



Ushodaya Enterprises Private Limited

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Chief General Manager (RAC)
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Corporate Office, First Floor
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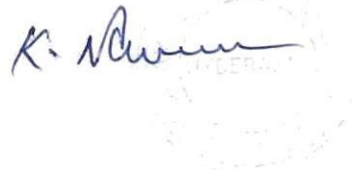
26th December, 2023.

Dear Sir/Madam,

Sub:- Submission of comments, Objections and suggestions in the matter of
Levying Grid Support Charges for FY 2023-24 - Reg.

Ref:- Public Notice dated 04-12-2023 on the subject matter.

1. We, Ushodaya Enterprises Private Limited, had established a 10 MW Solar power plant at Midjil, near Mahaboobnagar in 2012-13, under group captive use as per the then Solar Policy of Andhra Pradesh of 2012.
2. We had entered into Long Term Open Access Agreement with Telangana State Southern Power Distribution Company Limited (TSSPDCL) on 10-02-2014 which has been duly renewed on 25-01-2023.
3. The Discoms proposes to levy Grid Support Charges for FY 2023-24 on all the generators (Captive Generating Plants, Cogeneration Plants, Thirty Party Generation units, Merchant Power Generation units, Rooftop Power Plants etc.) who are not having PPA / having PPA for partial capacity with the licensees as follows:
 - (i) The parallel operation / grid support charges are to be applied to the total installed capacity of the generators connected to the Grid.
 - (ii) Renewable energy plants including waste heat recovery plants, the plants based on municipal solid waste, and the co-gen plants shall pay Rs.25 per KW per month.
4. We humbly submit that the proposals of Discom to levy Grid Support Charges (GSC) goes against the very concept of Open Access and amount to alteration and dilution of the process to the detriment of generators / consumers by levying additional charges in the garb of Grid Support Charges, which in our view, is nothing but arbitrary exercise for raising resources, and to fund the losses of Discoms on account of supply of free / subsidised power and to cover defaults / delays of the State Government to release the subsidy amounts.


K. N. Srinivas
General Manager

5. We would like to submit that the original proposal for Grid Support Charges only intended to impose on co-located captive generating stations. The rationale is that these stations are getting benefit from grid's support in the form of backup power in the event of failure of their captive generating station.
6. However, the Grid Coordination Committee, led by majority of utility officials, has expanded the scope of this levy on all generating stations without sufficient justification, disregarding the opinions of the majority of the Industry members.
7. No reason has been provided by the Disocms for excluding the generators who have signed PPAs from paying Grid Support Charges. This is arbitrary and discriminatory.
8. The solar power plants meet their auxiliary power requirement through a separate HT connection.
9. Even after establishment of captive power plants, we have not reduced CMD and paying all demand charges to the Discoms.
10. Due to the very nature of the source of renewable energy, i.e., sunlight and keeping in view the seasonality, generated units from Solar Plant are getting lost or goes to banking since there is no affordable storage system available as of now.
11. Open access consumers are following rules and regulations mentioned in the Grid Code. According to the Electricity Act,2003, SLDC/RLDC is the nodal agency to maintain Grid discipline and optimum scheduling and despatch of electricity under Section 28 and 32 of the EA 2003. Licensees and Generating companies and other persons connected with the operation of the power system shall have to comply with the directions issued by RLDC (Subsection 1 of Section 29) and SLDC (Subsection 1 of Section 33) as per Regulations prescribed by the appropriate Commission. TS Transco and DISCOMs have the responsibility in Transmission and Wheeling business only and they have nothing to do with the Levy of GSC which is under the purview of SLDC. As grid security is being maintained by SLDC/RLDC/NLDC, the DISCOMs are not entitled to levy Grid Support Charges on CPPs/Co-generation plants. The DISCOMs are not providing Grid support. For example, if the system demand increases/decreases due to consumer requirement, the nearby generators will respond as per the system requirement. All generators are paying demand charges as prescribed by the Commission.
12. Penal charges are being levied for deviations from schedules as per the CERC (Deviation Settlement Mechanism and related matters) Regulations, 2014. Hence, the levy of GSC on CPPs and Co-generation power plants is redundant as Generators are going to pay Deviation Charges.




13. Renewable energy generators are already paying huge amount of Wheeling Charges, transmission charges, cross subsidy charges, additional surcharge etc and they are unable to recover all these costs from their consumers. The levy of proposed Grid Support Charges will only increase the burden for the green energy generators.
14. All the infrastructure for setting up solar power plant including the transmission lines to the pooling substation, installation of ABT Meters, SCADA and other maintenance facilities at the location, are set up at a huge cost by ourselves, by borrowing loans from Banks.
15. It may also please be noted that we are already paying monthly SLDC charges separately.
16. For a captive power plant, such as ours, the Wheeling demand is always much less than our capacity / CMD. Though our plant capacity is 10000 KW (DC), we can wheel the solar power for demand of 2700 Kva only, as per LTOA agreement. So at any given point of time, our captive consumers are unable to use our full capacity.
17. We submit that the Grid Support Charges should not to be levied on the capacities which are sold to third parties and unutilised capacity, if any, shall be eliminated for consideration of levy of Grid Support Charges.
18. We therefore request your goodselfes to kindly consider our submissions and exempt renewable energy generators who have set up captive power plants, from the levy of Grid Support Charges.

Thanking you,
Yours faithfully,



K.NAVEEN
Authorised Signatory



✓ Copy to: The Commission Secretary, TSERC, 5Th Floor, 11- 4- 660, Singareni Bhavan, Red Hills, Hyderabad- 500 004.