



ITC Limited
PAPERBOARDS & SPECIALTY PAPERS DIVISION
Divisional Headquarters : ITC Bhadrachalam House
106, Sardar Patel Road,
Secunderabad - 500 003, Telangana, India.
Telephone : 91- 40 - 27846566 -73
Fax : 91 - 40 27842997, Expts : 27810034
27849509, 27896048



To,
The Commission Secretary,
Telangana State Electricity Regulatory Commission,
5 th Floor, Singareni Bhavan, Red Hills,
Lakdi-ka-pul, Hyderabad 500004.
E-mail id: secy@tserc.gov.in,

Date: 27/08/2024.

Lr. No.: TSERC/BCM/RPPO/Objections/FY 2022-23/01.

Respected Sir,

Sub.: SUO-MOTO Determination of Compliance of Renewable Power Purchase Obligation of obligated entities for FY 2022-23 - Reg.

This is with reference to above cited subject; we are herewith attaching our objections on Suo-moto determination of the Renewable Power Purchase Obligation of obligated entities for FY 2022-23.

Thanking You,
For ITC Limited - Paperboards & Specialty Papers Division.

(Lakshmi Kumar V)
Senior Manager - Energy.

Encl.: 5 Sets of above cited objections.

CC: The CE/TGSLDC, TG Transco/Vidyut Soudha, Hyd.

BEFORE THE
TELANGANA STATE ELECTRICITY REGULATORY COMMISSION
AT HYDERABAD

O.P. No. 9 of 2024 (Suo – Moto)



In the matter of:

Suo-moto determination of Compliance of Renewable Power Purchase Obligation of Obligated entities for FY 2022-2023

OBJECTIONS FILED ON BEHALF OF

ITC LTD.

May it please the Hon'ble Commission:

1. We have received a letter dated 07.08.2024 by e-mail from the TGS LDC purporting to be a notice as per the directions of the TGERC along with a copy of the public notice said to have been uploaded onto the TGERC website. Also sent with the notice was a statement purporting to show that a balance of 44517.66 MWh of solar RPPO obligation remained unfulfilled.
2. Our captive cogeneration plants generate electricity as well as useful thermal energy in the form of process steam. The process is therefore cogeneration within the definition in Section 2(12) of the Electricity Act, 2003; and the captive generating plant is a captive cogeneration plant. The total captive co-generation and consumption is partly from coal (fossil fuel) and partly from black liquor (renewable energy as per MNRE).
3. By letter dated 14.03.2023 (**Annexure – 1**) the SLDC sought fulfillment of the RPPO Obligation under Regulation 7 of 2022 contending that we are not meeting the qualifying requirements of captive generation plants as per MoP Order dated 06.11.1996. The said letter did not disclose any cogent reasoning or basis or material. Nothing was stated as to how the purported order of the MoP is relevant or applicable, or as to how the so-called MoP order was considered and applied in the particular facts of our case or as to what criteria was considered. Nothing was stated with regard to any inspection carried out, and no copy of the inspection note was furnished.
4. In the circumstances, we sent a letter dated 12.04.2023 (**Annexure – 2**) to the SLDC stating that the conclusion communicated in the said SLDC letter dated 14.03.2023 was wholly arbitrary, unreasoned, and without materials and basis,

A handwritten signature in blue ink, appearing to be 'S. S. S.', with a large 'X' mark over it.

and that it was consequently unacceptable. There was no further reply from the TG-SLDC.

5. By letter dated 09.05.2023 (**Annexure – 3**), we communicated to the SLDC that there was no RPPO obligation in our case in terms of the definition of an obligated entity in Clause 2(1)(p) of Regulation 7 of 2022 and the proviso thereto.
6. The SLDCs report on our compliance status purportedly showing that we are non-compliant with the solar RPPO obligation to the extent of 44517.66 MWh is wrong and contrary to the provisions of the Regulation for the following reasons.
7. Our captive cogeneration plants generate electricity as well as useful thermal energy in the form of process steam. The process is therefore cogeneration within the definition in Section 2(12) of the Electricity Act, 2003; and the captive generating plant is a captive cogeneration plant.

The total captive co-generation and consumption is partly from coal (fossil fuel) and partly from black liquor (renewable energy as per MNRE).

8. The proviso to Clause 2(1)(p) of Regulation 7 of 2022 reads as under –

“Provided that an obligated entity consuming power in any year to the extent of total RPPO specified under clause 3 hereof from fossil fuel based co-generation power plant shall be exempted from RPPO. In case the consumption of an obligated entity from such co-generation power plant is less than the total RPPO, such obligated entity shall be required to fulfil the RPPO to the extent of shortfall;”

9. Whereby, the RPPO is exempted if the power captively consumed from a co-generation plant is equal to, or more than, the RPPO obligation.
10. The captive consumption of energy of 3,63,432 MWh is from captive co-generation plant to the extent it used coal as fuel. The total RPPO at 8.5% works out to 30,891.72 MWh. Since, the said captive consumption from captive co-generation is more than the RPPO, there shall be exemption from the RPPO in terms of the aforesaid proviso to Clause 2(1)(p) of Regulation 7 of 2022.
11. The aforesaid captive co-generation plant also used black liquor for generation of 2,30,137 MWh electricity which was captively consumed. The said black liquor is recognized as a renewable energy source. To the extent of captive consumption of 2,30,137 MWh generated from black liquor as fuel, the entire captive consumption is not at all subject to any RPPO whatsoever, being captive consumption from a renewable energy source.
12. Without prejudice to the foregoing, in any case, even if the RPPO is sought to be computed at 8.5% of the total captive consumption (viz., 3,63,432 MWh from fossil fuel based co-generation + 2,30,137 MWh from black liquor based co-generation = 5,93,569 MWh total generation), there shall be exemption from RPPO as the total captive consumption is more than the total RPPO in view of the aforesaid provision of the TSERC Regulation No. 7 of 2022.
13. For the above reasons and for such other or further reasons as may be urged at any stage of the proceedings, it is prayed that the Hon'ble Commission may be

pleased to determine that there is no requirement or obligation for ITC Ltd. to purchase any additional renewable energy or RECs for FY 2022-23.

14. We request to be heard in person through a representative or through counsel.

At Hyderabad
27.08.2024



For ITC Limited



**TRANSMISSION CORPORATION OF TELANGANA LIMITED
VIDYUT SOUDHA :: HYDERABAD-82**

From The Chief Engineer/SLDC TS TRANSCO, Vidyut Soudha, Room No: 611 Hyderabad-82.	To M/s ITC Limited, Paperboards & Speciality Papers Division, ITC Bhadrachalam House 106, Sardar Patel Road, Secunderabad - 500 003 Telangana
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Lr.No.CE/SLDC/F.RPPO/D.No. 674 /22 Dt: 14.03.2023

Sir,

Sub: TSSLDC - Compliance of RPPO by M/s ITC Limited as per TSERC,
 RPPO Regulation No. 7 of 2022, Dt 01.04.2022 - Reg.
 Ref: 1) TSERC, RPPO Regulation No. 7 of 2022, Dt 01.04.2022.
 2) Lr.No.CE/SLDC/F.RPPO/D.No.112/22, Dt:24.05.2022 & e mail
 Dt:08.06.2022.

With regard to "**Compliance of RPPO by Obligated Entities as per TSERC, RPPO Regulation No. 7 of 2022, Dt 01.04.2022**", M/s ITC Limited was requested to attend the meeting on 17.06.2022 at TSTRANSCO. And as such, the meeting was held between TSTRANSCO, TSDICOM Officials and M/s ITC Limited with regard to compliance of RPPO by M/s ITC Limited using cogeneration.

After careful observations, it is found that as per MoP (Ministry of Power) order, Dt.06.11.1996, M/s.ITC Limited is not meeting qualifying requirements for co-generation plants. Hence, the plant is not eligible for exemption of RPPO.

In view of the above, it is requested to fulfill the RPPO Obligation as per TSERC, RPPO Regulation No. 7 of 2022.

Kalitha
15/2/23

Yours faithfully

[Signature]
14/3
Chief Engineer/SLDC

Copy submitted to:

- 1) The Commission Secretary,
 TSERC, 5th Floor,
 Singareni Bhavan
 Red Hills. Lakdikapool
 Hyderabad - 500 004
- 2) The Director/ Grid Operations/ TSTRANSCO.

Annexure -2



ITC Limited
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Fax : 91 - 40 27842997, Expts : 27810034
27849509, 27896048

"By regd. post with ack. due"

To,
The Chief Engineer / SLDC,
TS Transco, Vidyut Soudha, Room No. 611,
Hyderabad – 500 082.

Dated: 12/04/2023.

Sub: TSSLDC- Compliance of RPPO by M/s ITC Limited as per TSERC RPPO
Regulation No. 7 of 2022, Dt. 01.04.2022-Reg.

Ref: Your letter bearing Lr. No. CE/SLDC/F. RPPO/D. No. 674/22 Dt: 14.03.2023.
("Subject Letter")

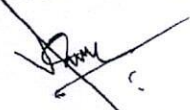
Dear Sir,

We are in receipt of your letter dated 14.03.2023 stating to the effect that that generation plant of ITC Limited is not meeting qualifying requirements as per Ministry of Power (MoP) order dated 06.11.1996, and the plant is not eligible for exemption of RPPO.

Your letter does not state or disclose any cogent reasoning, basis or material. Nothing is stated as to how the purported order of the MoP is relevant or applicable. Nothing is stated as to how the MoP was considered and/or applied in the particular facts of our case and what criteria was considered. Nothing is stated with regard to the inspection carried out, and no copy of the inspection report has been furnished to us.

Therefore, the conclusion communicated to us is wholly arbitrary, unreasoned, and without materials and basis. Consequently, it is completely unacceptable.

Thanking You,
For ITC Limited - Paperboards & Specialty Papers Division.


(Lakshmi Kumar)
Manager – Energy.

RN181915358IN IVR:8278181915358
RL SECUNDERABAD H.O (500003)
Counter No:4,13/04/2023,11:25
To:THE CHIEF ENGINEER,TS TRANSCO
PIN:500082, Somajiguda S.O
From:ITC LTD,SP RD
Wt:20gms
Amt:25.00(Cash)



6

<Dial 18002666868> <Wear Masks, Stay Safe>

RH018691730IN TVR:8279018691730
 RL SECUNDERABAD H.O <500003>
 Computer No: 10/05/2023, 12:34
 TO: THE CHIEF ENGINEER ..

PIN:500082, Somajiguda S.O

From: ITC LTD ...

Wt:33gms

Amt:30.00(Cash)

<Track on www.indiapost.gov.in>

<Dial 18002666868> <Wear Masks, Stay Safe>



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To
 The Chief Engineer/SLDC
 Room No: 611,
 TS TRANSCO,
 Vidyut Soudha,
 Hyderabad-82.

Date: 09.05.2023

Dear Sir,

Sub: Compliance of RPPO by Captive Users & Open access consumer for FY 2022-23

With reference to the above, ITC Limited, Unit Bhadrachalam having HT Service No. KMM036 (BKM011) is herewith submitting the RPPO compliance details for the FY 2022-23, in specified Format 2 as shared by SLDC (Annexure-1 enclosed).

The captive consumption of energy mentioned in the said Format 2 viz. 3,63,432 MWh is from captive co-generation plant to the extent it used coal as fuel. The total RPPO at 8.5% works out to 30,891.72 MWh. Since, the said captive consumption from captive co-generation is more than the RPPO, there shall be exemption from the RPPO in terms of the proviso to Clause 2 (1) (p) of the TSERC Regulation No. 7 of 2022, which is extracted hereinbelow for ready reference.

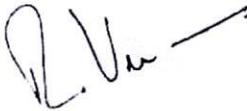
“Provided that an obligated entity consuming power in any year to the extent of total RPPO specified under clause 3 hereof from fossil fuel based co-generation power plant shall be exempted from RPPO. In case the consumption of an obligated entity from such co-generation power plant is less than the total RPPO, such obligated entity shall be required to fulfil the RPPO to the extent of shortfall;”

The aforesaid captive co-generation plant also used black liquor for generation of 2,30,137 MWh electricity which was captively consumed. The said black liquor is recognized as a renewable energy source. To the extent of captive consumption of 2,30,137 MWh generated from black liquor as fuel, the entire captive consumption is not at all subject to any RPPO whatsoever, being captive consumption from a renewable energy source.

Without prejudice to the foregoing, in any case, even if the RPPO is sought to be computed at 8.5% of the total captive consumption (viz., 3,63,432 MWh from fossil fuel based co-generation + 2,30,137 MWh from black liquor based co-generation), there shall be exemption

from RPPO as the total captive consumption is more than the total RPPO in view of the aforesaid provision of the TSERC Regulation No. 7 of 2022.

Thanking you,
For ITC Limited – Paperboards & Specialty Papers Division.



(Veman R)
Sr. Manager – Energy & Sustainability

Enclosures:

1. Annexure-1: Format 2 - RPPO compliance data (April-2022 to March-2023)
2. Annexure-2: Energy Generation from Co-generation plant

FORMAT-2

RPP0 COMPLIANCE DATA (April-2022 to March-2023)

Names of the consumer and HT Service no.		ITC Bhadrachalam and KMM036 (BKM 011)														
Location of Consumer		ITC Limited, PSPD, Sarapaka-507128														
Financial Year (April to March)		2022-23														
Quarter		Q1, Q2, Q3 & Q4														
Month	Total Energy consumption (MWH)					Solar RPP0 Obligation					Non Solar RPP0 Obligation					
	From Power Exchange	From own fossil fuel generation (in case of a CPP)	From other fossil fuel generators (Inter-state or Intra-state)	Total Energy consumption	7.5% of Total Energy consumption	Quantum of power purchased from solar power plants	Quantum of REC purchased from power exchanges (1 REC = 1 MWH)	RPP0 complied by self retention of solar REC's (1 REC = 1 MWH)	Total Solar RPP0 complied	Balance solar RPP0 to be complied in next month (Upto March-2023)	1% of total energy consumption	Quantum of power purchased from non solar power plants	Quantum of solar REC's purchased from power exchanges (1 REC = 1 MWH)	RPP0 complied by self retention of Non solar REC's (1 REC = 1 MWH)	Total Non Solar RPP0 complied	Balance Non solar RPP0 to be complied in the next month (upto March-2023)
	A	B	C	D = A+B+C	E=D*7.5/100	F	G	H	I = F+G+H	J = E-I	K = D*(1/100)	L	M	N	O=L+M+N	P=K-O
April	Nil	29089	Nil	29089	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
May	Nil	32063	Nil	32063	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
June	Nil	33095	Nil	33095	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
July	Nil	22220	Nil	22220	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
August	Nil	30552	Nil	30552	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
September	Nil	36451	Nil	36451	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
October	Nil	46925	Nil	46925	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
November	Nil	32918	Nil	32918	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
December	Nil	24324	Nil	24324	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
January	Nil	23311	Nil	23311	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
February	Nil	22453	Nil	22453	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
March	Nil	30030	Nil	30030	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note: The aforementioned captive consumption of energy is from Captive co-generation plant. Since, the captive consumption from captive co-generation is in excess of RPP0, there shall be exemption from RPP0 in terms of Proviso to Clause 2 (1) (p) of the TSERC Regulation No. 7 of 2022.

(Handwritten signature)
 V. V. Venkatesh

Sl. No	Period	HT. SC. No	Name of the consumer	Concerned Discorn	Source of Purchase						Total Energy Consumption through Open Access and / or Captive consumption
					Self-Consumption from fossil fuel Generator	Cogeneration from Waste heat recovery (WHR) or any other source (source shall be specified)	Consumption from cogeneration	IEX	Open Access from fossil fuel Generator	MWH	
1		2	3	4	MWH	MWH	MWH	MWH	MWH	MWH	MWH
					5	6	7	8	9	10	
1	2022-23	KMM 036	ITC Limited	TSNPDCL	Not Applicable	Nil	5,93,569	Nil	Nil	6,23,540	

Note

1 The captive energy consumption (Column 7) is from both fossil fuel based co-generation and black liquor based co-generation.

2 Total Energy consumption (Column 10) includes (2022-23) Energy consumption from Co-generation - 5,93,569 MWh and Energy Consumption from Captive Wind Open access - 29,971 MWh

(R. Venkatesh)
(C.R. Venman)