



ANDHRA PRADESH CHAMBERS OF COMMERCE & INDUSTRY FEDERATION

09.03.2020

To
The Secretary,
APERC
HYDERABAD.

Respected Sir,

Sub: - Go MS No: 35 By Transco dated 18.11.2019 objections and suggestions.
Ref: - OP.No: 3/2020 Public Notice

Reference to the above we here with submitting our suggestions
And objections for the proposed amendment of regulation of OP.No: 3/2020 for captive consumers.

We have about 900 members having different sections of industries including trade associations of entire Andhra Pradesh. We are one of the recognized chambers by Government of Andhra Pradesh & Government of India for various suggestions for the industrial development and also to develop good trade practices. We are bridging the link between government and industrial bodies in various aspects to develop investments in the state.

1] Our State is having good potency of renewable energy sources from wind and solar. Government of India planned 175 GW by 2022, which includes 100 GW solar 60 GW wind.

2] India agreed in PARIS agreement to achieve 40% power utility of renewable power by 2030. CERC strategy is very clear to create 275 GW of non-conventional power by 2027.



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3] After 2012 only in A.P few steps are initiated towards renewable energy due to the policies of the Government and acute power shortage 50% of industrial consumption in 2012 i.e (R&C Period).

4] Wind and Solar policies of 2015 vide GOMS No.8 dated 13.02.2015 and GOMS No.9 of 14.02.2015, and amended regulations by honorable commission made the investors attractive for captive consumption. Industrial policy of 2015 also encouraged for renewable energy utility for the industrial investments with the following incentives.

- A) Transmission and wheeling charges are exempted.
- B) Availability of banking facility with 2% banking charges.
- C) Utility of banked energy from July to December and January.
- D) Unutilized banked units are at pooled purchase cost by discoms.

5] We noticed about 350 MW of Solar and Wind Power Projects in our state after 2015 under captive consumption.

6] Some of our members invested Rs: 2500 crores in wind and solar projects under captive.

7] As per the wind and solar policy of 2015, it is operative for 5 years and incentives are applicable for 10 years from the date of COD.

8] Draft regulation that APERC proposes para 17.1 in pursuance of GOMS No.35 energy department dated 18.11.2019 by government of A.P has very much negative impact on industrial operations as well as financials.

THE IMPACT OF TRANSMISSION AND WHEELING CHARGES IF AMENDED

PROPOSED TRANSMISSION AND WHEELING CHARGES AT 33 KV LEVEL FOR 2.1 MW WIND GENERATOR:

Financial year	Wheeling charges(Rs)	Transmission charges(Rs)	Total cost per KW /Month(Rs)	Total charges per 2.1 MW(Rs) payable	Expected generation	Cost per unit(Rs)
2019-2020	61.61	119.28	180.89	45,20,000	40,00,000	1.13
2020-2021	64.11	138.88	202.99	50,80,000	40,00,000	1.27
2021-2022	69.34	154.54	223.88	56,40,000	40,00,000	1.41
2022-2023	75.44	173.79	249.23	62,80,000	40,00,000	1.57
2023-2024	79.48	188.38	267.86	67,20,000	40,00,000	1.68

PROPOSED TRANSMISSION AND WHEELING CHARGES AT 33 KV LEVEL FOR 1 MW SOLAR GENERATOR:

Financial year	Wheeling charges(Rs)	Transmission charges(Rs)	Total cost per KW /Month(Rs)	Total charges per 1 MW(Rs) payable	Expected generation	Cost per unit(Rs)
2019-2020	61.61	119.28	180.89	21,52,381	16,00,000	1.34
2020-2021	64.11	138.88	202.99	24,19,048	16,00,000	1.51
2021-2022	69.34	154.54	223.88	26,85,715	16,00,000	1.67
2022-2023	75.44	173.79	249.23	29,90,476	16,00,000	1.87
2023-2024	79.48	188.38	267.86	32,00,000	16,00,000	2.00

PROPOSED TRANSMISSION AND WHEELING CHARGES AT 11 KV LEVEL FOR 1 MW SOLAR GENERATOR (AT ENTRY POINT ABOVE 33 KV/INTER DISCOM):

Financial year	Wheeling charges(Rs)	Transmission charges(Rs)	Total cost per KW /Month(Rs)	Total charges per 1 MW(Rs) payable	Expected generation	Cost per unit(Rs)
2019-2020	432.38	119.28	551.66	66,19,920	16,00,000	4.13
2020-2021	447.58	138.88	586.46	70,37,520	16,00,000	4.39
2021-2022	478.38	154.54	632.92	75,95,040	16,00,000	4.74
2022-2023	514.76	173.79	688.55	82,62,600	16,00,000	5.16
2023-2024	536.83	188.38	725.21	87,02,520	16,00,000	5.43

9) The impact of the transmission and wheeling charges for wind generating units from Rs: 1.27 to 1.68 per KVAH by 2021-2024 with the consideration of exit point as 33 KV level.

10) If the exit point is 11 KV level for solar projects the same charges are varying from Rs: 4.39 to 5.43 per KVAH.

11) If the proposed amendment is given effect to the members of association who acted upon the aforesaid promises would suffer huge financial loss and generation could not serve the loans taken from the financial institutions.

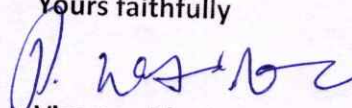
12) Any policy change or regulation change should be prospective and not supposed to be retrospective.

13) The captive consumption is not even 1% of the total utility of our state and changes in the policy without time bounded manner gives wrong signals to financial institutes. Financial institutes would not come forward for giving credit facilities in the future. It gives adverse impact in the investments of our state.

SUGRESSION:

Policy of 2015 under GOMS No.8 & No.9 of energy department to be total allowed and implement the framed incentives as per the schedule of 10 years.

Yours faithfully



Vice president

Andhrapradesh chambers of commerce and industrial federation
Vijayawada