

22nd July 2024

The Secretary,
Central Electricity Regulatory Commission,
6th, 7th & 8th Floors, Tower B,
World Trade Centre, Nauroji Nagar,
New Delhi -110029.

Subject: Comments - Determination of levelized generic tariff for First year of Control Period under Regulation 8 of the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2024

Reference:

1. No. RA-14026(11)/4/2023-CERC, Dated: 15th July 2024
2. Explanatory Memorandum on Draft Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2024

Respected Sir,

We, NSL Group of Companies, own & operate sugar factories with co-generation capacity of 154MW cumulatively, situated across Karnataka, Maharashtra, and Telangana, connected with the State Transmission Utility of respective states.

In addition to sugar production, we harness the power of renewable energy sources, totaling 360MW (wind, solar & hydel) situated across Gujarat, Himachal Pradesh, Karnataka, Maharashtra, and Tamil Nadu, connected with the State Transmission Utility, selling power to concerned DISCOM.

Given the seasonal nature of the sugar industry, we export surplus power contingent upon the availability of fuel (Bagasse) and manufacturing requirements. In Karnataka and Telangana, we sell surplus power through PPA & Inter-State open access.

In light of our stakeholder position, we wish to offer feedback on the Tariff proposal. Enclosed herewith are our Comments on the Central Electricity Regulatory Commission's (RE Tariff Order - Proposal), 2024.

Thanking You,
For NSL Group of Companies


Satheeswar N S
(Power Trading & Regulatory)

S. No.	Clause No.	Issue	Provision of Draft CERC RE Tariff Proposal, 2024	Proposed Change by NSL	Rationale for Suggestions/Comments																		
1	Annexure -I (51)	Fuel Cost of Bagasse	<p>The Commission, as per Regulation 44 (1) of the RE Tariff Regulations, 2024 has specified the Bagasse fuel price during first year of the Control Period in the following table:</p> <table border="1"> <thead> <tr> <th>States</th> <th>Bagasse Price (Rs. /MT)</th> </tr> </thead> <tbody> <tr> <td>Andhra Pradesh</td> <td>2249</td> </tr> <tr> <td>Haryana</td> <td>3199</td> </tr> <tr> <td>Maharashtra</td> <td>3152</td> </tr> <tr> <td>Punjab</td> <td>2815</td> </tr> <tr> <td>Tamil Nadu</td> <td>2423</td> </tr> <tr> <td>Telangana</td> <td>2248</td> </tr> <tr> <td>Uttar Pradesh</td> <td>2509</td> </tr> <tr> <td>Other States</td> <td>2723</td> </tr> </tbody> </table>	States	Bagasse Price (Rs. /MT)	Andhra Pradesh	2249	Haryana	3199	Maharashtra	3152	Punjab	2815	Tamil Nadu	2423	Telangana	2248	Uttar Pradesh	2509	Other States	2723	<p>The price of bagasse fuel shall be equivalent to the price set by the Coal Ministry for G8 grade coal in the National Coal Index, updated regularly.</p>	<p>In reference to Article 5.4.6 of the Explanatory Memorandum on Draft CERC's (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2024:</p> <p>We acknowledge and appreciate the incorporation of factors such as farmers' remuneration, fuel transportation costs, and fuel costs for determining the prices of bagasse across different states.</p> <p>However, it is noted that the current method compares only the Gross Calorific Value (GCV) of bagasse with G17 grade coal, both having approximately 2250 kCal/kg. This comparison overlooks other environmentally beneficial factors such as ash content, sulphur and nitrogen emissions, and the carbon footprint associated with fuel transportation.</p> <p>It should be highlighted that G17 coal typically exhibits higher levels of SOx, NOx, and ash content compared to bagasse. Furthermore, in the context of bagasse cogeneration boilers, substituting bagasse with G8 grade coal (GCV not less than 4900 kCal/kg) is recommended based on boiler design to minimize emissions.</p> <p>Considering these aspects, we respectfully urge the commission to determine a unified price of bagasse for all states, referencing the price of G8 grade coal. This approach should also consider the environmental benefits of bagasse compared to coal, addressing factors beyond just GCV to promote sustainable energy practices.</p>
States	Bagasse Price (Rs. /MT)																						
Andhra Pradesh	2249																						
Haryana	3199																						
Maharashtra	3152																						
Punjab	2815																						
Tamil Nadu	2423																						
Telangana	2248																						
Uttar Pradesh	2509																						
Other States	2723																						

