SHARVANI ENERGY PVT. LTD.
CIN NO.: U401000TG2002PTC038332

Before the Central Electricity Regulatory Commission
World Trade Centre, Nauroji Nagar, New Delhi.110029

In the matter of

Public comments invited in public notice dated 11-06 2025 regarding determination of levelized generic tariff for second year of control period under Regulation 8 of the CERC(Terms and conditions for Tariff Determination from Renewable Energy Sources) Regulation 2024

Most respectfully showeth that

1 In the aforesaid Regulation vide clause 28, the normative Capacity Utilization Factor for Small Hydro Electric Projects in Odisha has been fixed at 45%,in line with small hydro projects located in other states like Himachal Pradesh, Uttarakhand, West Bengal, Jammu and Kashmir, Ladakh, North-Eastern States while for other States it shall be 30%

2 That Capacity Utilization Factor(CUF) for small Hydro Projects predominantly relies on site specific factors such as water flow rate, year-round water availability, elevation difference (Head) and irrigation schedules especially for projects linked to canal based irrigation. Regions like Himachal Pradesh and Uttarakhand in the Northern part of the country benefit from consistent water stream resulting in better availability of water throughout the year. Conversely in Southern and Western regions, water availability is high only during the monsoon seasons and diminishes during other periods. The variation in water availability significantly impacts the average CUF for Small Hydro Electric Projects (SHEP) across different regions. As a consequence SHEPs in Himachal Pradesh, Uttarakhand and North Eastern States tend to have a higher average CUF compared to those located in other parts of the country. Hence the normative CUF fixed by the State Electricity

Regulatory commission should be seen as an indicator of the differences in CUF across states. It is essential to consider this while establishing CUF norms across various states. It is worthwhile to mention that the actual project data shared by IREDA are all under construction project. Thus in the absence of actual data on CUF the Commission proposes to fix 45% as normative CUF for Odisha which will be far from reality and unjustice.

3 That it is respectfully submitted that Hon'ble CERC has prescribed a normative CUF of 45% for SHEPs located in Himachal Pradesh, Uttarakhand, Jammu & Kashmir Ladakh and North Eastern States. This categorization is based on favourable hydrological and topological conditions prevailing in these regions, including consistent year round water flow and high elevation heads.

4 That in contrast Odisha's hydro-meteorological profile is markedly different. Small hydro projects in Odisha are largely dependent on monsoonal water availability and canal irrigation schemes, with limited water flow during non monsoon period leading to significantly lower CUF.

5 That it is worthwhile to mention that the Hon'ble CERC in its Explanatory Memorandum to the Renewable Energy Tariff Regulation had specifically categorized Odisha based Small Hydro Projects under 30% CUF aligning with prevailing realities of water flow and norms adopted by Odisha Electricity Regulatory Commission (OERC) in previous tariff orders and Regulations However the final notified Regulations have surprisingly included Odisha under 45% CUF category, contrary to its earlier position without providing any reasoned explanation or data based justification for the feasible SHEPs in Odisha This inconsistency calls for reconsideration by Hon'ble CERC about fixation of normative CUF for Odisha.

6 Further the Explanatory Memorandum to the CERC RE Tariff Regulations 2024 explicitly states that the normative CUF for SHEPs were fixed after considering the actual performance data and norms endorsed by the respective State Electricity Regulatory Commissions(SERCs). In this context Hon'ble Odisha Electricity Regulatory Commission(OERC) has consistently considered a normative CUF of 30% for Odisha based SHEPs in its earlier tariff orders and Regulations. It is unclear as to how CERC has applied 45% CUF for Odisha in deviation from both OERC regulations and ground realities.

7 That it has been stated by the Hon'ble CERC that the CUF data considered was primarily sourced from under construction project financed by IREDA and that specific operational data from IREDA was not available during formulation of these norms. As such in the absence of verified operational data and in the interest of ensuring realistic tariff determination, it would be prudent and necessary for Hon'ble CERC to fix the 30% CUF norms for SHEPs in Odisha reflecting the true generational potential of such projects in the state.

8 That the Regulations dated 12-06 2024 of the Hon'ble CERC has considered a normative CUF of 45% for SHEPs of Himachal Pradesh , Uttarakhand, West Bengal , Jammu &Kashmir Ladakh, North Eastern States including Odisha. However this grouping fails to reflect the stark hydrological and geographical difference between Odisha and other states like Himachal Pradesh Uttarakhand, J&K, West Bengal and those of North Eastern States , the latter states being characterized by perennial rivers, high altitude catchments, resulting in consistent and high water flow throughout the year, a fundamental precondition for sustaining higher CUF in SHEP operation.

9 That the small Hydro projects in West Bengal are located in hilly terrain of Darjeeling which experiences perennial water availability due to its

geographical position in the sub Himalayan region. In contrast Odisha's river such as Kathjodi, Kuakhai, Tel, Ib, Hathi rivers exhibit limited flow, heavily dependent on monsoon. These rivers are located in non hilly low altitude region where flow fluctuates across the year hence assigning the same 45% CUF to Odisha as applicable to perennial River fed hilly states is technically flawed and unjustified.

10 That adopting such a high CUF for Odisha without recognition of its ground realities would directly lead to artificially suppressed tariff, it is clearly visible that proposed tariff for Odisha is Rs 4.95/kWh where as all neighbouring states of Odisha proposed tariff of more than Rs 6.58/kWh which is clearly makes as rendering SHEP investments economically unviable and deterring developers from participating in Odisha's renewable energy market. Therefore any such blanket application of CUF norms across diverse geographic regions should be rejected in favour of a localized evidence based approach as rightly adopted by Odisha Electricity Regulatory Commission in its order dated 4-12 2023.

Thanking You

With Regards

For **Sharvani Energy Pvt Ltd.**

Managing Director