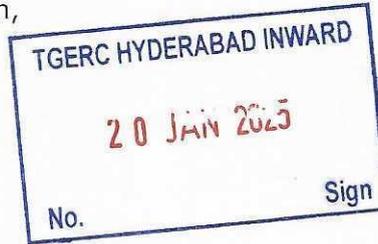


To  
Commission Secretary,  
Telangana Electricity Regulatory Commission,  
Vidyut Niyantran Bhavan,  
Sy.No.145/P, GTS Colony,  
Kalyan Nagar, Hyderabad 500 045.

Date: 18.01.2025



Dear Sir,

Sub: Submission of comments, objections and suggestions on the proposal of amendment of PPA to the billing of imported energy from grid by the Solar Power Developers under PPA – Reg

Ref: 1. Lr.No.CE (IPC)DE(IPC)ADE-RE/F. Misc./D.No. 719 dt 05.08.2024 ('Letter')

2. PPA Dt :26.02.2016, NCE Solar PPA No.2000MW/29/2016

This has reference to the above-mentioned Letter, where TGSPDCL has submitted proposal for amendment of existing PPA clauses in respect of the billing of imported energy from the grid by solar power developer to maintain auxiliary consumption during non-generation period.

In terms of Section 2 (28) of the Electricity Act, 2003 and are primarily engaged in the business of setting up solar power plants and generation of electricity. The Zuka Power Private Limited participated in the competitive bidding process conducted by the then State Government Telangana vide letter dated 31/03/2015 for procurement of solar power from the solar power plants and was declared as a successful bidder. Accordingly, a Letter of Intent was issued. Post issuance of the LOI, Zuka Power Private Limited incorporated a special purpose vehicle (SPV) to execute the project ('Project'). SPV has entered into Power Purchase Agreement dated 26.02.2016 ('PPA') with the Southern Power Distribution Company of Telangana Limited for supplying all the electricity generated from their Project in the State of Telangana.

We submit that as per the existing PPA, entire solar power generated from this Project is being supplied to DISCOM and for maintenance of auxiliaries, start-up and stand-by we are importing the power from grid, as per the Article 2.6 of the PPA. Article 2.6 of the PPA states as following:

*"Auxiliary consumption, the limit of which is specified in Schedule-I from DISCOM. The energy supplied by the DISCOM to the Solar Power Developer through a bilateral arrangement, to maintain the Auxiliaries of the power plant in situations of non-generation power, in any billing month shall be adjusted from the Delivered Energy, as indicated below: Net Energy = Delivered Energy by the developer at Interconnection Point - Energy Drawl from DISCOM for auxiliaries. However, in case Net energy in the above calculation is negative, i.e. there is NO Delivered Energy by the SPD at the Interconnection Point,*

*then the Energy Drawl from the DISCOM shall be billed at the applicable tariff of HT-1 category consumers."*

As per the above article we can draw up to 0.1% of the installed capacity of the Project. As proposed in the Letter every solar developer needs to draw power for standby purposes. As per the PPA the solar developer has contractual obligation to generate and inject the solar power into the grid for the DISCOM and DISCOM shall have to provide and supply the power for the maintenance of auxiliaries, start-up and stand-by for the Project. As per the provisions of Electricity Act, 2003 distribution licensee is obligated to provide power as per their requirement of the solar power developer. It is an established principle of law that generating stations drawing electricity from distribution licensees for their auxiliary consumption cannot be termed as consumers. Therefore, we should not be treated as the consumer.

In case of excess import/consumption over and above the eligible import of energy in any billing month by the Project, payment is being made for the net import energy in KVAH units only at the applicable retail supply tariff as determined by the Hon'ble Commission. An example of the invoice raised, and the Import energy amount deducted is exhibited below:

M/S. ZUKA POWER PRIVATE LIMITED							
STATEMENT SHOWING COST OF IMPORT							
	Date	Kwh	Kvah	PF	Recorded MD	Eligible MD	Total
Closing	01.01.2025	3997.00	4059.30				
Opening	01.12.2024	3943.20	4005.50				
No. of Days	31	53800	53800	1.0	146.00	48	
Less: Eligible units for netting off		35712	35712				
Balance units to be billed		18088	18088				
Demand Charges		48	500				24,000
Excess Demand charges		98	1000				98000
Energy Charges		18088	6.65 X 1.2				1,44,342.24
Electricity Duty		18088	0.06				1085.28
Customer Charges							5,000
Total							2,72,427

It is pertinent submit that generation and sale of power is governed by the terms and conditions of PPA and distribution/sale of electricity is governed by the Retail Supply Tariff order issued by Hon'ble Electricity Regulatory Commission.

It is most respectfully submitted that SPD (Solar Power Developers) are paying in accordance with the same been paying the consumption bills on monthly basis.

Please also appreciate and take note that we have quoted fixed tariff for 25 years based on clauses in the draft PPA for adjusting all imports from delivered energy at quoted tariff only.

It is therefore requested not to consider the amendment proposal of TGSPDCL for penalizing us with higher charges due to reasons not attributable to us as explained above and maintain status quo with present PPA as we have quoted our tariff for 25 years based on KWH based billing only and all imports are adjusted from delivered energy with quoted and we did not factor KVAH rates.

For **Zuka Power Private Limited**



Authorised Signatory

