

To,
The Secretary,
TSERC, 5th Floor, 11-4-660, Singareni
Bhavan, Red Hills, Hyderabad - 500 004

Date: 20-11-2021

Dear Sir,

Sub:- Submission of comments, objections and suggestions on the proposals of TSSPDCL (OP No.48 of 2021 & IA No.21 of 2021 for H1 TSSPDCL, OP No.49 of 2021 & IA No.22 of 2021 for H2 TSSPDCL) & TSNPDCL (OP No.50 of 2021 & IA No.23 of 2021 for H1 TSNPDCL , OP No.51 of 2021 & IA No.24 of 2021 for H2 TSNPDCL) in the matter of determination of Additional Surcharge (AS) to be levied for the FY 2021-22 in respect of the open access consumers under section 42 of the Electricity Act, 2003– Reg.

With reference to the public notice, inviting suggestions and objections on the subject proposals, we are submitting the following points for the consideration of Hon'ble Commission.

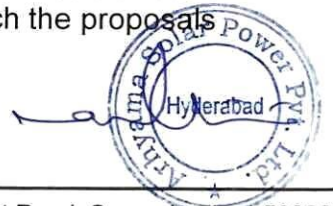
Insofar as the electricity generated from renewable sources of energy is concerned, the provisions of the act contained in the preamble, section 61(h), and 81(1)(e) requiring promotion of such sources of energy must be given due consideration.

It should be noted that as per NTP 2016 (at Para 8.5.4) , the licensees should conclusively demonstrate the assets are stranded because of Open Access Consumption and there should be an unavoidable obligation and incidence to bear fixed costs. However, in case of solar open access, the power plants were given permissions by DISCOMs during 2010-2016 and plants were commissioned during 2012-2016. So DISCOM's are well informed about this tiny solar open access capacity in the state. In addition, as per clause 10.5 of regulation 2 of 2006, generation from solar is a deemed to be scheduled.

The generation assets getting stranded for the licensees is due to improper power procurement plan of the licensees and due to ad-hoc power purchases on power exchanges by consumers (PXIL or IEX) and not in any way related to the consumers consuming power from solar developers through open access, as this consumption is well known, in advance, to the utilities as the approval for long term open access was granted only by the very same DISCOMs, and hence they could have made procurement plants accordingly.

Therefore, it is **conclusively proved that the stranded capacity was not due to solar bi-lateral open access transactions.** Hence, request the Hon'ble Commission to not impose additional surcharge for ali for Solar open access transactions.

With respect to the proposal done by DISCOM for H1 of FY21-22, clause 9 of O. P. No. 23 of 2020, dated 18.09.2020 clearly stipulates timelines within which the proposals need to be filed before this commission.



"the DISCOMs to submit their filings for determination of AS for the 1st half of the ensuing financial year i.e., for the period from April to September of the ensuing financial year latest by 30th November of the current financial year and for the 2nd half of the ensuing financial year i.e., for the period from October to March of the ensuing financial year latest by 31st May of the ensuing financial year."

Hence, the DISCOMs should have been submitted their AS proposals for H1 of FY21-22 on or before 30-11-2021. However, the filings have come after almost a year. Hence, these proposals are not tenable.

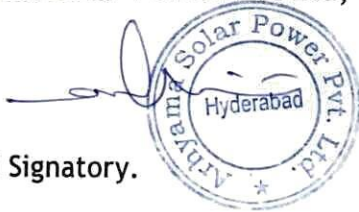
Levy of Additional Surcharge originates from fixed cost of the distribution licensee arising out of its obligation of supply. The latest ARR available was dated: 15-12-2017, there were no filings till date in 2018, 2019, 2020. This means there has been no SALES FORECAST AND POWER PROCUREMENT PLAN proposals submitted for 3 financial years vis. FY19-20, FY20-21 & FY21-22, leave alone the long-term demand forecast, which forms the basis for signing of PPA's for which consent has been sought by DISCOMS as recent as this financial year in O.P. No 10 of 2016/NTPC PPA's (Hearing scheduled on 20.07.2021) and in O.P.Nos. 15 to 19 of 2021/TS Genco PPA's (Hearing scheduled on 30.06.2021) along with other PPA's executed by DISCOMS in last 4 years.

If TS DISCOMs are presently facing stranded capacity, what is the need for sourcing power from PPA's. Is it just to cause more stranded capacity in future and cause more burden in the form of AS in future? In addition, as there were no ARR filings for past 3 years, how can one ascertain whether total fixed cost burden is calculated based on methodology approved by this commission??

Therefore, we submit that this honourable commission may

- (1) Concede to that fact that stranded capacity was not due to solar bi-lateral open access transactions and exempt this tiny solar open access capacity from levy of AS.
- (2) Direct discoms to file AS filings after approved ARR filings for public hearing.

For Arhyama Solar Power Pvt Ltd,



Authorized Signatory.

Copy to:-

The CGM (Comml & RAC)/TSSPDCL/Hyderabad

The CGM(IPC&RAC/TSNPDCCL/Warangal