

## **Record of Proceedings dated 13.12.2016**

O. P. No. 1 of 2014  
&  
I. A. NOs. 7 & 8 of 2016.

M/s Shalivahana (MSW) Green Energy Limited vs Nil (as shown by petitioner)  
TSNPDCL (added by the Commission)

Petition filed for determination of the tariff for the 12 MW MSW project. Coming up for first time after notice to TSNPDCL.

I. A. filed for fixing interim tariff for the project of the petitioner.

I.A. filed for fixing early date of hearing the case.

The petition has been reserved for orders on 04.10.2016. Subsequently, the petitioner filed a letter dated 15.11.2016 alongwith order of Hon'ble ATE. Since the said clarifications and order are not made available to the DISCOM the matter has been reopened and posted for hearing today. This posting is specifically intended to obtain the views of the parties on the said order.

2. Sri. M. Komaraiah, Chairman & Managing Director alongwith Sri. A. Narayana Reddy, Director of the petitioner-company and Sri. Y. Rama Rao, Standing counsel for the respondent alongwith Smt. Priya Iyengar, Advocate are present. The counsel for the respondent made detailed submissions with regard to events, figures and actions on their part. The respondent has complied with the direction on 04.10.2016 and filed a report after inspecting the plant. The report envisaged that the plant is closed and it is operating at 56% of RDF. He stated that the petitioner itself stated that the plant had SHR of 4000 KCAL at the time of its inception and it is now pleading for 4200 as SHR as has been made a parameter in the generic order passed on 13.06.2016 in O. P. No. 18 of 2016. The generic order has provided for fixed cost of Rs.3.83 for the next three years commencing from 2016. However, the variable cost has been pegged at Rs. 3.24, Rs. 3.40 and Rs. 3.57 for the three years starting 2016. Originally, the petitioner might have conceived RDF plant only, but later it has been partly operating on RDF and MSW. The capital cost of the plant has been estimated at Rs.63.43 Crores and at present the same plant is around Rs. 7.0 crores per MW.

3. Since the plant is shut, there is no supply of RDF as originally three municipal corporations were attached to the plant and agreements were entered, however, the same are not subsisting as of this date. The SHR as decided by the Hon'ble ATE is not binding on the Commission in respect of this case, as the said case involved a biomass plant. Likewise, any decision of the Central Commission is also not binding on the Commission as both the Commissions have different jurisdiction and there is no binding requirement under the Act, 2003. The SHR has been quoted by the petitioner in the generic order at 4000 KCAL. Now it cannot turn round and claim at higher figure. The COD of the plant is 14.10.2010. The petitioner has not entered into any agreement and has been making short term sale to the DISCOMs.

4. The representatives of the petitioner, on the other hand, stated that initially when the plant was established, there was no data available, therefore, rough estimates were relied upon. The CERC on its part had accepted a figure of 3900 KCAL and subsequently, it has enhanced the same in the renewable purchase order to 4000 KCAL and in its latest order, it has fixed it at 4200 KCAL. Earlier, the SHR was relied upon the biomass figures, subsequently the Ministry has constituted a committee in respect of MSW projects and based on the report in the year 2013, the SHR was arrived at 4126 KCAL. A specific question, about the order being relied upon by the petitioner, as to its applicability to this case, they fairly conceded that the order of the Hon'ble ATE relates to biomass plant and that the same is not applicable to the present case. The plant is in operation for the past five years, but however, full plant has not been in operation for some time due to various reasons.

5. The Commission asked several clarifications to the petitioner. It is stated that the interest on the loan availed from ILFS at 11.5%. Subsequently, it has gone upto 13.5% as 1% has been added from the financier as commission and later as default occurred on the repayment, the rate has been increased to 13.5%. It has sought rescheduling of the loan from the present 12 year period to 18 year period. Such proposal is already made to ILFS and is under active consideration. The financier is awaiting consent to the PPA and a tariff determination by the Commission. Based on the orders of the Commission, the same will be considered. In the generic order RDF should be 100%, but as the petitioner is an older plant, 75% may be considered. They are willing to demonstrate the fuel percentage at 75% to the DISCOM. The figures

earlier achieved were upto 100%, but later fuel percentage fell down drastically to 29%. The reason offered is that the municipal units did not supply the raw material and there is no agreement with DISCOM on long term basis. Only short term purchases have been made. As and when required LOI has been issued for such purchases. The PLF is agreed to be achieved at 80% for enabling DISCOM to procure energy. The Commission may consider and fix the tariff. Based on such orders, the petitioner is seeking to enter into Long Term PPA.

6. The Commission pointed out that there shall not be any further hearing in the matter. The respondent should not tinker with or bring about any other submissions. The Commission will pass necessary orders. The order is reserved.

Sd/-  
Member

Sd/-  
Chairman