

**Comments
of
THDC India Limited
on
Draft CERC Terms and Conditions of
Tariff) Regulation, 2024 for the tariff
period from 01.04.2024 to 31.03.2029**

**Presented by
THDC India Limited**

Regulation no. 9(1)/Pg.25

Application for determination of tariff:

- Application filing for new project is within 90 days from the actual date of commercial operation.

THDCIL Observation

Hon'ble Commission is requested to incorporate “within 60 days from the anticipated date of commercial operation but not later than 90 days from the actual date of commercial operation”

As the same may reduce the financial burden of Generator for the period between Actual date of COD and the first hearing of the application.

Regulation no. 10(7)/Pg.28

Increase in Period for raising of Arrear Bills

- Provided that the bills to recover or refund shall be raised by the generating company or the transmission licensees within **30 days** from the issuance of the Order.

THDCIL Observation

Hon'ble Commission is requested to kindly allow 60 days for raising arrear bills from the issuance of the Order as Arrear billing involves a lot of calculations and need some time to avoid any error, time limit of **60 days** for issuance of arrear bills.

Regulation no. 26(2)/Pg.52

Additional Capitalization beyond the original scope:

Claim of additional capitalization less than Rs. 20 lakhs shall not be considered

THDCIL Observation

Being the Additional Capitalization is generally needed to replace an existing item mandatory, needed to run the plant and having long useful life, therefore, need to be capitalized irrespective of its value otherwise generator shall be losing the depreciation, ROE etc. on account of inclusion of this limit. As such, Hon'ble Commission is requested to kindly allow Additional Capitalization irrespective of its value.

Regulation no. 30(2)/Pg.57

- ROE at the base rate of 17.00% for storage type hydro generating stations, pumped storage hydro generating stations and run-of-river generating station with pondage for new project achieving COD on or after 01.04.2024

THDCIL Observation

The above base rate of 17% should also be applicable for existing Project as the Hydro Generating Stations are playing pivotal role in fulfilling peak demand and Grid stability.

Regulation no. 30(2)/Pg.57

- For new thermal projects in which emission control system is part of original scope, ROE on account of emission control system should be computed at the base rate of 15.5%

Regulation no. 34/Pg. 65

Interest on Working Capital - All the statutory taxes/ duties/ cess/ charges should also be part of working capital

THDCIL Observation

- The statutory duties/ tax/ cess etc. like Water tax, Green tax which are to be paid by the Generating Company on regularly basis should additionally be made part of working capital and accordingly interest on working capital should be calculated.
- The amount of these types of working capital is huge and for timely payment, Generating Company has to take short term loan. As such, the same should be considered as a part of working capital to avoid extra financial burden on Generating company.

Regulation no. 36/ Pg. 69

- The additional O&M expenditures towards Cyber Security should also be allowed separately so that Generating Company may allocate separate budget for the cyber Security expenses.

Regulation no. 66/Pg. 118-121

THDCIL Observation

The following should be considered for finalization of regulation for computation of capacity charges and Energy Charges for **Pumped Storage Plant:**

- Term actual generation need to be replaced by scheduled energy corresponding to pumping energy consumed by the plant.
- Definition of design energy for pumped storage plant should be specified (i.e. Energy scheduled from natural flow of water exclusive of energy scheduled by using pumped water).
- In case of pumping energy is not supplied by the beneficiary(ies) or pumping energy cannot be supplied to station on account of hydrology or reasons not attributable to generating company, the capacity charges shall be paid to generating company by the beneficiary(ies).

Regulation no. 66/Pg. 118-121

- In case of pumping energy is not supplied by the beneficiary(ies) or pumping energy cannot be supplied to station on account of hydrology or reasons not attributable to generating company then conversion loss for the corresponding period would be considered on the basis of the average yearly Design Conversion loss.
- Energy shall be scheduled to all beneficiaries by concerned RLDC in proportion to pumping energy supplied by them in place of their respective allocations and after considering technical minimum of the respective pumped storage plant.
- The pumped storage hydro generating station shall also be allowed an incentive for frequency response as allowed for conventional hydro plants.

Regulation no. 71(4)/Pg. 138

- The Normative annual plant availability factor (NAPAF) of the hydro generating stations already in operation shall be as follows:

| Station | Type | NAPAF |
|---------------|------------------|-------|
| Tehri HPP | Storage | 80% |
| Koteshwar HEP | RoR with Pondage | 68% |

THDCIL Observation

- The NAPAF for the Tehri HPP and Koteshwar HEP to be restored to 77% and 67% as per 2009 tariff Regulation as IEGC 2023 restrict the Generators for scheduling DC for overload capability up to 10% of Installed Capacity only during high inflow and water spillage conditions. Further, the above proposed NAPAF was calculated on the basis of past performance and at that time above restriction on scheduling DC was not implemented and which resulted into achieving higher PAF.
- Moreover, the outage of the plant is increasing annually due to ageing of the plants as Tehri HPP approaching towards half of its useful life and Koteshwar HEP also completed 13years.

Thank You