

BYPL Comments on Draft CERC (Terms and Conditions of Tariff) (First Amendment) Regulations, 2024

From : Sameer Singh <Sameer.Singh@relianceada.com> Sat, Sep 07, 2024 07:52 AM
Subject : BYPL Comments on Draft CERC (Terms and Conditions of Tariff) (First Amendment) Regulations, 2024  2 attachments
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Cc : Rajeev Chowdhury <Rajeev.Chowdhury@relianceada.com>

Sir

With reference to the Public Notice No. L-1 /268/2022/CERC dated 02.08.2024 issued by the Hon'ble CERC, please find enclosed preliminary comments/suggestions of BYPL.

It is requested to allow BYPL to submit additional comments once Explanatory Memorandum issued by the Hon'ble CERC

Regards,

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Regulatory Affairs (BYPL)

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BYPL comments on Draft CERC (Terms and Conditions of Tariff) (First Amendment) Regulations, 2024.

S.no.	Clause	First amendment draft	Comments
1	clause (d) of sub-regulation (3) of Regulation 36 (O&M Exp.)	<p>the numbers “0.09%” shall be substituted by the numbers “0.12%”</p> <p>Following proviso shall be added after the second proviso to clause (d) of sub-regulation (3) of Regulation 36 of the Principal Regulations:- “ Provided that the self-insurance premium shall be transferred to a separate fund for utilization to meet the claims, and the expenditure incurred or utilized from the self insurance fund shall be made available to the Commission as and when directed.”</p>	1. Allowing self insurance premium upto 0.12% of GFA assets will increase financial burden on Discoms as well as to end consumers, as opposed to earlier value of 0.09%. It is requested to provide the basis of increase in the rate.
2	Regulation 70(E) (Auxiliary Energy Consumption)	In the table of clause 70(E) (a), the numbers and expressions “300/ 330/ 350/ 500 MW and above” shall be substituted as “500 MW and above” at Sr.No.2 of the table;	As per this amendment, the Auxiliary energy consumption for the plants of 300 MW to < 500 MW is not mentioned. It is proposed to keep the Aux consumption level of 300 MW to <500 MW similar to 500 MW and above.

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3	Regulation 70(E) clause (b) (Auxiliary Energy Consumption)	In table of Clause (b), the value of auxiliary consumption as “9.50%’ in second row in table in respect of Chandrapur TPS (2x250 MW) (DVC) shall be substituted as “9.80%”.	As per this amendment, the Auxiliary energy consumption for Chandrapur TPS (2x250 MW) (DVC) has been increased. This will increase the additional financial burden on Discoms. It is proposed to keep the present Aux level.								
4	Clause (G) added after Clause (F) of Regulation 70 (Compensation for the operation of generating station below normative plant availability factor)	<p>“(G) Compensation for the operation of generating station below normative plant availability factor</p> <p>(1) The generating stations whose tariff is determined by the Commission under Section 62 of the Act shall be compensated for degradation of station heat rate and auxiliary energy consumption, consumption of additional secondary fuel oil due to loading below the normative plant availability factor specified under Regulation 70(A) of these regulations.</p> <p>.....</p> <p>(4) For the purpose of compensation under regulation (1) of this regulations, the degradation of gross station heat rate (SHR) over and above the norms specified under Regulation 70(B) of these regulations shall be considered as under:-</p> <p>a) For coal or lignite based generating stations:-</p> <table border="1" data-bbox="556 1230 1486 1409"> <thead> <tr> <th>Sr. No.</th> <th>Unit loading as a % of Installed Capacity of the Unit</th> <th>Increase in SHR (for sub-critical units) %</th> <th>Increase in SHR (for super critical units) %</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>85 -100</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Sr. No.	Unit loading as a % of Installed Capacity of the Unit	Increase in SHR (for sub-critical units) %	Increase in SHR (for super critical units) %	1.	85 -100	Nil	Nil	<p>1. Sub-clause (4) of new clause (G) imposes a increased burden on the beneficiaries as new norms are significantly higher than the compensation already being charged in terms of Station Heat Rate.</p> <p>2. Thermal Generating stations are already being compensated as per the Hon'ble CERC' notification for compensation dated 06.04.2016 & CERC order dated 05.05.2017. It is proposed to keep the compensation mechanism as per CERC order dated 05.05.2017.</p> <p>3. We also propose that in case of less running of stations, O&M cost may also be on a lower side. Accordingly, if the</p>
Sr. No.	Unit loading as a % of Installed Capacity of the Unit	Increase in SHR (for sub-critical units) %	Increase in SHR (for super critical units) %								
1.	85 -100	Nil	Nil								

S.no.	Clause	First amendment draft				Comments																		
		2.	80 - <85	2.1	1.8	commission intends to allow compensation on account of less generation/running of units, O&M cost should also be reduced accordingly. Suitable amendments should be made to capture passing of off-benefit accrued due to savings in O&M because of low running of plant.																		
		3.	75 - <80	3.0	2.5																			
		4.	70 - <75	4.0	3.3																			
		5.	65 - <70	5.1	4.1																			
		6.	60 - <65	6.1	4.9																			
		7.	55 - <60	7.6	6.0																			
		8.	50 - <55	9.2	7.1																			
		9.	45 - <50	11.3	8.3																			
		10.	40 - <45	13.8	9.9																			
		<p>b) For gas or liquid fuel based generating station:-</p> <p>(i) Module/ plant operating in CCGT mode:</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Module/ plant loading as % of installed capacity</th> <th>Increase in SHR (for module/ plant) (%)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>85 -100</td> <td>Nil</td> </tr> <tr> <td>2.</td> <td>80 - <85</td> <td>2.5</td> </tr> <tr> <td>3.</td> <td>70 - <80</td> <td>5</td> </tr> <tr> <td>4.</td> <td>60 - <70</td> <td>8</td> </tr> <tr> <td>5.</td> <td>50 - <60</td> <td>12</td> </tr> </tbody> </table>					Sr. No.	Module/ plant loading as % of installed capacity	Increase in SHR (for module/ plant) (%)	1.	85 -100	Nil	2.	80 - <85	2.5	3.	70 - <80	5	4.	60 - <70	8	5.	50 - <60	12
Sr. No.	Module/ plant loading as % of installed capacity	Increase in SHR (for module/ plant) (%)																						
1.	85 -100	Nil																						
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5.	50 - <60	12																						

S.no.	Clause	First amendment draft	Comments
		<p>(10) Procedure stipulating the mechanism to work out the compensation for degradation of heat rate, auxiliary consumption and secondary fuel oil consumption due to part load operation and multiple start and stop of units of the generating station shall be issued by the NLDC separately with the approval of the Commission.”</p>	