



## TELANGANA ELECTRICITY REGULATORY COMMISSION

Vidyut Niyamtran Bhavan, G.T.S. Colony,  
Kalyan Nagar, Hyderabad 500 045

ABSTRACT: TGERC – Procedure of verification of status of CGP – Approval issued

Procds. No. / TGERC / E – 711594 / SECY / 78 / 2024 Date: 30 .11.2024.

### **Read the following**

1. Regulation 1 of 2024 being open access regulation
2. Electricity (Third Amendment) Rules dated 01.09.2023
3. Electricity (Second Amendment) Rules dated 26.07.2023
4. Electricity (Amendment) Rules dated 30.06.2023.
5. Electricity (Amendment) Rules dated 31.12.2020
6. Electricity (Amendment) Rules dated 26.10.2006
7. Electricity Rules dated 08.06.2005

### **PROCEDURE**

The Commission having considered the Rules notified by the Government of India (GoI) felt it appropriate to include the verification of captive status of CGPs through the open access regulation and thus made provisions thereof. Pursuant to the said provisions the Commission now proposes to make a detailed procedure under such regulation. In that direction the following procedure is set out.

**Procedure for verification of captive status of such generating plants, where captive generating plant and its captive user(s) are located in the state of Telangana:**

The Telangana Electricity Regulatory Commission has notified on 18.03.2024 the “*Terms and Conditions of Open Access*” Regulations, 2024 being Regulation No. 1 of 2024 consistent with the provisions of the Electricity Act, 2003 (36 of 2003) (commonly referred to as Act) and the Electricity Rules, 2005 along with amendments made in 2006, 2020, 2022 and 2023 (commonly referred to as Rules, 2005). The

Commission hereby makes the following procedure for verifying the status of captive generating plant and captive user(s) which are located in the state of Telangana.

## 1. Objective

The objective of this procedure is to verify the status of captive generating plant (CGP) and captive user(s) which are located in the state of Telangana as per the requirements of clause 7 of Regulation No. 1 of 2024.

## 2. Applicability

- 2.1. This procedure shall be applicable for all power plants and end users who desire to submit their claim for verification with respect to the criteria of consumption and equity share holding as CGP and associated captive user(s) to the Commission through the distribution licensee in accordance with sub-clause 7.2 of Open Access Regulation.
- 2.2. This procedure shall be applicable for submission of a consolidated report to the Commission by the distribution licensee, every year before 30<sup>th</sup> June based on information furnished by CGP and captive user(s) in the formats specified in this procedure, for initiating appropriate proceedings.

## 3. Definitions

- 3.1. In this procedure, unless the context otherwise requires;
  - a) "Act" or means the Electricity Act, 2003;
  - b) "Commission" or "TGERC" means Telangana Electricity Regulatory Commission referred to in Section 82 of the Act;
  - c) "Company" means a company incorporated under Company Act, 2013 or under any previous company law;
  - d) "Electricity Rules, 2005" means the rules notified by the central government vide G.S.R. 379 (E) dated 8<sup>th</sup> June 2005 and as amended from time to time;
  - e) "Energy Storage System" in relation to the electricity system, means a facility where electrical energy is converted into any form of energy which can be stored, and subsequently reconverted into electrical energy and injected back into the grid;
  - f) "Generating Unit" shall mean

- (i) a unit of a generating station (other than those covered in subclauses (ii) and (iii) of this clause) having electrical generator coupled to a prime mover within a power station together with all plant and apparatus at the power station which relate exclusively to operation of that turbo-generator;
  - (ii) an inverter along with associated photovoltaic modules and other equipment in respect of generating station based on solar photo voltaic technology;
  - (iii) a wind turbine generator with associated equipment, in respect of generating station based on wind energy;
  - (iv) in respect of renewable hybrid Generating station, combination of hydro generator under sub-clause (i); or solar generator under sub-clause (ii) or wind generator under sub-clause (iii) of this clause;
- g) “Open Access Regulation”** means “*Terms and Conditions of Open Access*” Regulation, 2024 [Regulation No. 1 of 2024] as amended from time to time;
- h) “Power Plant”** means a generating station as defined in clause (30) of section 2 of the Act.
- i) “Renewable Hybrid Generating Station”** means a generating station based on hybrid of two or more renewable source(s) of energy with or without energy storage system, connected at the same interconnection point;
- j) “Subsidiary company”** means a company as defined in clause (87) of section 2 of the Companies Act, 2013 and includes any company formed under the relevant provisions of the repealed laws, but still is functional as such;
- k) “Year”** means an year from 1<sup>st</sup> April of a calendar year to 31<sup>st</sup> March of following calendar year;

3.2. Words and expressions used herein and not defined herein in this procedure but defined in the Act, Electricity Rules, 2005, Indian Electricity Grid Code (IEGC) or State Electricity Grid Code (SEGC) or Open Access Regulation shall have the meaning ascribed to them under the Act, Electricity Rules, 2005, IEGC and / or SEGC including Open Access regulation as the case may be.

#### **4. Statutory provisions**

4.1. The provisions in the Act, that relate to the definitions of 'captive generating plant', 'generating company', 'generating station' and to the captive generation are extracted herein:

Section 2 (8):

*"Captive generating plant" means a power plant set up by any person to generate electricity primarily for his own use and includes a power plant set up by any cooperative society or association of persons for generating electricity primarily for use of members of such cooperative society or association;"*

Section 2 (28 ):

*"generating company" means any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person, which owns or operates or maintains a generating station;"*

Section 2 (30 ):

*"Generating station" or "station" means any station for generating electricity, including any building and plant with step-up transformer, switchgear, switch-yard, cables or other appurtenant equipment, if any, used for that purpose and the site thereof; a site intended to be used for a generating station, and any building used for housing the operating staff of a generating station, and where electricity is generated by waterpower, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not in any case include any sub- station."*

Section 9 : Captive Generation -

*"(1) Notwithstanding anything contained in this Act, a person may construct, maintain or operate captive generating plant and dedicated transmission lines:*

*Provided that the supply of electricity from the captive generating plant through the grid shall be regulated in the same manner as the generating station of a generating company:*

*Provided further that no license shall be required under this Act for supply of electricity generated from a captive generating plant to any licensee in accordance with the provisions of this Act and the rules and regulations made there under and to any consumer subject to the regulations made under sub-section (2) of Section 42.*

- (2) *Every person, who has constructed a captive generating plant and maintains and operates such plant, shall have the right to open access for the purposes of carrying electricity from his captive generating plant to the destination of his use:*

*Provided that such open access shall be subject to availability of adequate transmission facility and such availability of transmission facility shall be determined by the Central Transmission Utility or the State Transmission Utility, as the case may be:*

*Provided further that any dispute regarding the availability of transmission facility shall be adjudicated upon by the Appropriate Commission.”*

- 4.2. The Electricity Rules, 2005 provides the following requirements for a captive generating plant:

“3. Requirements of Captive Generating Plant -

- (1) *No power plant shall qualify as a „captive generating plant“ under section 9 read with clause (8) of section 2 of the Act unless-*

(a) *in case of a power plant*

- (i) *not less than twenty-six per cent of the ownership is held by the captive user(s);*

*Provided that if the Captive Generating Plant is set up by an affiliate company, not less than fifty-one per cent of the ownership, is held by the captive user, in that affiliate company;*

*and*

- (ii) *not less than fifty-one percent of the aggregate electricity generated in such plant, determined on an annual basis, is consumed for the captive use:*

*Provided that in case of power plant set up by registered cooperative society, the conditions mentioned under paragraphs at (i) and (ii) above shall be satisfied collectively by the members of the cooperative society;*

*Provided further that in case of association of persons, the captive user(s) shall hold not less than twenty-six percent of the ownership of the plant in aggregate*

*and such captive user(s) shall consume not less than fifty-one percent of the electricity generated, determined on an annual basis, in proportion to their shares in ownership of the power plant within a variation not exceeding ten percent (10%).*

- (b) *in case of a generating station owned by a company formed as special purpose vehicle for such generating station, a unit or units of such generating station identified for captive use and not the entire generating station satisfy the conditions contained in paragraphs (i) and (ii) of sub- clause (a) above including –*

*Explanation:-*

1. *The electricity required to be consumed by captive users shall be determined with reference to such generating unit or units in aggregate identified for captive use and not with reference to generating station as a whole; and*

2. *The equity shares to be held by the captive user(s) in the generating station shall not be less than twenty-six per cent of the proportionate of the equity of the company related to the generating unit or units identified as the captive generating plant. Illustration*

*In a generating station with two units of 50 MW each namely Units A and B, one unit of 50 MW namely Unit A may be identified as the Captive Generating Plant. The captive users shall hold not less than thirteen percent of the equity shares in the company (being the twenty-six percent proportionate to Unit A of 50 MW) and not less than fifty-one percent of the electricity generated in Unit A determined on an annual basis is to be consumed by the captive users.*

- (2) *It shall be the obligation of the captive users to ensure that the consumption by the Captive Users at the percentages mentioned in subclauses (a) and (b) of sub-rule (1) above is maintained and in case the minimum percentage of captive use is not complied with in any year, the entire electricity generated shall be treated as if it is a supply of electricity by a generating company.*

- (3) *The captive status of such generating plants, where captive generating plant and its captive user(s) are located in more than one state, shall be verified by the Central Electricity Authority as per the procedure issued by the Authority with the approval of the Central Government.*

*Explanation: - (1) For the purpose of this rule. -*

*(a) “**Annual Basis**” shall be determined based on a financial year;*

*(b) “**Captive user**” shall mean the end user of the electricity generated in a Captive Generating Plant and the term “captive use” shall be construed accordingly:*

*Provided that the consumption of electricity by the captive user may be either directly or through Energy Storage System:*

*Provided further that the consumption by a subsidiary company as defined in clause (87) of section 2 of the Companies Act, 2013 (18 of 2013) or the holding company as defined in clause (46) of section 2 of the Companies Act, 2013 (18 of 2013), of a company which is a captive user, shall also be admissible as captive consumption by the captive user.”;*

*(c)“**Ownership**” in relation to a generating station or power plant set up by a company or any other body corporate shall mean the equity share capital with voting rights. In other cases, ownership shall mean proprietary interest and control over the generating station or power plant;*

*(d)“**Special Purpose Vehicle**” shall mean a legal entity owning, operating and maintaining a generating station and with no other business or activity to be engaged in by the legal entity.”*

## **5. Verifying Authority**

- 5.1. As per clause 7.1 of Open Access Regulations, 2024, the Commission shall be the Verifying Authority.

5.2. The Verifying Authority shall verify the captive status of CGP and its captive user(s) after the end of the financial year based on the consolidated report submitted by distribution licensees in the state of Telangana in whose area the CGP and captive user is located and also fulfils the conditions of CGP provided under this procedure.

## **6. General Conditions**

The following general conditions shall be considered to verify the compliance of the clause 7 of Open Access Regulations, 2024:

- 6.1. The consumption of electricity by the captive users shall be either directly or through the energy storage system.
- 6.2. The consumption of electricity by a subsidiary company of a company which is a captive user shall also be admissible as captive consumption by the captive user.
- 6.3. The consumption of electricity by a holding company of a company which is a captive user shall also be admissible as captive consumption by the captive user.
- 6.4. In case of any change in ownership structure during the year under consideration, a statement having the details of change in the ownership structure along with the relevant documentary evidence shall be submitted to the distribution licensee along with the submission of application for verification of the status of CGP and captive user(s) as per specified Format I(i), IA(i) or IB(i), as may be applicable.
- 6.5. The CGP and its captive user(s) shall ensure that at any point of time in a year, not less than 26% of the ownership with voting rights of the generating plant / station or the units identified for captive use, as the case maybe, is held by the captive users(s) and they consume not less than 51% of the electricity generated on annual basis.
- 6.6. In case the CGP is owned by the co-operative society, then the members of society shall collectively satisfy not less than 26% of the ownership with voting rights and consume not less than 51% of the electricity generated on annual basis for captive use.
- 6.7. In the case of the CGP identified for captive use as per the provision under clause (b) of sub-rule (1) of Rule 3 of the Electricity Rules, 2005, in a generating station owned by a company which is formed as a special purpose vehicle



(SPV) and has multiple generating units, the captive users shall hold in aggregate of not less than 26% of the proportionate paid up equity share capital with voting rights as per illustration given at clause 3 (1) (b) of the Electricity Rules, 2005 and consume not less than 51% of energy generated and shall be identified for captive use with reference to the generating units and not generating station / company, as a whole.

- 6.8. The test of proportional consumption in case of Association of Persons (AoP) /SPV (where applicable) shall be on actual consumption of electricity generated provided it is not less than 51% of electricity generated, determined on an annual basis, in proportion to the shares in ownership of the power plant within a variation not exceeding ten percent (10%).
- 6.9. In the case of Partnership firm/LLP, ownership shall be with respect to not less than 26% proprietary interest and control over the generating station or power plant and the consumption shall be not less than 51% of the energy generated on annual basis as per this procedure.
- 6.10 Verification of ownership and consumption for any change in the captive user in a year shall be for each corresponding period of change that is by considering the proportionate generation for the corresponding period and the energy consumed by the captive user.

## **7. Procedure for verification of status of CGP and captive user(s)**

- 7.1. Verification of status of CGP and captive user(s) shall be on annual basis.
- 7.2. The CGP shall submit an application along with the requisite documents to the distribution licensee in whose area the CGP and its captive user(s) are located.
- 7.3. The CGP and captive user(s) shall furnish an affidavit on or before 31<sup>st</sup> May each year as per format provided in Schedule I to the distribution licensee duly enclosing therewith the details as specified in the format(s) regarding their annual electricity generation, captive user-wise consumption and equity share holding during the previous financial year.
- 7.4. The distribution licensee may seek clarifications from the CGP or captive user with respect to the information or data submitted for verification of captive status.
- 7.5. The distribution licensee shall submit a consolidated report duly analysing information furnished by each CGP and captive user(s) to the Commission, before 30<sup>th</sup> June, for initiating appropriate proceedings.

- 7.6. The Verifying Authority may seek clarifications from the distribution licensee or CGP or captive user for verification of captive status.
- 7.7. Failure to furnish clarifications as mentioned under clause 7.6 within the time frame fixed by the Verifying Authority, the status of the plant will be determined by the Verifying Authority, with the available data or documents submitted by the CGP.
- 7.8. The STU, SLDC and distribution licensee, in whose area the captive generating plant or captive user is located, shall extend necessary assistance to the Verifying Authority in the verification of captive status of generating plant and its user(s).
- 7.9 The Verifying Authority shall verify the fulfilment of conditions in regard to the captive status or otherwise, and shall determine the status within two (2) months from the receipt of the consolidated report from the distribution licensee and communicate to the concerned Distribution Licensee(s), State Load Dispatch Centre(SLDC), CGP and captive user(s).
- 7.10 If CGPs fail to meet the requisite conditions in a financial year, the generating plant will cease to be a CGP and the captive user will cease to be captive user. Provided such cessation shall confine only for the relevant financial year.

**8. Verification of the ownership criteria of CGP, as required under Rule 3 of the Electricity Rules, 2005**

- 8.1. The authorized signatory of CGP shall identify the category of ownership such as Association of Persons, Co-operative society etc. with respect to the provisions contained in the Electricity Rules, 2005.
- 8.2. The documents as detailed below shall be furnished by the CGP for different compositions of ownership:
- a) Criteria for verification of ownership:**
- i) In respect of captive user(s), the user(s) shall hold not less than
    - (a) 26% of the equity share capital having voting rights throughout the year.
  - ii) In respect of cooperative society, the members of society shall collectively satisfy not less than 26% of the ownership throughout the year.

- iii) In respect of AoP, the captive user(s) shall hold in aggregate not less than 26% of the ownership / paid up equity share capital with voting rights throughout the year.
- iv) In respect of SPV / company, the captive user(s) shall hold in aggregate not less than 26% of the proportionate paid up equity share capital with voting rights of the units identified for captive use ( that is the proportionate of the equity of the company related to the generating unit or units identified as the CGP) throughout the year.
- v) In respect of a partnership firm/Limited Liability Partnership (LLP), the captive user(s) shall hold not less than 26% proprietary interest and control over the generating station or power plant on annual basis.

**b. Required documents for verification of ownership:**

- i) Where the generating plant is a company incorporated under the Companies Act, 2013:
  - (a) A certificate issued by the Chartered Accountant, who signs the annual financial statement of the company / practicing Company Secretary who files the annual return of the CGP and captive user(s) providing details of total equity, authorized, issued, subscribed and paid up equity share capital of the generators and the details of holding of equity share capital with voting rights of the CGP and that of the captive user(s) as per Format – I.
  - (b) Certified copy of Memorandum of Association and Articles of Association along with the amendments made from time to time, along with the certificate of the Chartered Accountant of the company that there are provisions thereof for undertaking generation of electricity.
  - (c) Furnishing of relevant extract of latest annual return (in form – MGT-7) showing shareholding details filed by the generators/ captive user(s) with the Registrar of Companies (RoC), within a month of filing made by the distribution company for the purpose of cross verification.
  - (d) A certificate stating about holding of equity share capital in the relevant financial year under review along with voting rights in the CGP by the captive user which is duly certified by the Chartered

Accountant of the company / practicing Company Secretary who files the annual return of the company before the RoC as per FORMAT II.

- (e) A copy of the board resolution authorizing the signatory of the CGP and captive users. The authorized signatory as entrusted by the board shall be the Managing Director or Whole Time Director or Company Secretary.
- (f) The authorized signatory shall furnish the above mentioned documents.
- (g) Any change in the authorized signatory and revocation for approval for electricity generation by the board by way of amendment to Memorandum of Association and Articles of Association shall be intimated by the CGP within 30 days from the date of such change to the distribution licensee and to the Verifying Authority.
- ii) Where the generating plant is owned by a co-operative society:
  - (b) A certificate by the Chartered Accountant, who is engaged by the society and counter signed by the cooperative department of Government of Telangana showing detailed breakup of the issued, subscribed and paid-up membership contribution of the society in the CGP and the details of holding of primary membership along with share of voting rights by the captive user(s) as per Format-I A as provided in the schedule.
  - (c) Certificate of registration of the society by the Registrar of Co-operative Societies.
  - (d) Copy of byelaws of co-operative society and the amendments carried out from time to time.
  - (e) Relevant and latest annual report of the CGP showing details of capital employed by the members.
  - (e) A copy of the resolution passed by the general body authorizing the Chairperson, President or Managing Director of the cooperative society as the authorized signatory along with duly attested signature of such signatory by the Member Secretary and

counter signed by the competent officer of the Department of Cooperative society in Government of Telangana.

- (f) The authorized signatory shall furnish above mentioned documents mentioned through a letter.
  - (g) Any revocation of sanction for carrying on electricity generation by the society shall be informed within 30 days from the date of such change to the distribution licensee and to the Verifying Authority.
- iii) Where the generating plant is owned by AoP:  
Copy of the business agreement that details the contribution of each of the persons as members of the AoP duly certified by the Chartered Accountant, who has been engaged by the AoP for conducting external audit of accounts of the group as furnished by the authorised signatory of the AoP with certified copy of the nomination made in favour of the authorised signatory and duly signed by all members of the association.
- iv) Where the generating plant is owned by SPV:  
Documents as mentioned in clauses (i), (ii) and (iii) above to the extent they are applicable, depending on the status as company, SPV, cooperative society or an AoP.
- v) Where the generating company is a Partnership firm/LLP:
- (a) A certificate issued by the Firm's Chartered Accountant, who signs the annual financial statement of the company/Tax Auditor, as the case may be, showing breakup details of total capital of the Firm, the capital held by the captive users, the percentage of proprietary interest and control over the generating plant by the captive users in the Format –IB along with a certificate that there is provision in the Partnership deed of the company for carrying on captive generation.
  - (b) A certificate regarding extent of 'Ownership' in the Captive Generating Plant by the captive user duly certified by the Chartered Accountant who signs the annual financial statement /Tax Auditor of the firm /LLP in Format -IIB.

- (c) Furnishing of relevant extract of Latest Annual Financial Statement of Accounts/annual return/tax audit return of the firm and the Captive Users showing details of ownership by the end of November for the purpose of cross verification.
- (d) A copy of the agreement/nomination by all partners in a Partnership/ members in an LLP authorizing the signatory of the Partnership Firm/LLP.
- (e) A certified copy of the Partnership deed/agreement for a Partnership Firm/LLP along with Form A issued by the Registrar of Firms for a Partnership firm and by the ROC in case of LLP and its amendments issued from time to time.
- (f) The authorized signatory of the Partnership Firm/LLP shall furnish the documents in (a) to (e) above.
- (g) Any revocation of approval for captive generation by the firm or by way of amendment to Partnership Deed shall be informed duly within 30 days from such change to the Distribution Licensee and the Verifying Authority.

**9. Verification of the consumption criteria of CGP as required under Rule 3 of the Electricity Rules, 2005**

**9.1. Criteria for Verification of consumption criteria:**

- a) In respect of single, the captive consumption shall not be less than 51% of the net electricity generated on an annual basis.
- b) In respect of cooperative society, the members of the society shall collectively consume not less than 51% of the net electricity generated on annual basis.
- c) In respect of AoP, the captive user(s) shall consume not less than fifty one percent (51%) of the electricity generated, determined on an annual basis, in proportion to their contribution in ownership of the power plant within a variation not exceeding ten percent (10%).
- d) In respect of SPV, the captive user(s) shall consume not less than 51% of the net electricity generated on annual basis in proportion to their shares in the units identified for captive use within a variation not exceeding ten percent (10%).

- e) In respect of partnership firm/LLP, the captive user(s) shall consume not less than 51% of the net electricity generated on an annual basis.
- 9.2. Technical losses in electrical network and energy storage system shall be included in the energy consumption of the captive users. The losses figures shall be as derived from the published data wherever its done at regular intervals and if not the trajectories mentioned respective tariff orders:
- a) Transmission losses in ISTS network as per weekly published data of POSOCO
  - b) Losses in STU network based on published figure of SLDC
  - c) Losses in DISCOM network as per published figure in ARR / Tariff order
- 9.3. The aggregate energy generated from CGP unit shall be the gross energy generated from the unit less aggregate auxiliary consumption during the time block. In the absence of measured data on auxiliary consumption, until metering as prescribed in clause 12 of this procedure is completed, the normative auxiliary consumption for similar unit in the regulations of the Central Electricity Regulatory Commission (CERC) may be considered for the purpose of CGP verification status.
- 9.4. The consumption of energy by the captive user with open access shall be considered as lower of actual energy generated by CGP unit(s) or actual energy drawn through open access limited to a maximum of scheduled open access energy during that time block as per Format -V.
- 9.5. The CGP shall submit the details of actual generation from the power plant and the actual consumption (including details of in-house captive consumption) by the captive user on monthly basis duly verified by the concerned SLDC / regional load dispatch centre (RLDC) as per Format-III, Format-IV, Format-IVA and Format- V to the distribution licensee.
- 9.6. For determination of annual basis for the first year of declaring the plant as captive generating plant, the date of grant of open access shall be considered as a start date for the financial year for counting the generation of the plant under captive status. For the subsequent years, total generation from 1<sup>st</sup> April to 31<sup>st</sup> March of a financial year shall be considered for determining the captive status of the generation station.

- 9.7. Verification of 26% ownership shall be done on the basis of weighted average of shareholding when there is change in ownership structure in the financial year under consideration.
- 9.8. Verification of criteria of consumption shall be based on the net electricity generated from the generating unit(s) in a generating station that is gross electricity generated less auxiliary consumption, identified for captive use.

**10. Default by a shareholder(s)**

- 10.1. When a shareholder or a member of the company, cooperative society, AoP, partnership firm/LLP, or SPV as the case may be, defaults in fulfilling criteria of electricity consumption provided under Rule 3 of Electricity Rules, 2005 and when other captive user(s) together comply with ownership criteria of not less than 26%, the defaulting shareholder shall cease to be captive user and forgo the concessions available to a captive user. The other captive user(s) together who comply with criteria of not less than 26% ownership and consumption of not less than 51% of aggregate electricity generated +/- 10% in proportion to their individual shareholdings shall retain the captive status.
- 10.2. When a shareholder or a member of the company, cooperative society, AoP, partnership firm/LLP, or SPV as the case may be, defaults in fulfilling the consumption criteria provided under Rule 3 of Electricity Rules, 2005, and other captive user(s) together do not comply with ownership criteria of not less than 26%, the CGP will lose its captive status, and all captive user(s) shall forgo the concessions available to a captive user.

**11. Metering:**

Each unit of CGP shall have a separate interface meter with real time communication facility with RLDC and / or SLDC as per the specifications provided under the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended from time to time.

(BY THE ORDER OF THE COMMISSION)

Sd/-  
V. RAMCHANDER  
Commission Secretary  
TGERC, Hyderabad



**Schedule-1**  
**Undertaking from CGP**

**Affidavit from CGP and Captive User(s) on Rs. 100/- non-judicial Stamp paper**

I / We .....having registered office at .....do hereby solemnly declare and undertake as follows:

2. I / We declare that I / We are the owners operating / intend to operate, a generating plant under captive category [hereinafter referred as,CGP] namely .....[name of the generating plant] within the meaning of Section 2 (8) and Section 9 of the Electricity Act, 2003 as amended from time to time [hereinafter referred as 'Act] read with the Electricity Rules, 2005, as amended from time to time [hereinafter referred as, 'Rules, 2005'] having a total installed capacity of .....MW located at ..... and maintain the above mentioned generating plant as per the Articles of Association / Memorandum of Association of the company.

3. I / We declare that we have obtained all the necessary approvals as per applicable laws / rules / regulations / orders, to maintain and operate such generating plant.

4. I / We declare that the captive generating plant / station is / is not, an association of person / special purpose vehicle.

5. I / We declare and confirm that CGP meets / shall meet all criteria to qualify it as a CGP in accordance with the Act read with Rules, 2005.

6. I / We declare our captive user M/s.....[name of the user utilizing power from captive generating plant] is located at .....[address] is a consumer of the distribution licensee..... connected at voltage .....kV having service connection number.....[hereinafter referred to as 'captive user' or 'consumer'] at .....

7. I / We undertake and confirm that we shall provide all necessary information / documents / data and seek prior approval for wheeling under captive category. I / We also undertake to provide all necessary information / documents / data for verifying the qualifying requirements of CGP status as per the procedure and any subsequent order/ instruction issued in this regard.

8. I / We submit that the above captive generating plant is / are desirous to wheel power under captive category through open access. I / We undertake to make payment

of all applicable open access charges for such consumption of power through such open access arrangement in accordance with applicable law / rules / regulation / policies which are in force from time to time.

9. I / We declare and confirm that captive user(s) is / are having .....% ownership in the CGP and qualify to wheel under captive category. I / We hereby undertake that the holding of equity share capital with voting rights / proprietary interest and control and consumption by the captive user(s) will be as per the provisions of the Act and Rule-3 of the Rules, 2005.

10. I / We undertake that there will not be any bogus / fraudulent injection / drawl of energy by the CGP and captive user(s) and in the occurrence of any such event, I / we undertake to pay the charges to distribution licensee as applicable as per the orders in force along with late payment surcharge and penal charges, if any.

11. I / We undertake to the effect that in case of holding of equity share capital or contribution as member as the case may be with voting rights / proprietary interest and control and consumption by the captive user(s) are not as per the requirements of Rule 3 of the Rules, 2005 during the period of wheeling under captive category, the CGP will be disqualified and cross subsidy surcharge (CSS) and additional surcharge will be paid to the distribution licensee for the energy consumed from the above generating plant. I / We undertake that failure to make payment within the due date, the distribution licensee shall recover the CSS and AS as per law.

12. Certificate of a qualified Chartered Accountant with regard to ownership is enclosed.

Dated

Signature of authorized signatory

- Encl.: 1. *Resolution / Agreement / Nomination for authorization of signatory for furnishing undertaking*
2. *Certificate of a Chartered Accountant certifying the ownership (formats I to IV, as applicable)*
3. *Copy of Memorandum of Association / Articles of Association.*

**Format –I**  
**[to be submitted by the CGP which is a corporate body]**

**Certificate on “ownership” as per rule 3 of the Electricity Rules, 2005 (Rules 2005) for wheeling under captive category**

1. I / We hereby certify that the equity share capital with voting rights of ..... having its registered office at .....satisfy the requirements under Rule 3 of the Rules, 2005 for qualifying as a CGP with reference to “ownership” criteria. The detailed breakup of the issued, subscribed and paid-up equity share capital, including percentage of holding in equity share capital with voting rights of the company have been tabulated in the Table – A below.

2. Further, specific breakup of equity share capital along with voting rights held by captive user visa-vis other user(s) has been tabulated in the Table – B below.

3. The details of total installed capacity, aggregate capacity of units identified for captive use and its equity share capital to be held by captive user(s) to satisfy the requirements under Rule 3 of the Rules 2005 for qualifying as a CGP is shown in the Table-C below.

**Table-A**

Equity share capital with voting rights as on.....								
Sl. No.	Class of equity shares	No. of equity shares	Paid up value per equity share	Amount of paid up equity share capital	Percentage holding in paid up equity share capital	No. of voting rights	Percentage holding in voting rights	Percentage holding in paid up equity share capital with voting rights
<b>Total</b>								

**Table-B**

Breakup of captive user holding in equity share capital with voting rights as on .....								
Sl.No.	Class of equity shares	No. of equity shares	Paid up value per equity share	Amount of paid up equity share capital	Percentage holding in paid up equity share capital	No. of voting rights	Percentage holding in voting rights	Percentage holding in paid up equity share capital with voting rights
1	Captive user							
2	Others							
Total								

**Table C**

<b>Verification of equity share capital with voting rights proportionate to the units identified for captive use as per Rules, 2005.</b>		
Total installed capacity of the generating station (in MW)	A	
Of the total installed capacity, units and capacity identified for captive use (in MW)	B	
Proportion of the capacity identified for captive use on the overall installed capacity (in MW)	$C=(B/A)$	
Paid up equity share capital with voting rights to be maintained by captive consumers in the generating station (%)	$D=(26%*C)$	
Actual paid up equity shareholding with voting rights held by captive consumers (%)	E	

*Note: As the actual paid-up equity shareholding with voting rights held by the captive consumers in (E) is not less than 26% (or proportionate, as the case may be), the plant satisfies the ownership criteria for CGP as required under Rule 3 read with explanation of Rules, 2005.*

Signature of Chartered Accountant/ Company Secretary:

Name in Block letters:

Name of firm:

Membership No.:

UDIN No. (where applicable)

Place:

Date :

Note: This format can be used for SPV also.

**Format –I(i)**  
**[to be submitted by the CGP which is a corporate body]**

**Certificate on “change of ownership” as per rule 3 of the Electricity Rules, 2005 (Rules 2005) for wheeling under captive category**

I / We hereby certify that the following format is being submitted on account of change of ownership structure during the financial year.

1. Name of the previous owner:
2. Name of the present owner:
3. I / We hereby certify that the equity share capital with voting rights of ..... having its registered office at .....satisfy the requirements under Rule 3 of the Rules, 2005 for qualifying as a CGP with reference to “ownership” criteria. The detailed breakup of the issued, subscribed and paid-up equity share capital, including percentage of holding in equity share capital with voting rights of the company have been tabulated in the Table – A below.
4. Further, specific breakup of equity share capital along with voting rights held by captive user visa-vis other user(s) has been tabulated in the Table – B below.
5. The details of total installed capacity, aggregate capacity of units identified for captive use and its equity share capital to be held by captive user(s) to satisfy the requirements under Rule 3 of the Rules 2005 for qualifying as a CGP is shown in the Table-C below.

**Table-A**

Sl. No.	Class of equity shares	No. of equity shares	Paid up value per equity share	Amount of paid up equity share capital	Percentage holding in paid up equity share capital	No. of voting rights	Percentage holding in voting rights	Percentage holding in paid up equity share capital with voting rights
Equity share capital with voting rights as on..... (before change of ownership structure)								
<b>Total</b>								
Equity share capital with voting rights as on..... (after change of ownership structure)								
<b>Total</b>								

**Table-B**

Sl.No.	Class of equity shares	No. of equity shares	Paid up value per equity share	Amount of paid up equity share capital	Percentage holding in paid up equity share capital	No. of voting rights	Percentage holding in voting rights	Percentage holding in paid up equity share capital with voting rights
Breakup of captive user holding in equity share capital with voting rights as on ..... (before change of ownership structure)								
1	Captive user							
2	Others							
Total								
Breakup of captive user holding in equity share capital with voting rights as on ..... (after change of ownership structure)								
1	Captive user							
2	Others							
Total								

**Table C**

Verification of equity share capital with voting rights proportionate to the units identified for captive use as per Rules, 2005.			
Particulars		Before change in ownership structure	After change in ownership structure
Total installed capacity of the generating station (in MW)	A		
Of the total installed capacity, units and capacity identified for captive use (in MW)	B		
Proportion of the capacity identified for captive use on the overall installed capacity (in MW)	$C=(B/A)$		
Paid up equity share capital with voting rights to be maintained by captive consumers in the generating station (%)	$D=(26\%*C)$		
Actual paid up equity shareholding with voting rights held by captive consumers (%)	E		

Note: As the actual paid-up equity shareholding with voting rights held by the captive consumers in (E) is not less than 26% (or proportionate, as the case may be), the plant satisfies the ownership criteria for CGP as required under Rule 3 read with explanation of Rules, 2005.

Signature of Chartered Accountant/ Company Secretary:

Name in Block letters:

Name of firm:

Membership No.:

UDIN No. (where applicable)

Place:

Date :

Note: This format can be used for SPV also.

**Format –I A**

**[to be submitted by the CGP which is a cooperative society]**

**Certificate on “ownership” as per rule 3 of the Electricity Rules, 2005 (Rules 2005) for wheeling under captive category**

1. I / We hereby certify that the membership contributions towards capital of the society with voting rights of ..... having its registered office at .....satisfy the requirements under Rule 3 of the Rules, 2005 for qualifying as a CGP with reference to “ownership” criteria. The detailed breakup of the issued, subscribed and paid-up membership contribution, including percentage of holding in membership contribution with voting rights of the members have been tabulated in the Table – A below.

2. Further, specific breakup of membership contribution along with voting rights held by captive user visa-vis other user(s) has been tabulated in the Table – B below.

3. The details of total installed capacity, aggregate capacity of units identified for captive use and the membership contribution to be held by captive user(s) to satisfy the requirements under Rule 3 of the Rules 2005 for qualifying as a CGP is shown in the Table-C below.

**Table-A**

Equity share capital with voting rights as on.....									
Sl. No.	Member ship contribution towards the capital of the society	Number of Membership contributions towards capital of the society	Paid up value per Member who contributed	Amount of paid up Member ship contribution	Percentage holding in paid up Membership contribution	No. of voting rights	Percentage holding in voting rights	Percentage holding in paid up Membership contribution with voting rights	
<b>Total</b>									

**Table-B**

Breakup of captive user holding in equity share capital with voting rights as on .....								
Sl. No.	Membership contribution towards the capital of the society	Number of Membership contributions towards capital of the society	Member who contributed	Amount of paid up Membership contribution	Percentage holding in paid up Membership contribution	No. of voting rights	Percentage holding in voting rights	Percentage holding in paid up equity share capital Membership contribution with voting rights
1	Captive user							
2	Others							
Total								

**Table C**

Verification of membership contribution with voting rights proportionate to the units identified for captive use as per Rules, 2005.		
Total installed capacity of the generating station (in MW)	A	
Of the total installed capacity, units and capacity identified for captive use (in MW)	B	
Proportion of the capacity identified for captive use on the overall installed capacity (in MW)	$C=(B/A)$	
Paid up membership contribution along with voting rights to be maintained by captive consumers in the generating station (%)	$D=(26%*C)$	
Actual paid up membership contribution along with voting rights held by captive consumers (%)	E	

*Note: As the actual membership contribution along with voting rights held by the captive consumers in (E) is not less than 26% (or proportionate, as the case may be), the plant satisfies the ownership criteria for CGP as required under Rule 3 read with explanation of Rules, 2005.*

Signature of Chartered Accountant/ Company Secretary:

Name in Block letters:

Name of firm:

Membership No.:

UDIN No. (where applicable)

Place:

Date :

Note: This format can be used for AOP also.



**Format –I A(i)**

**[to be submitted by the CGP which is a cooperative society]**

**Certificate on “change in ownership” as per rule 3 of the Electricity Rules, 2005 (Rules 2005) for wheeling under captive category**

I / We hereby certify that the following format is being submitted on account of change of ownership structure during the financial year.

1. Name of the previous owner:

2. Name of the present owner:

3. I / We hereby certify that the membership contributions towards capital of the society with voting rights of ..... having its registered office at .....satisfy the requirements under Rule 3 of the Rules, 2005 for qualifying as a CGP with reference to “ownership” criteria. The detailed breakup of the issued, subscribed and paid-up membership contribution, including percentage of holding in membership contribution with voting rights of the members have been tabulated in the Table – A below.

4. Further, specific breakup of membership contribution along with voting rights held by captive user visa-vis other user(s) has been tabulated in the Table – B below.

5. The details of total installed capacity, aggregate capacity of units identified for captive use and the membership contribution to be held by captive user(s) to satisfy the requirements under Rule 3 of the Rules 2005 for qualifying as a CGP is shown in the Table-C below.

**Table-A**

Sl. No.	Member ship contribution towards the capital of the society	Number of Membership contributions towards capital of the society	Paid up value per Member who contributed	Amount of paid up Membership contribution	Percentage holding in paid up Membership contribution	No. of voting rights	Percentage holding in voting rights	Percentage holding in paid up Membership contribution with voting rights
Equity share capital with voting rights as on..... (before change of ownership structure)								
Total								
Equity share capital with voting rights as on..... (after change of ownership structure)								
Total								

**Table-B**

Sl. No.	Membership contribution towards the capital of the society	Number of Membership contributions towards capital of the society	Member who contributed	Amount of paid-up Membership contribution	Percentage holding in paid up Membership contribution	No. of voting rights	Percentage holding in voting rights	Percentage holding in paid up equity share capital Membership contribution with voting rights
Breakup of captive user holding in equity share capital with voting rights as on .....(before change in ownership structure)								
1	Captive user							
2	Others							
Total								
Breakup of captive user holding in equity share capital with voting rights as on .....(after change in ownership structure)								
1	Captive user							
2	Others							
Total								

**Table C**

Verification of membership contribution with voting rights proportionate to the units identified for captive use as per Rules, 2005.			
Particulars		Before change of ownership structure	After change of ownership structure
Total installed capacity of the generating station (in MW)		A	
Of the total installed capacity, units and capacity identified for captive use (in MW)		B	
Proportion of the capacity identified for captive use on the overall installed capacity (in MW)		$C=(B/A)$	
Paid up membership contribution along with voting rights to be maintained by captive consumers in the generating station (%)		$D=(26%*C)$	
Actual paid up membership contribution along with voting rights held by captive consumers (%)		E	

*Note: As the actual membership contribution along with voting rights held by the captive consumers in (E) is not less than 26% (or proportionate, as the case may be), the plant satisfies the ownership criteria for CGP as required under Rule 3 read with explanation of Rules, 2005.*

Signature of Chartered Accountant/ Company Secretary:

Name in Block letters:

Name of firm:

Membership No.:

UDIN No. (where applicable)

Place:

Date :

Note: This format can be used for AOP also.

### FORMAT-IB

**[To be submitted by the CGP which is a partnership firm/LLP]  
Certificate on 'ownership' as per Rule 3 of Electricity Rules, 2005 for Wheeling  
under captive category**

We hereby certify that M/s. \_\_\_\_\_, a Partnership Firm having its principal office at \_\_\_\_\_ satisfy the requirements under Rule 3 of Electricity Rules 2005 for qualifying as a Captive Generation Plant with reference to "Ownership" criteria as per the Partnership Deed dated \_\_\_\_\_. We confirm that the captive consumers are holding proprietary interests and control over the Captive Generation Plant.

The detailed breakup of the ownership of each partner in the Partnership Firm has been tabulated below in Table A. Further, specific breakup of the proprietary interest and control in relation to Captive Generation Plant held by captive user vis-à-vis other users has been tabulated below in Table B.

**TABLE A**

Ownership of the Captive Generation Plant of the Partnership Firm as on .....						
S. NO	Name of the partner	Capital contribution	% of capital contribution	Profit sharing Ratio	Whether Control Proportionate to Capital Contribution?	Remarks on control pattern*
Total						

\* Please provide remarks in the relevant column whether control is proportionate to the capital contribution.

**TABLE B**

Ownership of the Captive Generation Plant of the Partnership Firm as on .....			
Type of Owner	% of proprietary interest in the Captive Generating Plant	Whether Control Proportionate to Proprietary interest?	Remarks on control pattern*
Captive User			
Others			
Total			

\* Please provide remarks in the relevant column whether control is proportionate to the Proprietary interest, with specific reasons as to how the ownership threshold under Rule 3 of the Electricity Rules 2005 is being satisfied.

Signature of Chartered Accountant/Tax Auditor:

NAME in Block letters:

Name of Firm:

Membership Number:

UDIN No. (where applicable)

Place:

Date:

**FORMAT-IB(i)**

**[To be submitted by the CGP which is a firm]**

**Certificate on ‘change of ownership’ as per Rule 3 of Electricity Rules, 2005 for  
Wheeling under captive category**

I / We hereby certify that the following format is being submitted on account of change of ownership structure during the financial year.

1. Name of the previous owner:

2. Name of the present owner:

3. We hereby certify that M/s. \_\_\_\_\_, a Partnership Firm having its principal office at \_\_\_\_\_ satisfy the requirements under Rule 3 of Electricity Rules 2005 for qualifying as a Captive Generation Plant with reference to “Ownership” criteria as per the Partnership Deed dated \_\_\_\_\_. We confirm that the captive consumers are holding proprietary interests and control over the Captive Generation Plant.

4. The detailed breakup of the ownership of each partner in the Partnership Firm has been tabulated below in Table A. Further, specific breakup of the proprietary interest and control in relation to Captive Generation Plant held by captive user vis-à-vis other users has been tabulated below in Table B.

**TABLE A**

S. NO	Name of the partner	Capital contribution	% of capital contribution	Profit sharing Ratio	Whether Control Proportionate to Capital Contribution?	Remarks on control pattern*
Ownership of the Captive Generation Plant of the Partnership Firm as on ..... (before change of ownership structure)						
	Total					
Ownership of the Captive Generation Plant of the Partnership Firm as on ..... (after change of ownership structure)						
	Total					

**\* Please provide remarks in the relevant column whether control is proportionate to the capital contribution.**

**TABLE B**

Type of Owner	% of proprietary interest in the Captive Generating Plant	Whether Control Proportionate to Proprietary interest?	Remarks on control pattern*
Ownership of the Captive Generation Plant of the Partnership Firm as on ..... (before change in ownership structure)			
Captive User			
Others			
Total			
Ownership of the Captive Generation Plant of the Partnership Firm as on ..... (after change in ownership structure)			
Captive User			
Others			
Total			

\* Please provide remarks in the relevant column whether control is proportionate to the Proprietary interest, with specific reasons as to how the ownership threshold under Rule 3 of the Electricity Rules 2005 is being satisfied.

Signature of Chartered Accountant/Tax Auditor:

NAME in Block letters:

Name of Firm:

Membership Number:

UDIN No. (where applicable)

Place:

Date:

## Format –II

[to be submitted by the captive user(s) (also the owners) who are company / corporate Body]

### Auditor's Certificate

I hereby certify that [captive user Name]....., a company incorporated under Companies Act, 2013 (or under the erstwhile Companies Act) and having its registered office at .....as given in the annexure is holding.....number of equity shares of Rs.....each amounting to Rs. .... as equity share capital and with.....voting rights per equity share in [Captive Power Generator Company Name] which owns a generating plant with a capacity .....as given in the annexure as on date.

Signature of Chartered Accountant:

Name in Block letters:

Membership No.:

Name of the Firm:

UDIN No. (Where applicable)

Place :

Date :

Note: This format can be used for SPV also.

**Format – II A**

**[to be submitted by the captive user(s) (also the owners) who are cooperative society or AoP]**

**Auditor's Certificate**

I hereby certify that [*captive user Name*]....., a society registered or a group persons and having their notified office at .....as given in the annexure are holding .....number of membership contribution documents of Rs.....each amounting to Rs. .... as membership contribution towards capital along with.....voting rights as per membership contribution in [*Captive Power Generator Company Name*] which owns a generating plant with a capacity .....as given in the annexure as on date.

Signature of Chartered Accountant:  
Name in Block letters:  
Membership No.:  
Name of the Firm:  
UDIN No. (Where applicable)

Counter signed by competent authority of the cooperative department of Government of Telangana

Place:  
Date:

Note: This format can be used for AOP also.

## FORMAT-IIB

[To be submitted by the Captive users (also owners) of the Partnership Firm/LLP]

### Auditor's Certificate

I hereby certify that Captive User Name, having its registered office at \_\_\_\_\_ as given in the annexure is a partner/member with capital contribution of Rs. \_\_\_\_\_ with controlling interest of \_\_\_\_\_ percentage in Captive Power Generator Firm Name which owns a Generating Plant with Capacity \_\_\_\_\_ as given in the annexure as on date.

Signature of Chartered Accountant:  
Name in Block letters:  
Membership No.:  
Name of the Firm:  
UDIN No. (Where applicable)

Place:  
Date:



### Format-III

Sl. No.	Particulars	Energy in Units
1	Total generated units of a generating plant / station identified for captive use in MU	
2	Less: auxiliary consumption in the above in MU	
3	Net units available for captive consumption (aggregate generation for captive use) in MU	
4	51% of aggregate generation available for captive consumption in MU	
5	Actual adjusted / consumed units by the user in MU (including in-house captive consumption)	
6	Percentage of actual adjusted / consumed units by the captive user(s) with respect to aggregate generation for captive use (Sl. No. 5 divided by Sl. No. 3)	

If Sr.No.6 is not less than 51%, then go to Format-IV.

### Format – IV

[to be submitted by the Captive User(s) of corporate body, SPV, Partnership firm/LLP]

Sl. No.	Name of the captive user	No. of equity shares of value Rs.		% to be consumed on pro rata basis	100% generation in MU	Auxiliary consumption in MU	Generation considered to verify consumption criteria in MU	Required Consumption in MU on pro rata basis	Permitted consumption as per norms in MU			Actual consumption in MU	Whether consumption norms met
		As per share certificates as on 31 <sup>st</sup>	% of ownership through shares of company						with 0% variation	-10%	+10%		

Authorized Signature:  
Name of CGP owner:

**Format – IV A**

[to be submitted by the Captive user(s) of Co-operative society and AOP]

Sl. No.	Name of the captive user	No. of Membership contribution of value Rs.		% to be consumed on pro rata basis	100% generation in MU	Auxiliary consumption in MU	Generation considered to verify consumption criteria in MU	Required Consumption in MU on pro rata basis	Permitted consumption as per norms in MU			Actual consumption in MU	Whether consumption norms met	
		As per membership certificates as on 31st March	% of ownership through Membership contribution						with 0% variation	-10%	+10%			

Authorized Signature:  
Name of CGP owner:

**Format-V**

Sl. No.	Time block	Actual energy generated in MU	Actual energy drawn in MU	Scheduled pen access energy in MU	Qualification of actual consumption for captive purpose
A	B	C	D	E	F = Minimum of (C, D, E)

Signature :  
Name of CGP owner /

Signature :  
Distribution licensee :

