



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
11-4-660, 4th Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004

OP.No. 03 of 2018
Dated: 03.03.2018

Present

Sri Justice G. Bhavani Prasad, Chairman
Dr. P. Raghu, Member
Sri P.Rama Mohan, Member

IN THE MATTER OF

Determination of Pooled Cost of Power Purchase for FY: 2016-17 to be considered for FY: 2017-18 under the Renewable Power Purchase Obligation (compliance by purchase of Renewable Energy / Renewable Energy Certificates) Regulations, 2012 (Regulation 1 of 2012)

ORDER

The Andhra Pradesh Electricity Regulatory Commission notified the Renewable Power Purchase Obligation (compliance by purchase of Renewable Energy / Renewable Energy Certificates) Regulations, 2012 (Regulation 1 of 2012).

2. Clause [6(b) Note (1)] of the above said Regulations, requires the Commission to issue an Order relating to Pooled Cost of Power Purchase for the particular year pursuant to a petition filed by the DISCOMs by 30th April of that year (i.e. 30.04.2017). The definition of Pooled Cost of Power Purchase as in [clause 2(k)_ Pooled Cost of Power Purchase under Definitions and Interpretation] the said Regulation is extracted hereunder:

‘Pooled Cost of Power Purchase’ means the Weighted Average Pooled price at which the Distribution Licensee has purchased electricity in the previous year from all the long term energy suppliers excluding the purchases based on liquid fuel.

Provided that the purchases from traders, short-term purchases and purchases from renewable sources shall not be taken into account while determining Pooled Cost of Power Purchase;

3. APDISCOMs filed a petition on 20-01-2018 (much beyond the date stipulated in the Regulation) for computation of Pooled Cost of Power Purchase of the FY2016-17 to be considered for the FY2017-18. The said petition, though filed late, is admitted and registered as O.P.No.03 of 2018 by the Commission, obviously in exercise of the powers under Regulation No.10 of the Regulation 1 of 2012. A public notice was hosted on the website of the Commission on 24.01.2018 inviting responses or objections of the interested persons/stakeholders in respect of the said petition, which were to be received in the Commission on or before 05:00 PM on 17.02.2018. By the same notice, it was also notified that the said petition stands posted for hearing on 24.02.2018 at 11:00 AM in the court hall of the Commission and interested persons/organisations desirous of being heard in person, may appear before the Commission at Hyderabad on the said date of hearing. No objections were received in the Commission nor any person appeared before the Commission on the said date of hearing except for hearing Sri.P.Sivarao, Learned Standing Counsel for the petitioners.

4. Upon examination of the data filed by the petitioners towards determination of Pooled Cost of Power Purchase, it becomes necessary to examine whether certain sources of power, as indicated hereinafter, can be termed as long term energy suppliers and not short term purchases to be considered for determination of Pooled Cost of Power Purchase as defined in the Regulation 1 of

2012 namely (i) Sri Damodaram Sanjeevayya TPS. (ii) Godavari Gas Power Plant (Previously GVK-I), (iii) GVK Industries, (iv) Spectrum Power, (v) Lanco Kondapalli and (vi) Hinduja National Power Corporation Ltd. As far as the Damodaram Sanjeevayya TPS is concerned, the PPA is dated as 24.08.2016 and thus the Power Purchases fall under the FY2016-17. However, the relevant PPA is yet to be consented by the Commission. Be that as it may, the APDiscoms together with the Government of Andhra Pradesh have a share of 49% in this project. That being the case, there cannot be any hesitation in treating this as a long term energy supplier to be qualified for inclusion, while working out the Pooled Cost of Power Purchase. As far as Power Purchases from sources at (ii), (iv) and (v) indicated above, in view of the fact that the purchases from the above said sources are treated as short term purchases for FY 2017-18 vide this commission's order Dt. 29.11.2017, the same treatment is to be extended to the purchases made from the same sources for the FY 2016-17 to the extent they are not covered by long term PPAs. It is a matter of record that the PPA in respect of Godavari Gas Power Plant ((Previously GVK-I) expired on 20.06.2015 and the PPA in respect of Spectrum Power expired on 18.04.2016 and that of LANCO expired on 01.01.2016. In view of the above, the purchases from the above sources except for the purchases made from spectrum power generation for the period from 01.04.2016 to 18.04.2016 are to be treated as short term purchases and hence the same need to be excluded for the purpose of determining pooled purchase cost. As far as spectrum generation is concerned, since the petitioners didn't furnish the power purchase cost for the eligible period of 18 days, the same is worked out on proportionate basis. In respect of GVK Industries, it is to be noted that the PPA has expired on 20.06.2015 and therefore any purchases made thereafter in FY 2016-17 till the buy-out of the said plant by APDiscoms which occurred on 22.04.2016, are to be treated as short term purchases and have to be excluded while working out the Pooled Cost of Power Purchase. As far as purchase from M/s.Hinduja is concerned, the same can only be

treated as short term purchase and hence needs to be excluded for the purpose of working out the Pooled Cost of Power Purchase in view of the Commission's order dated 31.01.2018 in I.A.Nos.1 of 2018, 2 of 2018 & 3 of 2018 and O.P.Nos of 19 of 2016 and 21 of 2015.

5. With the findings as above and after applying the definition of pooled cost of power purchase under the clause 2(k) extracted supra, the Commission hereby determines the Pooled Cost of Power Purchase for FY2016-17 to be considered for FY2017-18 as Rs.3.741/kWh. The details of calculation are shown in the ANNEXURE.

6. The difference between the Provisional Pooled Cost of Power Purchase at Rs.3.646/kWh (of FY2015-16 considered for FY2016-17) and the Pooled Cost now determined by this Order shall be paid to the developers in six equal monthly instalments commencing from the billing month of March 2018 to facilitate the DISCOMs to make payment in a staggered manner rather than by a lump-sum payment to avoid any undue strain on the finances of the Distribution Companies.

The Order is corrected and signed on this the 3rd day of March, 2018.

Sd/-
(P.RAMA MOHAN)
MEMBER

Sd/-
(Dr. P. RAGHU)
MEMBER

Sd/-
(Justice G.BHAVANI PRASAD)
CHAIRMAN

POOLED COST for the FY 2016-17 to be considered for FY 2017-18

Station	Energy (MU)	Amount (Rs.Crs.)			VC Rate/kwh	FC Rate/kwh	Avg. Rate/kwh
		Fixed Cost	Variable Cost	Total Cost			
CGS							
NTPC (SR) Ramagundam St.I&II	2044.20	31.49	454.82	486.32	2.22	0.15	2.38
NTPC (ER)- Farakka, kahalgoan & Talcher.1	0.00	0.10	0.00	0.10			
NTPC (SR) Simadri Stage 1	3194.01	301.92	892.59	1194.51	2.79	0.95	3.74
NTPC (SR) Simadri Stage 2	1340.81	212.42	373.36	585.79	2.78	1.58	4.37
NTPC (SR) Talcheru St.II	1265.40	111.86	211.99	323.84	1.68	0.88	2.56
NTPC (SR) Ramagundam St.III	499.91	48.21	111.20	159.40	2.22	0.96	3.19
NTECL Valluru Thermal Power	539.89	105.99	133.55	239.54	2.47	1.96	4.44
NLC -Stage - I	323.25	27.77	81.08	108.85	2.51	0.86	3.37
NLC -Stage - II	561.28	48.43	246.67	295.11	4.39	0.86	5.26
NPC (MAPS)	118.78	0.00	26.02	26.02	2.19	0.00	2.19
NPC (Kaiga Unit-I,II & III)	815.99	0.00	262.88	262.88	3.22	0.00	3.22
NLC Tamilnadu Power Ltd St.1	753.74	131.26	195.56	326.82	2.59	1.74	4.34
CGS Sub Total	11457.25	1019.44	2989.73	4009.17	2.61	0.89	3.50
APGPCL ST-I	18.64	1.98	5.25	7.23	2.82	1.06	3.88
APGPCL ST-II	65.98	3.05	15.55	18.60	2.36	0.46	2.82
Sri Damodharam Sanjeevayya TPS (Unit-I &II-APPDCL)	8081.08	0.00	2933.43	2933.43	3.63	0.00	3.63
Godavari Gas Power Plant	0.00	0.00	0.00	0.00	-	-	-
IPPs							
GVK Industries	0.00	0.00	0.00	0.00	-	-	-
Spectrum Power	45.18	5.19	10.49	15.69	2.32	1.15	3.47
Lanco Kondapalli	0.00	0.00	0.00	0.00	-	-	-
Thermal Powertech Corporation	1640.48	301.24	301.27	602.51	1.84	1.84	3.67
Hinduja National Power CorpLtd(HNPCL)	0.00	0.00	0.00	0.00	-	-	-
IPPs Sub Total	1685.66	306.43	311.76	618.20	1.85	1.82	3.67
MPPS							
Srivathsa	44.65	2.22	12.52	14.74	2.80	0.50	3.30
LVS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MPPs Sub Total	44.65	2.22	12.52	14.74	2.80	0.50	3.30
APGenco							
Dr.NTTPS	2900.63	302.50	928.20	1230.70	3.20	1.04	4.24
Dr.NTTPS St.IV	1306.48	212.98	394.56	607.54	3.02	1.63	4.65
RTPP-I	814.36	123.43	308.64	432.07	3.79	1.52	5.31
RTPP-ST II	835.74	195.97	316.75	512.72	3.79	2.34	6.13
RTPP -ST III	440.61	131.35	166.99	298.34	3.79	2.98	6.77
Hydel	2180.51	383.86	0.00	383.86	0.00	1.76	1.76
Interest on Pension Bonds for FY 2016-17		327.73		327.73	-	-	-
APGENCO Sub Total	8478.34	1677.82	2115.14	3792.96	2.49	1.98	4.47
TSGenco							
KTPP-I	1832.93	152.49	309.77	462.26	1.69	0.83	2.52
KTPS ABC	1506.65	95.31	233.53	328.84	1.55	0.63	2.18
KTPS V	1831.52	271.76	516.49	788.25	2.82	1.48	4.30
KTPS VI	183.09	18.27	56.76	75.03	3.10	1.00	4.10
RTS-B	1776.29	272.75	444.07	716.82	2.50	1.54	4.04
Incentive for FY 2014-15 & 2016-17			10.35	10.35	-	-	-
TSGENCO Sub Total	7130.49	810.58	1570.97	2381.55	2.20	1.14	3.34
KSK	1634.40	300.76	364.06	664.83	2.23	1.84	4.07
TOTAL	38596.50	4122.29	10318.42	14440.72	2.67	1.07	3.741

Sd/-
P.Rama Mohan
MEMBER

Sd/-
Dr. P. Raghu
MEMBER

Sd/-
Justice G.Bhavani Prasad
CHAIRMAN