



Date: 12-03-2024

To,  
The Secretary,  
Central Electricity Regulatory Commission,  
3rd & 4th Floor, Chanderlok Building,  
36, Janpath, New Delhi -110001

**Sub:** Comments/ suggestions/ objections on Draft Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2024 for WTE sector- submitted-reg.

**Ref:** Public notice no. No. RA-14026(11)/1/2023-CERC, dated 17-02-2024

Respected sir,

The following parameters /norms may be considered by CERC for finalizing the RE Regulations for WTE Sector.

Project Cost	Rs 25 Cr/MW to Rs 30 Cr/MW
Cost of Processing Plant	<p>Excluded from above cost</p> <p>The MSW Processing usually comprises of segregation, composting /anaerobic digestion for wet waste, cement plant/custom built WTE for RDF, leachate treatment and residual disposal to SLF as main components. The operator is selected by ULB through bid process with Gate fee as a bid criteria with the provision that revenue out of compost, RDF, Power, energy, biogas, recyclables etc. accrue to the developer /operator.</p> <p>The SWM rules 2016 govern these processing plants.</p> <p>It is requested that CERC may counsel and prevail upon the SERCs to desist from encroaching into tipping fee/gate fee aspects</p>



	<p>while determining tariff for Waste to Energy projects and avoid needless litigation which prove to be an obstacle for the development of capacity in Waste to Energy Industry.</p>
PLF	<p>National Tariff Policy prescribes all the 100% energy from WTE plants to be procured by DISCOMs. Hence, for purpose of tariff determination , a normative norm of 75% may be considered</p>
Type of Plant MSW or RDF	<p>This classification proposed by CERC now runs counter to its original regulation in 2015, when it defined MSW plants inclusive of processing plants with 35-40% capital cost out of Rs 15 Cr/MW for MSW Plants.</p> <p>Thus, the RDF based WTE plant was determined to be costing Rs 9 Cr/MW.</p> <p>It is unfortunate that TSERC has adopted the same bench mark of Rs 9 Cr /MW in 2020 , and also had included the processing plant cost in the Rs 9 Cr/MW.</p> <p>Since SWM Rules 2016 stipulate that only segregated, combustible fraction of MSW having cal value of 1500 kcal/kg to be used for Waste to Energy, the proposal of CERC for MSW Plants as direct incineration of MSW as collected is looking to be beyond the SWM rules 2016. Therefore, CERC is well advised to study the same for legal veracity.</p>
O&M Cost	<p>7% of the Capital cost with a Consumer price index escalation should be provided. Additionally, period costs for retrofit for the combustion equipment to be provided for Waste To Energy plants</p>

Fuel Cost	Should not be considered and similarly there should be no linkage of tariff with Gate fee or tipping fee.
Tariff	It is suggested to factor a Uniform All across country tariff for Waste to Energy like in China, Srilanka, Vietnam etc which shall be followed by SERCs automatically without resorting to diverse, complex and at time perverse orders on Waste to Energy.
Additional Tariff	Considering the location of the projects in remote areas, usually dump sites of MSW operated by ULBs with little access for water and evacuation of power, it is realized that most units opt for ACC as there is no choice which is expensive. Further, the transmission line and the ROW issues also cast an impact. Hence, an additional price of Rs 0.35 /kwh to be fixed over and above the ceiling tariff for Waste To Energy
Interest Rate	11%
Project Life	25 years

For, Zenith Energy Services Private Limited

Sindhu Jannareddy,  
Director

