full capacity of the station tied up under long term contracts, the loss due to increased SHR, auxiliary consumption etc. due to backing down instructions will be on plant level. However, if backing down instructions are not received from all of the procurers (one or two procurers issue backing down instructions and others do not) under the said Regulation 2022, then it is not possible for determination and recovery of compensation from all the procurers, as the procurer which have not issued instruction may not agree to pay any compensation on the grounds that it has not asked any backdown.</p> <p>Further, if the instructions received from procurer up to 40% can cause the overall load of the plant to go even below 40% due to unscheduled merchant/open capacity, it may cause either forced outage of the plant or non-adherence to the instructions.</p> <p>In view of the above, it is suggested that such plants shall be exempted from compliance of the said Regulations, or else the 40% limit should be accounted at plant level and not the PPA/procurer level, or the Hon’ble Commission may evolve a suitable methodology for recovery of full compensation for the generating stations with partial tie-ups under long term PPA.</p>
2	Fixed Cost Compensation	As per Clause 3 (A) (iv) of the Compensation Methodology, for super critical generating units there is no requirement of retrofit/installation of any equipment for operating generating units below 55% and up to 40%. Hence, there is

Sr. No.	Description	Sembcorp's Comments/Suggestions
		<p>no fixed cost compensation for supercritical generating stations which are commission after 01.04.2004.</p> <p>If in case any requirement of retrofitting/installation of equipment's arises for operating super critical generating units below 55% and up to 40%, a provision shall be made in the methodology to provide fixed cost compensation for such super critical generating stations on case to case basis.</p>
3	Variable Cost compensation Parameters	<p>Hon'ble CERC has proposed to pass on the Variable Cost compensation considering coal cost at Rs. 2000/tonne (for pit-head plants) and Rs. 3000/tonne (for non-pithead plants) also the EFOR has been computed on normative secondary fuel cost. Further the GCV, SHR and Auxiliary compensation has also been considered at normative basis.</p> <p>It is requested that coal cost, GCV, Auxiliary Consumption, Secondary Fuel oil consumption and price should be allowed to be passed on at actual basis to ensure the actual cost pass through for the impacted plants.</p>
4	Recovery of compensation from beneficiaries	<p>It is assumed that a similar approach shall be approved by the Commission to pass on the cost for section 63 plants, therefore it is requested that a provision may be included that this compensation methodology would be used to pass the cost under Change-in-law and will supersede the PPA terms & conditions (if PPA has any clauses related to SHR etc. compensation). Also, a provision for timely payment of compensation may be included.</p>