



**MEMORANDUM  
OF  
UNDERSTANDING**

**BETWEEN**

**DEPARTMENT OF ENERGY  
GOVERNMENT OF ODISHA**

**AND**

**ODISHA HYDRO POWER CORPORATION LTD**

**FOR THE YEAR  
(2021-22)**

**ODISHA HYDO POWER CORPORATION LIMITED**  
**MOU -2021-22**

**CONTENT**

Sl. No.	Section	Subject	Page No.
1	Part-I	1. Mandate 2. Vision 3. Mission 4. Overall goal & objectives	3 3 4 4
2	Part-II	A. Important Projects	5
3	Part-II	B. JV & Subsidiaries of OHPC	6
4	Part-III	MOU Performance Evaluation Criteria and targets.	7
5.	Annexure-I	Renovation, Modernization of Unit-3 of CHEP, Six (6) No of Units of BHEP and Renovation, Modernization & Uprating Unit-5 & 6 of HHEP.	8-9
6.	Annexure-II	Maintenance Activities in Power Houses for 2021-22	10
7.		Details of MOU	11
8.	Part-IV	Assistance from the State Government.	12
9.	Part-V	Obligation of OHPC	12
10.	Part-VI	Action Plan for Implementing and Review of MOU	13
11.		Definition of various financial parameters	14



## MEMORANDUM OF UNDERSTANDING BETWEEN

DEPARTMENT OF ENERGY  
GOVERNMENT OF ODISHA

AND

ODISHA HYDRO POWER CORPORATION LTD

FOR THE FINANCIAL YEAR (2021-22)

### PART -I

**1. MANDATE**

To develop Hydro Power resources in the state and to renovate, modernize and operate existing hydro power plants for providing cheap and reliable power to the state and foray into alternate sources of energy both renewable and thermal, for long term energy security of the State.

**2. VISION**

To be a leading power utility in the energy sector through diversified energy portfolio with due care & concern to the environment.

**ODISHA HYDO POWER CORPORATION LIMITED**  
**MOU -2021-22**

**3. MISSION**

- (i) To develop water resources in the State and elsewhere in the Country while augmenting hydro power generating capacity by setting up new hydro power projects.
- (ii) To adopt state of the art technology for up-gradation of the existing hydro power stations so as to achieve the highest level of efficiency.
- (iii) To professionalize the work force in line with the modern management / technical knowhow.
- (iv) To adopt world class IT practices to optimize the operation.

**4. OVERALL GOAL AND OBJECTIVES**

**(A) DEVELOPMENTAL OBJECTIVE**

- (i) To develop the hydro resources in the state on its own or in joint venture with state and /or central PSUs.
- (ii) To renovate and modernize the existing hydro power plant to improve efficiency and supply reliable and quality power to the State in a cost-effective manner.
- (iii) To develop renewable sources of energy available in the State for sustainable development of State.

**(B) COMMERCIAL OBJECTIVE**

- (i) To achieve energy generation target of - 4526.60 MU.
- (ii) To achieve profitability target of - Rs. 68.88 Crore
- (iii) To achieve weighted average plant availability factor of - 79.97%



# ODISHA HYDO POWER CORPORATION LIMITED

## MOU -2021-22

### PART -II

#### A. IMPORTANT PROJECTS

- (i) OHPC being a Gold rated state PSU, is empowered to take decision on capital investment up to Rs.100 Crores.
- (ii) OHPC has taken up the Renovation, Modernization & Upgrading of following units. The status of which are as under-
  - (a) Unit-3(24 MW) of CHEP, Chiplima  
On completion of Renovation & Modernization work Unit-3 of CHEP, it was put to commercial operation with effect from 21.01.2020.
  - (b) Unit-5 & 6(2x 43.65 MW) of HHEP, Burla  
On completion of R, M & U work of Unit 6 & 5 of HHEP, Burla, the units were put to commercial operation with enhanced capacity with effect from 02.11.2021 & 09.01.2022 respectively.
  - (c) Unit-1 & 2(2x 60 MW) of BHEP, Balimela  
R&M works of Unit-2 of BHEP, Balimela completed and it was put to commercial operation with effect from 29.12.2021. Unit-1 is expected to be synchronized to the grid by 31<sup>st</sup> March 2022. Unit-3 & 4 R&M works will be taken up after commissioning of the 20 MVA Station Transformer in March 2022.
- (iii) Projects in Pipeline
  - (a) Pumped Storage Projects  
The Detailed Project reports (DPR) of three pumped storage projects namely: Upper Indravati(600MW) ,Balimela (500MW) and Upper Kolab (320MW) are under preparation.
  - (b) New Hydro Projects  
The Detailed Project reports (DPR) of two new hydroelectric projects namely Salki (44MW) in Boudh district and Kharag (63MW) in Khandhamal district are under preparation.

# ODISHA HYDO POWER CORPORATION LIMITED

## MOU -2021-22

### PART -II

#### B. JV & Subsidiaries of OHPC

(a) **Odisha Coal and Power Limited (OCPL):**

OCPL formed for development of Manoharpur & dip side Manoharpur coal blocks has started production and supply of coal to OPGC. The surplus coal beyond the requirement of OPGC is being sold through e auction for additional revenue generation.

(b) **Odisha Thermal Power Corporation Ltd (OTPC):**

OTPC has been formed under JV mode between OHPC & OMC in the shareholding ratio of 50:50 for setting up a 2400 MW Supercritical Thermal Power Plant at Kamakhyanagar of Dhenkanal district. However, as decided by the Govt. no Thermal Power Plant shall be setup and land shall be put to alternate use.

(c) **Green Energy Development Corporation of Odisha Ltd (GEDCOL):**

- 24 MW Solar Power Plants has been commissioned. Those are 20 MW Ground mounted Solar Power Plant at Manmunda & Four (4) MW of Roof Top Solar Power Plant in Govt. Buildings in twin cities of Bhubaneswar and Cuttack.
- 8MW Solar Power Plant on the un-utilized lands available inside OPTCL Grid Sub-stations at Baripada, Bolangir & Jayanagar including OHPC Power House at Mukhiguda and GEDCOL Solar Plant at Manmunda is under development.
- 10 MW Solar Power Plant is planned at Chiplima.
- 55-60 MW capacity Solar Power Plant is planned in Boudh District.
- 300 MW Floating Solar Project in the Rengali Reservoir is under development in JV with NHPC (equity participation of OHPC).
- GEDCOL SAIL Power Corporation Limited (GSPCL) with an equity participation of 74:26 is implementing 10 MW Small Hydroelectric Plant at Mandira Dam, Rourkela.

(d) **OPGC:**

OHPC has acquired 49% equity shares of OPGC from AES Corporation on 10.12.2020 as decided by Govt.



**ODISHA HYDO POWER CORPORATION LIMITED**  
**MOU -2021-22**

**PART - III**

**ODISHA HYDRO POWER CORPORATION LIMITED**  
**MOU Performance Evaluation Criteria and Targets**

	Particulars	Unit	Weight	Targets (2021-22)					2021-22 (very good target)
				Excellent	Very Good	Good	Fair	Poor	
				5	4	3	2	1	
<b>1</b>	<b>STATIC PARAMETERS (Financial Performance Indicators)</b>		<b>50</b>						
(i)	Net Turnover	Rs. Crs.	10	623.68	593.98	564.28	534.58	504.88	593.98
(ii)	Gross Profit	Rs. Crs.	12	171.55	163.38	155.21	147.04	138.87	163.38
(iii)	Net Profit	Rs. Crs.	12	72.32	68.88	65.44	61.99	58.55	68.88
(iv)	Return on capital employed	%	10	6.37	6.07	5.77	5.46	5.16	6.07
(v)	Net Turnover per employee	Rs. (in Lakhs)	6	45.13	42.98	40.83	38.68	36.53	42.98
<b>2</b>	<b>DYNAMIC PARAMETERS</b>		<b>35</b>						
(i)	Renovation, Modernisation of Unit-3, CHEP, 6 nos. of Units in BHEP, Units 5&6 HHEP	Time line	15	Annexure-I (page-8-9)					
(ii)	Maintenance Activities in different Power Houses in 2020-21	Time line	20	Annexure-II (page-10)					
<b>3</b>	<b>GENERAL MEASURES</b>		<b>15</b>						
a.	Filing of Audited accounts for FY 2020-21	Time line	10	Oct 21	Nov21	Dec21	Jan 22	Feb22	Nov21
b.	Expenditure on Corporate Social Responsibility	In Cr	3	14.81	14.10	13.40	12.70	12.00	14.10
c.	No of pension cases disposed	%	2	200	190	181	171	162	190

**ODISHA HYDO POWER CORPORATION LIMITED**  
**MOU -2021-22**

**Annex-I**

**RENOVATION, MODERNISATION OF UNIT-3 CHEP, SIX (6) NO OF UNITS OF BHEP  
AND RENOVATION, MODERNISATION & UPRATING UNIT-5&6 OF HHEP**

Sl.No.	Milestones	Wt. %	Excellent	Very Good	Good	Fair	Poor
<b>A</b>	<b>RENOVATION &amp; MODERNISATION OF UNIT 3 OF CHEP, CHIPLIMA</b>	<b>04</b>					
a.	Completion of Architectural Works of the Power House	02	28.02.22	15.03.22	22.03.22	29.03.22	31.03.22
b.	Final Take Over of the Unit	02	15.03.22	22.03.22	25.03.22	31.03.22	-
<b>B.</b>	<b>RENOVATION &amp; MODERNISATION OF 6 NOS. OF UNITS OF BHEP, BALIMELA</b>	<b>05</b>					
a.	Provisional takeover of Unit-2	03	28.02.22	15.03.22	22.03.22	29.03.22	31.03.22
b.	Trial Run of Unit-1	02	28.02.22	07.03.22	15.03.22	24.03.22	31.03.22



**ODISHA HYDO POWER CORPORATION LIMITED**  
**MOU -2021-22**

Sl. No.	Milestones	Wt. %	Excellent	Very Good	Good	Fair	Poor
C.	<b>RENOVATION &amp; MODERNISATION OF UNITS 5 &amp; 6 OF HHEP, Burla.</b>	06					
a.	Mechanical spinning of Unit -6	01	30.09.21	31.10.21	30.11.21	31.12.21	31.01.22
b.	Mechanical spinning of Unit 5	01	30.11.21	31.12.21	31.01.22	28.02.22	31.03.22
c.	Test Synchronization of Unit-6	01	31.10.21	30.11.21	31.12.21	31.01.22	28.02.22
d.	Test Synchronization of Unit-5	01	31.12.21	31.01.22	28.02.22	15.03.22	31.03.22
e.	Provisional takeover of Unit-6	01	31.01.22	28.02.22	15.03.22	22.03.22	31.03.22
f.	Provisional takeover of Unit-5	01	28.02.22	15.03.22	22.03.22	31.03.22	-

# ODISHA HYDO POWER CORPORATION LIMITED

## MOU -2021-22

### Annex-II

#### MAINTENANCE ACTIVITIES IN POWER HOUSES (2021-22)

Sl. No.	Milestones	Wt. %	Excellent	Very Good	Good	Fair	Poor
A.	UPPER KOLAB HYDRO ELECTRIC PROJECT	4					
1	Annual Maintenance of units						
a.	First unit	2.0	31.05.21	30.06.21	31.07.21	31.08.21	30.09.21
b.	Second Unit	2.0	31.07.21	31.08.21	30.09.21	31.10.21	30.11.21
B.	BALIMELA HYDRO ELECTRIC PROJECT	4					
1	Annual Maintenance of units						
a.	First unit (#5)	1.0	31.08.21	30.09.21	31.10.21	30.11.21	31.12.21
b.	Second unit (#6)	1.5	28.02.22	10.03.22	15.03.22	25.03.22	31.03.22
c.	Third Unit (#7)	1.5	05.03.22	15.03.22	20.03.22	25.03.22	31.03.22
C.	HIRAKUD HYDRO ELECTRIC PROJECT, BURLA	4					
1	Annual Maintenance of unit						
a.	First unit (#1)	2.0	31.01.22	15.02.22	28.02.22	15.03.22	31.03.22
c.	Second unit (#2)	2.0	28.02.22	15.03.22	20.03.22	25.03.22	31.03.22
D.	UPPER INDRAVATI HYDRO ELECTRIC PROJECT, MUKHIGUDA	3					
1	Annual Maintenance of units						
a.	First unit (#3)	1.5	30.06.21	31.07.21	31.08.21	30.09.21	31.10.21
b.	Second unit	1.5	31.07.21	31.08.21	30.09.21	31.10.21	30.11.21
E.	RENGALI HYDRO ELECTRIC PROJECT, RENGALI	3					
1	Annual Maintenance of units						
a.	First unit (#2)	1.5	31.01.22	15.02.22	28.02.22	15.03.22	31.03.22
b.	Second unit (#5)	1.5	15.03.22	20.03.22	24.03.22	26.03.22	31.03.22
F.	CHILPLIMA HYDRO ELECTRIC PROJECT, CHILPLIMA	2					
1	Annual Maintenance of units						
a.	First unit (#2)	2.0	28.02.22	10.03.22	15.03.22	20.03.22	31.03.22

MANAGING DIRECTOR  
OHPC LTD

FA-CUM-ADDITIONAL SECRETARY  
TO GOVT. OF ODISHA  
ENERGY DEPARTMENT

**ODISHA HYDO POWER CORPORATION LIMITED**  
**MOU -2021-22**

**DETAILS OF MOU 2021-22**

		Unit	2020-21 (Projected)		2020-21 (Audited)		2021-22 (Proposed)	
1	Generation and Plant availability targets							
	(i) Energy Generation	MU	5193.00		6130.41		4526.6	
	(ii) Average Tariff of OHPC approved by OERC	P/U	91.39		91.39		89.28	
2	Net Turnover	Rs. Cr.		618.56		664.35		593.98
3	Operation & Maintenance Expenses	Rs. Cr.	346.17		321.55		365.75	
4	Gross Margin (2-3)	Rs. Cr.		272.39		342.80		228.23
5	Depreciation	Rs. Cr.	63.70		64.85		64.85	
6	PBIT / Gross Profit	Rs. Cr.		208.69		277.95		163.38
7	Interest Payment	Rs. Cr.		66.27		76.51		66.94
8	Profit Before Tax	Rs. Cr.		142.42		201.44		96.44
9	Tax @ 25.168%	Rs. Cr.	58.02		20.80		27.56	
10	Net Profit after tax (8-9)	Rs. Cr.		84.40		180.64		68.88
	Total Comprehensive Income for the Period	Rs. Cr.						
11	Capital Employed	Rs. Cr.	2590.26		2985.97		2693.15	
12	Return on capital employed (6/11)	%		8.16		9.31		6.07
13	No of employees	Nos	1540		1516		1382	
14	Net Turnover per employee (2/13)	Rs. lakhs		40.17		43.82		42.98
15	Contribution to State Exchequer	Rs. Cr.		37.12		63.07		35.43
i.	Ele. Duty on auxiliary power consumption (55 paise on 1% of generation)	Rs. Cr.	2.86		6.30		2.49	
ii.	Water cess (0.015 paise per unit generation)	Rs. Cr.	7.56		8.58		6.79	
iii.	Dividend	Rs. Cr.	26.09		45.59		20.66	
iv.	GST	Rs. Cr.	0.61		2.31		5.49	



# ODISHA HYDO POWER CORPORATION LIMITED

## MOU -2021-22

### PART -IV

#### Assistance from the State Government

- (i) OPGC related equity support to OHPC during the year shall be provided as per the recommendation of PAC. No equity support shall be provided to OHPC for any of its subsidiaries or JV companies.

### PART -V

#### OBLIGATIONS OF OHPC

- (i) OHPC has not carried out the directives of the Govt. yet regarding induction of representatives of Energy Department in its Board. The same shall be ensured at the earliest.
- (ii) OHPC shall submit monthly and quarterly performance report to Energy Department by the 7<sup>th</sup> of the succeeding month.


**ODISHA HYDO POWER CORPORATION LIMITED**  
**MOU -2021-22**

**PART -VI**

**Action plan for Implementing and Review of the MOU**

- (i) The generation target for FY 2021-22 has been prepared based on the nearest to actual basis as per availability of Machine, R&M & planned shutdown works.
- (ii) The maintenance of power houses shall be undertaken as per schedule for ensuring normative availability of machines fixed by OERC for each of the power stations.
- (iii) The management of the Power house shall be made more vigilant so that there will not be any setbacks during tendering and subsequent execution of works.
- (iv) The final evaluation of performance for the year FY 2021-22 will be done after Audit of final Accounts.
- (v) Since OHPC did not submit the draft MoU in time, there was no scope for review of performance by the Department at regular intervals.

  
MANAGING DIRECTOR  
OHPC LTD

  
FA-CUM-ADDITIONAL SECRETARY  
TO GOVT. OF ODISHA  
ENERGY DEPARTMENT

## **ODISHA HYDO POWER CORPORATION LIMITED**

### **MOU -2021-22**

#### **DEFINITION OF VARIOUS FINANCIAL PARAMETERS**

1. **NET TURNOVER = SALE OF POWER + OTHER INCOME**  
Excluding excise duty, sales tax, commission and discounts etc.
2. **GROSS PROFIT = Excess of Income over expenditure before providing for interest, taxes (including deferred taxes), extra ordinary items, prior period adjustments and appropriations to reserves.**
3. **NET PROFIT = Derived from gross profit after providing for depreciation, interest, taxes (including deferred taxes), extra ordinary items, prior period adjustments but before providing for appropriations to reserves.**
4. **RETURN ON CAPITAL EMPLOYED (ROCE) = Profit before interest and tax (PBIT) / Capital employed.**
5. **CAPITAL EMPLOYED = Equity Capital + Reserves and Surplus + Pref. Share Capital + Debentures and other long term Loans - Misc. Expenditure & Losses.**
6. **CONTRIBUTION TO STATE EXCHEQUER – Payment made to the State Government in the form of duties, taxes, cess, royalty and dividend etc.**



**Suggestion and views of Govt. of Odisha on various issues related to Tariff for the FY 2022-23**

**(a) Demand of subsidy from the State Govt. u/s 65 of Electricity Act, 2003**

State Govt. in the recent past has spent more than Rs.17,000 crore to strengthen the infrastructure of Distribution and Transmission system under various schemes. Such system improvement is primarily of capital subsidy nature, to keep the tariff low for all categories of consumers. Further, the assets created under these funding were allowed for use by DISCOMs without any consideration, which is an indirect subsidy to keep the tariff low. As such, there is no proposal for grant of further revenue subsidy under Section 65 of Electricity Act, 2003. In such cases Commission may strike a balance in fixation of the cross subsidy taking into consideration the interest of all categories of consumers. State Govt. is committed to provide 24x7 reliable and quality power to all consumers.

**(b) Identification and quantification of the Govt. Assets**

Steps have been taken to create and maintain a Fixed Asset Register (FAR) for identification and quantification of the distribution assets created with Govt. support. TPCODL completed their FAR and submitted to OPTCL for reconciliation. In case of other three Discoms, i.e. TPNODL, TPWODL and TPSODL, third party verification is under process. The proposal of GRIDCO for one time approval of transfer of Govt. Assets to Discoms through GRIDCO is under consideration and processed for concurrence of Finance Dept. Pending approval of the same, the requisite quantum of Govt. Assets have been

*Discoms have not brought to the notice of the Dept.*

informed to Discoms, so that there would not be any delay in committed capex investment as per vesting order.

(c) **Change of category of Mega Lift Irrigation Points**

Due to implementation of Regulation 138(e) of the OERC condition of supply code 2019 the category of OLIC projects are changing from irrigation pumping and Agriculture (IPALT) to General Purpose LT category. And this has an impact on the tariff for energy charges and monthly fixed charges. The mega lift schemes are generally operated during off peak hours and the load factor is around 12.78%. Dept. of Water Resources have filed a petition before the Commission. Their request may be favorably be considered looking to the capital subsidy provided to the Sector.

(d) **Utilization of Surplus Power by GRIDCO**

GRIDCO is responsible for maintaining energy security of the State and addressing the growth of future energy requirements. As submitted by GRIDCO, it relied on the 17<sup>th</sup> Electric Power Survey (EPS) report published in 2007 by Central Electricity Authority (CEA) having projections till FY2021-22 to determine the long-term power demand for the State. Based on the 17<sup>th</sup> EPS projections, GRIDCO signed long term PPAs with Generators in around 2010 to ensure timely addition of capacity(ies) to meet the future demand of power. However, due to various reasons including energy efficiency measures, the actual energy demand was lower than the projected demand. It has resulted in temporary surplus capacity over the State requirement. Due to contractual

obligations of Power Purchase Agreements, GRIDCO is required to pay fixed charges to all the Generators based on their availability, irrespective of the actual drawl. GRIDCO has submitted that after meeting the projected State demand of 29,354.67 MU (including transmission loss), it will be left with a surplus of 7036.64 MU. Same surplus of power also required to be kept as reserve for contingencies. Since GRIDCO have to pay the fixed charges, it plans to draw energy from these power stations on MoD basis and sell it in power exchange.

GRIDCO informed that it has 7036.64 MU surplus power available and considering that GRIDCO will be able to sell 85% of the available surplus power at Rs. 3.40 per unit (*which is the average price prevailing in the power exchange in last 5 years*), GRIDCO proposed to earn revenue of Rs.2033.59 crore from trading of surplus power. Further, it is assumed that 15% surplus may not be saleable in exchange due to lower rates in few days/slots. GRIDCO will utilize this revenue to recover the fixed costs of the surplus power and revenue available after recovery of fixed costs can be adjusted in its ARR to reduce the tariff burden on the consumers.

The surplus power of GRIDCO is mostly available during the off-peak period or at the time when there are seasonal variations of power demand. The contracted supply to industries is assured long-term 24X7 availability of contracted demand. Hence the prices/tariff of the assured long-term power may not be comparable with intermittent short-term supply of available surplus



power. In such intermittent short term surplus situation, the market prices remains low. Therefore, to ensure long term 24X7 supply, the PPAs are done based on system maximum demand. Therefore, there would be surplus capacity during off peak hours. It is important to note that less than 3% of the demand of the Country are traded through market; hence cannot be completely relied to ensure 24x7 power supply to the consumers.

The cost of surplus power available with GRIDCO after meeting the State demand from low-cost power plants is about Rs.4.96 per unit. Since, the existing ARR of the sector to be met in the tariff: The available surplus power can be provided at cost to new industries for 3-4 years of commencement of business. The Commission may allow a promotional tariff without any commercial loss to GRIDCO.

This will be beneficial in creating new demand and promoting industrial activity while utilizing the surplus power available within the State. Any surplus power, which is not consumed through the promotional industrial tariff scheme, can be traded by GRIDCO through power exchanges.

(e) **Payment of Fixed Cost by GRIDCO where Commission has not approved the PPA**

As mentioned above, GRIDCO signed long term PPAs with Generators to ensure adequate capacity is available to meet the State demand. GRIDCO has been persistently trying to deallocate costly power of the Central Generating Stations. With persistent efforts of the State Government along with GRIDCO,

the capacity allotted to the state from Kantibijli Utpadan Nigam Limited (KBUNL) has been deallocated in the previous year. With the support of the State Government, GRIDCO has already deallocated a capacity of 667 MW of power from NTPC Barh-II (166 MW, 2019), Nabinagar Thermal Power Station (155 MW, 2016), FSTPS-I & II (218 MW), KhTPS-I (128 MW). The State Government and GRIDCO are making efforts for deallocation of Barh-I as well and are diligently pursuing the matter with the Ministry of Power, Government of India. However, till the time Barh I plant is deallocated, the fixed charge will be chargeable on GRIDCO due to PPA conditions. GRIDCO has submitted in its ARR petition to draw 1937.73 MU from the Barh I plant in FY 2022-23 and trade the power in the exchange. This will help in recovery of the fixed costs of the Barh I plant and any revenue earned after offsetting the fixed costs will also contribute towards reduction of the ARR, which will help in reducing the tariff burden on the consumers. Government of Odisha will continue to pursue with the Ministry of Power for deallocation of Barh-I.

(f) **Installation of Prepaid meters in Government Offices**

Government has notified regarding installation of prepaid meters in Government Departments in the year 2013. Government is always in support of the proposal of prepaid meter. As a follow up measure a directive has been issued to all the Govt. Departments for installation of prepaid meter. Further, budgetary provision have been made for clearance of all outstanding dues of Discoms in respect of Govt. Departments.

(g) **Support to GRIDCO on interest on loan taken for payment of generation dues**

Govt. is of the view that, commercial organization like GRIDCO cannot depend on budgetary support for its survival. Accordingly, GRIDCO was advised to take up with OERC for consideration of legitimate costs in ARR and to achieve turn around in 3 to 4 years. Further, Government is trying to make provision of soft loan with moratorium in the budget of FY 2022-23 and subsequent years on the basis of actual need. OERC may exercise options for allowing recovery of revenue gap partly through increase in BSP without increasing RST.

(h) **Open access charges for RE power**

Case No. 81/2

With advancement in technology and due to economies of scale in production, prices of RE Generating Equipment have come down appreciably in recent years making RE generation affordable. Solar Power has now become cheaper than Thermal power. But the concession on Intra-State Wheeling Charges, Transmission Charges and Cross Subsidy Surcharge on RE Power through Open Access is still in force in the State.

Taking advantage of such concession some entities are procuring RE using network of the State through open access which affects the development of RE power in the State. The State as a whole does not get benefited by providing such concessions on Intra-State Wheeling Charge, Transmission Charge and Cross Subsidy Surcharge.



While, Government is not against any concession which benefits individual consumer at large and make them competitive, but we strongly oppose any concession which benefits only couple of Industries. No concession on wheeling and transmission charges for RE power may be allowed. Full cross subsidy surcharge in open access of RE power may be imposed.

Further, we would like to make following additional submissions, which were discussed during the course of ARR & RST hearings of the Discoms;

(a) **Promotional Tariff for Industries**

Regarding proposal for promotional tariff for new industries and for improvement in load factor of existing industries, GRIDCO and Discoms should make a common presentation before the Commission involving the Industries.

(b) **KVAH billing to MSME sector**

There should be a threshold for KVAH billing like in Gujarat. Every MSME should not be brought under KVAH billing.

(c) **Loss reduction by Discoms**

Discoms should focus on improving billing and collection and operational efficiency. AT&C losses to be reduced aggressively. The massive investment made by the State Govt. can help to reduce the losses easily.

(d) **Tariff of School, Anganwadi and Primary Health Centers**

As these are mostly running during day time, the Commission may fix a special tariff considering the average cost of power during day time. Time of Day (ToD) tariff may be introduced in a gradual manner to flatten the peak demand.

(e) **Promotional tariff for EV Charging Station**

Promotional tariff for EV charging station may be allowed on the basis of time of day (ToD) tariff.

(f) **Additional suggestions**

- i. Government supports the proposal of GRID Support Charges claimed by OPTCL.
- ii. In view of ease of doing business charges for extension of LT line may remain at present level.
- iii. As many Primary Sub Stations are highly unloaded and Sub Station Bays are remaining idle, Discoms may be directed for optimal utilization of the Govt. Assets and proper maintenance of these infrastructures.
- iv. All agricultural connection must be metered. Agriculture feeders should be separated and solarized to bring down the cross subsidy in agriculture Sector. Agro industries may be promoted.
- v. Power theft may be dealt with strictly and diligently by the DISCOMs.
- vi. Energy Audit should be given high priority.
- vii. Discoms should focus on system reliability and Load Growth.

Government wants to clarify that imposition of Electricity Duty (ED) is a sovereign power of the State legislation. The same has been imposed to raise revenue for maintaining adequate level of general administration, public order and various essential social services by the State and cannot be used to subsidize any commercial activities. As the Discoms have reported a regulatory surplus, Government suggests the Commission to strike a balance and increase the BSP without affecting the RST for FY 2022-23.

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