

Telangana Southern Power Distribution Company Limited (TGSPDCL)

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Telangana Northern Power Distribution Company Limited (TGNPDCL)

Responses to Objections / Suggestions

on

Seeking consent for procurement of 800 MW from Singareni Thermal Power Project, Stage -II

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Response to M.Timma Reddy		
1.	2.1 In the past the TGDISCOMs have filed a petition (O.P. No. 30 of 2025) requesting the Commission to give consent to procure 800 MW thermal power from Stage – II of Singareni Thermal Power Project. Latter, the TGDISCOMs have decided to re-assess 1 X 800 MW Stage- II Singareni Thermal Power Project in respect of the factors like coal linkage, location of the project etc., and to submit revised proposal before the Commission in respect of consent for 1 X 800 MW Stage – II Singareni Thermal Power Project. The TGDISCOMs have submitted a letter dated 26.04.2025 requesting the Commission to defer the public hearing in this matter. Following this the Commission has come to the opinion that since there is likelihood of reassessment of the project, this petition which is filed seeking consent for procurement of 1 X 800 MW Stage – II Singareni Thermal Power Project cannot be proceeded further. Accordingly, the Commission through an order dated 17-05-2025 has given a direction to the TGDISCOMs to approach the Commission afresh with an appropriate petition seeking consent for purchase of power of 1 X 800 MW Stage – II Singareni Thermal Power Project after reassessment of the project	TGDISCOMs respectfully submit that, pursuant to the liberty granted by the Hon'ble Commission in its order dated 17.05.2025 in O.P. No. 30 of 2025, the project was reassessed with reference to aspects including coal linkage and project location. Accordingly, the present petition has been filed as a fresh and revised proposal for the 1×800 MW Stage-II project at Pegadapalli Village, Jaipur Mandal, Mancherial District, with coal proposed to be sourced from SCCL mines, including the Naini coal mine. Dispatches from Naini coal mines without any hurdles have commenced from December 2025. Further coal quantum to an extent of 1.75MT is being swapped with TNPGL. Also coal is being supplied by SCCL without premium cost since December 2025. SCCL is contemplating swapping of further quantum of Naini coal with coal from Singareni mines. The Petitioners therefore respectfully submit that the present petition is in compliance with the aforesaid order and may kindly be considered on its merits by the Hon'ble Commission.
2.	2.2 TGDISCOMs have filed the present fresh petition (O.P. No. 31 of 2026) requesting the Commission to accord consent to procurement of power from Singareni Thermal Power Project (1x800 MW) Stage-II for a period of 25 years. In the present fresh petition, the TGDISCOMs	TGDISCOMs respectfully submit that the present petition was filed after reassessment of the project. The location has been finalised as a brownfield expansion at Pegadapalli Village, Jaipur Mandal, Mancherial District,

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	have reiterated their arguments on the need for this thermal power plant in the background of base load as well as peak load deficit. But there is no sign of reassessment of the project “in respect of the factors like coal linkage, location of the project etc.”.	and the primary fuel is proposed from SCCL mines, including the Naini coal mine, or any other source approved by the competent authority. These particulars are also reflected in the DPR and draft PPA submitted with the proposal. Therefore, TGDISCOMs respectfully submit that the reassessed aspects of project location and coal sourcing have been duly incorporated in the revised proposal placed before the Hon’ble Commission
3.	In the background of climate change and global warming and India’s commitment to transition to net zero no new coal based thermal power plants shall be allowed due to their emission of green house gases including carbon dioxide. Future increase in energy requirement needs to be met from green energy sources including solar power.	The Petitioners respectfully acknowledge the concerns relating to climate change and India’s energy-transition commitments. However, the net-zero target for 2070 and the non-fossil capacity targets do not impose a blanket prohibition on new coal-based generation; rather, they contemplate a calibrated transition while safeguarding energy security and system reliability. The proposed 800 MW procurement is intended to meet the State’s projected base-load and peak-demand requirements and forms only one component of the overall resource-adequacy portfolio, alongside renewable and other capacity additions. Its tariff and admissible costs will remain subject to prudence check by the Hon’ble Commission. Accordingly, the proposal may kindly be considered on its merits, having due regard to reliability, affordability, and resource adequacy.

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4.	Stage – II of Singareni Thermal Power Project may start power generation from the year 2030. The new Green Energy Policy of Government of Telangana aims to install 20,000 MW new renewable energy capacity in the state by 2030. If this renewable energy capacity is achieved there will be no need for the new Singareni thermal power plant. The Commission through an order dated 24-09-2025 in O.P. No. 32 of 2025 gave consent to procure 4,000 MW solar power under KUSUM-A component. The Commission approved two battery energy storage system (BESS) projects with aggregate capacity of 375 MW/ 1500 MWh through an order dated 24-06-2026 in O.P. Nos. 10 and 13 of 2026. The TGDISCOMs have filed petition O.P. No. 33 of 2026 for consent to procure RE power consisting 800 MW wind power, 6000 MWh (1000 MW X 6h) BESS, 2000 MW Re-RTC, and 2000 MWh (500 MW X 4h) peak FDRE units. Some time back the State Government of Telangana had entered in toMoUs with several developers to setup solar power plants with aggregate capacity of nearly 6,000 MW. These interventions show that the Government of Telangana is serious about its plan to install 20,000 MW new renewable energy capacity by 2030. The Government of Telangana also aims to install 40,000 MW new renewable energy capacity by 2035. In the background of these proposals there is no need for the new Singareni thermal power plant.	TGDISCOMs respectfully submit that the proposed renewable-energy and storage additions under the Telangana Clean & Green Energy Policy, 2025 are integral to the State's resource plan. However, their timely commissioning and availability as firm round-the-clock supply remain subject to execution, intermittency, storage duration and system-integration requirements. Telangana's peak demand reportedly reaching about 20,018 MW on 16.10.2026. This demonstrates that actual demand may exceed projections significantly due to climatic and seasonal factors. The RAP report by CEA for FY 2025-26 to FY 2035-36 has given the least cost optimal capacity mix required to meet the demand with RPO obligations wherein the thermal contracted capacity required is 13984MW from FY 2029-30. Further, the proposed 800 MW procurement may kindly be assessed as part of resource plan, alongside renewable energy and storage, considering firm-power availability, affordability and consumer interest, rather than on installed renewable capacity alone.
5.	As per Ministry of Power of GoI Order on Renewable Power Purchase Obligation (RPO) Telangana has to procure 43.33% of its power requirements from RE sources by the year 2029-30 and 50.50% by the year 2034-35. These RPO points to primacy to be given to RE sources so that they account for more than 50% of power generation and	The Petitioners respectfully submit that the applicable RPO targets shall be duly complied with. Accordingly, TGDISCOMs have initiated procurement of wind, solar with BESS, RE-RTC and peak FDRE capacity under O.P. No. 33 of 2026.

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	consumption. In this plan of things there is limited or no scope for coal based thermal capacity addition in near future.	However, RPO targets do not eliminate the need for firm and dispatchable capacity. The proposed 800 MW procurement is intended to complement renewable energy and storage in meeting residual demand and ensuring reliable power supply.
6.	6.1 The following extract is borrowed from the TGDISCOMs petition (O.P. No. 33 of 2026) filed before the Commission for consent to procure RE power (para 3.4, pp10-11): “It is submitted that the tariff discovered in the recent Firm and Dispatchable Renewable Energy / RE-RTC (Round-The-Clock) power tenders is highly competitive and compares favourably with the cost of power procured from conventional thermal sources. Unlike conventional Renewable Energy sources such as solar or wind which are intermittent and infirm in nature, RE-RTC power, being backed by a combination of solar, wind, and storage/balancing power, is capable of supplying firm and dispatchable power on a round-the-clock basis, thereby serving the base load requirement of the distribution licensee in a manner similar to that of a conventional thermal power plant. This ensures grid stability and reliability of supply, while simultaneously reducing dependence on fossil fuel-based generation. Furthermore, one of the significant advantages of procuring power under such RE-RTC arrangements is that the tariff so discovered remains fixed and constant throughout the term of the Power Purchase Agreement, thereby providing long-term price certainty and insulating the Distribution Licensee and its consumers from future tariff escalations. This is in stark contrast to the tariff of thermal power plants, which is	It is respectfully submitted that TGDISCOMs’ submissions in O.P. No. 33 of 2026 regarding the benefits of renewable round-the-clock power remain relevant. TGDISCOMs do not contend that firm renewable power cannot serve base-load requirements. The proposed SCCL capacity is intended to address base load requirement and peak hour demand. Its comparative economics should be considered alongside renewable round-the-clock alternatives on the basis of equivalent supply obligations, commissioning timelines and landed costs.

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	subject to periodic escalation on account of fuel cost adjustments, increase in coal prices, and other variable cost components, resulting in a year-on-year increase in the landed cost of thermal power over the life of the PPA. Consequently, procurement of RE-RTC power not only results in long-term cost savings and tariff stability for the consumers but also enables the Distribution Licensee to progressively reduce its exposure to volatile fuel linked costs. In addition to the above economic and operational benefits, procurement of power from such RE-RTC schemes/tenders shall also enable the Distribution Licensee to meet/fulfil its Renewable Purchase Obligation (RPO) / Renewable Consumption Obligation (RCO) targets as stipulated under the applicable Regulations/Orders of the Hon'ble Commission, thereby ensuring regulatory compliance while simultaneously securing affordable, reliable, and clean power for its consumers. In view of the above, the Petitioner submits that procurement of power through such RE-RTC tenders/schemes is in the interest of the consumers and is consistent with the larger national policy objective of promoting renewable energy integration while ensuring grid security and long-term tariff affordability.” 6.2 The above paragraph cogently places the need to promote RE vis a vis coal based thermal power. The emergence of different storage options has addressed to a large extent problems related to intermittency faced by renewable energy sources like solar and wind. In the background of global warming and climate change it is imperative to promote renewable energy sources and give up fossil fuel based thermal power plants. Recent technological advances in	

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	energy storage provides impetus for adopting RE. In this context proposed procurement of thermal power from Stage-II of Singareni Thermal Power Project shall not be allowed.	
7.	In a recent bidding held in Rajasthan to select developers to install solar + BESS the realized tariff is in the range of Rs. 3.42 to 3.54 per unit. Tariff claimed by Singareni Thermal Power Project Stage-I for FY 2024-25 was Rs. 6.782/kWh. In the case of Stage-II plant coal will be sourced from Naini coal fields located in Odisha. Because of higher coal transportation cost tariff of Stage -II will be much higher than the Stage-I plant. This shows that, not only environmentally but also financially, RE combined with storage is preferable to coal based thermal power plants.	TGDISCOMs respectfully submit that the Rajasthan tariff of Rs. 3.42– Rs.3.54/kWh pertains to solar projects with four-hour BESS and a specified supply profile and is, therefore, not directly comparable with firm and dispatchable thermal power. Further, the tariff of Rs. 6.782/kWh cited is not the actual per-unit cost of Stage-I. The actual cost was Rs. 5.15/kWh for FY 2024-25 and approved cost for FY 2025-26 is Rs. 5.23/kWh (Approved in RST Order dated 29.04.2025).The recently discovered tariffs for RE-RTC tenders by SECI are higher (Rs. 5.25- Rs. 5.26/kWh) than the actual Stage I per unit for FY 2025-26, even before considering applicable trading margin and GNA/transmission charges. Further, DPR estimates the levelized cost of the proposed Stage-II project at Rs. 5.27/kWh. Accordingly, the comparative economics may kindly be assessed using the correct and comparable tariff figures, supply profile and landed cost, subject to prudence check and final tariff determination by the Hon'ble Commission.
	Response to M. Venu Gopal Rao	
1.	To justify need for procurement of 800 MW of thermal power from stage II of STPP, TGDISCOMs relied on projected demand growth	The Petitioners respectfully submit that the requirement for the proposed 800 MW capacity has been assessed

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	up to 2035-36 as per the report of the Central Electricity Authority. The DISICOMs have contended that CEA has published the Report on Resource Adequacy Plan (Generation) for the State of Telangana (2025-26 to 2035-36), Version 2.0, dated January 2026, considering the latest demand growth of Telangana, and has recommended addition of coal based capacities to meet the State's base load demand reliably, along with Wind/ Hydro/ other RE based capacities. However, the DISCOMs have to examine the same on the basis of ground realities of availability, requirement and surplus/deficit of power as the base for requirement of future addition of installed capacities to meet growing demand for power in the state, ensuring equilibrium between demand curve and power mix to the extent technically practicable. We request the Hon'ble Commission to examine the following points, among others.	based on the latest demand projections and the diversified capacity mix recommended in the CEA Resource Adequacy Plan for Telangana dated January 2026, including coal, renewable, wind, hydro and storage resources. The assessment also considers ground-level factors such as actual availability, retirement or expiry of existing capacity, demand growth, planned capacity additions and projected energy and peak deficits. Accordingly, the proposed procurement may kindly be examined by the Hon'ble Commission within the overall resource-adequacy framework, balancing reliability, economy and consumer interest.
2.	For the FY 2026-27, TGDISCOMs projected, in their submissions on ARR and tariff revision, energy availability of 1,13,006 MU, requirement of both the DISCOMs as 1,01,981 MU and surplus as 11,025 MU. The projected availability of power was without considering availability of 1000 MW from CSPDCL the dispute relating to which is pending before appellate authority. What is the latest actual position for the current financial year? What are the details pertaining to availability, actual demand met, surplus, peak deficit, market purchases, backing down and fixed charges paid for the same and sales made by TGDISCOMs vis a vis projections made by the CEA, TGDISCOMs and TGERC during the last five years? Those trends need to be analysed objectively as	The Petitioners respectfully submit that FY 2026-27 is ongoing and the final actual position will be available only after completion of annual energy accounting and reconciliation. Further, an annual energy surplus does not necessarily establish adequacy during every time block, particularly during peak-demand periods. Telangana's peak reaching about 20,018 MW in October 2026, exceeding CEA's FY 2026-27 projection of 19,953 MW even before summer 2027. This demonstrates the need to account for variability and demand uncertainty in resource planning. Accordingly, adequacy should be assessed not merely

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	to why substantial variations have been taking place between projections made by the CEA and DISCOMs and determined by the Commission and actual position over the years to make realistic estimates and periodical corrections of all relevant factors from time to time, instead of mechanically sticking to the projections made by the CEA, the DISCOMs and the Commission for the respective control periods. Such an exercise has been found wanting in the relevant petitions, including the subject petition, of the DISCOMs and orders of the Commission.	on annual energy availability but also on peak demand, time-block availability and firm capacity requirements.
3.	Installed capacities contracted under PPAs in force cannot be wished away. The reasons for not availing or not making available generation and supply of power by TGDISCOMs and different generators, as the case may be, under the obligations of PPAs need to be analysed objectively and necessary remedial steps be taken to make optimum utilisation of available installed capacities to meet demand and reduce the imbalances between demand curve and power mix to the extent technically practicable. The move of the DISCOMs going in for battery energy storage capacities, etc., is in that direction, though its financial and technical efficacy is yet to be seen.	The Petitioners respectfully submit that the existing contracted capacities are duly considered while assessing resource adequacy. Their actual availability may, however, vary due to outages, fuel constraints, technical limitations and other operational factors governed by the respective PPAs. The TGDISCOMs shall continue to pursue optimum utilisation of existing capacities through appropriate scheduling and remedial measures. Nevertheless, the requirement for additional firm capacity must be assessed with reference to dependable availability during peak periods and the State's projected demand, rather than installed or contracted capacity alone.
4.	After taking into account 800 MW of contracted capacity from KTPS Stage-V scheduled to expire in FY 2029-30, followed by another 500 MW from KTPP Unit-I in FY 2035-36, this would lead to a total capacity loss of 1,000 MW. This would result in shortfall of thermal capacity by	It is respectfully submitted that TGDISCOMs agree with the stakeholder's observation that capacity additions should be undertaken in a phased manner to meet growing demand and improve alignment between the

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	1,386 MW by FY 2031-32 as against the requirement projected by the CEA, the DISCOMs have submitted, the DISCOMs have contended. Furthermore, the DISCOMs have submitted that, even after considering this Project, a residual energy and peak deficit would remain, which TGDISCOMs propose to address through the other capacity additions, under separate proceedings before the Hon'ble Commission. It implies that addition of installed capacity should take place periodically in a phased manner to meet growing demand. It needs to be reiterated that this process also should lead to reduction of imbalance between demand curve and power mix substantially.	demand profile and the power supply mix. The proposed 1X800 MW SCCL Stage-II Project is one component of this broader planning approach. In addition to the proposed Project, the State is planning the following power procurements: 1. Standalone wind: 800 MW of wind generation capacity for 25 years. 2. Solar with battery storage: 3,000 MW of solar capacity sanctioned under the Telangana Green Energy Policy, integrated with 6,000 MWh of battery energy storage (1,000 MW for six hours), for 25 years. 3. Round-the-clock renewable power: 2,000 MW of renewable energy round-the-clock power, integrated with an appropriate energy storage system, for 25 years. 4. Peak power: 2,000 MWh of peak firm and dispatchable renewable energy, corresponding to 500 MW for four hours, for 15 years. These planned procurements demonstrate that the proposed capacity additions are not confined to thermal generation but include renewable energy and storage-backed supply. The overall planning approach is intended to address both energy requirements and peak demand, while improving alignment of the supply portfolio with the State's demand profile. Accordingly,

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		the proposed SCCL Stage-II Project should be considered alongside these complementary procurements, rather than as a standalone measure to address the entire demand-supply gap.
5.	The DISCOMs have underlined that the subject unit would enable them in meeting growing power requirements in the State in an economic and reliable manner. However, the DISCOMs have not explained how economical power from the subject unit would be, with their submissions that “SCCL will, in due course, file an appropriate petition before the Hon’ble Commission for determination and approval of the tariff.” There is no competitive bidding for procurement of the subject capacity. When that 800 MW would be required by the DISCOMs and when SCCL would declare commercial operation of the unit need to be explained and justified. In the executive summary of the DPR, it is pointed out that “the proposal is to establish 800 MW coal based SCCL Thermal Power Project for the benefit of Telangana State during 2026-27 ‘Period. SCCL has retained the services of NTPC Ltd. to prepare the Detailed Project Report for the proposed 800MW Singareni ‘Thermal Power project.” What is the factual position?	It is respectfully submitted that the DPR estimates the first full-year cost of energy at Rs. 5.61/kWh and the levelised cost at Rs. 5.27/kWh. These are indicative estimates, not approved tariffs or conclusive evidence of competitiveness. The proposed procurement envisages tariff determination by the Hon’ble Commission under Section 62 of the Electricity Act, 2003, rather than tariff discovery through competitive bidding. The capacity requirement is linked to the projected thermal shortfall by FY 2031-32. However, the DPR envisages commercial operation within 48 months from the zero date. Currently, civil construction works are progressing at various project facilities. PCC and RCC foundation works at the Boiler and Electrostatic Precipitator (ESP) have been substantially completed, while works at the Main Power House and Balance of Plant (BOP) facilities are progressing at different stages. The cumulative progress of the presently planned facilities stands at 56% for excavation, 48% for backfilling, 55% for PCC and 43% for RCC foundations. Material supplies have also been received from various

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		manufacturing units, including boiler columns and structural items, ESP and boiler auxiliaries.
6.	The DISCOMs have maintained that due to policy enablers, major IT players have announced plans for setting up Data centers in the State and have also commenced the project activities. It may be noted that this would add substantially to round-the-clock power demand. As per the policy, if any, of the government, are the DISCOMs going to supply power to data centers or are the latter themselves going to make their own arrangements for supply of power?	It is respectfully submitted that the Telangana Data Centres Policy, 2016 envisages reliable grid supply while also permitting renewable energy procurement through open access and encouraging captive generation. Thus, the policy does not require data centres to meet their entire power requirement through their own arrangements, nor does it envisage exclusive dependence on DISCOM supply. Accordingly, the demand attributable to TGDISCOMs should be assessed based on each data centre's contracted supply requirement, commissioning schedule and alternative procurement arrangements, rather than treating its entire announced power requirement as DISCOM demand.
7.	The adverse impact of avoidable additional burdens being imposed on the consumers of power of TGDISCOMs is being felt on account of abnormal delay in execution of the projects, resultant escalation in capital cost, interest during construction, increase in need for purchasing corresponding quantum of power in the market at higher prices, as experience has been confirming repeatedly in cases such as Bhadradi project, Yadadri project, projects of SCCL and some of the private power projects whose power would be supplied through entities of the Union Government such as NTPC, SECI and NHPC (as in OP No.21 of	It is respectfully submitted that TGDISCOMs note the stakeholder's concern regarding timely scrutiny and avoidable consumer burdens arising from project delays. In the present case, the PPA has been placed before the Hon'ble Commission for consent. Article 7.1.2 requires SCCL to approach the Hon'ble Commission for tariff determination before commercial operation, while Article 7.2 expressly subjects capital expenditure to the Commission's approval. Consent to the PPA should therefore not be construed as automatic

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	2026 in IA No.18 of 2026 which is pending before the Hon'ble Commission, with no response from the latter to our request to hold public hearing on the same). In view of such deleterious experience over the years, we have been repeatedly submitting to successive Commissions to direct the DISCOMs to submit petition for determination of capital cost of the project concerned, tariff and PPA, shortly after the same is signed by the parties concerned for consideration and consent of the Commission, instead of filing petitions separately with an abnormal time gap for approval for entering into agreement for procurement of power, tariff and PPA, but to no avail. Petitions for consent of the Commission to the PPAs are being filed by the DISCOMs, after declaration of SCOD or a few months before original or revised SCOD and considered by the Commission. This kind of fragmented filing and taking up of the same by the Commission separately is facilitating the developers of the power plants concerned to get themselves absolved of their responsibility for abnormal delay in declaring SCOD and start generation and supply of power to the DISCOMs, much to the detriment of the latter and their consumers in various ways such as increase in capital cost, tariffs and forcing the DISCOMs to purchase power in the market at higher prices to meet their demand due to failure of the developers to supply contracted power as per original schedule agreed in the agreements. Relating to the subject unit, it is welcome that TGDISCOMs have signed the PPA on 29.9.2026 and filed OP No.32 of 2026 seeking consent of the Commission. It	approval of capital cost, cost escalation or tariff.

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	would be better, if petition for determination of tariff also is filed and considered simultaneously by the Hon'ble Commission.	
8.	In the PPA between TGDISCOMs and SCCL signed on 29.9.2026, it is incorporated that “the capital expenditure of the unit shall be initially taken as Rs. 9595.99 crores projected in detailed project report as per Annexure-1 and shall be updated by revised cost estimates approved by the SCCL board from time to time limited to actual capital expenditure recorded in SCCL's books of accounts and subjected to approval of TGERC.” This cost of project projected for the 3rd quarter of 2024-25 includes interest during construction of Rs.999.20 crores. The capital cost of the project works out to Rs.11.99 crore. COD of the project is envisaged in 48 months for expansion project from zero date. On the face of it, the projected capital cost of the subject expansion unit is very high and prohibitive. By the time the project is completed in all respects, its capital cost may increase further.	It is respectfully submitted that the projected capital cost of Rs. 9,595.99 crore, equivalent to Rs. 11.99 crore per MW, is an estimate and not an approved capital cost. Annexure-I of the PPA specifies interest during construction of ₹995.20 crore, rather than ₹999.20 crore stated in the observation. Under Article 7.2, any revised expenditure remains subject to approval of the Hon'ble Commission. Approval by SCCL's Board or recording expenditure in its books does not, by itself, establish entitlement to recovery through tariff. The reasonableness of the projected cost and any subsequent escalation must therefore be substantiated by SCCL for the Commission's scrutiny; consent to the PPA does not constitute automatic acceptance of such costs.
9.	In the detailed project report, it is pointed out that “as per EC report dated 18-12-2019 the daily coal requirement for MW units shall be about 4.05 MTPA based on Gross Calorific Value of 3550 kcal/kg at 90% PLF. The coal is proposed to be met from Naini coal block. The daily maximum coal requirement shall be about 12340 tonnes at 100% PLF.” It is further pointed out that “Naini mines have been allocated to SCC1, for their original 3x600MW power project, As MOEF has advised to go for super critical technology power generation for Unit-3. Now, SCCL shall approach MOC for getting the same allocated to	It is respectfully submitted that the DPR envisages coal supply from the Naini block and records the need for SCCL to obtain approval for its utilisation for the revised configuration of 2×600 MW to 1×800 MW. The concern regarding transportation cost is noted. However, the economic comparison should consider the total landed cost of coal and resulting generation cost, including coal quality, availability and transportation, rather than transportation cost alone.

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	2x600MW and 1x800 MW.” Needless to repeat that for transportation of coal from Naini block in Odisha to the subject project leads to avoidable additional cost substantially compared to cost of transportation of cost of coal from the coal blocks of SCCL in Telangana. Earlier, TGERC directed to get allocation of coal to the thermal projects of SCCL from the latter’s blocks in Telangana. Requesting the Union government to allocate coal accordingly, SCCL also confirmed then that coal from its block in Telangana was available for the purpose. However, the Modi government continued to be persistent with its irrational decision of allocating coal to the thermal projects of SCCL from the Naini block. It is continuing its irrational and questionable approach of refusing to allocate coal blocks in Telangana to SCCL, insisting that the latter should participate in the auctioning for allocation of coal blocks. While the DISCOMs are being allowed to enter into long-term PPAs with power projects of the entities of the central and state governments, including SCCL, through the route of MoU, without any competitive bidding, such a consideration for allocating coal blocks in Telangana to SCCL is anathema to the Modi government. Why allocation of coal blocks through auctioning to private companies also is irresistibly attractive to the GoI, instead of directly allocating the coal mines nearer to the coal companies of the governments, is anybody’s guess. The erstwhile TRS government also did not allow SCCL to participate in the auctioning of coal blocks in Telangana	The admissibility of fuel and transportation costs remains subject to the Hon’ble Commission’s scrutiny. The present procurement proposal should not be construed as acceptance of avoidable additional costs.
10.	Based on the projected capital cost, fixed cost per kWh is worked	It is respectfully submitted that the DPR tariff figures are

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	out as Rs.2.99 and based on costs related to coal from Naini block, variable cost is worked out as Rs.2.62 per kWh. In the DPR, it is shown that for first year of generation of the subject project, tariff for kWh is projected as Rs.5.61 and levelized tariff for the remaining period of the PPA term of 25 years, it is projected as Rs.5.27 per unit. In the PPA, it is incorporated that “stoppage of generation due to problems in power evacuation from generating station shall be treated as deemed generation for the purpose of computation of availability for payment of fixed charges. In case of fuel shortage, the SCCL shall plan maximum generation during peak hours communicated by SLDC by utilizing available fuel.” Primary fuel is explained as “Primary fuel for the project shall be from SCCL coal mines including Naini coal mine or any other approved source.” In other words, for these reasons, fixed and variable costs will increase, if the situation demands accordingly. When coal is allocated to the subject project from the mines of SCCL, procuring coal from “any other approved source” should not arise, especially, when SCCL has to supply coal to its own thermal power project.	indicative estimates, not approved tariffs. The deemed-generation provision in Article 7.3 concerns computation of availability for payment of fixed charges during evacuation-related stoppages; it does not, by itself, increase the approved fixed-charge entitlement. Further, the requirement to maximise generation during peak hours in the event of fuel shortage does not automatically authorize higher fuel-cost recovery. The reference to “any other approved source” permits an alternative fuel arrangement but does not establish its necessity or economic justification. Any such procurement should be supported by evidence of supply constraints, consideration of available SCCL coal and comparative landed costs, with cost recovery subject to the Hon’ble Commission’s scrutiny. Further as per clause 4.3 “.....any such additional cost shall be reimbursed only with the prior mutual consent of SCCL and TGDISCOMs.....”
11.	It is incorporated in the PPA that “TGDISCOMs shall draw electricity against the above contracted capacity limited to the amount of LC opened and maintained by it. Provided that SCCL shall be at liberty not to schedule any power unless adequate payment security as agreed by the parties in this agreement has been provided and made available all the time during the validity of this agreement.” Furthermore, relatively higher variable cost would render the subject project	It is respectfully submitted that the letter of credit and escrow provisions are intended to secure payment obligations. However, their associated costs and the consequences of inadequate payment security require consideration in assessing the overall procurement cost and supply reliability. The concern regarding backing down is noted. A higher

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	vulnerable to backing down its capacity to the extent permissible and required, thereby imposing the burden of payment of avoidable fixed charges for such backing down on consumers of the DISCOMs. In the PPA, it is provided for letter of credit and escrow account the burdens of which would be imposed on the DISCOMs, i.e., their consumers of power.	variable cost may affect scheduling, while admissible fixed charges may remain payable despite reduced generation. Accordingly, the project's economics should be assessed against the expected utilisation and the overall supply portfolio, rather than the indicative tariff alone. Neither payment-security costs nor fixed charges should be treated as automatically recoverable from consumers without the Hon'ble Commission's scrutiny.
12.	In the PPA, it is incorporated that for Singareni Thermal Power Project (Ix 800 MW) Stage II, the technical minimum limit, ramp up/down and scheduling of power of Generating unit shall be in line with Grid Code (SEGC/IEGC) Regulations/CEA (Flexible operation of Coal based thermal power generating units) Regulations, 2023 as amended from time to time. In the absence of any dispatch instructions from TGS LDC, the Unit will operate according to the day ahead capacity notice furnished by SCCL. It is further incorporated that stoppage of generation due to problems in power evacuation from generating station shall be treated as deemed generation for the purpose of computation of availability for payment of fixed charges. It is incorporated in the PPA that notwithstanding the following, Station shall be deemed as available to the extent of DC declared by the station for any time period: (a) Failure on account of TGDISCOMs to transmit and wheel electricity from the Ex-Bus of the station in coordination with TGTRANSCO. (b) Any other reason not attributable to SCCL restricting scheduling and despatch of capacity at the Ex-Bus of the station. While the DISCOMs have to pay fixed charges for	It is respectfully submitted that, deemed availability for evacuation constraints should not be construed as protection against failures attributable to SCCL. Further, the reference to 90% plant load factor requires clarification as to whether it represents a planning assumption or an enforceable supply obligation. Declared availability below NAPAF will entail reduction in AFC proportionately. The suggestions for liquidated damages for commissioning delays and remedies for attributable supply shortfalls merit examination conditions of, or before, the Commission's consent to the PPA, with clearly defined milestones, performance obligations, exclusions and consequences will be taken up in the petition for determination of Capital Cost. TGDISCOMs respectfully submit that these safeguards may be considered by the Hon'ble Commission to protect consumer interests, alongside scrutiny of deemed-

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	backing down the scheduled capacities declared available by SCCL, and for failure to transmit and wheel electricity from the ex-bus of the station due to failures of TGTRANSCO, the DISCOMs have to pay fixed charges. However, no penalties are proposed to be paid by SCCL to the DISCOMs for delay in execution of the project, and for the failure of SCCL to generate and dispatch power at the threshold level of 90% PLF incorporated in the PPA when the DISCOMs want such a supply. The DISCOMs have been failing miserably in this regard to protect their interests, i.e., the interests of their consumers, and successive Commissions also have been failing to get such clauses incorporated in the PPAs of various projects to protect larger consumer interest. The applicable regulations also have been found wanting in this regard, with successive Commissions failing to consider suggestions for incorporating conditions for imposing liquidated damages for delay in execution of power projects and penalties for failure of the generators to generate and supply power at agreed threshold level of PLF when the DISCOMs want it. We repeatedly submitted detailed reasons for justifying our such suggestions in this regard on a number of earlier occasions, including when applicable regulations of the Commission were made or amended, but to no avail.	availability provisions.
13.	TSPCC had written a letter dated 5.12.2017 to SCCL in response to the proposal of the latter, informing that “TGDISCOMs are willing to enter into long-term PPA with Singareni TPP for purchase of entire 800 MW capacity proposed under Stage II.” It has taken nearly nine	The tariff comparisons cited by the stakeholder merit examination on a comparable basis, considering capital cost, fuel cost, operating assumptions and the period to which each tariff relates. The DPR estimates do not

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	years to sign the said PPA. This is how proposals are being made and PPAs signed. Such a casual approach makes desirability of such proposals questionable. For the earlier thermal power projects of SCCL, TGERC disallowed substantial part of fixed cost against which SCCL went in appeal. The present state government has been expressing concern over very high tariff of nearly Rs.6.66 per unit of the mismanaged Yadadri thermal power project against Rs.4.29 per unit of the earlier projects of SCCL and Rs.4.63 per unit of thermal plants of NTPC. In such a situation, whether entering into PPA with SCCL for supply of power from the subject project at the projected very high tariff is desirable and prudent is the moot point which the Hon'ble Commission is expected to examine and decide in a prudent manner to safeguard larger consumer interest.	constitute an approved tariff or establish cost competitiveness. Accordingly, consent to the PPA should not be construed as acceptance of the projected capital cost or tariff, which remain subject to the Hon'ble Commission's scrutiny to safeguard consumer interests.
14.	We request the Hon'ble Commission to provide us an opportunity to make further submissions before and during public hearing, after receiving and studying responses of the DISCOMs	Under the purview of the Hon'ble Commission