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Date: Tue, 30 Dec 2025 14:58:02 +0530
Subject: PMGER comments on NTPC TSTPS
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To, The Secretary, T.G. Electricity Regulatory Commission, Vidyut Niyantran Bhavan, GTS Colony, Kalyan Nagar, Hyderabad – 500 045	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
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Date: 30-12-2025

Dear Sir;

Sub: - Comments on TGDISCOMs' petitions seeking consent of TGERC for procurement of power from 800 MW share from the 2400 MW Telangana Super Thermal Power Station Stage-II of NTPC for a period of 25 years.

Ref: - Public Notice dated 18-12-2025 with respect to I.A. No.39 of 2025 in O.P. No. 31 of 2025.

1. 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.

2. 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. Programmes 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).

3. 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 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.

4. 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 Sembicorp. 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.

5.1 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) [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".

"When APDISCOMs requested SRPC in one of the Commercial Subcommittee 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).

5.2 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.

6.1 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.

6.2 The present draft PPA is titled as "Draft Power Purchase Agreement between NTPC and Sothern Power Distribution Company of Telangana Limited (TGSPDCL) for Telangana Super Thermal Power Station Stage-II (3x800 MW)".

6.3 According to Clause 2.1.1 of the Draft PPA, "The capacity of Telangana – II is proposed to be 3x800 MW..."

6.4 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...”

6.5 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.

7. 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.

We request the Commission to take our submission on record.

Thanking you.

Sincerely yours,

M. Thimma Reddy,

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