



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

4th Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004

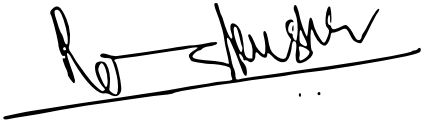
PRESS RELEASE

The APERC has determined tariff for the APGENCO's 400 MW Solar Power Plant at Talaricheruvu, Anantapuram at Rs. 2.95 per unit for the power being supplied by it from March, 2019. This is much lower than what was discovered in the competitive bidding route at Rs. 5.96 per unit of NTPC's 250 MW Solar Power Plant at NP Kunta, from which power supplies commenced in July, 2016 as well as Rs. 3.15 per unit of NTPC's 250 MW Kadapa Solar Park in April, 2017.

Such tariff which is favourably comparable to the tariff determined even in a competitive bidding route became possible because of the Commission's meticulous scrutiny of the tariff components with reference to the CERC and available norms. In its detailed order dt: 22-10-2020, the Commission found that land cost cannot be a tariff component while lease rentals are being charged and its ownership is remaining with APSPCL at the end of the agreement period of 25 years. The Commission's scrutiny also found that the computation of O&M costs and escalation claims is not in tune with the extant regulations. In determining these charges the Commission ordered that only the competitively discovered O&M charges for the first 5 years shall be the basis on which they shall have to be arrived at for the remaining 20 years' contractual period.

In the year 2017, the DISCOMs filed their application for fixation of tariff at Rs. 3.57 ps as proposed by the APGENCO and APSPCL. During the pendency of the said application commercial operation date was declared in March, 2019. The DISCOMs were paying Rs. 3.50 ps per unit from the COD pending determination of tariff by the Commission. While determining the tariff finally at Rs. 2.95 ps, the Commission directed that the said tariff shall be effective from COD. As a result of this, the DISCOMs would be entitled to a refund of approximately Rs. 60 Cr till now and saving of Rs. 1043.13 Cr during the agreement period.

Date: 26-10-2020
Place: Hyderabad

A handwritten signature in black ink, appearing to read 'R. S. Prasad', is written over a horizontal line.

Commission Secretary