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నార్థర్ పవర్ డిస్ట్రిబ్యూషన్ కంపెనీ ఆఫ్ తెలంగాణ లిమిటెడ్
NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED
(A Govt. of Telangana Undertaking) CIN.U40109TG2000SGC034119

From
Chief Engineer
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To
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Lr.No.CE(IPC&RAC/GM(IPC&RAC)/DE(IPC)/ADE/AE/F.449/D.No. 625 /25, Dt: 06.01.2026

Sir,

Sub:-TGNPDCL/WGL – Responses to Suggestions and Objections on Procurement of 800 MW from NTPC TSTPP Statge-2 – Reg.

Ref :- Objections/comments received on 30.12.2025

* * *

In the reference cited above, TGNPDCL has received objections/comments from Sri M.Venugopal Rao, Senior Journalist & Convener, Center for Power Studies, Hyderabad Procurement of 800 MW from NTPC TSTPP Statge-2.

The replies to the objections / suggestions are herewith enclosed.

Yours faithfully,

Encl: As above.


CHIEF ENGINEER
IPC&RAC/TGNPDCL/WGL

Responses to Objections / Suggestions filed by M.Thimma Reddy
On
Procurement of 800MW from NTPC TSTPP stage-2

Sl.No.	Name and other details of the Objector
1	From, M. Thimma Reddy, Convenor, People's Monitoring Group on Electricity Regulation, H. No.3-4-107/1, Plot No. 39, Radha Krishna Nagar, Attapur, Hyderabad – 500 048

M. Thimma Reddy

Sl.No.	Objections/Suggestions	Response of licensee
1	<p>In response to the above-mentioned Public Notice calling for comments on TGDISCOMs' petitions seeking consent of TGERC for procurement of power from 800 MW share from 2400 MW Telangana Super Thermal Power Station Stage-II of NTPC for a period of 25 years we are submitting the following comments for consideration of the Commission.</p>	<p>Matter of record</p>
2	<p>The scene in the power sector has changed drastically, since the enactment of AP reorganization Act in 2014 that gave birth to the new State of Telangana, both at national and state level in terms of policies as well as technologies. Telangana State added nearly 5,000 MW of coal based thermal power during the last decade. The State has aimed to add 20,000 MW of solar power by 2030. Programs also started to solarize agriculture services. TGDISCOMs also called for bids to set up BESS units. These facts force a rethink of the proposed procurement of 800 MW share from 2400 MW Telangana STPP Stage II to be implemented by NTPC. Recently Rajasthan Electricity Regulatory Commission (RERC) did not approve procurement of 3200 MW of coal based thermal power by RUVITL in the background of changed circumstances (Order dated 18-11-2025 in Petition No. RERC/2298/2025).</p>	<p>We would like to acknowledge that there are many capacity addition plans in the future in space of renewable energy sources like solar, wind, BESS and PSP. But we humbly submit that these energy sources are not able to cater the base load of the system, which exists for the entire day. Even the combinations of solar and BESS (or) solar and PSP would give energy to the licensee energy only in peak hours apart from solar hours. Solar and storage combinations are necessary to reduce the costlier power purchases in peak hours, but they cannot cater to base load. The base load of the state is around 9000MW in FY26 and it is expected to grow at 7% yearly. Considering the gestation period of 4-5 years for a thermal plant, it is necessary for the state to procure additional thermal/ base power for system stability and optimization.</p>
3	<p>The present petition (I.A. No. 39 of 2025 in O.P. No. 31 of 2025) is filed by TGDISCOMs to seek the Commission's consent to procure a share of 800 MW from the 2400 MW (3x800 MW) Telangana STPP Stage-II instead of procurement of 800 MW exclusively from one unit and approval of draft PPA signed by TGDISCOMs with NTPC for procurement of a share of 800 MW power from 2400 MW (3x800MW) Telangana STPP Stage-II for a period of 25 years. This petition has to be treated as a review petition. The Commission has already dealt with this in O P No. 31 of 2025 and approved procurement of 800 MW capacity from NTPC's Telangana STPP Stage- II through the Order dated 17-05-2025. The present petition is an attempt to reopen it. NTPC was well aware of the</p>	<p>The present petition is filed in compliance to the orders issued in the O.P No. 31 of 2025 dated 17.05.2025 stating "<i>TGDISCOMs are directed to approach the Commission for approval of PPA</i>". Alongside the prayer for approval of the draft PPA, the petition is filed also to obtain approval for availing 800 MW from 3x800 MW of NTPC TSTPP Stage-II in place of the Commissions' approval. The approval accorded vide orders dated 17.05.2025 is as stated below:</p> <p><i>"The Commission approves the procurement of power from one unit (1x800 MW) of the Telangana Super Thermal Power Station Stage-II by TGDISCOMs for a period of 25 years, as sought in</i></p>

	<p>earlier petition and did not raise any objection when the Commission took up the petition and issued the Order dated 17-05-2025 in O.P. No.31 of 2025. As there was no apparent error in the above Order the present petition shall be dismissed.</p>	<p><i>O.P. No. 31 of 2025, subject to applicable regulations and terms and conditions of the Power Purchase Agreement (PPA).</i></p> <p><i>ii. TGDISCOMs are directed to pursue with NTPC and ensure for arranging connectivity of the 1 unit (1X800 MW) of Telangana Super Thermal Power Plant Stage-II to TGTRANSCO network to avoid interstate transmission charge and losses, since both the units of Stage – I (2 x 800 MW) under the same scheme were already connected to TGTRANSCO network. “</i></p>
4	<p>NTPC contention is that the project (TSTPP Stage-2) had been conceptualized as 3x800 MW since inception, and all statutory clearances, planning activities had been taken up for the complete station as a whole, and that it would not be feasible to isolate one 800 MW unit technically and commercially from the project. There are instances of power procured separately from different units of the same plant. For example, TGDISCOMs in the past procured power separately from unit I and unit II of Sembcorp. In the case of NTPC's Simhadri power plant also power procurement is different for Unit I and Unit II. It is to be noted that scheduled commercial operation date (SCOD) is declared unit wise as well as for the plant as a whole. As such NTPC's contention that one unit cannot be isolated from the other two units technically and commercially cannot be admitted.</p>	<p>NTPC has submitted following reply to this comment. “It is submitted that the contention is factually incorrect. NTPC's generating stations including Simhadri are conceived, approved, financed, constructed and operated as integratedstation-level projects, and not as independent commercial units. While declaration of Scheduled Commercial Operation Date (SCOD) is undertaken unit-wisepurely for the limited regulatory purpose of tariff determination, power procurement,scheduling, billing and recovery under long-term Power Purchase Agreements are always stationbasedand not unit-specific. Telangana Super Thermal Power Project Stage-II has been conceptualized as a 3x800 MWintegrated station, with all statutory clearances, environmental approvals, fuel linkage, transmissionplanning and financial closure undertaken for the station as a whole. It was also informed that theStage-II (3x800 MW) configuration has been designed with common Coal Handling Plant (CHP), Ash Handling Plant (AHP), and water systems catering to all three generating units. It is thereforetechnically, commercially and contractually infeasible to isolate one 800 MW unit for exclusive long-term procurement.”</p>
5.1	<p>Once the 2400 MW plant is set up NTPC may force TGDISCOMs to procure power from the other two units also though TGDISCOMs do not need that capacity. The present experience of the neighboring state of AP is a pointer to this. Though APERC did not approve power procurement from four Central Generating Stations – NNTPS (52.92 MW), NTPL (125.17 MW), NTECL Vallur (89.92 MW) and NTPC Kudgi (201 MW)</p>	<p>We would like to submit that the case mentioned in the comment is different from the present scenario. Since TGDISCOMs are already procuring 800MW from NTPC TSTPP stage-2, there wouldn't be additional allocation to ensure states get power from all the plants. In fact, by not procuring power from TSTPP phase-2, there would be chances for allocation from unallocated pool of</p>

	<p>[APERC Order Dt. 30-10-2023 in O.P. Nos. 34 to 44] - APGDISCOMs continue to list them under the available power plants. APDISCOMs' justification to include these plants under the list of available power plants is as follows, "APDISCOMs didn't seek any allocation from these projects but SRPC is being allocating the power in pursuant to a policy by Govt. of India to ensure allocation to the States from all plants which will entail usage of Un requisitioned Surplus (URS) power in case of requirement. This is the unrequested CGS allocation from unallocated pool. Consequent to allocation of such unallocated quota from these generators, they are pressing for entering into PPAs and providing of payment security mechanism".</p> <p>"When APDISCOMs requested SRPC in one of the Commercial Sub-committee meetings to share the relevant orders/guidelines of unallocated power and PPA/LC conditions thereof, SRPC stated that this is as per the policy and the States are required to off take power as per allocation and if they wish to surrender such power from certain plants in the pool, they will lose allocation from entire unallocated quota share from all central generating stations of about 110 to 120 MW (dependent on the MoP allocation) which even includes power from cheaper stations."(pp.10-11, APCPDCL ARR and Tariff Proposals for FY 2026-27).</p>	<p>CGS plants. However, in view of the scenario in APDISCOMs it is proposed to modify the Title and Clause 2: General of the PPA as below, in order to avoid future complications.</p> <p>POWER PURCHASE AGREEMENT BETWEEN NTPC LIMITED AND Southern Power Distribution Company of Telangana Limited (TGSPDCL/ TGSPDCL) FOR Procurement of 800 MW only from TELANGANA SUPER THERMAL POWER STATION, Stage-II (3x800MW).</p> <p>Clause 2.2.1:Allocation of capacity from the Station to the State of Telangana shall be 800 MW only as consented by Telangana DISCOMs. Allocation of capacity to TGSPDCL shall be made, subsequently, by the State Govt./ State Electricity Regulatory Commission or any other competent authority as the case may be.</p> <p>It is humbly submitted to TGERC that the above modifications to the PPA may be approved or suitable amendments may be issued which TGDISCOMs would be much obliged to comply with.</p>
5.2	<p>This implies that SERC's consent does not matter much once a CGS is set up and the Govt. of India makes an allocation from that station. In such circumstances long-term implications of giving consent to the present petition have to be examined. When the State is tied up with high cost power it will forgo chances of accessing cheaper power in the future.</p>	<p>TGERC's decision will be implemented by TGDISCOMs.</p>
6	<p>a. The following provisions of the proposed PPA implies that once the TSTPS Stage – II is completed with 2400 MW capacity TGDISCOMs cannot escape from their share from the total capacity of the plant irrespective of their need for this capacity.</p> <p>b. The present draft PPA is titled as "Draft Power Purchase Agreement between NTPC and Southern Power Distribution Company of Telangana Limited (TGSPDCL) for Telangana Super Thermal Power Station Stage-II (3x800 MW)".</p>	<p>We would submit that the 800MW power procurement is planned by analyzing the demand and supply patterns of future. Since Base load requirement is increasing year on year, TGDISCOMS will never require to forego the share of 800MW.</p> <p>Also, When TGDISCOMS have an agreement to procure 800MW from NTPC TSTPP stage -2, ministry of power, in any particular year, can reduce the allocation to 85% of 800MW. There is no provision where 85% of entire 2400MW can be allocated to TGDISCOMS because the agreement is only 800MW.</p>

	<p>c. According to Clause 2.1.1 of the Draft PPA, “The capacity of Telangana – II is proposed to be 3x800 MW...”</p> <p>d According to Clause 2.2.1 of the Draft PPA, “Allocation of capacity from the Station to the State of Telangana shall be as decided by Ministry of Power, Govt. of India. Telangana DISCOMs consented for purchase of 800 MW power from Telangana – II Station for the State of Telangana...”</p> <p>e Given the administrative/political power dynamics Govt. of India’s power to allocate capacity takes precedence over TGDISCOMs’ consent. Once the Govt. of India takes a decision to allocate 85% of the 2400 MW capacity of TSTPS Stage-II to Telangana neither TGDISCOMs nor State Govt. of Telangana can do anything. It is better to be cautious now than repent latter. In the long-term interests of Telangana State, it is better to say no to Telangana STPS Stage -II of NTPC.</p> <p>Based on the grounds stated above we request the Commission not to give consent to TGDISCOMs’ petition to procure a share of 800 MW from the 2400 MW (3x800 MW) Telangana STPP Stage-II.</p>	<p><i>However, in order to avoid the future complications as faced by the state of AP, it is proposed to modify the Clauses as mentioned at Reply to Query 5.</i></p>
7	<p>Based on the grounds stated above we request the Commission not to give consent to TGDISCOMs’ petition to procure a share of 800 MW from the 2400 MW (3x800 MW) Telangana STPP Stage-II.</p>	<p>In view of the future demand growth and CEA RAR FY 2024-25 to FY 2034-35, it is requested to award approval to the draft PPA.</p>