

SISMA TN/CERC/89A/45/2024

July 31, 2024



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

Sir

Reg: Determination of levellised 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.

Ref: Your Public Notice No. RA-14026(11)/4/2023-CERC Dated: 15.07.2024.

Kindly refer to the Public Notice cited in the reference inviting comments/suggestions from the stakeholders for determining levellised generic tariff for the period 01.07.24 to 31.03.25.

We are an association of private sector sugar mills in the State of Tamil Nadu. The members of our Association have established bagasse-based cogeneration plants in Tamil Nadu and have vital stakes in tariff determination for renewable energy. We hereby submit the following suggestions for your kind consideration.

1. Bagasse fuel price.

- We observe that it is proposed to fix bagasse price considerably lower for Tamil Nadu as compared to other major sugarcane/sugar producing States.

State	Bagasse price Rs/ton
Maharashtra	3152
Uttar Pradesh	2509
Other States (that includes Karnataka a major sugar producer)	2723
Tamil Nadu	2423

- It appears that in the proposed levellised tariff for the first year, Hon'ble Commission has taken the bagasse value given in CERC (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations 2024 (Hereinafter referred to as "Regulations 2024").
- Further in the said Regulations 2024 (para 44), it has been stated that the Hon'ble commission may review the bagasse price based on study consequent to which the table of bagasse price as provided in the Regulation shall stand modified.
- We wish to submit that no scientific study has been carried out for the past 15 years and bagasse price has been determined year after year by simply adding 5% escalation factor to the price fixed for the previous year. The rate of escalation has been reduced to 3.45% in Regulations 2024.
- It is respectfully submitted that Hon'ble APTEL in our own case SISMA TN Vs TNERC in Appeal No 199 of 2012 (order dated 04-09-2013) has held that fuel price shall be determined on the basis of equivalent heat value method or on the basis of market price of bagasse.
- We request that a scientific study may kindly be carried out at the earliest to determine the bagasse price and levellised tariff for the first year may be fixed based on the findings of such study.
- We further request that the South Indian Sugar Mills Association – Tamil Nadu may kindly be involved in carrying out the study as far as Tamil Nadu region is concerned.

2. Treatment for Over – Generation

- In the Regulations 2024 (para 11), it has been stated that the renewable energy producer may sell the energy produced in excess of PLF in a particular year in the market with first right of refusal vesting with the concerned beneficiary.
- In case the concerned beneficiary purchases the excess energy, the tariff for such excess energy purchase shall be equal to the tariff applicable for that year.
- We request that the above may kindly be incorporated in the order to be issued for determination of levelled tariff for the first year.

Thanking you,

Yours faithfully,



S CHELLAPPA
SECRETARY