

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 39 of 2017

Date: 14 March, 2018

Coram: **Shri Anand B. Kulkarni, Chairperson**
 Shri Deepak Lad, Member

In the matter of Petition filed by The Tata Power Company Limited seeking approval of the Power Procurement Plan of the Tata Power Company Limited- Distribution Business for FY 2018-19 to FY 2024-25 as per directions of the Hon'ble Commission vide order dated 21.10.2016 in Case No. 47 of 2016 read with MERC (MYT) Regulations, 2015.

The Tata Power Company Limited (Distribution) (TPC-D)	...Petitioner
The Tata Power Company Limited (Generation) (TPC-G)	...Implead Respondent
State Transmission Utility (STU)	...Implead Respondent

Appearance

Representative for the Petitioner:	Shri. Bhaskar Sarkar (Rep.)
Representative for Respondent (TPC-G):	Smt. Swati Mehandale (REP.)
Authorised Consumer Representative:	Dr. Ashok Pendse (Rep.)

DAILY ORDER

1. The representative of TPC-D made a presentation on the Salient Features of the Petition including the interim application filed on 26 February, 2018. The salient features of the presentation made by TPC-D are as follows:
 - a. TPC-D has estimated the revised demand for FY 2018-19 based on actual demand met in FY 2017-18.
 - b. The revised Peak and Base demand estimated for FY 2018-19 is 854 MW and 410 MW respectively.

- c. Considering the provision to meet 50% of Open Access Contracted Demand, the total base demand tie up required is 455 MW.
 - d. Tie up as per existing PPA matches with the demand requirement for FY 2018-19.
 - e. Requested Commission to approve the extension of the existing PPA between TPC-G and TPC-D except Unit 4 and Unit 6 with the existing terms and conditions for one year from 1 April, 2018 to 31 March, 2019.
2. The Commission asked TPC-D to clarify as to why the Base Demand of 371 MW as submitted in original Petition for approval of Power Procurement Plan has been revised to 410 MW. TPC-D replied that in its original Petition, it had projected the demand based on sales projections, while now TPC-D has considered the actual month wise demand from April 2017 to January 2018 while projecting the demand.
3. TPC-D also submitted that the consumers opting for Open Access retain their Contract Demand and as and when Open Access consumers wants to avail power from TPC-D, they will have to supply it. Hence, TPC-D has proposed to keep provision to meet 50% of Open Access Contracted Demand while estimating the base demand tie up.
4. The Commission asked TPC-D about the applicability of Additional Surcharge with the capacity tie up proposed by it. TPC-D replied that the applicability of Additional Surcharge will depend upon several factors and it is a part of tariff determination process.
5. The Commission asked TPC-D as to whether they have tried to optimise the capacity tie up with TPC-G considering the technical minimum of TPC-G units. TPC-D replied that for next one year i.e., FY 2018-19, it has proposed to tie up entire capacity as it is extension of PPA and optimisation of capacity tie up will be done from FY 2019-20 onwards. TPC-D further submitted that it is exploring other initiatives for reduction of burden to consumers as part of tariff determination process.
6. On the issues raised by Prayas Energy Group in writing, TPC-D submitted that the variable cost of base power (thermal generating stations of TPC-G) is costlier as compared to other sources, but the base power comprises only 40% of requirement. On overall basis, the total weighted average cost of power purchase of TPC-D is competitive.
7. Dr. Ashok Pendse, representing the Thane Belapur Industrial Association (TBIA), an Authorised Consumer Representative, made the following submissions.

- a. As the Base Demand for FY 2018-19 as submitted by TPC-D in its Petition for approval of Power Procurement plan is 371 MW, Base capacity tie up and hence the Fixed Charges should be allowed only to the extent of 371 MW.
 - b. If the units are running at technical minimum, additional demand to meet Open access consumers requirement can be met by increasing the generation from already running units.
 - c. As per recent MOD stack, Unit 5 and Unit 8 of TPC-G are the costliest sources amongst the coal based thermal generating stations of Maharashtra and though the stations/units having much lower variable cost than Unit 5 and Unit 8 are not getting despatched, but Unit 5 and Unit 8 are getting despatched due to embedded generation and transmission constraints issues.
 - d. Approval for extension of PPA may be granted for one year.
8. The Commission directed TPC-D to submit the concurrence of TPC-G for the proposed extension of Power Purchase Arrangement (PPA) for one year i.e., FY 2018-19 and copy of draft PPA for approval of the Commission by 16 March, 2018.

Sd/-
(Deepak Lad)
Member

Sd/-
(Anand B. Kulkarni)
Chairperson