



GAYATRI POWER

PRIVATE LIMITED

Date: 27.11.2020

To,
M. Venugopala Rao
Senior Journalist & Convener, Centre for Power Studies
H.No.1-100/MP/101, Monarch Prestige,
Journalists' Colony, Gopanpally,
Serilingampally Mandal,
Hyderabad - 500 032

Dear Sir,

Sub:- Replies to the Objections submitted to the Hon'ble Commisison on 23rd November 2020 – Reg.

I am enclosing the replies to your objections on the supply of power from M/s.Gayathri Power (P) Ltd, as an annexure to this letter for your kind reference. Kindly acknowledge the receipt of the same.

Encl: as above

Yours faithfully

For Gayathri Power (P) Ltd,

B. YaagnaValkya
Director

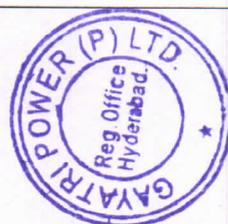


Copy to:

The Secretary, TSERC, 5th floor, Singareni Bhavan, Red Hills, Hyderabad – 500006 (along with annexuers) for kind reference.

Replies to Sri M. Venugopal, Sr, Journalist, Serilingampally, Hyderabad Objection

SI.No.	Raised Objection	Reply given to objection
1.	<p>It is contrary to the standard practice that a public notice issued by the Managing Director of a private company, here, Gayatri Power Pvt. Ltd., seeking determination of tariff for its power plant by the Hon'ble Commission is appearing in the web site of the Commission.</p> <p>Except for determination of ARR and tariff proposals of the Discoms, public notices are being issued by the Hon'ble Commission on petitions filed before it or proposals taken up suo-motu, inviting suggestions, objections and views from interested stakeholders and the public.</p> <p>Since it is the Hon'ble Commission which is hearing the petitions, <u>it should invite suggestions, objections and views from interested public.</u></p>	<p>The public notice was published in newspapers as per the directions of the Hon'ble Commission. Initially the public notice was directed to be published under the name of Hon'ble Commission and later on 6th November 2020 it was directed to modify it on to the name of Gayathri Power in newspaper publication and we had executed the directions of the Commission accordingly in absolute compliance of the Hon'ble commission orders.</p>
2.	<p>The subject issue is not a question of determination of generic tariff which is also objectionable in view of need for following competitive bidding for selection of a developer/supplier for purchase of power by the Discoms to ensure competitiveness of tariffs and protecting larger consumer interest.</p>	<p>From way back in 2016 onwards, the Hon'ble Commission was keen to fix the tariff for our project under project specific tariff as per its letter Dt.17.10.2017 addressed to M/s.GPPL and therefore, Hon'ble Commission directed M/s.GPPL to file an appropriate petition u/s 62afresh to seek the tariff determination for our project. The same directions of the commission compiled by us. <u>(copy of the above letter is enclosed for reference).Annexure-1)</u></p> <p>As far as competitive bidding is concerned as submitted, the process of PPA started in the year 2016 and besides even as of now in the absence of any guidelines being prescribed by central government. U/S 63 of electricity act 2003, the commission is right in either determining generic tariff or project specific tariff U/S 62 of Electricity act 2003.</p>
3.	<p>A private generator of power is not a licensee of the Commission. Discoms are licensees of the Commission. Unless and until the Discom/Discoms concerned approach the Hon'ble Commission with a proper petition seeking its approval for purchase of power through a power purchase agreement and determination of permissible tariff for specific period, the question of the Hon'ble Commission initiating its regulatory process does not arise. Even if such a PPA is entered into between the Discom and developer of</p>	<p><u>Reply for items-3, 4 & 5:</u></p> <p>for The PPA was executed with TSSPDCL on 21st October 2016 as per the directions of the Hon'ble Commission initially. Later in 2017, the Hon'ble Commission felt the need for incorporation of new clause on auxiliary consumption afresh which was omitted in the already signed PPA in 2016. Hence, the Hon'ble Commission directed TSSPDCL to enter a revised PPA duly incorpora-</p>



	<p>the project concerned and submitted to the Hon'ble Commission by the developer, the Discom must invariably be the respondent.</p> <p><u>The subject petition does not fulfill these fundamental prerequisites of the regulatory process of the Commission.</u></p> <p>As objectors from the public side, we support or question the stand of the Discoms depending on how it benefits the consumers or affects their interest, as the case may be.</p>	<p>ting the missing clause with us vide their letter Lr No.T-55/JD (LAW)-I/D No,622, dated 17.10.2017 addressing the TSSPDCL.</p> <p>The same was conveyed to us by the TSSPDCL vide its letter No.CGM(IPC&RAC)/SEIPC/F.Gayatri-Mini/D.No1116/17, Dt.08.11.2017 by CGM(IPC&RAC).(Copy enclosed –Annexure-2). TSSPDCL in the said letter stated that TSERC accorded “in-Principle” consent for the new draft PPA without determination of Tariff for the</p>
4.	<p>It is for the Discoms to establish need for purchasing power from a power plant, not for developers of the project concerned or other agencies like the erstwhile NEDCAP or the present NREDCAP. Since the subject plant is a mini hydel power plant, it is for the Discom concerned to establish whether it should enter into a PPA with that plant to meet its obligations under renewable power purchase obligation order in force. <u>The way in which the subject petition is being taken up by the Hon'ble Commission gives scope for the Discom concerned to escape from its primary responsibility of establishing need for purchasing power from the subject project.</u></p>	<p>project. Hence, M/s.GPPL was informed as follows:</p> <p><i>“it is to inform that the PPA will be executed only after determination of tariff for the project by the commission In view of the above, you are requested to approach the commission for determination of tariff for the project to execute PPA”.</i></p> <p>Therefore M/Gayathri Power Private Limited had to approach the Hon'ble Commission to seek the determination of tariff for the project at which the energy needs to be supplied to the already agreed TSSPDCL in the year 2017 itself, but not on our own</p>
5.	<p>Without establishing need for purchasing power from a power plant/supplier by the Discoms and without entering into a PPA between the parties concerned, <u>determination of capital cost and tariff for a power project, that, too, based on a petition filed by the developer of the project concerned, would be an infructuous exercise. It is like putting the cart before the horse.</u></p>	<p>accord under any circumstances as explained above. In this regard, please refer to the Commission letter Lr No.T-55/JD (LAW)-2/D No,623, dated 17.10.2017.(copy enclosed as Annexure-1)</p>
6.	<p>The petitioner, in his letter dated 28.6.2018 addressed to the Hon'ble Commission, informed that <i>“the respondents have issued a letter to the petitioner confirming that the PPA will be concluded only after the tariff is determined by the Hon'ble Commission.”</i> <u>If TSSPDCL was the respondent, it should have filed its counter in the subject petition, explaining its stand on the need for purchasing power from the subject power plant and its responses to the</u></p>	<p>Reply for Item 6 & 7:</p> <p>The Correspondence the TSSPDCL made in the year 2018 & 2019 if any would be available only with the Hon'ble Commission and it is the Commission to upload the relevant counter response from the DISCOM.</p> <p>As per the RPPO Obligation Regulation No.2 of 2018, Dt 30.04.2018, the Discom shall comply the RPPO</p>



<p><u>capital cost and tariffs claimed by the petitioner in the subject petition.</u></p> <p>The documents uploaded in the web site of the Commission do not contain a copy of counter, if any, filed by the respondent. Though a lot of correspondence went on between the petitioner and the Hon'ble Commission, as the papers uploaded in the latter's web site show, no correspondence between the Commission and TSSPDCL seems to have been taken place. When the Hon'ble Commission had decided to take up the subject petition for hearing, it should have directed the respondent Discom to file its counter and uploaded the same in its web site. It gives scope for the unwarranted impression that, apart from the petitioner, it is the Hon'ble Commission, not the Discom concerned, which is interested in the subject issue.</p> <p><u>The opinion of the Discom, as quoted by the petitioner, that PPA will be concluded only after the tariff is determined by the Hon'ble Commission shows that the Discom is arrogating to itself the authority to decide the regulatory course the Hon'ble Commission should adopt in the subject matter.</u></p>	<p>Obligation (both Solar & Non-Solar) in FY 2020-21 is 7% & 8% in 2021-22.</p> <p>However, in response to our fresh petition made for fixation of Tariff u/S62 as directed, the TSSPDCL had file the counter affidavit to the Hon'ble Commission in the year 2020 vide their letter <u>No.CGM(IPC&RAC)/SE(IPC)/F.OP NO.57/2018/D.No.376/20, Dt.09.09.2020.</u> (The same is enclosed as Annexure-3).</p> <p>In the above Counter the TSSPDCL has taken a U-turn on entering into an agreement on the grounds that the earlier agreement entered in was only a draft PPA, so they request TSERC to disregard the already entered agreement and not to determine the tariff. Which is very much against the gentleman agreement entered already and for which their Hon'ble Commission had given an In-Principle consent for the draft PAA already entered in 2016 with subsequent amendments to it.</p> <p>While furnishing the counter reply by TSSPDCL on 9th September 2020, they instead of providing the prevailing the obligated RPPO obligation in FY 2019-20 or even the latest, they have only indicated the RPPO obligation pertaining to FY 2017-18. This information is irrelevant as pertaining to the past year rather than providing the latest position regarding their RPPO Obligation status.</p>
<p>7. If the Hon'ble Commission has not directed the respondent Discom to file its counter in the subject petition, it gives scope for the Discom to shirk its responsibility of establishing need for purchasing power from the subject power plant, and evade its responses to the submissions made by the petitioner in the subject petition relating to capital cost of the power plant, term of PPA, tariff, etc., on the one hand, and shift onus on to the Hon'ble Commission, on the other. The Hon'ble Commission is not expected to provide such an escape route to the respondent Discom to give a go-by to its responsibility and accountability to the Commission and the consumers of power at large.</p>	
<p>8. The installed capacity of the subject plant may be small, but it is not a question of quantum; it is a question of principle in terms of meeting regulatory</p>	<p>M/s. Gayathri Power (P) Ltd has approached the Hon'ble Commission for tariff determination with a view to bring</p>



	requirements.	finality to the PPA already signed & consented in principle by the Hon'ble commission.
9.	The submissions of the petitioner make it clear that they are seeking determination of tariff for their plant by the Hon'ble Commission with a view to entering into a PPA with the respondent Discom. PPA, as approved by the Hon'ble Commission, is or should be the basis for the Discom to purchase power from the power plant concerned. Here, in the subject petition, it is upside down.	
10.	The petitioner Company, in their letter dated 28.6.2018, submitted to the Hon'ble Commission, maintained that, "if the Hon'ble Commission opines that the draft PPA is necessary for adjudication of the present petition, the Hon'ble Commission may direct the respondent for the production of draft PPA at the time of hearing." Without the Discom and the subject developer signing a PPA, with mutually agreed terms and conditions, production of so-called draft PPA at the time of hearing the subject petition would not meet regulatory requirements. Signing of PPA by the Discom with the subject company will imply that that power from the power plant is required to meet demand or the Discom's obligations under RPPO in force. Even then, the Discom has to substantiate and justify need for power from the subject plant in clear cut terms. Moreover, the Hon'ble Commission, which has not directed the respondent Discom to file counter in the subject petition, is not expected or empowered to direct the Discom to produce draft PPA, unless the latter is willing to respond to the submissions made by the petitioner in the subject petition. When the Discom has not approached the Hon'ble Commission seeking its approval for purchasing power from the subject plant, the question of the Hon'ble Commission directing the Discom unilaterally to submit draft PPA does not arise.	Reply for items 10 & 11 PPA is already signed on 31.10.2016 and submitted to the Hon'ble commission for its consent. The Hon'ble commission has in fact given in principle consent by Lr No.T-55/JD (LAW)-1/D No.622, dated 17.10.2017 and is in the process of attaining finality in as much as the PPA contemplates that even the tariff should be determined by the Hon'ble commission. The process of regulating power purchase through agreed PPA as per Sec. 86(1) (b) is already done by the Hon'ble commission by granting in principle approval and the process of determination of tariff U/S 62 is being undertaken presently.
11.	The submission of the petitioner that, "if the Hon'ble Commission opines that	



	<p>the draft PPA is necessary for adjudication of the present petition, the Hon'ble Commission may direct the respondent for the production of draft PPA at the time of hearing," is questionable. It is the responsibility of the petitioner to enter into a PPA with the Discom for selling power from its subject project, submit the same to the Commission for its consideration and approval and determination of capital cost and tariff. Having failed to meet such regulatory requirements, the petitioner is trying to shift their responsibility to the Hon'ble Commission, as if it were the responsibility of the Commission to direct the Discom to submit the draft PPA claimed to have been entered into with the petitioner. Though the petitioner has claimed that the said letter issued by the 2nd respondent is already submitted to the Hon'ble Commission along with letter dated 28.5.2020, the same do not figure in chronological and running index submitted by the petitioner. When the draft PPA was entered into and what it contains are thus hidden from the public gaze in the regulatory process.</p>	
<p>12.</p>	<p>In the above-mentioned letter, the petitioner submitted that "O.P.No.2 of 2017 was filed before this Hon'ble Commission for determination of tariff without filing draft PPA and the same has been entertained by the Hon'ble Commission and the same is reserved for orders. Therefore, petitioner cannot file the PPA as required by the receiving officer."The submissions of the petitioner make it clear that the Discom is reluctant to sign PPA, and that the petitioner Company is unable to enter into any agreement with the Discom for sale of power from its plant or even to convince the Discom to enter into a PPA to meet regulatory requirements in the subject petition. Though the petitioner pointed out that orders of the Commission in O.P.No.2 of 2017 were reserved, obviously, no order has been issued by the Commission so far. Whether the Hon'ble Commission would issue its</p>	<p><u>Reply for Item-12 &13:</u></p> <p>We have been sincerely pursuing the issue of seeking consent of PPA and the process of tariff determination with Hon'ble Commission as well as with the TSSPDCL constantly since October 2016 untiringly.</p> <p>The Issue is still in live due to our constant and unflinching effort to accomplish the finality to PPA with TSSPDCL and supply entire power from the project duly cancelling the energy supply under IEX and other modes. There is no lapse that can be attributed on the part of the M/s. GPPL in following up the pending issue. It was already indicated in our petition and the rejoinder also that in the initial years due to production of excess energy, we were forced to pay penalties for no reason and just because the energy supplied is far above contracted energy as the plant has the potential to</p>



	order in the said O.P. is also doubtful.	generate more energy. The production of power is subdued solely due to the absence of signed agreements for total capacity of plant, but the plant has the capability to generate more power than what has been indicated in our records.
13.	The petitioner has submitted that their subject plant was commissioned on 22.10.2014. Filing of O.P.No.2 of 2017 and the subject petition for determination of tariff, without a valid PPA signed between the petitioner Company and the Discom concerned, even after six years after commissioning the subject plant, shows lack of seriousness on the part of the petitioner to sell power and on the part of the Discom to purchase power therefrom.	
14.	Claiming a levelised tariff of Rs.4.878 per unit for a period of 25 years or a levelised tariff of Rs.4.967 per unit for a period of 35 years, the expectations of the subject developer that the Hon'ble Commission would/should determine the tariff claimed and that the Discom would/should purchase power from their plant at that rate are unrealistic. When tariffs for solar power are being discovered to be much less than Rs.2.50 per unit through competitive biddings in the country, there is no justification in going in for purchase of hydel power from the subject plant at almost double that price, that, too, on a long-term basis.	<p><u>Reply for item 14 & 15:</u></p> <p>The Tariff submitted is based on the normative tariff parameters as stipulated in the Renewable Energy Regulation of 2012 with subsequent amendments. They are submitted for Commission's review and for suitable adjustment if any on their scrutiny in the process of tariff fixation under project specific Tariff.</p> <p>But, the Issue of tariff fixation is pending since 2016 and in 2017 though the PPA is consented in-principle by the Commission, the process is still to be settled.</p> <p>For this reason, the Tariff now prevailing shall not be compared with a project considered in 2017 for tariff fixation.</p>
15.	Power from a mini hydel plant can be generated only when adequate water is available which happens normally during rainy season. If there are good rains, demand for power comes down. The petitioner has submitted that "though the petitioner's project was operated during the period from October, 2014 to March, 2015 & 2015-16 to till now, because of various factors such as low availability of water, regulatory constraints concerning open access and the Transmission charges, open access charges and UI charges etc., as power is being sold to Exchange, it could not successfully run the plant as per the projections." Giving actual capacity utilisation of the plant during the above-mentioned period, which are ranging from a CUF of 25.25% to 4.15% against the CUF of 30% projected by the developer based on certain assumptions, the petitioner has submitted that full capacity of the	



	<p>project can be utilized during rainy season, i.e, for 3 months. For the remaining 4 months, utilization of capacity of the project depends on water released by the department of irrigation to the fields and recycled water released from the fields, the petitioner has submitted. Apart from such factors of uncertainty coming into play hindering generation of power by the plant, the proposed levelised tariff plus royalty to usage of water and other taxes and charges applicable would make tariff of the subject project prohibitively higher and unjustified.</p>	
<p>16.</p>	<p>I request the Hon'ble Commission to direct the respondent Discom to file its counter in the subject petition, if at all it has need for that power and justifiability of the likely tariff, and get the same uploaded in the web site of the Commission and then allow interested public to make their further submissions on the same.</p>	<p>The matter is under the preview of the Hon'ble Commission and we have no comments to offer.</p>
<p>17.</p>	<p>If the respondent Discom is reluctant to respond to the subject petition, and if the Hon'ble Commission does not want to direct the Discom to file its counter, I request the Hon'ble Commission to close the subject petition.</p>	<p>The matter is under the preview of the Hon'ble Commission and we have no comments to offer.</p>





TELANGANA STATE ELECTRICITY REGULATORY COMMISSION HYDERABAD

From:
Commission Secretary,
TSERC, #11-4-660,
5th Floor, Singareni Bhavan,
Red Hills, Hyderabad – 500 004.

To:
The Managing Director,
M/s. Gayathri Power (P) Limited,
H. No. 3-6-521, Flat No. 402,
Charondamaya, Opp: KFC,
Himayathnagar, HYDERABAD – 500029.

Lr. No. T – 55 / JD (LAW) – 2 / D No. 623

Dated: 17.10.2017.

Sir,

Sub:- RENEWABLE ENERGY - Mini Hydel Power Project – M/s. Gayathri Power (P) Ltd., Palkeedu (M), Suryapet (Dt) with 2.2 MW mini hydel plant – Draft power purchase agreement entered with TSSPDCL – Further orders of Commission – Communicated - Reg.

- Ref:- 1. Your Letters dated 28.04.2017 & 21.08.2017.
2. Lr.No.TSERC / Secy / Acc / F-No. T-55 / D. No. 513 / 17 dated 07.09.2017.
3. Your letter dated 25.09.2017.

Adverting to the subject and references cited above, I am directed by the Commission to state as follows:

2. The Commission requires you to file a proper petition under section 62 of the Electricity Act, 2003 for determination of project specific tariff in respect of the 2.2 MW mini hydel project established by you.
3. You are required to file the said petition in accordance with the Conduct of Business Regulation, 2015 (Regulation No. 2 of 2015), levy of the fee by the Commission for rendering the services being Regulation No. 2 of 2016 and all other relevant material required for determination of tariff. The above said regulations are available on the website of the Commission at www.tserc.gov.in.

4. This is for information. You are required to take necessary action as directed above to complete the requirements of the power purchase agreement.

[Handwritten Signature]
Yours sincerely
COMMISSION SECRETARY



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

#6-1-50, Corporate Office, Mint Compound, Hyderabad 500 063
Phone No.(040) 2343 1008 Fax Nos.(040) 2343 1395/1452
website www.tssouthernpower.com

From
The Chief General Manager (IPC & RAC),
TSSPDCL, Corporate Office,
6-1-50, Ground Floor, Mint Compound,
Hyderabad - 500 063.

To
Gayatri Power Private Limited,
#3-6-521, Flat No.402,
Gharonda Maya, Opp: KFC,
Himayatnagar Main Road,
Hyderabad - 500 029.

Lr No.CGM (IPC & RAC)/SE (IPC)/F.GayatriMini/D. No. 1116 /17, dated: 08.11.2017
Sir,

Sub: - TSSPDCL - RE projects - 2.2 MW Capacity Mini Hydel Power Project
setup by M/s Gayatri Power Private Limited, on the Vemuluru Vagu,
near Raghavapuram Village, Palakeedu Mandal, Suryapet District,
Telangana - PPA - Regarding.

Ref: - Lr No.T-55/JD (LAW)-1/D No.622, dated 17.10.2017.

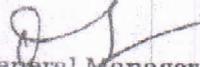
-o0o-

ak

With reference to your request to execute PPA with TSSPDCL, it is to inform
that the Commission vide letter under reference cited above accorded its 'in-
principle' consent to the draft PPA without determination of tariff for the project.

Further, it is to inform that the PPA will be executed only after determination
of tariff for the project by the Commission. In view of the above, you are required to
approach the Commission for determination of tariff for the project to execute PPA.

Yours faithfully,


Chief General Manager/IPC & RAC





Southern Power Distribution Company of Telangana Limited
 #6-1-50, Corporate Office, Mint Compound, Hyderabad 500 063
 Phone No.(040) 2343 1008, Fax Nos.(040) 2343 1395/1452,
 website www.tssouthernpower.com

From
 Chief General Manager (IPC & RAC),
 TSSPDCL, Corporate Office,
 6-1-50, Mint Compound,
 Hyderabad - 500 063.

To
 Commission Secretary,
 TSERC, 5th Floor,
 Singareni Bhavan, Red Hills,
 Hyderabad.

Lr No. CGM (IPC&RAC)/SE(IPC)/F.OPNo.57/2018/D. No. 376 /20, Dated: 09.09.2020.
 Sir,

Sub: - TSSPDCL - IPC - Counter Affidavit against O.P. No. 57 of 2018 filed by
 M/s. Gayatri Power Private Ltd. - Submission - Reg.

Ref:- O.P. No. 57 of 2018 filed by M/s. Gayatri Power Private Ltd.

The Counter Affidavit against O.P. No. 57 of 2018 filed by M/s. Gayatri Power
 Private Ltd., is herewith submitted in six (6) sets for placing before the Commission.

Encl: As stated.

Yours faithfully,

Chief General Manager (IPC & RAC)

Copy to
 Gayatri Power Private Limited, #3-6-521, Flat No.402, Gharonda Maya, Opp: KFC,
 Himayatnagar Main Road, Hyderabad - 500 029.

Copy submitted to
 The Executive Director (Comml.), TSPCC, VS, Hyderabad.

Objection of Sri Thimma Reddy communicated by email on 7th December 2020

S.No	Objection of Sri Thimma Reddy	Response from GPPL
Point-1	<p>Gayatri Power Private Ltd (GPPL) has filed the petition O.P. No. 57 of 2018 seeking determination of tariff for its hydel power plant with a capacity of 2.2 MW. <u>But the same petition is not accompanied by a PPA between the DISCOM within whose jurisdiction the said power plant is located – TSSPDCL in the present case and GPPL.</u></p> <p>The Commission in its letter to GPPL dated 20-06-2018 at Para 1 pointed out, “The earlier objection i.e., without filing the agreement copy entered by petitioner and respondent the petition is not maintainable U/s 86 (1) b. and R/w sec 62 of Electricity Act. Hence agreement to be filed.” To this GPPL replied through letter dated 28-06-2018, “Petitioner is not in possession of any draft PPA with it. The draft PPA is with the respondents only. Therefore, if the Hon’ble Commission opines that the draft PPA is necessary for adjudication of the present petition, the Hon’ble Commission may direct the Respondents for production of draft PPA at the time of hearing.” This response of GGPL, to say the least, is amusing and raise the question whether the respondent – TSSPDCL – is interested in procuring power from this plant. It is also to be noted that from the present information made available on the website of the Commission counter filed by TSSPDCL is not included and it may be that it has not filed any counter. This makes it imperative to find whether TSSPDCL is interested in procuring power from this plant.</p> <p>If TSSPDCL is not inclined to procure power from this plant this exercise of determining tariff of this mini hydel power plant will be infructuous. As such this petition may be set aside.</p>	<p>The objector seems to have no in-depth understanding of previous happenings in the past. Initially, after the formation of TSERC, a PPA was signed between GPPL and TSSPDCL <i>Ltr No CGM (comm & RAC)/SE(IPC-1)/F. Gayatri Mini./DNo.1358/16 Dt.20.10.2016</i> which clearly shows the respondents inclination to have a PPA with GPPL. Later on, the Hon’ble Commission vide its letter <i>no.TSERC/Secy/Acc/F.No.T-55/D.No.478/17,Dt. 19.08.2017</i> has pointed out that provision for Auxiliary consumption was not incorporated in the already signed PPA between GPPL & TSSPDCL and hence directed TSSPDCL to sign the PPA afresh with due incorporation of Auxl consumption clause.</p> <p>Further TSSPDCL has asked GPL to come forward again to sign PPA with the amendments to the earlier PPA .</p> <p>Basing on directions it has received from Hon’ble Commission vide Letter No.T-55/JD(Law)-1 D.No.622, Dt.17.10.2017, TSSPDCL informed GPPL that the Hon’ble commission has accorded its in-principal consent to the PPA without determination of tariff, and TSSPDCL clearly mentioned its inclination to sign the final PPA once the tariff is determined by the hon’ble commission. <i>vide Lt No CGM (comm & RAC)/SE(IPC-1)/F. Gayatri Mini./DNo.1116/17 Dt.08.11.2017.</i></p> <p>The above letter dated 17.10.2017 of the TSERC was not marked to us, hence we don’t know the content of the direction the TSSPDCL received from <u>TSERC in the 17th October 2017 letter.</u> This letter copy is available only either with TSSDPCL or TSERC JD(Law).</p> <p>How can the objector blame GPPL and says to set aside the petition which is totally made without knowing the facts and not gathering full information.</p>

<p>2.</p>	<p>In this context it is instructive to note para 5 of the Agreement between Non-Conventional Energy Development Corporation of AP Limited (NEDCAP) and GPPL dated 24-07-2010, "The company shall abide by the requisitions of the Andhra Pradesh Electricity Regulatory Commission (APERC). The proceedings issued by the APERC shall be followed. The developer shall approach APERC for obtaining license/exemption from obtaining license for supply/use of power. In the event of APERC disallowing captive consumption or the third party sale, the developer shall be required to enter in to Power Purchase Agreement (PPA) with concerned DISCOM as per the Electricity Act 2003.</p> <p>The NEDCAP cannot guarantee either the power purchase price or the DISCOM entering into PPA as these are dependent upon the power supply position in the state at a given point of time and requirement of power by concerned DISCOM.</p> <p>The developer will be proceeding at his own risk with regard to either regulatory clearance for supply license or power purchase agreement with the concerned DISCOM." From this extract it is clear that this mini hydel plant is primarily meant for captive consumption or third party sale, and in case the APERC did not allow this GPPL may try for PPA with the DISCOM. As GPPL is already selling power through power exchanges this PPA is not needed.</p>	<p>Prior to formation of Telangana, the APERC was having the jurisdiction on the then APCPDCL for signing of the PPAs. In 2011, we have approached the APCPDCL for signing the draft PPA (which was suggested by the then APERC).</p> <p>The same kind of intransigency continues unabated even after our project achieving COD in October 2014 and since we having invested huge amount of our hard-earned money in the fully constructed power project, started selling the generated power from our plant in IEX itself for mere survival and cannot afford to kept the plant idle or impress upon the APCPDCL then.</p> <p>The Objector shall pay attention to understand our predicament we were subjected to ever since the time of project execution and our imperativeness and thrust condition to sell the power in power exchange. In fact, since the plant is located in Suryapeta town vicinity, it is also convenient for us to prefer to sell power to TSSDPCL but not in the exchange, where in there are various other forced additional costs to be met.</p>
<p>3.</p>	<p>Notwithstanding the above, from the present proceedings it is clear that GPPL is not in a position to submit draft PPA and TSSPDCL is not interested in placing the draft PPA before the Commission. Without PPA the tariff fixing exercise will be of no use as the same is not going to be</p>	<p>In the year 2017 a revised draft PPA duly incorporating the auxiliary consumption clause was signed by both the parties of the agreement and same is very much resting with the Hon'ble commission in the in the month of October 2017 itself.</p> <p>* Lt No CGM (comm & RAC)/SE(IPC-1)/F. Gayatri Mini./DNo.1116/17 Dt.08.11.2017.</p>

	procured by the DISCOM. As such the petition requesting the Commission to determine tariff shall be dismissed.	As seen from the above letter it can be construed that both the parties (I.e., TSSPDCL & GPPL) are have keen interest in entering into a final PPA once the much-awaited Project Specific tariff is determined & finalized by the Hon'ble Commission. The only hindrance for not having the final signed PPA is because of fixation of Tariff by the Commission. Therefore, the Objector's contention is vague and not reasonable in the absence of full awareness of the facts happened.
4.	One of the important considerations to be taken into account is whether the power to be generated by this mini hydel power plant is needed in the state of Telangana. At present Telangana is facing surplus power situation. Also, TSDISCOMs have already achieved RPPO target as set by the Commission. In such power surplus situation, there is no need to procure power from GPPL's mini hydel power plant. Hence, the present petition of GPPL requesting the Commission to fix tariff for the said power plant may be dismissed.	Having the In-principle approval of the Commission in force to execute the revised PPA, there is no scope for rethinking the needs and necessity to purchase power from our Mini-Hydel station as there is a bounden obligation on both the parties to honor the already signed agreement for purchase of power and cannot go back. For which we have been unflinchingly putting efforts to supply power to TSSPDCL from October 2016 onwards. So, we personally feel that the Objector should have taken into cognizance of the previous historical occurrences before making a reasonable and sensible criticism on a sensitive issue, but not to make a superficial and casual comment of dismissing the plant.
5.1	According to GPPL's petition CoD of the mini hydel plant was achieved on 22-10-2014. And Draft PPA with TSSPDCL for sale of power from this plant was executed in October 2016. In the normal course signed and approved PPA should have been in place by time CoD was achieved. But in the present case draft PPA was signed two years after CoD. In 2014 when power shortage was there it did not supply power to the state through a PPA with the concerned DISCOM. GPPL might have thought that it could profit from power shortage situation in the state. But in power surplus situation it wants to pass on the burden of high cost power from this plant on to the DISCOMs in the state and in turn on electricity consumers in the state.	The Detailed explanation on this issue was already given in elaboration at Point-1 above. The same may be perused as a reply for this issue.
5.2	This becomes obvious from GPPL's letter to the Commission dated 25-09-	Why M/s.GPPL had resorted to Open Access sales and what are the circumstances contributed to such

	<p>2017. At Para d) it was submitted by GPPL thus, “The generation for the last 3 years did not yield revenue which is not even to break-even level. The company is incurring losses for the last 3 years and company is not getting return on investment by the promoters. Even if we assume that the generation of 6 million KV as per water discharge data of DPR, the company will not survive at the present tariff under open access system.” The present petition appears to be an attempt on the part of petitioners to salvage their company at the cost of electricity consumers in the state. In the interest of consumers, we request the Commission not to impose such loss-making power plant on the consumers.</p>	<p>a predicament was already explained in elaboration in reply to point-1 above and the same may kindly to adopted here as our response to the objection.</p> <p>The reason why our generation did not yield adequate revenue is due to the kind of generation procedure which is in place (based on day ahead market quantum) and as a result any excess generation by over sight would not yield any kind of revenue and hence, we had to limit our generation and keeping the spare capacity left unutilized. The day ahead generation needs are to be predicted a day ahead in advance, which involves lot of uncertainty in predicting the required generation. Thereby are being subjected to huge penalties in the form of UI charges and other associated cost which are eroding our revenues leaving us in financial constraint. In the event of fuller capacity utilization of plant, it would definitely give us adequate revenue to sustain in the long run without any financial difficulty. This is possible only when the TSSPDCL starts buy power from our plant, which is eagerly awaited by us to happen.</p> <p>The Objector must understand these facts and intricacies.</p>
6	<p>In the circumstances as put forth in the above paragraphs we request the Commission to set aside the petition filed by GPPL through O.P. No. 57 of 2018.</p>	<p>It is too early that the objector is making a haste conclusion without going deeper in the facts of occurrences.</p>

Replies to TSSPDCL Objection made on 11.12.2020

Sl.No.	Objections of TSSPDCL	Replies by GPPL
1.	The CUF may be considered at 30%	The CUF at 30% is not really feasible considering the location of the project and its water availability. The Objector is attempting to adopt the Regulation Provisions.
2.	Debt: Equity ratio may be adopted as 70:30 as per the CERC Regulation.	In the Tariff calculations already submitted, the Debt: Equity ratio adopted is at 70:30 only and it has not been deviated from the objector suggestion.