



## TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

Vidyut Niyantran Bhavan, GTS Colony, Kalyan Nagar, Hyderabad 500045

**Minutes of the 8<sup>th</sup> State Advisory Committee (SAC) meeting held on 05.10.2024**

**Present :**

Sl.No.	Name	Designation & Organisation
<b>Members</b>		
1	Sri T Sriranga Rao	Chairman, Telangana Electricity Regulatory Commission
2	Sri M D Manohar Raju	Member (Technical), Telangana Electricity Regulatory Commission
3	Sri Bandaru Krishnaiah	Member (Finance), Telangana Electricity Regulatory Commission
4	Sri AR Siva Muthu Kumar	Representing Indian Energy Exchange
5	Sri. K. Vinod Kumar Aggarwal	Chairman, Energy(Power and Renewable Energy) Committee, FTCCI
6	Sri I Gopinath	Chief Executive Officer , SICMA
7	Sri Dr Narsimha Reddy	Consumer
8	Sri Shashi Bhushan Kache	State Coordinator, Kisan Congress
9	Sri P Shashidhar Reddy	Consumer
10	Sri E Sridhar	Secretary General, Telangana State Electricity Employees Union-327
11	Dr T Krishna Sai	Principal Scientific Officer, NIT, Warangal
<b>Special Invitees</b>		
12	Sri. Md. Musharraf Faruqui, IAS	Chairman & Managing Director, TGSPDCL
13	Sri. K. Varun Reddy, IAS	Chairman & Managing Director, TGNPDCL
14	Sri. L. Srinivas Reddy	Managing Director, CESS, Sircilla

15	Smt. Anila Vavilla	VC & MD, TSREDCO
16	Sri K Prakash	State General Secretary, Telangana Rashtra Vidyuth Karmika Sangam
17	Sri. M. Venugopala Rao	Senior Journalist & Convenor, Centre for Power Studies, Hyderabad
18	Sri K Sudhir Reddy	Telangana Industries Federation (TIF)
<b>SAC Secretary</b>		
20)	Sri V. Ramchander	Commission Secretary, Telangana Electricity Regulatory Commission

Mr Veerabhadra Rao and representative of Prayas have expressed their inability to attend the meeting.

Sri T Sriranga Rao chaired the meeting.

Sri V Ramchander, Commission Secretary, TGERC welcomed the Members of SAC, Special Invitees, Senior officials from the Generating Companies and Utilities to the 8<sup>th</sup> SAC Meeting.

As requested by Commission Secretary, the SAC Members gave a brief of themselves.

The Commission Secretary then requested the Hon'ble Chairman to give his opening address.

The Hon'ble Chairman while welcoming all the State Advisory Committee (SAC) Members and Special Invitees, has briefed about the importance of energy sector role in driving economic growth, social development, and sustainability and stated that the TGERC is not just to regulate tariffs, but to ensure that electricity is accessible, affordable, and reliable for all citizens of Telangana. He gracefully acknowledged the contribution the State Advisory Committee made with their feedback and suggestions periodically, regarding the tariff and related matters reckoning the concerns and aspirations of various stakeholders. The Chairman informed that these discussions highlighted the importance of creating a tariff structure that addresses the diverse needs of our society, from the householder who relies on electricity for basic needs to the industries that drive our economic engine, balancing the financial sustainability of the electricity providers with the affordability and fairness that consumers rightfully expect. He further mentioned that the State's vision and direction for a transition towards a greener and more sustainable energy landscape for promoting clean energy initiatives has also been a priority for the TGERC.

Chairman also mentioned that there were few lapses in operational performance more specifically, the DISCOMs' failure to adhere to certain stipulated time frame for filing the petitions which not only undermine public trust but also risk the financial viability of our power distribution system, impacting consumers and accordingly the Commission notified amendment regulations for levy of penalties for delay in filing the petitions. He informed that this difficult decision was taken mainly to inculcate discipline in the Licensees and Generating companies and also not to burden the consumers without any fault of theirs. Further it acts as a corrective measure intended to motivate the DISCOMs to rectify their shortcomings and improve their performance and secondly, it emphasizes the Commission's role as a vigilant guardian of public interest, ensuring that electricity consumers receive the quality service, they rightfully deserve. He stated that this also put considerable responsibility on the Commission that in a short duration, to comply with the Regulatory procedures which includes several Public Hearings at different places to bring out satisfactory Tariff orders by the end of this month, despite of few requests from the Members as well as other stake holders to extend the time. He said that it is imperative for the Commission to go ahead with the task on hand as it shall be beneficial to both the Service providers and consumers. He once again thanked all the Members, the special invitees and all connected with the energy Sector for their unwavering support to help in bringing a more brighter and sustainable future by building a resilient and equitable power sector for all.

As per Agenda, TGERC has given a Power Point presentation about the salient features of the proposed filings made by TGGENCO for Truing up for FY 2022-23 and Multi-Year Tariff Filing under MYT Framework for FY 25 to FY 29, TGTransco for ARR and Filing for Proposed Tariff under MYT Framework for FY 25 to FY 29, SLDC for filing of ARR and proposed TGSLDC Charges for SLDC Business for FY 25 to FY 29, TGDISCOMS filings of ARR & Proposed Wheeling Tariffs for Distribution Business for FY 25 to FY 2029.

Subsequently, the Members of SAC gave their valuable suggestions to the Commission, the details of which are as follows:

**Sri AR Siva Muthu Kumar**, IEX thanked the Commission for the opportunity given and mentioned that with reference to he suggested that

- the wheeling Tariff proposal should be futuristic to accommodate the Renewable Energy Capacity more with reference to the hosting capacities of renewable energy.
- the wheeling charges proposed by the TGDISCOMS are improper it is disadvantageous for 33 kV consumers and as per MYT Regulation No 2 of 1023, the wheeling tariff should be voltage wise and not in a unified mode for all voltage levels.
- as most of the Discoms in the country are facing Peak Power deficit/Shortages the Power Purchase Planning in peak hours should be very effective.

**Sri Vinod Kumar Aggarwal, Chairman, FTCCI** expressed his appreciation to the Government of Telangana for providing a very improved quality power during the past several years from the earlier dark days. He informed FTCCI has more than 4000 members from trade, industries, and commercial establishments and create potential employment to around 8 lakh employees. He suggested that

- being an important sector, they should not be burdened with higher tariff which will be detrimental to both State and industrial growth and urged the Commission not to change tariffs for high-voltage consumers due to their lower losses and that to enhance competitiveness and support industrial growth
- to lower the Cross Subsidy Surcharge (CSS), Additional Surcharge (AS), and standby charges for open access consumers and for the development of a new renewable energy policy.
- to postpone any tariff hikes to the next financial year, as the seven months of the current fiscal year is already passed.

**Sri I Gopinath, SICMA** expressed happiness at the progress made by the State in the Power sector, and opined that

- existing Grid support charges of Rs.9.37/KW/month are quite high
- the Cement industry mainly being dependent on thermal energy to an extent of 80% , are facing increased burden in meeting the Net zero emission targets of green energy, which needs to be addressed to.
- To adapt virtual participation mode in public hearings, which would be more convenient with an increased public participation.

**Sri Narasimha Reddy** representing the Consumers observed that

- the power purchase cost by TGSPDCL and TGNPDCL needs thorough examination at present level.
- the revenue deficit and surplus figures of TGDISCOMs for FY 2023-2024 are far from the actual values.
- the deficit seen could be much lesser once the budget allocation of State Government ( i.e. Rs 8216 Cr) towards the subsidy recently announced has been taken into consideration and needs to be reviewed by the Commission.
- the fixed charges for various categories which have been increased by a b o u t five times also is to be reviewed.
- a better clarity in the calculations and financial projections made is needed and also they need to be in Telugu for ease in understanding.
- the O&M expenses which are quite high needs to be controlled as a per employee cost per KWH by adapting a benchmarked practice.

- the filings by TGDIsoms and TGGenco are to be made in time and delays should be viewed seriously.
- the abnormal increase in power consumption under the agriculture category is a matter of concern. He also observed that the planning period for lift irrigation too changed which also needs a review with a better way to get field data & observations.
- the dues from Government which is substantial at about Rs 24,000 crs should be reviewed periodically and followed up to reduce the same.
- to review the cost of Yadadri Plant which is revised upwards
- with the limited time available for analyzing the current ARR, the Commission may consider postponing the issuance of the tariff order by two months.
- requested the Commission to look into various accidents in utilities which are on the rise and to review and revise the relevant SOPs.

**Sri Shashi Bushan Kache, State Co-ordinator, Kisan Congress** appreciated the role played by Commission and the Government for giving high importance to the Power sector and also of the new MSME policy. He mentioned that

- there is a need to improve efficiencies all round and to locate plants near to pit heads
- the increase in fatalities and accidents is calling for more safety measures including appointing Safety officers.
- the Commission's corrective steps toward financial discipline in CESS was appropriate.
- a proper Scrap policy to be brought in
- to rationalize HT III tariff properly as per the category of consumer.
- to have a good audit policy to review the Government schemes as per actuals.

**Sri P Shashidhar Reddy, representing the Consumers** expressed

- his concern on the growing electrical fatal accidents in the sector, which mostly are due to employee negligence. Hanging cables, improper poles and non adherence to safety measures are to be curtailed.
- There are delays in execution and addressing consumer grievances which is at a low level and needs to be looked into with all seriousness.
- the quantum of compensation needs to be increased substantially from the present maximum of Rs 5.00 lakhs.
- that failed DTRs are being transported at consumer's cost which is not correct and that the shifting HT lines too has to be done by the TGDIsoms at their cost.

**Sri E Sridhar, Secretary General, TS Electricity Employees Union-327** expressed his happiness in attending the meeting at the New TGERC building. He expressed

- his concern regarding the low manpower in the organization and that despite a substantial increase in volume of work due to increased power generation and consumers, there has been dwindling manpower strength leading to overburden, stress to employees and consequent delays.
- there shall be safety officers to reduce accidents and also to bring about changes in structure of electric poles for ease of climbing by field staff.
- Considering the huge losses the DISCOMS already are in, not to levy any penalties.

**Dr Krishna Sai, Principal Scientific Officer, NIT-Warangal** thanked the Commission for the opportunity given and stated that

- there is a need to examine and control O&M expenses and needs to correlate with the size of the Discoms.
- that there is a need to improve efficiencies in operations and that the older plants which operate at lower levels, the E&M costs needs to be factored in while arriving at the tariffs.
- the reduction in transmission lines and substations in the projections made vis a vis the past term needs to be looked into.
- The serious concern on the growing fatalities and accidents and advised for proper safety mechanism to be put in place.

**Sri K Prakash, State General Secretary, Telangana Rashtra Vidyuth Karmika Sangam** also voiced

- his concern at the reduced manpower despite of huge increase in power usage and customer base, which needs to augment especially at the lower and field level and
- agriculture consumers are subsidized heavily but TGDISCOMS are not compensated adequately which has to be on actual terms.

**Sri K Sudheer Reddy of Telangana Industrialists Federation(TIF)** congratulated the Commission for the role it played and

- mentioned of the importance of Micro, Small, and Medium Enterprises (MSMEs) as the backbone of industrial and economic growth and to be prioritized by all. The Telangana Government's efforts in launching a new MSME policy is aimed at attracting investments to the sector.
- requested an increase in HT-IA optional category slab from 150 KVA to 400 KVA to support MSME industries, especially the foundry, steel sector and for

tariff for higher voltage consumers (33 KV and 132 KV) to be at lower levels as the transmission losses in this category are lower.

- that printing, packaging, and labeling industries which are unfairly categorized under commercial tariffs to be brought under industrial tariffs . He informed of a recent order by Hon'ble APTEL on this matter and requested to review the same.
- suggested to expedite new connections and repairs etc. and to permit purchase of components in electrification from approved vendors to speed up the operations.
- Top priority to safety measures are to be given to avoid accidents.
- requested the Commission to support the recovery and growth of MSMEs that were affected by COVID-19 pandemic by reducing the fixed charges for MSMEs under the HT-IA optional category to match the fixed charges to that of the LT-III industrial category.

**Sri. M. Venugopal Rao, Senior Journalist & Convener, Center for Power Studies** stated that

- there has been considerable delay in filing of the various petitions which was very voluminous and needs considerable time and hence to continue with the prevailing tariff. The Commission replied by saying that it would not be prudent to do so, both at the interests of the utilities and Consumer.
- He felt levying penalties is not effective for the delays in compliance of Regulation and invoke the powers of Commission for a suo-moto decision on the tariffs, for which the Commission mentioned that it would be difficult to do so in the absence of relevant information from the utilities and generators.
- He felt that the Commission should always work for consumer protection and implement the provisions with a discretion. Commission stated that the Commission has been taking balanced approach and earlier it did reduce the outlays presented by the utilities which he appreciated.
- He suggested to look at the surplus power available and to control and reduce the procurements effectively.
- The investment revision in Yadadri Power plant also needs to be reviewed else it will be a burden on consumer and to ensure projects are implemented within schedule to prevent cost overruns.
- He felt that fixing wheeling charges on voltage basis is not common and will burden the MSME sector.
- He also noted that the TSGenco is persisting with capital costs which were disallowed earlier and is to be avoided.

- TGTransco too has shown surplus earlier but is not as per the approved figures of Commission.
- He felt that since the time is short to leave this exercise to the next Commission.

### **Vote of thanks**

The Commission Secretary then proposed vote of thanks to the Hon'ble Commission, Members of SAC, the CMDs of Discoms and other Special invitees, Senior officers from Power sectors and officers of TGERC for making the meeting successful and called for the meeting as concluded.

**Sd/-  
Commission Secretary**

