



Fortum Charge & Drive India Private Limited

To
The Secretary
Telangana State Electricity Regulatory Commission
11-4-660, 5th Floor, Singareni Bhavan, Red Hills Road,
Khairatabad,, Redhills, Hyderabad, Telangana 500004

Date: 28/01/2022

Re: Stakeholder Comments in relation to Determination of the Aggregate Revenue Requirement (ARR) for Retail Supply Business for the year FY 2022-23 under Section 62 of the Electricity Act, 2003.

Sir,

1. In terms of Section 62 read with Section 86(1)(b) of the Electricity Act, 2003, this Hon'ble Commission is empowered to put to scrutiny the tariff determination petition filed by Southern Power Distribution Company Of Telangana Limited (TSSPDCL) under Section 64 of the Electricity Act, 2003 for determination of the Aggregate Revenue Requirement (ARR) for the year FY 2022- 23.

2. We, Fortum Drive & Charge India Pvt. Ltd. ('**Fortum**'), are concerned with certain tariff categorisation as proposed by TSSPDCL and by way of the present letter would like to submit the following for the necessary consideration of this Hon'ble Commission in terms of Section 178(3)(4) of the Electricity Act, 2003 along with relevant provisions of Section 61 and 62 of the Electricity Act, 2003.

3. The key objective intended to be achieved through a multi-year tariff framework is to reduce the regulatory uncertainty for consumers stemming from methodology followed by the regulator in tariff setting. This objective is achieved in the distribution business through the wheeling tariffs set for the MYT control period which are based on the factors which are controllable by the licensee. However, the tariff petition filed sans any merit in this regard. The brief submissions are indicated below:

(A) **Policy incentives are de-railed by the tariff proposal**

The Government of India along with the State Government has proposed an empirical study on the growth of the use of EV transportation and consequently the need of infrastructure to facilitate the same. Accordingly, both the Government of India and the State Government have come up with a policy decision to incentivise the industry of EV (both transportation and infrastructure). Notably, under the said policies, the EV infrastructure developer has to be incentivised. The policies promise that incentives shall be made available for Manufacturing of Electric Vehicles, Energy Storage Systems & related components in Telangana. Incentives shall include Capital Subsidies, SGST reimbursements, power tariff subsidies, etc

Fortum Charge & Drive India Private Limited

Noticeably, while the policy laid by the government was issued as late as in 2020, no implementation step has been taken to incentivise the EV infrastructure developer. It has to be appreciated that while considering any tariff determination for this category, the demand load and expected revenue has to be considered. There cannot be any occasion for estimating a growth rate of 10% of the sector, while on ground the implementation is far from reality.

(B) TSSPDCL tariff proposal contrary to the intent and spirit affirmed by the Hon'ble TSERC

This Hon'ble Commission by way of its previous orders has protected the fate of EV infrastructure developer by laying down that instead of two-part tariff, there would a single part tariff that shall be applicable for EV Charging Stations. Such decision of this Hon'ble Commission was based on the fact that EV Charging Stations since will not have a demand right away and as per the State Policy are required to be incentivised, the burden of fixed tariff cannot be placed upon the EV infrastructure developer.

However, as evident from the tariff petition filed by TSSPDCL, a proposal has been made as under:

LT IX Electric Vehicle Charging station

Proposed Tariffs

- Energy charge – Rs.7.00/unit
- Fixed charge – Introduction of Rs.50/kW/month.

The Licensee proposes monthly minimum energy charges as follows:

- Single phase – Rs.65/month.
- Three Phase – Rs.200/month

HT-IX: Electric Vehicle Charging Stations

Proposed Demand charge – Introduction of Rs.100/kVA/month

Proposed Energy charge – Rs.7.00/unit.

The licensee proposes monthly minimum energy charges of 25 units per kVA of billing demand per month.

Evidently, the above proposal is in teeth of the objective of the State Policy and previous decisions of this Hon'ble TSERC, basis which the developers like Fortum, have invested in the State. It is part of public knowledge that Fortum owns and operates approx 45 locations with fast chargers of 15/20/30 and/or 50/60kW capabilities across 45 locations with esteemed partners Indian Oil Corporation, Hyderabad Metro, LT Metro, Chennai Silks, MG Motor India, AMPL. We are also operating a network on chargers on Hyderabad-Vijaywada highway. Therefore, the investment and the return thereon are required to be protected by this Hon'ble TSERC and the tariff consideration has to be made accordingly.



Fortum Charge & Drive India Private Limited

(C) **Projections and Estimates under the Tariff Petition are arbitrary and lack basis.**

In terms of the tariff petition filed by TSSPDCL, it has been submitted that in H1 of FY21-22, 1.25MU sales were recorded. Similarly, under Lt-Ix Electric Vehicle Charging Stations, 19 services with a load of 0.38MVA were released in FY20-21 recording consumption of 19502 units and 33 No.s services of 0.63MVA are released in H1 of FY21-22 with consumption of 27874 units. This has been concluded to presume that the a growth rate of 10% in estimating the sales for FY2021-22 and FY2022-23. Such assumptions are made without examining any empirical data and/or considering the current dynamics of the sector.

4. Kindly note that the present comments/suggestions have been filed considering the concerns that have emerged from the contents of the tariff petition pertaining to the issue of Electric Vehicle Charging Station. Fortum reserves its right to provide a detailed submission and/or further supplant the submissions made herein during the course of public hearing or subsequently, as may be deemed fit.

Thanking you

Ankit Maheshwari
For Fortum Drive & Charge India Pvt. Ltd

General Manager – Customer Journey & experience
M: +91 8527793762
E: ankit.maheshwari@fortum.com