

**Petition of The Tata Power Company Limited  
for Approval of Additional Surcharge for Tata  
Power-D  
Case no. 79 of 2017**

Prayas (Energy Group)  
14<sup>th</sup> December 2017

# Background Case 79 of 2017

- TPC-D wants to charge an Additional Surcharge of Rs. 0.44 per unit to all Open Access (OA) consumers, including captive OA consumers
- It wants to apply this charge from H2 of 2016-17 onwards
- It claims that it is in a position of stranded generation assets created by the move of its HT consumers to OA

# Prayas' submission

1. Maintainability of petition
2. Expiring PPAs
3. Infirmities in current petition and data gaps

# Maintainability of Petition

- TPC has made a similar request for Additional Surcharge in its MYT petition in case no. 47 of 2016.
- The MERC had rejected TPC's request for Additional Surcharge.
- TPC has not come in review, nor has any appeal judgment been delivered by the APTEL setting aside the MERC Order
- TPC cannot now file another petition to raise the same issue which has been dealt with conclusively by MERC in the MYT Order.
- This petition should be dismissed.

# PPA's are expiring

- The Additional Surcharge is a 'stop-gap' measure
- TPC-D's PPAs are expiring
- It is important that the MERC and TPC plan the power procurement in such a manner that backing down can be minimized. The ongoing cases of TPC with respect to power purchase provide such an opportunity.
- One should not design a system with additional surcharges which disadvantages OA consumers.

# Infirmities in current petition and data gaps...1

Without prejudice to our above submission, we would like to submit that TPC has also failed to demonstrate that it has stranded capacity as a result of OA consumers

As per the MERC in Case 47 of 2016:

“For the levy of Additional Surcharge, the following conditions have to be fulfilled:

- a) It needs to be conclusively demonstrated that the obligation of TPC-D in terms of existing power purchase commitments has been and continues to be stranded;
- b) The cost has not been or cannot be recovered from such consumer, or from other consumers who have been given supply from the same assets or facilities, through Wheeling Charges, Stand-by charges or other charges approved by the Commission.”

# Infirmities in current petition and data gaps...2

- More than 20% power coming from short term purchase.
- It is unclear if this is on economic reasons or if this is avoidable power purchase which can be offset by OA migration
- Not possible to segregate backing down into its component parts, such as backing down due to MoD, net-metering, OA consumers, etc.

Source	2016-17	2017-18	2018-19	2019-20
TPC-G (MU)	3645	3667	3619	3668
Short term bilateral (MU)	1163	1300	1525	1666
RPO (MU)	370	370	370	370
<b>Total power purchase (MU)</b>	<b>5178</b>	<b>5337</b>	<b>5513</b>	<b>5704</b>
<i>% short term</i>	<i>22%</i>	<i>24%</i>	<i>28%</i>	<i>29%</i>

- Ideally data for 15 minute intervals on demand (met and unrestricted), supply from contracted capacity, short term power purchase as well as OA demand should be provided
- Sales to Railways have been considered in backdown, which should not be allowed.

# Infirmities in current petition and data gaps...3

- Open access migration is 369 MU, but Net Generation backdown is only 257 MU (Table 5).
  - It is not possible to understand why this is the case since not enough data has been provided
  - Possibly, this reflects the 'avoidable power purchase' of TPC which it can now forgo since these consumers have opted for open access
  - In this case, 369 MU cannot be used to calculate the % of backdown due to OA migration, since part of the capacity was avoidable purchase

**Table 5: from TPC petition : Ratio of OA volume to backing down volume**

TOD Time Slots	Duration	Open Access Migration (MU)	Net generation backdown quantum due to OA + MoD (MU)	Backdown offset by ST sale to Railways (MU)	Gross backdown (OA+Railways +MOD) (MU)	Ratio = OA migration/Gross back down
		a	b	c	d=b+c	e=a/d
Time slot A	22.00 hrs to 6.00 hrs	121	144	57	201	60%
Time slot B	6.00 hrs to 9.00 hrs and 12.00 hrs to 18.00 hrs	139	61	130	191	73%
Time slot C	9.00 hrs to 12.00 hrs	47	13	48	61	77%
Time slot D	18.00 hrs to 22.00 hrs	62	39	64	103	60%
<b>Total</b>	<b>00.00 hrs to 24.00 hrs</b>	<b>369</b>	<b>257</b>	<b>299</b>	<b>556</b>	<b>66%</b>



# Infirmities in current petition and data gaps...4

- Fixed cost taken (Table 6) is the net fixed cost approved in TPC-G's 3<sup>rd</sup> MYT Order. This fixed cost is at normative availability of 85%.
- However, based on available generation provided in the petition, the calculated availability is much lower than 85% (see last column of Table 6).
- Thus, the entire fixed cost cannot be taken as recoverable from the consumers.

**Table 6: Average fixed cost of TPC-G**

Unit	Fixed cost (Rs crore)	FC share of TPC-D (Rs crore)	Available generation (Mus)	Share of TPC-D (Mus)	Per unit cost	Availability %
Unit 5	458.95	224.11	3499.62	1708.86	1.311	80%
Unit 7	183.37	89.54	857.59	418.76	2.138	54%
Unit 8	274.52	164.71	1704.27	1022.56	1.611	78%
<b>Total</b>	<b>916.84</b>	<b>478.36</b>	<b>6061.48</b>	<b>3150.18</b>	<b>1.519</b>	

- In the projection of backing down quantum (Table 7 of the petition) it is unclear if the TPC-D requirement used to calculate the Surplus of 159 MU includes OA demand or not.

# Prayers

- Dismiss TPC's petition
- As soon as possible, take up TPC's power purchase cases to plan for better purchase and ensure that no stranded capacity is created
- Insist that the petitions be submitted in a text-searchable PDF format

# Thank you

[saumya@prayaspune.org](mailto:saumya@prayaspune.org)  
[ashwini@prayaspune.org](mailto:ashwini@prayaspune.org)