



BHAGYANAGAR INDIA LIMITED

ISO 9001 - 2008 Certified Company

BIL/FIN/2017-18
September 06, 2017

The Secretary
Telangana State Electricity Regulatory Commission
11-4-660, 5th floor, Singareni Bhavan
Red Hills, Hyderabad

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Dear Sir,

Sub: Objections for determination of additional surcharge to be levied for the FY 2017-18 in respect of the Open Access Consumer by TSSPDCL under Sec.42 of the Electricity Act, 2003.

Ref: Public Notice I.A.No.22 of 2017 in O.P.No.22 of 2016.

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With reference to your Public Notice referred above, we wish to submit our comments / objections as under :-

- 6) We are solar power producers supplying power to a open access consumer from our 5 MW solar power project located at Munipally Village, Medak Dist.
- 7) It is a National Mission to encourage power from renewable energy sources which is clean and sustainable power. Many measures have been announced by the State Government and Central Government to promote the renewable energy specially solar energy. The State Government of Telangana has also announced Solar Policy in 2015 wherein many incentives have been given to solar power developers setting up the project in the state. The project set up in the state of Telangana are exempted from electricity duty and cross subsidy charges for a specified period.
- 8) While entering into PPA with the open access consumer the cost of additional surcharge has not been considered and the consumer cannot be forced of absorb this cost. This may result in cancellation of the PPA.
- 9) We have set up the solar power project in the year 2014 when the cost of the project was approx. Rs.6.5Cr. per MW. Due to progressive fall in capital cost of solar power projects, there has been substantial decrease in power tariff offered by our competitors to the open access consumer. Working under such constraints, levy of additional surcharge will make the project financially unviable and may lead to closure of the plant.
- 10) The levy of additional surcharge on open access consumer was not in existence at the time of setting up of our project. The project was conceptualized in January, 2013 and commissioned in January, 2014, when there was acute shortage of power in the state. Hence there was no surplus capacity with DISCOM leading to under recovery of fixed charges. As our project was commissioned during the said period we should not be loaded with additional surcharge.

Levy of additional surcharge will be deterrent to the development of renewable energy in the state.

Our objection may be taken on record we may also be given opportunity to be heard during public hearing and may be allowed to submit additional facts in support of our objection.

Thanking you,
For BHAGYANAGAR INDIA LTD.,


DEVENDRA SURANA
MANAGING DIRECTOR

