

ODYSSEUS LOGOS LLP

D.No: 3-29-8/1/1, NTR Street, Krishna Nagar, Guntur 522006

6th March, 2020

To
The Secretary,
Andhra Pradesh Electricity Regulatory Commission,
Hyderabad.

Sub: Comments & Suggestions on Draft Regulation to amend APERC Regulation No. 2 of 2005.

Dear Sir,

We, Odysseus Logos LLP, have commissioned 2 MW solar energy captive power plant in April, 2018 in Gandlaparthu village, Rappthadu Mandal, Anantapur Dist. Since ours is a very small solar project the cost per MW is substantially higher compared to larger projects. In our case we have invested 6.5 crore/MW and our payback period is 7.5-8.5 years.

Comments:

1. We have only set up this solar power plant because Andhra Pradesh state government has provided exemption from transmission and distribution charges for a period of 10 years from the date of commissioning of the project.
2. All our captive consumers are located in 11 KV. So, if there is a levy of the charges we would be paying Rs 5/unit and we would be suffering monetary loss leading to issues in serviceability of loans which would affect the economy & we would also have to declare bankruptcy.

- Wheeling charges(Rs 3.15/unit)
- Distribution charges(Rs 0.6/unit)
- Cross subsidy surcharge(Rs 1.5/unit)



3. Had the government not given it's word on the incentives for a period of 10 years, we wouldn't have set up the solar power plant itself.
4. Further sir, APERC itself has granted incentives for projects commissioned in 2015-2020 in it's earlier regulation and it is not justifiable on the part of APERC to guarantee incentive and then to remove that guarantee. It is against the principles of promissory estoppel.
5. The charges if levied retrospectively will be against the fundamental principles of settled contracts which would be a bad reputation for our Andhra Pradesh state sir.

Suggestions:

1. As the AP Government issued new policy only in January, 2019, we request you not to levy the charges for the projects commissioned before January, 2019 sir.
2. Sir, since ours is a very small solar project which costs substantially higher compared to large projects, we request you to exempt at least very small solar projects of capacity 2 MW or less from the levy of charges retrospectively. The cost per MW in our case is 1.9 times higher compared to larger projects.
3. The charges levied should be on the basis of energy supplied and availed by the consumer.

For ODYSSEUS LOGOS LLP



Thank you
Managing Partner

Yours Faithfully
Managing Partner
Abhimanyu Lavu
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ODYSSEUS LOGOS LLP

D.No: 3-29-8/1/1, NTR Street, Krishna Nagar, Guntur 522006

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Law

7th March, 2020

To
The Secretary,
Andhra Pradesh Electricity Regulatory Commission,
Hyderabad.

Sub: Comments & Suggestions on Amendment of APERC Regulation No. 2 of 2005.
(with reference to petition O.P. No. 4 of 2020)

Dear Sir,

We have made comments & suggestions on draft regulations on 6th March, 2020.
Now we would like to withdraw those submissions. In that place we are
submitting the following revised submissions.

We, Odysseus Logos LLP, have commissioned 2 MW solar energy captive power plant in April, 2018 in Gandlaparthy village, Rapthadu Mandal, Anantapur Dist. Since ours is a very small solar project the cost per MW is substantially higher compared to larger projects. In our case we have invested 6.5 crore/MW and our payback period is 7.5-8.5 years.

Comments:

1. We have only set up this solar power plant because Andhra Pradesh state government has provided exemption from transmission and distribution charges for a period of 10 years from the date of commissioning of the project.
2. All our captive & third party consumers are located in 11 KV. So, if there is a levy of the wheeling charges & distribution losses we would be paying Rs 5/ unit and we would be suffering monetary loss leading to issues in

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serviceability of loans which would affect the economy & we would also have to declare bankruptcy.

- Wheeling charges(Rs 3.15/unit)
 - Charges on account of distribution losses(Rs 0.6/unit)
 - Cross subsidy surcharge(Rs 1.5/unit)
3. Had the government not given it's word on the incentives for a period of 10 years, we wouldn't have set up the solar power plant itself.
 4. According to Andhra Pradesh Government G.O.Ms. No.8, dated 12-02-2015 & G.O.Ms.No.9, dated 13-02-2015 read with APERC Regulation Amndt. No.1 of 2016(Principal Reg. 2 of 2005), incentives related to wheeling charges, transmission charges & cross subsidy charges are being granted for a period of 10 years for the projects commissioned between 12-02-2015 to 03-01-2019(G.O.Ms. No. 1, dated 03-01-2019).
 5. So, for our project commissioned in April, 2018 the incentives mentioned in AP Solar Policy 2015 are applicable for a period of 10 years.
 6. Any policy change or regulation change should have to be prospective i.e., those changes shall be applicable for the projects commissioned after the notification of the new policy or new regulation(G.O.Ms. No. 1, dated 03-01-2019) .
 7. The charges, if levied on projects commissioned under G.O.Ms. No.8, dated 12-02-2015, will be against the fundamental principles of settled contracts which would be a bad reputation for our Andhra Pradesh state sir.

Suggestions:

1. As the AP Government revised policy only , we request you not to levy the charges for the projects commissioned before January, 2019(G.O.Ms. No. 1, dated 03-01-2019).
2. It will be justifiable if the charges are levied should be on the basis of energy supplied instead of capacity.

Thank you

Yours Faithfully
Managing Partner

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