

23rd June 2020

CREG/MUM/MERC/2020/217

To,
The Secretary,
Maharashtra Electricity Regulatory Commission,
Centre No 1, World Trade Centre,
Cuffe Parade, Colaba,
Mumbai 400 005

Dear Sir,

Sub: Petition of Tata Power - Distribution seeking approval for charging Tariff ["Green Power Tariff"] for supply of Renewable Energy to consumers for meeting their requirement of utilizing 100% green energy for their entire demand

1. The Distribution Business of The Tata Power Company Ltd. (Tata Power-D), as a Distribution Licensee in the designated area in Maharashtra, is obligated to meet the power requirement of all its consumers. Accordingly, Tata Power-D meets the consumer demand through power purchase tie ups on long term, medium term and short-term basis with various power generating sources which include a mix of conventional fuel based generating units and renewable sources.
2. Tata Power-D has been receiving requests from some consumers for meeting their entire demand through renewable sources only (green power) with issuance of such certification from Tata Power-D to that effect.
3. Accordingly, Tata Power-D is enclosing a petition proposing a methodology for meeting the

requirement of 100% green power of these consumers and the associated charges that would be applicable to such consumers.

4. In view of the current pandemic due to COVID-19 and the ensuing lock-down in the state of Maharashtra, we request the Hon'ble Commission to kindly admit the petition through email and allow Tata Power-D to file the hard copy of the Petition along with a supporting affidavit once the present situation improves.
5. The prescribed fee of Rs. 10,000/- as per MERC (Fees & Charges) Regulations, 2017 is included with the petition.

Thanking You,

Yours faithfully

Sd/-

Peyush Tandon

Chief – Regulatory

BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

WORLD TRADE CENTRE, CENTRE NO.1,

13th FLOOR, CUFFE PARADE, MUMBAI 400005

Filing No.:

Case No.:

IN THE MATTER OF:

Petition under Section 86 (1) (k) of the Electricity Act, 2003 read with Regulation 92 and 94 of Maharashtra Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 and all the enabling powers including the inherent powers and expansive regulatory authority vested unto the Hon'ble Commission thereby seeking approval for charging Tariff ["Green Power Tariff"] for supply of Renewable Energy to consumers for meeting their requirement of utilizing 100% green energy for their entire demand

AND IN THE MATTER OF:

The Tata Power Company Limited

Bombay House,

24, Homi Mody Street,

Fort, Mumbai - 400 001

... Petitioner

MOST RESPECTFULLY SHOWETH:

I. Background:

1. Petitioner, The Tata Power Company Limited ("Tata Power") is a Company incorporated under the provisions of the Indian Companies Act, VII of 1913, with

its registered office at Bombay House, 24, Homi Mody Street, Fort, Mumbai 400001.

2. Tata Power has been granted a Distribution Licence by the Hon'ble Commission through their Order in Case No. 90 of 2014 to distribute electricity in entire Mumbai City Area, parts of Mumbai Suburban Area and the entire Mira Bhayandar Municipal Corporation.
3. There is a growing demand from consumers for a rapid transition to a zero-carbon economy. Over 175 of the world's most influential companies have already made this commitment through the global corporate leadership initiative, RE100. This is driving up demand for renewable electricity and creating a shift in demand patterns away from fossil fuels across the global power system. Google & Autodesk are just a few of the companies that have already achieved their goal and are now powered by 100% renewable energy. They are demonstrating to their stakeholders — including investors, customers and policymakers — that they see a future in which businesses are powered by renewables.
4. Government of India is also promoting renewable energy in a big way and has kept an aggressive target of 175 GW of renewable energy by 2022. Indian corporates are also playing key role in achieving the aggressive target of the Government as corporate citizens and other resultant advantage of being zero carbon companies.
5. In this context, some of the corporate consumers of Tata Power - Distribution are also stressing to become zero carbon company and eyeing for the elite club of those companies having zero carbon emission like Google. Some of the corporate consumers have already initiated the process by opting to receive Renewable Energy under Open Access mechanism as approved by the Hon'ble Commission.

However, many corporates do not wish to go through this process of sourcing Renewable Power either because either they are not eligible to avail open access under the current Regulatory framework or they do not have the resources, expertise and the bandwidth required for carrying out this activity. In view of this, these consumers have approached Tata Power - Distribution to meet their requirement of 100% green energy through the energy sourced from Tata Power-Distribution.

6. Considering the requests made by the consumers, Tata Power - Distribution is submitting a proposal for the approval of the Hon'ble Commission to enable supply of 100% green power to such consumers and the same is described below.
7. As the Hon'ble Commission is aware, Tata Power-Distribution, in order to meet the energy demand of its consumers, has tied up power on long term as well as short term basis with various generators which include conventional fuel-based generators, hydro generators and renewable sources like solar and wind. Considering the current tie ups for FY 2020-21 around 28% of power procured by Tata Power-Distribution is through Renewable generating sources (including Hydro).
8. Hence, to meet the requirement of the consumers seeking 100% green energy, Tata Power-Distribution proposes the following:
 - a. Permission to procure additional renewable power to meet the demand of consumers, over and above its RPO requirements.
 - b. Such procurement will form part of the power purchase requirement of Tata Power-Distribution and may be utilized to meet its RPO requirement as well in case of shortfall.

- c. Tata Power - Distribution will issue a monthly certificate to the consumer stating that 100% of their power requirement has been met through green energy.
 - d. The above proposal would be voluntary in nature and will provide a choice to the consumer to opt for green energy.
 - e. For the efforts required to enable this requirement of 100% green energy, Tata Power-Distribution proposes levy of “Green Energy Tariff” from such consumers
 - f. The additional revenue on account of Green Energy Tariff shall be accounted as other business income of the Petitioner, which will reduce the overall ARR of Tata Power-Distribution as specified in the MYT Regulations, 2019.
9. In this regard, it is noted that Section 61(h) of The Electricity Act, 2003 has specified the promotion of generation of renewable energy as follows:

“Section 61. (Tariff regulations):

The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-

(a) the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;

(b) the generation, transmission, distribution and supply of electricity are conducted on commercial principles;

- (c) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;*
- (d) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;*
- (e) the principles rewarding efficiency in performance;*
- (f) multi year tariff principles;*
- (g) that the tariff progressively reflects the cost of supply of electricity and also, reduces cross-subsidies in the manner specified by the Appropriate Commission;*
- (h) the promotion of co-generation and generation of electricity from renewable sources of energy;**
- (i) the National Electricity Policy and tariff policy:”*

10. Further, Section 86(e) of the Electricity Act, 2003 specifies the function of state commission, which includes promotion of generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person as follows:

“Section 86. (Functions of State Commission): --- (1) The State Commission shall discharge the following functions, namely: -

- (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State: Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;*
- (b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through*

agreements for purchase of power for distribution and supply within the State;

(c) facilitate intra-State transmission and wheeling of electricity;

(d) issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;

*(e) promote co-generation and **generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person,** and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;*

(f) adjudicate upon the disputes between the licensees, and generating companies and to refer any dispute for arbitration;

(g) levy fee for the purposes of this Act;

(h) specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of section 79;

(i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;

(j) fix the trading margin in the intra-State trading of electricity, if considered, necessary; and

(k) discharge such other functions as may be assigned to it under this Act.”

11. Further, it is also pertinent to state that provision of such type of service provided by a distribution licensee is already in place in the state of Karnataka, where Karnataka Electricity Regulatory Commission ["KEREC"] has already approved Green Power Tariff for the distribution licensee (BESCOM) since FY 2011-12 in the respective tariff orders. Relevant extract of BESCOM tariff order for FY 2011-12 for approval of green power tariff is as follows:

“
–

1) Tariff for Green Power:

BESCOM's Proposal:

The Global temperature is rising due to increase in CO2 emissions. Hence, to encourage purchase of renewable sources of energy by consumers, BESCOM has made a proposal for green power tariff. BESCOM has stated that, there is group of customers who want to purchase power from green sources and would not mind paying more for such power. Further it is stated that 'Green Tariff' will have the following advantages:

- *Tariff being totally voluntary in nature, will give choice to the Consumers to opt for green energy.*
- *The extra burden being taken by the specific Consumer would not increase the cost to be borne by other Consumers in the same category.*
- *This will reduce hesitation of the Utilities in going for high cost of power purchase from renewable sources as it will not impact on general tariff, leading to growth in power production from renewable sources.*

BESCOM has calculated the tariff, which may be paid by the EHT & HT Consumers for Green energy and has submitted the proposal on the following lines:

- *The scheme is limited to EHT & HT Consumers in the industrial category.*
- *It is open for the Consumers whose contract demand is 1 MVA and above.*

Highlights of the Scheme as proposed by BESCOM.

- *The Scheme is optional only.*
- *The amount collected under the scheme will be separately maintained and the details will be furnished to the Hon'ble Commission.*

- *The cost of power purchase incurred under the Scheme will not be transferred to other category of consumers.*
- *The amount collected under the Scheme will be utilized to procure green power only.*
- *Availability of green power over the years gets enhanced.*
- *The quantum of green power requirement will be consolidated and demand will be met separately.*

BESCOM has computed the Green Power Tariff based on projected FY-11 figures as indicated below:

EHT: Rs.5.62 per unit

HT: Rs.6.27 per unit

Commission's Analysis & Decision:

The Commission welcomes the new initiative of BESCOM to promote Green Energy and hence, decides to introduce Green Tariff for HT industries & HT Commercial Consumers with Contract Demand of 1 MVA & above in all the ESCOMs. The above Tariff is optional.

The Commission is of the view that, the Consumers who opt for Green Energy should bear the additional power purchase cost of Renewable Energy sources over and above the normal tariff.

Based on the power purchase cost approved for FY-11, the additional average cost for RE source in the State as a whole is worked out as under:

TABLE – 6.2
State Green Tariff – FY11

	<i>MU</i>	<i>Rs. Crs</i>	<i>paise/unit</i>
<i>Total Power Purchase</i>	45,634.35	12,732.24	279.01
<i>Power Purchase excluding NCE sources</i>	40,378.84	10,847.58	268.65
<i>NCE sources</i>	5,255.51	1,884.66	358.61
<i>Average additional cost of NCE</i>			89.96
<i>Transmission loss</i>			4%
<i>Marginal cost of NCE after accounting Transmission loss</i>			93.71
<i>HT Distribution loss</i>			5.05%
<i>Average additional cost of NCE after accounting Distribution loss</i>			98.7

As per the existing Tariff schedule, there is no separate category for EHT & HT supply. As such the HT distribution loss has been considered in addition to transmission loss. Accordingly, the Commission determines Green Tariff at Re.1.00 per unit as the additional tariff over and above the normal tariff to be paid by HT-consumers, who opt for Green Tariff.”

Please find enclosed relevant provisions of the BESOM's MYT Order 2011-13 - Chapter 6: Determination of Tariff for FY 11 [BESCOM's Tariff Application & Commission's Analysis for FY 11] as **Annexure 1.**

12. Relevant extract of BESCOM last tariff order for FY 2020 for approval of green power tariff is as follows:

6.9 Other Issues:

i) Tariff for Green Power:

In order to encourage generation and use of green power in the State, the Commission decides to continue the existing Green Tariff of 50 paise per unit as the additional tariff over and above the normal tariff to be paid by HT-consumers, who opt for supply of green power from out of the renewable energy procured by distribution utilities over and above their Renewable Purchase Obligation (RPO)."

Please find enclosed relevant provisions of the BESOM's Tariff Order 2019 - Chapter 6: Determination of Retail Supply Tariff for FY 20 as **Annexure 2**.

13. In view of the above, Tata Power - Distribution has made a proposal for supply of 100% green power to the such consumers on payment of Green Power Tariff in addition to the applicable Tariff.

14. Further it is stated that 'Green Power Tariff will have the following advantages:

- Green Power Tariff being totally voluntary in nature, will give choice to the Consumers to opt for green energy.
- The extra charges for procurement of renewable energy being charged from the specific consumers would not increase the cost to be borne by other consumers.
- This will reduce hesitation of the distribution utilities in going for high cost of power purchase from renewable sources as it will not impact on general tariff, leading to growth in power generation from renewable sources.

15. We wish to inform the Hon'ble Commission that the proposal of supplying 100% green power to the consumers on optional basis at Green Power Tariff were not part of the schedule of charges filed by Tata Power-D in its MYT Petition bearing no. Case no. 326 of 2019 and accordingly the same could not be considered by Hon'ble Commission while determining the Multi-Year Tariff for Tata Power-D. In

view of the above, proposal for approval of levy of Green Power Tariff as a separate tariff for the control period from FY 2020-21 to FY 2024-25 is submitted in this petition based on the request of such consumers.

16. Basis the computation methodology finalized by KERC forming part of the BESCO Tariff Orders, Tata Power - Distribution has computed the Green Power Tariff to be paid by the such consumers based on the basis of projected power purchase cost for FY 2020-21 to FY 2024-25 as indicated below.

a.

17. Total power purchase cost as approved in MYT order in Case no 326 of 2019 for Tata Power distribution is as follows:

Particulars	FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24			FY 2024-25		
	MU	Rs Crores	Rs./kWh	MU	Rs Crores	Rs./kWh	MU	Rs Crores	Rs./kWh	MU	Rs Crores	Rs./kWh	MU	Rs Crores	Rs./kWh
Tata Power-G	3799.84	1656.33	4.36	3843.70	1710.24	4.45	3773.46	1720.17	4.56	3788.23	1764.70	4.66	3866.99	1843.41	4.77
Non-Solar+ Solar Generation	373.85	207.32	5.55	373.85	180.55	4.83	881.26	322.65	3.66	1044.71	361.88	3.46	1253.46	418.98	3.34
REC	0.00	39.14	0.00	0.00	38.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bilateral Power Purchase	687.31	244.57	3.56	813.67	3.56	289.54	574.63	3.56	204.48	625.80	222.69	3.56	603.47	214.74	3.56
Standby Charges		99.98			99.72			99.46			99.19			98.92	
Transmission Charges		258.03			258.79			259.13			258.90			255.80	
SLDC Charges		1.29			1.20			1.28			1.37			1.39	
Total	4861.01	2506.66	5.16	5031.22	2292.30	4.56	5229.35	2406.25	4.60	5458.74	2708.73	4.96	5723.92	2833.24	4.95

18. Weighted average variable cost other than renewable power as approved by Hon'ble Commission in case no 326 of 2019 of MYT Order is as follows:

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Net Generation (MU)	3,799.84	3,843.70	3,773.46	3,788.23	3,866.99
Rate of Purchase (Rs./kWh)	3.12	3.22	3.30	3.40	3.52
Variable Cost (Rs. Crore)	1,185.24	1,237.88	1,246.70	1,287.47	1,361.21

19. In view of the above, Green Power Tariff projected for the next control period by Tata Power Distribution is as follows:

Sl. No.	Particulars	Amount
1	Average cost of RE FY 21 to FY 25 (Rs./kWh)	3.80
2	Average variable cost of non-RE FY 21 to FY 25 (Rs./kWh)	3.31
3	difference (Rs./kWh)	0.49
4	transmission loss	3.18%
5	Distribution loss	1.02%
6	grossed up cost (Rs./kWh)	0.51
7	Other administrative cost (Rs./kWh)	0.05
8	Green Power Charges (Rs./kWh)	0.56

20. The Green Power Tariff recovered from these consumers for supply of 100% renewable energy will increase the other business income of the distribution business. As per section 51 of The Electricity Act 2003, a proportion of the revenues derived from such business shall, as may be specified by the concerned State Commission, be utilized for reducing its charges for wheeling. Therefore, these services will further subsidize the ARR of the distribution business and normal tariff of the consumers may also get proportionately subsidized. Further, these initiatives will also promote the Government of India pledge towards green energy, clean environment and sustainable development Goals.

21. In the above backdrop and in furtherance of above, the Petitioner has approached this Hon'ble Commission in its jurisdiction under Section 86 (1) (k) of the Act read with Regulation 92 and 94 of Maharashtra Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 and all the enabling powers in this regard including the inherent powers and expansive regulatory authority vested unto the Hon'ble Commission seeking in-principle approval for Green Power Tariff to the consumers opting for 100% RE power for distribution business of Tata Power company limited.

II. Prayers

22. It is prayed that the Hon'ble Commission may please:

- a. Approve the procurement of additional Renewable Energy to meet the 100% Green Energy requirement of consumers,
- b. To approve issuance of a monthly certificate to the consumers certifying 100% green energy sale
- c. Approve the "Green Energy Tariff" as proposed above or as deem fit by the Hon'ble Commission towards processing the 100% Green Energy Requirement
- d. Allow treatment of this RE power under RPO of Tata Power-D in case the consumers do not wish to use the green attributes for meeting its RPO obligations.
- e. Condone any inadvertent omission/errors/short comings and permit Tata Power-Distribution to add/modify this filing and make further submissions as may be required.
- f. Pass any orders it deems fit it this matter.

Sd/-

(Peyush Tandon)

For and on behalf of the Petitioner/

The Tata Power Company Limited

Place: Mumbai

Date: 23rd June 2020

BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

WORLD TRADE CENTRE, CENTRE NO.1,

13th FLOOR, CUFFE PARADE, MUMBAI 400005

Filing No.:

Case No.:

IN THE MATTER OF:

Petition under Section 86 (1) (k) of the Electricity Act, 2003 read with Regulation 92 and 94 of Maharashtra Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 and all the enabling powers including the inherent powers and expansive regulatory authority vested unto the Hon'ble Commission thereby seeking approval for charging Tariff ["Green Power Tariff"] for supply of Renewable Energy to consumers for meeting their requirement of utilizing 100% green energy for their entire demand

AND IN THE MATTER OF:

The Tata Power Company Limited

Bombay House,

24, Homi Mody Street,

Fort, Mumbai - 400 001

... Petitioner

AFFIDAVIT

I, Peyush Tandon, aged 46 years, son of Mr. Kamleshwar Saran Tandon, having my office at Backbay Receiving Station, 148, Lt. Gen. J. Bhonsale Marg, Nariman Point, Mumbai- 400 021, Maharashtra do hereby solemnly affirm and declare as under:

1. I am the Chief – Regulatory of The Tata Power Company Limited, the Petitioner in the above matter and I am duly authorized and competent to make this Affidavit.

2. I am filing this Affidavit on behalf of The Tata Power Company Limited.

3. I have read and understood the contents of the accompanying Petition and the same has been drafted under my instructions and after carefully going through the same, I state that the same are true and correct to my knowledge and belief and it is stated that no part of it is false and nothing material has been concealed therefrom.

4. I say that the original Petition including the requisite documents/annexure, affidavit and Memo of Authorization will be filed in original within a week after the resumption of normal working of the Hon'ble Commission.

Sd/-

(Peyush Tandon)

DEPONENT

VERIFICATION

Sworn at Mumbai on this 23rd day of June, 2020 that the contents of the above Affidavit are true to my knowledge, no part of it is false and nothing material has been concealed therefrom.

Sd/-

(Peyush Tandon)

DEPONENT

Place: Mumbai

Date: 23.06.2020

PAYMENT DETAILS

The screenshot displays the HDFC Bank Corporate Internet Banking portal. The user is logged in as KAVITA from the TATAP domain. The interface includes a navigation menu with options like Account Services, Funds Transfers, and Cash Management Services. The main content area shows a 'Transaction Details' table with the following data:

Account No.	New Account No.	Booking Date	Credit Amount	Debit Amount	Value Date	Ref/Chq NO
00600110000763	00600110000763	15/06/2020		10,000.00	15/06/2020	N167201160767999

Below the table, a 'Transaction Description' field contains the text: 00#0009283-15 06 2020-HD763HD763. At the bottom of the page, there are buttons for 'Back', 'Report', and 'Download'. The Windows taskbar at the bottom shows the system tray with the date 17-06-2020 and time 22:45.