



**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**  
11-4-660, 4<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004

OP.No. 52 of 2017

Dated: 06-01-2018

**Present**

Sri Justice G. Bhavani Prasad, Chairman

Dr. P. Raghu, Member

Sri P. Rama Mohan, Member

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IN THE MATTER OF

Determination of Pooled Cost of Power Purchase for FY: 2015-16 to be considered for FY: 2016-17 under the Renewable Power Purchase Obligation (compliance by purchase of Renewable Energy / Renewable Energy Certificates) Regulations, 2012 (Regulation 1 of 2012)

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**ORDER**

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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. 30-04-2016). 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 09-11-2017 (much beyond the date stipulated in the Regulation) for computation of Pooled Cost of Power Purchase of the FY2015-16 to be considered for the FY2016-17. The said petition, though filed late, is admitted and registered as O.P.No.52 of 2017 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 15-11-2017 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 08-12-2017. By the same notice, it was also notified that the said petition stands posted for hearing on 16-12-2017 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. Except for one comment received from Indian Wind Turbine Manufacturers Association vide letter dated 16-12-2017 stating that they do not have any comments to offer in this matter, no objections were received in the Commission nor any person appeared before the Commission on the said date of hearing. Notwithstanding the above, the Commission during the course of hearing directed the petitioners to file the details of the claim for pooled cost of 2015-16 to form the basis for 2016-17. In response to the same, the petitioners herein filed a memo dated 23-12-2017 showing the reasons for such increase in pooled cost of power purchase. The petition was finally heard on 23-12-2017.

4. Upon examination of the memo filed by the petitioners, it is found that, one such reason for increase in pooled cost of power purchase is inclusion of transmission charges amounting to Rs.54.69Cr in respect of KSK Mahanadi Power for FY2015-16. While furnishing the above piece of information, they also stated that the pooled cost for FY2014-15 is after excluding the transmission cost. It is to be noted that the petitioners have not included transmission costs in respect of other generating stations and it is not clear as to why the transmission costs are included only in respect of this particular generator and more particularly against the earlier practice that the pooled cost for FY2014-15 is after excluding transmission cost. What we are concerned in this petition is determination of pooled cost of purchase primarily for the purpose of paying it to the generator connected to the Discom/Transco network in respect of generators coming under Renewable Energy Certificate (REC) Regime to recover part of their cost from this and part of their cost from sale of certificates. That being the case the transmission cost need not be included. Accordingly, the Commission hereby decides to exclude this cost while computing pooled cost of power purchase. Another important issue that came up before the Commission is with reference to inclusion of Sri Damodaram Sanjeevayya Thermal Power Station and Hinduja National Power Corporation Limited (HNPC) and their treatment while determining the pooled cost of power purchase and more particularly whether they can be treated as long term energy suppliers to be qualified for inclusion while working out the pooled cost of power purchase specially when their present PPAs are dated 24-08-2016 and 28-04-2016 beyond the FY2015-16 for which pooled cost of power purchase is now being determined. It will not be appropriate for the Commission to express any opinion on the above issue in as much as the petitions in respect of above said PPAs are still pending before the Commission. Leaving aside the question for a moment, it is also found that either inclusion or deletion of these projects while computing the pooled cost of power purchase makes no

difference to the figure of Rs.3.66/unit filed by the petitioner. As such, there is no need to deal this issue in greater detail.

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 post of power purchase for FY2015-16 to be considered for FY2016-17 as Rs.3.65/kWh. The details of calculation are shown in the ANNEXURE.

6. The difference between the Provisional Pooled Cost of Power Purchase at Rs.3.44/kWh (of FY2014-15 considered for FY2015-16) 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 January 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 6<sup>th</sup> day of January, 2018.**

Sd/-  
(P.RAMA MOHAN)  
MEMBER

Sd/-  
(Dr. P. RAGHU)  
MEMBER

Sd/-  
(Justice G.BHAVANI PRASAD)  
CHAIRMAN

**Annexure**  
**POOLED COST FOR THE FY 2015-16 to be considered for FY 2016-17 (Without KSK Tr.Charges)**

Station	Energy (MU)	Amount (Rs.Crs.)			VC Rate/kwh	FC Rate/kwh	Avg. Rate/kwh
		FC	VC	TOTAL			
<b>CGS</b>							
NPC Kaiga - I & II	999.82	0.00	308.49	308.49	3.09	0.00	3.09
NPC-MAPS	123.79	0.00	25.86	25.86	2.09	0.00	2.09
NLC ST-I	334.45	22.93	106.03	128.96	3.17	0.69	3.86
NLC ST-II	566.07	37.75	134.16	171.91	2.37	0.67	3.04
NTPC-Talcher-ST II	1342.48	101.38	173.38	274.75	1.29	0.76	2.05
NTPC(SR)	2136.65	109.75	478.21	587.96	2.24	0.51	2.75
NTPC(ER) - Farakka	0.00	0.01	0.00	0.01	-	-	-
NTPC(ER)-Kahalgaon	0.00	0.00	0.00	0.00	-	-	-
NTPC(ER)-Talcher-I	0.00	0.00	0.00	0.00	-	-	-
NTPC(SR) ST III	589.61	50.98	134.46	185.43	2.28	0.86	3.14
NTECL - VALLURU	442.44	71.77	90.46	162.23	2.04	1.62	3.67
NLC Tamilnadu Power Ltd Stage 1	397.95	69.92	91.78	161.70	2.31	1.76	4.06
NTPC-Simhadri -I	3360.83	348.14	816.13	1164.27	2.43	1.04	3.46
NTPC-Simhadri -II	1529.44	231.08	370.30	601.37	2.42	1.51	3.93
<b>CGS Sub Total</b>	<b>11823.53</b>	<b>1043.69</b>	<b>2729.25</b>	<b>3772.94</b>	<b>2.31</b>	<b>0.88</b>	<b>3.19</b>
APGPCL ST-I	19.91	1.11	6.34	7.45	3.18	0.56	3.74
APGPCL ST-II	70.37	2.45	20.13	22.58	2.86	0.35	3.21
Sri Damodharam Sanjeevayya TPS Infirm Power Bill (Unit-I &II)							
APPDCL	4604.47	0.00	1638.19	1638.19	3.56	0.00	3.56
<b>IPPs</b>							
GVK	415.86	96.13	114.37	210.51	2.75	2.31	5.06
SPGL	194.76	37.71	52.13	89.84	2.68	1.94	4.61
LANCO	213.82	42.49	55.09	97.58	2.58	1.99	4.56
Thermal Powertech Corporation India	1709.79	300.65	304.32	604.97	1.78	1.76	3.54
Hinduja National Power Corp Ltd(HNPCL)	454.06	0.00	153.74	153.74	3.39	0.00	3.39
<b>IPPs Sub Total</b>	<b>2988.30</b>	<b>476.99</b>	<b>679.65</b>	<b>1156.64</b>	<b>2.27</b>	<b>1.60</b>	<b>3.87</b>
<b>MPPS</b>							
Srivathsa	12.53	0.64	4.10	4.73	3.27	0.51	3.78
LVS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>MPPs Sub Total</b>	<b>12.53</b>	<b>0.64</b>	<b>4.10</b>	<b>4.73</b>	<b>3.27</b>	<b>0.51</b>	<b>3.78</b>
<b>APGenco</b>							
Dr.NTTPS	3538.59	199.43	1136.12	1335.55	3.21	0.56	3.77
Dr.NTTPS St.IV	1254.79	219.33	375.00	594.33	2.99	1.75	4.74
RTPP-I	1070.72	104.69	375.12	479.81	3.50	0.98	4.48
RTPP-ST II	1176.62	194.01	393.64	587.65	3.35	1.65	4.99
RTPP -ST III	556.74	115.86	189.13	304.99	3.40	2.08	5.48
Hydel	2320.39	406.68	0.00	406.68	0.00	1.75	1.75
Interest on Pension Bonds for FY 2015-16	0.00	307.32	0.00	307.32	-	-	-
Differential Fixed Cost as per O.P.No.03 of 16-Thermal & Hydel		195.14	0.00	195.14	-	-	-
<b>APGENCO Sub Total</b>	<b>9917.85</b>	<b>1742.46</b>	<b>2469.00</b>	<b>4211.46</b>	<b>2.49</b>	<b>1.76</b>	<b>4.25</b>
<b>TSGenco</b>							
KTPP-I	1606.99	272.75	395.37	668.12	2.46	1.70	4.16
KTPS ABC	1847.32	152.49	466.89	619.38	2.53	0.83	3.35
KTPS V	1518.92	95.31	316.94	412.25	2.09	0.63	2.71
KTPS VI	1711.14	271.76	449.97	721.73	2.63	1.59	4.22
RTS-B	157.61	18.27	42.35	60.62	2.69	1.16	3.85
Adj.FCA	0.00	-21.57	-64.87	-86.44	-	-	-
<b>TSGENCO Sub Total</b>	<b>6841.99</b>	<b>789.01</b>	<b>1606.66</b>	<b>2395.67</b>	<b>2.35</b>	<b>1.15</b>	<b>3.50</b>
<b>KSK</b>	1341.12	151.87	353.46	505.33	2.64	1.13	3.77
<b>TOTAL</b>	<b>37620.07</b>	<b>4208.22</b>	<b>9506.77</b>	<b>13714.99</b>	<b>2.53</b>	<b>1.12</b>	<b>3.646</b>

Sd/-  
P.Rama Mohan  
MEMBER

Sd/-  
Dr. P. Raghu  
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Justice G.Bhavani Prasad  
CHAIRMAN