



# महाराष्ट्र विद्युत नियामक आयोग

## Maharashtra Electricity Regulatory Commission

Ref. No. MERC/FAC/2022-23/0270

Date: 9 June, 2022

To,  
The Chief Executive Officer,  
Adani Electricity Mumbai Limited,  
Devidas Lane, Off SVP Road,  
Near Devidas Telephone Exchange  
Borivali (W), Mumbai – 400 092

**Subject:** Prior approval of Fuel Adjustment Charges (FAC) submissions of AEML-D for the month of January, 2022.

**Reference:**

1. Commission's letter regarding levy of FAC on consumers dated 5 April, 2022.
2. AEML-D FAC submission for the month of January 2022 vide email dated 8 April, 2022.
3. The data gaps were communicated vide email dated 20 April, 2022.
4. AEML-D replied vide email dated 10 May, 2022.
5. Subsequent discussion with AEML-D on 17 May 2022

Sir,

Upon vetting the FAC calculations for the month of January, 2022 as mentioned in the above reference, the Commission has accorded approval for charging FAC amount of **Rs. 15.78 Crore**. However, the net leviable amount after adjustment from the existing FAC fund is **Rs. 28.57 Crore**. The FAC leviable for the month of December 2021 was positive and the same was allowed to be carried forward and accumulated for next three-month period i.e. up to the month of February 2022 as per letter dated 5 April, 2022 issued by the Commission. The month of January 2022 is the second month of this three-month period and accordingly, net FAC leviable will be accumulated upto February 2022 as per letter dated 5 April, 2022 issued by the Commission and accordingly the FAC chargeable to consumers is as shown in the table below:

Month	FAC Amount (Rs. Crore)
January, 2022	0

The Commission allows the accumulation of FAC amount of **Rs. 28.57 Crore** which shall be carried forward to next FAC billing cycle with carrying cost as per the Order dated 30 March, 2020 in Case No. 325 of 2019 and allowed for recovery as per letter dated 5 April, 2022 issued by the Commission.


Page 1 of 35

Further, as directed in the said Order, AEML-D shall maintain the monthly account of FAC Fund and upload it on its website to maintain transparency of FAC Fund and also for information of all the stakeholders.

AEML-D is directed to file their future FAC submissions taking into consideration data gaps raised in previous months to ensure timely prior approval.



Yours faithfully,

  
(Prafulla Varhade)  
Director (EE), MERC

**Encl:** Annexure A: Detailed Vetting Report for the period of January, 2022.

**PRIOR APPROVAL FOR FAC CHARGES FOR THE MONTH OF JANUARY 2022**

**Subject:** Prior approval of Fuel Adjustment Charges (FAC) submissions of AEML-D for the month January 2022.

**Reference:**

1. AEML-D FAC submission for the month of January 2022 vide email dated 08 April 2022.
2. The data gaps were communicated vide email dated 20 April, 2022.
3. AEML-D replied vide email dated 10 May, 2022.
4. Commission's guideline regarding levy of FAC on quarterly basis issued on 5 April, 2022.

**1. FAC submission by AEML-D:**

1.1 AEML-D has made FAC submissions for the month of January 2022 as referred above. Upon vetting the FAC calculations, taking cognizance of all the submissions furnished by AEML-D, the Commission has accorded prior approval to AEML-D for the FAC amount of Rs. 15.78 Crore. The approved FAC amount is being adjusted from the FAC Fund and the balance amount of Rs 28.57 Crore is being carried forward and will be accumulated for next three-month period i.e up to the month of February, 2022 as per letter dated 5 April, 2022 issued by the Commission. At the end of the three-month period, the Commission will allow the recovery of cumulative amount for three-month period equally over the next three-month period during prior approval of the third month along with carrying cost.

**2. Background**

2.1 On 30 March, 2020 the Commission has issued Tariff Order in respect of AEML-D (Case No. 325 of 2019) for approval of Aggregate Revenue Requirement and Multi Year Tariff for FY 2020-21 to FY 2024-25. Revised Tariff has been made applicable from 1 April, 2020.

2.2 Vide its letter dated 20 April, 2020, the Commission communicated the excel formats for filing of FAC submissions to all Distribution Licensees including SEZs. The Commission also directed all Distribution Licensees to submit FAC computations, including details pertaining to variation in fuel cost of generators for the approval of the Commission. On 19 May, 2021, the Commission has also issued guidelines for





## Approval of FAC Charges for the month of January, 2022

considering consumer sales in FAC computation from April, 2021 onwards based on uniform methodology.

- 2.3 As per Prior Approval of FAC Guidelines dated 20 April, 2020, the Commission directed Distribution Licensee to seek prior approval for monthly FAC computations. Accordingly, vide its email dated 08 April, 2022, AEML-D has filed FAC submissions for the month of January 2022 for prior approval of the Commission. The Commission has scrutinized the submissions provided by AEML-D and has also verified the power purchase bills and other fuel related invoices provided along with its submissions.

### 3. Energy Sales of the Licensee

- 3.1 The net energy sales within licence area as submitted by AEML-D in the FAC submission and as approved by the Commission are as shown in the Table 1 below:

**Table 1: Energy Sales – Approved and Actual**

Consumer Category	Approved by the Commission (MU)	Monthly Approved (MU)	Actual Sales (January, 2022) (MU)
	(I)	(II=I/12)	(III)
<b>LT Category</b>			
BPL	0.01	0.001	0.0003
LT -I: Residential	4,644.19	387.02	288.71
LT II: Commercial	2,661.44	221.79	165.47
LT III(A): LT Industrial up to 20 kW TOD Option	186.97	15.58	25.52
LT III(B): LT Industrial above 20 kW	383.85	31.99	24.64
LT-V: LT- Advertisements and Hoardings	2.95	0.25	-
LT VI: LT -Street Lights	50.47	4.21	-
LT-VII: LT -Temporary Supply	12.22	1.02	-
LT VIII: LT - Crematorium & Burial Grounds	1.50	0.13	-
LT IX: LT -Public Service (A)	35.09	2.92	2.01
LT IX: LT -Public Service (B)	206.62	17.22	11.72
LT X (A): LT - Agriculture Pumpsets	0.11	0.01	0.004
LT X (B): LT - Agriculture Others	0.38	0.03	0.01
LT IV: Public Water Works	12.77	1.06	-
LT IX: LT – EVCS	-	-	0.03
<b>HT Category</b>			
HT 1 (Industrial)	375.11	31.26	22.88
HT 2 (Commercial.)	276.26	23.02	26.54
HT 3 (Group Housing Soc.)	32.24	2.69	0.81
HT 4 (Temporary Supply)	24.13	2.01	-
HT – Railways	31.04	2.59	1.63
HT - Public Services (A)	6.21	0.52	0.41





Consumer Category	Approved by the Commission (MU)	Monthly Approved (MU)	Actual Sales (January, 2022) (MU)
	(I)	(II=I/12)	(III)
HT - Public Services (B)	97.20	8.10	10.92
HT - Public Water Works	8.13	0.68	-
<b>Total</b>	<b>9,048.92</b>	<b>754.08</b>	<b>581.31</b>

\*- In Case of AEML-D, the sales is approved on annual basis. Monthly approved sales is derived based on approved annual sales for comparison purpose.

3.2 It can be observed from above Table 1 that **actual sales during January 2022 is 581.31 MU which is 22.91%% lower than approved energy sales of 754.08 MU per month for the FY 2021-22.** AEML-D has considered the energy sales for FAC purposes for January 2022 as follows:

- Energy sales data for HT consumers (AMR) & LT consumers (load above 20 kW) where meters are read remotely or where monthly reading are downloaded is considered for n<sup>th</sup> month (i.e., for January 2022).
- For cycle consumers (LT cycle billing), consumption data provided is for meter reading from 1 January to 31 January 2022.

3.3 The monthly and cumulative sales for major consumer categories are shown below in the Table 2 below:

**Table 2: Monthly and Cumulative Sales for major Consumer Categories**

Year\ Sales (MU)	Residential	Commercial	Industrial	Others	Total (FY 2021-22)	Total (FY 2020-21)
<b>Monthly Approved</b>	<b>390</b>	<b>245</b>	<b>79</b>	<b>41</b>	<b>754</b>	<b>736</b>
Actual – April, 2021	406	193	75	24	697	629
Actual – May, 2021	433	164	81	24	703	481
Actual – June, 2021	408	162	70	23	663	586
Actual – July, 2021	377	185	71	23	657	669
Actual – August, 2021	356	188	65	25	635	538
Actual – September, 2021	351	207	86	24	668	586
Actual – October, 2021	383	231	82	26	722	624
Actual – November, 2021	379	232	83	26	719	642
Actual – December, 2021	342	220	88	28	678	595
Actual – January, 2022	289	192	73	27	581	589
<b>Approved - Cumulative till January, 2022</b>	<b>3,897</b>	<b>2,448</b>	<b>788</b>	<b>407</b>	<b>7,541</b>	<b>7,362</b>





Approval of FAC Charges for the month of January, 2022

Year\ Sales (MU)	Residential	Commercial	Industrial	Others	Total (FY 2021-22)	Total (FY 2020-21)
Actual - Cumulative till January, 2022	3,726	1,974	774	250	6,724	5,940

**4. Power Purchase Details**

4.1 The following are the list of sources from which AEML-D procures power to meet its demand:

- Purchase from Adani Dahanu Thermal Power Station (ADTPS)
- Renewable energy procurement (RPS) including Solar and Non-solar
- Bilateral Contracts and Imbalance pool

Apart from above, there are incidental purchases from Open Access and Rooftop.

4.2 The Commission in its MYT Order dated 30 March, 2020 in Case No. 325 of 2019 had approved the Power Purchase for FY 2021-22 from three major sources i.e. Adani Dahanu Thermal Power Station, Renewable sources and Short-term sources.

4.3 Summary of power purchase of AEML-D is as shown in Table 3 below:

**Table 3: Summary of Power Purchase for January, 2022**

Sr. No.	Particular	Compliance
1	Purchase from Approved Sources	<b>Yes.</b> AEML-D has procured power from ADTPS, Solar and Non-solar Sources and Bilateral in the month of January 2022, which are approved sources of power purchase.
2	Merit Order Dispatch	<b>Yes.</b> AEML-D had scheduled power as per MoD.
3	Fuel Utilization Plan	<b>Yes.</b> Since there is only one thermal generating station of AEML-G and there is shortage of indigenous coal, hence there is no scope for improvement in optimal fuel utilization.
4	DSM Pool	AEML-D has drawn 0.68 MU from the imbalance pool to meet its power purchase requirement as per DSM mechanism.
5	Sale of Surplus Power	AEML has not sold any power during the month of January 2022.
6	Power Purchase	Actual Power Purchase is 594.50 MU as against approved 840.18 MU due to lower sales.



*Pras*



Sr. No.	Particular	Compliance			
		Source Name	Approved (MU)	Actual (MU)	Proportion of each Source in Actual Purchase
7	Source wise Power Purchase	ADTPS	311.08	229.88	38.67%
		RE Sources	278.86	94.58	15.91%
		Exchange	250.24	269.07	45.26%
		Imbalance Pool & Other	-	0.97	0.16%
		<b>Total</b>	<b>840.18</b>	<b>594.50</b>	<b>100.00%</b>
		<i>*The power purchase quantum/cost approved in MYT Order on yearly basis, however monthly approved numbers are derived from comparison purpose.</i>			
8	Power Purchase under Section 62 of Electricity Act, 2003	<p>AEML-D is purchasing power from only one source i.e. ADTPS under Section 62 of EA, 2003.</p> <p>As part of verification of fixed cost claimed by AEML-D, the same has been verified from the AEML-G MYT Order in Case No. 325 of 2019.</p> <p>As part of verification of energy charges claimed by AEML-D, verification of operational parameters, fuel cost, GCV etc. vis-à-vis the MYT Order is carried out.</p>			
9	RE Purchase	<p>Monthly power purchase invoices are submitted by AEML-D. Power Purchase rates are verified from the PPA signed by AEML-D with each source of power. Monthly power purchase quantum and rate are verified from the invoices, and it is ensured that same has been considered in the FAC calculation.</p>			
10	Short Term Power Purchase	<p>Short-term power purchase invoices of January, 2022 are submitted by AEML-D. All the power purchase quantum and rate are verified from the invoices, and it is ensured that same has been considered in the FAC calculation.</p>			

- 4.4 **AEML-D has purchased 594.50 MUs of power as against approved 840.18 MUs from the sources approved by the Commission.** The lower Power purchase is due to lower Sales of AEML-D in the month of January 2022.
- 4.5 **Power Procurement from ADTPS:** AEML-D has a PPA with ADTPS (own generation). **The Commission in Case No. 325 of 2019 has approved monthly energy quantum of 311.08 MU. AEML-D has purchased 229.88 MU for the month of January 2022.**
- 4.6 **Power Procurement from Solar and Non-Solar:** AEML-D has an Energy Purchase Agreement (EPA) with Dhursar Solar Power Private Limited (DSPPL). AEML also has PPA with Adani Hybrid Energy Jaisalmer Four Limited for 700 MW. AEML-D also has an EPA with five non-solar sources namely Reliance Innoventures, AAA Sons Enterprise, Vector Green Energy Private Limited, Tembhu Power Private Limited and Reliance Clean Power Private Limited. AEML-D has also purchased 32.13 MU short





term RE power based on IEX Green Day Ahead Market (GDAM). The Actual energy quantum purchased and approved by the Commission in Case No. 325 of 2019 is as shown in the Table 4 below:

**Table 4: Approved and Actual Energy Quantum from Solar and Non-Solar Sources**

Source	Contracted Capacity (MW)	Approved (MU)	Actual (MU)
<b>Solar</b>			
DSPPL – Solar	40.00	5.52	4.11
Adani Hybrid Energy Jaisalmer Four Limited – Wind Solar Hybrid (AHEJFL)	700.00	255.50	52.26
<b>Non-Solar</b>			
Reliance Innoventures	45.00	6.57	1.65
AAA Sons Enterprise	3.38	0.52	0.11
Vector Green Energy Private Limited	18.00	2.63	1.29
Vector Green Energy Private Limited (April 2009)	6.00	0.88	0.54
Tembhu Power Private Limited	4.50	0.99	-
Reliance Clean Power Limited	45.00	6.26	2.49
Short Term RE/GDAM			32.13
<b>Total</b>		<b>278.86</b>	<b>94.58</b>

4.7 AEML-D has procured 1.41 MU lower than the approved from DSPPL, 203.25 MU lower than approved from AHEJFL from wind solar hybrid (project partially commissioned with pure solar capacity of 150.4 MW (Solar) and with Hybrid capacity of 174.98 MW on 30 November, 2021, which provided 52.26 MU for January 2022), 4.92 MU lower than the approved from Reliance Innoventures, 0.40 MU lower than approved from AAA Sons Enterprise, 1.67 MU lower than the approved from Vector Green Energy Private Limited, 0.99 MU lower than the approved from Tembhu Power Private Limited (**small hydro plant affected due to flooding happened (Krishna river) in July 2021**) and 3.77 MU lower than approved from Reliance Clean Power Private Limited. Further, as the approval by the Commission is on yearly energy quantum, this variation is being accepted provided cumulative power procured for majority of the sources is within the approved energy quantum. Also, AEML-D has purchased 32.13 MU short term RE power based on IEX Green Day Ahead Market.

4.8 Considering the lower availability of power from AHEJFL project, the Commission vide email dated 20 April, 2022 sought the details regarding the expected dates of commissioning for remaining capacity and if there is delay in CoD vis-à-vis the planned commissioning dates. AEML-D was also directed to provide the reasons for such delays and efforts being taken to ensure timely commissioning. AEML- D submitted its response vide email dated 9 May, 2022. In response, AEML-D submitted the letter received from AHEJFL providing response to the query raised by Commission related to status of commissioning of AHEJFL project. The details of the response is summarised below:





- AHEJFL has been impacted because of various force majeure events like stay on land by Hon'ble High Court of Rajasthan at Jodhpur, pandemic Covid-19 in 2020, resurgence of covid-19 in 2021, patwari strike and others.
- The details of the various force majeure events impacting the commissioning of the AHEJFL project is summarised below:
  - **Force Majeure on account of Pandemic Covid-19 in the year 2020:**  
On account of Pandemic covid-19, MNRE granted extension in SCD by 5 months i.e. from 25 March, 2020 to 24 August, 2020.
  - **Force Majeure on account of resurgence of Pandemic Covid-19 in the year 2021:**  
On account of resurgence of covid-19, MNRE granted extension in SCD by 76 days i.e. 1 April, 2021 to 15 June, 2021.
  - **Force Majeure due to stay imposed by Hon'ble High Court of Rajasthan at Jodhpur:**  
The Hon'ble High Court of Rajasthan at Jodhpur, vide its Order dated 8 September, 2020, directed to maintain status-quo on the land allotted to AREPRL. AREPRL had suspended all construction and development activities of the Fatehgarh Solar Park, in compliance to the Order. Separately, due to this Order, allocation of part of land in the Solar Park to HPD was delayed. The project work was impacted during 8 September, 2020 to 29 June, 2021, due to Status quo directed by Hon'ble High Court Of Rajasthan at Jodhpur.
  - **Force Majeure on account of GIB**  
The Hon'ble Supreme Court order dated 19 April, 2021 and IA filed by MNRE regarding projects in GIB priority and potential area in Rajasthan where the land required for project implementation have already been secured. MNRE has issued an OM No. 283/26/2021 - GRID SOLAR-Part(I) dated 3 February, 2022 granting extension in Scheduled Date of Commissioning up to 30 days after the date of judgment by Hon'ble Supreme Court in the IA filed by MNRE.
  - **Force on account of disruption**  
Referring to MNRE O.M Cited dated 17 March, 2022 where MNRE has provided relief considering supply chain disruption due to second COVID-19 Surge followed by monsoon related disruptions. Further, installation of wind turbine requires transportation of heavy/large components such as nacelle, tower, blades, etc. as well as movement of construction machinery at the site.

AHEJFL further informed that the subject PPA was signed and order for WTGs were placed before 15 June, 2021. Further MNRE has decided that for wind power projects for which the PPA was signed and orders for WTGs placed before 15 June, 2021, the implementing agencies can allow and additional time extension up to 3 months in the Scheduled Commissioning Date.



## Approval of FAC Charges for the month of January, 2022

AHEJFL also submitted that MNRE, taking cognizance of various force majeure events, has time-to-time provided relief to the renewable developers by granting extension in SCD and AEML-D would appreciate that projects actually get impacted by many more days due to time required for mobilization and demobilization of manpower and machinery required for constructing the project. Further the supply chain of equipment were also impacted and hence MNRE also provided relief due to impact Of Covid on supply chain of equipment. Despite above challenges, AHEJFL has put in its best efforts to complete the project in scheduled timeline.

- Accordingly, the details of capacity commissioned by AHEJFL and the schedule for commissioning of the remaining capacity is given below:
  - a. Hybrid capacity commissioned till 30, April 2022 and power flowing is 289 MW.
  - b. Balance hybrid capacity planned for commissioning, as per below schedule:
    - i. June 2022 – 175 MW
    - ii. July 2022 – 236 MW

4.9 The Commission has noted the submissions of AEML-D based on the response received from the developer i.e. AHEJFL. The Commission notes that the delay in the commissioning of the project impacts the consumers as non-availability of cheaper contracted power leads to AEML-D having to procure power from other short term sources including power exchanges at higher rates in many of the instances. This leads to additional burden on the consumers which is getting passed through the FAC mechanism.

4.10 The original PPAs were executed by AEML-D with the developers on 11 February, 2020 and the same were consolidated into a single PPA and executed on 7 July, 2020. As per the terms of the original PPAs with the developers, the scheduled commercial operation date (SCOD) was 10 August, 2021. The SCOD as per the consolidated PPA is also 10 August, 2021 as all the terms and conditions of the PPA remain to be same after consolidation as well. The effective date of the PPA is 11 February, 2020.

4.11 AEML-D in a subsequent submission in response to Commission's queries dated 4 August, 2021 on AEML-D's Hybrid PPA submitted that the scheduled / revised commercial operation date was 10 January 2022. However, as per the latest submission, the revised schedule for commissioning of the balance hybrid capacity is June 2022 for 175 MW capacity and July 2022 for 236 MW capacity.

4.12 This delay is impacting the consumers adversely in the form of non-availability of cheaper contracted power and hence it is important for AEML-D to ensure that all the applicable provisions of the PPA are exercised prudently while ensuring that the consumers are not impacted adversely.





4.13 Some of the relevant provisions of the PPA are reproduced below for reference:

**“4.5. Extensions of Time**

4.5.1. *In the event that the HPD is prevented from performing its obligations under Article 4.1 by the Scheduled Commercial Operation Date due to:*

- a. *any AEML Event of Default; or*
- b. *Force Majeure Events affecting AEML, or*
- c. *Force Majeure Events affecting the HPD,*

*the Scheduled Commercial Operation Date and the Expiry Date shall be deferred, subject to the limit prescribed in Article 4.6.2, for a reasonable period but not less than 'day for day' basis. to permit the HPD or AEML through the use of due diligence, to overcome the effects Of the Force Majeure Events affecting the HPD or AEML or till such time such Event of Default is rectified by AEML.*

4.5.2 *Not used*

4.5.3 *In case of extension due to reasons specified in Article 4.5.1 (b) and (c), and if such Force Majeure Event continues even after a maximum period of nine (9) Months, any of the Parties may choose to terminate the Agreement as per the provisions of Article 13.5.*

4.5.4. *If the Parties have not agreed, within thirty (30) days after the affected Party's performance has ceased to be affected by the relevant circumstance, on the time period by Which the Scheduled Commercial Operation Date or the Expiry Date should be deferred, any party may raise the Dispute to be resolved in accordance with Article 16.*

4.5.5. *As a result of such extension. the Scheduled Commercial Operation Date end the Expiry Date newly determined shall be deemed to be the Scheduled Commercial Operation Date and the Expiry Date for the purposes of this Agreement.*

4.5.6. *Not used.*

4.5.7. *Notwithstanding anything to the contrary contained in this Agreement any extension of the Scheduled Commercial Operation Date arising due to any reason envisaged in this Agreement shall not be allowed beyond 27 months from the effective date of PPA.*

**4.6. Liquidated Damages not amounting to penalty for delay in Commissioning**

4.6.1. *If the HPD is unable to commission the Project by the Scheduled Commercial Operation Date other than for the reasons specified in Article 4.5.1. the HPD shall pay to AEML damages for the delay in such commencement of supply of power and making the Contracted Capacity available for dispatch by the Scheduled Commercial Operation Date as per the following:*





- i. *Delay upto 6 months — The total PBG amount on per day basis and proportionate to the balance capacity not commissioned.*
  - ii. *Delay of more than six months - In case the commissioning of the Project is delayed beyond six (6) months from the Scheduled Commissioning Date. the tariff discovered for the Project after e-Reverse Auction shall be reduced at the rate of 0.50 paise/kWh per day of delay for the delay in such remaining capacity which is not commissioned.*
- 4.6.2. *The maximum time-period allowed for Commissioning of the full project Capacity with encashment of Performance Bank Guarantee end reduction in pre-fixed Tariff shall be limited to 27 months from the Effective date of PPA. In case, the Commissioning of the Power project is delayed beyond 27 months from the effective date of the PPA , it shall be considered as an HPD Event of Default and provisions of Article 13 shall apply and the Contracted Capacity shall stand reduced/amended to the Project Capacity Commissioned within 27 months of the Effective Date, provided that the commissioned capacity is not below 50 MW or 50% Of the allocated Project Capacity, whichever is lower, and the PPA for the balance Capacity will stand terminated and shall be reduced from the Project Capacity.*
- 4.6.3. *If the HPD fails to commission Project capacity of 50 MW or 50% Of the allocated Project Capacity, whichever is lower, within a period of 27 months from the Effective date of PPA, apart from imposition of penalties as listed above, he shall be blacklisted and will not be allowed to participate in any other scheme of AEML for a period to be decided by it. For the purpose of calculation of the above delay charges, 'month' shall be considered as a period of 30 days. In case of delay of project commissioning due to the reasons beyond control of the HPD, AEML after having satisfied with documentary evidence produced by the HPD for the purpose and which AEML finds beyond doubt. can extend the time for commissioning date by upto three months. Without any financial implications to the HPD.*
- 4.6.4. *However. if as a consequence of delay in Commissioning. the applicable Tariff changes. that part of the capacity of the Project (if applicable). for which the Commissioning has been delayed shall be paid at the Tariff as per Article 9 of this Agreement.”*
- 4.14 As it is evident from the above provisions of the PPA, there are timelines prescribed within which the project must be commissioned and in case of delay, the liquidated damages, as applicable, would become recoverable from the developer. There are also provisions which may lead to termination of the agreement, in such case the provisions of the Article 13: Events of Default and Termination of the PPA would become applicable.
- 4.15 It is observed that AEML-D has submitted the letter from the Hybrid Power Developer (HPD). However, it is not clear as to whether AEML-D is in agreement with HPD regarding extension of SCOD. AEML-D as a procurer, has to take a stand on claim of





HPD regarding various events cited as force majeure events, the period allowed for extension in case such events are to be considered as force majeure and resulting period of delay. AEML-D should examine the applicable provisions of the PPA and prudently avail remedies available to it as a procurer to ensure that its consumers are not adversely impacted. Accordingly, after carrying out due diligence on the claims of HPD regarding extension of SCOD, AEML-D should appropriately take up the matter with HPD and raise the claim on HPD, if such claim arises, in the interest of its consumers. AEML-D should keep the Commission informed about the steps being taken in this context till the contracted capacity is entire commissioned.

- 4.16 Further, considering that AEML has been showing nil purchase from Tembu Power Pvt. Ltd. since July, 2021, the Commission, in the submission for the month of December 2021, had sought details regarding the expected resumption of power supply from the plant and also directed AEML-D to clarify whether the PPA entered into with the generator provides any remedy to the AEML-D in case of such non-supply of power and whether AEML-D has availed this remedy. In response AEML-D has communicated that as per the information provided by the generator, the reinstatement of the project is underway, and generation is likely to start in March 2022 after completion of repairs. Further, as regards to the remedy available with AEML-D as per the provisions of the EPA in case of such force majeure conditions, the relevant clause of the EPA has been quoted by AEML-D in its response and the same is reproduced below for reference:

*“...Section 16.01 (d) In the event that any delay or failure of performance caused by a Force Majeure event continues for an uninterrupted period of three hundred sixty-five (365) days from its occurrence or inception, as noticed pursuant to Section 16.01 (a) and Section 16.01 (b) , the Party not claiming such Force Majeure Event may, at any time following end of such three hundred sixty-five (365) day period, terminate this Agreement to the extent applicable to power capacity in dispute, upon written notice to affected Party, without further obligation by either Party except as to rights and obligations incurred prior to the effective date of such termination”.*

Accordingly, the remedy can be exercised by AEML-D only after the completion of uninterrupted period 365 days of continuation of the force majeure event which is not yet achieved. The Commission has noted the submission.

- 4.17 **Power Procurement from Exchange:** AEML-D has purchased power from exchange and exchange linked day ahead contracts on day ahead basis. **AEML-D has purchased 269.07 MU from these sources which is higher than the monthly approved quantum of 250.24 MU.**
- 4.18 **Power Procurement from DSM Pool:** AEML-D has overdrawn 0.68 MU as compared to its scheduled drawl under the DSM mechanism for the month of January 2022.





- 4.19 **Power Procurement from Open Access and Roof Top Solar Consumers:** AEML-D has purchased 0.30 MU from the Open Access and Roof top Solar Consumers for the month of January 2022.
- 4.20 **Sale of Power:** AEML has not made any bilateral sale for the month of January 2022.
- 4.21 The Commission has noted that AEML-D has followed Merit Order Dispatch for scheduling of power. As solar and non-solar sources have must run status, they have been scheduled first and all the other sources are scheduled according to SLDC instructions.

## 5. Power Purchase Cost

- 5.1 The Commission has scrutinised the detailed bills/invoices submitted for power purchase during the month of January 2022, in order to verify the claim of AEML-D regarding Average Power Purchase Cost (APPC). The Commission has verified the actual as well as approved Net Purchase (Mus), Variable Cost (Rs./kWh) and Power Purchase Cost considered in FAC computation from the invoices and applicable MYT Order respectively.
- 5.2 As submitted by AEML-D, the **Power Purchase cost incurred in January 2022 is Rs. 251.30 Crore** which is lower than the approved Power Purchase cost of Rs. 334.06 Crore by the Commission for the month of January 2022. This is on account of the variation in power purchase quantum due to lower sales. AEML-D has also not considered the power purchase cost of RINL for the month of January 2022 as the same is actually not paid. The Commission has examined the submissions made by AEML-D, especially those pertaining to non-consideration of the power purchase cost of RINL and opined that the same could not be considered as it is not in line with the regular practise adopted by the Commission to consider all the power purchase costs incurred by the Licensee on accrual basis. Same stand has also been taken by the Commission while approving the FAC charges for the month of December 2021. Accordingly, the Commission has reworked the actual Power Purchase Cost as Rs. 252.18 Crore with APPC of Rs. 4.24/kWh. The approved and actual Quantum of power purchase (MU), Power Purchase Cost (Rs. Crore) and Average Power Purchase Cost (Rs./kWh) for the month of January 2022 is shown in Table 5 below:

**Table 5: Approved and Actual APPC and Power Purchase Quantum & Cost**

Particulars	Source	Power Purchase Quantum (MU)	Fixed Cost (Rs. Crore)	Fixed Cost (Rs./kWh)	Variable Cost (Rs. Crore)	Variable Cost (Rs./kWh)	Total Cost (Rs. Crore)	APPC (Rs./kWh)
ADTSP	Approved	311.08	27.24	0.88	121.42	3.90	148.66	4.78
	Actual	229.88	27.17	1.18	84.35	3.67	111.52	4.85
Solar and Non-Solar	Approved	278.86			97.82	3.51	97.82	3.51
	Actual	94.58			38.22	4.04	38.22	4.04



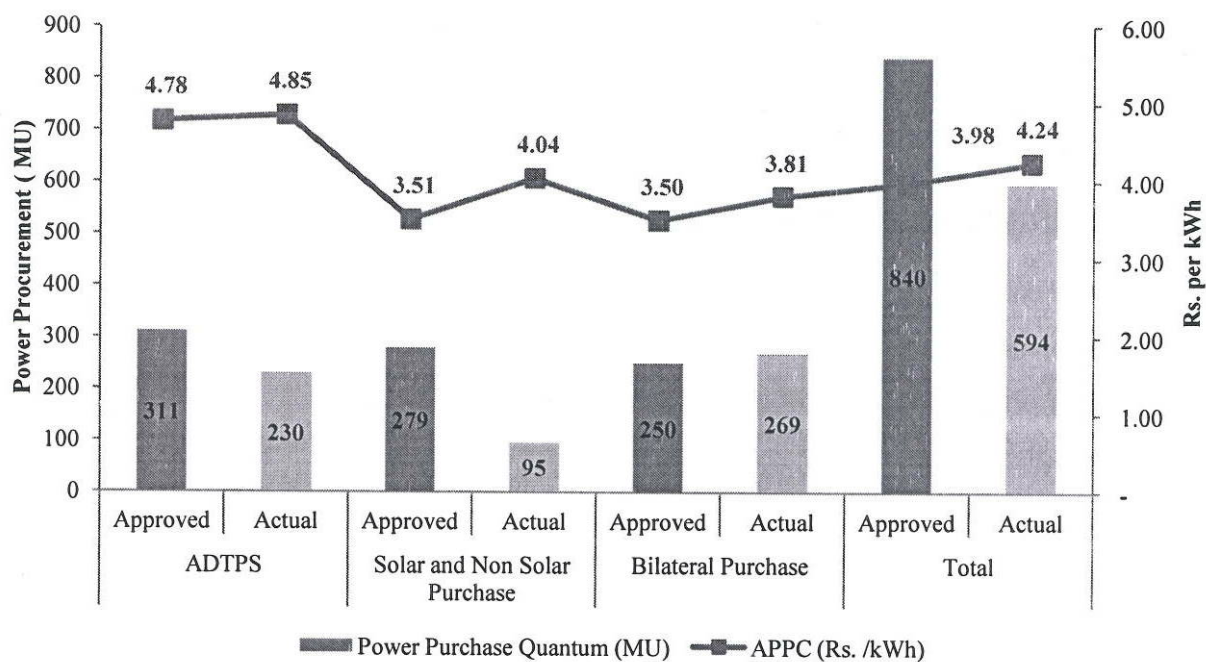


Purchase								
Bilateral Purchase	Approved	250.24			87.59	3.50	87.59	3.50
	Actual	269.07	-	-	102.51	3.81	102.51	3.81
Pool/ DSM	Approved							
	Actual	0.68	-	-	0.51	7.49	0.51	7.49
OA/RTS	Approved							
	Actual	0.30	-	-	0.07	2.48	0.07	2.48
Sale of Power	Approved							
	Actual	-	-	-	-	-	-	-
Other Charges	Approved							
	Actual	-	0.00	-	(0.66)	-	(0.66)	-
Total	Approved	840.18	27.24	0.32	306.82	3.65	334.06	3.98
	Actual	594.50	27.17	0.46	225.00	3.78	252.18	4.24

\*- In case of AEML-D, there is no monthly approval for purchases. The monthly approved power purchase is arrived based on annual approved power purchase for comparison purpose.

5.3 The Figure 1 below shows the variation in Approved & Actual Power Purchased Quantum and Approved & Actual APPC for all the power purchase sources of AEML-D

Figure 1: Approved & Actual Power Purchase and APPC



**ADTPS**

5.4 The Commission in Case No. 325 of 2019 has approved an energy quantum from ADTPS at the rate of Rs. 4.78/kWh. AEML-D has purchased power at the rate of Rs. 4.85/kWh for the month of January 2022. The Commission has also worked out the rate for power purchase from AEML-D as Rs. 4.85/kWh for the month of January 2022.





- 5.5 **Fixed Cost:** The Fixed cost approved for FY 2021-22 in Case No. 325 of 2019 (AEML-D) is Rs. 326.87 Crore whereas the Fixed cost approved for FY 2021-22 in Case No. 298 of 2019 (AEML-G) is Rs. 326.03 Crore. The actual payment of Fixed Cost for the month of January 2022 is to be done according to the entitlement under Case No. 298 of 2019 i.e. Rs. 326.03 Crore, as the payment is to be done according to Generators Tariff Order.
- 5.6 **The actual PLF of ADTPS in January 2022 was 68.43% as compared to approved PLF of 94.38%.** ADTPS was available for generation during the month, the average Plant Availability Factor for the month (PAFM) for both Units of AEML-G was 87.91%. The cumulative availability for June 2021, July 2021, August 2021, September 2021, October 2021, November 2021, December 2021 and January 2022 was 88.71% during peak hours and 89.07% during off peak hours. The capacity charge for peak hours works out to Rs. 5.43 Crore and the capacity charge for off peak hours works out to Rs. 21.74 Crore, totalling Rs. 27.17 Crore for the month of January 2022.
- 5.7 **Due to lower generation, per unit impact on Fixed Cost has increased by Rs. 0.31 /kWh and accordingly the Fixed Cost per unit has increased from approved FC rate of Rs. 0.88 /kWh to actual FC rate of Rs. 1.18/kWh.**
- 5.8 **Energy Charges:** AEML-G has considered the normative operational parameters such as PLF, Availability, Auxiliary Energy Consumption (without FGD), Additional Auxiliary Energy Consumption for FGD, Station Heat Rate and Secondary fuel Oil Consumption as approved by the Commission in Case No. 298 of 2019 for the month of January 2022.
- 5.9 AEML-D has submitted documents to verify the quantity of coal purchased and total cost including breakup of all the cost such as washing charges, Coal handling charges, transportation charges and liaisoning charges incurred for Domestic Coal and Imported Coal for the month of January 2022.
- 5.10 **Washed Coal:** AEML-D has submitted detailed computation and methodology for booking the coal consumption cost. AEML-D has calculated the total coal consumption cost on the basis of Weighted Average Price Method by adding the purchases during the month in the opening inventory stock. The closing inventory is then obtained by deducting the coal consumed from the total of opening inventory and purchases during the respective month. AEML-D has submitted supporting documents for purchase of 1,17,621.74 MT raw Coal from SECL in the month of January 2022. AEML-G has also stated that it has received 1,63,095.86 MT of washed coal at the plant boundary of ADTPS and has consumed 1,45,108.00 MT of washed coal in January 2022. AEML-D has also submitted the breakup and supporting documents for "Other Charges" of Rs. 38,75,575/-. AEML-D has submitted that in the month of January 2022, Rs. 11,08,906/-, Rs 7,18,566/- and Rs. 2,87,580/- have been included as an adjustment under freight charges for washed coal and for coal loading charges respectively, on account of diesel escalation for December 2021.





Further, Rs (488)/- has been included as an adjustment under raw coal analysis charges at mines end.

- 5.11 From May 2021 onwards SECL has started supplying coal of size 250 mm to ADTPS, apart from coal of size 100 mm. As per the washery contract, the additional washing charges for washing of coal of size more than 100 mm shall be reimbursed by AEML-G to the washery. The additional washing charges for washing coal of size 250 mm in January 2022 was Rs. 1,93,417/- (Rs. 1,63,913/- plus 18% GST), which has been considered under washing charges. Further, the washery Incentive for Q3 of Rs. 1,43,77,824/- (Rs. 1,21,84,596/- plus 18% GST) has been considered under washing charges.
- 5.12 The input tax credit (ITC) due to sale of coal rejects works out to Rs. (11,81,648)/-, which has been included as an adjustment under SECL coal purchase cost.
- 5.13 The ITC available to AEML-D for supply to SEEPZ area is set off against the GST paid on purchase of coal / LDO or against the GST paid for other services such as coal washing, coal analysis, liasoning and supervision etc. The ITC available for the GST paid on SECL coal purchase for December 2021 was Rs (1,84,084)/-, which has been considered in January 2022. The ITC available for the GST paid on freight charges of Indian Railways, coal liasoning charges, coal analysis charges amounting to Rs. (4,69,343)/- has been adjusted in January 2022.
- 5.14 In addition, AEML-G has incurred demurrage charges of Rs. 5,44,006/- paid for washed coal rakes in January 2022, which has been considered in January 2022. The demurrage for washed coal is incurred primarily because of delay in unloading of coal wagons due to limited workforce employed as a result of COVID pandemic. AEML-G also claimed demurrage charges on washed coal in August 2021 FAC due to same reasons, which has been approved by the Commission.
- 5.15 Similarly, in case of raw coal, AEML-G has incurred demurrage charges of Rs. 19,08,114/- for raw coal rakes in January 2022, which has been considered in January 2022. AEML-D has submitted that AEML-G had procured raw coal from SECL in line with the policy of Govt. of India regarding import substitution. However, the raw coal being allocated by SECL from other mines was having oversized (250 mm plus) boulders, which caused delay in rake unloading as they were stuck/ blocked in apron grill after unloading in rotary type tipplers of ADTPS. These boulders had to be manually broken and removed to continue the unloading operation. Further due to Covid 19, limited workforce was deployed for breaking coal in order to maintain social distancing due to which unloading time of both raw coal and washed coal was impacted. This has led to incurrence of demurrage charges for some of rakes of coal in September 2021 and October 2021.
- 5.16 AEML-D has linked the delay in the unloading operations on limited availability of workforce due to the prevailing COVID 19 situation. In case of raw coal, the issue of





Approval of FAC Charges for the month of January, 2022

receipt of oversized boulders which requires higher level of manpower has also been highlighted. AEML-D has also submitted that the Commission has approved the demurrage charges in the August 2021 FAC submission as well. However, the COVID 19 situation has been improving over a period of time and the country is returning to normalcy. Accordingly, it is important for AEML-D to also ensure that adequate resources are available to avoid any kind of penalties. Accordingly, AEML-D was directed to submit the steps initiated by it to ensure that such charges are not levied in future thus avoiding undue burden on the consumers. AEML-D was also directed to provide details of any demurrages levied for the period Nov 2021 to March 2022.

5.17 In response, AEML-D submitted that it has taken all necessary steps for avoidance of demurrages. In this connection, it has taken the following steps:

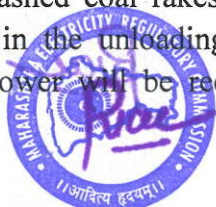
- Separate Purchase Order is placed to ensure adequate manpower is available for raw coal unloading operations.
- Clause introduced in unloading contract for timely unloading of washed coal rakes.

5.18 AEML-D further submitted that there are certain circumstances which are not foreseen, and which leads to delay in unloading of coal from railway rakes. For example, there was simultaneous arrival of washed coal and raw coal rakes in the month of November 2021, due to which there was delay and consequently there was demurrage charges. AEML-D has sought waiver of demurrage charges from Railways praying for condonation of delay in unloading of rakes. However, Railways had denied the waiver of demurrage charges. The communications relating to the same have been submitted as part of FAC filings. Accordingly, AEML has requested the Commission to approve the demurrages paid in January 2022. Further, the details of demurrages levied from November 2021 to March 2022 are as under:

**Table 6: Details of Demurrage charged by Railways to AEML-D**

Sr. No.	Month	Demurrage levied by Railways		Remarks
		Hrs.	Rs.	
1	Nov-21	35	309,174	To be claimed in FAC for Feb 2022
2	Dec-21	0	-	
3	Jan-22	1	9,135	
4	Feb-22	9	82,847	
5	Mar-22	7	65,048	

5.19 The Commission has noted the submissions and the steps taken by AEML-D towards reducing the instances of demurrage in future. Issuing separate work order for unloading of raw coal and washed coal is intended to ensure adequate manpower is available for unloading operations as and when the rakes arrive at the power station. Further, AEML-D has mentioned that a new clause has been introduced in the unloading contract to ensure timely unloading of washed coal rakes. Accordingly, it is presumed that any impact on account of delays in the unloading of the rakes attributable to the non-availability of adequate manpower will be recovered from the contractor. AEML-D





should also ensure that similar clauses are introduced in the contracts for unloading of raw coal as well to ensure that the impact of demurrage charges is not passed on to the consumers. The details of the action taken by AEML-D should be submitted along with the next FAC submission.

- 5.20 Considering the above, the Commission is presently allowing the recovery of the demurrage as part of the FAC mechanism for the month of January 2022.
- 5.21 The Commission has examined the invoices and the supporting excel working provided by AEML-D and has found it to be appropriate. The working of the washed coal fuel cost considered for January 2022 is as shown in the Table 6 below:

**Table 7: Working of Washed Coal Rate for January, 2022**

Particular	Quantity (MT)	Cost (Rs. Crore)	Price (Rs./MT)
<b>Inventory</b>			
Opening (as on 1st December)	13,342.87	7.24	5,422.77
Addition during month	1,63,095.86	88.22	5,408.91
<b>Total</b>	<b>1,76,438.73</b>	<b>95.45</b>	<b>5,409.96</b>
<b>Consumption</b>			
Actual	1,45,108.00	78.50	5,409.96
Other Charges		0.33	
<b>Total</b>	<b>1,45,108.00</b>	<b>78.84</b>	<b>5,432.92</b>

- 5.22 The overall cost approved towards fuel expenses is Rs. 78.84 Crore for the month of January 2022.
- 5.23 **With regards to the washed coal, the landed cost for the month of January 2022 is Rs. 5,432.92/MT as compared to MYT approved Rs. 5,689.76 /MT, which is 4.51% lower than the approved MYT rate.**
- 5.24 AEML-D has considered 'As billed' GCV of 4,011 kCal/kg for washed coal and 'As received' GCV of 4,005 kCal/kg for January 2022.
- 5.25 AEML-D has submitted third party sampling report from Inspectorate Griffith India Pvt Ltd (IGI) for GCV of the washed coal. The GCV of washed coal used for Energy Charge calculation matches with the GCV 'As received' submitted by AEML-G. In MYT Order in Case No. 298 of 2019, the Commission has directed to consider the GCV "as received" or "as billed", whichever is higher. The relevant paragraph is produced below:

*"5.4.29 Based on the above analysis and the fact that AEML-G uses washed coal, it is evident that the GCV of coal is being improved due to washing. Thus, the relaxation of transit loss of 300 kcal/kg allowed as per the MYT Regulations, 2019 between GCV 'as billed' by supplier and GCV 'as received' at generating station" is not applicable in*





*AEML-G's case. Further, AEML-G itself has submitted that loss in calorific value is much less than 300 kcal/kg.*

*5.4.30 Considering the washery process undertaken by the AEML-G and having a yield loss of 15%, the burden of which is pass on to the consumers, the Commission is not inclined to provide any actual loss in calorific value of coal between 'as billed' and 'as received'. However, in future, the Higher of GCV at Mine end or ADTPS (washed coal) will be considered for computation of energy charges, whereby GCV will be considered on ARB basis post moisture correction based on the formula as provided by MoP and World council.*

*5.4.31 However, while calculating the energy charges for the 4th MYT Control Period AEML-G has submitted GCV 'as billed' as 3,990 kcal/kg and GCV 'as received' as 3,912 kcal/kg. However, based on the data provided by AEML-G specified in Table 80 and as per the rationale provided in Para 5.4.29 of this Order, the Commission approves the GCV 'as billed' of 3,990 kcal/kg for computation of energy charges for the 4th MYT Control Period.*

*5.4.32 However, the Commission shall take a final call on GCV at the time of true-up based on the results of third-party analysis and prudence check by the Commission."*

- 5.26 The transit loss claimed by AEML-D for the month of January 2022 is 1.07%. The coal received at ADTPS in January 2022 is the mix of coal dispatched from the washery from the already existing stock at the washery and Raw Coal purchased and washed at washery. Transit loss of washed coal is calculated as the difference between net weight of coal in rakes sent by Indian Railways from washery end and the net weight of coal received at ADTPS railway siding. The net weight of coal sent by Railways is ascertained from Railway Receipts (RR). The net weight of coal at ADTPS railway siding is ascertained by weighment of coal at the time of its unloading through wagon tippler. As per weighment of coal at ADTPS, the washed coal received is 1,63,095.86 MT and as per weighment of coal at washery end, the washed coal dispatched was 1,64.862.11 MT. The difference is reported as the transit loss which is **1,766.25 MT which is 1.07%** of the total coal received during the month of January 2022.
- 5.27 The weighted average GCV of opening stock of washed coal in January 2022 was 4,093 kCal/kg. The 'As received' GCV of washed coal received in January 2022 was 4,005 kCal/kg and 'As billed' GCV was 4,011 kCal/kg. As the 'As billed' GCV is higher than the 'As received' GCV of washed coal, the Commission has considered the 'As billed' GCV for computing the weighted average GCV of 4,017 kCal/kg for January 2022. The 'As fired' GCV of washed coal considered by AEML-D is 3,995 kCal/kg. Considering the difference between the 'As received' GCV and the 'As Fired' GCV, the stacking loss for washed coal works out to 22.22 kCal/kg which is within the limit of 120 kCal/kg.
- 5.28 **Raw Coal:** AEML-D has submitted detailed computation and methodology for booking the coal consumption cost. AEML-D has calculated the total coal consumption cost on the basis of Weighted Average Price Method by adding the purchases during the month





in the opening inventory stock. The closing inventory is then obtained by deducting the coal consumed from the total of opening inventory and purchases during the respective month. AEML-D has purchased 3,928.79 MT Raw Coal (at plant boundary) from SECL but has not consumed raw coal in the month of January 2022. While as per weighment of coal at ADTPS, the raw coal received is 3,928.70 MT, as per weighment of coal at SECL & MCL end, the raw coal dispatched was 3,954.94 MT. Hence, the transit loss works out to 0.663%.

- 5.29 AEML-D has considered an adjustment amount of Rs. (99,290)/- under raw coal analysis in January 2022 due to short analysis of raw coal at mine end by CIMFR in earlier months. In December 2021, AEML-G had considered the coal cost of one rake of raw coal on provisional basis, as invoice for the same was not received at the time of closure of accounts. The difference in cost, after receipt of invoice, amounting to Rs. (80,983)/- has been considered under MCL cost in January 2022. The difference between provisional amounts towards ITC on GST paid on SECL charges, railway charges, coal liasoning charges and coal analysis charges and actual amounts for December 2021 is Rs. (73,930)/-. The ITC on GST paid on railway charges, coal liasoning charges and coal analysis charges in January 2022 is Rs. (11,496)/-. All the above charges have been considered as adjustment in January 2022.
- 5.30 Further, as discussed in para 5.15 above, AEML-G has incurred demurrage charges of Rs. 19,08,114/- paid for raw coal rakes in January 2022, which has been considered in January 2022. The Commission has noted the submission and had also sought details of the steps initiated by AEML-D to ensure that such incidents of levy of demurrage charges do not occur in future. The details submitted by AEML-D and the Commission's decision in the matter is covered in para 5.16 to 5.20 of this report.
- 5.31 The Commission has examined the invoices and the supporting excel working provided by AEML-D and has found it to be appropriate. The working of the raw coal fuel cost considered for January 2022 is as shown in the Table 7 below:

**Table 8: Working of Raw Coal Rate for January, 2022**

Particular	Quantity (MT)	Cost (Rs. Crore)	Price (Rs./MT)
<b>Inventory</b>			
Opening (as on 1st January)	868.34	0.42	4,829.78
Addition during month	3,928.70	2.09	5,325.57
<b>Total</b>	<b>4,797.04</b>	<b>2.51</b>	<b>5,235.83</b>
<b>Consumption</b>			
Actual	0.00	0.00	0.00
Other Charges	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

- 5.32 The overall cost approved towards raw coal expenses is Rs. 2.51 Crore for the month of January 2022.





- 5.33 With regards to the raw coal, the weighted average landed cost for the month of January 2022 is Rs. 5,235.83/MT. AEML-D has not consumed any raw coal during the month of January 2022.
- 5.34 AEML-D has submitted that in January 2022, AEML-G has purchased raw coal from SECL only. AEML-D has considered the 'As billed' GCV of raw coal as per CIMFR certificate is 4431 kCal/kg, while the 'As Received GCV' of same coal as per M/s IGI certificate (third party appointed by AEML-G for GCV measurement at receiving end) is 3640 kCal/kg. for January 2022. AEML-D has disputed the GCV results as declared by CIMFR. As per clause 50.6 of MYT Regulations, 2019, actual loss in GCV of coal between "as billed by Supplier" and "as received at generating station" is allowed subject to maximum loss of 300 kcal/kg. The GCV loss calculated by AEML- D (difference between 'As Billed' GCV and 'As Received' GCV) for raw coal for the month of January 2022 is 791 kcal/kg. Hence, GCV loss is restricted to 300 kcal/kg and 'As received" GCV for calculation is considered as 4,131 kcal/kg (i.e. maximum of the 'As received' GCV or 'As billed' GCV minus 300 kCal/kg).
- 5.35 The GCV of opening stock of raw coal in January 2022 was 3,265 kCal/kg and the GCV of raw coal received in January 2022 was 3,640 kCal/kg. Considering that the actual loss of GCV in case of raw coal was 791 kCal/kg which is significantly higher than the GCV loss of 300 kCal/kg permitted as per the provisions of the MYT Regulations, 2019, the Commission has considered 4,131 kCal/kg as the GCV of the coal received during the month. Accordingly, the weighted average GCV of 3,974 kCal/kg has been considered as the GCV of raw coal stock in January 2021.
- 5.36 Considering that no raw coal has been consumed in January 2022, the stacking loss for raw coal has not been worked out for January 2022.
- 5.37 **Imported Coal:** AEML-G has neither purchased nor consumed any imported coal in January 2022.
- 5.38 **LDO:** AEML-D has not purchased Light Diesel Oil for the month of January 2022. AEML-D has consumed 78 MT of LDO in the month of January 2022. The working of the LDO fuel cost considered for January 2022 is as shown in the Table 9 below:

**Table 9: Working of LDO Rate for January, 2022**

Particular	Quantity (MT)	Cost (Rs. Crore)	Price (Rs./MT)
<b>Inventory</b>			
Opening (as on 1st December)	453.11	2.21	48,667.11
Addition during month	-	-	-
<b>Total</b>	<b>453.11</b>	<b>2.21</b>	<b>48,667.11</b>
<b>Consumption</b>			
Total	78.00	0.38	48,667.11
	<b>375.11</b>	<b>1.83</b>	<b>48,667.11</b>





5.39 As per MYT Regulations, 2019 for calculation of Energy Charge Rate, the Commission has notified the maximum stacking loss allowed in Clause 50.7 as reproduced below:

*“Any variation in Price and Gross Calorific Value of coal/lignite or gas or liquid fuel as billed by supplier less actual stacking loss subject to the maximum stacking loss of 85 kcal/kg or 120 kcal/kg, as the case may be, vis-a-vis approved values shall be adjusted on month to month basis on the basis of average Gross Calorific Value of coal/lignite or gas or liquid fuel in stock received and weighted average landed cost incurred by the Generating Company for procurement of coal/lignite, oil, or gas or liquid fuel, as the case may be for a power Station.”*

5.40 In line with MYT Regulations, 2019 and MYT Order in Case No. 298 of 2019, the Commission has considered stacking loss of 22.22 kcal/kg (minimum of actual weighted average stacking loss considering washed coal, raw coal and imported coal of 22.22 kcal/kg or 120 kcal/kg as per Regulation) for calculation of energy charge rate.

5.41 Considering the approved rates for Washed Coal and Imported Coal fuel cost, GCV and normative operational parameters, the revised energy charges works out to Rs. 3.669/kWh which is lower than the approved variable cost of Rs. 3.871/kWh.

5.42 **Incentive:** As per Regulation 46.3 of MYT Regulations, 2019, the target PLF for earning incentive is 85%. Since the cumulative PLF for the period from June 2021 to January 2022, both for peak and off-peak hours, were less than 85%, AEML-G has not claimed any incentive for January 2022.

5.43 Variation in power purchase expenses from ADTPS on account of change in quantum and per unit rate is as shown in Table 10 below:

**Table 10: Variation in Power Purchase expenses from ADTPS for January, 2022**

Source	Approved Quantum (MU)	Approved rate (Rs./kWh)	Actual quantum (MU)	Actual rate (Rs./kWh)	Variation due to quantum (Rs. Crore)	Variation due to rate (Rs. Crore)	Total variation (Rs. Crore)
ADTPS	311.08	4.78	229.88	4.85	(38.80)	1.67	(37.13)

5.44 Based on the above, **APPC for ADTPS works out to Rs. 4.85/kWh as against approved Rs. 4.78/kWh. There is Rs. 0.07/kWh increase in APPC for month of January 2022. Fixed cost variation is contributing to Rs. 0.31/kWh increase and variable cost variation is contributing to Rs. 0.23/kWh decrease.**

5.45 **Solar Purchase:** The Commission has approved power purchase at the rate of Rs. 10.30/kWh from DSPPL. AEML-D has purchased at the same rate of Rs. 10.30/kWh as approved in the MYT Order. The Commission has verified the bills/invoices submitted and found them to be correct.



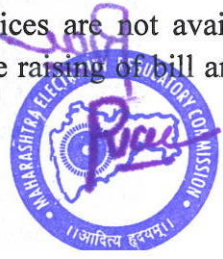


- 5.46 **Wind Solar Hybrid:** The Commission has approved 92% of renewable power purchase quantum at the rate of Rs. 3.24/kWh from wind solar hybrid for FY 2021-22. **AEML-D has purchased 52.26 MU from wind solar hybrid source for month of January 2022.**
- 5.47 **Non-Solar Purchase:** The Commission has approved power purchase from non-solar sources. The actual APPC and approved APPC from all the sources is as shown in the Table 10 below:

**Table 11: Approved and Actual APPC from Non-Solar Sources**

Source	Approved (Rs./kWh)	Actual (Rs./kWh)
Reliance Innoventures	5.00	5.30
AAA Sons Enterprise	5.00	5.30
Vector Green Energy Private Limited	5.00	5.30
Vector Green Energy Private Limited	5.07	5.07
Tembhu Power Private Limited	4.26	-
Clean Power Private Limited	5.81	5.81

- 5.48 The Commission has approved power purchase rate at Rs.5.00/kWh for Reliance Innoventures, AAA Sons Enterprise and Vector Green Energy Limited based on the PPA signed by AEML-D with the sources. AEML-D in its MYT Petition had projected the rate of Rs. 5.30 per Unit for these purchases considering the escalation as per EPA. The Commission in MYT Order of Case No. 325 of 2019 has not considered the annual escalation as specified in PPA on these sources and approved the base rate of FY 2019-20 for 4<sup>th</sup> Control Period. Therefore, considering the annual escalation as specified in PPA, per unit rate works out to Rs. 5.30/kWh for April 2021 and which was approved by the Commission in the FAC submission for April 2021. This rate is being considered as approved rate for calculation of FAC as the payments done to the generator is based on PPA.
- 5.49 The Commission has also approved power purchase rate for Vector Green Energy Limited, Tembhu Power Private Limited and Reliance Clean Power Private Limited and AEML-D has procured power from Vector Green Energy Limited and Reliance Clean Power Private Limited sources at the same rate during January 2022.
- 5.50 AEML-D has submitted that the bills for the months of December 2020 to January 2022 of AAA Sons (*name has been changed to 'Triumvirate Sons Enterprises Pvt. Ltd.'* and communicated to the Commission in the July 2020 month FAC submission) are not yet received. Thus, the quantum of energy supplied from AAA Sons is proposed to be considered as per the provisional quantum considered in the financial books. Accordingly, the cost of power purchase is worked out provisionally as per the PPA rate. The Commission has scrutinized the bills/invoice submitted for RE sources and found that AAA Sons Enterprise invoices are not available. It is observed that historically AAA Sons has been delaying the raising of bill and as a result provisional numbers are being used.





5.51 **The Commission notes that this delay is not observed with any other sources. Hence AEML-D shall take up matter of delay in raising invoices with AAA Sons Enterprise and such invoices should be raised as per timelines provided in the PPA.**

5.52 AEML-D has also purchased short term RE power based on IEX Day Ahead Market (DAM) tariff minus discount of Rs 0.04/kWh and also directly from the power exchange through the IEX Green Day Ahead Market (GDAM) route. AEML-D submitted that power procured through exchange linked contracts is at a rate lower than the rate discovered in IEX DAM tariff for corresponding time block. Through such contract, trading margin of Rs 0.02/kWh of IEX is also saved. AEML-D has requested the Commission to consider such sourcing of RE power towards meeting its RPO obligation.

5.53 The Commission in the past has approved such purchase of RE power through exchange linked contracts. In the month of December 2021, AEML-D has entered into exchange linked contract with the following condition:

5.	<i>Tariff (Rs./kWh)</i>	<i>IEX Green Day Ahead Market(G-DAM) Tariff for requisition time block for W2 region minus discount of Rs. 0.04 per Kwh. Tariff is inclusive of trading margin and Green Attributes. In case , there is no discovery of rate for particular block on IEX Green Day Ahead Market(G-DAM) then , Day Ahead Market IEX rate for that particular block will be considered for payment under this contract.</i>
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5.54 However, in the month of January 2022, based on the sample LoA provided in the submission, it is observed that AEML-D has entered into exchange linked contract with the following revised condition:

5.	<i>Tariff (Rs./kWh)</i>	<i>IEX Day Ahead Market (DAM) Tariff for requisition time block for W2 region minus discount of Rs. 0.04 per Kwh. Tariff is inclusive of trading margin and Green Attributes.</i>
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5.55 Accordingly, the tariff for the RE power is now directly linked to IEX DAM tariff instead of IEX G-DAM in the previous month. AEML-D has not clarified the reason for the change in the contractual arrangement for procuring short term RE power through market linked contracts. However, it is observed that the average rate of Short Term RE power procurement for the month of January 2022 is Rs. 4.27/kWh as against Rs. 4.34/kWh observed in December 2021. Further, from the data available on the IEX website, it has been observed that the rates in the G-DAM segment were higher than that observed in DAM for most of the period in the month of January 2022. This would be beneficial to the consumers and accordingly, the Commission has approved the procurement of short term RE power through market linked contracts. AEML-D has to ensure that the changes in contract terms should not adversely impact the consumers.





Approval of FAC Charges for the month of January, 2022

- 5.56 AEML-D has submitted that the accounts of RINL have been frozen by ICICI Bank and as per request of RINL, payment has not been made to RINL. AEML-D has been communicating to RINL on regular basis on the status of the unfreezing of its account for making the payment. AEML-D has also provided a sample of the latest letter dated 31 January, 2022 from AEML-D to RINL wherein AEML-D has categorically stated that as and when the payment will be made, the invoices shall be deemed to have been paid as per the due date of invoices.
- 5.57 Accordingly, the cost of power procurement from RINL for the month of January 2022 has also not been considered as the same is not actually paid, however, the quantum as per invoice is being considered as the same has actually been consumed.
- 5.58 The Commission has already examined this matter while approving the FAC vetting report for the month of December 2021 wherein the Commission has not accepted the submission of AEML-D. Accordingly, the Commission has considered the cost of power purchase from RINL incurred for the month of January 2022 (Rs. 0.88 Crore).
- 5.59 Variation in power purchase expenses from RE sources on account of change in quantum and per unit rate is as shown in Table 12 below:

**Table 12: Variation in Power Purchase expenses from Renewable Energy Sources for January, 2022**

Source	Approved Quantum (MU)	Approved rate (Rs./ kWh)	Actual quantum (MU)	Actual rate (Rs./ kWh)	Variation due to quantum (Rs. Crore)	Variation due to rate (Rs. Crore)	Total variation (Rs. Crore)
DSPPL	5.52	10.30	4.11	10.30	(1.45)	-	(1.45)
Wind Solar Hybrid	255.50	3.24	52.26	3.24	(65.85)	-	(65.85)
Reliance Innoventure	6.57	5.00	1.65	5.30	(2.46)	0.05	(2.41)
AAA Sons Enterprise	0.52	5.00	0.11	5.30	(0.20)	0.00	(0.20)
Vector Green Energy Pvt Ltd	2.63	5.00	1.29	5.30	(0.67)	0.04	(0.63)
Vector Green Energy Pvt Ltd	0.88	5.07	0.54	5.07	(0.17)	(0.00)	(0.17)
Tembhu Power Pvt. Ltd.	0.99	4.26	-	-	(0.42)	-	-
Reliance Power Ltd.	6.26	5.81	2.49	5.81	(2.19)	0.00	(2.19)
Short Term RE	-	-	32.13	4.27	-	13.72	13.72
<b>Total RE Sources</b>	<b>278.86</b>	<b>3.51</b>	<b>94.58</b>	<b>4.04</b>	<b>(64.64)</b>	<b>5.04</b>	<b>(59.61)</b>

- 5.60 **APPC for renewable sources for the month January 2022 works out to Rs. 4.04/kWh as against approved level of Rs. 3.51/kWh. The increase is on account of lower power purchase from wind solar hybrid source which is the cheapest source as the Commission has approved 92% of total quantum from wind solar hybrid at the rate of 3.24/kWh. Also, the escalations provided in EPA to the approved cost which is not reflected in the present approved rates.**





- 5.61 **Bilateral Purchase:** AEML-D has purchased power from IEX and IEX linked bilateral contracts at the average rate of Rs. 3.81/ kWh which is higher than the approved rate of Rs. 3.50/ kWh. It is observed that the power prices in the short-term market has slightly reduced in the month of January 2022 as compared to the prices in the month of December 2021, and the same is also seen in the average price of power purchase from bilateral contracts seen in December 2021 (Rs. 3.99/kWh) and January 2022 (Rs. 3.81/kWh). This is also evident from the rates discovered on IEX (at regional periphery) which are shown herein below:

**Table 13: Power Prices in short term market**

Month	Jul -21	Aug-21	Sept- 21	Oct - 21	Nov- 21	Dec-21	Jan-22
RTC	2.95	5.06	4.40	8.01	3.08	3.54	<b>3.39</b>
Evening (17-23 Hrs)	3.81	7.87	7.07	11.09	4.12	4.69	<b>4.27</b>
Day (10-17 Hrs)	2.29	3.44	3.19	5.86	2.74	3.39	<b>3.41</b>
Night (0-6, 23-34 Hrs)	3.12	4.63	3.83	8.10	2.13	2.05	<b>1.98</b>
Morning (6-10 Hrs)	2.50	4.46	3.49	7.00	3.76	4.60	<b>4.49</b>

- 5.62 Due to limited long-term tie-up, AEML-D relies significantly on the short-term purchase. AEML-D has purchased 269.07 MUs through bilateral purchase which is 45% of its total power purchase for January 2022. AEML-D has submitted the bill/invoices regarding the purchase of power from exchange and the Commission has verified the energy quantum and power purchase cost and found it to be appropriate considering. AEML-D has also submitted the sample LOAs for day ahead exchange linked contract. Accordingly, the Commission approves the aforesaid bilateral purchase with APPC of Rs. 3.81/Unit. AEML-D has also considered the STOA fees paid to SLDC towards IEX standing clearance as Rs. 7,500 per application.
- 5.63 The Commission approves the charges as part of bilateral purchase for the month of January 2022.
- 5.64 It is observed that AEML has been purchasing short term power on a daily basis from power exchange or exchange linked bilateral contracts. Considering the variation in prices on exchange, AEML should explore the option of tying up partial quantum for slightly longer duration contracts after assessing the market conditions through competitive bidding to avoid variation in short term prices on a daily/monthly basis. Such longer period may be up till 100% availability of hybrid contracted power, as the availability of cheaper source of Hybrid power will take some time.
- 5.65 Variation in power purchase expenses from Bilateral on account of change in quantum and per unit rate is as shown in Table 13 below:



*Pras*



**Table 14: Variation in Power Purchase expenses from Bilateral for January, 2022**

Source	Approved Quantum (MU)	Approved rate (Rs./kWh)	Actual quantum (MU)	Actual rate (Rs./kWh)	Variation due to quantum (Rs. Crore)	Variation due to rate (Rs. Crore)	Total variation (Rs. Crore)
Bilateral Purchase	250.24	3.50	269.07	3.81	6.59	8.34	14.93

5.66 **DSM Pool:** AEML-D has submitted that for the month of January 2022, it has drawn 0.68 MU under the DSM mechanism and has incurred cost of Rs. 0.51 Crore.

5.67 **Power Procurement from Open Access and Roof Top Solar Consumers:** As per MERC (Distribution Open Access) (First Amendment) Regulations, 2019:

*"20.5. The unutilised banked energy at the end of the month, limited to 10% of the actual total generation by such Renewable Energy generator in such month, shall be considered as deemed purchase by the Distribution Licensee at a rate equivalent to that stipulated under yearly Generic RE Tariff Order applicable for respective technology..."*

*...Provided further that provision relating to Banking of the Principal Regulations shall continue to apply for existing Open Access Agreements or contracts as on date of notification of the first amendment of the Principal Regulations, till the expiry of the approved period for such OA transactions, beyond which provision relating to Banking under Regulation 20 of the first amendment of the Principal Regulations shall apply."*

Further, as per MERC (Net Metering for Roof-top Solar Photo Voltaic Systems) Regulations, 2015:

*"10.3. The unadjusted net credited Units of electricity as at the end of each financial year shall be purchased by the Distribution Licensee at its Average Cost of Power Purchase as approved by the Commission for that year, within the first month of the following year:"*

5.68 The surplus energy of RE Open Access consumers (Non-firm) purchased by AEML-D as per the aforementioned regulations is 0.30 MU at a cost of Rs. 0.07 Crore and is considered in the FAC for the month of January 2022. AEML-D has submitted the details of the power procured as a part of the submission which has been verified based on consumer wise detail provided by AEML-D.

5.69 **Other Charges:** AEML-D has considered rebate pertaining to payments made towards power purchase from contracted generators of Renewable energy, traders from short term power purchase, payment made for InSTS charges, SLDC charges etc. in the month of January 2022. The Commission has scrutinized the details and has approved Rs. (0.66) Crore as rebate to be considered as part of Power purchase cost for the month of January 2022. There is no standby previous year adjustment for the month of January 2022.





- 5.70 STU in accordance with the Commission's Order dated 18 October, 2020 in Case No. 52 of 2020, has levied Rs. 13,065 as additional transmission charges. The bill from STU is provided by AEML-D and the same is proposed to be considered in the month of FAC for January 2022.
- 5.71 Summarised reasons for the rate variation for various sources are given in Table 15 below:

**Table 15: Reasons for the rate variation for various sources for January, 2022**

Sr. No.	Source	Approved Rate (Rs. /kWh)	Actual Rate (Rs. /kWh)	Reason for rate variation
1	ADTPS	4.78	4.85	Fixed charges are higher by Rs. 0.31/ kWh due to lower generation and energy charges are lower by Rs. 0.23/ kWh.
2	RE Sources	3.51	4.04	The main reason is the very less purchase of power from wind solar hybrid source which is the cheapest source approved by the Commission in the MYT Order and it contributes to around 92% of total approved renewable quantum. The rate of purchase is Rs. 3.24/kWh which is lower than the other sources. Rest of the RE power is purchased at approved rate. There is also purchase of RE from short term sources through market linked contracts at the rate of Rs. 4.27/kWh which is higher than the hybrid power source. Non-consideration of escalation in EPA has resulted in the approved rate being lesser than actual rate.
3	Power Exchange	3.50	3.81	Market discovered rate; Short term power purchase from Power Exchange and through day ahead exchange linked bilateral contracts.
	<b>Total</b>	<b>3.98</b>	<b>4.24</b>	<b>Variation due to above reasons</b>

- 5.72 Considering the above, the Commission allows the actual average power purchase cost of Rs. 4.24/kWh for the month of January 2022 as shown in Table 15 above as compared to approved average power purchase cost of Rs. 3.98/kWh.

**6. FAC on account of fuel and power purchase cost (F)**

- 6.1 The Commission has worked out the average power purchase costs for the January 2022 as shown in Table 15 above. The same has been compared with the average power purchase cost approved by the Commission in MYT Order dated 30 March, 2020 to arrive at the differential per unit rate at which  $Z_{FAC}$  is to be passed on to the consumers.





- 6.2 It is noted that AEML-D has incurred the per unit Power Purchase cost higher than the Approved per unit Power Purchase Cost hence the  $Z_{FAC}$  worked out by the Commission on account of difference in power purchase cost for the month of January 2022 is positive as shown in the Table 15 below.

**Table 16: FAC on account of Power Purchase Cost**

Sr. No.	Particulars	Units	January 2022
1	Average power purchase cost approved by the Commission	Rs./ kWh	3.98
2	Actual average power purchase cost	Rs. /kWh	4.24
3	Change in average power purchase cost (= 2-1)	Rs./ kWh	0.27
4	Net Power Purchase	MU	594.50
5	Change in power purchase cost (=3 x 4/10)	Rs. Crore	15.80

**7. Adjustment for over recovery/under recovery (B)**

- 7.1 The adjustment for over recovery/under recovery has to be done for the (n-4) month as per provisions of MYT Regulations, 2019. As the prior approval of FAC has started from April 2020 and no FAC recovery has been done till now, there would not be any adjustment for over recovery/ under recovery.

**8. Carrying Cost for over recovery/under recovery (C)**

- 8.1 As there is no adjustment for over recovery/under recovery as mentioned in para, 7.1 above, there is no carrying cost on account of such adjustment.
- 8.2 The holding cost is computed considering the MCLR + 150 basis points. This turns out to be 8.50% for January 2022, however, there is no carrying cost worked out for January 2022 as there is no over/under-recovery mentioned in para 7.1 above.
- 8.3 The carrying cost on the unrecovered FAC fund due to non-recovery of the positive FAC in the months of December 2021 and January 2022 is discussed separately in para 10 of the report.

**9. Disallowance due to excess Distribution Loss**

- 9.1 Regulation 10.8 of MYT Regulations, 2019 provides for FAC amount to be reduced in case the actual distribution loss for the month exceeds the approved distribution loss. The relevant extract is reproduced as follows.

*“10.8 The total  $Z_{FAC}$  recoverable as per the formula specified above shall be recovered from the actual sales in terms of “Rupees per kilowatt-hour”:*

*Provided that, in case of unmetered consumers, the  $Z_{FAC}$  shall be recoverable based on estimated sales to such consumers, computed in accordance with such methodology as may be stipulated by the Commission:*





*Provided further that, where the actual annual sliding distribution losses of the Distribution Licensee exceed the level approved by the Commission, the amount of  $Z_{FAC}$  corresponding to the excess distribution losses (in kWh terms) shall be deducted from the total  $Z_{FAC}$  recoverable”*

- 9.2 The following Table 17 provides the comparison of approved and actual distribution loss and disallowance due to excess distribution loss, if any:

**Table 17: Disallowance of FAC due to excess Distribution Loss**

Sr. No.	Particulars	Units	Approved in Tariff Order	Actual for January, 2022	Cumulative up to January, 2022	Annual Sliding Distribution Loss up to January, 2022
1	Net Energy input at Distribution Voltages	MU	813.46	578.85	7,127.30	8,513.52
2	Energy sales at Distribution voltages	MU	754.08	581.31	6,723.64	7,880.33
3	Distribution Loss (1 - 2)	MU	59.39	(2.46)	403.66	633.19
4	Distribution Loss as % (3/1)	%	7.30%	(0.42%)	5.66%	7.44%
5	Excess Distribution Loss = [Annual Sliding Distribution Loss (4) - Distribution loss approved] x Net Energy Input (1)	MU	-	-	-	0.79
6	Disallowance of FAC due to excess Distribution Loss	Rs. Crore	-	-	-	0.02

- 9.3 As seen from the above Table 17, distribution loss for the month of January 2022 is (0.42) % which is lower than the MYT approved distribution loss of 7.30%. Similarly, the cumulative distribution losses upto January, 2022 are 5.66% and lower than the distribution losses approved in the MYT Order. AEML-D submitted that the distribution loss are being reported considering the difference between the input and sales attributable to AEML-D's own consumers. Further, the sales being reported for LT cycle billing is as per bill posting date, whereas the input will be pertaining to the concerned month itself and thus there will be variation in losses on account of the differing period of purchase and sales.

- 9.4 Further, the Annual Sliding Distribution Loss up to January, 2022 is 7.44% which is higher than approved distribution loss of 7.30% as approved in MYT Order. AEML-D submitted that the Commission in the May month FAC prior approval dated 11 October, 2021 for AEML-D, has, for the first time by relying on Regulation 10.8 of the MYT Regulations, 2019, considered the actual annual sliding distribution loss with the annual approved loss. AEML-D has further submitted that the aforesaid Regulation requires





that both actual and target distribution losses are determined on an annual sliding basis. Therefore, the MYT Order should have enabled implementation of the said Regulation by approving month-wise energy sales and energy balance, so that weighted average target distribution loss could have been determined for each month on a sliding scale basis and the same could have been compared with actual sliding distribution losses. AEML-D submits that in absence of this information in the MYT Order, the aforesaid Regulation cannot be implemented.

- 9.5 AEML-D submitted that because distribution loss targets are approved at reducing levels each year, if the actual losses for 12 months period (on sliding basis) are compared with target of the concerned month, actuals will always appear to be higher, leading to disallowance of FAC. This is definitely not correct as the target and actual must correspond to the same period, for them to be compared.
- 9.6 AEML-D submitted that this year does not represent business as usual performance for Distribution Licensees as the pandemic has and continue to severely influence various facets of electricity business. AEML-D has requested the Commission for regulatory intervention to recognize these factors as force majeure and appreciate the various financial losses, including the loss of possible efficiency gains on distribution losses.
- 9.7 As part of the analysis, monthly as well as cumulative distribution losses trend is also examined with reference to approved by the Commission and similar period of last financial year as shown in Table 18 below:

**Table 18: Monthly and Cumulative Distribution Loss trend of AEML-D**

Year	FY 2021-22	FY 2020-21
<b>Approved</b>	<b>7.30%</b>	<b>7.55%</b>
Actual – April	7.46%	4.90%
Actual – May	7.93%	34.41%
Actual – June	1.48%	-1.78%
Actual – July	9.45%	-11.22%
Actual - August	10.88%	6.74%
Actual - September	5.53%	9.78%
Actual – October	11.52%	15.94%
Actual – November	3.34%	2.62%
Actual – December	-3.77%	1.10%
Actual – January	-0.42%	3.45%
<b>Actual - Cumulative till January</b>	<b>5.66</b>	<b>7.37%</b>

- 9.8 As seen from the above Table 17, disallowance of FAC due to excess distribution loss for the month of January 2022 is Rs. 0.02 Crore since the standalone FAC for the month of January 2022 is positive and annual sliding distribution losses are higher than approved cumulative losses by the Commission.

**10. Summary of Allowable ZFAC**





10.1 The summary of the FAC amount as approved by the Commission for the month of January 2022 as shown in the Table 19 below.

**Table 19: Summary of Allowable  $Z_{FAC}$  for January, 2022**

Sr. No.	Particulars	Units	As Claimed January 2022	As Approved January 2022
<b>1</b>	<b>Calculation of <math>Z_{FAC}</math></b>			
1.1	Change in cost of generation and power purchase attributable to Sales within the License Area (F)	Rs. Crore	14.92	15.80
1.2	Carrying cost for over-recovery/under-recovery (C)	Rs. Crore	-	-
1.3	Adjustment factor for over-recovery/under-recovery (B)	Rs. Crore	-	-
<b>1.4</b>	<b><math>Z_{FAC} = F+C+B</math></b>	<b>Rs. Crore</b>	<b>14.92</b>	<b>15.80</b>
<b>2</b>	<b>Calculation of FAC Charge</b>			
2.1	Energy Sales within the License Area	MU	581.31	581.31
2.2	Excess Distribution Loss	MU	-	0.79
2.3	$Z_{FAC}$ per kWh	Rs./kWh	0.26	0.27
<b>3</b>	<b>Recovery of FAC</b>			
3.1	FAC disallowed corresponding to excess Distribution Loss $[(2.1+2.2) \times 2.3]/10]$	Rs. Crore	0.00	0.02
3.2	Allowable FAC	Rs. Crore	14.92	15.78
<b>4</b>	<b>Utilization of FAC Fund</b>			
4.1	Opening Balance of FAC Fund	Rs. Crore	(17.51)	12.47
4.2	Carrying Cost on FAC	Rs. Crore	0.12	0.32
4.3	$Z_{FAC}$ for the month (Sr. No. 3.2)	Rs. Crore	14.92	15.78
4.4	Cumulative refund of FAC upto April, 2021	Rs. Crore	-	-
4.5	Holding Cost on Cumulative refund of FAC	Rs. Crore	-	-
4.6	Closing Balance of FAC Fund	Rs. Crore	(2.47)	28.57
4.7	$Z_{FAC}$ leviable/refundable to consumer	Rs. Crore	-	28.57
<b>5</b>	<b>Total FAC based on category wise and slab wise allowed to be recovered</b>	<b>Rs. Crore</b>	<b>-</b>	<b>-</b>
<b>6</b>	<b>Carried forward FAC for recovery during future period (3.1-3.2-4)</b>	<b>Rs. Crore</b>	<b>(2.47)</b>	<b>28.57</b>

10.2 It can be seen from the above Table 19 that opening FAC fund for month of January 2022 is Rs. 12.47 Crore and standalone FAC (after disallowance for excess distribution losses) for the month of January 2022 approved by the Commission is Rs. 15.78 Crore. The Commission has also approved a carrying cost of Rs. 0.32 Crore for January 2022 on the FAC accrued during the period April 2020 to January 2022. The FAC amount leviable on the consumer for the month of January 2022 is Rs. 28.57 Crore.





10.3 The recovery of FAC amount from the consumers will be allowed in line with the provisions of the letter dated 5 April, 2022 issued by the Commission.

**11. Recovery from Consumers:**

11.1 Regulation 10.9 of MERC MYT Regulations, 2019 provides for methodology of recovery of FAC charge from each category of consumers. The relevant extract is reproduced as below.

*“10.9 The  $Z_{FAC}$  per kWh for a particular Tariff category/sub-category/consumption slab shall be computed as per the following formula: —*

$$Z_{FAC\ Cat} (Rs/kWh) = [Z_{FAC} / (\text{Metered sales} + \text{Unmetered consumption estimates} + \text{Excess distribution losses})] * k * 10,$$

*Where:*

*$Z_{FAC\ Cat}$  =  $Z_{FAC}$  component for a particular Tariff category/sub-category/consumption slab in 'Rupees per kWh' terms;*

*k = Average Billing Rate / ACOS;*

*Average Billing Rate = Average Billing Rate for a particular Tariff category/sub-category/consumption slab under consideration in 'Rupees per kWh' as approved by the Commission in the Tariff Order:*

*Provided that the Average Billing Rate for the unmetered consumers shall be based on the estimated sales to such consumers, computed in accordance with such methodology as may be stipulated by the Commission:*

*ACOS = Average Cost of Supply in 'Rupees per kWh' as approved for recovery by the Commission in the Tariff Order:*

*Provided that the monthly  $Z_{FAC}$  shall not exceed 20% of the variable component of Tariff or such other ceiling as may be stipulated by the Commission from time to time:*

*Provided further that any under-recovery in the  $Z_{FAC}$  on account of such ceiling shall be carried forward and shall be recovered by the Distribution Licensee over such future period as may be directed by the Commission....”*

11.2 The Commission allows the FAC amount of Rs. 15.78 Crore for the month of January, 2022.

11.3 The Commission in its FAC approval for the month of December, 2021 has directed AEML-D to carry forward the approved FAC amount of Rs. 12.47 Crore to be recovered from FAC Fund with carrying cost.





- 11.4 Accordingly, considering the approved opening balance FAC Fund of Rs. 12.47 Crore, standalone FAC amount of Rs. 15.78 Crore for the month of January, 2022, carrying cost of Rs. 0.32 Crore, the total amount of Rs. 28.57 Crore is leviable on the Consumers. The said amount of Rs 28.57 Crore is being carried forward and will be accumulated for next three-month period i.e. up to the month of February, 2022 as per letter dated 5 April, 2022 issued by the Commission. At the end of the three-month period, the Commission will allow the recovery of cumulative amount for three-month period equally over the next three-month period during prior approval of the third month along with carrying cost
- 11.5 **In view of the above, per unit  $Z_{FAC}$  for the month of January 2022 to be levied on consumer of AEML-D in the billing month of March 2022 is nil.**

