



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

11-4-660, 5th floor, Singreni Bhavan, Red Hills Hyderabad – 500 004
Telephone 23311125/26/27/28 Fax No.23397489 website: www.tserc.gov.in

PUBLIC NOTICE

In the matter of seeking comments, suggestions and objections for the proposed fuel price escalation rate for Renewable Energy (RE) sources.

In terms of Orders of erstwhile APERC in O.P.No.32 of 2014 as adopted by the TSERC vide its Regulations number 1 of 2014, the fuel price escalation will be done every year during the period 2015-16 to 2018-19 based on the CERC Fuel Price Indexation mechanism.

2. Central Electricity Regulatory Commission (CERC) RE Tariff Regulations, 2012 prescribes the following Fuel Price Indexation Mechanism:

$$P(n) = P(n-1) * \{a * (WPI(n-1)/WPI(n-2)) + b * (1 + IRC(n-1)) + c * (Pd(n-1)/Pd(n-2))\}$$

Where;

P(n) : Price per tonne of fuel for nth year

P(n-1) : Price per tonne of fuel for (n-1)th year

a : Factor representing fuel handling cost which is taken as **0.2**

b : Factor representing fuel cost which is taken as **0.6**

c : Factor representing transportation cost which is taken as **0.2**

WPI(n-1): Wholesale Price Index for April of (n-1)th year

WPI(n-2): Wholesale Price Index for April of (n-2)th year

IRC (n-1): Average Annual Inflation rate for indexed energy component in case of captive coal mine source for (n-1)th year

Pd(n-1) : Weighted average price of High Speed Diesel for (n-1)th year

Pd(n-2) : Weighted average price of High Speed Diesel for (n-2)th year

3. The Variable Cost for a) Biomass, b) Industrial Waste and c) Bagasse to Energy have been adopted Rs.4.37/ Unit, Rs.4.37/ Unit and Rs. 2.78/ Unit respectively for FY 2016-17. To arrive at the variable cost for FY 2017-18, Fuel Price Escalation Factor is to be determined as per the said CERC mechanism and given below for reference.

Sl. No.	Particulars	FY 2017-18	
1	Fuel handling Cost	a	0.2
		WPIIn-1	177.8
		WPIIn-2	176.4
		Escalation	0.20159
2	Fuel Cost	b	0.6
		IRCN-1	-0.11%
		Escalation	0.59934
3	Transportation	c	0.2
		Pdn-1	200.23
		Pdn-2	191.97
		Escalation	0.20861
4	Total Escalation	0.95%	

4. Based on the above fuel price escalation, the Variable Cost per unit (Rs./Unit) is determined as follows:

Sl.	Nature of Project	Fue Price for FY 2016-17 Rs. / Tonne	Fuel Price Escalation for FY 2017-18	Fuel Price for FY 2017-18 Rs. / Tonne	Variable Cost for FY 2017-18 Rs./Unit
1	Biomass Based Power Project	2,903	0.95%	2,931	4.41
2	Industrial Waste Based Power Projects	2,903	0.95%	2,931	4.41
3	Bagasse based Power Projects	1,583	0.95%	1,598	2.81

5. The comments, suggestions and objections, if any, shall be filed within 10 days from today, that is on or before 17:00 Hours of 06.05.2017. The same may be addressed to the Commission Secretary at the address of TSERC given above. No extensions of time of any kind will be allowed and the Commission will proceed to finalise the escalation rate, by considering all the suggestions, comments and objections if any received pursuant to this notice. The suggestions can also be sent by e-Mail to secy@tserc.gov.in



Commission Secretary

Place: Hyderabad

Date: 27-04-2017.