

M/s Rochem Green Energy Pvt Ltd

101, HDIL Tower, Anant Kanekar Marg, Bandra (East) Mumbai – 400 015. Website: <http://www.rochemindia.com/>

PUBLIC NOTICE

Suggestion / objection on Petition filed by Rochem Green Energy Pvt Ltd for determination of Tariff for supply of electricity from 8.97 MW capacity Municipal Solid Waste based power project being commissioned at Pune for sale of electricity to the distribution licensees in Maharashtra (Case No 77 of 2014)

1. The Rochem Green Energy Pvt Ltd (RGEPL) has filed a Petition for determination of Tariff for supply of electricity from 8.97 MW capacity municipal solid waste based power project being commissioned at Pune for sale of electricity to the distribution licensees in Maharashtra before the Maharashtra Electricity Regulatory Commission (MERC) under sections 62(1)(a) and 86(1)(e) of EA 2003 and Regulation 7.1 and 7.2 of MERC (Terms and Conditions for determination of RE Tariff) Regulations, 2010. The MERC has admitted the Petition on **Monday, 5 May, 2014** and directed Petitioner to publish a Public Notice under section 64(2) of the Electricity Act, 2003 for inviting suggestions and objections from the public through this Notice.

2. The petitioner has prayed as under:

a. Accept this petition for determination of tariff for supply of electricity from proposed MSW power project at Pune to Distribution licensees in Maharashtra. It is further requested that the Hon. Commission may specify the levelled Tariff for proposed MSW power plant for 20 year tariff period which is useful life of the plant. The Hon. Commission may direct the distribution licensee to execute the PPA with the petitioner for the specified tariff period.

b. Approve an interim relief by approving the Tariff of Rs. 4.88/kWh for sale of electricity generated from MSW project to the distribution licensee (MSEDCL) for this project so that project can immediately commission its first unit.

c. Approve the levelled Tariff of Rs. 5.88/kWh for sale of electricity generated from proposed MSW power project to distribution licensees in Maharashtra.

d. To grant an opportunity in person before Hon Commission during the hearing on the above matter.

e. Condone any inadvertent omission/errors/short comings and permit the petitioner to add/change/modify/alter this filing and make future submissions as may be required at a future date.

3. Salient features of the Petition are provided below:

Table 1: Parameter Assumptions

S. No.	Assumption Head	Sub-Head	Sub - Head (2)	Unit	Parameter values
1	Power Generation				
		Capacity	Installed Power Generation Capacity	MW	8.97
			Capacity Utilization Factor	%	65 (first year) 75 (for remaining period)
			Commercial Operation Date	mm/yyyy	
			Useful Life	Years	20
2	Project Cost				
		Capital cost / MW	Normative Capital Cost	Rs Lakh / MW	1443.68
			Capital cost	Rs Lakh	12949.76
			Capital Subsidy, if any	Rs Lakh	Nil
			Net Capital Cost	Rs Lakh	12949.76
3	Financial Assumptions				
			Tariff Period	Years	20
		Debt: Equity	Debt	%	70
			Equity	%	30
			Total Debt Amount	Rs Lakh	9064.83
			Total Equity Amount	Rs Lakh	3884.93
		Debt Component	Loan Amount	Rs Lakh	9064.83
			Moratorium Period	Years	0
			Repayment Period (incl Moratorium Period)	Years	10
			Interest Rate	%	12.87
		Equity Component	Equity Amount	Rs Lakh	3884.93
			Return on Equity for first 10 years	% p.a.	19
			Return on Equity 11 th year onwards	% p.a.	24
			Discount Rate	%	15.46
		Depreciation	Depreciation Rate for first 10 years	%	7
			Depreciation Rate 11 th year onwards	%	2
		Other Incomes	Tipping fee received from Corporation	Rs / Tonne	300
			RDF / Compost Sale Price	Rs / Tonne	1000
4	Operation and Maintenance				
			Normative O&M expense	% of capital cost	7.08
			O&M expense (first year)	Rs Lakh	917.1
			Escalation factor for O&M expense	%	5.72
5	Working Capital				
		O&M Expense		Months	1
		Maintenance Spare	(% of O&M expense)	%	15
		Receivables		Months	2
		Interest on Working Capital		% p.a.	13.37

Table 2 Determination of Tariff component

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Installed capacity (MW)	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97
Net Generation (lakh kWhs)	434.1	500.9	500.9	500.9	500.9	500.9	500.9	500.9	500.9	500.9	500.9	500.9	500.9	500.9	500.9	500.9	500.9	500.9	500.9	500.9
Fixed Costs (Rs lakh)																				
O&M	917.10	969.56	1025.02	1083.65	1145.63	1211.17	1280.44	1353.69	1431.12	1512.98	1599.52	1691.01	1787.74	1889.99	1998.10	2112.39	2233.22	2360.96	2496.01	2638.78
Depreciation	906.48	906.48	906.48	906.48	906.48	906.48	906.48	906.48	906.48	906.48	259.00	259.00	259.00	259.00	259.00	259.00	259.00	259.00	259.00	259.00
Interest on term loan	1108.31	991.65	874.98	758.32	641.65	524.99	408.33	291.66	175.00	58.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on working capital	100.40	98.66	99.03	99.58	100.31	101.24	102.37	103.71	105.29	107.11	97.52	102.52	107.81	113.41	119.32	125.57	132.18	139.17	146.55	154.36
Return on Equity	621.59	621.59	621.59	621.59	621.59	621.59	621.59	621.59	621.59	621.59	621.59	621.59	621.59	621.59	621.59	621.59	621.59	621.59	621.59	621.59
Tax on ROE	124.37	124.37	124.37	124.37	124.37	124.37	124.37	124.37	124.37	124.37	201.67	201.67	201.67	201.67	201.67	201.67	201.67	201.67	201.67	201.67
Total Cost	3778.25	3712.30	3651.47	3593.99	3540.04	3489.83	3443.57	3401.50	3363.84	3330.86	2779.29	2875.79	2977.81	3085.66	3199.68	3320.22	3447.66	3582.39	3724.82	3875.40
Less: Income from tipping fee	498.23	574.88	574.88	574.88	574.88	574.88	574.88	574.88	574.88	574.88	574.88	574.88	574.88	574.88	574.88	574.88	574.88	574.88	574.88	574.88
Less: income from sale of byproducts	58.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50
Net cost	3221.52	3069.93	3009.10	2951.61	2897.66	2847.45	2801.20	2759.12	2721.47	2688.48	2136.92	2233.42	2335.43	2443.28	2557.31	2677.85	2805.29	2940.01	3082.45	3233.03

Per Unit Tariff Components	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
PU O&M	2.11	1.94	2.05	2.16	2.29	2.42	2.56	2.70	2.86	3.02	3.19	3.38	3.57	3.77	3.99	4.22	4.46	4.71	4.98	5.27
PU Depreciation	2.09	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52
PU Interest on term loan	2.55	1.98	1.75	1.51	1.28	1.05	0.82	0.58	0.35	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PU Interest on working capital	0.23	0.20	0.20	0.20	0.20	0.20	0.20	0.21	0.21	0.21	0.19	0.20	0.22	0.23	0.24	0.25	0.26	0.28	0.29	0.31
PU Return on Equity	1.43	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24
PU Tax on ROE	0.29	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
PU Gross Tariff	8.70	7.41	7.29	7.17	7.07	6.97	6.87	6.79	6.72	6.65	5.55	5.74	5.94	6.16	6.39	6.63	6.88	7.15	7.44	7.74
Less: Income from tipping fee	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Less: Income from byproducts	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
PU Net Tariff	7.42	6.13	6.01	5.89	5.78	5.68	5.59	5.51	5.43	5.37	4.27	4.46	4.66	4.88	5.11	5.35	5.60	5.87	6.15	6.45
Levelled Net Tariff	5.88																			

4. Copies of the following documents can be obtained on written request from RGEPL's Office mentioned below:

a. Executive Summary of the Petition (free of cost, in Marathi or English).

b. Detailed Petition documents along with CD (in English) (on payment of Rs. 150/- by DD/ Cheque/ Cash drawn on "Rochem Green Energy Pvt Ltd" payable at Mumbai).

c. Detailed Petition documents (in English) (on payment of Rs. 100/-).

d. CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Address of Petitioner's office: M/s Rochem Green Energy Pvt Ltd, 101, HDIL Tower, Anant Kanekar Marg, Bandra (East), Mumbai – 400 015.

5. The Commission has directed RGEPL to invite suggestions and objections from the public on the above petition through this notice. Suggestions and objections may be sent to the **Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No. 1, World Trade Centre, Cuffe Parade, Mumbai – 400 005** [Fax – 22163976, Email – mercindia@merc.gov.in] by **Wednesday, 28 May, 2014** along with proof of service on the Applicant M/s RGEPL.

6. Every person who intends to file suggestions and objections can submit the same in English or in Marathi, in six copies, and should mention the full name, postal address, and email address, if any, of the sender. It should be indicated whether the objection is being filled on behalf of any organization or category of consumers. It should also be mentioned if the sender wants to be heard in person, in which case opportunity would be given by the Commission at the Public Hearing to be held at **Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No. 1, World Trade Centre, Cuffe Parade, Mumbai – 400 005 on Thursday, 29 May, 2014, at 12.30 Hrs**, for which no separate notice will be given.

7. RGEPL shall reply to each of the suggestions and objections received within three days of the receipt of the same but not later than **Wednesday, 28 May, 2014** for all the suggestions and objections received till **Wednesday, 28 May, 2014**. Stakeholders can submit their rejoinders on replier provided by RGEPL either during public hearing or latest by, **Monday, 2 June, 2014**.

8. The detailed Petition with all Annexures and the executive summary is available on RGEPL's website <http://www.rochemindia.com/> and the executive summary is also available on the website of the Commission www.merc.gov.in/ / www.mercindia.org.in in downloadable format. (free of cost).

Signature:
Name: Prerak Goel
Designation: Director,
Rochem Green Energy Pvt Ltd.