



TELANGANA ELECTRICITY REGULATORY COMMISSION
Vidyut Niyamtran Bhavan, GTS Colony, Kalyan Nagar, Hyderabad 500045

Minutes of the 9th State Advisory Committee (SAC) meeting held on 04.03.2025

Present:

SI. NO.	Name	Designation
Members		
1	Hon'ble Justice Dr Devaraju Nagarjun	Chairman, Telangana Electricity Regulatory Commission
2	Sri. Seshagiri Rao N	Vice President Commercial, Greenko Energy private limited (GEPL)
3	Sri. Jogendra Behera represented by Sri Saurabh Srivastava	Indian Energy Exchange (IEX)
4	Sri. Vinod Kumar Agarwal	Chairman, Energy (Power & Renewable Energy) Committee
5	Sri. Injeti Gopinath	Chief Executive Officer
6	Sri. R. K. Agarwal represented by Sri Sushil Sangati	The Federation of Telangana Chamber and Commerce Industry (TSTMA)
7	Sri. M. Sridhar Reddy	Member
8	Sri. Shashi Bushan Kache	State Co-ordinator
9	Sri. E. Sridhar	Secretary General, Telangana state Electricity Employees Union 327
10	Dr. Arrvapalli Veerabhadra Rao	Founder Secretary
11	Sri. Srihari Dukkupati	Fellow
12	Sri. Rajkiran V Bilolikar	Director – Centre for Energy Studies
13	Sri S.Jeevan Kumar	Retired Lecturer
14	Sri P.Shashidhar Reddy	Consumer
15	Sri G Sai babu	General Secretary, Telangana state Electricity Employees Union 1104
16	Sri K Thourya represented by Sri Mallikarjun, Dy CE	South Central Railway

Special Invitees		
17	Sri Krishna Bhaskar, IAS,	Chairman and Managing Director, TG Transco
18	Sri Musharaff Sharif, IAS	Chairman and Managing Director, TGSPDCL
19	Sri Karnati Varun Reddy, IAS	Chairman and Managing Director, TGNPDCL
20	Sri C Srinivasa Rao, IRAS retd	JMD, TG Transco
21	Sri K Prakash	General Secretary, Electricity Employees Union
22	Sri MA Vazeer	Central Committee President, Telangana State Power Employees Union.
SAC Secretary		
23	Sri V Ramchander	Commission Secretary, Telangana Electricity Regulatory Commission

SAC Members Dr Donthi Narasimha Reddy and Dr T. Krishna Sai took leave of absence with prior intimation. The Principal Secretary to Government, Civil supplies department was not present.

Hon'ble Justice Dr Devaraju Nagarjun, Chairman, TGERC chaired the meeting.

The Commission Secretary took permission of Hon'ble Chairman and commenced the Meeting.

He extended a warm welcome on behalf of TGERC to the Hon'ble Chairman, Members of SAC, Special invitees and Senior officers of the Utilities and TGERC and informed that the requisite quorum to conduct the meeting was present. He informed that the detailed agenda for today's meeting was circulated well in advance. The Minutes of 8th SAC Meeting held on 5th October, 2024 was also circulated and put on the Website. He then requested Hon'ble Chairman to present his valuable address to the members.

The Chairperson welcomed all members and officials to the 9th State Advisory Committee meeting, noting that it was the first such session since assuming the role.

Reflecting on the history of electrification, he highlighted the significant progress made over the past decades but acknowledged ongoing challenges related to quality, reliability, and accessibility of electricity. The Chairperson recounted a conversation with other regulators, where he realized the complexity of electricity generation, transmission, and distribution, as well as the need for seamless and quality power supply despite increasing demand.

He praised the electricity department for maintaining supply stability despite peak load demands, particularly during summer. However, he stressed that rapid changes in the energy sector, including commitments to renewable energy and net-zero emissions, present new challenges. Integrating solar and wind energy into the grid, especially for peak-hour supply, requires innovative solutions such as battery storage and pump storage.

Discussing the Electricity Act of 2003, he highlighted its role in fostering competition, improving service quality, and ensuring affordability for consumers. He emphasized the Commission's broad powers, which are unique, in drafting and enforcing regulations while underscoring the importance of transparency, public consultation, and stakeholder involvement in shaping electricity policies.

He urged members to actively contribute by raising concerns and making recommendations, ensuring that key issues are addressed systematically. He reiterated the Commission's role in balancing consumer interests with the financial health of distribution companies (DISCOMs), advocating for accountability and careful financial planning.

Lastly, he acknowledged the Telangana government's efforts to expand electricity projects and encouraged continuous stakeholder engagement to ensure fair and efficient electricity distribution. He concluded by inviting further discussions and commenced the proceedings.

The Commission Secretary then requested Discoms to make the presentation on the proposed Tariff for FY 2025-26 and on related issues and the SAC members to present their views and suggestions.

Mr Varun Reddy, IAS, C & MD of TGNPDCL made a detailed presentation on behalf of both TGSPDCL & TGNPDCL highlighting the details of the sector overall and the key factors in the proposed Tariff. He mentioned that continuing with the Government policy, no enhancement is proposed in the tariff and informed of adequate support from Government of Telangana with the requisite subsidy to meet the revenue gap proposed.

Later Mr MD, CESS also made a brief presentation on the proposed tariff related to CESS.

Mr N. Seshagiri Rao

Mr Seshagiri Rao acknowledged the increase in DISCOM sales and reduction in losses but questioned the continuous rise in cross-subsidy surcharges (CSS), suggesting a review since regulatory norms indicate it should decrease under such conditions.

He recommended extending green energy charges to all consumers, including households, to align with net-zero goals. Additionally, he highlighted the lack of clarity on standby charges, emphasizing that they should only apply when a consumer exceeds their contracted demand.

Concerns were raised about new GOI regulations limiting energy banking for older renewable projects. Given the seasonal nature of wind and solar energy, he urged that long-term open access (LTOA) agreements be exempt from these restrictions to ensure efficient energy distribution.

Finally, he encouraged DISCOMs to leverage Renewable Energy Certificates (RECs) through NLDC accreditation, as Telangana's renewable capacity exceeds its purchase obligations. He stressed that increasing Renewable Purchase Obligations (RPOs) would boost demand, creating additional revenue opportunities.

He concluded by urging policy adjustments to maximize financial and operational benefits for DISCOMs and consumers.

P. Shashidar Reddy, representing consumers has requested the Commission to increase ex-gratia payments for fatal electrical accidents victims from ₹5 lakh to ₹15 lakh and ensure prompt resolution of consumer grievances. He highlighted that DISCOMs are not implementing the Commission's directive that they, not consumers, should transport failed DTRs. He emphasized that issues raised in previous SAC meetings remain unaddressed and called for an action-taken report. Additionally, he pointed out delays in electricity connections due to material shortages and the lack of a store in Medak, requesting immediate establishment of one. Lastly, he opposed the proposal for metering agricultural services, citing financial burdens on farmers, who should be given more support.

Sri. M.Sridhar Reddy, Member, Bharatiya Kisan Sangh, Telangana:

He informed that:

- The TGTRANSCO is not following the procedure while laying of transmission lines from the agriculture fields and not even awarding the compensations properly leading to hardship.
- Their association also requested the central government to change the rules for erection of Transmission lines specified in the Electricity act 2003.

- The Tariff should be hiked as per requirement and non-increasing of Tariff will lead to piling huge losses finally lead to privatization of DISCOM's due to which the employees and consumers will suffer.
- The government electricity dues and subsidy should be paid timely.
- The transportation of Distribution Transformers (DTRs), materials, and the erection of new lines should be borne entirely by the DISCOMs, not the consumers. Assigning such responsibilities to consumers has been leading to accidents and safety hazards.
- Suggested to obtain an acknowledgment from the consumer for the electrical material erected after completing the electrical works. This measure will enhance transparency and prevent the misuse of materials.
- Raised serious concerns about the corruption in the department and to handle it effectively.
- Pointed out that since the electrical installation becomes the property of the DISCOM after completion, consumers should not be required to bear the substantial ORC charges levied by the DISCOM for obtaining an electricity connection.
- The Independent Member of the CGRF is not being informed about the public hearings conducted, which is a serious concern that needs immediate attention and that the CGRF hearings are being held at short notice resulting in the consumers not being able to attend.

Sri Vinod Kumar Agarwal, Chairman of FTCCI, urged the Commission

- He praised the state's clean energy policy and advocated for its implementation to reduce industrial costs. He called for prompt issuance of guidelines under the green energy policy and raised concerns about disparities in open access between industries and DISCOMs.
- He criticized the prolonged levy of cross-subsidy charges since 2005 and requested a shift to per-unit wheeling charges for solar power.
- He questioned retrospective cross-subsidy charges from 2013-16 and stressed the need for timely government subsidies to DISCOMs.
- Additionally, he suggested accountability in free power supply to agriculture.
- Lastly, he highlighted delays in synchronizing an 8 MW waste recovery plant with the grid, warning of financial risks to the MSME sector.

Dr. A. Veerabhadra Rao, Founder Secretary of PEACE, suggested

- installing earth leakage protection breakers to reduce fatal electrical accidents. He proposed training 2-3 villagers to handle minor electrical issues for quicker resolution instead of relying solely on departmental staff.
- he recommended implementing a mass insurance scheme for the farming community to provide financial support in case of electrical accidents.

Sourav Srivastava (representing Gaurav Maheshwari), IEX presented insights on reducing power purchase costs nationally and Telangana's strategic market engagement.

- He noted a decrease in the national average power purchase cost from ₹5.24 to ₹4.46 per unit in the day-ahead market, with real-time market prices at ₹4.27 and green day-ahead market prices at ₹4.86 per unit.
- He appreciated Telangana DISCOMs for optimizing short-term power procurement at lower costs. He emphasized evaluating average monthly and yearly market prices rather than block-wise prices for better comparisons.
- On resource planning, he highlighted CEA's guidelines on capacity credits for solar power and recommended adopting resource adequacy regulations to avoid excess capacity and fixed costs. He also noted the Renewable Energy Certificate (REC) market's efficiency, with REC prices dropping from ₹1000 to ₹356, making RPO compliance more affordable.

Sri Injeti Gopinath, CEO of SICMA,

- appreciated the government's clean energy policy but stressed the need for clear guidelines and regulations to support energy storage and round-the-clock renewable energy use.
- He advocated for developing pumped storage and Battery Energy Storage Systems (BESS) and
- suggested providing free power to agriculture during solar hours to maximize solar energy benefits.
- He called for the acceleration of solar pump deployment under the Kusum scheme and urged the rationalization of cross-subsidy and additional surcharges on industries to facilitate open-access power procurement.
- He also emphasized the need for timely disbursement of government subsidies to DISCOMs to prevent higher consumer costs and
- recommended a scientific approach to identify stranded energy and reduce the financial burden on industries.

Sri Sushil Sanjati (representing R.K. Agarwal) appreciated DISCOMs for maintaining tariffs and reducing the average cost of supply. He highlighted that

- power constitutes 40% of production costs for the spinning industry and that high industrial tariffs have led to the closure of 50% of spinning units.
- While welcoming the government's clean energy policy, he stressed the need for operational guidelines that support industrial adoption of sustainable energy.
- He proposed revising wheeling charges for solar power on a per-unit basis for fairness and reintroducing load factor incentives to encourage energy efficiency and higher DISCOM consumption.

- he recommended reducing the delayed payment surcharge from 18%, which has remained unchanged for 20 years, and
- phasing out the Cross Subsidy Surcharge (CSS) gradually by 1-2% annually, as originally intended under the Electricity Act 2003, to make DISCOM power more attractive to consumers.

Sri Sashibushan Kache, State Coordinator of Kisan Congress, stated that

- the government is ready to provide budgetary support if actual reports are submitted. He highlighted timely financial support to DISCOMs through the Gruhajyothi and agricultural subsidies, along with the recent clearance of long-pending electricity arrears.
- He appreciated the government's clean and green energy policy and
- that NTPC has prioritized supplying power to Telangana from its new 3×800 MW plant at Ramagundam and
- that TGGENCO is constructing B Powerhouse Ramagundam under government directives.
- Lastly, he emphasized the need for corruption-free services in the electricity sector, given the government's focus on power infrastructure.

Sri E. Sridhar, Secretary General of the Telangana State Electricity Employees Union-327, stated that

- The trade union has provided suggestions to management to reduce corruption.
- emphasized the need for recruitment to meet growing field requirements due to the huge expansion taking place over past few years.
- reiterated previous SAC meeting recommendations to modify pole designs for safer and easier climbing.
- urged that salaries for electricity sector employees be disbursed by the 1st of every month, as done in other departments.
- requested the government to ensure timely payment of subsidies and electricity dues.

Srihari Dukkipati, Prayas (Energy Group) highlighted

- Telangana's 26,700 MUs surplus power, which exceeds 20% of available energy and 30% of actual demand met.
 - He stressed the need for better power purchase planning to avoid excess capacity, despite the plan to sell surplus at ₹1.6 per unit. And a stronger power purchase and resource planning in line with central guidelines.
 - Adapt Scientific demand forecasting using modern tools.
 - Solar power integration with storage for low-cost energy.
 - Enhancing coal fleet flexibility for grid balancing.
 - Better agricultural energy estimation using feeder meter data and best practices from Maharashtra and Madhya Pradesh.
- raised concerns over DISCOMs' financial distress, with ₹67,000 crore cumulative losses as on FY24, despite subsidies covering 21% of ARR

in FY25 and proposed an interdepartmental committee to address financial issues.

Sri Raj Kiran V Bilolikar, Director of ASCI,

- raised concerns about the ₹20,151 crore projected deficit for FY25-26, warning of a cascading financial burden on consumers and DISCOMs. He suggested seeking government revenue support to address the shortfall.
- Highlighted that the cross-subsidy surcharge exceeds the 20% cap set by the Ministry of Power's Rules (2022) and urged regulatory review.
- Expressed concerns over surplus power realization, questioning the cost neutrality of surrendered or underdrawn power.
- Suggested that power sales to CESS should at least recover DISCOMs' average power purchase cost.
- Called for a plan to phase out cross-subsidies among consumer categories, particularly commercial consumers, to promote economic growth.
- Criticized the lack of demand-side management plans in DISCOMs' energy audits, stressing their importance for energy efficiency.
- Pointed out the absence of details on smart metering implementation and urged DISCOMs to provide a clear rollout plan.

S. Jeevan Kumar from the **Human Rights Forum** highlighted

- risks due to lack of proper fencing around transformers in villages and poorly fitted, hanging electricity supply lines
 - to simplify the Complicated accident compensation procedures causing distress to affected families.
 - High voltage fluctuations leading to consumer losses, with inadequate resolution mechanisms.
 - Harassment by field staff, discouraging consumers from filing complaints.
 - Delays in implementing free electricity schemes for specific communities.
 - Requested the Commission to ensure transparent complaint handling, instruct field staff on proper conduct, and improve community awareness on safety.
- He submitted few Photographs and reports of unsafe installations as evidence.

G. Saibabu, General Secretary of the **Telangana Electricity Employees 1104 Union**,

- appreciated the uninterrupted 24-hour power supply provided by DISCOMs.
- He said that the DISCOMs are purchasing power at ₹22 per unit from the exchange but have not proposed tariff hikes in their ARR petitions, relying instead on government subsidies that are not fully disbursed.

This is worsening financial losses, which could lead to privatization and higher consumer costs. He urged the government to ensure timely subsidy payments.

- New substations remain unused due to manpower shortages. He called for urgent recruitment to improve service delivery to the public.

Sri R. Mallikarjun, DGM, South Central Railway (SCR), highlighted that

- Railways is a bulk consumer and a prompt payer, contributing ₹800 crores annually to Telangana.
He requested for
- Rebate/Incentive for timely bill payments, similar to Odisha and Maharashtra, where a 1% rebate is offered for payments within a week.
- Tariff parity with Hyderabad Metro and exemption from cross-subsidy charges, as Railways is a public transport system under the National Tariff Policy.
- Security deposit reform by Allowing bank guarantees instead of cash deposits to reduce financial burden.
- Faster Contract Maximum Demand (CMD) enhancement, reducing the current six-month delay to one month to prevent penalties.
- Power supply issues at Bellampalli and Sirpur Kagaznagar traction substations, requesting a redundant supply system to avoid train traffic disruptions.
- To Expedite refunds for unjust penalties imposed on Railways, some of which have led to court disputes.
- Implementation for Open Access approval despite being operational in 12 other states.
- Completion of ABT meters and data acquisition system, for which ₹14.3 crores which was paid in 2017-18, but the work remains incomplete even after 7-8 years.
- urged swift resolution of these issues to support Railways' energy needs and operational efficiency.

Sri M. Venugopala Rao, Senior Journalist & Convener, Centre for Power Studies, emphasized that

- many DISCOM issues stem from government policies and agreements beyond the Commission's regulatory scope.
- Urged the Commission to enforce timely filing of petitions by DISCOMs and ensure compliance with regulations.
- Criticized flawed power projections, highlighting 28,000 MU surplus (30% of requirement) proposed for sale, an unprecedented scenario.
- Called for realistic load forecasts before approving power procurement plans.
- Advocated for greater public consultations on tariffs, FCA claims, and PPA approvals.
- Urged DISCOMs to provide full information to objectors in regulatory processes.

- Stressed that RPPO targets are guidelines, not binding regulations, and should not overburden consumers.
- Recommended balancing renewable and conventional power procurement to avoid excessive surplus.
- Called for strict scrutiny of power procurement contracts and bidding to prevent manipulation.
- Suggested holding utilities accountable for financial losses and taking action against responsible officials.
- Highlighted pending court cases involving utilities, leading to financial losses and legal expenses, urging a review to reduce unnecessary litigation.
- He called for greater regulatory oversight and accountability in the power sector to ensure transparency and efficiency.

Sri K. Prakash, State General Secretary, Telangana Rashtra Vidyuth Karmika Sangam, highlighted

- that DISCOMs are purchasing power at high tariffs to maintain uninterrupted supply, which is desirable.

Sri M. A. Vazeer, Central Committee President, Telangana State Power Employees Union, suggested that:

- Tariff hike to account for higher power purchase costs.
- Timely disbursement of government subsidies and arrears to support DISCOMs.
- Recruitment at the ground level to ease the workload on existing employees.
- Reimbursement of ₹750 crore from EPF and GPF trust funds, which were utilized by the erstwhile Andhra Pradesh government. Despite multiple follow-ups by associations and TGTRANSCO, the amount remains unpaid. He urged Commission intervention for early reimbursement.

Sri D. Krishna Bhaskar, IAS, CMD, TGTRANSCO, highlighted **Telangana's record peak load of 16,601 MW** and **energy intake of 305.35 MU**, marking historic milestones.

Reacting to the various suggestions made, he informed that

- TGTRANSCO was recognized as the best large-state power utility in December 25, with market operations being a key factor. The organization is committed to maintaining its excellence.
- Significant capital investments are being made to ensure long-term grid security and stability.
- Clarified the procedure and compensation for laying transmission lines, as per a recent GO issued in alignment with Government of India guidelines.

- Acknowledged the pending synchronization approval raised by Mr Vinod Kumar Agarwal and assured that it is being expedited.
- Responded to Dr. A.V. Rao's proposal on involving additional manpower, emphasizing the safety-critical nature of power operations. He agreed to explore group insurance feasibility post the budget session and planned consultations with private insurers for premium structures across consumer categories.
- He reaffirmed TGTRANSCO's commitment to excellence and operational improvements while ensuring grid stability and security.

Sri Karnati Varun Reddy, IAS (CMD, TGNPDCL) responded to the various issues at the end of the session and provided updates on financial health, operational improvements, and future reforms in the power sector.

On Financial & Regulatory Measures:

- DISCOMs face financial challenges due to low tariffs and rising input costs. Regulatory surcharges (cross-subsidy, additional, and late payment) are implemented to recover fixed costs.
- Open Access applications are processed transparently; draft guidelines are pending approval.
- Surplus energy management through market purchases saves ₹90-100 crore monthly and reduces thermal plant fixed costs.

On Renewable Energy & Grid Operations:

- Banking of renewable energy allowed up to 30%, with settlement as per regulations.
- Stand-by charges imposed only when open access consumers draw power without intimation, ensuring grid stability.
- Wheeling charges for renewable energy under review based on stakeholder feedback.
- Expansion of renewable energy with plans to add 8000 MW through Pumped Storage Projects (PSP) & Battery Energy Storage Systems (BESS) is actively undertaken.

On Consumer Services & Infrastructure:

- DTR transportation has improved, with 95% of cases now being handled by department vehicles, reducing the burden on farmers. 25 vehicles are added to NPT & 30 to SPD cells. Farmers can call 1912 (now displayed on DTRs) for assistance.
- The following safety measures resulted in a 23% reduction in electrical accidents.
 - 30,000 DTRs rectified
 - 22,000 locations fixed for DTR repairs
 - 32,000 loose lines & 44,000 poles repaired.

- Increased stock of critical materials, prioritizing agricultural and LT services.
- New substations planned for railways, with refund & enhancement issues for South Central Railway is under review.

ON Technology, Transparency & Workforce Expansion:

- Digitization & transparency improvements undertaken, including online applications with SMS tracking and WhatsApp notifications in Telugu for demand notices.
- Corruption control measures, with 1912 helpline promoted for handling grievances promptly.
- Recruitment needs raised with the government to reduce workload on existing employees.
- Future reforms focus on technology adoption, digitization, and service quality improvements.

Sri Karnati Varun Reddy reaffirmed the commitment of both the Discoms to provide reliable and quality power supply while enhancing efficiency and sustainability.

The Hon'ble Chairman invited for further comments if any, there being none, the Meeting ended with thanks to the Chair.

Sd/-
Commission Secretary