

Ref: TUML/NGP/MERC/2017-18/001



Date: 08.07.2017

SA
12/7/17

To,

✓ THE SECRETARY,

Maharashtra Electricity Regulatory Commission (MERC),
13th Floor, Centre No. 1, World Trade Centre,
Cuffe Parade, Colaba, Mumbai - 400 005

Subject: Submission of Generation, Consumption data for FY 2010-11 to FY 2013-14 for our
2x2 MW + 2 x 13 MW Captive Co-Generation Plant.

References:

- 1) Your Letter Ref: MERC/Case No. 101 of 2017/2017-18/3154 Dated 23.06.2017
- 2) Our Letter to Maharashtra Energy Development Agency (MEDA) Ref: TUML/MEDA/2014-15/CPP/25 Dated 13.02.2015
- 3) Our Letter to MEDA Ref: TUML/MEDA/2012-13/CPP/025 Dated 01.06.2013
- 4) MERC's "Renewable Purchase Obligation, Its compliance & Implementation of REC framework" Regulation 2010 issued on date 07.06.2010.

Dear Sir,

In reference to the details as solicited by you in your letter dtd. 23.06.2017 vide reference No 1, the Generation and Consumption data for the FY 2010-11 to FY 2013-14 has been attached as Annexure II & III.

Further, we wish to inform you that, ours is a Captive Co-Generation Plant having a capacity of 2x2 MW from Waste Heat Recovery Boilers (WHRB) and AFBC boiler based Captive Power Plant of 26 MW capacity (Total 30 MW). We do not come under the category of RPO Obligated Entities as mentioned in the RPO manual which specifies that

II QUOTE II (Refer Point No. 16 of Page no. 20 of the said judgment)

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Captive user(s) consuming power from grid connected fossil fuel based co-generation plants are exempted from applicability of RPO target and other related conditions as specified in these Regulations.

RPO Obligation shall not be applicable in case of Standby (or Emergency back-up) Captive Generating Plant facilities. Category & Proof required to be submitted by obligated entity to MEDA for availing exemption under RPO obligation is as bellow

Category Type	Proof required
For Off-Grid CPP	Certification from concerned Distribution Licensee / Transmission Licensee (as per case may be)
For Grid connected CPP having Co-generation facility	Certification from concerned Distribution Licensee / Transmission Licensee / Electrical Inspector, PWD, GoM/ MPCB / MEDA.
For CPP in case of Standby (or Emergency Back-up) Captive Generating Plant facilities.	Certification from concerned Distribution Licensee / Electrical Inspector, PWD, GoM.
For renewable based CPP/ OA consumers	Certification from MEDA.
In case of OA consumers	Certification from concerned Distribution Licensee / Transmission Licensee (Valid OA permission)
In case of CPP generating plant is shut down/ Un-operational/ Company is Lock down.	Certification from Electrical Inspector, PWD, GoM.

II UNQUOTE II

The provisions under the RPO manual exempts us from RPO obligations as ours is a grid connected Captive Power Plant having Co-generation facility with 2x2 MW (4MW) Waste Heat Recovery based Boilers. The certificate from the Electrical Inspector, PWD, Nagpur, GoM confirming the same is enclosed as Annexure I for your consideration.



As per the judgment passed by the Appellate Tribunal of Electricity (APTEL) on 10th April 2013 in the appeal no 125 of 2012, we wish to bring to your kind notice that we do not fall under the category of "Obligated Entities" for RPO. The provisions of this judgment passed by the Hon'ble Appellate Tribunal of Electricity on 10th April 2013 in Appeal no. 125 of 2012 specifies that

II QUOTE II (Refer Page no. 19 & 20 of the said judgment)

We would, therefore, direct the state Commission not to enforce Renewable Purchase Obligation on the captive consumers who met the specified percentage of energy from the captive co-generation plant using any fuel and exempt them from RPO obligation in consonance with the finding of the Tribunal in Century Rayon case in relaxation of its Regulations. Accordingly directed

II UNQUOTE II

The provisions and the findings of the said APTEL order clearly specifies that the Co-generator who produces energy more efficiently as compared to conventional power plants which is to be treated at par with the electricity from the renewable source of generation. When such being the case, the fastening of obligation on the co-generator to procure electricity from renewable energy producer would defeat the object of section 86(1) (e). These two categories of generators namely i) Co-generators and ii) generators of electricity through renewable sources of energy are required to sell the electricity to any person as may be directed by the state commission. Any obligation for purchase of electricity from these two sources can be imposed only on the distribution licensee and not on the captive consumers who are generating electricity through Co-generation irrespective of the fuel used.

The Power so produced by us from our Co-generation plant of 4MW capacity is far exceeding the RPO targets vis-à-vis our captive power consumption. Thus we do not come under the ambit of "RPO Obligated entities"

In addition to the above judgment from APTEL, please refer the other Judgments of APTEL in Appeal No. 54 of 2012 dated 30.01.2013 and Appeal No. 57 of 2009 dated 26.04.2010 regarding non applicability of RPO Obligations to Captive Co-Generation Plants.

- 1) We are not an open access consumer and we have taken open access for exporting our Own Generated Power to MSEDCL or Other Third parties. We have a complete electrical system operating at 11KV level for distribution of the power to our various consuming units within our plant premises and only the surplus power is exported



through the 220 KV grid for sale to our clients. We fall under the "Embedded Captive Co-generator category". The grid connection is not at all required for our internal captive power consumption. It means that we are not using any power through the Grid to run our Integrated Steel Plant. In other words, we are not using the grid network to cater to our power requirement and we are using our own internal network to transfer the power for self-use. Hence we are using our own power generated through our Co-Generation Plant.

- 2) Further, The Superintending Engineer, Nagpur Region(Electrical) circle , Public Works Department, Govt. of Maharashtra, Nagpur after all verification, have given us the Co-generation certificate certifying that we are a " Captive Co-generation Plant " which is attached here with as Annexure I. It also clearly specifies that our Co-generation capacity through Waste Heat Recovery Boilers (WHRB's) is 2 x 2 MW.
- 3) In the above referred letters we have clearly informed that being a captive Co-Generation Plant we do not fall under the ambit of RPO Obligated entity. With the above justification and attached annexures, it will be clear to your good self that we do not come under the "Obligated Entities" category for RPO.
- 4) Please refer the Draft Copy of the National Renewable Energy Act 2015 which is tabled in the parliament for further discussion in which Point no. 3.22 clearly mentions "Renewable Energy (RE) Sources" means energy derived from Non depleting sources and includes the following on page no. 5 & 6 which **clearly states Industrial Waste which include Solid, liquid and gaseous byproducts**. Ours is an Industrial waste gaseous based plant (Heat energy available in the flue waste gases of our Sponge Iron division). Further, in our 2 x 100 TPD capacity Sponge Iron process, a Industrial waste by-product called as "Dolachar" is generated to the tune of 50 to 80 MT/day (which is unburnt or partially burnt coal particles and Dolomite particles having a GCV of about 1600 to 2200 Kcal/Kg) and the same is fully utilized by mixing the same with the coal used as fuel for our 2 x 13 MW capacity Atmospheric Fluidized Bed Combustion (AFBC) Boilers. Sometimes, we are also procuring this Industrial waste Dolachar from other Industries and utilizing the same along with our own Dolachar in our AFBC Boilers. Thus, our captive co-generation is mostly based on the waste by-products of the Industry and hence we fall under the category of non obligated entities for RPO. This bill is pending with the "Loksabha" and is supposed to be passed at the earliest. Once



this bill is passed our entire captive co-generation from AFBC boilers also will be treated as energy from waste and is considered as renewable energy.

The above will convince you that our Integrated Steel Plant and Captive Co-generation Plant does not fall under the "Obligated Entity" category for the RPO.

You are requested to acknowledge the receipt of this letter along with all Annexures. A copy of this letter along with all three annexures is scanned and already mailed to your good self and original sent by speed post & by courier also.

Thanking You,

Yours faithfully,

For Topworth Urja & Metals Limited,



Parimal R. Vinzey

Vice President (Operations & Projects)



Enclosures: All the Annexures as mentioned above.

Copy to: Dr. J. V. Torane, General Manager (REC, R&D), Maharashtra Energy Development Agency (MEDA)

GOVERNMENT OF MAHARASHTRA
Office of the Superintending Engineer, Nagpur Region (Electrical) Circle,
Public Works Department, Nagpur

Phone (0712) 2560289 / Fax : 2565432
E mail : enagpur.se@maharwd.com

B.No.39/I, P.W.D.Compound,
Civil Lines, Nagpur-440 001.

No.SEN/1032/2013.

Dated the : 13/06/2013

To, ✓
M/s Topworth Urja & Metals Limited,
Office No. 126/128, 1st Floor, Shriram Tower,
Kingsway, Sadar, Near NIT Office,
Nagpur - 440 001.

Subject : - Certificate for Grid Connected CPP having Co-generation Facility.

- Ref : - 1. MERC Letter No. MERC/Case No. 49 dated 30.04.2013.
2. MERC letter no. MERC/Tech-XII/RPO Corresp/2012-13/02808
Dated 06/03/2013
3. MEDA letter No. BP/RPO-STATUS/2013/2272 dated 23.05.2013.
4. Your letter No. TUMI/Elect.Insp./2013-14/255 dated 18.06.2013.

This is to certify that M/s Topworth Urja & Metals Limited, Mouza-Ukkervahi, Village - Heti, Tahsil-Unred, District - Nagpur is having installed capacity of 2 x 100 TPD Sponge Iron Plant coupled with 2 x 2 MW Waste Heat Recovery Boiler (WHRB) based Co-Generation Power Plant and 2 x 13 MW Atmospheric Fluidized Bed Combustion (AFBC) Boiler based Captive Power Plant (Total 30 MW) and they have elaborate power distribution network within their plant at 11 KV level for feeding power to their various manufacturing units and the surplus power is exported through the 220 KV Grid after stepping up from 11 KV to 220 KV in their switchyard for sale to MSEDCL/Open access consumer.

The CPP consist of 30 MW Coal Based Thermal Power Plant (1 x 30 MW condensing Steam Turbine, Make- HTC (China Make) with 37.5 MVA Generator, Make - Shandong Jinan Power Equipment Factory with 2 x 10 TPH (20 TPH) Waste Heat Recovery Boilers, Make-Thermax Ltd. and 2 x 70 TPH (140TPH) AFBC Boilers, Make-Thermax Ltd.

The 2 x 10 TPH Waste Heat Recovery Boilers totaling to 20 TPH Steam Generation capacity attached to 2 x 100 TPD Sponge Iron Kilns. These WHRB's use the Heat Energy generated through the Waste Heat Gases from the 2 x 100 TPD Kilns.

This Certificate is being issued in compliance with the MERC Letter No. MERC/Case No. 49 dated 30.04.2013 & MEDA Letter No. BP/RPO-STATUS/2013/2272 dated 23.05.2013 on renewable purchase obligation, its compliance and implementation.


Superintending Engineer
Nagpur Region (Electrical) Circle,
Nagpur.

Date: 08.07.2017

Name of the Company/Organization: Topworth Urja & Metals Limited

Obligated Entities (tick the appropriate option): Captive User (CPP): () or Open Access (OA) Consumer: () or Exempted Captive User/Open Access Consumer (✓)

Name of the Distribution Licensee's Area: Maharashtra State Electricity Distribution Company Limited (MSEDCL)

For CPP: Plant Installed Capacity (in MW): 2 x 2 MW – WHRB based and 2 x 13 MW AFBC based boilers. Total – 30MW(Captive Use from plant in MW: 12MW, Sale outside/third party (in MW): 18MW)

For OA Consumer: Contract Demand (in MVA): 1 MVA(Source: MSEDCL, Consumption location: Topworth Urja & Metals Limited, Umred Road, Nagpur) (Power is imported only during start-up or blackout condition of our 30MW Captive Power Plant)

Year	Installed Capacity	Total Energy Consumption	Solar RPO			Non-Solar RPO		Total energy to be procured as per RPO	Total RE procureme nt (Solar + Non-Solar) (A+B)	Shortfall	Cumulative Shortfall	
			Solar RPO Target	Energy actually procured against target (A)	Non-Solar RPO Target	Energy actually procured against target (B)						
							MU					
							Solar REC					Solar RE
	MW	MU	MU	Solar REC	Solar RE	MU	Non-Solar REC	Non-Solar RE	MU	MU	MU	
FY 10-11	30	15.644	NA	NA	NA	NA	NA	NA	NA	NA	NA	
FY 11-12	30	36.579	NA	NA	NA	NA	NA	NA	NA	NA	NA	
FY 12-13	30	40.43	NA	NA	NA	NA	NA	NA	NA	NA	NA	
FY 13-14	30	51.09	NA	NA	NA	NA	NA	NA	NA	NA	NA	

NA – Not Applicable (We are not covered under the definition of "Obligated Entities" required to fulfil RPO as we are a grid connected Captive Power Plant having Co-generation Facility. The certificate from Electrical Inspector, PWD, Government of Maharashtra has been enclosed as Annexure I for your kind information)

Signature / Stamp of Topworth Urja & Metals Limited
NAGPUR

TOPWORTH URJA AND METALS LIMITED :: UMRED ROAD :: NAGPUR DISTRICT

ANNEXURE - III

POWER CONSUMPTION FOR THE FINANCIAL YEAR 2010-11 to FINANCIAL YEAR 2013-14

DATE: 08.07.2017

YEAR	NET POWER GENERATION FROM 2 x 13 MW AFBC BOILERS EXCLUDING AUXILIARIES IN MWH	TOTAL POWER EXPORT TO MSEDCL IN MWH	NET CAPTIVE CONSUMPTION IN MWH	NET CAPTIVE CONSUMPTION IN MU	POWER GENERATION FROM 2 X 2 MW COGENERATION (WHR BOILERS) IN MWH	Remarks
	(A)	(B)	(A-B)		(C)	
2010-11	91749.24	76104.87	15644.37	15.64	1811.94	The generation from WHRB is treated at par with RE generator and RE certificate should be issued for this generation.
2011-12	166515.63	129936.2	36579.43	36.58	14841.89	
2012-13	205874.98	165444.8	40430.18	40.43	24041.19	
2013-14	153093.8	101999.90	51093.90	51.09	22787.21	



 Sign / Stamp (TUMC)