
Views/comments on the draft CERC (Terms and conditions of Tariff) (First amendment) Regulations, 2024

From : addl director2018 <addl.director2018@gmail.com> Sun, Sep 08, 2024 03:43 AM
Subject : Views/comments on the draft CERC (Terms and conditions of Tariff) (First amendment) Regulations, 2024 2 attachments
To : Manish Chaudhari <mmchaudhari@cercind.gov.in>, Harpreet Singh Pruthi <secy@cercind.gov.in>

Sir,

PI find herein enclosed the PCKL views/comments on the draft CERC (Terms and conditions of Tariff) (First amendment) Regulations, 2024 for consideration.

With regards

Additional Director (Projects)
PCKL.



 **Comments on CERC (terms conditions of tariff) Regulation 2024.docx**
17 KB

PCKL views/comments on the draft CERC (Terms and conditions of Tariff) (First amendment) Regulations, 2024

Sl. No.	Existing in Draft notification	PCKL comments
2.1	“Bank Rate” means the one year Marginal cost of lending rate as specified by the State Bank of India from time to time or any replacement thereof for the time being in force plus 100 basis points.”	<p>“Bank Rate” means the one year Marginal cost of lending rate as specified by the State Bank of India prevailing as on 1st April of the financial year or any replacement thereof for the time being in force plus 100 basis points.”</p> <p>The MCLR rates are keep on changing, hence to be considered as on the date of 1st April of financial year.</p>
4.2	“ 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>The actual insurance expenses are covered under Clause (c) of sub-regulation (3) of Regulation 36 of the principal Regulation.</p> <p>The expenditure incurred towards self-insurance premium shall not be reimbursed or paid by the beneficiaries. Additionally, the definition or purpose of the self-insurance premium remains unclear and requires clarification.</p>
5.1	Provided further that the difference between the input price of coal determined under these regulations and the input price of coal either adopted by the generating company in terms of this sub-regulation or the interim input price allowed by the Commission in terms of the first proviso to this sub-regulation shall be recoverable or payable in accordance	Provided further that the difference between the input price of coal determined under these regulations and the interim input price allowed by the Commission in terms of the first proviso to this sub-regulation shall be recoverable or payable in accordance with sub-regulation (4) of this Regulation.”

	with sub-regulation (4) of this Regulation.”	<p>The word input price of coal either adopted by the generating company in terms of this sub-regulation may be removed.</p> <p>In accordance with the draft regulation, commission up to 90% of the input cost, as claimed in the petition, may be allowed. Therefore, no other input costs shall be considered.</p>				
6.1	In first proviso to Regulation 50, the words and expressions “based on the notified price of Coal India Limited for the commensurate grade of coal in a month, prior consent of the beneficiary(ies) shall be required to be obtained by the generating company;” shall be substituted by “based on the price of alternate coal available to the station in a given month, the generating company shall obtain prior consent from the beneficiary(ies);”.	<p>The existing clause shall be retained.</p> <p>Beneficiaries can readily analyze the cost of integrated mines by comparing it with the rates notified by Coal India Limited. Furthermore, approval is required if the rates of integrated mines exceed 20% of the notified rates by Coal India Limited.</p> <p>The proposed clause lacks clarity regarding which station is to be considered and what constitutes alternative coal. Further clarification on these points is necessary.</p>				
10.5	<table border="1" data-bbox="304 1749 855 1995"> <tr> <td data-bbox="304 1749 411 1995">Sr. No.</td> <td data-bbox="411 1749 555 1995">Unit loading as a % of Installed capacity</td> <td data-bbox="555 1749 695 1995">Increase in SHR (for sub-critical units) %</td> <td data-bbox="695 1749 855 1995">Increase in SHR (for super critical units) %</td> </tr> </table>	Sr. No.	Unit loading as a % of Installed capacity	Increase in SHR (for sub-critical units) %	Increase in SHR (for super critical units) %	<p>The increase in SHR charges for unit loading between 40% to 45% is approximately 300 to 350 Kcal/kwh, resulting in a financial impact on the tariff of approximately 54 to 60 paise per unit. Therefore, the Commission is</p>
Sr. No.	Unit loading as a % of Installed capacity	Increase in SHR (for sub-critical units) %	Increase in SHR (for super critical units) %			

		of the Unit			requested to reconsider the proposed percentage increase in SHR charges for unit loading.
1.	85 -100	Nil	Nil		
2.	80-<85	2.1	1.8		
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-<55	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		