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ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
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Present : Shri G. Mohapatra, Officiating Chairperson
Shri S. K. Ray Mohapatra, Member

Date of Hearing: 19.02.2025

Date of Order: 24.03.2025

CASE NO.94 OF 2024

IN THE MATTER OF: Application for approval of Aggregate Revenue Requirement (ARR) and determination of Bulk Supply Price (BSP) of GRIDCO Ltd for the FY 2025-26 under Section 86(1) (a) & (b) and all other applicable provisions of the Electricity Act, 2003 read with OERC (Terms and Conditions for Determination of Tariff) Regulations, 2004 and OERC (Conduct of Business) Regulations, 2004.

AND

CASE NO.103 OF 2024

IN THE MATTER OF: Application under Section 86(1)(a) &(b) read with other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Conduct of Business) Regulations, 2004 for Truing-up of expenses for FY 2023-24.

ORDER

The Commission is required to regulate the Electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies from various sources through agreement for distribution and supply within the State under Section 86(1) (b) of the Electricity Act, 2003 (hereinafter referred to as “the Act”). GRIDCO (erstwhile Grid Corporation of Odisha Ltd.) was created under Section 13 of the Orissa Electricity Reform Act, 1995 (Reform Act). It was granted “transmission and bulk supply license” under the said Reform Act by the Commission. The Government of Odisha, vide notification No.7948 dated 17.08.2006, has declared GRIDCO as “State Designated Entity” for execution of Power Purchase Agreements with generating companies within or outside state for procurement of power from various sources like Thermal, Hydro, Solar and Wind Power, etc. The Distribution Companies have entered into Bulk Supply Agreements with GRIDCO Ltd. (in short GRIDCO). After

taking over the Intra-state transmission business along with functions of State Load Dispatch Centre by OPTCL (the State Transmission Utility), the present activity of GRIDCO is now confined to planning & load forecasting for bulk purchase of electricity for sale to Distribution Companies of Odisha. This satisfies the definition of trading in Section 2(71) of the Act. Therefore, GRIDCO's position under the 5th proviso to Section 14 of the Act is that of a trading licensee carrying on trading of electricity in bulk. Bulk Supply activity by a trader is not repugnant to any of the provisions of the Act, 2003. Such activity is tenable in Law. It is a historical legacy coming down from the period under the Reform Act, 1995 and it continues so long as the bulk supply agreement, with the Distribution Companies subsist. GRIDCO Ltd. has also been entrusted with the responsibility of Nodal Agency for development of all RE projects within the States and monitor of RPO compliance of all obligated entities in the State as per Notification of Government of Odisha.

The Commission cannot and does not fix tariff for sale of electricity by a trader, vide Section 62 of the Act, and it does not intend to do so for GRIDCO Ltd. as a trader; even though under Section 86(1)(d) read with Section 62 of the Act, the Commission may determine tariff for whole-sale or bulk supply of electricity by generators or distributors (*i.e. licensees other than traders*). This follows from a harmonious reading of Section 62 and Section 86(1)(a) and Section 86(1)(j) of the Electricity Act, 2003. But it just happens that in the present situation of "Single Buyer Model", the regulated purchase price for Distribution Companies fixed under Section 86(1)(b) of the Act coincides with the selling price of GRIDCO Ltd. as a trader for sale of power *only to the present Distribution Companies of Odisha*. If GRIDCO Ltd. sells surplus power, after meeting its contractual obligation under existing Bulk Supply Agreements, directly to any consumer under Section 42 read with Section 49 of the Act or another trader, or even to another distributor licensee under the 6th proviso to Section 14 of the Act, the procurement price, which coincides with selling of price of GRIDCO Ltd., fixed in this order is not applicable. Thus, this order does not fix tariff for GRIDCO Ltd. as a trader.

The Distribution Companies of Odisha are under obligation to purchase power primarily from GRIDCO Ltd. In order to determine the procurement price of power of DISCOMs, the Commission has to hear not only the buyers (Distribution Companies) but also the seller (GRIDCO Ltd.). No meaningful hearing of GRIDCO is possible unless GRIDCO files its Aggregate Revenue Requirement and expected revenue. GRIDCO Ltd. has done

so. The Commission has taken the filing of GRIDCO Ltd. into consideration even though GRIDCO Ltd. as a deemed trading licensee under the 5th Proviso to Section 14 of the Act is outside the purview of Section 62 of the said Act. This is because the prices at which GRIDCO Ltd. supplies power to the Distribution Companies coincides with the procurement price fixed for the Distribution Companies under Section 86(1)(b) of the Act. For supply of surplus power to any other person anywhere after satisfying the requirements of the Distribution Companies of Odisha, the bulk supply prices fixed for the Distribution Companies would not be applicable. Similarly, as per vesting order of the Commission for the present DISCOMs (TPCODL, TPNODL, TPWODL, TPSODL), if GRIDCO expresses its inability to provide required quantum of power requisitioned by the DISCOMs, such incremental quantum can be procured directly by the DISCOMs from alternative sources, provided that such alternative sources are selected through a transparent and competitive bidding process and with the prior approval of the Commission. GRIDCO Ltd. would supply power to Distribution Companies of Odisha and Bulk Supply Price (BSP) has to be determined by the Commission with reference to the Aggregate Revenue Requirement (ARR) of GRIDCO Ltd. Hence GRIDCO Ltd. was called upon to file Application for approval of its Aggregate Revenue Requirement (ARR) & BSP for the ensuing FY 2025-26.

PROCEDURAL BACKDROP (PARA 2 TO 6)

2. The Commission directed GRIDCO Ltd. to publish its Aggregate Revenue Requirement (ARR) and determination of Bulk Supply Price (BSP) application in the approved format in two leading and widely circulated daily newspapers one in Odia and the other in English, and the matter was also posted on the Commission's website (www.orierc.org) in order to invite objections from the intending Objectors. The said public notice was published in the leading daily newspapers, Commission's website and GRIDCO Ltd.'s website. The Commission directed GRIDCO Ltd. to file its rejoinder to the objections filed by the various Objectors before the Commission and to serve copy to them.
3. In response to the aforesaid public notices in respect of the Aggregate Revenue Requirement (ARR) and BSP application of the GRIDCO Ltd. for the FY 2025-26 in Case No.94 of 2024 and in its Truing up of expenses for the FY 2023-24 in Case No.103 of 2024, the Commission has received 17 numbers of objections/ suggestions from the following persons/ associations/ institutions/ licensees: -
 - (1) M/s. Vedanta Limited, 1st Floor, C-2 Fortune Tower, Chandrasekharapur, Nandanakanan Road, Bhubaneswar-751023,
 - (2) M/s. Confederation of Captive Power

Plants, Odisha, IMFA Building, Bomikhal, Rasulgarh, Bhubaneswar-751010, (3) M/s. Odisha Roller Flour Mills' Association (ORFMA), C/o Shri Lalbala Roller Flour Mills (P) Ltd, Gosala, Nayabazar, Cuttack-753004, (4) M/s. All Odisha Rice Miller's Association (AROMA), S-3/36, Sec-A, Zone-B, Mancheswar Industrial Estate, Bhubaneswar-751010, (5) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (6) M/s. Bhushan Power and Steel Limited, At/Po-Lapanga, PS-Thelkoloji, Sambalpur-768212, (7) M/s. Jindal Steel & Power Limited, Chhendipada Road, SH 63, P.O.-Jindal Nagar, Angul-759111, (8) Sri Prasanna Kumar Bisoi, S/o-Adhikari Bisoi, At/Po-Begunia, Dist-Khurda-752062, (9) M/s. Tata Steel Limited, Athagarh, Anantapur, P.O.-Dhurusia, Cuttack-754024, (10) M/s. GNA Energy Private Limited, Plot No-706, The Palm Spring Plaza, Golf Course Road, DLF Phase-5, Sector-54, Gurugram, Haryana-122009, (11) M/s. Power Tech Consultants, At-K-8-82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (12) Utkal Chamber of Commerce & Industry Ltd. (UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015. (13) The Chief Executive Officer, TP Central Odisha Distribution Ltd. (TPCODL), 2nd Floor, IDCO Towers, Janpath, Bhubaneswar-22, (14) Sri Alekha Chandra Mallik, S/o Harekrushna Mallik, Raghunathpur, Bhubaneswar-751024, (15) M/s. Nilachal Ispat Nigam Limited, Nilachal House, Kalinganagar Industrial Complex, Duburi, Jajpur-755026, (16) The Chief Executive Officer, TPWODL, At/Po: Burla, Dist : Sambalpur-768017 and (17) Sri Ananda Kumar Mohapatra, S/o Late Jachindra Nath Mohapatra, Plot No-799/4, Kotiteetrtha Lane, Old Town, Bhubaneswar-751002. The applicant has submitted its reply to issues raised by the various objectors during hearing of the above cases.

4. In exercise of the power conferred under Section 94(3) of the Electricity Act, 2003, and with a view to protecting the interests of the consumers of Odisha, the Commission appointed to World Institute of Sustainable Energy (WISE), Pune, as Consumer Counsel for objective analysis of the licensee's Aggregate Revenue Requirement (ARR) and Bulk Supply Price proposal for FY 2025-26. The Consumer Counsel-WISE, Pune, presented its views on the matter during the hearing.
5. The date for hearing was fixed as 19.02.2025 at 11.00 AM through hybrid mode (by physical presence or by virtual mode) and it was duly notified in the leading newspaper mentioning the list of the Objectors, date & time of hearing etc. The Commission also issued individual notices to the Objectors and the Department of Energy, Government of Odisha, informing them about the date and time of hearing through hybrid mode.

Accordingly, the applicant, some of the Objectors and the representative of Department of Energy, Govt. of Odisha were physically present during the hearing and some of the objectors took part in the proceeding through virtual mode.

6. The Commission convened the State Advisory Committee (SAC) meeting on 01.03.2025 at 11 AM on ARR & Bulk Supply Price proposal of the licensee for the FY 2025-26 through virtual mode. The Members of the SAC, Special Invitees, the Representative of Department of Energy, Govt. of Odisha actively participated in the discussion and offered their valuable suggestions and views on the matter for consideration of the Commission.

PROPOSAL OF ARR AND BULK SUPPLY PRICE (BSP) FOR THE FY 2025-26 (PARA 7 TO 36)

7. GRIDCO Limited (hereinafter called as 'GRIDCO') is a Deemed Trading Licensee under the 5th Proviso to Section 14 of the Electricity Act, 2003. GRIDCO, a wholly State-owned Company, is engaged in the business of purchase of electricity in bulk from various generators located inside Odisha and the State's share of power from the Central Generators for supply in bulk to the four Electricity Distribution and Retail Supply Companies (hereinafter called as 'DISCOMs') in the State and also performs trading of available surplus power after meeting the State demand. GRIDCO's existence as the "State Designated Entity" to procure power on behalf of the State of Odisha for bulk supply to the DISCOMs for onward retail sale to the end consumers of the State is consistent with the provisions of the Electricity Act, 2003 under section 14. The Odisha Electricity Regulatory Commission (hereinafter called as 'Commission') in the Annual Revenue Requirement (ARR) & Bulk Supply Price (BSP) Orders dated 18.03.2011 for FY 2011-12 & 23.03.2012 for FY 2012-13 has extensively dealt with the issues relating to the "Legal Status" of GRIDCO and concluded that the continuance of GRIDCO is sustainable in law and essential in the overall interest of the people of Odisha and state power sector in particular.
8. Under the existing Bulk Supply Agreements between the DISCOMs and GRIDCO, the DISCOMs are to purchase power from GRIDCO at a regulated price to be determined by the Commission. The Commission is empowered under section 86 (1) (a) and (b) of the Electricity Act, 2003 to determine the power purchase cost for the DISCOMs. This procurement price of DISCOMs happens to be the Bulk Supply Price at which GRIDCO supplies power in bulk to the DISCOMs.
9. Under Sub Section 5 (k) of Section 15 of the Orissa Electricity Reform Act, 1995 GRIDCO requires to file Tariff/ Annual Revenue Requirement petition in accordance with the statutory requirements for due approval of the Commission. Further, as provided in the

OERC (Conduct of Business) Regulations, 2004, as amended up to May 2011 and other related Regulations and as per Section 86 (1) (a) & (b) and other applicable provisions of the Electricity Act, 2003, GRIDCO is required to submit its Aggregate Revenue Requirement (ARR) and Bulk Supply Price (BSP)/ Tariff Petition to the Commission for approval, before 30th November of each year for the ensuing year. Therefore, it is a statutory requirement for GRIDCO to submit its Aggregate Revenue Requirement (ARR)/ Tariff Petition before the Commission for determination and approval of the procurement price of the DISCOMs. In this above backdrop, GRIDCO has filed an application for approval of its proposed Annual Revenue Requirement (ARR) and revision of Bulk Supply Price (BSP) for the FY 2025-26 to enable it to carry out its functions of bulk supply to DISCOMs.

Simultaneous Maximum Demand (SMD)

10. The Simultaneous Maximum Demand (SMD) of DISCOMs for the FY 2025-26 has been projected by GRIDCO based on the data received from the DISCOMs which has been estimated considering the maximum SMD observed during the period from April' 24 to September' 24 and the additional load growth as estimated for the FY 2025-26 over FY 2024-25 for each DISCOM. The maximum SMD recorded during first six months of FY 2024-25 and DISCOMs projection for FY 2025-26 as submitted by GRIDCO in its BSP and ARR application are given in Table below.

Table-1
Projection of Simultaneous Maximum Demand (SMD) for FY 2025-26
(MVA/Month)

DISCOMs	OERC approval for 2024-25	Highest SMD recorded during FY 2024-25	DISCOMs Projection of SMD for
		(Apr.'24 to Sept'24)	FY 2025-26
TPCODL	2349	2482	2795
TPNODL	1478	1405	1580
TPWODL	1893	1780	1855
TPSODL	833	791	870

11. GRIDCO has submitted that the projected SMD seems to be higher as compared to the actual occurrence in the summer months of the current financial year. Moreover, the rate of increase in the SMD is much higher to the energy requirement of the State DISCOMs for FY 2024-25. GRIDCO has requested the Commission to approve the monthly SMD considering the actual SMD of the DISCOMs as per SLDC data for the FY 2024-25 and

the additional increase proportionate to the increase in energy demand on monthly basis during FY 2025-26.

STU/OPTCL Transmission Losses (%):

12. GRIDCO has submitted that, the Commission had approved the transmission loss of STU/OPTCL @ 3.00% for the FY 2024-25. The same figure of 3% is provisionally considered to project Intra State transmission loss for FY 2025-26. Accordingly, the Commission may consider the Transmission loss as per the figure to be approved based on ARR order in respect of OPTCL for the FY 2025-26.

Quantum of Energy Requirement:

13. GRIDCO has proposed 38,813.55 MU of energy consumption of DISCOMs based on their projected demand and 100 MU (NALCO-70 MU and IMFA-30 MU) towards emergency supply of power to Captive Generating Plants (CGPs) for the FY 2025-26. The said energy requirement of DISCOMs & CGPs have been forecasted to grow at the rate of about 7.59% over revised sales projection of 36,170 MU for the FY 2024-25. Accordingly, GRIDCO has planned to procure total energy of 40,117.06 MU including transmission loss of 1203.51 MU considering the Transmission Loss rate (i.e. @ 3%) as approved by the Commission for FY 2024-25 to meet the energy requirement of 38,913.55 MU (DISCOMs -38813.55 MU & emergency sale to CGPs -100MU) for the State. The Summary of energy requirement vis-a-vis the availability to GRIDCO for the FY 2025-26 are shown in the Table below:

**Table-2
Projected Energy Requirement vis-à-vis Availability of GRIDCO for FY 2025-26**

Sl. No.	Particulars	Projection for FY 2025-26 (MU)
1	Energy requirement of DISCOMs and emergency sales to CGPs	38,913.55
3	Transmission Loss @ 3% as approved for FY 2024-25	1,203.51
4	Energy Required to be purchased by GRIDCO to meet the energy demand of DISCOMs & CGPs	40,117.06
5	Available power	43949.49
6	Surplus power	3832.43

Projected Energy Availability to GRIDCO during FY 2025-26

14. GRIDCO has projected energy availability of 43,949.49MU during FY 2025-26 from different generating stations considering the Generation plan submitted/shared by respective generating stations, PLF and auxiliary consumption. Considering Transmission loss of 3% in OPTCL's network, the State demand would be 40,117.06 MU. Accordingly,

GRIDCO has planned to procure 40,117.06 MU during FY 2025-26 for meeting the Sate's demand considering merit order dispatch (MoD).

15. GRIDCO has estimated to avail (a) hydro power of 5021.82MU from OHPC including 1387.76 MU from Upper Indravati & 259.88 MU from Machhkund, (b) thermal power of 11417.28 MU from OPGC (Units 1, 2,3 and 4), (c) 4727.60 MU from Renewable Energy sources (444.92 MU from small hydro, 1015.68 MU from wind, and 3266.99 MU from Solar projects), (d) 6377.76 MU from thermal IPPs (M/s Vedanta Ltd, M/s GMR Kamalanga Energy Ltd, M/s NAVA Ltd., M/s. JITPL, M/s. JSWE(U)L, & M/s. MTPCL). Further, GRIDCO has proposed to purchase Odisha share of 12143.61 MU from central thermal power stations and 429.00 MU from central hydro power stations like Tala, Chukha, Mangdechhu, Rangit and Kiruchu hydro plants. OPGC has mentioned that there shall be planned outage for R&M (1st Phase) for a period of 40 days from 01.12.2025 up to 09.01.2026. The station-wise details in respect of availability of power including surplus power are given in the Table below.

Table-3
Summary of Proposed Energy Availability to GRIDCO for FY 2025-26

Sl. No.	Name of the Power Stations	Energy Availability (MU)
1	Hirakud	795.93
2	Chiplima	292.49
3	Rengali	775.08
4	Upper Kolab	512.43
5	Balimela	998.25
6	Sub-total State Hydro-Old OHPC (1 to 5)	3,374.18
7	Indravati	1,387.76
8	Machkund	259.88
9	Total State Hydro-OHPC (6+7+8)	5,021.82
10	OPGC - 1 & 2	2,202.85
11	OPGC - 3 & 4	9,214.43
12	Total OPGC (10+11)	11,417.28
13	M/s. GKEL	1,907.00
14	M/s.Vedanta Ltd.	2,865.18
15	M/s. NAVA Ltd	39.18
16	M/s. JITPL	972.00
17	M/s JSWE(U)L	546.16
18	M/s.MTPCL	48.25
19	Total IPP (13 to 18)	6,377.77
20	Total State Thermal (12+19)	17,795.05
21	Solar	3,266.99
22	SHEP	444.92
23	Wind	1,015.68
24	Non-Solar (17+18)	1,460.60

Sl. No.	Name of the Power Stations	Energy Availability (MU)
25	Total Renewables (21+24)	4,727.59
26	Total State (9+20+25)	27,544.45
27	Chukha	142.00
28	Tala	31.00
29	Mangdechhu	249.00
30	Rangit	6.00
31	Kiruchu	1.00
32	Total Central Hydro (27 to 31)	429.00
33	Darlipali STPS-I	5,617.06
34	NKSTPS-I	2,913.18
35	TSTPS-II	1,355.01
36	TSTPS-I	2,245.50
37	KHSTPS-II	12.86
38	Sub-total Central Thermal (33 to 37)	12,143.60
39	MTPS-II	-
40	KHSTPS-I	-
41	NSTPS-I	-
42	BSTPS-II	-
43	BSTPS-I (including upcoming #3)	-
44	FSTPS-III	-
45	FSTPS-I & II	-
46	Sub-total Fixed Cost/Yr. End Charges (39 to 45)	-
47	Total Central Thermal (38+46)	12,143.60
48	Total Central (32+47)	12,572.60
49	PGCIL Charges	-
50	SOC & MOC Charges	-
51	MOD applied to meet the State Demand (26+48+49+50)	40,117.06
52	KHSTPS-II	330.83
53	MTPS-II	225.82
54	KHSTPS-I	89.90
55	NSTPS-I	105.81
56	BSTPS-II	155.31
57	BSTPS-I (including upcoming #3)	2,103.48
58	FSTPS-III	631.79
59	FSTPS-I & II	189.49
60	Total Surplus Power (52 to 59)	3,832.43
61	Total Energy Availability (51+60)	43,949.49

Power Purchase Cost Estimated for FY 2025-26:

16. GRIDCO has projected total power purchase cost of Rs.14916.83 Cr. (@ 339.41 Paise/Unit) for total proposed energy availability of 43,949.49 MU for FY 2025-26. However, to meet the State energy demand of 40,117.06 MU on Merit Order Dispatch (MoD) basis, GRIDCO has projected the Power purchase cost of Rs.13759.74 Cr. (@ 342.99 Paise/Unit). The generating station wise energy availability and power purchase cost as proposed by GRIDCO for FY 2025-26 is shown in the Table below:

Table-4
Summary of Proposed Power Procurement Cost for the FY 2025-26

Sl. No.	Station Name	Energy Availability (MU)	Total Cost (Rs. in Cr.)	Rate (Paise/Unit)
1	Hirakud	795.93	97.72	122.77
2	Chiplima	292.49	41.18	140.79
3	Rengali	775.08	70.46	90.91
4	Upper Kolab	512.43	64.66	126.18
5	Balimela	998.25	99.04	99.21
6	Sub-total State Hydro-Old OHPC (1 to 5)	3,374.18	373.06	110.56
7	Indravati	1,387.76	166.09	119.68
8	Machkund	259.88	35.54	136.76
9	Total State Hydro-OHPC (6+7+8)	5,021.82	574.69	114.44
10	OPGC - 1 & 2	2,202.85	719.46	326.60
11	OPGC - 3 & 4	9,214.43	3,249.00	352.60
12	Total OPGC (10+11)	11,417.28	3,968.46	347.58
13	M/s. GKEL	1,907.00	672.26	352.52
14	M/s.Vedanta Ltd.	2,865.18	876.46	305.90
15	M/s. NAVA Ltd	39.18	8.93	227.92
16	M/s. JITPL	972.00	326.59	336.00
17	M/s JSWE(U)L	546.16	158.39	290.01
18	M/s.MTPCL	48.25	14.70	304.66
19	Total IPP (13 to 18)	6,377.77	2,057.33	322.58
20	Total State Thermal (12+19)	17,795.05	6,025.79	338.62
21	Solar	3,266.99	1,057.16	323.59
22	SHEP	444.92	205.06	460.89
23	Wind	1,015.68	285.37	280.96
24	Non-Solar (17+18)	1,460.60	490.43	335.77
25	Total Renewables (21+24)	4,727.59	1,547.59	327.35
26	Total State (9+20+25)	27,544.45	8,148.07	295.82
27	Chukha	142.00	44.72	314.93
28	Tala	31.00	7.29	235.16
29	Mangdechhu	249.00	118.90	477.51
30	Rangit	6.00	2.46	410.00
31	Kiruchu	1.00	0.24	240.00
32	Total Central Hydro (27 to 31)	429.00	173.61	404.69
33	Darlipali STPS-I	5,617.06	1,740.12	309.79
34	NKSTPS-I	2,913.18	1,004.51	344.82
35	TSTPS-II	1,355.01	378.25	279.15
36	TSTPS-I	2,245.50	651.85	290.29
37	KHSTPS-II	12.86	40.34	3,137.35
38	Sub-total Central Thermal (33 to 37)	12,143.60	3,815.07	314.16
39	MTPS-II	-	62.14	-
40	KHSTPS-I	-	11.07	-
41	NSTPS-I	-	24.19	-
42	BSTPS-II	-	31.38	-

Sl. No.	Station Name	Energy Availability (MU)	Total Cost (Rs. in Cr.)	Rate (Paise/Unit)
43	BSTPS-I (including upcoming #3)	-	503.52	-
44	FSTPS-III	-	104.08	-
45	FSTPS-I & II	-	20.10	-
46	Sub-total Fixed Cost/Yr.End Charges (39 to 45)	-	756.48	-
47	Total Central Thermal (38+46)	12,143.60	4,571.55	376.46
48	Total Central (32+47)	12,572.60	4,745.16	377.42
49	PGCIL Charges	-	862.89	-
50	SOC & MOC Charges	-	3.62	-
51	MOD applied to meet the State Demand (26+48+49+50)	40,117.06	13,759.74	342.99
52	KHSTPS-II	330.83	85.34	257.96
53	MTPS-II	225.82	59.07	261.58
54	KHSTPS-I	89.90	24.84	276.32
55	NSTPS-I	105.81	30.59	289.11
56	BSTPS-II	155.31	47.31	304.62
57	BSTPS-I (including upcoming #3)	2,103.48	643.21	305.78
58	FSTPS-III	631.79	204.54	323.75
59	FSTPS-I & II	189.49	62.19	328.20
60	Total Surplus Power (52 to 59)	3,832.43	1,157.09	301.92
61	Total Energy Availability (51+60)	43,949.49	14,916.83	339.41

17. GRIDCO has requested the Commission to approve the fixed charges as payable by GRIDCO to the generating stations for all the existing and the upcoming new stations, which should be recovered from DISCOMs through BSP for the ensuing FY 2025-26.

Pass through of Additional Power Purchase Cost

18. GRIDCO has also requested to consider the claims of Rs 667.29 Cr. as pass-through power purchase cost in the ARR of FY 2025-26. The summary of total pass-through cost claimed by GRIDCO are shown in the Table below:

Table-5
Summary of Total Pass-through Cost claimed in the ARR for FY 2025-26

Sl. No.	Name of the Station	Particulars	Amount proposed for Pass Through (Rs. Crore)
1	OPGC	Secondary Fuel Oil Cost, Ash Transportation Expenses and other expense, Electrical Inspection Fees and Tax and Cess on land, paid by OPGC for Stage-I & II	14.19
2	M/s. Vedanta Ltd.	Water Charges for the period from April'2020 to March'2024, Ash Transportation Charges	91.41

Sl. No.	Name of the Station	Particulars	Amount proposed for Pass Through (Rs. Crore)
		Nov'23 to Mar'25 and Filing Fees for block period 2019-24 vide Case No. 20 of 2020	
3	M/s.GMR Kamalanga Energy Ltd	Electricity Duty, SOC and MOC Charges and Ash Transportation Charges	100.44
4	M/s. NAVA Ltd	Infirm Power Cost and Energy Charges as per OERC directions vide order dated 02.09.2024 in Case No.11 of 2024	6.30
5	M/s. JSW Energy (Utkal) Limited	Monthly energy bills paid and payable to JSWEUL towards power supplied to GRIDCO from Unit#1 i.e. 350 MW Unit from Feb'24 to Sep'24 and to be supplied during the period Oct,2024 to March,2025	65.83
6	M/s. Maadurga Thermal Power Company Limited	Energy Charges for FY 2024-25	7.91
7	NTPC	Additional O&M Charges due to Wage Revision and Water Charges claim of NTPC Station FSTPS -III	6.10
8		Recovery of Cost due to Foreign Exchange Rate Variation (FERV) claim of Darlipalli, Barh-I , TSTPS-I and FSTPS-I	3.55
9	Teesta V	TDS to NHPC and publication and filing fee (Truing up of tariff for the period 2014-19) and publication and filing fee period of FY:2019 to FY: 2023-24	1.38
10	Mangdechhu	Tariff Revision of Mangdechhu from 22nd July'2024 to Mar'25	7.19
11	Renewable Energy	Samal Barrage SHEP (Differential Energy Charges paid to PTC for the period from FY 2009-10 to FY 2023-24, Additional Charges for FY 2024-25 and Reimbursement of Water Charge and SLDC Charge for FY 2023-24 & FY2024-25)	134.41
12	DSM	Recovery of charges towards deficit in the Deviation and Ancillary Service Pool Account for the period from 16.09.2023 to 15.09.2024	57.43
13	PGCIL	PGCIL charges for FY 2023-24 as per OERC Review Order dated 19.09.2024 for ARR & BSP FY 2024-25 in Case No38/2024	23.26
14	Finance Cost	Additional Cost towards Interest on OHPC Securitized Dues	147.90
		Total	667.29

Finance Cost:

Receivable from Erstwhile DISCOMs:

19. GRIDCO has submitted that the total dues receivable from the erstwhile DISCOMs as on 30.09.2024 stands at Rs.6,587.51 Cr. details of which are shown in the Table below:

Table-6

Receivables from Erstwhile DISCOM Utilities as on 30-09-2024 (including. DPS)

(Rs. Crore)

Sl. No	Particulars	CESU	WESCO	SOUTHCO	NESCO	Total
1	BSP dues	1,174.34	647.61	787.30	560.57	3,169.82
2	Converted to Equity	299.95	299.95	199.95	249.95	1,049.80
3	Net BSP Dues (1-2)	874.39	347.66	587.35	310.62	2,120.02
4	Securitized Dues (incl. DPS)	1,219.91	239.27	196.12	208.51	1,863.81
5	NTPC Power Bond	-	-	146.45	48.91	195.36
6	Tr. Scheme dues	118.85	12.10	29.91	6.74	167.60
7	Cash Support	174.00	-	-	-	174.00
8	Total as on Vesting Date (3 to 7)	2,387.15	599.03	959.83	574.78	4,520.79
9	Less: paid/ settled post vesting:					
i	Balance BSP of FY 20-21	225.16	-	98.88	-	324.04
ii	Paid/adjusted till 30.09.2024	289.86	276.67	180.35	415.59	1,162.47
iii	Settled under OTS by DISCOMs	21.60	36.53	20.26	75.48	153.87
iv	Settled under OTS directly by GoO	18.32	25.38	7.59	10.63	61.92
10	Total Paid/Settled post vesting	554.94	338.58	307.08	501.70	1,702.30
11	Total Receivable excl. DPS (8-10)	1,832.21	260.45	652.75	73.08	2,818.49
12	DPS on BSP	819.49	1,417.23	647.31	884.99	3,769.02
13	Total receivable incl. DPS (11+12)	2,651.70	1,677.68	1,300.06	958.07	6,587.51

Note: (1) BSP dues after adjustment of equity and credit/debit bills.

(2) The receivable excludes the receivable on account of CAPEX dues.

20. GRIDCO has highlighted about substantial outstanding amount of Rs. 6,587.51 Cr. receivable from erstwhile distribution companies as of 30.09.2024. There is no scope for recovery of the arrear dues from the erstwhile Utilities due to vesting of the license and business operations with the new DISCOMs. The Commission in the vesting order had issued directives to the new DISCOMs for collection of past arrears stipulating the minimum commitment amount. The Commission had also notified the OTS for recovery

and settlement of outstanding dues from the defaulting consumers against past dues receivable from erstwhile DISCOMs/Utilities and to pass on to GRIDCO. However, there is still huge outstanding from the consumers for the erstwhile utility period, which is continuing in the consumers ledger. GRIDCO requested to issue suitable advisories /directives to present DISCOMs for collection of past arrears towards settlement of outstanding dues and also to frame suitable mechanism for recovery of the balance amount through regulatory process preferably in next two to three years.

Interest & Financial Charges:

OHPC Securities Dues

21. GRIDCO has submitted that in view of interim order of the Commission dated 23.05.2023 (Petition No 35/2023), an amicable settlement was agreed upon in the meeting held on 26.06.2023 regarding OHPC Securitized dues under the Chairmanship of Additional Chief Secretary, Energy Department. The Commission has approved the settlement in the final order in Case No. 35/2023 dated 11.07.2023. GRIDCO has submitted that considering the settlement process, total interest payable on settlement of OHPC Securitized dues for the FY 2025-26 comes to Rs.23.47Cr. and requested the Commission to consider it favourably under interest and finance charges for FY 2025-26
22. GRIDCO has submitted that, due to the uncontrollable factors like non- settlement of BSP dues by the erstwhile DISCOMs, lack of cost reflective Tariff, non-amortization of approved Regulatory Asset, absence of carrying cost up to FY: 2022-23, the Petitioner had to borrow funds from external sources and borrowing from Govt. of Odisha. Accordingly, GRIDCO has proposed the Commission to approve total interest and financial charge obligations to the tune of Rs.428.55 Cr. in its ARR & BSP order for FY 2025-26 which details are shown in the Table below:

Table-7
Interest & Finance Charge Proposed for the FY 2025-26

Sl. No.	Particulars	Interest (Rs. Cr.)
1	OHPC Loan Rs.619 Cr	23.47
2	Odisha GB III Rs.25 Cr	0.76
3	Odisha Gramya Bank IV Rs.40 Cr	0.01
4	Odisha Gramya Bank V 35 Cr	0.19
5	Andhra Bank VIII Rs.300 Cr	6.36
6	Andhra Bank IX Rs.400 Cr	10.23
7	Punjab National Bank Rs.600 Cr	22.40
8	Bank of Baroda TL-5	4.23
9	Bank of Baroda TL-6	6.03

Sl. No.	Particulars	Interest (Rs. Cr.)
10	Bank of Baroda TL-7	17.95
11	Canara Bank TL-1	3.57
12	Canara Bank TL-3	6.99
13	Canara Bank TL-4	2.63
14	Canara Bank TL-5	18.28
15	Canara Bank TL-7	19.70
16	Canara Bank TL-9	19.70
17	Soft Loan from GoO	111.45
18	Add: Proposed Soft Loan for FY 24-25	27.30
19	Add: Proposed Soft Loan for FY 25-26	26.25
	Total	327.50
20	Add: Financial Charges (Inc. Interest on SOD)	85.66
21	Add: Guarantee Commission	15.39
	Total	428.55

23. GRIDCO has submitted that, total interest and finance charges for FY 2025-26 is estimated to be Rs.428.55 Crore based on existing loan liabilities along with securitized dues to be paid to OHPC. GRIDCO has submitted that the reasons for borrowing working capital loans in the past were predominantly due to non-cost reflective BSP, delay in truing up exercise, disallowances of carrying cost on regulatory assets in the past period, huge outstanding receivables from erstwhile DISCOMs and mandate to supply power as “State Designated entity” irrespective of recovery of uncontrollable cost from sale of power to State DISCOMs as approved in the ARR. Further, GRIDCO has borrowed working capital loan to avail rebate from generators and also to reduce its late payment surcharge obligations which carries higher interest in the form of penalty. The benefit of rebate on power purchase cost and lower LPS is ultimately being passed on to end consumers. GRIDCO has submitted that the cost of raising the fund to earn the rebate, resulted in avoiding the late payment surcharge, needs to be considered by the Commission in the ARR. GRIDCO has requested the Commission to consider the above benefits and approve interest accrued for the ensuing FY 2025-26 on loans availed during the past periods.

Other Expenses:

24. GRIDCO has proposed Rs.39.39 Cr. towards expenses on account of Employees Cost, A&G Expenses, R &M Expenses & depreciation for the FY 2025-26 which details are shown in the Table below:

**Table-8
Other expenses Proposed for FY 2025-26**

Particulars	Amounts (Rs. Cr.)
Employee Cost	22.69
A&G Cost	12.25
Repair & Maintenance Cost	2.05
Depreciation	2.40
Total	39.39

Other Income / Miscellaneous Receipts

25. GRIDCO expects to earn an amount of Rs.74.60 Cr. during FY 2025-26 (at approved emergency power rate of Rs.7.46 /kWh for FY 2024-25) from proposed emergency sale of 100 MU to long term customers like NALCO (70 MU) and IMFA (30MU).

Aggregate Revenue Requirement (ARR) proposed for FY 2025-26

26. The Summary of Annual Revenue Requirement proposed by GRIDCO for the FY 2025-26 is shown in the Table-10 below.

**Table-9
Aggregate Revenue Requirement Proposed for FY 2025-26**

Particulars	Amount (Rs. in Cr.)
Power Purchase cost as per MoD for State requirements	13,759.74
Additional Power Purchase Cost (Pass-through)	667.29
Interest & Finance Charges	428.55
Employee cost	22.69
Repair & Maintenance	2.05
Administrative and General Expenses	12.25
Depreciation	2.40
Aggregate Revenue Requirement (ARR)	14,894.97
Less: Revenue from Emergency sales of 100MU	74.60
Net Aggregate Revenue Requirement (NARR)	14,820.37
Units to be sold to DISCOMs (MU)	38,813.55
Revenue from DISCOMs at existing BSP of respective DISCOMs including Surcharge @35P/U from TPWODL	13,092.36
Revenue Deficit at existing BSP of respective DISCOMs	-1,728.01

Proposed ARR & BSP for the FY 2025-26:

27. GRIDCO has submitted that, during FY 2025-26, the revenue of Rs.13,092.36Cr. can be generated from the sale of energy to the four Distribution Companies (TPWODL, TPNODL, TPSODL & TPCODL) if the present Bulk Supply Price (BSP) is considered and there will be a net revenue deficit of Rs.1,728.01Cr. against the Net Aggregate

Revenue Requirement of Rs.14,820.37Cr. GRIDCO contended that the current Bulk Supply Price structure would not be sufficient to recover estimated power purchase cost. To address the deficit, GRIDCO has requested for an upward revision of Bulk Supply Price from April 1, 2025, as shown in the Table below:

Table-10
Proposed ARR & BSP for FY 2025-26

Sl. No	Components	Proposed ARR & BSP for FY 2025-26
A	Net ARR to be recovered through BSP (Rs. Cr.)	14,820.37
B	Units to be sold to DISCOMs Utilities (MU)	38,813.55
C	Proposed Average BSP(P/U) to recover the Net ARR [A/B*1000]	381.84

28. Further, GRIDCO has Submitted that Return on Equity (RoE) has not been considered in the application, and intends to seek a waiver of RoE for the FY 2025-26 from the State Govt. GRIDCO humbly submitted that considering the Return on Equity (ROE) as Rs.526.64Cr. (@16% on the Equity Capital of Rs.3291.48 Cr. as on 31.03.2024 as per audited account), the proposed average BSP works out to 395.40 Paise per Unit.

Demand Charges for excess SMD

29. GRIDCO has proposed that the Demand Charges may be levied @ Rs.250/kVA/Month from DISCOMs if the actual SMD in a month exceeds the permitted monthly SMD under the following conditions:
- a. When the actual SMD of a DISCOM in a month exceeds the permitted monthly SMD (105% of the approved SMD), the respective distribution company will be billed by GRIDCO @ Rs.250/kVA/Month for the excess SMD.
 - b. Such charges shall not be adjusted at the end of the year even if the actual monthly SMD remains within the permitted monthly SMD in any other month(s) of the same financial year.

Over Drawl Charges

30. GRIDCO has submitted that the energy bills are raised on the DISCOMs at approved BSP Rate(s) during a Financial Year in terms of the Hon'ble APTEL Judgement dated 07.05.2018 in Appeal No. 55 of 2015. This practice may be continued till Deviation Settlement Mechanism (DSM) Regulation is pronounced by the Commission and implemented in the State of Odisha.

31. GRIDCO has submitted that for maintaining grid discipline depending on stability in the drawal pattern by the DISCOMs, the Commission may issue necessary suitable guidelines to the DISCOMs to adhere to the approved drawal quantum of energy and SMD limit fixed and approved by the Commission so as to prevent any kind of additional financial burden on the petitioner GRIDCO.

Rebate Policy

32. GRIDCO has Proposed that the following rebate policy for payment of BSP may be approved by the Commission in the ARR order for FY 2025-26:
- a. For crediting the BSP bill of the DISCOM to GRIDCO's designated current bank account through Letter of Credit or through NEFT/RTGS within a period of five (5) working days of the presentation of bill, a rebate of 1.5 % shall be allowed.
 - b. Where the amount is credited on any day after five (5) working days and within a period of twenty-five (25) days of presentation of bill, a rebate of 1.00% shall be allowed.
 - c. The DISCOMs may pay their BSP dues for eligibility of rebate provided total current BSP dues needs settled by the DISCOM within 25th day of presentation of BSP bill by GRIDCO.

Delayed Payment Surcharge (DPS)

33. GRIDCO proposed that the surcharge for delayed payment of Bulk Power Supply bills i.e. payment after 30 days from the date of submission of bills, may be allowed to be levied at 1.50% per month.

Sale of Power through Specialised Tariff Scheme under Tripartite Agreement

34. A special scheme was devised by the Commission allowing industry having CGP with CD above 20 MW who are willing to avail power from DISCOMs and operating at load factor more than 80% to draw power through Tri-Partite Agreement (TPA) at a rate approved in the BSP/ RST order for the respective FY and the said scheme has been in place since FY 2021-22.
35. GRIDCO has requested that the unutilised renewable energy available with the DISCOMs, after meeting the requirement of Green Consumer Certification, may be allotted to the CGP based industries, availing power under the TPA scheme, without any premium considering the benefits of the scheme and to make the scheme more attractive. It is prayed before the Commission to allow the surplus renewable energy with one DISCOM to be

shared with the other DISCOMs having deficit renewable power under intimation to GRIDCO.

Prayers

36. GRIDCO has prayed before the Commission to approve the following for FY 2025-26 and make the same effective from 1st April, 2025:
- (a) Consider all reasonable and uncontrollable costs as proposed in the Petition and accordingly, approve the ARR and Bulk Supply Price (BSP) for FY 2025-26 and make the same effective from 1st April 2025;
 - (b) To approve the proposed Net Aggregate Revenue Requirement (ARR) of Rs.14,820.37 Cr. with BSP @ 381.84 P/U for FY 2025-26 to meet the State requirements.
 - (c) Approve monthly Simultaneous Maximum Demand (SMD) and monthly quantum of energy for sale to each of the DISCOMs on realistic basis in lieu of the prevailing practices on annual basis;
 - (d) Approve the Capacity Charges mandatorily payable by the Petitioner GRIDCO to the different generating stations i.e. for all existing and new stations with whom it has long term PPAs notwithstanding that the energy is not fully scheduled from stations based on Merit Order Dispatch (MoD) principles and change in demand trend of the State. Such uncontrollable costs/charges need to be recovered through BSP;
 - (e) Allow the carrying cost on Regulatory Assets and amortization of the Regulatory Asset through BSP;
 - (f) Allow recovery of the additional cost/s due to over-drawal of energy, Fuel Price Adjustment/Surcharge Adjustment, on account of any other statutory increase, reimbursement of Electricity Duty/ Water Cess levied by the Government of Odisha and any other Statutory levy/ Duty/ Taxes, etc. if any, be passed on to GRIDCO;
 - (g) To approve the proposed TOD tariff (RST) in the State so as to incentivize the industrial and commercial tariff for electricity consumption during the off-peak hours and with a higher tariff during peak hours as per the guidelines issued by Govt. of India so as to manage the State peak demand without resorting to availing power from DSM pool and the Power exchanges at high cost;

- (h) To issue necessary directions to the DISCOMs to undertake proactive measures to collect the outstanding dues from the defaulting consumers for the pre vesting period and pay GRIDCO's share of past arrear collection on monthly basis along with monthly MIS reports;
- (i) To formulate a suitable mechanism to recover the shortfall towards erstwhile DISCOMs' receivable of Rs.6,587.51 Cr. as on 30.09.2024, arising out of sale of utilities of CESU, WESCO, NESCO and SOUTHCO through regulatory process preferably in the next two to three years;
- (j) To consider the re-submission of the proposal as per the directives of the Commission vide order dated 19.09.2024 in Case No. 38 of 2024 towards DPS on PGCIL dues of Rs.23.26 Cr.
- (k) To consider the proposal for framing methodologies towards TPA sales to optimize the power cost.

TRUING-UP APPLICATION FOR THE FY 2023-24 (PARA- 37 TO 44)

37. GRIDCO has also submitted application for Truing-up of its expenses for FY 2023-24. In its Truing-up application, GRIDCO has sought to set out its entitlements based on the actual audited accounts. This truing-up application has been registered in Case No.103 of 2024. The summary of truing-up application is stated in the following paragraphs:

Power purchase cost

38. GRIDCO has submitted that the State's power purchase requirement is primarily fulfilled from various generation sources, for which GRIDCO has long-term tie-up for allocated capacities through PPAs. The main sources of power procurement are State Hydro Generating Stations (through OHPC), State Thermal Generating Stations (through OPGC), Central Hydro Generating Stations (Chukha, Tala, Teesta, Mangdechhu, Rangit & Kurichu), Central Thermal Generating Stations of NTPC, IPPs (Vedanta Ltd., JITPL, GMR Kamalanga Ltd., IBUL & NBVL), Renewable Energy Sources (Solar, Small Hydro, Biomass, Wind). In addition to the above sources, GRIDCO also procures power on short-term basis through power exchanges, trading and also through banking, in case of shortfall from regular sources or to meet the deviation from estimated demand depending on the availability of power on real time basis.

Further, GRIDCO has submitted that power procurement from different sources has been undertaken by adopting Merit Order Despatch (MoD) principle on real time basis in

consultation with SLDC for optimal utilization of the available energy sources ensuring procurement of power at least variable cost from approved Generators. However, there is steep increase in power purchase cost from Rs. 11850.44 Cr. (for 38185.57 MU @310.34 Paise/Unit) as approved by the Commission in the Tariff Order for FY 2023-24 to the actual power procurement cost of Rs. 13163.68 Cr. (for 40206.10 MU @327.41 Paise/Unit). Accordingly, GRIDCO has requested the Commission to approve the power procurement cost of Rs.13,163.68Cr as per the audited accounts for the FY 2023-24.

Finance and Other Cost

39. GRIDCO has submitted the approved and actual cost with respect to employees, R&M, A&G, Depreciation and interest on loan as given in the Table below.

Table -11
Approved and Actual Finance and Other Cost of GRIDCO for FY 2023-24
(Rs. Crore)

Sl. No.	Particulars	Commission's Approval	Actual (As per Audited Accounts)
1	Net Employee Cost	20.14	15.67
2	R & M Cost	0.81	0.37
3	A & G Expenses	5.79	119.95
4	Depreciation	1.31	0.52
4	Finance cost (interest on loan & amortised cost)	15.73	612.55
	Total	43.78	749.06

Repayment of Principal Loan:

40. GRIDCO has submitted that the actual loan repayment is Rs.1564.95 Cr. during FY 2023-24 and against which the Commission has been requested to consider and approve net revenue surplus of Rs.717.27Cr. (Rs.1625.07Cr- Rs.907.80 Cr) earned from Trading & DSM (Rs 1625.07Cr) after considering Variable Cost/ Charges (Rs.907.80Cr) towards repayment obligations for the FY 2023-24.

Revenue from Operation:

41. GRIDCO has submitted that, it has earned total revenue of Rs.13,941.53Cr. from operation during FY 2023-24. Further excluding the provision written back of Rs.42.29Cr, GRIDCO has proposed to consider Rs.29.13Cr. (Rs.71.42Cr. - Rs.42.29Cr) as other Miscellaneous income for the FY 2023-24.

Summary of Truing-up Proposed for the FY 2023-24:

42. GRIDCO has proposed to consider Power Purchase Cost of Rs.11,215.89 Cr. (Rs.13163.68Cr- Rs.907.80Cr) for truing-up purpose after deducting the variable cost of

Rs 907.80 Cr towards surplus power from costly stations. Further, rebate received from generators and allowed to DISCOMs has been excluded in its proposal considering that the same has not been considered by the Commission in the ARR. Further, Pass Through cost of Rs 896.00 Cr towards reimbursement to OPGC, OHPC, STU charges for Solar power, wage revision of Teesta-V HEP etc. as approved by the Commission in the ARR Order of FY 2023-24 has been included in the power purchase cost on actual basis. The net revenue surplus of Rs.717.27Cr. (Rs1625.07Cr- Rs.907.80 Cr) earned from Trading & DSM (Rs 1625.07Cr) after considering Variable Cost (Rs.907.80Cr) of surplus power availed from various power stations has been proposed towards repayment of loan obligations for the FY 2023-24. Accordingly, the summary of Truing up proposed by GRIDCO as against the approval of the Commission for the FY 2023-24 are given in the Table below:

Table-12
GRIDCO's Proposed Truing-up for the FY: 2023-24

(Rs. Crore)

Sl No	Particulars	Approved By OERC	Actual as per Audited Accounts	Proposed for Truing-up
1	Total Power Purchase Cost	11,850.44	13,163.68	12,255.89
2	Less: Rebate received	-	160.22	-
3	Power Purchase Cost after Rebate (1-2)	11,850.44	13,003.46	12,255.89
4	Employee Costs	20.14	15.67	15.67
5	Repair & Maintenance	0.81	0.37	0.37
6	Administrative & General Expenses	5.79	119.95	119.95
7	Depreciation	1.31	0.52	0.52
8	Interest Chargeable to Revenue	15.73	612.55	585.89
9	Carrying Cost on Regulatory Assets	94.10	-	-
10	Sub-total (4+5+6+7+8+9)	137.88	749.06	722.40
11	Pass Through of Power Purchase Dues	896.00	-	-
12	Total Revenue Requirement (3+10+11)	12,884.32	13,752.52	12,978.29
13	Revenue from Sale of Power to DISCOM	12,163.00	11,008.44	11,008.44
14	Surcharge from TPWODL@30P/U	386.58	330.17	330.17
15	Additional Revenue from TPWODL towards sale of power through TPA	26.00	800.57	800.57
16	Less: Rebate to DISCOMs	-	123.57	-
17	Sub-total (13+14+15-16)	12,575.58	12,015.61	12,139.18
18	Revenue from Trading & DSM	-	1,625.07	-
19	Other Income	52.22	329.98	329.98
20	Provision Written Back	-	42.29	-
21	Total Revenue (17+18+19+20)	12,627.80	14,012.95	12,469.16
22	Surplus/(deficit) GAP (21-12)	(256.52)	260.43	(509.13)

43. Considering the above proposal, GRIDCO has requested the Commission to amortize net revenue surplus of Rs.717.27Cr. for repayment of loan obligations and truing-up GAP of Rs.509.13 Cr. of FY 2023-24 allowed to recover through tariff.
44. Accordingly, GRIDCO has prayed before the Commission to:
- a) Consider its Truing-up application for the FY 2023-24 and approve the respective revenue and expenses based on audited accounts of the FY 2023-24.
 - b) Approve the repayment obligations out of the net surplus earned from trading.
 - c) Allow recovery of the revenue gap along with carrying cost through BSP of subsequent year or through valid regulatory mechanism.
 - d) Allow for amortization of regulatory gap / deficit in tariff as per the directives of Hon'ble APTEL in OP No. 01/2011 and the directives of Ministry of Power Govt. of India vide letter dated 11.11.2022.

VIEWS OF THE CONSUMER COUNSEL AND OBJECTORS ON THE ARR AND BSP PROPOSAL FOR FY 2025-26 AND REPLIES/RESPONSES OF GRIDCO THEREON (PARA 45 TO 111)

Views of Consumer Counsel (WISE):

45. Design of BSP for DISCOMs has direct impact on consumer tariff; therefore, WISE, the Consumer Counsel has made the following observations on the ARR of GRIDCO and requested for consideration of the Commission.
- a. Energy availability from all sources may be reviewed, particularly from OPGC, IPPs and Central thermal. Costly power purchase should be avoided through merit order principle.
 - b. The cost components of OPGC Units- 3&4 may be reviewed. The fixed charges approved by the Commission for the FY 2023-24 in Case No 96/2021 may be continued.
 - c. Review of all charges in case of Central thermal power plants. Fixed charges should be based on CERC orders only. As per earlier order, costs only from approved sources should be considered.
 - d. Review transmission loss and transmission charges in case of Central sector projects.
 - e. Power procurement quantum and rate for all IPPs may be reviewed.

- f. Substantial amount claimed for additional power purchase cost. The claims may be considered as per payment made and basing on CERC orders.
- g. Pass through expenses of differential power purchase cost of central transmission charges for FY 2024-25 may not be part of present ARR.
- h. Payment on account of interest on various loans may be reviewed and interest expenses of loan taken from FY 2016-17 onwards should not be allowed, as per earlier decision of the Commission.
- i. Employee cost, A&G expenses, and R&M expenses may be reviewed.
- j. Other proposal of GRIDCO may be reviewed based on existing norms in force.

Energy Availability and Forecasting

View of Objectors:

46. The energy availability from all sources may be reviewed, particularly from OPGC, IPPs and Central thermal and CGPs. Costly power purchase should be avoided through merit order principle, review all the charges in case of Central thermal power plants, the fixed charges should be based on CERC orders only and the cost considered should be from the approved sources. Further, energy demand projection for the FY 2025-26 may be compared with previous forecasts. GRIDCO has estimated total energy availability as 43,949.49 MU and sales to DISCOMs as 38,813.55 MU. The Objector has pointed out that:
- GRIDCO does not provide a ten-year energy forecast, which is essential for planning future procurement strategies.
 - The gap between energy availability and sales suggests inefficiencies in managing surplus power.
 - There is no clarity on the cost-effectiveness of surplus power utilization.
 - GRIDCO to submit a detailed long-term energy forecast and strategic plan for optimal power allocation.

GRIDCO's inaccurate demand forecasting leads to excessive procurement and also frequently overestimates power demand, resulting in unnecessary long-term PPAs with Independent Power Producers (IPPs) and fixed charges paid for unused power capacity, increasing overall costs. It has failed to follow the Merit Order Dispatch (MOD) principles mandated by the Central Electricity Regulatory Commission (CERC).

47. The Objector highlighted inconsistencies in GRIDCO’s demand forecasts compared to actual energy drawl as:

FY 2020-21: Forecasted 6,230.85 MU, actual drawl 4,575.89 MU (-26.57%).

FY 2021-22: Forecasted 4,847.48 MU, actual drawl 4,065.34 MU (-16.14%).

FY 2022-23: Forecasted 4,338.36 MU, actual drawl 5,447.59 MU (+25.57%).

FY 2023-24: Forecasted 5,562.58 MU, actual drawl 5,156.90 MU (-7.29%).

The objector has suggested that, GRIDCO to improve forecasting methodologies based on real-time consumption patterns, submit a 10-year demand forecast plan with detailed mitigation strategies and justify major variations in demand projections. He has requested the Commission to scrutinize GRIDCO’s demand planning approach and impose penalties for repeated forecasting errors.

GRIDCO’s Response:

48. GRIDCO has submitted that, it has made projection for FY 2025-26 as per the approved PPAs, regarding approval of the availability of power by the Commission. Regarding energy demand projection of DISCOMs, GRIDCO states that there is growing demand in the domestic and industrial segment in the state in the recent years, as per the demand projections made by DISCOMs for the ensuing FY 2025-26. The Commission may approve the State demand for the FY 2025-26 with due analysis and prudence while approving the ARR and RST for the DISCOMs. The demand projections and the capacity enhancement plan for the next ten years are as follows:

Table-13

Financial Year	Statement of State’s Demand Forecast for up-coming years		
	Energy Consumption (MU)	Annual Avg. Demand (MW)	Peak Demand (MW)
2025-26	38873	4438	6276
2026-27	39952	4561	6514
2027-28	41324	4717	6830
2028-29	43095	4919	7138
2029-30	46129	5266	7511
2030-31	48220	5505	7930
2031-32	50082	5717	8319
2032-33	51860	5920	8716
2033-34	53701	6130	9132
2034-35	55607	6348	9567
2035-36	57581	6573	10023

49. The DISCOMs' projection till FY 2027-28 made as per the Business Plan approved by the OERC is higher than the 20th EPS projection and from FY 2028-29, the DISCOMs' demand has been escalated @4.29% till FY 2031-32 (growth observed from FY 2023-24 to FY 2027-28). In comparison of the projection from FY 2029-30 to till FY 2031-32, the projection made in 20th EPS is higher. For Capacity Planning, Energy Demand as per DISCOMs' projection till FY 2028-29 and as per 20th EPS from FY 2029-30 to FY 2031-32 has been considered.

GRIDCO has considered the perspective load growth (CAGR) as per 20th EPS beyond FY 2031-32:

CAGR from FY 2031-32 to 2036-37	3.55%
CAGR 2036-37 to 2041-42	3.12%

50. The projections from the approved sources/stations have been planned as per the long-term procurement contracts/PPAs for ensuring energy security for the State. No projection has been made towards procurement from CGPs in absence of any contractual obligation. Moreover, the availability of power from these sources are not consistent as the same are utilized for the captive consumptions of the respective industries.
51. The energy availability with costs from the respective sources are considered on the basis of the allocated State's share and the rate/tariff approved by the Central/State Commission. Fixed/Capacity charges and other reimbursable expenses of Central thermal stations are projected on the basis of latest CERC orders and reimbursements are made on actual trend of the year. The transmission loss towards procurement of power from central sector stations of the eastern region are determined by NLDC on monthly basis thus, the same is beyond the purview of the petitioner. Power procurement projections from IPPs are based on the projections made by respective IPPs and also the trend of actual supply of energy during the period from Apr'2024 to Sept'2024, in order to make the projections realistic and achievable.
52. The views of the Objector that the demand forecast vis-a-vis the actual drawl resulted in surplus capacity, does not reflect the facts. However, GRIDCO appreciates the concern of the esteemed stakeholder for establishing a foolproof demand forecast methodology for ensuring no surplus situations thereby optimizing the cost. GRIDCO bears the onus for ensuring energy security to the State, which is ensured by tying up the required capacities with the Generators through long term Contracts. It may be appreciated that, it is hardly possible to match the State requirement of power from the pre allotted tied up capacities on real time basis as both the factors i.e., demand and actual availability may go on change on

real time basis due to either demand surge or contraction based on the energy needs of the consumers of the State across the categories. Further, on the supply front, there may be reduction in generation due to outage of large plants, poor hydrology, non-availability of coal, varying degree of CUF of the RE sources, etc. Moreover, the above-mentioned inherited issues cannot be undermined while assessing the State's demand.

53. Further, the State-wise Energy forecast is conducted by CEA considering the consumption pattern of various categories of consumers and the expected increase in the consumptions as per various parameters. The State DISCOMs conduct demand estimates for the future period considering the demand pattern of existing industries and the contract demand of the upcoming industries desirous of availing power supply through DISCOMs along with the trend in the domestic consumptions. Thus, GRIDCO relies heavily on the forecasts published by the CEA and also the demand projections considered by the DISCOMs and accordingly plans for the procurement, ensuring energy stability in the State.

GRIDCO submits that Merit Order Dispatch (MOD) principles set by the CERC is quite untenable. However, GRIDCO endeavors on 24X7 continuous basis for ensuring implementation of the Merit Order principle with close monitoring and supervision with SLDC.

54. Regarding fixed charges payable to IPPs irrespective of the drawl, GRIDCO submits that the fixed charges/capacity charges accrue only when the IPP is ready for supplying power. As the IPP power is utilized for State consumption due to lower variable charges, GRIDCO endeavors to avail the requisite quantum of allocated power from the IPPs at all times throughout the year. Further, there is firm allocation of power from the Generators stipulating obligations towards supply of the specific quantum of power as per the subsisting contract (PPA) in force. The fixed/ capacity charges obligations depend on the station availability. Thus, for the period of unavailability of the generation capacity, capacity charge is not payable. Hence, there would not be any penalties and additional charges towards the short drawal as contended by the Objector.

Regarding Surplus Power Management:

View of Objectors:

55. The annual power requirement of DISCOMs has been estimated as 40,117.06 MU, while the available power is projected as 43,949.49 MU. GRIDCO should devise a dynamic tariff mechanism to manage peak demand and surplus power. It is proposed for Time-of-Day (ToD) tariff structure, where the consumers have to pay a surcharge during peak hours and

receive a rebate during solar hours. This would help balance demand and reduce pressure on GRIDCO during peak periods.

GRIDCO's Response:

56. GRIDCO is always concerned towards cost optimization as envisaged by the Objector towards sale of surplus power on real time basis. However, the proposition regarding sale of surplus power above the average cost of power all the times throughout the year, may not be feasible always. The Commission may consider that the price in the Energy Exchange is market driven & remains volatile and primarily depends on the "Demand-Supply" dynamics of the energy sector on real time basis. Thus, GRIDCO has negligible role to determine the selling price of the surplus power. However, it always prioritizes the State's requirement and endeavors to sell the surplus power after meeting the State demand, only when the prevailing market price exceeds the variable charges of the costly station.
57. On the contingency planning and the implementation of market-based tariff for the industries, GRIDCO appreciates the concern of the Objector for recovery of the energy cost through regulatory framework. The Commission may consider that the differential tariff as proposed by the Objector for the industries ought to be analyzed with the consumption pattern of all the DISCOMs during the peak, off peak and the solar hours period along with comprehensive analysis of the impact on the State's consumption as a whole, so as to make the tariff attractive for the industries for shifting their consumption from the peak hours to the off peak / solar hours.

DISCOM's Drawals:

View of Objectors:

58. Whether power drawals by DISCOMs were intentionally kept low through short supply. The Objector opposes GRIDCO's suggestion for approval of SMD on a monthly basis and levy charges for excess energy drawal, as the existing annual framework of SMD provides necessary operational flexibility and allows 10% overdrawal limit on an annual basis. The industries with CGPs cannot be restricted their drawal, as they pay demand charges year-round. The DISCOMs is required to effectively manage demand through SCADA monitoring and load management strategies.

GRIDCO's Response:

59. Low projections made using various means of short supply by the DISCOMs is beyond the operational purview of GRIDCO. GRIDCO has considered the demand projections of DISCOMs in the ARR application. GRIDCO has furnished sufficient justification in its

ARR application for approval of SMD on monthly basis. The DISCOMs have furnished month wise SMD towards peak demand projection for the FY 2025-26 based on their actual drawl pattern for the current FY2024-25. Accordingly, the power procurement planning is done by GRIDCO basing on the monthly SMDs provided by DISCOMs to GRIDCO for the FY 2025-26. There is absolute necessity for approval of SMD on monthly basis so as to enable GRIDCO to make comprehensive energy planning within the regulatory framework. Therefore, the Commission may approve the maximum demand prudently on basis for the ensuing FY 2025-26.

Time-of-Day (ToD) Tariff

View of Objectors:

60. The Commission had already approved ToD tariffs aligned with a Central Government notification dated 14.06.2023. It is suggested to consider solar hours for ToD tariff determination, with a tariff for off-peak hours at 80% of normal energy charges. Further, the existing ToD incentive of 10 paise per unit is inadequate to encourage energy-efficient usage and ToD surcharges (20 paise per unit) are higher than incentives. Since the off-peak hours are not well defined, it limits the benefits for rice millers. It is suggested to increase ToD incentives from 10 paise to 20 paise per unit to encourage industries to consume power in off-peak hours and to restructure the ToD framework as given below:
 - Solar Hours (8 AM - 5 PM) to encourage the use of solar energy by offering enhanced incentives.
 - Off-Peak Hours (12 AM - 8 AM) to provide higher rebates to shift energy usage away from peak demand times.
 - Review unjustified cost recovery mechanisms within the ToD structure.
61. It is further suggested to introduce additional incentives for rice millers using solar power & 25 paise per unit incentive is suggested for green energy usage. Further modifications to the ToD tariff could only be considered after full year of data for FY 2024-25 is available. The industries may be allowed to draw power up to 120% of their Contract Demand (CD) during solar hours when surplus power is available in GRIDCO's pool.

GRIDCO's Response:

62. According to GRIDCO revision of ToD surcharge framework as suggested by the Objector may undermine the objectives of ToD framework. The sole intention of ToD tariff mechanism intends towards shifting of demand from peak hours to off-peak hours by incentivizing the energy drawl during off-peak hours through concessional tariff. In this regard, GRIDCO has substantiated elaborately in its ARR application for FY 2025-26.

Power Trading & Banking

View of Objectors:

63. The details of power trading and banking over the last three years, including incentives paid and employees recruited for this purpose may be provided. GRIDCO was initially established as a power trading entity but now performs multiple functions beyond its legal mandate. It holds equity in Tata DISCOMs and executes various Government programs, stretching beyond its original scope. Any money spent by GRIDCO on non-trading functions should be funded from the State budget rather than through BSP.

GRIDCO's Response:

64. The information on trading, banking of power for last three years are furnished by GRIDCO as under:

Table-14

Particulars	FY2021-22	FY2022-23	FY2023-24
Trading of Power (MU)	4690.62	1684.47	2671.55
Banking of Power availed (MU)	335.62	190.66	305.10
Banking of Power returned (MU)	339.15	213.28	309

Further, no employees are recruited for the trading activities and no such incentives given to any employee.

65. Regarding Trading margin @7 P/U, GRIDCO submits that the matter has been long settled by the Hon'ble Supreme Court of India in Appeal No. 5722 of 2006 (Gajendra Haldea vs. GRIDCO & Others). GRIDCO reiterates that it is the exclusive "Bulk Supply Licensee for the State" and an "Intra-State Trader" but not an "Inter-State Trader" to whom Trading Margin is applicable. Besides, GRIDCO's legal existence and the nature of its business and filing of its ARR & BSP Application each year before the OERC have also been upheld by the Commission in multiple occasions as mentioned in various previous ARR & BSP Orders. The Commission has been following the consistent methodology by way of approval of differential BSP for each DISCOM considering the uniqueness of Odisha power sector for a long time. As the State Designated Entity, GRIDCO holds all the Power Purchase Agreements (PPAs) with the Generators on behalf of State Government since the time of unbundling during the reform of the power sector during 1995. The State's power requirement met from various Generators is pooled at GRIDCO end and thereafter supplied to DISCOMs, which necessitates the requirement of determination of BSP.

Entitlements from IPPs

View of Objectors:

66. Whether GRIDCO has received its entitled share from Independent Power Producers (IPPs) and reasons for any shortfall.

GRIDCO's Response:

67. Entitlement of the State share of power from the contracted IPPs and the actual drawal of power is well addressed in the ARR application. The drawal of power from IPPs may be approved by the Commission based on past trend. However, GRIDCO always endeavors to avail the State share of power from all the IPPs in order to meet the State demand.

Performance of OPGC

View of Objectors:

68. Actions to be taken if OPGC generated below 80% Plant Load Factor (PLF) due to low-quality coal.

GRIDCO's Response:

69. OPGC has been requested to procure good quality coal and to reduce frequent outages.

Sterlite Capacity Reduction

View of Objectors:

70. Whether Sterlite has reduced its installed capacity. GRIDCO should provide details on peak supply received from Sterlite.

GRIDCO's Response:

71. Reduction in the installed capacity by Sterlite is beyond the scope of GRIDCO. However, no such reduction proposal has been received by GRIDCO. The IPP is supplying State share of power from its Unit-2 and in case it fails to supply the State entitlement in full, then GRIDCO imposes compensation for such non/short supply as per the directives of the Commission vide order dated 22.06.2020 in case No. 68 of 2018. The peak supply by the IPP was 500 MW during the current FY 2024-25.

Machhkund Hydropower

View of Objectors:

72. Whether GRIDCO has paid for acquiring additional capacity to secure 50% share of Machhakund HEP and its impact on power trading. GRIDCO, being a Government-owned company, should negotiate with OHPC to reduce the procurement price of low-cost hydro power. Further the mini hydro power projects under OPGC should be transferred to OHPC for green power generation.

GRIDCO'S Response:

73. Towards acquisition of the balance capacity of power from Machhkund Station to increase total share to 50%, it has paid the differential cost based on approval by the OERC in the ARR Order of OHPC. The above power is utilized for State consumption as per the merit order. Further, under the prevalent Regulatory regime, the generation tariff of OHPC is being approved by the OERC. Accordingly, GRIDCO procures power from OHPC at the tariff approved by the Commission. Regarding transferring of Mini Hydel projects from OPGC to OHPC, the matter is beyond the purview of GRIDCO.

Renewable Energy (RE) and RPO:

View of Objectors:

74. Whether GRIDCO is improving its RE footprint, considering Nationally Determined Contributions (NDCs) and State RE Policy. GRIDCO's RPO compliance is questionable, with shortfalls across multiple years. GRIDCO is required to furnish detailed year-wise RPO compliance report from FY 2011-12 to FY 2024-25 and its plan for procuring required renewable energy to fulfil RPO targets. The Commission requires to enforce stricter for RPO compliance and penalize GRIDCO for lapses, if any. Further, GRIDCO collecting additional charges (Deviation charges + Rs. 1/kWh or BSP + Rs. 1/kWh) from CGPs for open access power. GRIDCO is required to provide details of the revenue collected from CGPs from FY 2018-19 to FY 2023-24 and whether this revenue has been reflected in GRIDCO's ARR. GRIDCO, as the state-designated agency, should approach the Commission for the finalization of generic tariffs for various types of renewable energy projects (e.g., solar, wind, biomass). Due to such lack of generic tariff, the progress of renewable energy development in the State slowdown. Further, GRIDCO as the nodal agency for the Odisha Renewable Energy Policy- 2022, needs to take necessary actions to facilitate the framing of regulations including generic tariffs for wind and biomass projects, regulations for grid balancing assets, and exemptions on cross-subsidy charges for RE power procured by industries and obtain orders from the Commission.

GRIDCO's Response:

75. The Objector may appreciate that, GRIDCO, being assigned with the task of development of renewable energy in the State as "State Renewable Nodal Agency", endeavors to attract new projects in the State in various fields including Floating Solar, Wind, Pumped Storage Projects, Hydro, Green Hydrogen & Ammonia with applicable incentives as being extended by the State Govt. to the Developers. Regarding RE project development in the State, under the latest Odisha RE Policy-2022, 8 nos. of Single Window Committee (SWC)

- meetings have been held till date & approved 34 nos. of projects of various technologies with a cumulative capacity of 1,441.79 MW. Further, various projects are under pipeline and shall be commissioned in upcoming years.
76. The view of the Objector regarding shortfall in RPO from the FY 2011-12 to FY 2021-22 has not been considered by GRIDCO is not fully correct. GRIDCO has endeavoured continuously to procure RE Power as available in the State and outside the State at a reasonable tariff, thereby making effort for meeting the RPO target to the maximum possible extent. In FY 2021-22, GRIDCO has been able to comply 98% of the RPO target as per the prevailing OERC RPO Regulations. Further, during FY 2022-23 & FY 2023-24, GRIDCO has complied around 92 % & 81% of the RPO target as specified by the Commission, which has already been submitted before the Commission.
77. The surplus/ shortfall if any, will be addressed as per the direction of the Commission in the prevailing OERC RPO regulations, 2021. GRIDCO has submitted the Financial Year wise RPO obligation and compliance status from FY2011-12 to FY 2024-25 (up to November-2024). GRIDCO is regularly submitting RPO compliance status to OERC on quarterly basis as well as annual basis in line with the prevailing OERC RPO Regulations. Plan of purchasing Renewable Energy and the tariff thereof has been submitted to the Commission in the ARR application for approval. The Commission, vide Order dated 04.12.2023 in Case No. 94 of 2023, has determined the Generic Tariff for SHEPs for the 4th Control Period. In the said Order, the Commission has decided the method of determination of tariff for other RE Sources. Currently, the renewable energy is being procured by GRIDCO at the tariff discovered under Tariff based competitive bidding and also in line with the Odisha Renewable Energy Policy-2022. Moreover, GRIDCO is taking prior approval of the Commission in consultation of the State DISCOMs before executing any Power Purchase Agreement (PPA)/ Power Sale Agreement (PSA) for procurement of RE Power. The Commission is also determining the Project Specific Tariff for different RE Projects as per the provisions of PPA/PSA. GRIDCO takes necessary steps in line with the directions of the Commission to fulfil its RPO needs. As the technologies for Battery Energy Storage System and Pumped storage Hydro are in their adoption stage, it may take some time for stabilization of price. GRIDCO shall take necessary steps for procurement of power from such sources after framing of Regulation by the OERC.
78. As per the MoP, GoI, Notification dated 20.10.2023, the RPO categories have been modified to Wind RE, Hydro RE, other RE & Distributed RE with total target of 43 % by 2030. Moreover, there is a provision of fungibility among the Wind RE, Hydro RE &

Other RE. Considering the future RPO target and influx of more & more RE sources in to the system, GRIDCO has planned to procure power from Pumped Storage projects in the coming years. However, the gestation period of these projects are around 5 to 7 years and estimated to be available to the State by FY 2031-2036.

The tariff for 100% consumption of green energy has already notified by the Commission in the RST order. In FY 2023-24, GRIDCO has received the RPO compliance report from 21 obligated entities. The compliance report was submitted to EIC/SLDC for verification and validation.

The deviation charges are accounted for and factored in the income of GRIDCO and considered during truing up exercise resulted in lower tariff for the end consumers. Also, as there is no cost incurrence for the infirm power injected into the system, the same is utilized for the State consumption, thereby optimizing the power cost.

Small Modular Nuclear Plants

View of Objectors:

79. The Objector has asked about plans to adopt small modular nuclear plants.

GRIDCO's Response:

80. GRIDCO has submitted that Small Modular Nuclear Plants is highly appreciated. Currently, the Odisha Renewable Energy Policy-2022 does not include any provision towards establishment of Small Modular Nuclear Plants in the State. However, with availability of necessary inputs in large-scale, such projects could become economically viable in the future.

Green Hydrogen & Ammonia

View of Objectors:

81. The Objector has asked wheather Green Hydrogen/Ammonia plants will source RE from GRIDCO.

GRIDCO's Response:

82. As per OERC promotion of Renewable energy through Green Energy Open Access Regulations, 2023, the distribution licensees / GRIDCO may procure and supply Green Energy to the manufacturers of Green Hydrogen & Ammonia in the State.

Underutilization of Available Resources

View of Objectors:

83. The Objector has stated that Odisha has significant coal reserves, water reservoirs, and State Government support, but fails to deliver low-cost power. Power plants like OPGC,

with access to Manoharpur coal mines, do not capitalize on cost-saving opportunities. Other states integrate coal mines with power stations to lower costs, but Odisha lags. NLCIL having integrated coal mines is going to generate power at low cost, but we have lost 800 MW low-cost power from the power station of NLCIL in Odisha. The presence of massive thorium reserves in Odisha, which could support nuclear power for thousand years, but remains untapped. Hydro power stations are underperforming, contributing to higher costs.

GRIDCO's Response:

84. GRIDCO submitted that the non-capitalization of the opportunities available in the State is beyond the purview of the instant ARR application. Allocating power from the central generating stations is under the purview of the Central Government. The NLCIL thermal project was initially planned to be set up in Sirkali, Tamil Nadu for which MoP, GOI allocated 2000 MW to Tamil Nadu, Kerala and Puduchery and PPAs were signed with the above states during 2011. As the project was to be setup in Tamil Nadu, Odisha was not allocated any power from the project at that time. Subsequently, when NLCIL project was shifted to Odisha, Ministry of Power, GoI allocated the remaining 400 MW of the 1st phase to Odisha due to efforts of the State Government. Thereafter, the PPA was signed with NLCIL for purchase of 400 MW from 1st phase and 400 MW from 2nd phase (50%). However, the State Government has further approached to the Central Government to allocate the remaining 400 MW from the 2nd phase to Odisha. (1200 MW from Phase 1&2).

Issues on BSP

View of Objectors:

85. The Objector has stated that GRIDCO inflates the power purchase cost for DISCOMs while underreporting its actual cost. The projected unit cost for surplus power is kept artificially low, while the cost for DISCOM power is inflated. This misleading pricing forces consumers to bear unnecessary expenses. Further, GRIDCO repeatedly claims that OERC determines a "non-cost reflective BSP," leading to financial losses. However, the Electricity Act mandates only cost-reflective tariff, not BSP for traders like GRIDCO. As a trader GRIDCO should be allowed a trading margin between 4 P/U to 7 P/U which is to be determined by the Commission based on the industry standard and regulatory norms. The Objector has opposed the inclusion of capacity charges amounting to Rs. 5,969.89 crores in the ARR application of GRIDCO and states that the inefficiency of DISCOMs should not be passed on to consumers through the BSP. Further, the Objector has opposed the proposal of GRIDCO on increase in BSP to 395.40 P/U with 20.48% rise from the existing

328.20 P/U. Such an increase would negatively impact the financial position of DISCOMs unless RST were adjusted proportionately. The Objector requested the Commission to balance the interests of all stakeholders.

GRIDCO's Response:

86. GRIDCO has submitted that computation of the BSP in absence of the total costs is quite unscientific. The repetitive averments carrying contentions regarding applicability of trading margin to GRIDCO would definitely result in higher tariff to the Consumers of the State, in case trading margin is included in the tariff. Further, the Commission in the ARR & BSP orders has also clarified the status of GRIDCO as deemed licensee under 5th Proviso to Section 14 of the Act, stipulating towards determination of BSP which in turn becomes power purchase price for the respective DISCOMs. The contention regarding formation of a separate entity for the trading activities fully undermines the roles of GRIDCO, which thrusts on the energy planning ensuring energy security to the State, safeguarding the consumers' interest at large. Further, the surplus energy is quite contingent and may result on real time basis subject to the actual availability of power after meeting the State demand. The contents referred to alienate the statement of "Non-Cost Reflective BSP". GRIDCO has always been committed to its primary responsibilities in ensuring energy security to the State and has preferred to submit before the Commission for approval of the uncontrollable Costs. The esteemed Objector may consider that energy security for the State is of paramount importance which can only be ensured through long term contracts (PPAs) with the various Generators. The above contracts stipulate towards tying up of fixed capacities, resulted in supply of power to the State throughout the contract tenure. The Capacity charges of all the stations are apportioned/allocated to the beneficiaries based on the share allocation from the respective stations. The capacity charges are quite significant and forms the basic component of Generation Tariff and accordingly, the same ought to be reflected in the tariff.

Power Procurement Cost

View of Objectors:

GRIDCO has projected a Power Procurement Cost of Rs. 14916.83 Crore for FY 2025-26, as against Rs. 12454.03 Crore approved by the Commission for FY 2024-25. It has shown availability of adequate surplus power from the State's share of power from some existing and upcoming power plants. If shortfall occurs, GRIDCO will avail such power, depending on exigencies or force majeure conditions. GRIDCO needs to submit the demand forecast of coming ten years along with its plan of action to meet the future demand of the State.

The objector suggests that GRIDCO's projected power procurement strategy for FY 2025-26 includes several high-cost power sources. The expensive power sources should be minimized. Since many PPAs are outdated (8-10 years old), leading to excessive tariff, GRIDCO should review all high-cost PPAs and follow the MOD principle. The Commission needs to conduct an independent audit to assess, if cheaper power sources are being ignored. It must be ensured that cost-efficient sources are prioritized, transmission charges and losses are reduced so as to reduce the financial burden on the consumers. The Commission should scrutinize GRIDCO's cost projections, ensuring unnecessary expenses are eliminated and power procurement is optimized for cost efficiency.

The Objector further submits that GRIDCO should explore purchasing cheap power from power exchanges under open access instead of procuring costly power from the Central Sector Power Stations. and avoid burdening the Bulk Supply Price (BSP). GRIDCO, being a government-owned company, should negotiate with OHPC to reduce the procurement price of low-cost hydro power and the mini hydro power projects under OPGC should be transferred to OHPC for green power generation.

GRIDCO's Response:

87. GRIDCO has submitted that it has proposed for procuring the requisite State share of power with costs/tariff as per tariff approved by CERC for NTPC owned Thermal Power Plants along with all other stations/sources having long term tied up capacities through long term contracts. Also, GRIDCO procures power from various sources inside the State, whose tariff is approved by the Commission. Drawal of firm power is quite necessitated for ensuring energy stability in the State from a long-term perspective, which would only materialize through PPAs with the Generators, in order to economize the procurement cost in the greater interest of the State consumers. GRIDCO has made projections of power procurement of about 40,117 MU of energy during the ensuing FY 2025-26 to meet the State demand for the consumption within the State, which is well within the limit of allocated State share of energy from various approved sources for the FY 2025-26. This approach maintains consistency and uniformity in tariff for the State consumers and moreover bringing energy security to the State. In view of the upcoming summer months, different preparedness measures are being taken to meet the summer demand. GRIDCO anticipates that during contingency situations such as outage of generating stations, unprecedented surge in energy demand, etc. sufficient power may not be available to meet the contingency situations during peak period. Considering the aforesaid factors, GRIDCO

is exploring different short term power arrangement avenues including power banking, purchase of power on short term open access, etc.

88. Regarding optimization of power cost, GRIDCO has submitted that it appreciates the suggestions of the Objector to source cheaper power from various generators. GRIDCO always makes continuous endeavor to follow the Merit Order Principle round the clock on day-to-day basis for sourcing of power and earns revenue through trading of surplus power, accrued on real time basis in order to optimize the power procurement cost to the maximum extent possible. GRIDCO is always committed for ensuring steady power supply to the consumers through long term PPAs to meet the long-term foreseeable demand keeping pace with the requirements of the State consumers at large. Moreover, the contention regarding replacement of central sector power with power procurement from power exchange and through open access are not feasible options as the requisite availability of power cannot be ensured to meet the state demand and the payment of capacity charges cannot be shifted for such replacement, thereby would impact at a higher scale on the overall power procurement cost for the State consumers. Further, GRIDCO makes its best efforts to avail power supply from IPPs and also with concerted initiatives for surrender of costly thermal power. Deallocation of costly power has always been under active consideration and has become successful with close monitoring by the State Government before the Central Government which resulted in parting/de-allocation of the Odisha share of power in favour of other States in order to avoid the costly power from the State's energy basket.
89. Further, projections from the approved sources/stations have been planned from sources/developers with whom long term PPAs are executed for ensuring energy security for the State. No projection has been made towards procurement from CGPs and cogeneration and captive projects in absence of any contractual obligation. The energy availability with costs from the respective sources are considered for projections on the basis of the allocated State's share as per the rate/tariff approved by the Central/State Commission. Fixed/Capacity charges and other reimbursable expenses of central thermal stations are projected on the basis of latest CERC orders and reimbursement projections are made on actual trend of the current FY 2024-25. GRIDCO also procures power from various sources inside the State, whose tariff is approved by the Commission. Transmission Loss towards procurement of power from central sector stations of the eastern region are determined by NLDC on monthly basis thus, the same is beyond the purview of GRIDCO. Power procurement projections from IPPs are based on the

projections made by respective IPPs and also the trend of actual supply of energy during the period Apr'2024 to Sept'2024, in order to make the projections realistic and achievable. However, the Commission conducts the review and approve the energy quantum from the contracted IPPs towards drawl of the State share of power. The revision through mid-term review of older PPAs with Generators ought to be addressed as per the provisions of the subsisting contracts in force. The solar energy sector in India has witnessed significant growth over the past decade, driven by the country's commitment to renewable energy, energy security, and reducing carbon emissions. The average price of solar power has dropped from around Rs.15-20 per kWh in 2010 to Rs.3 and below per kWh in recent years.

90. To meet the RPO target as specified by the Commission, GRIDCO executed several PPAs/PSAs with different Solar Power Developers from time to time. The early phase from 2010-2015 saw high solar tariffs due to the nascent stage of the solar market, with limited domestic manufacturing and infrastructure. The high-cost solar power before 2015 & the low-cost solar power after 2015 is compensating the average solar purchase cost, which is lower than cost of any thermal generating station. However, GRIDCO is conducting continuous assessment and undertakes procurement planning to meet the State demand as well as RPO target as specified by the Commission with the cheapest source of energy available. GRIDCO submitted the latest share allocation from Central Thermal, Hydro, Solar, Wind and other RE sources in favour of Odisha, for consideration of the Commission until the same is revised by the Government of India.
91. The generation tariff of OHPC is being approved by the Commission under the prevalent regulatory regime. Accordingly, GRIDCO procures power from OHPC at the tariff approved by the Commission. Regarding transferring of Mini Hydel projects from OPGC to OHPC, the matter is beyond the purview of GRIDCO.

O&M Expenses:

View of Objectors:

92. GRIDCO has projected ₹22.69 crore for employee costs and ₹12.25 crore for administrative expenses for FY 2025-26. The Objector questioned about GRIDCO's consistently exceeded approved expense limits, whether proper audits are being conducted as per statutory regulations. The Objector requested the Commission to mandate a prudence check on all administrative and employee-related expenses.

GRIDCO's Response:

93. GRIDCO has submitted that the details of the projection towards Employees Cost and Administrative & General Expenses have been filed before the Commission along with the ARR & BSP Application and the Commission was requested to approve the same for FY 2025-26. Further, the proposed Depreciation and R&M Expenses are based on the requirements on realistic basis.

Return on Equity (RoE):

View of Objectors:

94. The Hon'ble APTEL has upheld the OERC's view that GRIDCO is not entitled for Return on Equity (RoE). The order can be continued and RoE should not be considered in GRIDCO's ARR determination. GRIDCO is to determine the book value of equity and net worth, and whether net-worth and equity have been eroded and also to make detailed statement. GRIDCO's request for 16% RoE amounting to ₹526.64 Crore should be disallowed, as such claim has consistently rejected in previous years. The Objector has stated that the Government of Odisha had frozen GRIDCO's RoE since 2003, except for new projects commissioned after 2006, and no material changes have been shown to justify a deviation from this stance.

GRIDCO's Response:

95. GRIDCO has submitted that the contention regarding disallowance of RoE seems to lack any merit. The Objector has cited the reference of the earlier Tariff orders, wherein, the State Government has deferred the allowance towards RoE as a component of the ARR, except for new projects commissioned after 01.04.2006 and till the sector becomes viable. The GRIDCO submits that its financial net worth is quite negative with accumulated loss figure of Rs.8,404 Cr. up to FY 2023-24. GRIDCO in its ARR & BSP Application has submitted the proper justification for consideration of RoE by the Commission. The Commission may approve the same as per the regulation in force for its sustainability. GRIDCO further submits that its net worth has been improved due to conversion of outstanding Govt. loan to equity and reduction in other liabilities due to repayment made during post vesting on settlement of BSP outstanding dues by the TP DISCOMs, resulted in better financial positions of GRIDCO.

Captive Generating Plants:

View of Objectors:

96. According to the Objector the CPGs in our State can sell surplus power only after obtaining no objection certificate from the SLDC. GRIDCO collects Deviation charges +

Rs.1 / kWh or BSP + Rs.1 / kWh whichever is higher from CGPs who do not maintain scheduled power delivery. The objector-company objects to the additional charge of Rs1/- per kWh beyond BSP / Deviation Charges collected by GRIDCO. The CGPs are required to pay deviation charges plus ₹1/kWh as an additional charge when they fail to maintain scheduled delivery. But present practice followed by lacks regulatory justification. Hence the Objector suggested that GRIDCO must provide a complete list of revenue collected from CGPs since FY 2018-19. If such revenue is collected, it must be reflected in ARR calculations. Further, GRIDCO is benefited from inadvertent power injections from CGPs and paid hydro pool costs in return. The Commission may direct GRIDCO to quantify the inadvertent power and release hydro pool cost payments. The inadvertent injections should be adjusted towards transmission loss of OPTCL.

GRIDCO's Response:

97. GRIDCO states that the deviation charges are accounted for and factored in its income and considered during trueing up exercise resulted in lower tariff for the end consumers. Also, as there is no cost incurrence for the infirm power injected into the system, the same is utilized for State consumption, thereby optimizing the power cost for the consumers. Regarding detailed Statements / bills in respect of power procurement from CGPs, GRIDCO has submitted that there is no LOA with the CGPs and accordingly, the power procurement from such sources is nil during the FY 2023-24 and FY 2024-25 (up to Dec'2024), thus raising of bills by the CGP does not arise.

Trading Margin

View of Objectors:

98. The objector has submitted that as a trading entity, GRIDCO should be allowed a Trading Margin between 4 paise per unit to 7 paise per unit for the total energy handled by it. GRIDCO has projected to handle 40,117 MU of energy for FY 2025-26. Based on the above trading margin at 4 paise per unit, the ARR of GRIDCO (excluding power purchase cost) should be ₹160.40 crore and at 7 paise per unit, the ARR of GRIDCO (excluding power purchase cost) should be ₹280.80 crore. The Objector has requested the Commission to assess the appropriate trading margin based on industry standards and regulatory norms.

GRIDCO's Response:

99. GRIDCO has submitted that it is a Deemed Licensee and "Intra-State Trader" but not an "Inter-State Trader" to whom Trading Margin @ 4 P/U is applicable. Besides, GRIDCO's legal existence and the nature of its business and the mandatory requirement of filing ARR

& BSP Application before the Commission for each Financial Year is well within the ambit of the Act and also have been upheld by the Commission in multiple occasions in various previous ARR & BSP Orders.

Additional Costs in Forced Outage Situations:

View of Objectors:

100. The Objector has responded to the argument of GRIDCO that despite adequate capacity being tied-up, power availability from tied-up capacities often fails to meet state demand, particularly during peak hours and sudden demand surges necessitate additional power procurement. The Objector has requested the Commission not to consider for approval for such costs and suggested that GRIDCO should justify them in a truing-up application.

GRIDCO's Response:

101. GRIDCO has submitted that the proposal regarding additional power purchase costs during truing up exercise would definitely defer the normal recovery of uncontrollable costs through BSP recovery on monthly basis. The justification for the comprehensive planning for addressing the contingencies has been duly submitted by GRIDCO in its ARR application. The Objector has misconstrued the intent of the submission made by GRIDCO. The proposal towards deferral of uncontrollable costs till the approval of Truing up proposal may result in additional cost of power procurement followed by carrying cost thereon.

Outstanding Dues and Financial Management:

View of Objectors:

102. The Objector opposes GRIDCO's approach of availing loans to bridge financial gaps caused by poor debt recovery and outstanding dues from erstwhile DISCOMs. According to the Objector, if GRIDCO has availed any loan without prior approval from the Commission, then the principal and interest repayment of such loans should not be allowed in ARR. Further, GRIDCO must furnish complete details of its financial borrowings and loan servicing plans and the Commission needs to scrutinize GRIDCO's debt management to prevent financial inefficiencies being passed onto consumers. The Objector opposes the acceptance of the loans amounting to Rs.5969.89 crore, arguing that GRIDCO should not take loans to repay the outstanding dues of DISCOMs that have left the power sector due to non-performance. Further, the Objector concerns about the collection of arrears by Tata Power DISCOMs and requested the GRIDCO to produce details of the penalty amounts collected from consumers.

103. The Objector has submitted that GRIDCO's claim for outstanding dues from erstwhile DISCOMs should not be passed on to the new DISCOMs (TPCODL, TPNODL, TPWODL, and TPSODL). The Objector also stated that the Vesting Order clearly states that historical liabilities of erstwhile utilities should not be transferred to the new entities. The Objector submitted that it has already collected and remitted Rs.412.14 crore in past arrears to GRIDCO, surpassing the target of Rs.300 crore. The Objector states that GRIDCO's application for accelerating arrear collection (Case No. 56 of 2024) be dismissed, as the matter has already been settled through the Vesting Order.

GRIDCO's Response:

104. GRIDCO has submitted that it is constrained to avail loans for repayment of the past loans availed due to non-payment of BSP dues by the erstwhile DISCOMs/Utilities and non-cost reflective tariff during the past years. With the privatization/vesting of the utilities during FY 2020-21 resulted in improvement in the overall operational performance of the DISCOMs in the recent and upcoming years, GRIDCO is hopeful of getting the outstanding BSP and other dues from the operating DISCOMs that would result in better financials along with comprehensive growth of the sector. The collections of outstanding receivables from the defaulting consumers would definitely result in settlement of loan liabilities of GRIDCO. The Commission is requested to issue suitable advisories/guidelines for settlement of outstanding, as the operating DISCOMs have settled the earmarked arrear target as stipulated in the vesting orders.

105. Due to non-cost reflective tariff, non-settlement of outstanding dues by erstwhile DISCOMs over a long period and for other perennial issues, GRIDCO was compelled to avail loan from banks with Govt. Guarantee in order to avoid power regulation in the event of non-payment of the generator bills within the stipulated period. Further, the revenue gap allowed by the Commission and the deficit created over the years caused great hardship to GRIDCO in financing the gap, so created due to non-cost reflective tariff and also due to the non-approval of truing up gap along with carrying costs till FY 2022-23. With no reserves and surplus, GRIDCO is unable to meet the financial obligation and accordingly prays before the Commission for allowing the same in the ARR for the ensuing FY 2025-26. GRIDCO also requests the Commission that a mechanism be put in place for principal and interest repayment of short-term loans availed to bridge the working capital gap arising due to non-realization of BSP dues from erstwhile DISCOMs. The liabilities have accrued against GRIDCO even though being a State Govt. entity and it is obligated to service the above borrowings.

106. GRIDCO appreciates the proactive measures taken up by the DISCOMs in the recent years for achieving the target much prior to the timeline stipulated by the Commission in the vesting order towards arrear collections for the pre-vesting period. The summary of the amount settled by the DISCOMs are as follows:

Table-15

(Rs. Cr.)

Particulars	TPCODL	TPWODL	TPNODL	TPSODL	Total
Target in the Vesting Order	200.00	300.00	400.00	100.00	1000.00
Amount settled till Dec'2024	332.07	340.45	506.21	207.13	1385.86

The collection of the penalty amount by the Operating DISCOMs is not within the purview of the Petitioner. The Commission may consider that the consumers along with the arrears were transferred to the operating DISCOMs and the target stipulated by the Commission was the minimum target by allowing incentives on collection of the arrears for the pre-vesting period. GRIDCO has submitted before the Commission for framing appropriate mechanism for realization of the balance arrears outstanding lying with the consumers for the pre-vesting period. The Commission in the Vesting Orders have directed the DISCOMs to put their best efforts for collecting past arrears beyond the numbers committed in the bid.

Ash Transportation Charges

View of Objectors:

107. The Objector-Vedanta Ltd. has stated that the Commission has already ruled that reimbursement of Ash Transportation Charges should be made monthly to avoid cash flow issues for the generator. But GRIDCO has not paid ash transportation expenses since June 2024, resulting in accumulated dues, including delay payment surcharge (DPS).

GRIDCO's Response:

108. GRIDCO has not denied reimbursement of Ash Transportation Charges and other reimbursable charges such as water charges etc. GRIDCO has made payment of all dues towards reimbursement charges as per applicable Regulations and tariff orders by the Commission with respect to quantum of drawal from the dedicated IPP Unit-2 and conditionally converted CGP Units of M/s. Vedanta Ltd. However, in spite of several request, Vedanta is yet to establish Payment Security Mechanism in favor of GRIDCO in respect of compensation payment. As a consequence, in case of non-supply of power by Vedanta in a month, GRIDCO can no way adjust the dues receivable towards compensation in absence of any cost of power payable to Vedanta for the said month.

Therefore, the Commission may direct Vedanta to establish required Payment Security Mechanism in favour of GRIDCO to resolve the matter. Moreover, the Objector-Vedanta who is a consistently dis-honors the PPA conditions, cannot take the plea of PPA provisions to allege GRIDCO for any reasons whatsoever. GRIDCO has been consistently following all PPA conditions, Regulations and the Commission's Orders and also extended support as and when requested to facilitate Vedanta to supply full State entitlement of power to the State.

Sale of Power through Specialized Tariff Scheme

View of Objectors:

109. The Objector supported the continuation of the concessional tariff scheme for industries with Contract Demand (CD) of up to 20 MVA. The Objector submits that the scheme has proven effective in generating additional revenue and should be continued without introducing month-specific restrictions. The Objector also highlighted that industries need tariff stability to support their operations. The Objector further submits that the suggestion of GRIDCO to sell unutilized green energy to CGP-based industries under the TPA scheme is not feasible. The Objector states that CGP industries have shifted to the green market to meet their RPO. Therefore, the surplus green energy could be shared between DISCOMs to meet RPO requirements.
110. Another Objector also supported the continuation of GRIDCO's special scheme for captive industries, but suggested following modifications:
 - TPA power supply should be ensured for at least 20 hours per day instead of intermittent availability.
 - 100% Green Power should be supplied under TPA for meeting the RPO requirements.
 - Considering the competitive market rate for solar and wind energy (~₹2-2.5/kWh), the Objector has suggested the tariff of TPA power @ ₹4.00/kWh, which is significantly lower than GRIDCO's approved BSP.

GRIDCO's Response:

111. GRIDCO has submitted that fetching of additional revenue towards sale of power through Specialized Tariff Scheme for industries having less than 20 MVA throughout the year, would bring additional cost to the State consumers. The Objector ought to appreciate that striking a balance to make the industries competitive with a differential tariff and maintaining tariff rationality for the consumers across the categories in the State, carries highest importance in the regulatory environment. The above dynamics is beyond the scope of GRIDCO. GRIDCO further submits that the proposal for supplying power to the

intending industries during the peak period would affect the power supply to other categories of consumers. The objector ought to appreciate that there may be surplus with the State's energy basket during the off-peak periods, which can be sold through the Specialized Tariff Scheme through TPA as per the BSP order. The said scheme has been beneficial for the industries as well as GRIDCO to optimize tariff for the consumers of the State. Thus, the proposition of earning additional revenue at BSP may not compensate/recover the additional costs of power procurement in meeting the State demand during peak seasons. Moreover, the supply is bottle-necked during national scarcity and power is also not available at the capped price from the energy exchanges to meet the State demand, which is the primary focus of GRIDCO. The suggestion for supplying power to the intending industries for 20 hrs. a day would affect the power supply to other categories of consumers, especially during the peak seasons. Regarding 100% green power, GRIDCO has submitted that supply of green power with RPO attribute to the consumers embedded with the DISCOMs. Further, considering the renewable energy requirement of the obligated industries in the State, GRIDCO is planning to create a separate RE power pool from which power shall be supplied to these industries, either directly or through TPA, so that the obligated industries can meet their RPO target.

Interest and Finance Costs

View of Objectors:

112. The Objector has stated that GRIDCO has claimed Rs. 612.55 crore for interest and finance costs for truing up of accounts for FY 2023-24. However, the Commission has consistently disallowed interest costs on loans availed by GRIDCO after FY 2015-16, as these costs are related to GRIDCO's failure to collect dues from erstwhile DISCOMs. The Objector has requested the Commission to continue to disallow these costs, as they should not be passed on to consumers. The Objector further submits that the Commission had disallowed GRIDCO's interest and finance charges since FY 2015-16. The same principle of disallowing such costs should continue.

GRIDCO's Response:

113. GRIDCO has submitted that the Hon'ble Supreme Court of India have pronounced the order in the Civil Appeal No. 414 of 2007 and observed that the finance costs shall be allowed to GRIDCO, based on the outstanding of DISCOMs and remanded the matter to the Commission for due adjudication. In view of the above directives, GRIDCO has submitted the differential finance cost to the tune of Rs.3039.41 Cr. from FY 2015-16 to FY 2022-23. Meanwhile, the hearing of the above matter is completed by the Commission

and the order is reserved. Accordingly, the Commission is requested to allow the finance cost of Rs.585.89 Cr. duly proposed in the Truing up application for the FY 2023-24 as per the audited accounts based on DISCOM's outstanding.

Power Procurement Through OTC Platforms

View of Objectors:

114. The Objector-M/s. GNA Energy Pvt. Ltd. is a data repository and analytics provider for the Indian power market and operates an Over the Counter (OTC) Platform, approved by CERC, to facilitate cost-effective and transparent electricity procurement. The platform aggregates electricity demand and supply, promotes renewable energy, and enables data-driven decision-making. The Objector submits that GRIDCO, as the State Designated Entity, is responsible for procuring power from all sources, for supply reliable & uninterrupted power to the State DISCOMs, ensuring a balanced Demand-Supply matrix. GRIDCO should also support industries with CGPs in fulfilling their RPO compliance. GRIDCO, in its ARR & BSP Application, has submitted that the State typically experiences high demand during the summer season i.e. from April to July, when sufficient contingency reserve may not be available from contracted generators, leading to power arrangements on a short-term basis through power banking or power exchanges. The Objector suggested that OTC Platforms be included as an additional power procurement option for GRIDCO, similar to Power Exchanges and Banking arrangements. However, unlike standardized contracts on Power Exchanges, OTC Platforms allow customized contracts based on load requirements, pricing, and duration and also provide advanced analytics for better demand forecasting, helping GRIDCO optimize procurement planning.

GRIDCO's Response:

115. GRIDCO has submitted that Hon'ble CERC has stipulated provisions for setting up of "Over The Counter (OTC)" Platforms in the Power Market Regulations, 2021 (PMR, 2021). As per the aforesaid regulations, the objectives of the OTC Platform shall be as follows:
- To provide an electronic platform with the information of potential buyers and sellers of electricity;
 - To maintain a repository of data related to buyers and sellers and provide such historical data to Market Participants;
 - To provide such services as advanced data analysis tools to Market Participants.

GRIDCO submits that since the notification of PMR, 2021, only two nos. of OTC platforms have been approved by CERC, namely New Age Markets in Electricity (NAME)

and GNA Energy Private Limited (GNAPL). GRIDCO submits that it is aware of the establishment of the above OTC platforms and is also exploring opportunities in these platforms on as and when available/ required basis.

True-Up Order for Past Years:

View of Objectors:

116. The Objector has submitted that any true-up liabilities for periods prior to the transfer of DISCOMs should not be imposed on them or their consumers in line with the vesting orders, which states that past liabilities would not be passed on to the new DISCOMs. Further, GRIDCO has filed appeals before the Hon'ble APTEL regarding past true-up orders. The Objector submits that any financial impact from these appeals should be retained by the erstwhile WESCO utility, as per the Vesting Order. The Commission may take appropriate decisions based on the outcome of these appeals.

GRIDCO's Response:

117. GRIDCO has submitted that Truing-up order for past years is quite misconceived and untenable, which has been challenged by GRIDCO before the Hon'ble APTEL and now pending for disposal. The Objector has also preferred to cite the provisions of the Vesting Order erroneously and contended that past liabilities for the pre-vesting period shall not be passed on to the new DISCOMs. GRIDCO submits that the Vesting Order stipulates for not transferring any impact on the truing up of the earlier DISCOMs/Utilities to the operating DISCOMs. However, in contrary to the above, the Objector contends to assume any liability, in case the Hon'ble APTEL disposes the appeal in question. The Objector may appreciate that recovery through Truing up process is a tariff recovery and does not have any bearing on the financials of the operating DISCOMs.

Annual Revenue Requirement and Pass-through Cost

View of Objectors:

118. The Objector has submitted that GRIDCO has proposed an ARR of ₹14,820.37 crore for FY 2025-26, a significant increase from ₹13,120.46 crore in FY 2024-25. The Commission needs to conduct a prudence check to ensure that the increased ARR does not impose an unjustified financial burden on consumers. Further, the Objector opposes inclusion of ash transportation expenses as "pass-through costs" in the ARR. The Ash transportation costs are currently reimbursed by GRIDCO based on procurement quantity and these costs are passed on to consumers, increasing their financial burden. The Objector suggests that the large thermal power producers should bear these costs as part of Corporate Social Responsibility (CSR) or environmental compliance. The Objector requests the

Commission to exclude these costs from the ARR calculation to prevent unjustified financial impacts on consumers

119. The Objector has pointed out that GRIDCO is paying fixed charges amounting to Rs.5300.33 crores for the FY 2025-26 due to PPAs signed with power producers like NTPC and NHPC. The Objector stated that the purchase of high-cost power and suggested that low-cost power should be prioritized to avoid passing on additional costs to consumers. Any approval of fixed costs should consider the corresponding impact on the Retail Supply Tariff (RST).

GRIDCO's Response:

120. GRIDCO has submitted the ARR proposal Rs.14,820.37 Crore for FY 2025-26 towards power procurement costs and other uncontrollable expenses need to be approved by the Commission for FY 2025-26. GRIDCO further submits that the "ash transportation expenses" claimed in the ARR application as pass through is as per the guidelines issued by the State as well as Central Commission. As per the tariff conditions, such expenses ought to be settled by the beneficiaries based on the certificate issued by the Auditors towards the expenses borne by the Generator. Further, the payment is made provisionally and based on auditor certificate actual expenses which shall be trued up during truing up exercise.
121. GRIDCO has submitted that being a commercial entity, it has executed the PPAs with various Central and State generators and is contractually obligated to pay the capacity charges of the respective generating stations. The contention of the objector is quite unrealistic and untenable. The objector may consider that the energy security for the State is of paramount importance which can only be ensured through long term contracts (PPAs) with the various Generators. The above contracts stipulate towards tying up of fixed capacities, resulted in supply of power to the state throughout the contract tenure. Generation Tariff comprises of two components i.e., Variable Charge addressing the fuel cost and Fixed/Capacity charges incorporating the costs required to maintain the plant/station, independent of the actual generation. Further, the Capacity charges of all the stations are apportioned/allocated to the beneficiaries based on the share allocation from the respective stations. The obligations for sharing the capacity charges continue over the tenure of the contract, without having any scope for adjustment/reduction based on the availability of power. In the above context, the capacity charges are quite significant and forms the basic component of Generation Tariff and accordingly, the same ought to be reflected in the tariff for the State consumers towards recovery of the capacity

charges/costs. GRIDCO has submitted that the projections made by it are based on requirements on realistic basis.

OBSERVATIONS OF THE STATE ADVISORY COMMITTEE (Para-122 to 123)

122. The 37th State Advisory Committee Meeting was convened on 01.03.2025 at 11.00 AM through video conferencing to discuss on ARR & Tariff proposals of different Power Utilities for the ensuing FY 2025-26. The Consumer Counsel i.e. World Institute of Sustainable Energy (WISE), Pune appointed by the Commission made brief presentation on important issues in the ARR & Tariff Application filed by GRIDCO before the State Advisory Committee (SAC). The Members of the SAC has deliberated on various issues and the observations & valuable suggestions of the SAC Members pertaining to ARR & BSP of GRIDCO are summarized as under:

- a) The power purchase cost is a dynamic exercise so as to procure the optimum power at least cost and therefore, it should be a continuous online affair. The additional power requirement and corresponding cost should be added annually to the costs of previous year.
- b) The interchange of power with CGPs having huge generation capacity, at the times of need would help GRIDCO in balancing power during shortage and surplus periods. GRIDCO has submitted that Rs.6500 Cr. arrear is yet to be recovered, but the audited figures are different and the same should not be put in the ARR application without verification.
- c) GRIDCO should explore availability of wind energy so that such cheaper RE power can be used during peak hours in the evening.
- d) GRIDCO as a State PSU, must take initiatives for developing the RE projects in the State like pumped storage, floating solar, battery storage etc. The defunct mini/micro hydro power plants in State may be revived by signing of PPA between OPGC and GRIDCO.
- e) Large quantity of Green Ammonia and Green Hydrogen should be manufactured/produced in the State for which huge quantum of RE power would be required. Feasibility of development of wind power should be explored. Small wind turbines have been designed for domestic rooftop and such installations can improve the RE power quantum of the State. Increased use of RE power and use of open access should be encouraged.

- f) There is no information if the new plants coming up at Gopalpur would be having their own RE plant. Load flow diagrams and system study should be in place for all the new projects.
123. In response to the observation/queries raised by Members of SAC, the Managing Director, GRIDCO stated that they are trying to optimize the power purchase cost by adhering to the merit order dispatch. Since last five years, GRIDCO is adhering to the RPO guidelines of GoI and Resource Adequacy norms. Odisha is one among the six States which have been considered under pilot study by the CEA. He informed that while we are keeping redundancy in the transmission and distribution side, resource adequacy norms or redundancy norms are not being met during peak demand for which most of the states are opting for power cut during peak hours. Due to climate change and variability of nature, peak demand is changing rapidly. During summer, the peak demand period of 4 hours has now elongated to 8-10 hours. But necessary action is being taken to meet the DISCOMs' load requirement. Many tools and software/ simulators are being used while procuring power and optimizing the cost. He further appraised that GRIDCO is very conscious about the cost aspect, and Odisha is one of the premiere states of the country to reduce the Average Power Purchase Cost (APPC) and average BSP. The estimated power purchase cost for current FY 2024-25 may be 312.15 paise/ unit. The actual power purchase cost for FY 2023-24 was 327.41 paise/ unit and it was 340.59 paise/ unit for FY 2022-23. This has been possible due to availability of cheap power from the coal based thermal stations and the hydro stations within the State. The variability has been added due to RPO obligations. He informed that the market dynamics has been changing recently due to availability of RE power and the industries are using their CD only during evening peak hours and it becomes difficult to manage during such period. He requested the commission to look into this matter.

VIEWS OF THE GOVT. OF ODISHA (Para-124)

124. The Department of Energy, Government of Odisha, vide their Letter No.3941 dated 21.03.2025, have communicated views/suggestions on various issues relating to tariff for the FY 2025-26. Out of which, the views/suggestions of the Government of Odisha involving tariff setting of GRIDCO are reproduced hereunder:
- a. Interest burden of GRIDCO needs to be fully recognized in the ARR of GRIDCO. The grounds advanced by OERC for not recognizing the interest cost of loans incurred

beyond 2014-15 are not reasonable. However, the State Government has been providing soft loans to GRIDCO since FY 2022-23 to meet the deficit.

- b. BSP of each of the DISCOMs may be decided as thought prudent by the Commission, to the extent not to increase RST during FY 2025-26. The RST for FY 2025-26 may not be increased from present level.

ANALYSIS AND OBSERVATIONS OF THE COMMISSION ON THE ARR & BSP PROPOSAL OF GRIDCO (Para 125 to 322)

Legal Status of GRIDCO Ltd. and Nature of its Application

125. Prior to enactment of the Electricity Act, 2003, GRIDCO Ltd. was “Transmission and Bulk Supply Licensee” under the Orissa Electricity Reforms Act, 1995 (in short, ‘the Reforms Act’). As such GRIDCO Ltd. has entered into long-term Power Purchase Agreements (PPAs) with Generating Companies namely OHPC, OPGC, NTPC etc. for purchase of power and also Bulk Supply Agreements with the four Distribution Companies of Odisha, namely TPCODL, TPNODL, TPWODL and TPSODL to supply power for meeting the State demand. Under the said agreements, GRIDCO Ltd. is obliged to sell power on priority basis to the aforesaid Distribution Companies of Odisha as per their requirements and the Distribution Licensees are obligated to buy power from GRIDCO Ltd. This type of bulk supply arrangement is known as the “Single- Buyer- Model” of power procurement for Distribution Companies of Odisha and the same is prevailing in the State as a historical legacy.
126. Under the Fifth Proviso to Section 14 of the Electricity Act, 2003, GRIDCO Ltd. has become a deemed licensee; but its position has had to be consistent with the provisions of the Electricity Act, 2003. GRIDCO Ltd. has had to belong to one of the categories of licensee as set forth in clauses (a) (b) or (c) of Section 14 of the Act. It could not continue to maintain its position as “Transmission and Bulk Supply Licensee” as per the Orissa Electricity Reforms Act, 1995. The transmission business was taken over by the OPTCL and GRIDCO’s present activity is now confined to bulk purchase of electricity for sale to the Distribution Companies of Odisha. This satisfies the definition of trading under Section 2(71) of the Act. Therefore, GRIDCO’s position as per the Fifth Proviso to Section 14 of the Electricity Act, 2003 is that of a deemed trading licensee, responsible for trading of electricity in bulk.
127. Bulk supply activity by a trader is not repugnant to any provisions of the Electricity Act, 2003. Such activity is tenable under law. It is a historical legacy coming down from the period under the Reforms Act, 1995 and continues so long as the long-term bulk supply

agreements with Distribution Companies subsist. Some of the objectors have canvassed the view that the single buyer model is against the spirit of the Electricity Act, 2003 and adversely affects the consumers of Odisha. In this tariff proceeding, the Commission has to set tariff in the situation as it stands now and therefore it refrains from addressing this incoherent issue.

128. Further, the Government of Odisha through Department of Energy, vide Notification No. 7948 dated 17.08.2006, have notified GRIDCO as the 'State Designated Entity' for execution of Power Purchase Agreements with generating companies involved in generation of power from thermal, hydro & renewable sources.
129. Regarding filing of ARR & BSP application of GRIDCO Ltd. before the OERC, it is to clarify that the Commission is empowered under Section 86 1(b) of the Electricity Act, 2003 to regulate the price for procurement of power by the DISCOMs. Thus, this provision enables the Commission to fix the regulated price for procurement of power by the DISCOMs under the existing Bulk Supply Agreements with GRIDCO. Incidentally the approval of regulated price of power purchase for DISCOMs happens to be the Bulk Supply Price of GRIDCO Ltd. under the present arrangement and as such, the Commission is empowered to approve/disapprove the ARR & BSP of GRIDCO Ltd. Hence, GRIDCO's submission of its ARR & BSP application before the OERC for approval is quite logical and very much tenable under the law. Moreover, GRIDCO acts as a facilitator in the matter of regular and continuous procurement of power and safeguards the interest of the DISCOMs when they are put under any hurdles and also protects possible Power Regulation by the generator(s).
130. Under Section 86(1)(b) of the Electricity Act, 2003, the Commission is vested with authority to regulate the price at which Distribution Companies may buy power from generating companies or licensees (such as GRIDCO Ltd., which is a deemed trading licensee) or from other sources through agreements. The power to regulate price includes the power to fix regulated price from time to time. This provision enables the Commission to fix a regulated price for procurement of power by Distribution Companies under the existing Bulk Supply Agreements with GRIDCO Ltd. Conceptually, this is different from fixing of general tariff for sale of electricity by GRIDCO Ltd. to any purchaser.
131. The Commission cannot and does not fix tariff for sale of electricity by a trader, vide Section 62 of the Electricity Act, 2003, and it does not intend to do so for GRIDCO Ltd. as a trader; even though under Section 86(1)(d) read with Section 62 of the Act, the Commission may determine tariff for whole-sale or bulk supply of electricity by generators

or distributors (*i.e. licensees other than traders*). This follows from a harmonious reading of Section 62 and Section 86(1)(a) and Section 86(1)(j) of the Electricity Act, 2003. But it just happens that in the present situation of Single–Buyer–Model that the regulated purchase price for Distribution Companies fixed under Section 86(1)(b) of the Act coincides with the selling price of GRIDCO Ltd. as a trader for sale of power only to the present Distribution Companies of Odisha. If GRIDCO Ltd. sells surplus power, after meeting its contractual obligation under existing Bulk Supply Agreements, directly to any consumer under Section 42 read with Section 49 of the Electricity Act, 2003 or another trader, or even to another distributor licensed under the 6th proviso to Section 14 of the Act, the procurement price, which coincides with the selling price of GRIDCO Ltd., fixed in this order is not applicable. **Thus, this order does not fix tariff for GRIDCO Ltd. as a trader.**

132. However, the single buyer model has put GRIDCO Ltd. in a dominant position, indeed a monopolistic position, so far as supply to the Distribution Companies of Odisha is concerned. By virtue of Section 60 of the Electricity Act, 2003, GRIDCO Ltd. is under an obligation to refrain from abusing its dominant position. In particular, GRIDCO Ltd. has to refrain from exploiting scarcity situation in the State arising from inability of generating companies to supply adequate power to GRIDCO Ltd. under their PPAs. Where, in such a situation, GRIDCO Ltd. chooses to purchase power from open market and *de hors* the PPAs, it has to do so prudently and following merit order dispatch principle. Also, in taking such decision, GRIDCO Ltd. has to weigh the possibility of over-burdening the tariff payable by the consumers of Odisha as against reasonable power regulation. Therefore, it would be proper for GRIDCO Ltd. to present facts before the Commission and seek Commission's directions under Section 23 of the Electricity Act, 2003. In this connection Commission's Order dated 14.01.2010 in Case No.01/2010 regarding Power Regulation Protocol may be referred to. If it is established that GRIDCO Ltd. has not taken such steps and arbitrarily purchased power at high cost, the Commission would be within its rights not to allow such costs to be passed on to consumers.
133. In the process of re-organization of electricity industry, GRIDCO Ltd. as a trading licensee could not be a transferee of the liabilities either of erstwhile OSEB or of erstwhile Grid Corporation of Odisha functioning as a distribution or transmission company vide Section 131 of the Electricity Act, 2003. Therefore, it has been contended that GRIDCO Ltd. as deemed trading licensee now is not entitled to consideration of past losses and other related costs indicated in the application. On deeper analysis it transpires that these past losses,

securitization of liabilities and other related costs etc. are a mirror reflection or virtual image of what in reality are the liabilities of Distribution Companies and are actually being serviced by Distribution Companies. These liabilities are the Liabilities incurred by GRIDCO Ltd. on behalf of the DISCOMs after privatization. These are arrears on account of power purchase payable to generators and incurred by GRIDCO Ltd. in the course of its role as a bulk supplier or deemed trading licensee. These liabilities could not be transferred to Distribution Companies as Commission does not allow regulatory asset in the DISCOMs' account.

134. The regulatory power under Section 86(1)(b) of the Electricity Act, 2003 can be exercised by the Commission Suo Motu. GRIDCO Ltd. has filed its application referring to Section 62, Section 64 and also referring to Section 86(1)(b) of the Act. GRIDCO Ltd. has however prayed for fixation of its selling price qua the present distribution companies by virtue of the subsisting Bulk Supply Agreements with the Distribution Companies and filed its Aggregate Revenue Requirement (ARR) along with the application. The Distribution Companies have filed their tariff applications through their Chief Executive Officers vide Case No.84 of 2024 for TPWODL, Case No.99 of 2024 for TPSODL, Case No.95 of 2024 for TPNODL & Case No.88 of 2024 for TPCODL. They have not prayed for fixation of their power procurement price but such fixation being fundamental determinant of tariff, is implicit in their prayer for determination of tariff. In the circumstances GRIDCO's application is not being treated as a tariff application but as material for the Commission to proceed Suo Motu for fixation of a regulatory price for power procurement by the present Distribution Companies of Odisha under the existing Bulk Supply Agreements. In this context GRIDCO Ltd. had been heard at length on its Aggregate Revenue Requirement (ARR) because under the prevailing single buyer model, the procurement price of the present Distribution Companies coincides with the selling price of GRIDCO Ltd. Therefore, GRIDCO Ltd. ought to have say in the matter and ought to be heard even though the Commission is essentially fixing the procurement price for the present Distribution Companies. Consideration and approval of Aggregate Revenue Requirement of GRIDCO is not possible unless GRIDCO is heard in length. It is in this context that Aggregate Revenue Requirement (ARR) of GRIDCO Ltd. was considered and analysed and not in the context of fixing a general tariff for GRIDCO Ltd.
135. On detailed scrutiny & examination of the Aggregate Revenue Requirement & Bulk Supply Price Application of GRIDCO Ltd. for 2025-26 and the written & oral submission

of the objectors, the Commission has passed the order as enunciated in the subsequent paragraphs.

Principle followed for approval of ARR for FY 2025-26

136. The Commission, for determination and approval of the ARR of GRIDCO for FY 2025-26, continues to follow the principles laid down in terms and conditions for determination of tariff regulations and principles followed in the previous year. It continues to be guided by the provisions of the Tariff Policy as well as other statutory notifications and directives, while giving due considerations to the complexities of the Odisha Power Sector.
137. Tariff determination is based on various assumptions and principles to arrive at the ARR components for the next financial year and hence, it is a reasonable estimate. The actual figures/amount may be different and this will be considered in the truing-up exercise. The Commission has determined the ARR for the FY 2025-26 using the following principles.
- a) The cost of power purchase on a merit-order basis for GRIDCO constitutes more than 99% of the total cost structure. The availability of energy from state hydro generation has been estimated as per design energy and that of state thermal generation has been computed based on the generation plan submitted by OPGC and the cost has been considered as per norms of OERC's Regulations/Power Purchase Agreement (PPA). Availability from the Central Sector Generating Stations/Inter State Generating Stations (ISGS) has been considered as per the allocation/shares of Odisha in these stations and the applicable tariff is as per CERC norms. The drawal from Independent Power Producers (IPPs), Captive Generating Plants (CGPs), Cogeneration Plants and energy from renewable sources have been estimated based on the proposal of GRIDCO, the requirement of the State and other obligations.
 - b) Following the separation of the transmission business along with transfer of related assets, liabilities and personnel to OPTCL w.e.f. 01.04.2005, GRIDCO does not possess any asset on its books of account. It however continues to carry the accumulated burden of past liabilities arised due to non-payment of dues by the earlier DISCOMs in time. GRIDCO also does not have the benefit of depreciation provisions to meet these debt obligations. Keeping in line with earlier orders, to avoid a huge additional burden being passed on to the retail consumers, the Commission has provided for servicing a substantial part of debt liabilities from the non-core activities of GRIDCO, namely earnings from export of power and un-scheduled interchange charges, after meeting the requirement of DISCOMs.

- c) The Commission has scrutinized in detail the energy requirement proposed by the DISCOMs for FY 2025-26. Based on the availability of power from various sources, the Commission observes that drawal of power from all state-owned generating stations (both Thermal and Hydro), the State's share from central sector generating stations, and drawal from IPPs & Renewable sources would result in some surplus energy, which would meet the contingency requirement due to any real time deficit situation in State demand or would be traded in power market, if such deficit situation does not arise for FY 2025-26. The availability of energy has been calculated based on normative loss. The quantum of surplus energy may increase or decrease based on outage of generating unit(s), hydrology and/or projected drawal from IPPs & central sector generating stations, though this has been estimated on normative basis for the ensuing year.

Quantum of Power Purchase

138. GRIDCO as a deemed trading licensee procures power from the generating stations within and outside the State to meet the requirement of the consumers of the State. The power purchased by GRIDCO is supplied to the DISCOMs through the OPTCL's transmission system.
139. GRIDCO Ltd. as well as DISCOMs have submitted their ARR applications for FY 2025-26 to the Commission separately for approval. In their applications, the Distribution Companies have furnished their projections of drawal of power from GRIDCO for FY 2025-26 and GRIDCO has projected the total power to be purchased from the Generators considering the requirement of distribution companies, emergency requirement of industries owning CGPs and the energy loss in OPTCL transmission system. The ARR applications filed by GRIDCO and DISCOMs in respect of expected quantum of power purchase by GRIDCO & energy drawl by DISCOMs have been examined & estimated by the Commission based on the quantum of present drawl of power and expected additional load growth during FY 2025-26.
140. The quantum of power to be purchased by the four Distribution Utilities for the FY 2025-26 has been assessed and approved by the Commission while determining their Revenue Requirement & Tariff in Case No.88/2024 (TPCODL), Case No.95/2024 (TPNODL), Case No.84/2024 (TPWODL) and Case No.99/2024 (TPSODL), in line with the provisions in the existing Regulations. The Commission has approved the total energy requirement of 39982 MU for all the DISCOMs for the FY 2025-26 and this would be about 6.22%

increase over the approved figure (37640 MU) of previous FY 2024-25. However, the requirement of TPCODL, TPNODL, TPWODL and TPSODL has been estimated as 13823 MU, 8719 MU, 12378 MU and 5062 MU respectively. Further, considering the proposal of GRIDCO, the Commission approves 100 MU towards sale of emergency power to the CGPs for FY 2025-26.

141. The Commission has considered 3% as loss in the transmission system of OPTCL for the FY 2025-26 and accordingly OPTCL's tariff order for the FY 2025-26 has been approved in Case No. 93 of 2024.
142. Accordingly, the estimated quantum of power purchase by GRIDCO to meet requirement of DISCOMs and emergency power supply to the CGPs, would be 41321.65 MU considering OPTCL transmission loss of 3%. The details of the estimated quantum of power purchase to meet the requirement/demand of the State is summarized in the Table below:

Table –16
Purchase of Power by GRIDCO for State Use for FY 2025-26

Name of the DISCOMs	Commission's Approval for the FY 2024-25	GRIDCO's Proposal in ARR for the FY 2025-26	Commission's Approval for the FY 2025-26 (In MU)
TPCODL	12513.00	13823.00	13823.00
TPNODL	8163.00	8378.40	8719.00
TPWODL	11940.00	11550.00	12378.00
TPSODL	4924.00	5062.15	5062.00
TOTAL DISCOMs	37540.00	38813.55	39982.00
CGP	100.00	100.00	100.00
TOTAL SALE	37640.00	38913.55	40082.00
Transmission loss at EHT in MU (on DISCOMs Purchase only)	1164.12 (@ 3.00% Transmission loss)	1203.51 (@ 3.00% Transmission loss)	1239.65 (@ 3.00% Transmission loss)
Total Purchase	38804.12	40117.06	41321.65

143. The Commission has approved the energy drawal by the DISCOMs for FY 2025-26 considering their present drawal pattern and the future projection due to additional load growth. Hence there may not be much variations from the approved drawal. The DISCOMs need to plan their drawal in consultation with GRIDCO keeping in view the deviation settlement mechanism and actual losses in the system.

Simultaneous Maximum Demand (SMD) in MVA

144. GRIDCO has stated that as requested by it, the DISCOMs have projected their SMD for FY 2025-26 considering the additional SMD on account of estimated additional load

growth over the maximum SMD that occurred during the period from April, 2024 to September, 2024 and submitted the same to GRIDCO. The projections by DISCOMs for the FY 2025-26 are given in the Table below:

Table-17
SMD Projections by DISCOMs for FY 2025-26 (MVA/Month)

DISCOMs	OERC approval for FY 2024-25	Highest SMD recorded during FY 2024-25 (Apr'24 to Sep'24)	Projection of SMD of DISCOMs for FY 2025-26
TPCODL	2349.00	2451.93	2795.00
TPNODL	1478.00	1397.56	1580.00
TPWODL	1893.00	1780.34	1855.00
TPSODL	833.00	791.31	870.00

145. GRIDCO has submitted that the above projections of SMD by DISCOMs seems to be higher as compared to the actual occurrence in the summer months of the current financial year. Moreover, the rate of increase in projected SMD is much higher compared to the projected energy requirement of the DISCOMs for FY 2025-26. According to GRIDCO, the increase in SMD as proposed by DISCOMs is with growth rate of 22%, which appears to be unrealistic. Therefore, GRIDCO has requested the Commission for prudent determination of SMD in respect of each DISCOMs for the ensuing year. GRIDCO has further submitted that during course of the year, there would be shut down of plants due to planned maintenance or force outage at any point of time and also the availability of renewable energy may not coincide with the time of maximum demand at various time interval. Therefore, in order to meet the above projected maximum demand of the State at all times of the year, there could be requirement of scheduling of power from all thermal stations having long term tied up capacities. GRIDCO has requested the Commission to take into account above aspect while determining the power purchase cost.
146. GRIDCO has further submitted that due to higher drawl by the DISCOMs during the peak seasons, it has to incur higher costs with higher tariff due to over drawl penalty under Deviation Settlement Mechanism (DSM). Therefore, GRIDCO has requested the Commission to approve SMD on monthly basis considering the actual SMD of the DISCOMs as per SLDC data for the current FY 2024-25 and the additional increment proportionate to the increase in energy demand on monthly basis during FY 2025-26. Moreover, the approval of month wise SMD shall help to avoid procurement of high-cost power in the event of spurt in demand by any DISCOM on real time basis, as any kind of surge in demand would attract additional costs through DSM and may invite strictures from the statutory bodies if it affects the grid stability.

147. The Commission observed that Bulk Supply Price (BSP) contains a component of demand charge which is calculated on the basis of average system demand of the DISCOMs. In ARR application, GRIDCO has considered the simultaneous maximum demand as furnished by DISCOMs to GRIDCO with additional amount towards projected additional growth for the ensuing year. As per the submissions of DISCOMs, the monthly demand for the period from April'24 to Dec'24 is as given in the table below:

Table -18
Demand in MVA during 2024-25 (upto December, 2024)

	TPCODL	TPNODL	TPWODL	TPSODL	Total
Apr-24	2392	1520	1470	766	6148
May-24	2411	1397	1718	791	6318
Jun-24	2452	1357	1743	758	6309
Jul-24	2182	1273	1298	699	5452
Aug-24	1807	1199	1240	669	4915
Sep-24	2099	1300	1780	677	5856
Oct-24	2238	1239	1545	668	5690
Nov-24	1661	1105	1169	644	4580
Dec-24	1560	998	1646	632	4835
Average (4/24 to 12/24)	2089	1265	1512	700	5567

148. From the above table, it is observed that the total demand of all four DISCOMs varies over the year and the peak demand of the State (6318 MVA) was observed in the month of May, 2024 coinciding with the month of occurrence of maximum demand (791 MVA) of TPSODL. Whereas, the maximum demand (1780 MVA) of TPWODL occurred in the month of September, 2024, the maximum demands of TPCODL (2452 MVA) occurred in the month of June, 2024, & the maximum demand of TPNODL (1520 MVA) occurred in the month of April, 2024.

149. The Commission has considered actual energy requirement, peak demand and corresponding load factor (LF) of all four DISCOMs from FY 2019-20 to FY 2024-25 (9 months). The average LF of each DISCOM for these years has been considered to estimate the expected peak demand for FY 2025-26 with respect to the projected energy requirement. Accordingly, the Commission approves SMD of TPCODL, TPNODL, TPWODL & TPSODL as 2650 MVA, 1621 MVA, 1904 MVA & 861 MVA respectively. The details of the same are given in the Table below:

Table -19
Maximum Demand in MVA for FY 2025-26

		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (9 months)	2025-26 (Approval)
TPCODL	Input Energy (MU)	8,160.10	8,370.43	8,816.55	9,901.98	11,229.17	9,428.62	13,823.00

	Maximum Demand (MVA)	1,590.49	1,531.00	1,661.89	1,891.49	2,243.82	2,451.93	2,650.00
	Load Factor %	65.1%	69.3%	67.3%	66.4%	63.9%	65.0%	66.2%
TPNODL	Input Energy (MU)	5,439.43	4,941.19	5,327.04	6,473.32	7,047.15	5,736.77	8,719.00
	Maximum Demand (MVA)	1,015.24	980.50	937.94	1,154.65	1,267.00	1,519.61	1,622.00
	Load Factor %	68.0%	63.9%	72.0%	71.1%	70.5%	63.8%	68.2%
TPWODL	Input Energy (MU)	7,523.90	7,624.82	9,313.21	13,002.41	12,752.41	8,979.58	12,378.00
	Maximum Demand (MVA)	1,238.94	1,422.64	1,524.24	1,794.13	1,701.70	1,780.34	1,904.00
	Load Factor %	77.0%	68.0%	77.5%	91.9%	95.1%	85.3%	82.5%
TPSODL	Input Energy (MU)	3,468.63	3,599.30	3,941.54	4,188.45	4,345.31	3,479.36	5,062.00
	Maximum Demand (MVA)	613.86	600.00	650.00	721.00	737.00	791.00	861.00
	Load Factor %	71.7%	76.1%	76.9%	73.7%	74.8%	74.4%	74.6%

150. The Commission is not inclined to consider the proposal of GRIDCO for approval of SMD on monthly basis for the ensuing FY 2025-26 considering the actual monthly SMD of the DISCOMs as per the SLDC data of the current FY 2024-25. However, the same may be considered in future after implementation of Intra-State DSM Regulations or OERC (Framework for Resource Adequacy) Regulations, 2024 in the State.

Purchase of Power from Different Generating Stations

OHPC Hydro Power Stations

151. The ARR and Generation Tariff of individual power stations of OHPC for the FY 2025-26 has been dealt in Case No.83/2024 separately based on the application of OHPC filed under Section 62, 64 and 86 of the Electricity Act, 2003. The details of energy available to GRIDCO from various power stations of OHPC and the cost per unit has been dealt in the order passed in Case No.83/2024, wherein the Commission has considered the design energy of each power station of OHPC for the purpose, although actual energy generation of the power stations varies from their design energy depending on water flow hydrology corresponding to that year. Further, the design energy of Machhkund Joint Venture H.E. Project is 525 MU. Considering Odisha's share of 50% and 1.20% auxiliary consumption, the net energy drawal from this station comes to 259.35 MU. Hence, the Commission approves an availability of 259.35 MU to GRIDCO from Machhkund (Jt.) HE projects. The Commission desires that the State should draw its full share from Machhkund power station every day in a planned and economical manner. GRIDCO/OPTCL and TPSODL should co-ordinate to maximise the drawal from Machhkund in consultation with Government of Odisha whenever necessary. GRIDCO's proposal and Commission's

approval for drawal of energy from OHPC stations for the FY 2025-26 are given in the Table below:

Table –20
Drawal from Hydro Power Stations of OHPC (in MU)

Source of Generation	Approved for FY 2024-25	GRIDCO's Proposal for FY 2025-26	Approval for FY 2025-26
OHPC (Old Stations)	3660.22	3374.18	3659.24
Upper Indravati	1942.38	1387.76	1942.38
Machhkund	259.88	259.88	259.35
Total Hydro	5862.48	5021.82	5860.97

152. The tariff approved for OHPC Stations in the order passed in Case No.83/2024 will be considered for determination of the power procurement cost of GRIDCO in respect of all stations of OHPC for FY 2025-26. Accordingly, the cost of power purchase by GRIDCO from each of the power stations of OHPC is given in the table below:

Table –21
Cost of Power Purchase from Power Stations of OHPC for FY 2025-26

Name of the Power Station	Quantum of Power Purchase for 2025-26 (MU)	Approved Average Tariff for 2025-26 (P/U)	Cost of Power Purchase for FY 2025-26 (Rs. Crore)
Burla (HHEP)	660.52	146.73	96.92
Chipilima (CHEP)	484.12	92.69	44.87
Balimela (BHEP)	1171.17	89.03	104.27
Rengali (RHEP)	519.75	131.77	68.49
Upper Kolab (UKHEP)	823.68	98.49	81.12
Sub-Total	3659.24	108.13	395.67
Upper Indravati (UIHEP)	1942.38	85.36	165.80
Machhkund	259.35	136.39	35.37
Total	5860.97	101.83	596.84

IB Thermal Power Station of OPGC

153. Orissa Power Generation Corporation (OPGC) owns IB Thermal Power Station at Banharpalli in the district of Jharsuguda with an installed capacity of 2x210 MW (Units-1 & 2) in Stage-I and GRIDCO is entitled to draw 100% power from Stage-I. Further, OPGC expansion project i.e. Stage-II (Units-3 & 4) is having installed capacity of 1320 MW (2x660 MW) and GRIDCO has 100 % share from Stage-II with effect from 01.04.2023 as per the approved Supplementary PPA executed between OPGC & GRIDCO on 24th January 2019. In its application, GRIDCO has projected to procure the net energy of

2202.85 MU from the Units-1 & 2 (Stage-I) for FY 2025-26 based on the auxiliary consumption @9.50% and PLF of 66.16% at which the plant was operated during FY 2023-24. The Commission observed that OPGC in its generation plan for FY 2025-26 has projected to export 2764.07 MU to GRIDCO from Units-1 & 2. Accordingly, the Commission approves the net drawal of 2764.07 MU by GRIDCO from Units-1 & 2 of IB Thermal Power Station as projected by OPGC for the FY 2025-26. GRIDCO has submitted that in its ARR application, the Annual Fixed Charge (AFC) and Energy Charge Rate (ECR) of OPGC Stage-I (Units 1 & 2) have been considered as submitted by OPGC to GRIDCO. However, GRIDCO requests the Commission to consider the AFC and ECR of OPGC Stage-I (Units 1 & 2) as to be determined in the tariff application of OPGC for FY 2025-26. The Commission observed that in the order passed in Case No.82/2024, the AFC of OPGC Units-1 & 2 has been determined as Rs.328.78 crore and the ECR has been estimated @168.82 P/U. Accordingly, the power procurement cost comes to Rs.795.41 Crore towards purchase of 2764.07 MU from OPGC Units-1 & 2 at the average rate of 287.77 P/U and the same is approved by the Commission for the purpose of determination of ARR and BSP of GRIDCO for the FY 2025-26. Further, the year-end charges of Rs.28.60 crore, as determined in the aforesaid order passed in Case No.82/2024, has been considered as pass through in the ARR of GRIDCO, which shall be reimbursed by GRIDCO to OPGC on actual basis after verification of the relevant data/documents furnished by OPGC.

154. Further, GRIDCO has submitted that OPGC has shared Generation Plan for 2 X 660 MW OPGC Stage-II (Units- 3 & 4) for FY 2025-26 wherein the gross generation has been projected to be 10178.15 MU and the normative Ex-Bus export quantum of power to be 9610.98 MU. Accordingly, GRIDCO has considered 9214.43 MU to be made available from OPGC Stage-II (Units- 3 & 4) for FY 2025-26 considering the availability at 85% and auxiliary consumption of 6.25%. GRIDCO has submitted that OPGC is yet to file its tariff application in respect of Units-3 & 4 before the Commission for the block period 2024-29. However, the Commission, vide its order dated 07.01.2023 passed in Case No.96 of 2021, has determined Generation Tariff for OPGC Stage II (Units- 3 & 4) fixing the Annual Fixed Charges as Rs.1904.70 Cr. for FY 2023-24. GRIDCO has provisionally considered the same for the FY 2025-26 subject to determination of AFC by the Commission for the block period 2024-29. Further, considering the actual average ECR for first six months of FY 2024-25, GRIDCO has provisionally considered the ECR @ 141.56 Paise/kWh for FY 2025-26 in respect of Units-3 & 4. Further, GRIDCO has projected year

end charges of Rs 39.91 crore for FY 2025-26 in respect of OPGC Stage II (Units- 3 & 4). Accordingly, GRIDCO has proposed power procurement cost of Rs 3249 crore in respect of OPGC Stage II (Units- 3 & 4) for FY 2025-26 at an average rate of 352.60 P/U towards purchase of 9214.43 MU.

155. After scrutiny of the above proposal of GRIDCO, the Commission observed that as per Notification No. 10485 dated 20.12.2018 of the Department of Energy, Government of Odisha, the contracted capacity is 100% in respect of OPGC Units-3 & 4 (2x660 MW) w.e.f. 01.04.2023 till completion of 25 years i.e. upto 31.03.2048. The Commission further observed that OPGC in its generation plan for its Units-3 & 4 has projected export of 9610.98 MU to GRIDCO for FY 2025-26 which translates to availability of about 88.19% considering auxiliary consumption @5.75% as per the extant Regulations. The Commission approves the same as the drawl from OPGC Stage-II (Units-3 & 4) for FY 2025-26 for State consumption. The Commission observed that the generation tariff for OPGC Units-3 & 4 is yet to be determined for the block period 2024-29. However, the same for the FY 2023-24 has already been determined by the Commission, vide its order dated 07.01.2023 passed in Case No.96 of 2021, wherein, the Annual Fixed Charge (AFC) for OPGC Stage-II (Units-3 & 4) has been determined as Rs.1904.70 Crore for the FY 2023-24. Since the AFC of OPGC Units-3 & 4 has not yet been determined for the control period 2024-29, the Commission provisionally considers the fixed cost of Rs.1904.70 Crore for the ensuing FY 2025-26. The per unit cost of fixed cost comes to 198.18 P/U for drawal of 9610.98 MU. Further, considering the actual average ECR for the period from April'24 to Jan'25, the Commission provisionally considers the ECR @138.10 P/U for the purpose of computation of ARR of GRIDCO for the ensuing FY 2025-26. However, the monthly energy charges shall be computed by OPGC in accordance with the OERC Generation Tariff Regulations, 2024 and billed to GRIDCO along with the details of required data/information on coal and oil used for generation as per the said Regulations. Further, the Commission approves year end charges of Rs.55.00 crore provisionally in respect of OPGC Units-3 & 4, which includes Rs.32.25 Crore towards electricity duty on auxiliary consumption, Rs.1.29 Crore towards SLDC charges, Rs.17.37 Crore towards incentive for higher plant availability and Rs.4.09 Crore towards reimbursement of Ash Transportation charges and the per unit cost of year end charges comes to 5.72 P/U. The year end charges shall be reimbursed by GRIDCO to OPGC on actual basis after verification of the relevant data/documents furnished by OPGC. Accordingly, the Commission estimates the total power procurement cost in respect of OPGC Units-3 & 4

as Rs.3287.01 Crore for procurement of 9610.98 MU during the FY 2025-26 at an average rate of 342.01 P/U. Further, the Commission has already notified OERC (Determination of Input Price of Coal from Integrated Mine) Regulations, 2024. Now, determination of input price of coal used in Units-3 & 4 of OPGC is under active consideration of the Commission. After determination of the same by this Commission, it will be applicable for computing the ECR in respect of OPGC Stage-II (Units-3 & 4).

Captive Generating Plants (CGPs) and Captive Co-generation Plants

156. In the application, GRIDCO has submitted that with availability of full entitlement of power from OPGC Units-3 & 4 and State's share of NTPC Stations i.e. Darlipalli (1600 MW), Barh-I and capacity addition from renewable sources, there would not be any requirement of power from CGP sources during the ensuing FY 2025-26. However, GRIDCO may resort to source power from CGPs & Co-generation Plants, if any unprecedented acute power shortage situations arise in the State. In such scenario, GRIDCO may procure CGP power, provided the economics of such power procurement works out in favour of GRIDCO vis-à-vis power supply & demand situation of the State and exigency/force majeure conditions, if any. Further, CGP power is not a firm source of power, since the CGPs are essentially meant for the captive consumption of their own industries.
157. Some of the objectors have stated that the reasons submitted by GRIDCO for not procuring power from the CGPs of the State are not proper and adequate. The CGPs are running in normal operating conditions and the surplus power available with them can be harnessed by GRIDCO. GRIDCO should procure a specified minimum quantum of power from CGPs of the State depending upon the availability. It will be always beneficial for GRIDCO to procure the surplus power available from the CGPs of the State considering the fact that the tariff of CGP power would be cheaper in comparison to the tariff at which GRIDCO buys power from the Central Sector Generating Station as it is not associated with any transmission loss, ISTS transmission charges and other associated costs. They requested the Commission to pass appropriate order so as to ensure a specified quantum of power to be purchased from CGPs in Odisha and the tariff of the same may be approved looking into the present cost of the generation. GRIDCO should plan and submit proposal for procuring power from CGP at market price. One of the objectors proposed that GRIDCO may procure power from CGPs through tendering process.

158. In response to the above objections, GRIDCO has submitted that the CGPs are infirm sources and thus, cannot be relied upon to meet the State demand for ensuring energy security and hence, GRIDCO can't propose definite quantum of power to be procured from the CGPs which is essentially meant for captive consumption, thereby creating uncertainty to avail power for State consumption. Further, drawal of firm power is quite necessitated for ensuring energy stability in the state from a long-term perspective, which would only materialize through PPAs with the Generators, in order to economize the procurement cost in the greater interest of the State consumers. The projection of power procurement for the ensuing FY 2025-26 to meet the State demand is well within the limit of allocated State share of power from various approved sources. Thus, there would be no opportunity left for GRIDCO to source additional power from the CGP Sources which are quite infirm.
159. GRIDCO has further submitted that it is not out rightly denying the proposal of the objectors, but the option of sourcing power from CGPs has been kept open for procurement under "force majeure" or "exigency conditions", which, in all fairness, may be considered as being quite logical and in appropriate cost-effective situations, with business prudence. Further, the procurement of CGP power at market price is quite unaffordable as the market price in the peak period is exorbitantly higher as compared to the cost of firm power even from the costliest station of NTPC and other approved sources. Thus, the contention regarding procurement from CGPs at the market price is quite unjustified and is in the adverse interest of the state power sector as a whole. Further, in view of the upcoming summer months, different preparedness measures are being taken to meet the summer demand and GRIDCO anticipates that during contingency situations such as outage of generating stations, unprecedented surge in energy demand, etc. sufficient power may not be available to meet the contingency situations. Considering the aforesaid factors, GRIDCO is exploring different short term power arrangement avenues including power banking, purchase of power on short term open access, etc. Accordingly, GRIDCO has floated tender through M/s PFC Consulting Limited (PFCCL) in DEEP e-bidding portal to purchase 200 MW RTC & 200 MW Peak hours (18hrs to 24hrs; 00 to 02 hrs.) power for the period from 1st April, 2025 to 30th June, 2025 from inter-state/intra-state sources on Short Term Open Access basis and in response, bids were received from different inter-state as well as intra-state entities for the requisitioned period. For the RTC requisition, the intra-state entities submitted price bid in the range from Rs. 5.99 /kWh to Rs. 8.00/ kWh while inter-state entities submitted price bids in the range from Rs. 6.24/ kWh to Rs. 9.45/ kWh. With respect to peak hours bids, no response was received from

intra-state entities and the inter-state entities have submitted price bids in the range from Rs. 9.83/ kWh to Rs. 9.99/ kWh. Under such circumstances, GRIDCO may consider to procure power from CGPs, provided the economics of such power procurement works out in favour of GRIDCO and also depending on the Power Supply & Demand Configurations of the State and the exigency conditions, justifying such procurement from CGPs.

160. The Commission do not consider any drawal of power from the CGPs for the ensuing FY 2025-26 basing on the submission of GRIDCO. However, considering the objections/suggestions of the objectors, the Commission observed that there is scope for drawal of power from the CGPs within the State in power shortage scenario, particularly when the marginal cost of such power is low compared to the other power stations. Hence, the Commission directs GRIDCO to explore possibility to purchase available surplus power from the CGPs and Co-generation plants through short term agreements for State consumption in case of shortfall in drawal from the approved sources. While purchasing such power GRIDCO must ensure that the price of the CGP power is cheaper than variable component of firm power. Further, the Commission also advises GRIDCO to purchase the available surplus power from CGPs and Co-generation plants at a negotiable price for trading purposes after meeting the State demand subject to commercial viability.

Availability and Procurement Cost of Renewable Energy

(A) Solar Energy

161. In its submission, GRIDCO has proposed to procure 3266.99 MU of solar energy from different sources during the FY 2025-26 as given hereunder:
- (i) 13 MU at the rate of 628 P/U from 8 Nos. of Solar PV Projects, each of 1 MW capacity commissioned in the State under 'Rooftop PV and Small Solar Power Generation Programme' (RPSSGP) guidelines of MNRE, GoI,.
 - (ii) 28 MU @ 1065 P/U from 20 MW Solar capacity under 'New Projects Scheme' in Phase-1 of Jawaharlal Nehru National Solar Mission (JNNSM) where Solar capacity bundled with equal quantum of thermal capacity from the unallocated quota of the NTPC Coal Based Stations available to GRIDCO.
 - (iii) 14 MU from 10 MW Solar capacity through NTPC i.e. 5 MW from Dadri Solar PV project in U.P. (7 MU @ 1294 P/U) and another 5 MW from Faridabad Solar PV Project in Haryana (7 MU @ 935 P/U).
 - (iv) 7 MU @ 700 P/U from the 5 MW Solar PV Project developed by M/s. Alex Green Energy Ltd. at Patnagarh in Bolangir district under OREDA State Scheme.

- (v) 44 MU @ 728 P/U from 25 MW Solar PV Project developed by M/s ACME Odisha Solar Power Pvt. Ltd. in Bolangir district under OREDA State Scheme Phase-II.
 - (vi) 123 MU @ 550 P/U from 70 MW Solar Capacity through SECI under Viable Gap Funding (VGF) Scheme under JNNSM Phase-II, Batch-I.
 - (vii) 401 MU @ 450 P/U from 270 MW capacity Solar PV Projects through SECI under Viability Gap Funding (VGF) Scheme under JNNSM Phase-II, Batch-IV.
 - (viii) 138 MU @ 306 P/U from the 75 MW Solar PV project developed by M/s. Aditya Birla Renewables Limited, selected under GRIDCO e-bidding Scheme.
 - (ix) 657 MU @ 260 P/U from the 300 MW Solar Power Project through SECI under ISTS-connected Solar Power Projects Scheme.
 - (x) 438 MU @ 265 P/U from the 200 MW Solar capacity allocated to GRIDCO through SECI under ISTS-connected Solar power Projects Scheme.
 - (xi) 12 MU @ 284 P/U from the 8 MW Solar PV Projects developed by GEDCOL at 5 nos. of locations (3 nos. of OPTCL Sub-stations, one at Mukhiguda Power House and another is Manamunda Solar Project of GEDCOL) in the un-utilized surplus land.
 - (xii) 607.39 MU @ 261 P/U from 333 MW out of 500 MW Solar Projects through SECI under ISTS-connected Manufacturing Linked Scheme which is expected to be available to GRIDCO during FY 2025-26 from the Solar Developer M/s. Adani Green Energy Twenty-Six Ltd. For the balance 167 MW, the Developer M/s Azure Power Fifty-Two Pvt. Ltd. has expressed its inability to execute the projects. Hence, GRIDCO has given its consent to SECI for availing the balance 167 MW of solar capacity from other Developer with the same tariff and same terms and conditions of PSA.
 - (xiii) 729.60 MU @ 250 P/U is expected to be available during FY 2025-26 from Solar Projects through NTPC owing to two nos. of PSAs (18.04.2022 & 30.09.2022) signed by GRIDCO with NTPC under ISTS Solar Projects Scheme towards procurement of total 400 MW with 200 MW each, including trading margin of 7 P/U.
 - (xiv) 55 MU @ 275 P/U is expected to be available to GRIDCO from NHPC during FY 2025-26 from the 40 MW Solar Project to be set up at Landeihil in Ganjam District as per the PPA executed between GRIDCO and NHPC on 29.06.2024.
162. Accordingly, GRIDCO has projected procurement of 3266.99 MU of Solar Energy during FY 2025-26 from the above sources with procurement cost of Rs.1028.60 Crore at an average rate of 314.85 P/U. Further, GRIDCO in its application has claimed total year end charges of Rs.28.56 Crore (Rs.10.95 Crore towards STU charges / SLDC & RLDC charges, Compensation of Rs.15.72 Crore towards Safe Guard Duty (SGD) for purchase of

the solar power from some sources and Rs.1.89 Crore towards ash transportation charges for NVVN bundled power) as given in the table below.

Table-22
Proposed Year End Charges towards Purchase of Solar for FY 2025-26

Sl. No.	Name of Station	Capacity (MW)	Nature of Expenditure	Projected Expenditure for FY 2025-26 (Rs. in Crore)
1	Rajasthan and Gujarat through SECI under VGF Scheme Ph-2, Batch-1	50	Re-imburement towards STU Charges and SLDC charges	10.95
2	Dadri & Faridabad Solar PV stations through NTPC	10	Re-imburement towards RLDC & SLDC charges	
3	Bundled Power through NVVN	15	Re-imburement towards STU Charges and SLDC charges	
4	ISTS Solar Projects Tranche-1 through SECI	300	Compensation towards Safe Guard Duty claims under Change in Law provision of PSA dated 21.08.2018	13.86
5	ISTS Solar Projects Tranche-3 through SECI	200	Compensation towards Safe Guard Duty claims under Change in Law provision of PSA dated 21.08.2018	1.86
6	Bundled Power through NVVN	20	Ash Transportation charges claimed by NTPC as per CERC Order dated 28.10.2022	1.89
	Total	595		28.56

163. After scrutiny of the above proposal of GRIDCO, the Commission allows for procurement of 3266.99 MU of Solar Energy from different sources with an estimated procurement cost of Rs.1027.21 Crore. However, after examining the above proposed year end charges, the Commission allows the year end charges of Rs.26.67 Crore only in the ARR of GRIDCO for FY 2025-26 comprising of proposed STU charges / SLDC & RLDC charges, Safe Guard Duty (SGD) compensation for purchase of the solar power. The Commission does not allow the claim of GRIDCO amounting to Rs.1.89 Crore towards ash transportation charges for NVVN bundled power which shall be considered during truing up exercise on actual basis as per audited accounts.

164. Accordingly, the Commission approves procurement of 3266.99 MU of solar power during the FY 2025-26 from various sources as proposed by GRIDCO with the total cost of Rs.1053.87 Crore at an average rate of 322.58 P/U as given in the Table below:

Table –23
Quantum & Procurement Cost of Solar Power during FY 2025-26

Sl. No.	Solar RE Sources	Quantum	Rate	Approved Purchase Cost of Solar Power for FY 2025-26
		(MU)	(P/U)	(Rs. Cr.)
	Existing Sources			
1	8 Nos. of Solar PV projects of 1MW each under RPSSGP	13	628	8.16
2	20 MW through NVVN under 'New Projects scheme' under JNNSM, Ph-1	28	1065	29.82
3	10 MW through NTPC from Solar PV projects of 5 MW each at Dadri & Faridabad	14	7.00 MU @1294 P/U & 7.00 MU @935 P/U	15.61
4	5 MW from M/s Alex Green Energy Ltd. through OREDA State scheme	7	700	4.90
5	25 MW from ACME Odisha Solar Power Private Ltd.	44	728	32.03
6	70MW through SECI under JNNSM, Phase –II, Batch-I	123	550	67.65
7	270MW through SECI under JNNSM, Phase –II, Batch-IV	401	450	180.45
8	75 MW from M/s. Aditya Birla Renewables Ltd. under GRIDCO e-bidding.	138	306	42.23
9	300 MW through SECI under ISTS – Connected Solar Power Projects Scheme	657	260	170.82
10	200 MW through SECI under ISTS – Connected Solar Power Projects Scheme	438	265	116.07
11	8 MW from GEDCOL implemented in un-utilized surplus land	12	284	3.41
	Upcoming Sources			
12	333 MW through SECI under manufacturing linked Scheme Phase-I	607.39	261	158.53
13	400 MW through NTPC under ISTS Solar Projects Scheme Phase-II	729.60	250	182.40
14	40 MW from NHPC	55	275	15.13
	Year End Charges			26.67
	Total	3266.99	322.58	1053.87

(B) Small Hydro Sources:

165. GRIDCO has submitted that considering procurement of 407.98 MU during FY 2023-24 and drawal of 256.49 MU during the first six months of FY 2024-25 from Small/Mini Hydro Projects, GRIDCO proposes to draw 444.92 MU of Renewable Energy during FY

2025-26 from the SHEPs i.e. Meenakshi, Samal Barrage, Lower Baitarani, Saptadhara, Bargarh Head Regulator and OPGC Mini Hydel Projects, as given in the Table below.

Table-24
Proposed Drawal from the SHE Projects by FY 2025- 26

Sl. No.	Name of the SHEPs	Installed Capacity	Energy drawal during FY 2023-24	Energy drawal during Apr-Sept' 24	Proposed Energy procurement for FY 2025-26
		MW	MU	MU	MU
1	Lower Kolab & Middle Kolab SHEPs of Meenaskhi Power Ltd. through PTC	37	165.53	115.61	166.50
2	SAMAL Barrage SHEP of M/s OPCL through PTC	20	86.19	51.56	94.12
3	Lower Baitarani SHEP by M/s BPPPL	24	79.27	48.91	91.14
4	Saptadhara SHEP by M/s APPPL	18	44.72	26.93	57.00
5	Bargarh Head Regulator SHEP by M/s Kakatiya Industries Pvt. Ltd.	09	32.25	13.18	36.00
6	OPGC MHP	1.15	0.07	-	0.16
	Total	109.15	408.03	256.49	444.92

166. GRIDCO has submitted that as per OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021 dated 17.01.2022, the generation from SHEPs commissioned on and after 08.03.2019 can qualify towards HPO. Accordingly, generation from 24 MW Lower Baitarani SHEP, 18 MW Saptadhara SHEP and 09 MW Bargarh Head Regulator SHEP are to be considered towards HPO compliance.

167. GRIDCO has proposed the cost of power procurement from the above SHEPs are as under:

- a. **Lower Kolab & Middle Kolab SHEPs:** Procurement of 166.50 MU of energy from 37 MW Lower Kolab & Middle Kolab SHEPs of M/s. Meenakshi Power Pvt. Limited has been proposed at a rate of 368 P/U including PTC Trading Margin of 04 P/U. Accordingly, power procurement cost of 166.50 MU of energy comes to Rs.61.27 Crore.
- b. **Samal Barrage SHEP:** Procurement of 94.12 MU of energy from 20 MW Samal Barrage SHEP of M/s OPCL has been proposed at a rate of 480 P/U including PTC

Trading Margin of 04 P/U. Accordingly, the power procurement cost of 94.12 MU comes to Rs.45.18 Crore.

- c. **Lower Baitarani SHEP:** Procurement of 91.14 MU of energy from 24 MW Lower Baitarani SHEP of M/s BPPPL has been proposed at a tariff of 565 P/U as per the interim order dated 05.02.2024 of the APTEL in Appeal No.25 of 2023 and IA No.2343 of 2023. Accordingly, the power procurement cost of 91.14 MU comes to Rs.51.59 Crore.
 - d. **Saptadhara SHEP:** Procurement of 57 MU of energy from 18 MW Saptadhara SHEP of M/s. APPPL has been proposed at a tariff of 506 P/U as approved by the Commission vide order dated 07.05.2022 in Case No. 100/2021. Accordingly, the power procurement cost of 57 MU comes to Rs. 28.84 Crore.
 - e. **Bargarh Head Regulator SHEP:** Procurement of 36 MU of energy from 9 MW Bargarh Head Regulator SHEP M/s Kakatiya Industries Pvt. Ltd. has been proposed at a rate of 506 P/U as per the PPA dated 02.12.2015. Accordingly, the power procurement cost of 36 MU comes to Rs.18.22 Crore.
 - f. **Biribati & Kendupatna MHPs:** Procurement of 0.16 MU of energy from 1.15 MW Biribati & Kendupatna Mini Hydel Projects of OPGC has been proposed @ 391 P/U based on the Commission's order dated 05.01.2019 passed in Case No.35 of 2018. Accordingly, the power purchase cost of 0.35 MU comes to Rs. 0.06 Crore.
168. In addition to the above, GRIDCO has claimed an amount of Rs.0.17 crore towards reimbursement of 100% of water charges and Rs.0.01 crore towards reimbursement of 50% of the SLDC charges in respect of Samal Barrage SHEP and an amount of Rs.0.03 crore towards 50% of the SLDC charges in respect of Lower Baitarani SHEP, pursuant to the order dated 19.05.2011 passed by the Commission in Case Nos.17/2011 & 24/2011. Accordingly, GRIDCO has proposed to procure 444.92 MU from small hydro sources with the total cost of Rs.205.27 crore (power purchase cost of Rs.205.06 crore plus Rs.0.21 crore towards reimbursement of water charges and SLDC charges) at an average price of 460.90 P/U.
169. After scrutiny of the above proposal of GRIDCO, the Commission approves the quantum of 444.92 MU of energy to be procured by GRIDCO from the small/mini hydel sources during the FY 2025-26 as proposed by GRIDCO. It is observed that the Commission, in its order dated 19.05.2011 passed in Case Nos.17 & 24 of 2011, have fixed 368.00 P/U (inclusive of 4 P/U as trading margin of PTC) towards procurement of power by GRIDCO from PTC in respect of drawal from Lower Kolab & Middle Kolab SHEPs of M/s.

Meenaskhi Power Pvt. Ltd. Similarly, the Commission, vide its order dated 04.02.2016 passed in Case No. 15/2015, had fixed 371.00 P/U (inclusive of 4 P/U as trading margin of PTC) towards procurement of power by GRIDCO from PTC in respect of drawal from Samal Barrage SHEP of M/s. OPCL. However, the said order dated 04.02.2016 was challenged by M/s. OPCL before the Hon'ble APTEL vide Appeal No.63 of 2016 and the Hon'ble APTEL, vide its order dated 09.04.2024 passed in the said appeal, has approved the tariff of 480 P/U for the Samal Barrage SHEP of M/s. OPCL. Accordingly, the same tariff has been considered for procurement of power from the Samal Barrage SHEP of M/s. OPCL. Further, the Commission, vide its order dated 06.01.2023 passed in Case No. 88/2020, had approved 503 P/U towards procurement of power from the SHEP of M/s Baitarani Power Projects Pvt. Ltd. and the said order was challenged by M/s Baitarani Power Projects Pvt. Ltd before the Hon'ble APTEL, vide Appeal No 25 of 2024 & IA No 2343 of 2023. The Hon'ble APTEL, vide their Order dated 05.02.2024 passed in IA No 2343 of 2023, have directed GRIDCO to pay a tariff of Rs.5.65 per unit to M/s Baitarani Power Projects Pvt. Ltd from the date of the impugned Order, and during the pendency of this appeal. Accordingly, the tariff of 565 P/U has been considered towards purchase of power from the SHEP of M/s Baitarani Power Projects Pvt. Ltd. till final Order in this matter is passed by the APTEL. The Commission further observed that the tariff of 506 P/U has been approved, vide order dated 07.05.2022 in Case No. 100/2021, for procurement of power from Saptadhara SHEP. Further, GRIDCO has proposed to procure 36 MU energy from Bargarh Head Regulator SHEP at a rate of 506 P/U as per the PPA executed by GRIDCO with the project developer-M/s. Kakatiya Industries Pvt. Ltd. Further, vide Commission's order dated 05.01.2019 passed in Case No.35/2018, the tariff for procurement of power from Biribati and Kendupatna mini hydel projects of OPGC has been fixed at Rs.3.91/kWh. Accordingly, the Commission approves the procurement cost of Rs.205.06 Crore towards purchase of total 442.92 MU by GRIDCO from the Mini and Small Hydro sources during the FY 2025-26 for State consumption at an average rate of 460.90 P/U, the details of which is given in the Table below:

Table-25

Procurement & Cost of Power from Mini /Small Hydro Sources for FY 2025-26

Sl. No.	Name of the Projects	Installed Capacity (MW)	Energy Approved for Drawal (MU)	Rate (P/U)	Total Cost (Rs. Cr.)
1.	Lower Kolab & Middle Kolab SHEP of Meenaskhi	37	166.50	368.00	61.27

Sl. No.	Name of the Projects	Installed Capacity (MW)	Energy Approved for Drawal (MU)	Rate (P/U)	Total Cost (Rs. Cr.)
	Power Ltd. through PTC				
2.	SAMAL Barrage SHEP of M/s OPCL through PTC	20	94.12	480.00	45.18
3.	Lower Baitarani SHEP by M/s BPPPL	24	91.14	565.00	51.49
4.	Saptadhara SHEP by M/s APPPL	18	57.00	506.00	28.84
5.	Bargarh Head Regulator SHEP by M/s Kakatiya Industries Pvt. Ltd.	09	36.00	506.00	18.22
6.	OPGC MHP	1.15	0.16	391.00	0.06
	Total	109.15	444.92	460.90	205.06

170. The Water Charges and SLDC Charges claimed by GRIDCO for reimbursement in respect of Samal Barrage SHEP & Lower Baitarani SHEP is not allowed by the Commission in the ARR of GRIDCO for FY 2025-26. However, the same may be considered as pass through on actual basis in the ARR of GRIDCO for the next year as per the prevailing practice.

(C) Wind Energy:

171. GRIDCO has submitted that Power Sale Agreements (PSAs) have been executed with PTC India Ltd. and SECI to purchase total 360 MW of wind power under different schemes of MNRE, GoI where ISTS Charges are waived off. ISTS losses shall also be not applicable for the procurement of wind power in all Tranches except 10 MW Wind Power under Tranche-XI. GRIDCO submits that at present it is availing 321.50 MW wind power out of the contracted capacity of 360 MW and expected to avail another 1.5 MW during FY 2025-26. The details are as given in the table below:

**Table -26
PSA with PTC India & SECI**

Sl. No.	Name of Trader	MNRE ISTS – Connected Wind Power Project Scheme	Contracted Capacity	Capacity Commissioned /Expected to be Commissioned	Applicable Tariff *	Date of PSA
			(MW)	(MW)	(P/kWh)	
1	PTC	Tranche – I	50	50	353	20.07.2017
2	SECI	Tranche – II	100	100	272	24.11.2017
3		Tranche – III	50	37.5	251	23.03.2018
4		Tranche – IV	100	84	258	15.06.2018
5		Tranche – VI	50	50	289	22.08.2019
6		Tranche-XI	5.25	1.5	276	07.11.2022
		4.75	Nil	277		
		TOTAL	360	323		

* The applicable tariff is inclusive of PTC/SECI trading margin of Rs.0.07/kWh.

172. Considering energy procurement of 962.77 MU of wind power during FY 2023-24, drawl of 550.80 MU during the first six months of FY 2024-25 and expected additional availability of 1.5 MW Wind power from Tranche-XI Scheme during the ensuing FY 2025-26, GRIDCO has proposed to procure around 1015.70 MU of wind power from PTC & SECI in FY 2025-26 at an average rate of 280.97 P/U as given in the Table below:

Table-27
Procurement of Wind Energy by GRIDCO for FY 2025-26

Sl. No.	Wind Project Schemes	Contracted Capacity (MW)	Capacity Commissioned (MW)	Applicable Tariff (Rs/kWh)	Proposed Energy for FY 2024-25 (MU)	Rate (P/U)	Total Cost (Rs. Cr.)
1	MNRE ISTS-Connected Wind Power Scheme through PTC, Tranche-I	50	50	3.53	157.68	353.00	55.66
2	MNRE ISTS-Connected Wind Power Scheme through SECI, Tranche-II	100	100	2.72	306.60	272.00	83.40
3	MNRE ISTS-Connected Wind Power Scheme through SECI, Tranche-III	50	37.5	2.51	131.40	251.00	32.98
4	MNRE ISTS-Connected Wind Power Scheme through SECI, Tranche-IV	100	84	2.58	257.55	258.00	66.45
5	MNRE ISTS-Connected Wind Power Scheme through SECI, Tranche-VI	50	50	2.89	157.67	289.00	45.57
6	MNRE ISTS-Connected Wind Power Scheme through SECI, Tranche-XI	5.25	1.5	2.76	4.80	276.00	1.32
		4.75	-	2.77	-	-	-
	Total	360	323	-	1015.70	280.97	285.38

173. After scrutiny, the Commission accepts the above proposal of GRIDCO and approves the procurement cost of Rs.285.38 Crore towards purchase of 1015.70 MU of wind energy by GRIDCO during the FY 2025-26 at an average rate of 280.97 P/U for State consumption.

174. The Commission, in the above paragraphs, has approved total 4727.61 MU from renewable energy sources (both solar and non-solar) to be purchased by GRIDCO during the FY 2025-26 based on its proposal and availability of the same. The total procurement cost of such renewable energy is estimated at Rs.1544.31 Crore at an average rate of 326.66 P/U as summarized in the Table below:

Table-28
Estimated Cost of Renewable Energy Procurement for FY 2025- 26

RE Sources	RE Procurement Approved for FY 2025-26	Average Rate	Estimated Cost
	(MU)	(P/U)	(Rs. Crore)
Non-Solar			
SHEP	444.92	460.90	205.06
Wind	1015.70	280.97	285.38
Total Non-Solar	1460.62	335.78	490.44
Total Solar	3266.99	322.58	1053.87
TOTAL (Non-Solar & Solar)	4727.61	326.66	1544.31

175. The Commission observed that as per OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021, for FY 2024-25, Solar RPO is 9.75%, the 'Non-solar RPO' is 8.25% which includes 1.08% of Hydropower Purchase Obligation (HPO) and 7.17% of 'Other Non-solar RPO'. The HPO shall be met from the eligible large hydro plants commissioned on or after 08.03.2019. If power from eligible large hydro plants is insufficient to meet HPO, generation from small hydro sources commissioned on and after 08.03.2019 would qualify for fulfilment of HPO. In such cases, if small hydro generation exceeds the desired HPO, the surplus will then be considered under category 'Other Non-solar RPO'. Further, as per the said Regulations, the RPO shall be calculated in energy terms as a percentage of total consumption of electricity excluding consumption met from large hydro sources of power (both State and Central Sector). For the FY 2025-26, the Commission has estimated a quantum of 6444.78 MU to be purchased by GRIDCO from large hydro sources (5860.97 MU from State hydro and 583.81 MU from Central hydro). Further, the Commission has estimated a quantum of 40082.00 MU to be sold by GRIDCO to DISCOMs for State consumption during FY 2025-26 including 100 MU towards sale of emergency power to CGPs. Thus, deducting the quantum of power from large hydro sources, the State consumption for the purpose of computation of RPO comes to 33637.22 MU. The source-wise estimated power procurement from Renewable Energy sources and projected compliance of RPO by GRIDCO (on behalf of DISCOMs) are indicated in the Table below:

Table –29

Drawal from Renewable Energy Sources during FY 2025-26

Sl. No.	RE Sources	Renewable Energy approved for drawal during FY 2025-26 (MU)	Percentage w.r.t. the total estimated quantum of 33637.22 MU (%)	RPO fixed in Regulation for FY 2024-25 (%)
A.	Non-Solar (including HPO)			
(i)	Mini / Small Hydro Electric Projects (SHEPs)	444.92	1.32	
(ii)	Wind Energy	1015.70	3.02	
	Sub-Total (Non-Solar & HPO)	1460.62	4.34	8.25
B.	Solar	3266.99	9.71	9.75
C.	Total (Solar & Non-Solar)	4727.61	14.05	18.00

176. It is observed from the above table that with procurement of renewable energy of this magnitude, GRIDCO will not be able to meet its RPO target. In its reply to the Commission's queries, GRIDCO has submitted that the Ministry of Power, GoI, vide notification dated 20.10.2023, has specified the minimum share of consumption of non-fossil sources from FY 2024-25 to FY 2029-30, which came into effect from 01.04.2024. In line with the above notification, the Commission has issued a draft RPO Regulations, 2024, where in the RPO categories have been modified to include Wind Renewable Energy (consumption from the projects commissioned on or before 01.04.2024), Hydro Renewable Energy (consumption from the projects commissioned on or before 01.04.2024), Other Renewable Energy (consumption from solar, biomass irrespective of the commissioning date and old Large Hydro & Small Hydro projects). The MoP, GoI, vide the aforesaid RPO notification, has introduced a new RPO category i.e., Distributed Renewable Energy, which includes consumption from RE projects of capacity below 10 MW. Further, there is a provision of fungibility among the RPO categories, i.e. shortfall in one category can be met from surplus of other RE category except Distributed RE category. With the demand projection of 38814 MU and RE projection of around 10179 MU (Large hydro-5450.82 MU & RE sources-4728 MU) in line with the above MoP guidelines, GRIDCO may meet the RPO target of about 26 % out of total target of 33% for the FY 2025-26.

177. GRIDCO has further submitted that to meet the future RPO target, GRIDCO has executed several PSAs with SECI towards procurement of power from the Wind projects for capacity of 1000 MW. However, One Wind Power Developer (WPD) with allotted wind capacity of 106 MW has backed out from signing of the PPA with SECI impacting RPO compliance of

GRIDCO. Similarly, five WPDs having allotted wind capacity of 308.5 MW have filed Petitions before APTEL/CERC for termination of the respective PPAs with SECI. Further, another WPD has issued notice of termination of PPA for allotted capacity of 200 MW. Similarly, from the contracted solar capacity of 500 MW under SECI ISTS Solar Manufacturing Linked Scheme, only 333 MW of solar capacity could be available to GRIDCO during FY:2025-26, whereas the Solar Power Developer (SPD) with allotted solar capacity of 167 MW has backed out from execution of the said solar project. SECI has intimated GRIDCO for arranging the same solar capacity from another SPD with the same terms and conditions as per the PSA. Furthermore, due to delay in tariff adoption process, the commissioning of 400 MW solar projects of NTPC has been extended affecting the RPO compliance of GRIDCO. M/s Konark Suryanagri Pvt. Ltd. with whom GRIDCO executed PPA for procurement of 10 MW solar power under Konark Solarization Scheme of MNRE has now expressed its inability to execute the project and OREDA has expressed its interest to carry out the said project, which would start from the scratch, thus, the delay has affected GRIDCO to meet its RPO target. During the FY 2024-25, GRIDCO has procured Renewable Power from the Market through G-DAM (Green- Day Ahead Market) and also procured Nuclear power available from un-allocated share, which is also considered as clean energy. Depending on price of Renewable Energy in the market, GRIDCO shall endeavour to procure necessary quantum of Renewable Energy through G-DAM/ G-TAM towards compliance of RPO. As regards to the future plan for RPO compliance following steps are being taken by GRIDCO;

- GRIDCO has planned to procure around 50 MW of solar power from OPGC & 10 MW from GEDCOL for which the tendering process and finalisation of the respective PPAs are under consideration.
- Odisha RE Policy, 2022 has allowed GRIDCO for procurement of 500 MW wind power capacity under first come first serve basis. GRIDCO is in discussion with the wind developers for finalisation of the terms and conditions of the PPA for procurement of around 296 MW of wind capacity.
- Further, GRIDCO has planned to procure around 328 MW of Hydro power (Kiru, (30MW), Teesta-IV (104 MW), Teesta-VI (30 MW), Dibang (30MW), Rattle (30MW) & Punatsangchhu-II (104 MW) to meet the future RPO target.
- To meet the peak demand and variability of RE integration in future as well as to meet the RPO target, GRIDCO has planned to procure around 2000 MW of power from Pumped storage projects inside the State of Odisha.

178. The Commission observed that as per the RST order for FY 2025-26, the consumers of any category can get a 'Green Consumer Certificate', if 100% of their power requirement is met by DISCOMs from renewable sources, for which the consumer has to pay additional 20 Paise/Unit as premium over and above the normal rate of energy charges. For this purpose, the quantum of renewable energy purchased by GRIDCO needs to be apportioned in favour of each DISCOM in order to facilitate them to provide renewable power to the green consumers to that extent. In view of the above, the Commission apportions the total projected available renewable energy to the DISCOMs in proportion to their estimated total energy requirement for the FY 2025-26. Accordingly, out of the total projected renewable energy of 4727.61 MU available to GRIDCO for the ensuing year, 1630.40 MU, 1028.39 MU, 1459.97 MU & 597.06 MU are allocated to TPCODL, TPNODL, TPWODL & TPSODL respectively for the above purpose. The DISCOMs can issue 'Green Consumer Certificate' to the consumers desirous of availing such certificates in their respective area within the above ceiling limit of renewable energy. However, in case of surplus of such renewable energy with one DISCOM and deficit with another, the DISCOM having deficit renewable power may draw more renewable power with consent of the DISCOM having surplus renewable power under intimation to GRIDCO.

Independent Power Producers (IPPs)

179. In its application GRIDCO has submitted that it is entitled to draw power from six nos. of IPPs in the State, namely M/s. Vedanta Limited, M/s. GMR Kamalanga Energy Limited (M/s. GKEL), M/s. Jindal (India) Thermal Power Limited (M/s. JITPL), M/s. NAVA Ltd., M/s. JSW Energy (Utkal) Ltd (M/s. JSWEUL) and M/s. Maadurga Thermal Power Company Ltd. (M/s. MTPCL). GRIDCO has stated that the actual supply of power from IPPs is varying from the State's entitlement, for which there have been substantial difference in terms of energy supplied from IPPs and approved by the Commission. The approved Vs. actual power purchase from the IPPs during last four years is given hereunder:

Table-30
Actual vs Approved Power Purchase from IPPs (MU)

IPPs	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		Actual (Avg.)
	Approval	Actual	Approval	Actual	Approval	Actual	Approval	Actual	
M/s. Vedanta Ltd.	3053.00	2806.01	3003.48	2101.19	2628.70	3049.85	3050.00	2773.82	2682.72
M/s. GKEL	2167.28	1769.88	1844.00	1960.32	1670.00	1899.72	1960.09	1811.52	1860.36
M/s. JITPL	1010.57	0	0	0	0	458.38	512.10	499.59	239.49
M/s. NAVAL	-	-	0	3.83	39.66	39.64	40.39	46.95	30.14
M/s. JSWEUL	-	-	-	-	-	-	0	25.02	25.02

IPPs	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		Actual (Avg.)
	Approval	Actual	Approval	Actual	Approval	Actual	Approval	Actual	
Total	6230.85	4575.89	4847.48	4065.34	4338.36	5447.59	5562.58	5156.90	4818.96

180. GRIDCO has submitted that the significant gap between the Commission's approval/projection vis-à-vis actual quantum of power supplied by the IPPs adversely affects the availability of power with GRIDCO to meet the State demand and impacts on the BSP. Non-supply of the requisite quantum of power by the IPP during real time operation compels GRIDCO to depend on the high-cost power sources to meet/cater State demand. Therefore, GRIDCO requests the Commission to approve energy availability from the IPPs based on realistic levels and direct the IPPs to comply/adhere to the subsisting contracts to supply power to GRIDCO as per the contracted capacity so as to manage the State demand of power smoothly with the approved costs.

181. Further, GRIDCO has furnished the actual drawl of power from the IPPs for the 1st six months of the current FY 2024-25 i.e. from April, 2024 to September, 2024 as given in the table below:

Table-31
Actual Power Procurement from IPPs during Apr-Sept, 2024 (MU)

Month	Vedanta	GKEL	JITPL	NAVA	JSWEUL	MTPCL
Apr-24	325.66	132.97	41.66	4.32	19.45	-
May-24	271.72	170.72	81.89	4.46	22.36	-
Jun-24	228.65	174.12	83.41	4.27	5.03	-
Jul-24	312.27	177.39	48.54	4.46	17.61	2.10
Aug-24	259.69	174.42	65.59	0.87	20.21	2.28
Sep-24	137.14	173.46	83.66	4.06	15.43	3.90
Total	1535.14	1003.08	404.76	22.44	100.09	8.28

182. GRIDCO has submitted that in response to its request, five nos. of IPPs, except M/s. MTPCL, have furnished their tentative generation plan to GRIDCO, based on which it has projected availability of power of the individual IPPs as stated in the following paragraphs.

M/s. Vedanta Limited

183. GRIDCO has submitted the entitlement of State's share of power, as per OERC order dated 27.01.2016 in Case No. 21 of 2015 which has been confirmed vide order dated 03.05.2023 in case No 129 of 2021, is 25%+7%/5% of total energy sent out from the power station or total ex-bus generation from Unit-2 whichever is higher. Further, in case of non-supply or short supply of power from IPP Unit-2 (600 MW), M/s. Vedanta Ltd shall supply the requisite quantum of power from its conditionally converted CGP Units as per

the aforesaid orders. The quantum of energy approved by the Commission vis-a-vis the actual power supply made by M/s Vedanta Ltd to GRIDCO is summarized in the table below:

Table-32

Quantum of energy approved by the Commission vis-a-vis the actual power supplied by M/s. Vedanta Ltd.

FY	Approval of State Demand by Commission (MU)	Quantum of Power available from Vedanta-IPP as approved by OERC (MU)	% Share of Vedanta Power availability	Actual Quantum of power supplied to GRIDCO (MU)	% Share of Vedanta Power actually supplied to GRIDCO against approved quantum	Approved power purchase rate by Commission (P/U)
23-24	38185.57	3011.87	7.89	2773.82	92.10	285.39
22-23	30474.23	2628.70	8.63	3049.85	116.02	279.05
21-22	28791.96	3003.48	10.43	2101.19	69.96	251.99
20-21	29018.76	3053.00	10.52	2806.01	91.91	251.29
19-20	28731.03	5039.45	17.54	747.84	14.84	243.26
18-19	26803.81	5039.45	18.80	978.11	19.41	260.96
17-18	26051.63	5039.45	19.34	1061.52	21.06	237.78
16-17	25492.87	5039.45	19.77	3216.84	63.83	223.10
15-16	25776.23	4199.54	16.29	3414.16	81.30	212.09
14-15	25495.71	4199.54	16.47	3093.07	73.65	207.32
13-14	24058.42	3132.90	13.02	2849.67	90.96	275.00
12-13	24096.98	2612.57	10.84	3027.27	115.87	275.00
11-12	23489.18	3357.12	14.29	1964.55	58.52	275.00
10-11	21003.75	646.23	3.08	468.50	72.50	243.45
AVG.	26962.15	3571.63	13.25	2253.74	63.10	251.48

184. GRIDCO has submitted that as evident from the above table, the average quantum of power availability from the IPP Unit-2 of Vedanta as approved by the Commission was about 13% of total power demand of the State. However, actual supply of power by Vedanta-IPP to GRIDCO in the respective financial years was only 63.10% of availability of power from the IPP Unit as approved by the Commission. It indicates that there was a short supply of about 36.90% vis-à-vis the approval quantum of power during the above period. In earlier years, the Commission had approved availability of full normative entitlement/State share of power from Vedanta's IPP Unit which has resulted in lower BSP because of lower power procurement cost of the said IPP Unit. The rate/ tariff of power is low on account of recovery of capital cost through Annual Fixed Charges comprising of depreciation, interest on loan, Return on Equity etc. over last 14 years of operation and Linkage Coal available under long term Fuel Supply Agreement with MCL based on long

term PPA with GRIDCO (25 years validity). The Commission has time and again directed GRIDCO in its ARR orders to avail full entitlement of power from the said IPP. Accordingly, GRIDCO always endeavors to avail the full entitlement of power from the State dedicated IPP Unit of Vedanta since its commercial operation in 2010. But, in view of compensation mechanism stipulated by the Commission, vide order dated 22.06.2020 in Case No. 68 of 2018, Vedanta Ltd. prefers to pay compensation instead of supplying power to the State. Further, in case of non /short supply of power by the IPP Unit, Vedanta Ltd. has never scheduled and supplied power from its converted CGP Units which has been generating power to their full-capacity unlike Unit-2. Whenever, there is any ash disposal difficulty faced by M/s. Vedanta Ltd., it prefers to shut down the State dedicated Unit-2 and did not supply power to the State from the conditionally converted CGP units. However, M/s. Vedanta has intimated GRIDCO that on the basis of allocation of linkage coal under FSA and considering the coal grade (~3000~3400 kCal/kg) supplied by MCL, it shall be able to supply net power in the range of 300~350 MW during the FY 2025-26. M/s. Vedanta Ltd. can lift additional 20% linkage coal beyond ACQ as per CIL norms and E-auction coal as consented by GRIDCO, by which it can supply power to GRIDCO to the extent of 500 MW at the tentative tariff of Rs.3.11/kWh.

185. GRIDCO has further submitted that M/s. Vedanta Ltd. may not take plea of lower GCV of linkage coal to supply power lower than the State's entitlement under the subsisting PPA and Order of the Commission, as it is getting credit/debit notes under the FSA based on the grade of GCV of Linkage coal supplied by the coal supplier i.e. MCL. Further, after issue of short supply of linkage coal and grade slippage, Vedanta is raising issue of difficulties in disposal of Ash generated from the IPP Unit #2 and kept the Unit under shutdown frequently while all the three conditionally converted CGP Units were being operated at full capacity and power so generated was utilised to meet its captive consumption at its SEZ Smelter plant. In spite of all supports/cooperations extended by GRIDCO as well as State Government to overcome all sort of difficulties/issues raised by Vedanta from time to time and reimbursement of ash transportation charges by GRIDCO, Vedanta is not supplying State entitlement of power to GRIDCO. Moreover, Vedanta is not scheduling any power from its conditionally converted CGP Units when the State dedicated IPP Unit-2 is making short supply/not supplying the requisite quantum of power. If Vedanta would have supplied RTC full Ex-bus generated power from Unit #2, such power could have been used to meet State demand and purchasing the high cost power could have been avoided as the market price often hovers around Rs.10/kWh, mostly during the peak hours.

As a consequence, GRIDCO is unable to manage its power procurement with the approved costs and also faces unforeseen difficulties in arranging power in real time situations in view of shortage of power now being a common scenario pan India and even the Power Exchanges could not come to rescue to meet the State demand because of non-availability of requisite quantum of power during deficit situations in peak hours. Though M/s. Vedanta Ltd. pays compensation for non/short-supply of power, it is in no way replace/compensate the physical requirement of power of the State during real time operation.

186. In view of the above, GRIDCO has requested the Commission to direct M/s. Vedanta Ltd. to supply full entitlement of power to the State from the IPP Unit-2 / conditionally converted CGP Units as per the terms of existing PPA and the subsequent Order dated 27.01.2016 of the Commission passed in Case No.21 of 2015 and Order dated 03.05.2023 passed in Case No.129 of 2021. Accordingly, the entitlement of State's share of power (720 MW) at normative generation (i.e., 85% PLF and 6.55% Auxiliary Energy Consumption) works out to be 5010 MU. However, in order to avoid any distortion in the ARR & consequential BSP to be approved by the Commission, without prejudice and under protest, GRIDCO has estimated the availability of 2865.18 MU only for FY 2025-26 from IPP Unit-2 of M/s. Vedanta Ltd. basing on the generation plan intimated by M/s. Vedanta Ltd. for supply of 350 MW of power Round The Clock (RTC) basis and the historical trend of supply of power by M/s. Vedanta Ltd. Though this projection of GRIDCO fall short of 2144.82 MU (approx.), GRIDCO has considered the same in order to avoid over projection of availability which may lead to distortion in the ARR of GRIDCO for FY 2025-26 and requested the Commission for approving the same.
187. GRIDCO has projected the average rate of power from M/s Vedanta Ltd. at 305.90 P/U (FC-89.79 P/U + ECR-197.98 P/U + ED & SOC&MOC-4.05 P/U + Ash Transportation Charges-14 P/U) and submitted that it is well within the merit order for procurement of power to meet the State requirement. Since the AFC for the IPP of M/s. Vedanta Ltd is yet to be determined for the current block period 2024-29, GRIDCO has provisionally considered the Fixed Cost at 89.79 P/U basing on the AFC as determined by the Commission for the FY 2023-24 vide order dated 26.12.2023 in Case No.20 of 2020.
188. Further, considering the 'As Billed' GCV data provided by Vedanta in Form-15 format along with energy bills for the month of April, 2024 to September, 2024, the "As Received" GCV has been derived by GRIDCO, based on which the average ECR has been

worked out to be 197.98 P/U as shown in table below. GRIDCO proposes the same for procurement of power from M/s. Vedanta Ltd. during FY 2025-26.

Table-33
Energy Charge Rate (ECR) of Vedanta-IPP from April-24 to Sept-24

Month	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
LPPF (Rs. /kg)	2.449	2.424	2.477	2.398	2.384	2.370
CVPF (kCal /kg)	3547	3370	3457	3240	3031	2875
GHR (kCal /kwh)	2390	2390	2390	2390	2390	2390
SFC (ml/kWh)	1	1	1	1	1	1
CVSF (kCal/ml)	9.85	9.85	9.85	9.85	9.85	9.85
LPSFi (Rs. /ml)	0.076183	0.076053	0.072858	0.074125	0.074974	0.070384
AUX (%)	6.55	6.55	6.55	6.55	6.55	6.55
ECR (P/U)	184.01	191.33	190.28	196.42	208.32	217.52
Average (P/U)						197.98

189. GRIDCO has estimated the Year-end Charges as Rs.51.95 crore for FY 2025-26 by considering Electricity Duty @55 P/U on total projected drawl of 2865.18 MU amounting to Rs.11.05 Crore, SOC & MOC charges amounting to Rs. 0.79 Crore and Ash Transportation Charges amounting to Rs.40.11 crore. Accordingly, GRIDCO has estimated the power procurement cost of projected energy to be procured from Vedanta-IPP during FY 2024-25 as given in the table below:

Table-34
Power Procurement Cost of Vedanta-IPP for FY 2025-26

Projected Energy (MU)	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Year-end Charges (Rs Cr.)	Total Estimated Cost (Rs. Cr.)	Unit Rate (P/U)
2865.18	257.26	567.25	51.95	876.46	305.90

190. M/s. Vedanta Ltd., as an objector to the present case, has submitted that it has been supplying power to GRIDCO in terms of the PPA and as per the allocation of linkage coal under the FSA. Vide its letter dated 26.10.2024, it has intimated to GRIDCO that considering linkage coal allocation under FSA, they will be able to supply 340-350 MW of power to GRIDCO for the FY 2025-26 due to degradation in declared grade of coal GCV supplied by MCL against the scheduled grade under the FSA. M/s. Vedanta Ltd., vide various communications and affidavits in Case Nos. 62 /2019 & 20/2020, has raised this issue. As per Schedule-III of the FSA "Quality of Coal", Vedanta is entitled to receive linkage coal of GCV between ~G8 (5200-4900 Kcal/Kg) - G13 (3400-3700 Kcal/Kg). Based on the CEA norms, for 250 MW and above units considering SHR as 2375

Kcal/kWh for G8 grade coal total (ACQ) requirement of 600 MW unit @ 85% availability = 3673 (Tonne/MW/Annum) x 564 MW = 20.71 Lakh tonne/annum and for G14 grade coal ACQ of coal = 5865 (Tonne/MW/Annum) x 564 MW = 33.09 Lakh tonne/annum. However, MCL has been supplying linkage coal having GCV in the range of G14 (3400-3100 Kcal/Kg) grade under FSA dated 27.08.2013 and the quantity of linkage coal allocated under the said FSA is 25.70 Lakh tonne per annum. On the basis of CEA norms and the GCV of coal supplied by MCL, Vedanta's coal allocation is required to be increased to 33.09 lakh tonne/annum (5865 X 564 MW). Accordingly, Vedanta has shortage of linkage coal of around ~7.5 lakh tonne per annum to supply 564 MW at 85% PLF to GRIDCO which is subject to the GCV grade of coal supplied by MCL. However, with the advent of CIL notification dated 14.02.2023, an IPP having FSA under MoU route can avail linkage coal upto 120% of ACQ.

191. M/s. Vedanta Ltd. has further submitted that in view of the above, maximum power that can be generated from Unit-2 under the existing FSA basis G14 grade of coal is 350 MW. However, Vedanta has been paying short supply compensation to GRIDCO for the reason beyond its control. M/s. Vedanta Ltd. has intimated DoE, GoO and GRIDCO regarding the difficulties in disposing the ash for which Unit-2 was forced to take shutdown. Although, GRIDCO and Jharsuguda administration extended support, Vedanta struggles to dispose the ash in the entire western region of Odisha. Consequently, other CGP Units were also forced to take shutdown or to run on part load for the difficulty in disposing ash. However, M/s. Vedanta Ltd. has been supplying power to GRIDCO as per the terms of the consolidated PPA and subsequent OERC order and now it has been supplying power to GRIDCO based on the availability of linkage fuel. In the event of non or less supply of power to GRIDCO, the shortage of power attributable to Vedanta is being compensated by procuring the same from other sources in line with OERC order 20.06.2022 in Case No.68 of 2018.
192. The Commission scrutinised the above proposal of GRIDCO and observed that as per the Commission's order dated 27.01.2016 passed in Case No. 21/2015, the Unit-II (600 MW) of 2400 MW (4x600 MW) power plant of M/s. Vedanta Ltd. will continue to remain as IPP and must remain connected to STU network as state dedicated unit and the other three Units-1, 3 & 4 of the power plant are converted to Captive Generating Plant w.e.f. 01.04.2015. As per the said order, the quantum of power supply to GRIDCO towards state entitlement should be 25% at full cost and 7% / 5% (depending upon the allotment of coal

block within the State) of the total energy sent out of the power station at variable cost as per the PPA in force. The power supply to GRIDCO must be 25% of the total energy sent out of the power station or total ex-bus generation from Unit-2 whichever is higher plus 7%/5% of the total energy sent out from the power station. The Commission further observed that as per the OERC Tariff Regulations, 2024, the normative auxiliary consumption for the thermal generating stations with unit capacity of more than 300 MW is 5.25% and additional 0.8% where tube type coal mill is used. Therefore, considering PLF of 85% and auxiliary consumption of 6.05%, the State share of energy from the thermal power plant of M/s. Vedanta Limited comes to 5036.77 MU.

193. Further, the Commission at Para-30 of its order dated 05.10.2021 passed in Case No. 34/2018 has observed as under:

"30. Accordingly, considering the submission of parties and basing on the above analysis we allow GRIDCO to operate its PPA without losing its entitlement under the same.

- (a) The Unit-II of M/s. Vedanta shall normally operate as CGP. If in any quarter, GRIDCO requires power from M/s. Vedanta for State consumption they can avail the same giving three months prior notice to M/s. Vedanta and avail the same for a period of at least three months. During that period the CGP will operate as IPP and GRIDCO will be required to pay fixed cost for the said period in addition to energy charge and other charges.*
- (b) During IPP mode of operation, Quantum of power supply to GRIDCO towards State entitlement should be 25% (at full cost) and 7% / 5% (at variable cost) of total energy sent out from the power station (4 x 600 MW) as per the PPA in force. The Unit-II must remain connected to STU as State dedicated unit and accordingly supply to GRIDCO must be 25%+7%/5% of total energy sent out from the power station or total ex-bus generation from Unit-II whichever is higher. Such quantum of power supply should not be disturbed at any point of time.*
- (c) During IPP mode of operation, the coal used for generating power for State entitlement shall be linkage coal / captive mines allocated to the Petitioner for State use.*
- (d) If M/s. Vedanta fails to supply power after requisition by GRIDCO within the stipulated period, M/s. Vedanta will compensate GRIDCO by paying the differential cost incurred by GRIDCO for such drawal at margin over and above the cost of normal power purchase from M/s. Vedanta IPP Unit-II.*
- (e) If at any time it is found that M/s. Vedanta has failed to supply IPP power after requisition by GRIDCO and is trading the same, M/s. Vedanta will have to pay, in compensation, two times the differential cost incurred by GRIDCO at margin over and above the IPP power cost from M/s. Vedanta.*
- (f) In order to prevent dislocation in the current supply of power, the Unit-II will continue as IPP for the current quarter. GRIDCO has to exercise its option to avail IPP power from M/s. Vedanta for the next quarter within one month of this order failing which the IPP Unit –II of M/s. Vedanta shall operate as CGP with*

effect from the 1st of January, 2022. Thereafter, as stated in sub-para (a) above, GRIDCO will have to give three months prior notice for availing power in any quarter.

(g) The option of GRIDCO to avail IPP power shall be prudently exercised in order to minimise the total power purchase cost and shall be scrutinised by the Commission at any time.”

194. GRIDCO had filed a review petition before this Commission against the above order dated 05.10.2021 passed in Case No.34 of 2018 which was registered as Case No. 129 of 2021. The Commission upon hearing of the said Review Petition, vide its order dated 28.10.2022, had directed to re-hear the Case No.34 of 2018. M/s. Vedanta Limited had filed an Appeal before the Hon’ble APTEL challenging the said order dated 28.10.2022 in Appeal No.437 of 2022 and the Hon’ble APTEL in its judgment dated 13.01.2023 has allowed the appeal by setting aside the order of the Commission on the ground that the Commission has not indicated the reasons why it had reviewed the earlier order and directed that the Commission shall pass an Order afresh assigning reasons for reviewing its earlier Order, and thereafter act in accordance with law. Thereafter, the Commission, after hearing the parties, passed the order dated 03.05.2023 in the aforesaid Review Petition of GRIDCO (Case No.121 of 2021) and in Para 25 of the said order, the Commission has observed as under:

“For the whole discussions made here-in-before, we are of the considered view that in the face of the subsisting PPA dated 19.12.2012 which is for a tenure of as long as 25 years, and the order dated 27.01.2016 passed in Case No.21 of 2015 which has already attained finality, and also the written undertaking given by M/s. Vedanta Ltd. through affidavit in course of the proceeding of Case No.21 of 2015 to the effect that it shall comply with the requirement of supplying power to M/s. GRIDCO Ltd. as per the terms and conditions of the PPA, the direction issued vide the order dated 05.10.2021 that the Unit-II of M/s. Vedanta Ltd. shall normally operate as CGP, and the consequential directions are found to be patently and self-evidently erroneous. Hence, the Review Petition is allowed directing both the Respondent No.1-M/s. Vedanta Ltd. and the Petitioner-GRIDCO to abide by the Order dated 27.01.2016 passed by this Commission in Case No.21 of 2015. Without prejudice to the PPA dated 19.12.2012 and the order dated 27.01.2016 passed in Case No.21 of 2015, either side is at liberty to raise individual issue, if any, pertaining to individual cause of action, if any, through appropriate proceeding which shall be decided according to law. The Order dated 05.10.2021 passed in Case No.34 of 2018 is reviewed accordingly.”

195. The Commission observed that as per the above order dated 03.05.2023 both GRIDCO and M/s. Vedanta Ltd. are to abide by the order dated 27.01.2016 passed by this Commission in Case No.21 of 2015. In the present tariff petition, GRIDCO has proposed to avail 2865.18 MU of energy from M/s Vedanta Ltd during the FY 2025-26 for State requirement based on the projection of M/s. Vedanta Ltd., to supply 350 MW of power on RTC basis

and the present trend of supply of power by M/s. Vedanta Ltd., in place of estimated normative State entitlement of 5036.77 MU. In the earlier ARR & BSP order of GRIDCO, the Commission had directed that GRIDCO must purchase power from M/s. Vedanta Ltd. to the extent of generation from the available linkage coal and the purchase power beyond the generation from the available linkage coal upto the State's entitlement, if it is commercially viable. Accordingly, the Commission estimates an availability of 5036.77 MU towards State's entitlement from M/s. Vedanta Limited for the ensuing FY 2025-26. However, as per the generation plan submitted by M/s Vedanta Ltd. to GRIDCO, it would supply power upto 350 MW on RTC basis during the ensuing FY 2025-26. Accordingly, the Commission approves drawal of 3066 MU by GRIDCO from M/s. Vedanta Ltd. for the FY 2025-26. However, M/s Vedanta Ltd. is directed to take immediate action for availing additional linkage coal of 20% of ACQ from M/s MCL as per the Notification dated 14.02.2023 of CIL in order to supply more quantum of power to GRIDCO towards State's entitlement. Further, both GRIDCO and M/s. Vedanta Ltd. are directed to take up the matter with the coal supplier M/s. MCL in coordination with the State Government for further enhancement coal supply by M/s. MCL so that GRIDCO can avail the State's entitlement of power in full as per PPA at lower price.

196. The Commission observed that the Multi-Year Tariff (MYT) has been determined by the Commission for the FY 2019-20 to 2023-24 in respect of the IPP of M/s. Vedanta Ltd. vide order dated 26.12.2023 in Case No.20 of 2020. According to this order, the GRIDCO's share of annual fixed cost in respect of the IPP of M/s. Vedanta Ltd. was Rs.273.836 crore for FY 2023-24. Since M/s Vedanta Ltd. has not yet filed application for determination of tariff for the next control period FY 2024-29, the Commission provisionally considers the fixed cost for the ensuing year 2025-26 which was determined for the FY 2023-24. Accordingly, the per unit cost of the fixed cost for Vedanta-IPP comes to 89.31 P/U corresponding to the energy availability to GRIDCO as per PPA/Commission's earlier order. Further, considering the average of actual ECR paid by the GRIDCO for the period of last 9 months i.e. from April, 2024 to December, 2024, the Commission provisionally consider the ECR of 198.52 P/U for the purpose of computation of ARR of GRIDCO for the FY 2025-26. Further, the Commission allows Rs.51.33 Crore in tariff towards year end charges (Rs.10.86 Crore towards payment of E.D. on auxiliary consumption, Rs.0.59 Crore towards SLDC charges and Rs.39.88 Crore towards Ash Transportation Charges prorating the actual figure from April to November 2024) in respect of the IPP of M/s. Vedanta Ltd. The per unit cost of year end charges allowed by the Commission comes to 16.75 P/U.

Accordingly, the average tariff for M/s. Vedanta Ltd. comes to 304.58 P/U (fixed cost- 89.31 P/U + ECR- 198.52 P/U + Year End Charges- 16.75 P/U). The Commission has estimated drawal of 3066 MU from M/s. Vedanta Limited under MOD for the ensuing FY 2025-26 in order to avoid adverse impact on estimation of BSP and balance quantum would be considered as surplus energy. Accordingly, the power procurement cost has been estimated as Rs.933.83 at the average rate of 304.58 P/U Crore towards procurement of 3066 MU from M/s. Vedanta Ltd. during the FY 2025-26 and considered the same in the ARR of GRIDCO. However, apart from the above consideration, the Commission reiterate the earlier direction that GRIDCO must purchase power from M/s. Vedanta Limited to the extent of generation from the available linkage coal and may purchase power beyond the generation from the available linkage coal upto the State's entitlement of power, if it is commercially viable.

M/s. GMR Kamalanga Energy Limited (M/s. GKEL)

197. GRIDCO has submitted that as per the subsisting PPA dated 04.01.2011, it has requisitioned contracted capacity of 262.5 MW of power (25% of the total installed capacity of 3x350 MW) from the IPP of M/s. GKEL for the block period 2024-29, as this power is availed through STU and ECR being computed based on the linkage coal and Shakti coal and comfortably placed within the merit order procurement of power to meet the State demand. Considering the normative PLF of 85% and auxiliary consumption of 6.25%, the generation towards State's share would be 1832 MU. However, GRIDCO has proposed to procure 1907 MU of energy from M/s. GKEL during FY 2025-26 as per the generation plan submitted by the IPP.
198. GRIDCO has submitted that CERC, vide its order dated 17.05.2024 in Petition No. 407/GT/2020, had passed the final Tariff Order for the control period 2019-24 in respect of procurement of contracted capacity of 262.5 MW of power by GRIDCO from M/s. GKEL. As per the said tariff order, the Annual Fixed Charges (AFC) approved by CERC for the control period 2019-24 is given below:

**Table-35
Annual Fixed Charges of GMR approved for the Period 2019-24**

Item	2019-20	2020-21	2021-22	2022-23	2023-24
Total AFC of the IPP	1261.42	1238.95	1219.79	1197.77	1182.65
GRIDCO's Share of AFC (25%)	315.36	309.74	304.95	299.44	295.66

Accordingly, GRIDCO has provisionally considered the Annual Fixed Charges (AFC) of Rs.295.66 Cr. for FY 2025-26 as the AFC for the FY 2025-26 is yet to be determined by the CERC

199. GRIDCO has further submitted that, as per the Order dated 20.12.2019 of the APTEL in Appeal No. 135/2018 & 54/2018, the firm linkage coal, SHAKTI coal and coal from alternate sources procured by M/s. GKEL has to be apportioned on pro-rata basis among all its beneficiaries. The said Order of the APTEL has been challenged by GRIDCO before the Hon'ble Supreme Court of India on dated 13.10.2020, vide Civil Appeal No.3429 of 2020 which is sub-judice till date. However, GRIDCO is now paying the Energy Charge to GKEL considering first the Firm Linkage Coal and SHAKTI Coal and alternate source coal (if required to meet supply to GRIDCO), under protest based on the said Order of APTEL. Accordingly, GRIDCO has worked out the average of actual monthly Energy Charge Rate (ECR) at 184.87 P/U considering the ECR for the period from April, 2024 to Sept., 2024 based on use of Linkage, SHAKTI and other sources of coal to GKEL and proposed the same for FY 2025-26. Further, GRIDCO has estimated the Year-end Charges as Rs.24.05 crore for FY 2025-26 towards reimbursement of Electricity Duty (Rs.6.99 Crore), SOC & MOC charges (Rs.0.30 Crore) and Ash Transportation Charges (Rs.16.75 Crore). Accordingly, GRIDCO has proposed the procurement cost of Rs.672.26 Crore towards purchase of 1907 MU of energy from M/s. GKEL at an average rate of 352.52 P/U as given in the Table below:

Table -36

Proposed Power Purchase Cost of GMR-IPP for FY 2025-26

Name of the IPP	Energy (MU)	Annual Fixed charges (Rs. Cr)	Energy Charges (Rs. Cr.)	Year End Charges (Rs. Cr.)	Total Projected Cost (Rs. Cr.)	Average Rate (P/U)
M/s. GKEL	1907.00	295.66	352.55	24.05	672.26	352.52

200. The Commission observed that as per the PPA with M/s. GKEL the State share is 25% of the total energy sent out from the station at 80% PLF and power generated in excess of 80% PLF shall be available to the State at variable cost. Since the IPP of M/s. GKEL is supplying power to more than one State, its tariff is being determined by CERC. The Commission further observed that the present installed capacity of the IPP is 1050 MW (3x350 MW) and considering normative plant availability of 85% & auxiliary consumption at 6.25%, the net generation comes to 7329.66 MU. Further, considering plant availability

of 80% and auxiliary consumption of 6.25%, net generation comes to 6898.50 MU. As per the PPA, energy available to GRIDCO is 25% of total energy sent out at 80% PLF i.e. 1724.62 MU (i.e. 25% of 6898.50 MU) plus excess power generated beyond 80% PLF i.e. 431.16 MU (7329.66 MU – 6898.50 MU). Thus, the total availability to GRIDCO would be 2155.78 MU at normative plant availability of 85%. However, M/s. GKEL, in its generation plan for FY 2025-26, has estimated to supply 1907 MU to GRIDCO at normative plant availability of 85%. Accordingly, GRIDCO has proposed to avail 1907 MU from the IPP of M/s. GKEL towards State share of power. The Commission approves the proposal of GRIDCO to avail 1907 MU from the IPP of M/s. GKEL during the FY 2025-26.

201. The Commission observed that as per the latest Tariff Order dated 17.05.2024 of the CERC, the Annual Fixed Charges (AFC) of the IPP of M/s. GKEL is Rs.1182.65 Crore for the FY 2023-24. Since no further tariff order has been issued by the CERC, the Commission considers the same for the ensuing FY 2025-26 for computation of ARR of GRIDCO. Accordingly, GRIDCO share of AFC comes to Rs.295.66 crore i.e. 25% of the total AFC of Rs.1182.65 Crore. The Commission has approved drawal of 1907 MU by GRIDCO from M/s. GKEL during FY 2025-26 which is more than 25% of total energy sent out at 80% PLF i.e. 1724.62 MU. Hence, GRIDCO has to pay its share of fixed cost in full as approved by CERC i.e. Rs.295.66 Crore to M/s. GKEL towards drawal of State share of power. Further, considering the actual ECR of M/s. GKEL from the month of April, 2024 to December, 2024, as submitted by GRIDCO, the average ECR is computed as 183.48 P/U, which is provisionally considered by the Commission for procurement of power from M/s. GKEL during FY 2025-26. Further, the Commission provisionally approves Rs.16.75 Crore in tariff towards year end charges consisting of SLDC charges and Ash Transportation Charges in respect of the IPP of M/s. GKEL based on the actuals for the FY 2023-24. The per unit cost of year end charges allowed by the Commission comes to 8.78 P/U. Accordingly, the average tariff for M/s. GKEL comes to 347.30 P/U (fixed cost- 155.04 P/U + ECR- 183.48 P/U + Year End Charges- 8.78 P/U). Accordingly, the total power procurement cost is arrived at Rs.662.31 Crore at the average rate of 347.30 P/U for drawal of the approved quantum of 1907.00 MU towards State's entitlement of power for the FY 2025-26.

M/s. Jindal (India) Thermal Power Limited (M/s. JITPL)

202. GRIDCO has submitted that as per the subsisting PPA dated 05.01.2011 and as because no Coal Block has been allocated within the State, M/s. JITPL is required to supply contracted energy of 12% of Energy Sent Out (ESO) and all infirm power from its power plant to GRIDCO at Energy Charge Rate (ECR).
203. M/s. JITPL started supplying power to GRIDCO with effect from 29.04.2022 as per interim order dated 29.04.2022 of the Hon'ble High Court of Orissa in WP(C) No. 18150 of 2018. However, GRIDCO has filed Contempt Petition No. 6451 of 2023 before the Hon'ble High Court due to violation of the said Interim Order, as M/s. JITPL was supplying only 60 MW of power instead of 120 MW as directed by the Hon'ble High Court in the said interim order dated 29.04.2022. Subsequently, M/s. JITPL commenced supply of 120 MW Power to GRIDCO w.e.f. 01.05.2024 as per the Interim Orders dated 29.04.2022 and 03.05.2024 passed by the Hon'ble High Court of Orissa and GRIDCO is getting 116 MW on RTC basis after Central Sector Loss. The Hon'ble High Court of Odisha, vide interim order dated 29.04.2022, has fixed a provisional Tariff of Rs.3.36/kWh, on the further condition of payment of 50% of the transmission cost of the demand raised by the CTU subject to the cap of Rs.5 (Five) Crore payable by GRIDCO. The transmission cost of Rs.5 Crore was exhausted in September' 2022 and GRIDCO is now making payment of energy charges only at provisional tariff of Rs.3.36/ kWh.
204. According to the Generation Plan submitted by M/s. JITPL to GRIDCO for FY 2025-26, it shall supply 120 MW of power at Rs.3.36/Unit on provisional and interim basis as per the aforesaid orders dated 29.04.2022 and 03.05.2024 passed by Hon'ble High Court of Orissa in W.P.(C) No. 18150 of 2018. Further, one of its Unit (i.e. Unit#1) will be out of operation for Annual Overhauling for a period of 31 days. Accordingly, considering supply of 120 MW power and average ISTS loss of 3.46% (from Apr'2024 to Oct'2024), GRIDCO has estimated to avail 972 MU from M/s. JITPL during FY 2025-26 and considering the provisional tariff of Rs.3.36/Unit as per the interim direction of the Hon'ble High Court of Orissa vide Order dated 29.04.2022, GRIDCO has calculated the power purchase cost of Rs.326.59 Crore provisionally towards drawal of 972 MU from M/s. JITPL as shown in the table below:

Table-37

Power purchase cost of JITPL for FY 2025-26

Name of the IPP	Energy (MU)	Energy Charge Rate (P/U)	Projected Cost (Rs. Cr.)
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JITPL	972.00	336.00	326.59
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205. The Commission observed that the installed capacity of M/s JITPL is 1800 MW (3x600 MW), out of which two units (2x600 MW) are in commercial operation. As per PPA dated 05.01.2011 with M/s JITPL, GRIDCO is entitled for 12% (after de-allocation of coal blocks by the Hon'ble Supreme Court of India) of the power sent out at Variable Cost/Energy Charge Rate (ECR) to be determined by the Commission. The Commission further observed that M/s. JITPL has challenged the MoU and PPA with GRIDCO before the Hon'ble High Court of Orissa in W.P.(C). No. 18150/2018 and based on the interim stay order dated 16.05.2019 of Hon'ble High Court of Orissa in this writ petition, M/s. JITPL was not supplying power to the State since 22.05.2019. M/s. JITPL has also challenged the Commission's order dated 04.06.2019 passed in Case No.01/2017 before the APTEL on the matter of PPA approval. However, as submitted by GRIDCO, M/s. JITPL is supplying power to GRIDCO after issue of the interim order date 29.04.2022 by the Hon'ble High Court of Orissa and the Hon'ble Court has fixed a provisional flat tariff of 336 P/U for drawal of power from M/s. JITPL, on the further condition of payment of 50% of the transmission cost of CTU subject to a cap of Rs.5.00 Crore payable by GRIDCO. Further, the Hon'ble High Court of Orissa in the said order dated 16.05.2019, had directed M/s. JITPL to supply power of 120 MW daily to GRIDCO at the rate of 336 paise per unit. After the said of the Hon'ble High Court, M/s. JITPL was supplying only 60 MW of power to GRIDCO instead of 120 MW. Thus, GRIDCO had filed a Contempt Petition No.6451 of 2023 before the Hon'ble High Court. Thereafter, M/s. JITPL commenced supply of 120 MW power to GRIDCO w.e.f. 01.05.2024 and 03.05.2024 passed by the Hon'ble High Court of Orissa. In the meantime, the interim order dated 29.04.2022 of the Hon'ble High Court of Orissa has been extended upto 24.01.2025 vide their interim order dated 04.10.2024 passed in W. P. (C) No. 18150 of 2018. However, considering supply of 120 MW of power on RTC basis, annual overhauling of one unit for 31 days as per the generation plan and average ISTS loss of 3.46%, the Commission estimates availability of 956.48 MU of energy from M/s. JITPL for the FY 2025-26.
206. Since, the ECR of 336 paise per unit fixed by the Hon'ble Court in respect of M/s. JITPL does not come under merit order principle, the Commission has not considered the availability of 956.48 MU for State consumption for the FY 2025-26. However, GRIDCO is directed to draw the power from M/s. JITPL for State consumption in case of exigencies i.e. when there will shortfall in drawal of energy from the approved sources or increase in

State demand on real time basis. Further, GRIDCO may also avail this power for trading purpose to meet its past liabilities, if it is commercially viable. The Commission directs GRIDCO to take up the matter with Government of Odisha regarding availability of linkage coal to the IPP of M/s. JITPL to the extent of State share of power and pursue the cases related to M/s. JITPL at appropriate judicial forum for early resolution of the disputes as State share of energy would be available at the variable cost only. After resolution of disputes, GRIDCO should draw State share of power in full from the IPP of M/s. JITPL at the ECR based on the formula given in OERC Generation Tariff Regulations, 2024 and considering linkage coal.

M/s. NAVA Limited (M/s. NAVAL)

207. GRIDCO has submitted that as per the subsisting long term PPA, the State’s entitlement of 12% of Energy Sent Out from 1 X 60 MW IPP of M/s. NAVA Ltd is to be procured at ECR only. Further, M/s. NAVA Ltd has been allocated SHAKTI Linkage Coal by Ministry of Coal, Govt. of India under Clause B (ii) of SHAKTI Policy, 2017. Accordingly, M/s. NAVA Ltd has signed Fuel Supply Agreement (FSA) dated 19.08.2024 with MCL and is availing SHAKTI Coal since August,2024. In its generation plan, M/s. NAVA Ltd. has considered generation of 38.74 MU from its IPP for FY 2025-26. However, considering the Auxiliary Energy Consumption (AEC) of 10%, as fixed in the Tariff order of the IPP, GRIDCO has estimated to procure 39.18 MU of energy from M/s. NAVA Ltd during FY 2025-26 towards 12% State’s entitlement of power.
208. According to GRIDCO, M/s. NAVA Ltd is utilising various types of domestic coal for supply of power to GRIDCO. However, from August, 2024, supply of SHAKTI linkage coal has been commenced under the FSA signed with MCL which shall be utilised for supply of a major percentage of power to GRIDCO. GRIDCO has worked out the average of provisional ECR during 1st six months of FY 2024-25 as 228.05 P/U and has considered this ECR for projecting the power purchase cost for FY 2025-26 in respect of M/s. NAVA Ltd. The approximate power purchase cost has been calculated and projected by GRIDCO at Rs.8.93 Crore as shown in the table below:

Table-38

Power purchase cost of NAVA Ltd. IPP for FY 2025-26

Name of the Power Station	Energy (MU)	AEC at 10% (MU)	Net Generation (MU)	Odisha Share (12%) (MU)	Total Cost (Rs. Cr.)
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NAVA LTD	362.74	36.274	326.46	39.18	8.93
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209. The Commission observed that as per the PPA dated 31.10.2014 and supplementary PPA dated 23.09.2015 executed between GRIDCO and M/s. NBVL (presently M/s. NAVAL), GRIDCO is entitled to draw 12% of total energy sent out from the 60 MW power plant of M/s. NAVAL as State share at variable cost (ECR), which is to be determined by the Commission. The erstwhile M/s. NBVL had approached the Commission for determination of ECR in respect of its 60 MW power plant in Case No. 44/2021. The Commission, vide its order dated 12.01.2022, has fixed the annual plant availability factor of 85% and auxiliary energy consumption @ 10% for the 60 MW power plant of the erstwhile M/s. NBVL. Accordingly, the energy availability to GRIDCO from this power plant comes out to 48.25 MU considering State share of 12% of total energy sent out. However, M/s. NAVAL in its generation plan has projected generation of 362.74 MU for the FY 2025-26. Considering auxiliary energy consumption and State entitlement of 12% of total energy sent out, the net availability to GRIDCO from the power plant comes out to 39.18 MU. Therefore, the Commission approves the drawal of 39.18 MU by GRIDCO from 60 MW power plant of M/s. NBVL for the ensuing financial year 2025-26.
210. The Commission, vide its order dated 12.01.2022, has fixed the annual plant availability factor, auxiliary energy consumption, gross Station Heat Rate and norms of secondary fuel oil consumption for the 60 MW IPP of M/s. NAVAL. The Commission observed that the energy charge is to be calculated as per the provisions under OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2024 and accordingly billing shall be prepared by the generator. Further, considering the actual ECR of M/s. NAVAL from the month of April, 2024 to December, 2024, as submitted by GRIDCO, the average ECR is computed as 220.56 P/U. The Commission provisionally consider the same for computation of ARR of GRIDCO for the FY 2025-26. Accordingly, the Commission approves the power procurement cost of Rs.8.64 Crore towards procurement of 39.18 MU by GRIDCO from the 60 MW IPP of M/s. NAVAL at the rate of 220.56 P/U during the ensuing financial year 2025-26.

M/s. JSW Energy (Utkal) Limited

211. GRIDCO has submitted that, erstwhile M/s. Ind-Barath Energy (Utkal) Limited had entered into MoU with Govt. of Odisha and PPA with GRIDCO for setting up of a thermal power plant (IPP) at Sahajbahal, Odisha having installed capacity of 1360 MW (2 x 350 MW + 1 x 660 MW). The Commercial Operation Date (COD) of the 1st Unit (350 MW)

was declared with effect from 20.07.2016 with a de-rated capacity of 339.60 MW. However, the IPP could not operate and commence supply of 12% of energy sent out i.e. the State's entitlement of power (as coal block has not been allocated within the State) to GRIDCO due to financial stress and the company went into Corporate Insolvency Resolution process under the Insolvency and Bankruptcy Code, 2016 at NCLT, Hyderabad. Subsequently, M/s. JSW Energy Limited (JSWEL) finally took acquisition of the IPP on 28.12.2022 and the name of the IPP has been changed to M/s. JSW Energy (Utkal) Limited (M/s. JSWEUL) with effect from 20.05.2024. The revival of the dedicated transmission line upto CTU connectivity is in progress and the Unit#1(339.6 MW) of JSWEUL was synchronised with the grid on 23.01.2024. As an interim arrangement, M/s. JSWEUL-IPP is supplying 12% of Energy Sent Out to GRIDCO from 21.02.2024 as per the entitlement in the PPA, through CTU bearing all transmission losses and charges as per the agreement.

212. In the Generation Plan submitted by the IPP to GRIDCO, M/s. JSWEUL has indicated commissioning of its 2nd Unit (350MW) during FY 2025-26 and projected supply of 565.97 MU to GRIDCO towards State's entitlement of power i.e. @12% of Energy Sent Out from their generating station at 85% PLF and AEC of 6.25%, whereas sales to GRIDCO has been projected to be 524.29 MU after transmission loss. According to GRIDCO, considering 12% of Energy Sent Out from both the Units of JSWEUL, outage period of 15 days of Unit#1, Auxiliary Energy Consumption of 6.25%, 85% PLF and Central Sector Loss of 3.46%, the available quantum of power works out to be 546.16 MU. Therefore, GRIDCO has considered to procure the entire quantum of 546.16 MU of energy from M/s. JSWEUL during FY 2025-26. As per the PPA, the State entitlement of power shall be available to GRIDCO at variable cost i.e. at ECR. Considering the average of actual ECR i.e. 290 P/U (provisional) during the period from April'24 to September'24, GRIDCO has projected power purchase cost of Rs.158.39 Crore towards purchase of 546.16 MU from M/s. JSWEUL during FY 2025-26.

Table-39

Proposed Power Purchase Cost of M/s. JSWEUL-IPP for FY 2025-26

Name of the IPP	Energy (MU)	AEC at 6.25% (MU)	Net Generation (MU)	Projected Sales @85%	Odisha Share (12%) after Central Sector Loss of 3.46% (MU)	Total Cost (Rs. Cr.)
JSWEUL	6041	492	5549	4716.65	546.159	158.39

213. The Commission observed that GRIDCO had executed PPA with erstwhile Ind Barath Energy (Utkal) Ltd. on 14.09.2009, revised PPA dated 04.01.2011 and supplementary PPA dated 07.06.2017 to avail State share of power (14% of energy sent out at ECR if coal block is allocated or 12% of energy sent out at ECR if coal block is not allocated) from the proposed 1360 MW (2x350 MW + 1x660 MW) thermal power plant of M/s. Ind Barath Energy (Utkal) Ltd. Pursuant to acquisition of the said IPP of M/s. Ind Barath Energy (Utkal) Ltd. by M/s. JSW Energy Ltd., the name of the IPP has been changed to M/s. JSW Energy (Utkal) Ltd. (M/s. JSWEUL). The COD of only 1st Unit (350 MW) was declared w.e.f. 20.07.2016 with a de-rated capacity of 339.60 MW and the IPP is supplying 12% of the energy sent out to GRIDCO w.e.f. 21.02.2024 as per the entitlement in the earlier PPA through CTU bearing all the transmission losses and charges. Thereafter, GRIDCO has entered into amended/restated PPA dated 23.12.2024 with M/s. JSWEUL. The Commission, vide order dated 08.01.2025 passed in Case No.64 of 2024, has accorded in-principle approval to the said amended/restated PPA dated 23.12.2024. According to the said PPA, GRIDCO is entitled to draw 12% of total energy sent out from the IPP of M/s. JSWEUL as State share at variable cost (ECR), which is to be determined by the Commission. M/s. JSWEUL had approached the Commission for determination of ECR in respect of its IPP in Case No. 43/2024 and the Commission, vide its order dated 11.02.2025 in Case No. 43/2024, has fixed the annual plant availability factor of 85% and auxiliary energy consumption @6.25% for the IPP of M/s. JSWEUL. Considering commissioning of 2nd Unit (350 MW) during FY 2025-26, M/s. JSWEUL in its generation plan has projected gross generation of 689.60 MW (Unit#1-339.60 MW + Unit#2-350 MW). Accordingly, the availability of energy to GRIDCO from M/s. JSWEUL comes to 557.67 MU for the FY 2025-26 considering auxiliary consumption @ 6.25%, plant availability of 85%, ISTS loss @3.46% and State's entitlement of @12% of the Energy Sent Out from the IPP.
214. Further, the Commission, vide its order dated 11.02.2025 passed in Case No.43/2024, has fixed the annual plant availability factor, auxiliary energy consumption, gross Station Heat Rate and norms of secondary fuel oil consumption for the IPP of M/s. JSWEUL. As per the said order, the energy charge is to be calculated as per the provisions under OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2024 and accordingly billing shall be prepared by the IPP. However, considering the actual ECR of M/s. JSWEUL from the month of April, 2024 to December, 2024, as submitted by GRIDCO, the average ECR is computed as 261.06 P/U. The Commission provisionally considers the

same for computation of ARR of GRIDCO for the FY 2025-26. Further the Commission considers a drawal of 524.27 MU from M/s. JSWEUL during FY 2025-26 as per merit order principle (against the availability of 557.67 MU). Accordingly, the Commission approves the power procurement cost of Rs.136.87 Crore towards procurement of 524.27 MU by GRIDCO from the IPP of M/s. JSWEUL @261.06 P/U during the ensuing financial year 2025-26.

M/s. Maadurga Thermal Power Company Limited (MTPCL)

215. GRIDCO has submitted that as per the PPA dated 30.12.2010 between GRIDCO and M/s. MTPCL, GRIDCO would avail entire “infirm power” as well as 12% of firm power sent out from the 60 MW (2x30 MW) thermal power plant of M/s. MTPCL at ECR only. Since, GRIDCO has not received the Generation Plan from M/s. MTPCL for the FY 2025-26, considering Aux. Energy Consumption @10% and normative PLF of 85%, GRIDCO has projected net drawal of 48.25 MU from the IPP of M/s. MTPCL for FY 2025-26. GRIDCO has submitted that now they are procuring State’s share of power from M/s. MTPCL at the provisional ECR of 304.60 P/U (based on information/data provided by the IPP in respect of landed cost and GCV of coal and oil), subject to determination of tariff by the Commission. Accordingly, the power purchase cost has been computed by GRIDCO to the tune of Rs.14.70 Crore as indicated in the table below:

Table-40

Projected Power Purchase Cost of M/s. MTPCL-IPP for FY 2025-26

Name of the IPP	Gross Generation @85% PLF (MU)	AEC @10% (MU)	Net Generation (MU)	Odisha Share (12%) (MU)	ECR (P/U)	Total Cost (Rs. Cr.)
M/s. MTPCL	446.76	44.68	402.08	48.25	304.60	14.70

216. The Commission accepts the above proposal of GRIDCO and approves an availability of 48.25 MU of energy from the IPP of M/s. MTPCL during FY 2025-26. Since the ECR of 304.60 P/U as proposed by GRIDCO does not come under merit order principle, the Commission does not consider any drawal from the IPP of M/s. MTPCL for State consumption.

217. As described in the above paragraphs, the Commission estimates the availability of 8794.13 MU for the FY 2025-26 towards State’s share of power from the IPPs operating in

the State. Though some of the objectors have suggested for drawal of full State share of power by GRIDCO from the IPPs, the Commission has approved only 5536.45 MU from the IPPs for the reasons cited in the preceding paragraphs. The proposal of GRIDCO and approval of the Commission in respect of purchase of power from the IPPs for the FY 2025-26 is as indicated in the table below.

Table -41
Power Procurement Cost from IPPs during FY 2025-26

IPPs	GRIDCO's Proposal			Commission's Approval			
	Quantum of Energy (MU)	Rate (P/U)	Cost (Rs. in Cr.)	Availability of Energy MU	Drawal for State Use (MU)	Rate (P/U)	Cost (Rs. in Cr.)
M/s.Vedanta Ltd.	2865.18	305.90	876.46	5036.77	3066.00	304.58	933.83
M/s GKEL	1907.00	352.52	672.26	2155.78	1907.00	347.30	662.31
M/s. NAVAL	39.18	228.05	8.93	39.18	39.18	220.56	8.64
M/s. JITPL	972.00	336.00	326.59	956.48	0.00	336.00	0.00
M/s.JSWEUL	546.16	290.00	158.39	557.67	524.27	261.06	136.87
M/s. MTPCL	48.25	304.60	14.70	48.25	0.00	304.60	0.00
Total	6377.77	322.58	2057.33	8794.13	5536.45	314.58	1741.64

218. The Commission has provisionally considered the above price of the IPPs for the purpose of computation of ARR of GRIDCO for the FY 2025-26. However, GRIDCO should make payment of the energy bills and other applicable charges of these IPPs after due scrutiny as per the PPA and tariff order issued by the appropriate Commission. Further, the Commission directs that deviations/adjustment in revenue, if any, on this account shall be considered in the truing up exercise.

Power Purchase from Central Generating Stations

219. Odisha has been allocated shares in the NTPC's stations located in the Eastern Region as well as from the Chukha, Tala, Mangdechhu and Kurichu Hydro Electric Projects in Bhutan and Teesta-V & Rangit Hydro Electric Project of NHPC in Sikkim. The entitlement from these stations is based on share allocation made by the CEA/Ministry of Power, GoI from time to time. In the instant case the percentage of share allocation in favour of Odisha has been considered based on the latest Regional Energy Accounts (REA) of the Eastern Regional Power Committee (ERPC).

Central Transmission Loss:

220. GRIDCO has submitted that the central transmission losses are being calculated at all India level as per CERC (Sharing of Inter State Transmission Charges and Losses) Regulations as amended from time to time. GRIDCO has computed the average Inter-State Transmission Loss of 3.46% based on the weekly transmission losses uploaded in NLDC

website for the period from April, 2024 to September, 2025 and has projected the same for FY 2024-25. After scrutiny, the Commission accepts the above proposal of GRIDCO and provisionally considers the Inter-State Transmission Loss @ 3.46% for drawal of power by GRIDCO from central sector generating stations during the FY 2025-26.

Hydro Generating Stations of Central Sector and Neighbouring Country (Bhutan)

221. **Chukha HEP (Bhutan):** GRIDCO has submitted that as per latest ERPC allocation Order dated 29.09.2024, Odisha has a share of 14.61% (Firm Allocation: 12.96% & Unallocated Share percentage: 1.65%) with effect from 01.10.2024 from the ER allocation of 270 MW in the Chukha Hydro Electric Project (4x84 MW) of Bhutan. GRIDCO has proposed the availability of 147.57 MU from Chukha HEP for FY 2025-26 considering estimated drawal for the FY 2024-25 and deducting Inter-State transmission loss @ 3.46%, the net drawl of GRIDCO from Chukha HEP has been projected at 142.00 MU for the FY 2025-26. In its application, GRIDCO has considered the rate of 304 P/U (including trading margin @ 4 P/U) for procuring power from Chukha hydro power station during the FY 2025-26, based on the Office Memorandum dated 21.07.2023 of Ministry of External Affairs, Govt. of India and PTC trading margin of 4 P/U. Further, considering Inter-State Transmission Loss of 3.46%, GRIDCO has estimated the rate of 314.90 P/U towards procurement of power from Chukha hydro power station for the FY 2025-26. Thus, the power purchase cost of the proposed drawal of 142.00 MU is worked out to Rs.44.72 crore by GRIDCO, which excludes ISTS charges.
222. The Commission scrutinized the above proposal of GRIDCO and observed that the drawal of GRIDCO from Chukha during the period from FY 2021-22 to 2023-24 were 276.30 MU, 240.02 MU and 141.31 MU respectively. Due to such variations in drawal, the Commission estimates drawal of 219.21 MU from Chukha considering the average drawal in last 3 years i.e. from FY 2021-22 to 2023-24. Further, deducting the Inter-State Transmission Loss @ 3.46%, the Commission approves the net drawl of 211.63 MU by GRIDCO from Chukha hydroelectric project for FY 2025-26. Further, the Commission approves power procurement from Chukha HEP for FY 2025-26 at the rate of 314.90 P/U considering Inter-State transmission loss @ 3.46%. Hence, the cost of power from Chukka power station comes out Rs.66.64 Crore for the approved drawal of 211.63 MU for FY 2025-26, as summarized in the Table below:

Table – 42

Chukha HEP	GRIDCO's Proposal	Commission's Approval
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Chukha HEP	GRIDCO's Proposal	Commission's Approval
Net Energy Drawal (MU)	142.00	211.63
Energy Charge Rate (P/U)	304.00	304.00
Energy Charge Rate considering Inter-State Tr. Loss @3.46% (P/U)	314.90 (ISTS Loss @ 3.46%)	314.90 (ISTS Loss @ 3.46%)
Cost of Chukha Power (Rs. Cr.)	44.72	66.64

223. **TALA HEP (Bhutan):** GRIDCO has submitted that Odisha has an allocated share of 4.25% from Tala HEP, Bhutan having installed capacity of 1020 MW (6X170 MW). GRIDCO has proposed the availability of 31.74 MU of energy from Tala HEP during FY 2025-26 considering the drawal pattern for the current FY 2024-25 and deducting Inter-State transmission loss @ 3.46%, GRIDCO has projected net drawal of 31.00 MU from Tala HEP for FY 2025-26. In its application, GRIDCO has considered the rate of 227 P/U (including trading margin @ 4 P/U) for procuring power from TALA HEP during the FY 2025-26 based on the current bills served to GRIDCO in accordance to the PTC Letter No.C/PTC/Tala/2220 dated 11.11.2021. Further, considering Inter-State Transmission Loss @3.46%, GRIDCO has estimated the rate as 235.14 P/U towards procurement of power from TALA HEP for the FY 2025-26. Thus, the power purchase cost of the proposed drawal of 31.00 MU is worked out by GRIDCO as Rs.7.29 Crore for the FY 2025-26 excluding the charges of ISTS.

224. After scrutiny, the Commission observed that the availability to GRIDCO from Tala Hydro Power Station during the period from FY 2021-22 to 2023-24 were 117.66 MU, 100.95 MU and 52.51 respectively. Due to such variation in drawal of power, the Commission estimates the availability of 90.37 MU from Tala Hydro Power Station considering the average drawal of last 3 years i.e. from FY 2021-22 to 2023-24. Further, deducting the Inter-State Transmission Loss @ 3.46%, the Commission approves the net drawl of 87.25 MU by GRIDCO from Tala hydroelectric project for FY 2025-26. Further, the Commission approves power procurement from Tala HEP for FY 2025-26 at the rate of 235.14 P/U considering Inter-State transmission loss @ 3.46%. Hence, the cost of TALA power comes to Rs.20.51 Crore for the approved drawal of 87.25 MU for FY 2025-26, as summarized in the Table below:

Table –43

Tala HEP	GRIDCO Proposal	Commission's Approval
Net Energy Drawal (MU)	31.00	87.25
Energy Charge Rate (P/U)	227.00	227.00
Energy Charge Rate considering Inter-State Tr. Loss (P/U)	235.14 (ISTS Loss @ 3.46%)	235.14 (ISTS Loss @ 3.46%)
Cost of Tala Power (Rs. Cr.)	7.29	20.51

225. **Mangdechhu HEP (Bhutan):** GRIDCO has submitted that Odisha has share of 10.796% (Firm Allocation: 9.33% & Unallocated Share percentage: 1.47%) from the Mangdechhu Hydro Electric Project in Bhutan having Installed Capacity of 720 MW (4x180 MW) i.e. Odisha share is equivalent to 77.736 MW. GRIDCO has proposed to draw 257.63 MU from Mangdechhu HEP during FY 2025-26 considering the drawal pattern of the current FY 2024-25. Further, considering the ISTS loss of 3.46%, the net availability to GRIDCO has been proposed as 249.00 MU from Mangdechhu HEP during FY 2025-26. In its application, GRIDCO has considered the cost of power from Mangdechhu HEP as 461 P/U (including the PTC Margin of 7 P/U) based on the protocol to the Agreement (signed on 23.04.2019) between the Govt. of the Republic of India & the Royal Govt. of Bhutan regarding Mangdechhu HEP and the Power Sale Agreement executed between PTC & GRIDCO on 30.08.2019 to this effect. Further, considering ISTS Loss @ 3.46%, the rate of Mangdechhu power has been proposed as 477.52 P/U. Accordingly, GRIDCO has estimated the power purchase cost of Mangdechhu power at Rs.118.90 Crore for procurement of 249.00 MU @ 477.52 P/U during FY 2025-26.
226. The Commission scrutinized the above proposal of GRIDCO and observed that the average of annual drawal from Mangdechhu HEP comes to 288.72 MU considering the actual drawal of FY 2021-22, 2022-23 & 2023-24. Further, considering the ISTS loss @ 3.46%, the net availability to GRIDCO comes to 278.73 MU. Hence, the Commission approves an availability of 278.73 MU from Mangdechhu HEP during FY 2025-26 for State consumption. Further, the Commission approves the power procurement from Mangdechhu HEP for FY 2025-26 at the rate of 477.52 P/U basing on the submission of GRIDCO and factoring ISTS loss @3.46%. Hence, the cost of Mangdechhu hydel power comes to Rs.133.10 Crore towards procurement of the approved drawal of 278.73 MU during FY 2025-26, as summarized in the Table below:

Table –44

Mangdechhu HEP	GRIDCO's Proposal	Commission's Approval
Net Energy Drawal MU	249.00	278.73
Energy Charge (P/U)	461.00	461.00
Energy Charge including Inter-State Tr.Loss (P/U)	477.52 (ISTS Loss @ 3.46%)	477.52 (ISTS Loss @ 3.46%)
Cost of Mangdechhu Power (Rs. in Cr.)	118.90	133.10

227. **Kurichu HEP (Bhutan):** GRIDCO has submitted that ERPC, vide its letter dated 15.02.2023, has re-allocated the power from Central Generating Stations of Eastern Region

and Hydro Power Stations of Bhutan upon Uniform allocation of unallocated power among ER beneficiaries from Eastern Region pool. The revised allocation has been implemented with effect from 17.02.2023. Accordingly, GRIDCO has been allocated share from unallocated share from Kurichu Hydro Power Station of Bhutan, although there was no firm allocation from the said HEP earlier. As per the latest ERPC allocation Order dated 29.09.2024, GRIDCO has an allocation of 1.02% corresponding to 0.611 MW from unallocated share from Kurichu Hydro Electric Project of Bhutan with effect from 01.10.2024. But there is no supply of power from Kurichu HEP during FY 2024-25 (upto October, 2024). However, considering the allocation, GRIDCO has proposed drawal of 1 MU from Kurichu HEP as was approved for the FY 2025-26. In its application, GRIDCO has considered the cost of power from Kurichu HEP as 228 P/U (including the PTC Margin). Further, considering ISTS Loss @ 3.46%, the rate of Kurichu power has been proposed as 236.17 P/U. Accordingly, GRIDCO has estimated the power purchase cost of Kurichu power at Rs.0.24 Crore for procurement of 1 MU @ 236.17 P/U during FY 2025-26.

228. After scrutiny, the Commission approves the proposal of GRIDCO for procuring 1 MU from Kurichu HEP of Bhutan during FY 2025-26 for State consumption at the rate of 236.17 P/U factoring ISTS loss @ 3.46%. Accordingly, the power procurement cost of 1 MU from Kurichu HEP comes to Rs.0.24 crore at the rate of 236.17 P/U, as summarized in the Table below:

Table –45

Kurichu HEP	GRIDCO's Proposal	Commission's Approval
Net Energy Drawal MU	1.00	1.00
Energy Charge (P/U)	228.00	228.00
Energy Charge including Inter-State Tr.Loss (P/U)	236.17 (ISTS Loss @ 3.46%)	236.17 (ISTS Loss @ 3.46%)
Cost of Kurichu Power (Rs. in Cr.)	0.24	0.24

229. **TEESTA-V HEP (NHPC):** GRIDCO has submitted that due to heavy rainfall on 4th & 5th October, 2023, Teesta-V HEP was completely damaged and now it is difficult to predict the total revival period and time by which the power station will become operational. Therefore, GRIDCO has not considered any drawal of power from Teesta-V HEP during the ensuing FY 2025-26. Regarding claim of fixed charges by the generator, it is uncertain at present in absence of any correspondence from the NHPC in this regard. However, GRIDCO has requested NHPC seeking information regarding expected revival date of the

- power station and after receipt of the same, GRIDCO shall duly appraise the same to the Commission.
230. The Commission observed that the share of GRIDCO from Teesta-V HEP is 22.42% and hence, GRIDCO is entitled to get 22.42% on the total generation less auxiliary consumption. Accordingly, there would be a net availability of 550.15 MU from Teesta-V power station considering the State share of 22.42% on annual saleable energy of 2541.80 MU (Design Energy of 2572.67 MU less auxiliary consumption @1.20%) and ISTS loss @ 3.46%. However, as Teesta-V HEP was completely damaged and there is uncertainty for operation of the power station during the ensuing FY 2025-26, the Commission do not consider any drawal of power from Teesta-V power station for FY 2025-26 as proposed by GRIDCO. However, in case Teesta-V HEP becomes operational during the FY 2025-26, GRIDCO shall draw the available power from this hydro-electric project at the tariff as determined by CERC.
231. **Rangit HEP:** GRIDCO has submitted that GRIDCO did not have any firm allocation of power from Rangit Hydro Power Station of NHPC Ltd. However, the ERPC, vide its letter dated 15.02.2023, has re-allocated the power of Central Generating Stations of Eastern Region and Bhutan HPS upon uniform allocation of unallocated power among the beneficiaries from Eastern Region Pool as per the directive of CEA and Ministry of Power. The revised allocation has been implemented w.e.f. 17.02.2023. As per the latest ERPC allocation Order dated 29.09.2024, effective from 01.10.2024, GRIDCO has been allocated 2.08% from the unallocated share of Rangit HEP including 12% free power of home state corresponding to 1.10 MW. Accordingly, GRIDCO has proposed to draw about 6.00 MU from Rangit HEP during the FY 2025-26 considering the design energy (338.61 MU) of Rangit Hydro Power Station, 12% free power to the home State and ISTS Loss @3.46%. In its application, GRIDCO has submitted that the CERC, vide order dated 22.06.2023 has approved AFC of Rangit HEP for the Control Period 2019-24. Since NHPC has not filed the Tariff Petition for the Control Period 2024-29, GRIDCO has proposed the AFC of Rs.118.50 Crore for FY 2025-26 which has been approved for the FY 2023-24. Considering the share of 2.08%, power procurement cost of Rs.2.46 Crore (fixed charges of Rs.1.23 crore and variable charges of Rs.1.23 crore) has been proposed by GRIDCO towards drawal of 6.00 MU during FY 2025-26.
232. The Commission scrutinized the above proposal of GRIDCO and observed that as per the latest monthly Regional Energy Accounting (REA) for the month of December, 2024, the

share of GRIDCO from Rangit Hydro Power Station of NHPC Ltd. is 1.834%. Accordingly, the Commission estimates an availability of 5.40 MU from Rangit Hydro Power Station considering Design Energy of 338.61 MU, Auxiliary Consumption @ 1.20%, free power of 12% for the Home State and GRIDCO share of 1.834%. Further, considering the ISTS loss @ 3.46%, the Commission estimates the net drawl from Rangit HEP as 5.21 MU. Further, considering the recent bills raised by NHPC for the month of December, 2024, the Commission provisionally approves procurement cost of Rs.2.17 crore for net drawl of 5.21 MU from Rangit HEP @ 416.94 P/U for computation of ARR of GRIDCO for the ensuing FY 2025-26.

Table –46

Rangit HEP	GRIDCO's Proposal	Commission's Approval
Design Energy (MU)	338.61	338.61
Annual Saleable Energy considering 1.20% Auxiliary Consumption & 12% free energy to Home State	294.40	294.40
GRIDCO share (%)	2.08	1.834
Available Energy (MU)	6.12	5.40
Net Energy Drawal (MU) deducting ISTS Loss of 3.46%	6.00	5.21
Energy Charge Rate (P/U)	410.00	416.94
Cost of Rangit HEP (Rs. in Cr.)	2.46	2.17

233. In view of the above, the Commission approves the total energy drawal of 583.81 MU from the Central Hydro Generating Stations for the FY 2025-26 with the estimated procurement cost of Rs.222.66 Crore at an average rate of 381.40 P/U. The proposal of GRIDCO and approval of the Commission are summarised in the Table below:

Table –47
Drawal from Central Hydro Stations during FY 2025-26

Central Hydro Stations	Installed Capacity (MW)	GRIDCO Share (MW)	GRIDCO's Proposal			Commission's Approval		
			Net Energy Drawal (MU)	Rate (P/U)	Cost (Rs. Cr.)	Net Energy Drawal (MU)	Rate (P/U)	Cost (Rs. Cr.)
Chukha	336 (4*84) (ER Allocation =270)	39.45 (14.613%)	142.00	314.90	44.72	211.63	314.90	66.64
Tala	1020 (6*170)	43.35 (4.250%)	31.00	235.14	7.29	87.25	235.14	20.51
Mang-dechhu	720 (4*180)	77.74 (10.797%)	249.00	477.52	118.90	278.73	477.52	133.10

Central Hydro Stations	Installed Capacity (MW)	GRIDCO Share (MW)	GRIDCO's Proposal			Commission's Approval		
			Net Energy Drawal (MU)	Rate (P/U)	Cost (Rs. Cr.)	Net Energy Drawal (MU)	Rate (P/U)	Cost (Rs. Cr.)
Kurichu	60	0.61 (1.018%)	1.00	236.17	0.24	1.00	236.17	0.24
Teesta-V	510 (3*170)	114.36 (22.424%)	-	-	-	-	-	-
Rangheet	60	1.10 (1.834%)	6.00	410.00	2.46	5.21	416.94	2.17
TOTAL			429.00	404.67	173.60	583.81	381.40	222.66

Central Sector Thermal Generating Stations

234. GRIDCO has submitted that the normative energy availability from the Central Sector Thermal Generating Stations of NTPC for GRIDCO during FY 2025-26 have been estimated by considering the existing share allocation to GRIDCO from the respective stations as per the latest share allocation of ERPC vide their letter dated 29.09.2024 and the parameters including Normative Plant Load Factor as 85%, Auxiliary Consumptions as per the existing CERC Generation Tariff Regulations, 2024 and ISTS Transmission Loss of 3.46% (considering average loss during the period from April, 2024 to September, 2024). GRIDCO further submits that according to the LGBR report of CEA for FY 2024-25 and MoM dated 13.06.2024 of Ministry of Power, Government of India, Unit-3 of Barh STPS-I & Unit-3 of North Karanpura STPS-I are expected to be commissioned by the end of the current FY 2024-25. The normative energy availability to GRIDCO from the existing Central Thermal Generating Stations of NTPC for the FY 2025-26, as estimated by GRIDCO, is summarized in the table below:

Table-48

Normative Availability of Central Sector Generating Stations for the FY: 2025-26

Station	Installed Capacity (MW)	GRIDCO Share (%)	Auxiliary Consumption (%)	PLF (%)	Net Availability before Loss (MU)	Tr. Loss (%)	Net Availability after Loss (MU)
Existing NTPC Stations							
FSTPS-I&II	1600	1.76	6.47	85	196.28	3.46	189.49
FSTPS-III	500	18.65	5.75	85	654.43	3.46	631.79
KhSTPS-I	840	1.64	9.00	85	93.12	3.46	89.90
KhSTPS-II	1500	3.38	5.75	85	356.01	3.46	343.69
TSTPS-I	1000	33.43	6.55	85	2325.98	3.46	2245.50

Station	Installed Capacity	GRIDCO Share	Auxiliary Consum-	PLF (%)	Net Availability	Tr. Loss	Net Availability
TSTPS-II	2000	10.00	5.75	85	1403.57	3.46	1355.01
DSTPS-I	1600	51.82	5.75	85	5818.38	3.46	5617.06
Barh-I	1320	12.16	5.75	85	1126.53	3.46	1087.55
Barh-II	1320	1.74	5.75	85	160.88	3.46	155.31
MTPS-II (Kanti Bijli)	390	8.85	9.00	85	233.91	3.46	225.82
Nabinagar STPS-I	1980	0.79	5.75	85	109.60	3.46	105.81
North Karanpura STPS-I	1320	21.83	6.25	85	2011.83	3.46	1942.22
Upcoming NTPC Stations							
NKSTPS-I (Unit-3)	660	21.83	6.25	85	1005.75	3.46	970.96
Barh-I (Unit-3)	660	22.72	5.75	85	1052.34	3.46	1015.93
Total					16548.62		15976.04

235. GRIDCO submits that in co-ordination with SLDC, they endeavour to follow Merit Order Despatch (MoD) principle on 24X7 basis in order to draw power from the Central Sector Generating Stations on real time basis by ascertaining the actual availability of power from State Thermal Power Stations and IPPs, having lower variable cost, for meeting the State demand. At times, the power from these stations is necessarily drawn in order to meet the State demand especially during peak hours and also during some off-peak hours to meet the shortage of power due to outage of high-capacity plants /higher State demand. In normal course of operations during the peak hours, the market rate remains high and also remains more than the variable charges of these stations. Further, during the situations, when market rate remains higher than the variable charge during off-peak hours and the State has adequate power supply in meeting the demand, GRIDCO prefers to schedule such power to sell in the energy market to earn additional revenue towards settlement of past liabilities and repayment of its obligations. Therefore, GRIDCO has proposed to avail entire energy estimated by it in the above table from the Central Thermal generating stations for FY 2025-26 and prayed before the Commission to approve the same towards drawal by GRIDCO during the FY 2025-26.

236. The Commission examined the above submissions of GRIDCO and observed that Central Electricity Authority (CEA) is the statutory body of the Govt. of India for allocation/deallocation of share from the Central Generating Stations and by the order of the CEA, ERPC, vide its letter dated 29.09.2024, has issued latest share allocation for the

beneficiary States from the Central Sector Generating Stations. Now, the power is being supplied to GRIDCO as per the revised share allocation and bills are being raised on GRIDCO accordingly. Further, as per the MoP, GoI Notification dtd. 03.06.2022 of Electricity (Late Payment Surcharge) Rules, 2021, in case of non-payment of electricity bills of the central generating stations, there would be power regulation to the States. Keeping in view the growing demand of power in our State, there would be difficulty in meeting the State requirement in case of power regulation is made by the Central Authority. Therefore, the Commission accepts the proposal of GRIDCO for purchasing power from all available sources of central generating stations.

237. The Commission provisionally considers the normative plant availability factor for the purpose of computation of availability of power from the central sector thermal power stations of NTPC during the FY 2025-26. Further, the State share of power purchase by GRIDCO from ER-NTPC thermal stations has been considered by the Commission based on the latest share allocation of the CEA, Government of India. Considering the normative NAPAF of 85%, normative auxiliary consumption as per existing CERC guidelines and ISTS loss of 3.46%, the availability of energy from Central Sector Thermal Stations has been estimated by the Commission for the FY 2025-26 towards GRIDCO's drawal as given in the Table below:

Table-49
Estimated Availability of Energy from Central Thermal Generating Stations for FY 2025-26

Central Thermal Stations	Installed Capacity (MW)	Aux. Cons. (%)	Plant Availability Factor (PAF) (%)	GRIDCO Share (%)	GRIDCO Share (MU)	ISTS Loss (%)	Energy Availability after ISTS Loss (MU)
TSTPS –I	1000	6.55	85	33.428	2325.99	3.46	2245.51
TSTPS –II	2000	5.75	85	10.000	1403.57	3.46	1355.01
FSTPS-I& II	1600	6.47	85	1.762	196.28	3.46	189.49
FSTPS-III	500	5.75	85	18.650	654.43	3.46	631.79
KhSTPS–I	840	9.00	85	1.636	93.11	3.46	89.89
KhSTPS–II	1500	5.75	85	3.382	356.01	3.46	343.69
DSTPS-I (Units 1&2)	1600	5.75	85	51.818	5818.37	3.46	5617.06
NKSTPS-I (Units-1,2&3)	1980	6.25	85	21.834	3017.75	3.46	2913.33
Muzaffarpur TPS (Kanti Bijli)	390	9.00	85	8.852	233.91	3.46	225.82
Nabinagar STPS-I	1980	5.75	85	0.789	109.61	3.46	105.81
Barh STPS-I (Units-1,2&3)	1980	5.75	85	15.683	2179.21	3.46	2103.81

Central Thermal Stations	Installed Capacity (MW)	Aux. Cons. (%)	Plant Availability Factor (PAF) (%)	GRIDCO Share (%)	GRIDCO Share (MU)	ISTS Loss (%)	Energy Availability after ISTS Loss (MU)
Barh STPS-II	1320	5.75	85	1.737	160.88	3.46	155.31
TOTAL					16549.11		15976.51

238. The Commission observed that out of the three generating units (3x660 MW) of Barh STPS-I, one unit (earlier allocated to GRIDCO) has been reallocated in favour of Gujarat for a period of five years with effect from 1st July, 2022. However, share from the unallocated share of this unit has been allocated to GRIDCO. The weighted average of the total allocated share in favour of GRIDCO in respect of Barh STPS-I (Units-1,2 & 3) has been calculated by GRIDCO in its submission to the tune of 15.683%. The Commission has considered the same for projection of energy drawal from Barh STPS-I and computation of GRIDCO's share of fixed charges for the ensuing FY 2025-26.

Fixed Cost Proposed by GRIDCO for Central Thermal (NTPC-ER) Stations

239. GRIDCO has submitted that CERC Tariff Regulation for the control period FY 2024-29 has already been pronounced. NTPC has not filed any Tariff Petitions before CERC for the control period FY 2024-29 in respect of its Thermal Generating Stations from whom GRIDCO procures power. In absence of the above, GRIDCO has provisionally considered the Capacity Charge (Fixed Cost) of the respective Stations of NTPC following the existing Tariff Orders of CERC (considering applicable tax rate) which is now billed by NTPC for all the NTPC Station except Barh STPS-I and North Karanpura STPS-I. The capacity charge for the upcoming Unit-3 for Barh STPS-I and Unit-3 North Karanpura STPS-I are considered as per Tariff Petitions filed by NTPC before the CERC for the control period FY 2019-24. GRIDCO has apportioned the Capacity Charge for Central Thermal Generating Stations as per the present share allocation to it and accordingly projected the Fixed Cost for the FY 2025-26 as shown in table below:

Table-50

Projected Annual Fixed Cost for NTPC Stations for the FY 2025-26

Central Generating Station	Installed Capacity (MW)	AFC of the Station (Rs. in Cr.)	Share of GRIDCO (%)	Proportionate AFC for GRIDCO (Rs. in Cr.)
FSTPS-I & II	1600	1007.77	1.76%	17.75
FSTPS-III	500	516.00	18.65%	96.24
KHSTPS-I	840	608.31	1.64%	9.95
KHSTPS-II	1500	968.64	3.38%	32.76
TSTPS-I	1000	630.98	33.43%	210.92

Central Generating Station	Installed Capacity	AFC of the Station	Share of GRIDCO	Proportionate AFC for GRIDCO
	(MW)	(Rs. in Cr.)	(%)	(Rs. in Cr.)
TSTPS-II	2000	1144.55	10.00%	114.46
Darlipali STPS-I	1600	1892.47	51.82%	980.63
Barh STPS-I (including Unit-3)	1980	3044.78	15.68%	477.42
Barh STPS-II	1320	1695.83	1.74%	29.45
MTPS-II	390	670.33	8.85%	59.33
NSTPS-I	1980	2900.01	0.79%	22.87
NKSTPS-I (including Unit-3)	1980	2114.55	21.83%	461.61
Total		17194.23		2513.40

240. GRIDCO has submitted that irrespective of the drawl of power by GRIDCO from the Central Generating Stations, it is mandatory to share the Capacity/Fixed Charge of the respective Central Thermal Generating Station as per the allocated share according to the Plant Availability Factor. Therefore, GRIDCO requests the Commission to approve the State's share of Capacity/Fixed Charges of all the tied-up capacities of NTPC-ER Stations for the ensuing FY 2025-26 irrespective of drawal quantum, which primarily depends on the "Demand-Supply" dynamics.

Energy Charge Rate (ECR) Proposed by GRIDCO for Central Sector Thermal Stations

241. GRIDCO has submitted that as per the CERC Tariff Regulations, 2024, applicable for the block period 2024-29, the Energy Charges of all CGSs include Charges towards both Primary fuel (i.e. coal) as well as Secondary Fuel Oil (SFO) & shall be borne by the Beneficiaries towards energy scheduled from the respective stations during the calendar month on Ex-Power Plant basis. Accordingly, at present, NTPC is claiming the Monthly Energy Charges every month as per the ECR worked out from the landed price and GCV of Coal & Oil for the respective month, considering the operational parameters laid down in CERC Tariff Regulation, 2019. GRIDCO has projected the Energy Charge Rate (ECR) for the FY 2025-26 taking average of actual ECR claimed by NTPC during the period from April, 2024 to September, 2024 and considering ISTS loss for the said period, the details of which given in the table below:

Table-51

Proposed Energy Charge Rates (ECR) of NTPC Stations for the FY: 2025-26

Station	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	6month's Average ECR	ISTS Loss	Proposed ECR (after ISTS Loss)

	(in Rs/ kWh)							(%)	(in Rs/kWh)
FSTPS-I&II	3.221	3.174	3.111	3.180	3.095	3.229	3.168	3.46	3.282
FSTPS-III	3.144	3.178	3.050	3.169	3.076	3.136	3.126	3.46	3.238
KhSTPS-I	2.731	2.647	2.563	2.620	2.638	2.804	2.667	3.46	2.763
KhSTPS-II	2.552	2.472	2.391	2.445	2.462	2.620	2.490	3.46	2.580
TSTPS-I	1.633	1.715	1.832	1.880	1.817	1.763	1.773	3.46	1.837
TSTPS-II	1.619	1.700	1.818	1.858	1.802	1.745	1.757	3.46	1.820
DSTPS-I	1.080	1.081	1.108	1.166	1.332	1.334	1.184	3.46	1.226
BSTPS-I	3.106	3.006	2.836	2.763	3.109	2.892	2.952	3.46	3.058
BSTPS-II	3.310	3.105	2.854	2.777	2.983	2.615	2.941	3.46	3.046
MTPS-II	2.821	2.459	2.446	2.448	2.484	2.495	2.526	3.46	2.616
NSTPS-I	3.035	3.004	2.700	2.605	2.716	2.688	2.791	3.46	2.891
NKSTPS-I	1.641	1.635	1.683	1.672	1.724	1.721	1.679	3.46	1.740

242. Considering the proposed ECR and estimated Energy drawal from the Central Sector Generating Stations, GRIDCO has proposed the total Energy Charges to the tune of Rs.3014.84 Cr. for drawal of 15976.04 MU for the FY 2025-26 as shown in the table below:

Table-52
Proposed Energy Charges of NTPC Stations for the FY 2025-26

Station	Proposed Energy	Proposed ECR	Proposed Energy Cost
	(in MU)	(in Rs/kWh)	(in Rs. Cr.)
FSTPS-I & II	189.49	3.282	62.19
FSTPS-III	631.79	3.238	204.54
KhSTPS-I	89.90	2.763	24.84
KhSTPS-II	343.69	2.580	88.66
TSTPS-I	2245.50	1.837	412.47
TSTPS-II	1355.01	1.820	246.61
DSTPS-I	5617.06	1.226	688.60
BSTPS-I	2103.48	3.058	643.20
BSTPS-II	155.31	3.046	47.31
MTPS-II	225.82	2.616	59.07
NSTPS-I	105.81	2.891	30.59
NKSTPS-I	2913.18	1.740	506.75
Total/Wtd. Average	15976.04		3014.84

Claim of Year-end Adjustment Charges of Central Sector Generating Stations

243. GRIDCO has submitted that NTPC had filed application before the CERC for recovery of Additional Expenditure incurred on account of Ash Transportation Charges on a recurring basis, in view of MOEF & CC Notifications dated 03.11.2009 & 25.01.2016. The CERC, vide order dtd 28.10.2022, has directed that the additional expenditure incurred by GRIDCO towards Fly Ash Transportation Cost for the period 2019-24, is admissible as

additional O&M expenses, as the same is in terms of the MOEF & CC notifications dated 25.1.2016 and 31.12.2021. GRIDCO has filed an Appeal before APTEL vide Appeal No. 673 of 2023, challenging the CERC Order dated 28.10.2022 with Interim Application for stay of the above order along with other states including Bihar, Jharkhand, Punjab, Haryana, Himachal Pradesh, J&K, Delhi etc. As per the current status, no stay has been granted by the Hon'ble APTEL and the matter is sub-judice for hearing on merit.

244. However, the Year End Charges of Rs.200.39 crore has been projected by GRIDCO for the FY 2025-26 considering the actual Year End Charges incurred for the period from April'2024 to September'2024 comprising of RLDC Charges, ED on AEC and Ash Transportation Charges for the existing Central Generating Stations and prorating the same for the entire year. However, other Year End Charges such as Compensation Charges, Incentive, Addl. O&M Charges-Wage Revision., FERV Charges, Water Charges, Deferred tax liability etc. have not been projected in the present application and the same shall be claimed in the truing up FY 2024-25 /next tariff application for the FY 2026-27 based on actual audited figures. The details of Year End charges projected by GRIDCO for FY 2025-26 are given in the table below:

Table-53
Projected Year End Charges for FY 2025-26

(Rs. Cr.)

Station	RLDC Charges	ED	Ash Transportation Charges	Total
	(Apr'24 to Sept'24)			(Prorated)
FSTPS-I & II	0.00	0.00	1.17	2.35
FSTPS-III	0.00	0.00	3.92	7.84
KHSTPS-I	0.00	0.00	0.56	1.12
KHSTPS-II	0.00	0.00	2.13	4.27
TSTPS-I	0.01	0.29	13.92	28.46
TSTPS-II	0.01	0.18	8.40	17.18
DSTPS-I	0.04	0.58	34.83	70.89
BSTPS-I	0.01	0.00	13.04	26.10
BSTPS-II	0.00	0.00	0.96	1.93
MTPS-II	0.00	0.00	1.40	2.80
NSTPS-I	0.00	0.00	0.66	1.31
NKSTPS-I	0.01	0.00	18.06	36.15
Total	0.09	1.06	99.05	200.39
*Ash Transportation charges have been provisionally considered by computing the approved rate in ARR FY 2024-25 of GRIDCO and total projected quantum of power to be procured from the CGSs.				

245. GRIDCO has requested the Commission to approve the Fixed Cost and Energy Charges along with Year End charges in respect of the various Central Sector Generating Stations as submitted above. The summary of power procurement cost of Central Thermal Generating Stations as proposed by GRIDCO for FY 2025-26 is summarized in the table below:

Table-54
Proposed Power Procurement Cost of Central Sector Thermal Stations FY 2025-26

Sl. No.	Name of the Generating Station	Energy (MU)	Fixed/Capacity Charge (Rs. Cr.)	Variable Charges/Energy Charge (Rs. Cr.)	Year End Charge (Rs. Cr.)	Total Cost (Rs. Cr.)	Rate (P/U)
1	FSTPS-I & II	189.49	17.75	62.19	2.35	82.29	434.28
2	FSTPS-III	631.79	96.24	204.54	7.84	308.62	488.49
3	KhSTPS-I	89.90	9.95	24.84	1.12	35.90	399.39
4	KhSTPS-II	343.69	32.76	88.66	4.27	125.68	365.68
5	TSTPS-I	2245.50	210.92	412.47	28.46	651.85	290.29
6	TSTPS-II	1355.01	114.46	246.61	17.18	378.25	279.15
7	DSTPS-I	5617.06	980.63	688.60	70.89	1740.12	309.79
8	Barh STPS-I (including Unit-3)	2103.48	477.42	643.20	26.10	1146.72	545.15
9	Barh STPS-II	155.31	29.45	47.31	1.93	78.69	506.65
10	MTPS-II	225.82	59.33	59.07	2.80	121.21	536.77
11	NSTPS-I	105.81	22.87	30.59	1.31	54.78	517.74
12	NKSTPS-I (including Unit-3)	2913.18	461.61	506.75	36.15	1004.51	344.82
Total:		15976.04	2513.40	3014.84	200.39	5728.63	358.58

246. **Fixed Charge:** The Commission scrutinized the proposal of GRIDCO and observed that CERC Tariff Regulations for the control period FY 2024-29 has already been pronounced. But NTPC has not filed any Tariff Petition before CERC for the said control period in respect of its Generating Stations from which power is being procured by GRIDCO. Therefore, GRIDCO has provisionally considered the Fixed Cost/Capacity Charges of the Central Generating Stations following the existing Tariff orders of CERC for the control period FY 2019-24. However, the Commission has provisionally considered the fixed cost of NTPC thermal generating stations based on the latest bills raised by NTPC to GRIDCO for the month of February, 2025. But in case of Barh STPS-I and North Karanpura STPS-I, the Commission has considered the fixed cost as proposed by NTPC in its tariff filing before CERC. Further, in case of Muzaffarpur TPS (Kanti Bijli), the Commission has considered Fixed Cost as per the latest Tariff order issued by CERC for this power station.

247. **Energy Charge Rate (ECR):** The Commission observed that GRIDCO has considered the ECR of NTPC stations for the FY 2025-26 taking average of the ECR claimed by NTPC in

respect of its power station for the period from April, 2024 to September, 2024. The Commission scrutinized the bills submitted by NTPC to GRIDCO from the month of April, 2024 to January, 2025 for the existing thermal power stations of NTPC and observed that the variation in ECRs of these generating stations do not follow any particular pattern. Therefore, the Commission has considered the average of actual ECR of first ten months of the current FY 2024-25 (i.e. from April, 2024 to January, 2025) of the existing Central Sector Thermal Power Stations for the purpose of computation of ARR of GRIDCO for FY 2025-26. The ECR of Central Generating Stations considered by the Commission for the FY 2025-26 are given in the table below:

Table-55
Energy Charge Rate (ECR) of Central Sector Generating Stations approved for 2025-26
(Paise/Unit)

Name of the Central Thermal Stations	GRIDCO's Proposal for FY 2025-26 (including Loss)	Approval of the Commission considering the Avg. of actual ECR from April'24 to Jan'25 (excluding ISTS Loss)	Approval of the Commission including ISTS Loss @3.46%
TSTPS-I	183.70	177.79	184.16
TSTPS-II	182.00	175.74	182.04
FSTPS-I & II	328.20	329.50	341.30
FSTPS -III	323.80	322.72	334.28
KhSTPS-I	276.30	275.03	284.88
KhSTPS-II	258.00	256.89	266.10
DSTPS-I	122.60	122.21	126.59
North Karanpura STPS-I	174.00	173.34	179.55
Muzaffarpur TPS	261.60	259.91	269.23
Nabinagar STPS-I	289.10	280.34	290.39
Barh STPS-I	305.80	294.57	305.13
Barh STPS-II	304.60	288.68	299.02

248. In case of any variation in ECR during 2025-26 over the above rate approved by the Commission, the same may be recovered in accordance with the procedure and guidelines outlined in Regulation 5.7 of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022, which would be over and above the normal tariff applicable. Alternatively, the differential amount would be considered during truing up exercise for FY 2025-26.

249. **Year-end Adjustment (YEA) Charges:** The Commission examined the proposal of GRIDCO towards reimbursement of year-end adjustment charges and after scrutiny, provisionally approves the Year-end Charges to the tune of Rs.121.12 Crore for the ensuing FY 2025-26 in respect of existing NTPC's thermal power stations, which includes

RLDC Charges, ED on normative Auxiliary Consumption and Ash Transportation Charges only. The above approval is made basing on the actual data for the period from April, 2024 to September, 2024 and State's share of power approved for FY 2025-26. However, the Ash Transportation Charges has been provisionally considered as the same approved in the ARR of GRIDCO for FY 2024-25. The Commission does not allow any incentive as normative generation has been considered for FY 2025-26. The details of the year-end charges approved by the Commission are given in the table below:

Table –56
Year End Charges Approved by the Commission for the FY 2025-26

Central Generating Stations	RLDC Charges (Rs. Cr.)	Electricity Duty (Rs. Cr.)	Ash Transportation Charges (Rs. Cr.)	Total (Rs. Cr.)	Estimated energy after ISTS Loss (MU)	Rate including Loss (P/U)
TSTPS-I	0.33	8.97	9.40	18.69	2245.51	8.33
TSTPS-II	0.16	4.71	5.32	10.19	1355.01	7.52
FSTPS-I & II	0.02	0.00	1.88	1.90	189.49	10.03
FSTPS-III	0.09	0.00	8.40	8.49	631.79	13.44
KhSTPS-I	0.01	0.00	0.33	0.34	89.89	3.78
KhSTPS-II	0.04	0.00	1.73	1.77	343.69	5.14
DSTPS-I	0.82	19.52	56.80	77.15	5617.06	13.73
North Karanpura STPS-I	0.15	0.00	0.00	0.15	2913.33	0.05
Muzaffarpur TPS-II	0.03	0.00	0.00	0.03	225.82	0.13
Nabinagar STPS-I	0.02	0.00	0.00	0.02	105.81	0.15
Barh STPS-I	0.11	0.00	1.48	1.59	2103.81	0.75
Barh STPS-II	0.02	0.00	0.79	0.81	155.31	5.22
Total	1.79	33.20	86.13	121.12	15976.51	

250. Taking all the above costs into account, the summary of estimated power purchase cost in respect of drawl of power from Central Sector Thermal Generating Stations by GRIDCO for FY 2025-26 is given in the table below:

Table –57
Summary of Power Purchase Cost from Central Generating Stations for FY 2025-26

Generators	Estimated Availability of Energy (MU)	Approved drawal of Energy for the State (MU)	GRIDCO's Share of Fixed Cost (Rs. Cr.)	Fixed Cost (P/U)	Energy Charge Rate (P/U)	Other Cost (P/U)	Total Rate (P/U)	TOTAL Cost (Rs Cr)
TSTPS-I	2245.51	2245.51	210.92	93.93	184.16	8.33	286.42	643.15
TSTPS-II	1355.01	1355.01	114.46	84.47	182.04	7.52	274.02	371.30
FSTPS-I&II	189.49	0.00	17.75	93.68	341.30	10.03	445.02	17.75
FSTPS- III	631.79	0.00	96.24	152.32	334.28	13.44	500.05	96.24
KhSTPS-I	89.89	0.00	9.80	109.06	284.88	3.78	397.73	9.80
KhSTPS-II	343.69	106.85	32.76	95.31	266.10	5.14	366.56	61.74

Generators	Estimated Availability of Energy (MU)	Approved drawal of Energy for the State (MU)	GRIDCO's Share of Fixed Cost (Rs. Cr.)	Fixed Cost (P/U)	Energy Charge Rate (P/U)	Other Cost (P/U)	Total Rate (P/U)	TOTAL Cost (Rs Cr)
DSTPS-I	5617.06	5617.06	980.63	174.58	126.59	13.73	314.91	1768.85
North Karanpura STPS-I	2913.33	2913.33	461.68	158.47	179.55	0.05	338.07	984.92
Muzaffarpur TPS-II	225.82	0.00	64.74	286.70	269.23	0.13	556.06	64.74
Nabinagar STPS-I	105.81	0.00	22.88	216.18	290.39	0.15	506.72	22.88
Barh STPS-I	2103.81	0.00	477.51	226.98	305.13	0.75	532.86	477.51
Barh STPS-II	155.31	0.00	29.45	189.63	299.02	5.22	493.87	29.45
Total	15976.51	12237.76	2518.82				371.66	4548.34

NB: The rates include ISTS Loss.

Inter-State Transmission System (ISTS) Charges

251. GRIDCO has submitted that the ISTS Charges of CTUIL / PGCIL are being determined as per the norms and principles laid down by the CERC from time to time. The CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 and its subsequent amendments have been notified. CERC has also amended the CERC Sharing Regulations, 2020 in line with the General Network Access (GNA) Regulations and brought out the CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023. which has come into force with effect from 01.10.2023. The Billing, Collection and Disbursement of the inter-State transmission charges and losses are being carried out in accordance with the GNA Regulations and amended Sharing Regulations, 2020. According to the said Regulations, the Inter-State Transmission System charges are divided into the following components:

- A. National Component (NC)
 - A1: NC-RE
 - A2: NC-HVDC
- B. Regional Component (RC)
 - B1: RC-HVDC
 - B2: RC-AC
- C. Transformer Component (TC)
- D. AC system Component (ACC)
 - D1: AC-UBC (Usage Based AC Charge)
 - D2: AC-BC (Balance AC Charge)

252. GRIDCO has submitted that as per General Network Access (GNA) Regulations, 2022, the Deemed GNA of Odisha has been fixed as 2157 MW and has been granted to STU (OPTCL). Such GNA is being utilized by GRIDCO for scheduling power from generating station connected to ISTS. Under the GNA Regulations, the access has been delinked from PPA. Under GNA Regime, States shall be able to schedule power under various contracts

based on their assessment of merit order on day ahead basis within their GNA. GRIDCO has requested the STU i.e. OPTCL to apply for additional GNA of 130 MW from April, 2025 onwards to manage the generations from upcoming Thermal Power Stations. Additional power from RE shall be managed through Temporary GNA (T-GNA) as these sources are not on RTC basis, hence, cost effective.

253. GRIDCO submits that the total ISTS charges include Bill # 1, Bill # 2 & Bill # 3 raised by CTUIL and the Non-PoC Bills raised by PGCIL. The ISTS charges for the billing months April to October, 2024 is Rs.430.60 Crore. Since the calculations are being made on all India basis, it is extremely difficult to project the exact amount of ISTS Charges due to availability of limited data & complexity in GNA regime. Therefore, certain assumptions are taken by GRIDCO to arrive at the projections of GNA for FY 2025-26. GRIDCO has considered the GNA of Odisha as 2287 MW for the ensuing FY 2025-26 and estimated the ISTS charges to the tune of Rs.862.88 Crore in its ARR application with energy drawal of 20573 MU from Central Sector Generators and requested the Commission to consider the same for the FY 2025-26.
254. Further, as per provisions of the Sharing Regulations, the Transmission Loss for ISTS shall be calculated on All India average basis for each week. The Average Loss computed to be 3.46 % considering for the first six months FY 2024-25. Accordingly, the per unit ISTS Charge before Loss and after Loss comes out to be 41.94 P/U and 43.45 P/U respectively. As the Per Unit ISTS charges depend upon the quantum of Central Sector drawal, if the scheduling of power will be less, the average per unit ISTS charges will increase. The proposed estimation of ISTS charge for FY 2025-26 calculated by GRIDCO is given in the table below:

Table-58
Proposed Transmission charges for FY 2025-26 (Rs Cr.)

Particulars	Amount (Rs. Cr.)
Net amount payable by GRIDCO towards Transmission Charges (Rs. Cr.)	862.88
Energy Drawal by GRIDCO (MU)	20,573
ISTS Charges (P/U)	41.94
Average All India ISTS Loss (%)	3.46%
ISTS Charge including Loss (P/U)	43.45

255. The Commission observed that the transmission charges for Inter-State Transmission System (ISTS) shall be payable as per the principles and norms laid down by the CERC from time to time. The CERC has notified CERC (Connectivity and General Network

Access to the inter-State Transmission System) Regulations, 2022 and the first Amendment to this General Network Access (GNA) Regulations, which is effective from 01.10.2023. Further, CERC has also amended the CERC Sharing Regulations, 2020 in line with the GNA Regulations and notified CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023, which is also effective from 01.10.2023. The Commission scrutinized the proposal of GRIDCO along with the bills of ISTS charges payable by GRIDCO for the FY 2024-25. It is observed that the amount of against Bill #1 of ISTS charges already raised for the FY 2024-25 i.e. for the period from April, 2023 to March, 2025 is Rs.676.90 crore for the existing allocated GNA quantum of 2157 MW. Further, considering the net amount charged against Bill #2 of the ISTS charges for the period from April, 2024 to February, 2025 and considering the figure of February, 2025 for the month of March, 2025, the Bill #2 of ISTS charges for the entire FY 2024-25 comes to Rs.39.63 crore. Similarly, considering the amount charged against Bill #3 of ISTS charges for the period from April, 2024 to February, 2025 and considering the figure of February, 2025 for the month of March, 2025, the Bill #3 of ISTS charges for the entire FY 2024-25 comes to Rs.6.68 crore. In addition, Rs.1.69 crore has been raised in ISTS charge bill for Non-PoC charges. Therefore, the total estimated ISTS charges for the current FY 2024-25 comes to Rs.724.90 crore for the existing allocated GNA quantum of 2157 MW. However, GRIDCO has estimated the GNA quantum of 2287 MW for the ensuing FY 2025-26. Therefore, considering the enhanced GNA quantum of 2287 MW, the ISTS charges for the ensuing FY 2025-26 is computed as Rs.768.59 crore. Therefore, the Commission provisionally approves Rs.768.59 Crore in the ARR of GRIDCO towards the charges of ISTS for the FY 2025-26.

ERLDC Fees and GCIL (formerly POSOCO) Charges

256. GRIDCO has submitted that as per CERC (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations 2019, the RLDC fees and charges shall comprise of the fees of Regional Load Despatch Center, which is to be recovered by Grid Controller of India Ltd. (GCIL) formerly POSOCO towards registration for commencement of Grid access, scheduling and annual charges to be collected in the form of annual LDC charges from the users. The RLDC charges shall be collected equally (1/3rd of Monthly Charges) from the users i.e. (a) Distribution Licensees & Buyers (b) Generating Stations & Sellers and (c) Transmission Licensees. GRIDCO has forecasted the ERLDC fees and GCIL charges as Rs.3.62 Crore for FY 2025-26 by prorating the actual expenses for the period from April, 2024 to Sept, 2024 for the entire year. The

Commission scrutinized the above proposal of GRIDCO and allows Rs.3.62 Crore in the ARR of GRIDCO towards ERLDC fees and GCIL charges for the FY 2025-26.

257. Accordingly, the Commission approves Rs. 768.59 Crore towards ISTS Transmission Charges (Rs. 768.59 Crore) and GCIL Charges (Rs.3.62 Crore) payable by GRIDCO for the FY 2025-26 as given in the table below:

Table –59
ISTS Transmission Charges and GCIL Charges for FY 2025-26

Particulars	Commission's Approval
ISTS Transmission charge payable by GRIDCO (Rs. Cr.)	768.59
GCIL Charges (Rs. Cr.)	3.62
Total amount payable by GRIDCO (Rs. Cr.)	772.21

Summary of Availability and Requirement of Power for State Consumption

258. The Commission observed that the total estimated availability of power from different sources is 48318.08 MU, whereas total power requirement of GRIDCO is estimated at 41321.65 MU only for State consumption. Therefore, following the Merit Order Despatch (MOD) principle, procurement of costly power from generating stations has not been considered in the ARR of GRIDCO for consumption within the State. However, GRIDCO may trade available surplus power (6996.43 MU) at different platforms, if commercially viable and earn some revenue to meet the gap left in its ARR and reduce the past losses. Hence, taking the least cost power procurement from different generating stations for the State consumption, the Commission approves the quantum of power purchase for FY 2025-26 as given in the table below:

Table–60
Quantum of Power Purchase from Various Sources for FY 2025-26

(Figures in MU)

Sources of Purchase	Commission's Approval for State Drawl for 2024-25	GRIDCO's Proposal for 2025-26	Estimated Availability for 2025-26	Commission's Approval for State Drawl for 2025-26
HYDRO (OLD)	3660.22	3374.18	3659.24	3659.24
Indravati	1942.38	1387.76	1942.38	1942.38
Machakund	259.88	259.88	259.35	259.35
Total State Hydro	5862.48	5021.82	5860.97	5860.97
OPGC-I (Units-1 & 2)	2668.31	2202.85	2764.07	2764.07
OPGC-II (Units-3 & 4)	9235.72	9214.43	9610.98	9610.98
IPPs	5094.24	6377.77	8794.13	5536.45

Sources of Purchase	Commission's Approval for State Drawl for 2024-25	GRIDCO's Proposal for 2025-26	Estimated Availability for 2025-26	Commission's Approval for State Drawl for 2025-26
Total State Thermal	16998.27	17795.05	21169.18	17911.50
Small Hydro	468.70	444.92	444.92	444.92
Biomass Energy	70.00	0.00	0.00	0.00
Wind Energy	1091.92	1015.69	1015.70	1015.70
Solar Energy	1950.00	3266.99	3266.99	3266.99
Total Renewable	3580.62	4727.60	4727.61	4727.61
TOTAL STATE	26441.37	27544.46	31757.76	28500.08
Chukha HEP	255.74	142.00	211.63	211.63
Tala HEP	115.74	31.00	87.25	87.25
Mangdechhu HEP	291.03	249.00	278.73	278.73
Kurichu HEP	1.00	1.00	1.00	1.00
Teesta-V HEP	-	-	-	-
Rangeeet HEP	5.21	6.00	5.21	5.21
Total Central Hydro	668.72	429.00	583.81	583.81
TSTPS-I	2233.71	2245.50	2245.51	2245.51
TSTPS-II	1347.96	1355.01	1355.01	1355.01
FSTPS-I & II	0.00	189.49	189.49	0.00
FSTPS-III	0.00	631.79	631.79	0.00
KhSTPS-I	0.00	89.90	89.89	0.00
KhSTPS-II	261.37	343.69	343.69	106.85
DSTPS-I (Units-1&2)	5587.84	5617.06	5617.06	5617.06
North Karanpura	1932.06	2913.18	2913.33	2913.33
Muzaffarpur TPS	225.84	225.82	225.82	0.00
Nabinagar STPS-I	105.26	105.81	105.81	0.00
Barh-I	0.00	2103.48	2103.81	0.00
Barh-II	0.00	155.31	155.31	0.00
Total Central Thermal	11694.04	15976.04	15976.51	12237.76
Total Central Sector	12362.76	16405.04	16560.32	12821.57
TOTAL Availability	38804.12	43949.49	48318.08	41321.65

259. GRIDCO has proposed to purchase 43949.49 MU from all available sources. Out of which 40117.06 MU is estimated by GRIDCO towards State requirement and balance 3832.43 MU of energy is proposed for procurement towards exigencies. However, the Commission has estimated availability of 48318.08 MU for FY 2025-26 from different sources, out of which procurement of 41321.65 MU is estimated towards State requirement. Although drawal of power would be from the least cost sources as indicated in the above table, the Commission has considered the payment towards fixed cost for all thermal stations.
260. GRIDCO's proposal for the cost of power purchase from various generating stations and the Commission's approval based on least cost power purchase for the FY 2025-26 are given in the table below:

Table-61

GRIDCO's Proposal & Commission's Approval for FY 2025-26

Generators	GRIDCO's PROPOSAL			COMMISSION's APPROVAL		
	Energy	Average Rate	Total Cost	Energy	Average Rate	Total Cost
	MU	P/U	Rs.in Cr.	MU	P/U	Rs.in Cr.
HYDRO (OLD)	3374.18	110.56	373.06	3659.24	108.13	395.67
Indravati	1387.76	119.68	166.09	1942.38	85.36	165.80
Machakund	259.88	136.76	35.54	259.35	136.39	35.37
Total State Hydro	5021.82	114.44	574.69	5860.97	101.83	596.85
OPGC-I (Units-1&2)	2202.85	326.61	719.46	2764.07	287.77	795.41
OPGC-II (Units-3&4)	9214.43	352.60	3249.00	9610.98	342.01	3287.01
IPPs	6377.77	322.58	2057.33	5536.45	314.58	1741.64
Total State Thermal	17795.05	338.62	6025.79	17911.50	325.16	5824.06
Small Hydro	444.92	460.90	205.06	444.92	460.90	205.06
Biomass	0.00	-	-	0.00	-	-
Wind	1015.69	280.97	285.38	1015.70	280.97	285.38
Solar	3266.99	323.59	1057.17	3266.99	323.16	1053.87
Total RE	4727.60	327.36	1547.61	4727.61	326.66	1544.31
TOTAL STATE	27544.46	295.82	8148.09	28500.08	279.48	7965.22
CHUKHA	142.00	314.90	44.72	211.63	314.90	66.64
Tala HPS	31.00	235.14	7.29	87.25	235.14	20.51
Mangdechhu	249.00	477.52	118.90	278.73	477.52	133.10
Kurichu HEP	1.00	236.17	0.24	1.00	236.17	0.24
Teesta-V	0.00	-	-	0.00	-	-
Rangेत HEP	6.00	410.00	2.46	5.21	416.94	2.17
Total Central Hydro	429.00	404.67	173.60	583.82	381.40	222.66
TSTPS - I	2245.50	290.29	651.85	2245.51	286.42	643.15
TSTPS - II	1355.01	279.15	378.25	1355.01	274.02	371.30
FSTPS -I & II	189.49	434.27	82.29	0.00	445.02	17.75
FSTPS -III	631.79	488.49	308.62	0.00	500.05	96.24
KhTPS - I	89.90	399.45	35.91	0.00	397.73	9.80
KhTPS - II	343.69	365.71	125.69	106.85	366.56	61.74
DSTPS-I (Units-1&2)	5617.06	309.79	1740.12	5617.06	314.91	1768.85
North Karanpura	2913.18	344.82	1004.51	2913.33	338.07	984.92
Muzaffarpur TPS	225.82	536.72	121.20	0.00	556.06	64.74
Nabinagar STPS	105.81	517.64	54.77	0.00	506.72	22.88
Barh-I	2103.48	545.15	1146.72	0.00	532.86	477.51
Barh-II	155.31	506.65	78.69	0.00	493.87	29.45
Total Central Thermal	15976.04	358.58	5728.62	12237.76	371.66	4548.34
Total Central Sector	16405.04	359.78	5902.22	12821.58	372.11	4771.01
PGCIL Tr. Charge	-	-	862.89	-	-	768.59
ERLDC Charges	-	-	3.62	-	-	3.62
TOTAL GRIDCO	43949.49	339.41	14916.83	41321.65	326.91	13508.44

NB: The rates of Central Sector Power Stations include ISTS Loss

261. The estimated availability of energy from various sources is found to be 48318.08 MU. However, the Commission's approval of power purchase for State consumption is based on the merit order dispatch principles in order to optimise the power procurement cost. Hence, any deviation from the merit order dispatch principle should be avoided by GRIDCO. In

past years, it is observed that there have been differences between the Commission's approval and actual drawal of energy by GRIDCO. Therefore, the Commission directs GRIDCO to follow the merit order dispatch principle while purchasing power for State consumption. Any major deviation in real time power purchase should be intimated to the Commission. GRIDCO should put sincere effort to optimize and rationalize the cost of power purchase. The Commission shall review the quantum and cost of power purchase of GRIDCO based on merit order during performance review. Accordingly, GRIDCO shall furnish the relevant data during the review of its performance along with the justifications and rationales in case of any deviation from merit order dispatch principle. The Commission shall consider the same along with other expenses during truing up exercise. The surplus power available from various sources is estimated as 6996.43 MU, which can be procured by GRIDCO for meeting the demand of the State under exigency situation like outage of large units of thermal power stations or increase in State demand etc. and can also be traded judiciously in power market to compensate the gap left in the ARR and meet its past outstanding dues.

Pass through of Past Power Purchase Costs in ARR & BSP of GRIDCO for FY 2025-26

262. In its ARR application, GRIDCO has claimed an amount Rs.667.29 Crore towards past power purchase costs over and above the approved amount to be pass through in its ARR for FY 2025-26. The Commission scrutinized the proposal of GRIDCO and consider the amount as pass through basing on the amount already paid by GRIDCO or to be paid as per the order/direction of any forum/authority. Accordingly, the Commission allows Rs.435.21 Crore as pass through in the ARR of GRIDCO for FY 2025-26. The claim of GRIDCO, which is not allowed as pass through in this order, may be considered by the Commission in the Truing up of exercise for the FY 2025-26 or in the ARR & BSP order for the FY 2026-27 on the basis of the actual payment made by GRIDCO. The proposal of GRIDCO and approval of the Commission towards pass through of past power purchase costs is summarized in the table below:

**Table-62
Pass Through Past Power Purchase Dues approved for FY 2025-26**

Item	Proposed by GRIDCO (Rs. Cr.)	Approved by the Commission (Rs. Cr.)	Remarks
OPGC			

Item	Proposed by GRIDCO (Rs. Cr.)	Approved by the Commission (Rs. Cr.)	Remarks
Half Yearly Fuel Price Adjustment bill raised by OPGC for FY 2024-25. But not paid by GRIDCO due to want of supporting documents.	5.16	0.00	The amount has not yet been paid by GRIDCO. Thus, it is not allowed in the present Tariff Order as pass through.
Ash Transportation/ utilization expenses towards ash for FY 2023-24 in respect of OPGC Units-1&2. Bills raised by OPGC and to be paid by GRIDCO after due verification.	0.78	0.00	The amount has not yet been paid by GRIDCO. Thus, it is not allowed in the present Tariff Order as pass through.
Ash Transportation/ utilization expenses towards ash for FY 2023-24 in respect of OPGC Units-2&3. Bills raised by OPGC and to be paid by GRIDCO after due verification.	4.09	0.00	The amount has not yet been paid by GRIDCO. Thus, it is not allowed in the present Tariff Order as pass through.
Electrical Inspection Fees for FY 2023-24 and FY 2024-25 in respect of OPGC Units-1&2. Amount claimed by OPGC and paid by GRIDCO.	0.44	0.44	
Electrical Inspection Fees for FY 2023-24 and FY 2024-25 in respect of OPGC Units-3&4. Amount claimed by OPGC and paid by GRIDCO.	0.41	0.13	Out of the amount of Rs.0.41 Crore, Rs.0.28 Crore has already been factored in the truing up of the expenses for FY 2023-24.
Tax & Cess on Land claimed by OPGC and paid by GRIDCO.	1.07	1.07	
Tax and Cess on Land for FY 2023-24 & FY 2024-25 claimed by OPGC and paid by GRIDCO.	2.24	2.24	
Sub-Total	14.19	3.88	
M/s. Vedanta Ltd.			
Out of the Rs.67.62 Crore claimed by M/s. Vedanta Ltd. towards Water Charges (April, 2020 to March, 2024), GRIDCO has paid Rs.28.31 Crore as per OERC Generation Tariff Regulations, 2020.	28.31	0.00	Rs.28.31 Crore proposed by GRIDCO for pass through, has already been factored in the truing up of the expenses for FY 2023-24.
Out of the Rs.68.86 Crore claimed by M/s. Vedanta Ltd. towards Ash Transportation Charges (November, 2023 to March, 2024), GRIDCO has paid Rs.20.15 Crore as per the methodology formulated by the Commission in its order dated	20.15	11.83	Out of the Rs.20.15 Crore proposed by GRIDCO for pass through, Rs.8.32 Crore has already been factored in the truing up of the expenses for FY

Item	Proposed by GRIDCO (Rs. Cr.)	Approved by the Commission (Rs. Cr.)	Remarks
05.06.2024.			2023-24.
Out of the Rs.31.75 Crore claimed by M/s. Vedanta Ltd. towards Ash Transportation Charges (April, 2024 to May, 2024), GRIDCO has paid Rs.8.05 Crore as per the methodology formulated by the Commission in its order dated 05.06.2024.	8.05	8.05	
Estimated amount of Rs.34.65 Crore towards Ash Transportation Charges for the period from June, 2024 to March, 2025 payable by GRIDCO, if Vedanta supplies power as per approved quantum in the ARR of GRIDCO for FY 2024-25.	34.65	0.00	No payment has not been made by GRIDCO.
Petition Filing Fees for block period 2019-24 vide Case No. 20 of 2020, claimed by M/s. Vedanta Ltd. & paid by GRIDCO.	0.25	0.00	Rs.0.25 Crore paid by GRIDCO has already been factored in the truing up of the expenses for FY 2023-24.
Sub-Total	91.41	19.88	
M/s. GKEL			
Reimbursement of ED from Oct, 2019 to June, 2021. M/s. GKEL has claimed the same during August, 2024 to October, 2024 & reimbursement made by GRIDCO in October, 2024	11.91	11.91	
Reimbursement of SOC & MOC Charges for the period from April, 2017 to July, 2024. M/s. GKEL has claimed the same in May, 2024 & payment made by GRIDCO in November, 2024.	1.57	1.57	
Reimbursement of Ash Transportation Charges from FY 2018-19 to FY 2023-24. Out of the total claim of Rs.87.69 Crore by M/s. GKEL, GRIDCO has accepted Rs.86.96 Crore and as per the direction of CERC, the amount is being paid by GRIDCO in six equal monthly installments. GRIDCO has already paid an amount of Rs.72.80 Crore upto February, 2025 and balance amount of Rs.14.16 Crore to be paid by GRIDCO in March,	86.96	86.96	

Item	Proposed by GRIDCO (Rs. Cr.)	Approved by the Commission (Rs. Cr.)	Remarks
2025.			
Sub-Total	100.44	100.44	
M/s. NAVA Ltd.			
An amount of Rs.4.98 Crore has been paid to M/s. NAVA Ltd. towards differential energy charges for the period from Mar'22 to May'24 & Rs.1.32 Crore has been paid towards infirm power for the month of Feb'13, Mar'13 & Dec'14 in line with directions of the Commission vide order dated 02.09.2024 in Case No.11 of 2024.	6.30	3.70	An amount of Rs.2.60 Crore has already been factored in the truing up expenses for the FY 2023-24.
Sub-Total	6.30	3.70	
M/s. JSWEUL			
M/s. JSWEUL commenced supply of power from 21.02.2024 and the energy charges for such drawl of power was not considered in the ARR of GRIDCO for the FY 2024-25. However, GRIDCO has paid the energy charges of Rs.7.86 Crore against monthly bills from Feb'24 to Mar'24 and Rs.28.94 Crore against monthly bills from Apr'24 to Sept'24 to M/s. JSWEUL.	36.80	28.94	An amount of Rs.7.86 Crore has already been factored in the truing up expenses for the FY 2023-24.
Expected power purchase cost to be incurred by GRIDCO towards supply of power by M/s. JSWEUL for the period from Oct'24 to Mar'25	29.03	18.11	An amount of Rs.18.11 Crore has been paid by GRIDCO to M/s. JSWEUL upto January, 2025.
Sub-Total	65.83	47.05	
M/s. MTPCL			
After commissioning of Units-1&2 of M/s. MTPCL-IPP on 20.09.2024 and 11.07.2024 respectively GRIDCO has availed State's share of power from the IPP. This power procurement cost was not approved in the ARR of GRIDCO for the FY 2024-25. GRIDCO has paid energy charges of Rs.3.34 Crore from July'24 to Oct'24 and expected the power purchase cost of Rs.4.57 Crore for the period from Nov'24 to Mar'25	7.91	6.54	GRIDCO has made payment of Rs.6.54 Crore towards purchase of power from M/s. MTPCL-IPP during the period from July'24 to Feb'25.
Sub-Total	7.91	6.54	

Item	Proposed by GRIDCO (Rs. Cr.)	Approved by the Commission (Rs. Cr.)	Remarks
M/s. NTPC			
An amount of Rs.4.77 Crore is payable by GRIDCO to NTPC towards Wage revision and an amount of Rs.1.33 Crore towards Water charges in respect of FSTPS-III as per the CERC Truing Up order dated 11.01.2024 in Petition No.391/GT/2020	6.10	5.23	An amount of Rs.5.23 Crore has been paid by GRIDCO on this account by Feb'25.
NTPC has claimed Rs.3.55 Crore towards Foreign Exchange Rate Variation (FERV) in respect of NTPC thermal power stations i.e. Darlipalli STPS, Barh STPS-II, TSTPS-I & FSTPS-I	3.55	3.55	An amount of Rs.3.55 Crore has already been paid by GRIDCO on this account by Feb'25.
Sub-Total	9.65	8.78	
TEESTA-V			
An amount of Rs.1.38 Crore is payable by GRIDCO to NHPC towards Refund of TDS (Rs.1.11 Crore) as per the CERC Truing Up order dated 19.01.2024 for the period FY 2014-19 and Publication and Filing Fees for the period FY 2019-24 (Rs.0.27 Crore).	1.38	1.11	An amount of Rs.0.27 Crore has been factored in the Truing Up of the expenses for the FY 2023-24.
Sub-Total	1.38	1.11	
Mangdecchu HEP			
Differential power procurement cost of Mangdecchu HEP of Bhutan on account of tariff revision w.e.f. 22.07.2024.	7.19	7.19	
Sub-Total	7.19	7.19	
Samal Barrage SHEP			
Differential Energy Charges paid to PTC for Samal Barrage SHEP for the period from FY 2009-10 to FY 2023-24 in compliance with the order dated 09.04.2024 of the Hon'ble APTEL and interim order dated 19.07.2024 of the Hon'ble Supreme Court of India.	124.02	4.56	An amount of Rs.119.46 Crore has been factored in the Truing Up of the expenses for the FY 2023-24.
Additional Power Purchase Cost of Samal Barrage SHEP for the FY 2024-25 consequent to increase in tariff as per the order dated 09.04.2024 of the Hon'ble APTEL.	10.39	10.02	An amount of Rs.10.02 Crore only has been paid by GRIDCO upto February, 2025.
Sub-Total	134.41	14.58	

Item	Proposed by GRIDCO (Rs. Cr.)	Approved by the Commission (Rs. Cr.)	Remarks
DSM			
Charges towards deficit in Deviation and Ancillary Service Pool Account for the period from 16.09.2023 to 15.09.2024 consequent to the CERC order dated 15.10.2024.	57.43	50.90	An amount of Rs.45.94 Crore has already been paid upto February, 2025 and next instalment amounting to Rs.4.96 Crore to be paid in March, 2025.
Sub-Total	57.43	50.90	
PGCIL			
An amount of Rs.23.26 Crore was paid by GRIDCO to PGCIL towards arrear DPS against the period from Jan'2012 to Mar'2014 as per the order dated 22.08.2019 of the Hon'ble High Court of Delhi. The said amount was inadvertently booked in the accounts of GRIDCO for the FY 2021-22 under A&G expenses instead of under power purchase cost. During Truing up of the accounts of GRIDCO for FY 2021-22, the Commission did not consider the same as it was over and above the A&G expenses (controllable expenses) approved for the FY 2021-22. The Commission vide its Review Order dated 19.09.2024 passed in Case No.38 of 2024 had given liberty to GRIDCO to raise this issue in the ARR application for FY 2025-26.	23.26	23.26	GRIDCO has paid this amount in compliance with the Order dated 22.08.2019 of the Hon'ble High Court of Delhi. This expenditure is uncontrollable in nature as it is the part of the power purchase cost and was not allowed by this Commission in the truing up of the expenses of the GRIDCO for FY 2021-22 and the Commission had given liberty to GRIDCO to raise the matter in its ARR application for the FY 2025-26.
Sub-total	23.26	23.26	
OHPC			
Interest on OHPC securitize dues paid by GRIDCO as per the amicable settlement by OHPC & GRIDCO in the meeting held on 26.06.2023 under the Chairmanship of Additional Chief Secretary, Energy Department, Government of Odisha and subsequent order dated 11.07.2023 passed by the Commission in Case No.35 of 2023	147.90	147.90	The Commission, in the ARR & BSP order of GRIDCO for FY 2024-25, had computed this amount payable by GRIDCO to OHPC.
Sub-Total	147.90	147.90	
GRAND TOTAL	667.29	435.21	

Reimbursement of Year End Charges in respect of OPGC Stage-I

263. The Commission, while passing the order on the ARR and Tariff application of OPGC Stage-I (Units-I&II) for the FY 2025-26 in Case No.82 of 2024, has allowed an amount of Rs.28.60 Crore provisionally towards Year-end charges to be reimbursed by GRIDCO to OPGC. The Commission approves the same as pass through in the ARR of GRIDCO for the FY 2025-26 and details are given in Table below:

Table-63

Sl. No.	Particulars	OERC Approval for FY 2025-26 (Rs. in Crore)
1	Electricity Duty	15.37
2	Water Cess and Water Charges	11.01
3	Energy Compensation Charges	0.00
4	Tax and Cess on Land	0.25
5	SOC and MOC for SLDC	0.41
6	ERPC Charges	0.16
7	Annual Inspection Fees	0.22
8	Income Tax	0.00
9	ARR and Tariff Petition Fees	0.30
10	Water Conservation Fund	0.00
11	Ash Utilisation/Transportation Charges	0.88
	Total	28.60

Reimbursement of Year End Charges to OHPC

264. The Commission while passing the order in ARR and Tariff application of OHPC for the FY 2025-26 in Case No.83 of 2024 has allowed an amount of Rs.41.21 Crore provisionally for reimbursement by GRIDCO to OHPC. The Commission approves the same as pass through in the ARR of GRIDCO for the FY 2025-26 and details are given in the Table below.

Table-64

Particulars	(Rs. in Cr.)						
	RHEP	UKHEP	BHEP	HHEP	CHEP	UIHEP	Total
(a) License fee for use of water for generation of electricity	0.998	1.158	2.248	1.300	0.931	3.728	10.79
(b) ED on Aux. Consumption	0.289	0.458	0.651	0.376	0.270	1.079	3.12
(c) SLDC charges							1.60
(d) Application fees and publication expenses							0.27
(e) ERPC Charges							0.16
(f) Reimbursement of Income tax paid during FY 2023-24							25.27
Total							41.21

265. In addition to the amount of Rs.435.21 Crore as pass through towards past power purchase dues, the Commission allows Rs.28.60 Crore and Rs.41.21 Crore as pass through towards reimbursement of year end charges of OPGC Stage-I (Units-1 & 2) and OHPC respectively by GRIDCO during the FY 2025-26. Accordingly, the Commission approves total amount of Rs.505.02 Crore as pass through in the ARR of GRIDCO for FY 2025-26 as given in the table below:

Table-65
Total Pass-Through Expenses approved for FY 2025-26 (Rs Cr.)

Particulars	Proposed by GRIDCO	Approved by the Commission
Pass through of past power purchase dues	667.30	435.21
Reimbursement of year-end charges in respect of OPGC (Units-1&2)	-	28.60
Reimbursement of year-end charges in respect of OHPC Generating Stations	-	41.21
Total	667.30	505.02

GRIDCO FINANCE

Employees Cost:

266. GRIDCO has proposed employee cost of Rs.22.69 Cr for the FY 2025-26 which includes Basic pay, Dearness Allowance (DA), House Rent Allowance (HRA), Medical Allowance, Conveyance Allowance/Reimbursement, Contractual Engagement, Staff Welfare expenses, Ex-gratia, other expenses etc, Terminal benefit liability (Pension, and Leave Salary) and employer contribution to NPS. It has considered the following assumptions while proposing the employee cost as given in the Table below:

Table-66
Employees Cost Proposed by GRIDCO for the FY 2025-26
(Rs. in Crore)

Sl No	Particulars	Actual for FY 2023-24	Estimated for FY 2024-25	Proposed for FY 2025-26	Assumptions
A	Salary & Allowance				
1	Basic Pay	7.25	7.27	9.76	Annual Increment including pay of new recruitee
2	Dearness Allowance	3.07	3.82	5.53	61% of Basic Pay
3	House Rent Allowance	1.05	1.25	1.67	Ratio of FY2024-25
4	Other Allowance	0.11	0.10	0.11	5% annual growth
	Sub-total (A)	11.48	12.44	17.07	

SI No	Particulars	Actual for FY 2023-24	Estimated for FY 2024-25	Proposed for FY 2025-26	Assumptions
B	Additional Employee Cost				
1	Wage/Salary revision if any	-	0.06	-	
2	Contractual Engagement	1.17	1.80	1.95	
	Sub-total (B)	1.17	1.86	1.95	
C	Other Employee Cost				
1	Medical Expenses (allowance Reimbursement)	0.33	0.36	0.45	5% of Basic pay
2	Leave Travel Concession	0.02	0.100	0.11	10% annual growth
3	Honorarium	0.27	0.19	0.21	10% annual growth
4	Ex-gratia	0.17	0.15	0.16	10% annual growth
5	Staff Welfare Expenses	0.01	0.01	0.01	10% annual growth
6	Miscellaneous	0.20	0.33	0.36	10% annual growth
	Sub-total (C)	1.00	1.14	1.30	
D	Terminal Benefits				
1	Pension	0.58	0.58	0.61	5% annual growth
2	Leave Salary	0.61	0.61	0.64	5% annual growth
3	Other (including contribution to NPS)	0.83	0.90	1.12	10% annual growth
	Sub-total (D)	2.02	2.09	2.37	
E	Total Employees Cost (A+B+C+D)	15.67	17.53	22.69	

- i. **Basic Pay:** GRIDCO has considered basic pay on the existing employees with 3% annual increment and considering consolidated remuneration on CTC basis of two nos. of Directors expected to be appointed in GRIDCO. Accordingly, it has proposed Rs.9.76 Cr. under this head for the FY 2025-26.
- ii. **Dearness Allowance (DA):** With reference to the guidelines issued by Finance Department, Govt. of Odisha vide circular no.30251 date.02.11.2024 for preparation of Budget Estimate for the FY 2025-26, GRIDCO has proposed rate of DA @ 61% on basic pay for the FY 2025-26. Accordingly, it has proposed Rs.5.53 Cr. under this head.
- iii. **House Rent Allowance (HRA):** GRIDCO has proposed HRA for FY 2025-26 on the basis of estimated HRA ratio to the estimated basic pay of the FY 2024-25 and accordingly it has proposed Rs.1.67Cr. under this head for the FY 2025-26.
- iv. **Medical Expenses (allowance Reimbursement):** GRIDCO has proposed medical expenses (allowance reimbursement) @ 5% on basic pay and accordingly proposed Rs.0.45Cr under this head for the FY 2025-26.
- v. **Additional Employees Cost:** GRIDCO has proposed Rs.1.95Cr. towards engagement of contractual employees for FY 2025-26.

- vi. **Terminal Liability:** GRIDCO has proposed Rs.2.37Cr. towards Pension, Leave Salary and NPS Contributions.
 - vii. **Other Employees Cost & Allowances:** GRIDCO has also proposed Rs.0.96 Cr. under different heads, such as LTC, Honorarium, Ex-gratia, Staff Welfare Expenses, other allowances & under Miscellaneous Expense.
267. The Commission has reviewed the GRIDCO's submission regarding above head wise employees' cost and accordingly approves **Rs.18.84 Cr.** for the ensuing FY 2025-26 are as under:
- i. **Basic Pay:** The Commission observes that the actual cash outflow towards basic pay during April, 2024 to December, 2024 is Rs. 5.60 Cr. By considering this actual basic pay of April, 2024 to December, 2024 of FY 2024-25 and 3% annual increment, the basic pay approved by the Commission is Rs.7.69 Cr. (i.e., $Rs.5.60/9*12*1.03$) for the FY 2025-26.
 - ii. **Dearness Allowance (DA):** Basing on the GRIDCO's submission, the Commission has considered DA @ 61% on basic pay and accordingly approves Rs. 4.69Cr. under this head for the FY 2025-26.
 - viii. **House Rent Allowance (HRA):** Basing on the actual HRA percentage to the basic pay as per audited account of the FY 2023-24, the Commission approve Rs. 1.11Cr. under this head for the FY 2025-26.
 - ix. **Medical Expenses (allowance Reimbursement):** Medical expenses (allowance reimbursement) @ 5% on basic pay as proposed by GRIDCO, the Commission approves Rs.0.38Cr. under this head for the FY 2025-26.
 - x. **Additional Employees Cost:** The Commission approves same amount, i.e., Rs.1.95Cr. towards engagement of contractual employees for FY 2025-26 as proposed by GRIDCO and directs to restrict the expenditure within the limit.
 - xi. **Terminal Liability:** GRIDCO has proposed Rs.2.37Cr. towards Pension, Leave Salary and NPS Contributions and the Commission approves same amount under this head.
 - xii. **Other Employees Cost & Allowances:** The Commission disallows Ex-gratia, allows Miscellaneous expenses 10% extra over Previous year approval. However, other expenses and allowances are allowed on proposal basis. Accordingly, the Commission approves Rs.0.65Cr. under these heads and directs to restrict the expenditure within the limit.
268. The employees Cost proposed by GRIDCO and approved the Commission are shown in the Table below:

Table-67
Employees Cost Approved by the Commission for the FY 2025-26

(Rs. Crore)

Sl.No	Particulars	Actual for FY 2023-24	Approved for FY 2024-25	Proposed for 2025-26	Approved for FY 2025-26
A	Salary & Allowance				
1	Basic Pay	7.25	9.34	9.76	7.69
2	Dearness Allowance	3.07	4.41	5.53	4.69
3	House Rent Allowance	1.05	1.48	1.67	1.11
4	Other Allowance	0.11	0.14	0.11	0.11
	Sub-total (A)	11.48	15.37	17.07	13.60
B	Additional Employee Cost				
1	Contractual Engagement	1.17	3.47	1.95	1.95
	Sub-total (B)	1.17	3.47	1.95	1.95
C	Other Employee Cost				
1	Medical Expenses (allowance+Reimbursement)	0.33	0.47	0.45	0.38
2	Leave Travel Concession	0.02	0.11	0.11	0.11
3	Honorarium	0.27	0.19	0.21	0.21
4	Ex-gratia	0.17	0.20	0.16	-
5	Staff Welfare Expenses	0.01	0.02	0.01	0.01
6	Miscellaneous	0.20	0.19	0.36	0.21
	Sub-total (C)	1.00	1.18	1.30	0.92
D	Terminal Benefits				
1	Pension	0.58	0.76	0.61	0.61
2	Leave Salary	0.61	0.66	0.64	0.64
3	Other (including contribution to NPS)	0.83	0.86	1.12	1.12
	Sub-total (D)	2.02	2.28	2.37	2.37
E	Total Employees Cost (A+B+C+D)	15.67	22.30	22.69	18.84

Repair & Maintenance (R&M):

269. GRIDCO has proposed Rs.2.05Cr. under R&M cost for the FY 2025-26. This includes annual maintenance cost towards SAP (implemented w.e.f. 01.07.2023), AMC of server & storage of Rs.1.25 Cr. and other maintenance expenses for computers, building, vehicle, furniture & Fixture and office equipment of Rs.0.80 Cr.

270. After scrutinized the GRIDCO's proposal, the Commission observes that the actual R & M Cost as per audited accounts of GRIDCO is Rs. 0.37 Cr during the FY 2023-24 and it has estimated Rs.1.54Cr. (including AMC of SAP of Rs.1.07 Cr) as against the Commission's approval of Rs.0.98 Cr. for the FY 2024-25. Considering the fixed assets position of GRIDCO, the Commission observes that, the R&M expenses (including AMC) proposed by GRIDCO is not reasonable. After analysing the same, the Commission approves **Rs.1.65 Cr.** (Rs.1.15 Cr for SAP & Rs.0.50 Cr for other maintenances) under R&M

expenses for the FY 2025-26 and directs GRIDCO to appropriate measures to control the R&M expenditure.

Administration & General (A&G) Expenses:

271. GRIDCO has submitted that after considering the last 5 years average actual A&G expenses (i.e., Rs.8.68Cr) and after factoring annual inflation @5% (i.e., Rs.0.43Cr), the Commission had estimated normal A&G Expenses at Rs.9.11 Cr for the FY 2024-25. After considering the License fees & ERPC Membership Fees for the FY 2024-25, the Commission had allowed Rs.11.19 crore towards A&G expenses in the ARR & BSP order for FY 2024-25. In line with above principles and considering the estimated normal A&G Expenses (Rs.9.11 Cr) for the FY 2024-25, annual inflation @5% (Rs.0.46Cr), License fees (Rs.2.50Cr) & ERPC Membership fees (Rs.0.18 Cr), it has proposed an amount of Rs.12.25Cr. under A&G Expenses for the FY 2025-26.
272. It is pertinent to mention that, while approving the A&G expense at Para 444 to 448 in the ARR & BSP order for FY 2024-25, the Commission had considered the normal A&G Expenses of Rs.8.68 Cr. for the FY 2023-24 basing the average of last five (5) years (i.e., from FY 2017-18 to FY 2022-23) actual A&G expenses. However, while scrutinising the submission of GRIDCO, the Commission observes that, the actual normal A&G expenses of GRIDCO is Rs.7.07Cr as per audited accounts of GRIDCO for the FY 2023-24. Therefore, considering the actual normal A&G expenses of FY 2023-24, the Commission estimates the A&G Expenses of Rs.10.47Cr for the FY 2025-26 which details is shown in the Table below:

Table-68
A&G Expenses Approved by the Commission for the 2025-26

Description	Amount (Rs. Cr)
Actual Normal A&G expenses for FY 2023-24	7.07
Annual inflation for FY 2024-25 @5%	0.35
Normal A&G estimated for FY 2024-25	7.42
Annual inflation for FY 2025-26 @5%	0.37
Normal A&G estimated for FY 2025-26	7.79
License Fees for FY 2025-26	2.50
ERPC membership fees/ Fund for FY 2025-26	0.18
Total A&G expenses approved for FY 2025-26	10.47

273. Accordingly, the Commission approves **Rs.10.47 Cr.** towards Administration and General (A&G) Expenses for the FY 2025-26 (against Rs.12.25 Cr. proposed by GRIDCO). The

Commission directs GRIDCO to take necessary steps to control the A&G expenses by proper management of resources.

Depreciation

274. GRIDCO has proposed Rs.2.40Cr under the head depreciation on fixed assets (computer, software, vehicle, furniture& Fixture and office equipment etc.) for the FY 2025-26. The Commission scrutinize the details of fixed assets & depreciation proposed by GRIDCO in F-13, which is summarized in the Table below:

Table-69
Depreciation on Fixed Assets Proposed by GRIDCO for the FY 2025-26
(Rs. in Crore)

Particulars	Rate of Depreciation (%)	FY 2023-24 (Audited)				FY 2024-25 (Estimated)		FY 2025-26 (Proposed)	
		Assets Added during the year	Total Assets as on 31-03-2024	Depreciation during the Year	Accumulated Depreciation as on 31-03-2024	Assets to be added during the Year	Depreciation Estimated for the Year	Assets to be added	Depreciation proposed for the Year
Plant and Machinery (Air Cond.)	10.00	-	0.43	0.01	0.40	0.02	0.02	0.02	0.02
Computers	20.00	0.88	5.95	0.28	4.84	0.43	0.34	0.36	0.93
Software (ERP Implementation)	20.00	0.90	0.90	0.13	0.13	3.55	1.37	0.52	1.18
Vehicles	10.00	0.01	0.48	0.03	0.37	-	-	-	-
Office Equipment	10.00	-	0.30	0.03	0.20	0.35	0.04	0.39	0.16
Furniture, Fixture	10.00	0.07	0.47	0.04	0.22	0.10	0.04	0.08	0.06
Building	10.00	-	-	-	-	0.51	0.03	-	0.05
Grand Total		1.86	8.53	0.52	6.16	4.96	1.84	1.37	2.40

275. From the above table, it is revealed that, GRIDCO has claimed Rs.0.93Cr & Rs. 1.18Cr towards depreciation of Computer & Software (ERP Implementation) respectively. Considering the organization setup of GRIDCO, it has been spending/proposed more amounts on procurement of computer in each year (i.e., Actual for FY 2023-24 - Rs.0.88 Cr, Estimated for FY 2024-25 -Rs.0.43 Cr & Proposed for FY 2025-26 - Rs.0.36 Cr.). Further, the Commission observes that, total book value of Computers as on 31.03.2024 is Rs.5.95 Cr and as against the same accumulated depreciation is Rs, 4.84 Cr. From this, it is recognized that, GRIDCO is not properly decapitalized the fully depreciated and unutilized assets in the books of accounts. Therefore, the Commission directs GRIDCO to submit its detail fixed assets position as on 31.03.2025 in the prescribed format (Annexure-I) to the Commission along with truing-up application for the FY 2024-25. Analyzing the above

observation, the Commission provisionally approves Rs.2.40 Cr under the head depreciation for FY 2025-26. However, the Commission directs GRIDCO to take appropriate steps for optimal utilization of its fixed assets.

Interest and Financial Charges:

276. GRIDCO has submitted its loan position and interest & financial charge for the FY 2025-26 in Format F-2 of the ARR application is given in the Table below:

Table-70
Loan Position & proposed Interest & Financial Charges for the Fy 2025-26
(Rs. in Crore)

Sl No	Particulars / Availed During	Rate of int. (%) 01-04-24	Loan Position as on 31.03.2025		Ensuing Year (FY 2025-26)						
			Principal	Interest	Principal		Interest		Closing Bal.		
					Received	Repayment	Due	Paid	Principal	Interest	
A	FY 2014-15										
	OHPC Loan-Rs.619 Cr	6.00%	438.46	-	-	103.17	23.47	23.47	335.29	-	-
	Sub-total		438.46	-	-	103.17	23.47	23.47	335.29	-	-
B	FY 2016-17										
	Odisha GB III 25cr	7.85%	10.72	-	-	2.70	0.76	0.76	8.02	-	-
	Sub-total		10.72	-	-	2.70	0.76	0.76	8.02	-	-
C	FY 2017-18										
	Odisha GB IV 40 CR	7.85%	1.95	-	-	1.95	0.01	0.01	0.00	-	-
	Sub-total		1.95	-	-	1.95	0.01	0.01	0.00	-	-
D	FY 2018-19										
	Odisha GB V 35 CR	7.85%	5.54	-	-	5.54	0.19	0.19	-	-	-
	Sub-total		5.54	-	-	5.54	0.19	0.19	-	-	-
E	FY 2019-20										
	Andhra Bank VIII 300CR	8.50%	100.58	-	-	60.00	6.36	6.36	40.58	-	-
	Andhra Bank IX 400CR	8.50%	154.17	-	-	80.00	10.23	10.23	74.17	-	-
	Sub-total		254.75	-	-	140.00	16.59	16.59	114.75	-	-
F	FY 2020-21										
	Punjab National Bank 600 CR	8.30%	319.92	-	-	120.00	22.40	22.40	199.92	-	-
	Sub-total		319.92	-	-	120.00	22.40	22.40	199.92	-	-
G	FY 2021-22										
	Bank of Baroda TL-5	8.20%	67.46	-	-	38.04	4.23	4.23	29.42	-	-
	Bank of Baroda TL-6	8.20%	89.72	-	-	40.08	6.03	6.03	49.64	-	-
	Bank of Baroda TL-7	8.20%	258.18	-	-	100.00	17.95	17.95	158.18	-	-
	Sub-total		415.36	-	-	178.12	28.21	28.21	237.24	-	-
H	FY 2022-23										
	Soft Loan from GoO (1st & 2nd tranche)	5.00%	700.00	7.01	-	-	35.00	35.00	700.00	7.01	-
	Sub-total		700.00	7.01	-	-	35.00	35.00	700.00	7.01	-
I	FY 2023-24										
	Canara Bank TL-1	8.35%	71.88	-	-	66.37	3.57	3.57	5.51	-	-
	Canara Bank TL-3	8.35%	110.04	-	-	62.88	6.99	6.99	47.16	-	-
	Canara Bank TL-4	8.35%	40.10	-	-	20.92	2.63	2.63	19.18	-	-
	Canara Bank TL-5	8.35%	258.26	-	-	99.97	18.28	18.28	158.29	-	-

Sl No	Particulars / Availed During	Rate of int. (%) 01-04-24	Loan Position as on 31.03.2025		Ensuing Year (FY 2025-26)					
			Principal	Interest	Principal		Interest		Closing Bal.	
					Received	Repayment	Due	Paid	Principal	Interest
	Soft Loan from GoO (3rd tranche)	5.00%	500.00	1.10		-	25.00	25.00	500.00	1.10
	Canara Bank TL-7	8.30%	274.81	-		100.08	19.70	19.70	174.73	-
	Canara Bank TL-9	8.30%	274.75	-		100.08	19.70	19.70	174.67	-
	Soft Loan from GoO (4th tranche)	5.25%	200.00	1.20		-	10.50	10.50	200.00	1.20
	Soft Loan from GoO (5th tranche)	5.25%	300.00	0.17		-	15.75	15.75	300.00	0.17
	Sub-total		2,029.84	2.47	-	450.30	122.12	122.12	1,579.54	2.47
K	Availed During FY 2024-25									
	Soft Loan from GoO (6th tranche)	5.25%	280.00	1.69			14.70	14.70	280.00	1.69
	Soft Loan from GoO (7th tranche)	5.25%	200.00	2.21			10.50	10.50	200.00	2.21
	Sub-total		480.00	3.90	-	-	25.20	25.20	480.00	3.90
L	Add: Proposed Soft Loan for FY 24-25	5.25%	520.00	6.83	-		27.30	27.30	520.00	6.83
M	Add: Proposed Soft Loan for FY 25-26	5.25%			1,000.00	-	26.25	26.25	1,000.00	-
	TOTAL (A+B+..+M)		5,176.54	20.21	1,000.00	1,001.78	327.50	327.50	5,174.76	20.21
N	Add: Financial Charges (Inc Interest on SOD)		-	-	-	-	85.66	85.66	-	-
O	Add: Guarantee Commission	0.50%		15.39			10.19	15.39		10.19
	Grand Total (A to O)		5,176.54	35.60	1,000.00	1,001.78	423.35	428.55	5,174.76	30.40

277. GRIDCO has submitted that, total interest and finance charges for FY 2025-26 is estimated based on existing loan liabilities along with securitized dues to be paid to OHPC. It has submitted that in view of interim order of the Commission dated 23.05.2023 (Petition No 35/2023), an amicable settlement was agreed upon in the meeting held on 26.06.2023 regarding OHPC Securitized dues under the Chairmanship of Additional Chief Secretary, Energy Department. The Commission has approved the settlement in the final order in Case No. 35/2023 dated 11.07.2023. GRIDCO has submitted that considering the settlement process, total interest payable on settlement of OHPC Securitized dues for the FY 2025-26 comes to Rs.23.47Cr. and requested the Commission to consider it favorably under interest and finance charges for FY 2025-26.

278. Further, it has submitted that due to the uncontrollable factors like non- settlement of BSP dues by the erstwhile DISCOMs, lack of cost reflective Tariff, non-amortization of approved Regulatory Asset, absence of carrying cost up to FY: 2022-23, the Petitioner had to borrow funds from external sources and borrowing from Govt. of Odisha. Accordingly,

- GRIDCO has proposed the Commission to approve total interest and financial charge obligations to the tune of Rs.428.55 Cr. in its ARR & BSP order for FY 2025-26.
279. As regards the of Interest and Financial Charges, the commission in earlier tariff orders w.e.f. FY 2016-17 onwards have observed that there is no need for GRIDCO to borrow from banks, if the approved revenue is collected from DISCOMs. The inability of GRIDCO to collect such revenue had landed GRIDCO in a situation of borrowing from banks. Further, the Commission in the tariff order for FY 2017-18 at Para 301 had observed that *GRIDCO in reality landed in deficit balance i.e. the revenue received from DISCOMs is not sufficient to discharge even power dues of the generators, which is quite alarming. If this situation persists, every year GRIDCO will resort to borrowing from Banks, the interest impact of which will be passed on to the consumer. Therefore, the Commission is not inclined to accept the interest liability on loan availed by GRIDCO for the year 2016-17, which is attributable to inability of GRIDCO to mobilize the internal resource by way of collection of BSP dues from DISCOMs. Hence, the interest impact on loan for the year 2016-17 has not been considered by Commission in determining the ARR for FY 2017-18. In this regard Para-279 of the ARR & BSP order for the FY 2016-17 may be referred. GRIDCO is advised to fill the gap from collection of arrears from the DISCOM Utilities.*
280. Further, the Commission observed that GRIDCO, instead of collecting its dues from the erstwhile DISCOMs, availed loan from the commercial institutions and the Commission had taken a view not to allow interest on loan availed by GRIDCO after FY 2015-16. The Commission also continues to follow the same principle of not allowing any interest on the loans availed by GRIDCO after FY 2015-16, for arriving at the interest cost to be passed on in the ARR for FY 2025-26. Accordingly, the Commission after scrutiny has not allowed any amount towards interest and financial charges for FY 2025-26 following the same principle.
281. However, the Commission, vide its order dated 11.07.2023 in Case No. 35 of 2003, have agreed for allowing interest on OHPC Securitized Bond basing on the amicable settlements between OHPC & GRIDCO in the meeting held on 26.06.2023 under the Chairmanship of Additional Chief Secretary, Energy Department, Government of Odisha, the following was agreed upon:
- i. *The outstanding interest up to 31.3.2021 amounting to Rs.152.93 Crore to remain unaltered.*
 - ii. *The principal amount of Rs.619 Crore shall carry simple interest @ 6% per annum w.e.f. 01.04.2021.*

- iii. *Total outstanding interest up to June'23 amounting to Rs.236.50 Crore (i.e. Rs.152.93 Crore up to 31.03.2021 and Rs.83.57 Crore from 01.04.2021 to 30.06.2023 @ 6% p.a.) shall be paid by GRIDCO in 18 equated monthly instalment w.e.f. July'2023.*
- iv. *The principal amount of Rs.619 Crore along with interest shall be paid by GIRDCO in 72 equated monthly instalments from July'2023.*
- v. *GRIDCO shall claim the amount paid to OHPC in its BSP application, the Commission would be requested to consider it favourably."*
282. The Commission has considered to pass through such interest in the ARR of GRIDCO as per the modality agreed upon in the said meeting. As decided by the Commission, in the ARR Order for the FY 2024-25 at para 429, had dealt such issue and allowed Rs.144.56 Cr crore regarding payment of such interest for FY 2023-24 as pass through and as regards payment of interest for FY 2024-25 was decided to consider the same as pass through after payment of actual amount in the subsequent year. Accordingly, the Commission has now allowed Rs.147.91 Cr as pass through towards payment of interest for FY 2024-25 and as regards interest dues of Rs.23.47 Cr. for the FY 2025-26, the Commission allows the same under the head of interest chargeable to revenue in this ARR and BSP order of GRIDCO for FY 2025-26. Accordingly, the Commission approves Rs.23.47 Cr. Towards interest and financial charges for the FY 2025-26 which details are given in the Table below:

Table-71

**Interest and Finance Charges Approved by the Commission for the FY 2025-26
(Rs. in Crore)**

Sl. No .	Particulars	Proposed by GRIDCO	Approved by the Commission
1	Interest on OHPC securitized Bond	23.47	23.47
2	Interest on loan availed during FY 2016-17	0.76	-
3	Interest on loan availed during FY 2017-18	0.01	-
4	Interest on loan availed during FY 2018-19	0.19	-
5	Interest on loan availed during FY 2019-20	16.59	-
6	Interest on loan availed during FY 2020-21	22.40	-
7	Interest on loan availed during FY 2021-22	28.21	-
8	Interest on loan availed during FY 2022-23	35.00	-
9	Interest on loan availed during FY 2023-24	122.12	-
10	Interest on loan availed during FY 2024-25	25.20	-
11	Interest on loan to be availed during FY 2024-25	27.30	-
12	Interest on loan to be availed during FY 2024-25	26.25	-
13	Financial Charges and Guarantee Commission	101.05	-
	Total	428.55	23.47

Return on Equity

283. GRIDCO has submitted that considering @16% on the Equity Capital of Rs.3291.48Cr. as on 31.03.2024, the Return on Equity (RoE) will be Rs.526.64Cr. and including this RoE,

the proposed average BSP will be 395.40 Paise per Unit. However, GRIDCO has not considered RoE in its application and intends to seek a waiver of RoE for the FY 2025-26 from the State Govt.

284. The Commission in this regard observed that in past years Return on Equity is not being allowed in the ARR of GRIDCO. The Commission had explained the reasons at Paras-425 to 427 of its ARR and BSP order for the FY 2009-10 dated 20.03.2009 passed in Case No. 62/2008, which is reproduced below:

“425. At the time of vesting of the transmission and distribution business with GRIDCO by the State Govt. on 01.04.1996, the Equity Share Capital was Rs.327.00 crore. During the subsequent years upto FY 2004-05, there were additional infusions of equity capital of Rs.165.98 crore by the State Govt. raising the total equity of GRIDCO to Rs.492.98 crore. At the time of de-merger of GRIDCO effective from 01.04.2005, the equity share capital of OPTCL was stated at Rs.60 crore, leaving the balance equity share capital with GRIDCO. The equity share capital issued to Govt. of Orissa was both in consideration of cash and other than cash. Therefore, the licensee claimed ROE @14% on the equity share capital of Rs.432.98 crore.

426. The Commission in earlier orders referred to the GoO Notification of 29.1.2003, wherein it has been stated that GRIDCO and OHPC should not be entitled to any return in equity till the sector becomes viable or FY 2005-06 whichever is earlier. Further, in partial modification of earlier notification, the Govt. of Orissa in its letter no. 5302 dtd. 6.5.2003 stated the following “GRIDCO and OHPC shall not be entitled to any Return on Equity (ROE) except in respect of the new projects commissioned after 01.04.2006 till the sector becomes viable or end of 2005-06 whichever is earlier.” The Commission would like to clarify that correspondence has been made with Govt. of Orissa to clarify the status of the notification dtd. 29.1.2003, as it has great impact on Tariff. Government while communicating their views/comment in their letter No.1704 dtd. 17.02.2009 in response to the Commission’s letter No.2807 dtd. 31.12.2008 have stated as under:

“In the matter of extension of the moratorium period and other dispensation stipulated in Energy Department Notification No.1068/R&R-I-2/2002 dt.29.01.2003 upto 2011-12 it is stated that Finance Department has already concurred in the proposal of keeping in abeyance of up-valuation of assets of GRIDCO/OTCL & OHPC and freezing of RoE to GRIDCO & OHPC from the year, 2006-07 to 2010-11. The matter is going to be placed before the State Cabinet for a decision after which the same will be communicated.”

427. As regards infusion of capital for the new project, the Commission verified audited accounts of GRIDCO upto 2004-05. It is found that the addition of share capital shown in the balance sheet after 1996-97 includes only the grants received from DFID towards R&M expenditure and rehabilitation assistance. As per Project Memorandum signed between Govt. of India and Govt of Orissa and DFID, the above amount has been shown under share deposit account pending allotment of shares for non-receipt of approval from Govt. of Orissa.”

285. In view of the above, the Commission does not allow any return on equity to GRIDCO for the FY 2025-26.

Other Income/ Miscellaneous Receipts

286. GRIDCO has submitted that during FY 2025-26, it expects to earn an amount of Rs.74.60 Cr (at existing approved RST rate of 746.00 P/U towards Emergency Sale of Power) from the proposed emergency sale of 100 MU to Long Term Customers like NALCO (70 MU) and IMFA (30 MU) for meeting their emergency & back-up power requirements as per the MOU signed with them.
287. The Commission, after analysis of the proposal of GRIDCO, approves an amount of Rs.74.45 Cr. @ 744.50 P/U (excluding transmission charges of 25.50 P/U from existing approved RST rate of 770.00 P/U) towards the miscellaneous revenue earned from Emergency Sale of 100 MU as proposed by GRIDCO for the FY 2025-26.

Carrying Cost on Regulatory Assets

288. GRIDCO in its petition has prayed the Commission to allow the carrying cost on the Regulatory Gap left by the Commission. The Commission observed that after truing up of the accounts of GRIDCO for FY 2023-24, there is a net cumulative negative Regulatory gap of Rs.746.54 Cr. arrived upto 31.03.2024. Basing on the submission of GRIDCO and after considering the weighted average rate of interest (i.e. 6.59%) on the basis of actual loan portfolio of FY 2025-26 submitted by GRIDCO in its petition, the Commission allows **Rs.49.20 Cr.** as pass through in this ARR & BSP order of GRIDCO for the FY 2025-26 towards carrying cost against the net regulatory gap of Rs.746.54Cr as on 31.03. 2024.

Revenue Earning from Sale of Power through Tripartite Agreement

289. The Commission has allowed industries, having CGP with CD above 20 MW and operating at minimum monthly load factor of 80%, to draw power from DISCOMs at the rate of Rs.5.00 per kVAh during Peak & Normal hours and Rs.4.30 per kVAh during hours other than Peak & Normal hours (i.e. during Solar hours), for all incremental energy drawal above 80% load factor. No overdrawal penalty shall be levied on them. For this purpose, the industries shall enter into Tri-Partite Agreement (TPA) with the concerned DISCOM and GRIDCO. In such transactions for sale of intermittent incremental surplus power, OPTCL shall get normal transmission charge of 25.5 paise/kWh, GRIDCO shall get 455 paise/kWh (including BSP) during Peak & Normal hours (i.e. during Solar hours) & 400 Paise/kWh (including BSP) during the hours other than Peak & Normal hours and DISCOMs shall keep the balance amount as margin, out of the fixed price mentioned above. Other observations of the Commission in Case No. 25/2022 regarding this tripartite sale of surplus power shall continue as such. Accordingly, it is estimated that GRIDCO

would earn an incremental revenue of Rs.26.60 crore on this account. However, the Commission may revisit the matter on application from the DISCOM(s) / GRIDCO, in case of any constraint(s) in implementation of the above scheme to achieve the objective.

Receivables from DISCOMs

290. GRIDCO in its petition submitted that, as on 30.09.2024, it has huge outstanding dues of Rs.6,587.51 Cr. to be received from erstwhile DISCOMs towards securitized dues, NTPC Bond dues, Non-payment of BSP dues and Year End Adjustment Bills of DISCOMs. The Commission in the vesting order had issued directives to the new DISCOMs for collection of past arrears stipulating the minimum commitment amount. Further, the Commission had also notified the OTS for recovery and settlement of outstanding dues from the defaulting consumers against past dues receivable from erstwhile DISCOMs/Utilities and to pass on to GRIDCO. However, there is still huge outstanding from the consumers for the erstwhile utility period, which is continuing in the consumers ledger. GRIDCO has requested the Commission to issue suitable advisories /directives to present DISCOMs for collection of past arrears towards settlement of outstanding dues and also to frame suitable mechanism for recovery of the balance amount through regulatory process preferably in next two to three years.
291. Considering the above request of GRIDCO, it is pertinent to mention that, the Commission after undertaking the competitive bidding process for sale of Distribution Companies as envisaged under Section 20 of the Electricity Act, 2003 have now vested all the distribution utilities with new licensees such as TPCODL, TPNODL, TPWODL and TPSODL. The respective vesting orders for these companies deal with the segregation of the balance sheet as on the date of vesting by transfer of assets and liabilities to the new companies. Accordingly, all the outstanding dues of the GRIDCO will be dealt as per the provisions of the vesting orders. However, in the meantime, GRIDCO has received Rs.1385.86 Cr. [which includes past arrear collection of Rs.1231.99 Cr. (against vesting order target of Rs.1000.00 Cr.) and outstanding dues recovered through OTS of Rs.153.87 Cr.] till 31-12-2024 from DISCOMs.
292. The summary of the ARR of GRIDCO approved for the FY 2025-26 is given in the Table below:

Table –72
Revenue Requirement of GRIDCO for the FY 2025-26

(Rs. in Cr.)

Sl. No.	Particulars	Approved for the FY 2024-25	Proposed for the FY 2025-26	Approved for the FY 2025-26
1	Cost of Power Purchase	12,454.03	13,759.74	13,508.44
2	Employee cost	22.30	22.69	18.84
3	Repair & Maintenance	0.98	2.05	1.65
4	Administrative and General Expenses	11.19	12.25	10.47
5	Interest Chargeable to Revenue	-	428.55	23.47
6	Depreciation	2.47	2.40	2.40
7	Carrying Cost on Regulatory Asset	108.30	-	49.20
8	Return on Equity	-	526.64	-
9	Total Expenditure (1 to 8)	12,599.27	14,754.32	13,614.47
10	Special Appropriation for Pass Through of Power Purchase Dues	595.79	667.29	505.02
11	Total Revenue Requirement (9+10)	13,195.06	15,421.61	14,119.49
12	Less: Miscellaneous Receipt	74.60	74.60	74.45
13	Less: Return on Equity	-	526.64	-
14	Net Revenue Requirement {11-(12+13)}	13,120.46	14,820.37	14,045.04
15	Revenue Through Bulk Supply Price (BSP)	12,320.65	12,688.11	13,220.40
16	Surcharge from TPWODL @35 P/U	409.15	404.25	-
17	Additional Revenue from TPWODL towards sale of power through TPA	18.75	-	26.60
18	Total Revenue from DISCOMs (15+16+17)	12,748.55	13,092.36	13,247.00
19	GAP: Surplus/(deficit)	(371.91)	(1,728.01)	(798.04)

293. From above table it is observed that, the Commission has estimated the net revenue requirement of GRIDCO to the tune of Rs.14,045.04 Cr. after adjustment of miscellaneous receipts of Rs.74.45 Crore and GRIDCO would recover Rs.13,247.00 Cr. from the DISCOMs through Bulk Supply Price and Sale of Power through Tripartite Agreement during the FY 2025-26 with a revenue deficit of Rs.798.04 Cr. which will be factored during the Truing-up of accounts for the FY 2025-26 of GRIDCO.

TRUING UP OF GRIDCO FOR FY 2023-24

294. GRIDCO has filed its application for Truing-up of its accounts for FY 2023-24 in Case No.103 of 2024, which was heard along with its ARR & BSP application for the FY 2025-26. The Commission analyzed the said trueing up application along with the audited

account of GRIDCO for FY 2023-24 and the observations of the Commission are given in the following paragraphs.

Power Purchase Cost:

295. In the ARR & BSP order of GRIDCO for FY 2023-24, the Commission had approved 38,185.57 MU of energy to be purchased by GRIDCO for the State consumption, at an estimated procurement cost of Rs.11,850.44 crore at the average power purchase cost of 310.34 P/U. The Commission had not considered drawal from some central thermal generating stations following the merit order dispatch principle. However, the fixed costs of those power stations were considered in its ARR of GRIDCO. As against the Commission's approval, GRIDCO has submitted that it has procured total energy of 40206.10 MU (against approved quantum of 38185.57 MU) during FY 2023-24 at the cost of Rs.13163.68 Cr. (at an average power purchase cost of 327.41 P/U) without factoring the rebate avail by it. GRIDCO has submitted the station wise approved quantum of power purchase (in MU), power purchase cost (Rs Cr.) & cost per unit by the Commission vis-à-vis actual quantum of power purchase (in MU), power purchase cost (Rs Cr.) & cost per unit incurred by GRIDCO during the FY2023-24 details of which are shown in the Table below:

Table-73

Approved and Actual Power Purchase Quantum and Cost for FY 2023-24

Sl No	Generators	OERC Approval			Actual as per Audited Accounts		
		Energy (MU)	Rate (Paise/Unit)	Total Cost (Rs.Cr)	Energy (MU)	Rate (Paise/Unit)	Total Cost (Rs.Cr)
1	Hirakud	660.52	139.63	92.23	833.60	137.01	114.21
2	Chiplima	485.10	79.41	38.52	294.70	129.45	38.15
3	Balimela	1171.17	78.84	92.34	1,012.07	86.57	87.62
4	Rengali	519.75	135.64	70.50	754.79	117.47	88.66
5	UpperKolab	823.68	76.51	63.02	565.33	89.70	50.71
6	State Hydro-Old OHPC (1 to 5)	3660.22	97.43	356.60	3460.48	109.62	379.35
7	Indravati	1942.38	86.07	167.18	1,687	94.73	159.80
8	Machhkund	259.88	116.98	30.40	386	69.90	27.01
9	Other Chrges OHPC (ERPC, ED, Water Cess,SLDC & ARR application fees)	-	-	-	-	-	13.81
10	Total State Hydro-OHPC (6+7+8+9)	5,862.48	94.53	554.18	5,533.97	104.80	579.97

Sl No	Generators	OERC Approval			Actual as per Audited Accounts		
		Energy (MU)	Rate (Paise/Unit)	Total Cost (Rs.Cr)	Energy (MU)	Rate (Paise/Unit)	Total Cost (Rs.Cr)
11	OPGC 1 & 2 nd Unit	2,731.66	274.04	748.57	2,208.05	327.24	722.57
12	OPGC 3 & 4 th Units	9,294.69	331.07	3,077.23	8,761.54	352.57	3,089.08
13	Total OPGC (11+12)	12,026.35	318.12	3,825.80	10,969.59	347.47	3,811.65
14	M/s. GKEL	1,906.90	371.40	708.23	1,806.11	340.72	615.37
15	M/s.Vedanta	3,011.87	285.38	859.54	2,773.82	193.13	535.71
16	M/s. JITPL	512.10	336.01	172.07	499.59	336.00	167.86
17	M/s. IBUL	-	-	-	25.02	314.00	7.86
18	M/s. NBVL	40.39	199.51	8.06	46.95	254.85	11.97
19	Total IPP (14 to 18)	5,471.25	319.47	1,747.90	5,151.49	259.88	1,338.76
20	Total State Thermal (13+19)	17,497.60	318.54	5,573.70	16,121.07	319.48	5,150.41
21	Small Hydro	483.35	423.05	204.48	407.98	718.21	293.01
22	Biomass	80.00	760.00	60.80	96.44	760.00	73.29
23	Wind	1,060.43	279.94	296.85	962.77	281.52	271.04
24	Solar	2,160.00	345.60	746.49	1,972.60	373.69	737.15
25	Total RE (21+22+23+24)	3,783.78	345.85	1,308.63	3,439.78	399.59	1,374.50
26	Total Infirm Power	-	-	-	446.23	-	-
27	Total State (10+20+25+26)	27,143.86	273.97	7,436.51	25,541.05	278.18	7,104.88
28	CHUKHA	267.68	248.43	66.50	141.31	541.50	76.52
29	Tala HPS	122.20	234.78	28.69	52.51	227.00	11.92
30	Teesta-V	474.05	202.55	96.02	418.81	86.68	36.30
31	Mangdechhu	313.30	433.42	135.79	260.71	419.00	109.24
32	RANGIT	5.75	347.83	2.00	5.21	418.14	2.18
33	Kurichu	3.59	228.41	0.82	0.27	297.60	0.08
34	Total Central Hydro (28 to33)	1,186.57	277.96	329.82	878.81	268.81	236.23
35	DSTPS-I	5,612.74	303.47	1,703.31	5,902.02	301.95	1,782.08
36	North Karanpura	979.83	437.98	429.15	1,094.57	377.13	412.80
37	TSTPS St-I	1,912.93	329.08	629.51	2,341.20	288.33	675.04
38	TSTPS St-II	1,349.63	285.14	384.84	1,490.21	300.84	448.31
39	FSTPS I & II	-	511.42	17.14	116.32	1135.55	132.09
40	FSTPS III	-	570.88	97.81	470.19	607.36	285.57
41	KhTPS St-I	-	515.23	10.36	61.96	435.20	26.97
42	KhTPS St-II	-	490.64	39.37	290.06	393.88	114.25
43	Barh-I	-	572.01	13.61	510.02	584.96	298.34
44	Barh-II	-	534.75	29.76	124.21	567.13	70.44
45	Muzaffarpur TPS	-	559.27	7.03	194.88	548.20	106.84
46	Nabinagar STPS	-	451.95	25.87	111.34	480.24	53.47

SI No	Generators	OERC Approval			Actual as per Audited Accounts		
		Energy (MU)	Rate (Paise/Unit)	Total Cost (Rs.Cr)	Energy (MU)	Rate (Paise/Unit)	Total Cost (Rs.Cr)
47	NVVNL Bundled Power	-	-	-	122.54	439.25	53.83
48	NTPC(Others)	-	-	-	49.80	464.59	23.14
49	NPCIL	-	-	-	5.28	343.18	1.81
50	NLC	-	-	-	5.25	420.93	2.21
51	RRAS (NTPC)	-	-	-	-	-	(0.17)
52	NTPC 2022-23 ED & RLDC March-23 Reversed	-	-	-	-	-	(3.86)
53	NTPC Provision	-	-	-	-	-	83.67
54	Total Central Thermal (35 to 53)	9,855.15	343.76	3,387.76	12,889.85	354.30	4,566.83
55	Banking of Power	-	-	-	305.10	310.59	94.76
56	Procurement through Trading	-	-	-	810.62	461.51	374.11
57	Deviation payable- EREB	-	-	-	89.19	1137.34	101.44
58	Central Total (34+54+55+56+57)	11,041.71	336.69	3,717.58	14,973.58	358.86	5,373.38
59	PGCIL Tr. Charge-TGNA Charges	-	-	693.64			761.36
60	ERLDC Charges	-	-	2.71			4.23
61	OA charges, SLDC	-	-	-			9.91
62	Reactive Charges	-	-	-			1.81
63	NALCO STU Charges	-	-	-			(0.22)
64	Less: Banking Return	-	-	-	(308.53)		(91.68)
65	TOTAL GRIDCO (27+58 + 59 to 64)	38,185.57	310.34	11,850.44	40,206.10	327.41	13,163.67

296. The Commission has examined the above power purchase cost as per audited accounts of GRIDCO and accordingly approves the entire power procurement cost of Rs.13,163.67 Cr. incurred by GRIDCO for the FY 2023-24 while truing up of its accounts.

Financial & Other Cost:

297. The audited accounts of GRIDCO shows Rs.749.06 Cr. towards expenses on account of Employees Cost, A&G Expenses, R &M Expenses & depreciation & financial cost (interest on loan & amortized cost) in its truing-up application for the FY 2023-24. The analysis and approval of the Commission in respect of above expenses are as under:

Employees Cost: The Commission had approved Rs. 20.14Cr. under employees cost in the ARR & BSP order of GRIDCO for the FY 2023-24. Against the actual employees' cost of Rs.15.67 Cr. as per audited accounts and accordingly, GRIDCO has proposed the same in its truing-up proposal. The Commission has scrutinised and approves the same amount (Rs.15.67 Cr.) for truing-up of accounts of the FY 2023-24, the details of which are shown in the Table below:

Table-74
Employees Cost Audited/Proposed and Approved by the Commission for Truing-up of FY 2023-24

(Rs.in Crore)

Sl. No.	Particulars	Approved in ARR	Actual As per Audited Accounts	Proposed for Truing-up	Approved in Truing-Up
A	Salary & Allowance				
1	Basic Pay & Grade Pay	8.99	6.66	6.66	6.66
2	Dearness Allowance	4.05	3.07	3.07	3.07
3	House Rent Allowance	1.27	1.05	1.05	1.05
4	Other Allowance	0.13	0.11	0.11	0.11
	Sub-total (A)	14.44	10.89	10.89	10.89
B	Additional Employee Cost				
1	Contractual Engagement	0.34	0.78	0.78	0.78
2	Out Sources Engagement	1.06	0.98	0.98	0.98
	Sub-total (B)	1.40	1.76	1.76	1.76
C	Other Employee Cost				
1	Medical Expenses (allowance + Reimb.)	0.49	0.33	0.33	0.33
2	Leave Travel Concession	0.60	0.02	0.02	0.02
3	Honorarium	0.06	0.27	0.27	0.27
4	Ex-gratia	0.18	0.17	0.17	0.17
5	Staff Welfare Expenses	0.17	0.01	0.01	0.01
6	Miscellaneous	0.31	0.20	0.20	0.20
	Sub-total (C)	1.82	1.00	1.00	1.00
D	Terminal Benefits				
1	Pension	0.76	0.58	0.58	0.58
2	Leave Salary	0.67	0.61	0.61	0.61
3	Other (including contribution to NPS)	1.06	0.83	0.83	0.83
	Sub-total (D)	2.48	2.02	2.02	2.02
E	Total Employees Cost(A+B+C+D)	20.14	15.67	15.67	15.67

A & G Cost: The Commission had approved Rs.5.79 Cr. under A&G cost in the ARR & BSP order of GRIDCO for the FY 2023-24 against GRIDCO's truing up proposal of Rs.119.95 Cr. basing on the audited accounts. The Commission has scrutinised the above

proposal of GRIDCO and observes that Rs.110.22 Cr. has been considered on account of diminution of Value of Equity Investment in erstwhile DISCOMs (WESCO, NESCO SOUTHCO & CESU). Therefore, the Commission has not considered for approval of the same in the A&G Cost and approves Rs.6.37 Cr. in line with approval given in the ARR & BSP order, the details of which are shown in the Table below:

Table-75
A&G Cost Audited/ Proposed and Approved for Truing-up of FY 2023-24
(Rs.in Crore)

Particulars	Approved in ARR	Actual as per Audited Accounts	Proposed for Truing-up	Approved for Truing-up
Base A&G Expenses Considered (Rs.Cr)	3.53	-	-	-
Annual Increment Rate (%)	5.00%	-	-	-
Annual Increment Amount (Rs.Cr)	0.18	-	-	-
Normal A&G (Rs. Cr.)	3.71	7.07	7.07	3.71
Add: licensee fees for Fy 2023-24	1.90	2.50	2.50	2.50
Add: ERPC Membership fees/Fund	0.18	0.16	0.16	0.16
Add: Diminutions of Value of Equity Investment	-	110.22	110.22	-
Total A&G Expenses	5.79	119.95	119.95	6.37

R & M Cost: The Commission had approved Rs. 0.81 Cr. under R& M cost in the ARR & BSP order of GRIDCO for the FY 2023-24 against the actual R&M cost of Rs. 0.37 Cr. as per audited accounts and accordingly, GRIDCO has proposed the same in its truing-up proposal. The Commission has scrutinised and approves the same amount (Rs.0.37 Cr.) for truing-up of accounts of FY 2023-24

Depreciation: The Commission had approved Rs.1.31Cr. under the head depreciation in the ARR & BSP order of GRIDCO for the FY 2023-24 against the actual depreciation of Rs.0.52 Cr. as per audited accounts and accordingly, GRIDCO has proposed the same in its truing-up proposal. The Commission has scrutinised and approves the same amount (Rs.0.52 Cr.) for truing-up of accounts of FY 2023-24.

Financial Cost (Interest on loan & Amortised Cost): The Commission had approved Rs. 15.73 Cr. under the head interest chargeable to revenue in the ARR & BSP order of GRIDCO for the FY 2023-24 against GRIDCO's truing-up proposal of Rs.612.55 Cr. basing on the audited accounts. The Commission has scrutinised the above proposal of GRIDCO and reiterates that the Commission is not inclined to allow the interest on the loan from State Government or any other source in line with the tariff orders of earlier

periods since the FY 2015-16. The Commission also observed that passing on Tariff burden to the present consumers of the State on account of the interest on the loan availed by GRIDCO due to default in collection of BSP and securitized dues of erstwhile DISCOMs is unjustified. In view of above observations, the Commission allows only Rs.5.21 Cr. in this truing up petition towards interest on loan for the FY 2023-24 on the loan availed till FY 2015-16 as against Rs.612.55 Cr. proposed by GRIDCO on the loan availed till the FY 2023-24.

298. The summary of Financial & other cost of Rs.28.14 Cr. approved by the Commission for Truing-up of accounts of GRIDCO for the FY 2023-24 is shown in the Table below:

Table -76
Finance and Other Cost Audited/ Proposed and Approved for Truing-up of FY 2023-24
(Rs. Crore)

Sl. No.	Particulars	Approved in ARR	Actual as per Audited Accounts	Proposed for Truing-up	Approved for Truing-up
1	Net Employee Cost	20.14	15.67	15.67	15.67
2	R & M Cost	0.81	0.37	0.37	0.37
3	A & G Expenses	5.79	119.95	119.95	6.37
4	Depreciation	1.31	0.52	0.52	0.52
4	Finance cost (interest on loan & amortized cost)	15.73	612.55	612.55	5.21
	Total	43.78	749.06	749.06	28.14

Revenue from Sale of Power:

299. GRIDCO has submitted that after meeting the DISCOMs' energy requirement of 33,706.55 MU, 1741.36 MU was sold under special tariff (by TPWODL through TPA) & earned revenue of Rs.800.57 Cr., 414.85 MU was sold under DSM & earned revenue of Rs.278.35 Cr., 370.91 MU was sold under emergency sale to IMFA, NALCO & CGPs & earned revenue of Rs.298.77 Cr. and 2671.55 MU was traded in the energy market & earned revenue of Rs.1346.72 Cr during FY 2023-24 as against Commission's approved sale quantum of 36,970 MU to DISCOMs & 70 MU under emergency sales to IMFA & NALCO in the ARR & BSP order for the FY 2023-24. GRIDCO has submitted the approved by the Commission vis-à-vis actual quantum of power sales (in MU), revenue earned from sale of power during the FY 2023-24, the details of which are shown in the Table below:

Table-77

Approved and Actual Quantum of Sale of Power & Revenue earned during the FY 2023-24

Shareholders	OERC Approval			Actuals/ Audited		
	Energy (MU)	Rate (P/U)	Total Cost (Rs. Cr.)	Energy (MU)	Rate (P/U)	Total Cost (Rs. Cr.)
TPWODL	13,286.00	390.00	5,181.54	11,005.59	390.04	4,292.63
TPNODL	7,508.00	335.00	2,515.18	7,047.15	334.83	2,359.61
TPSODL	4,920.00	210.00	1,033.20	4,347.32	209.07	908.89
TPCODL	11,256.00	305.00	3,433.08	11,306.49	304.90	3,447.32
sub-total	36,970.00	329.00	12,163.00	33,706.55	326.60	11,008.45
TPWODL Surcharges	-	30.00	386.58	-	30.00	330.17
TPWODL Through TPA	-	65.00	26.00	1,741.36	459.74	800.57
Less: Rebate allowed	-	-	-	-	-	123.57
DISCOMs Total	36,970.00	340.16	12,575.58	35,447.91	338.97	12,015.61
IMFA				28.82	746.00	21.50
NALCO	70.00	746.00	52.22	154.91	746.00	115.56
CGPs				187.19	863.88	161.71
CGP sub-total	70.00	746.00	52.22	370.91	805.49	298.77
Total State Consumption	37,040.00	340.92	12,627.80	35,818.82	343.80	12,314.38
DSM	-	-	-	414.85	670.96	278.35
Trading	-	-	-	2,671.55	504.10	1,346.72
Miscellaneous Revenue	-	-	-	-	-	2.08
Total	37,040.00	340.92	12,627.80	38,905.22	358.35	13,941.53

(Rs. in Crore)

Other Income:

300. Apart from the aforesaid revenue from sale of power, GRIDCO has submitted that, it has earned other income of Rs.29.13 Cr. (i.e., on account of fair value changes for amortisation of deferred GoO grant- Rs.25.74 Cr., Interest from Bank deposits- Rs.2.98 Cr. & other miscellaneous income-Rs.0.41 Cr) as per audited accounts of GRIDCO for FY 2023-24. While submitting the truing-up application for the FY 2023-24. In the truing-up application, GRIDCO has proposed to consider the same along with the revenue earned through emergency sales to IMFA, NALCO & CGPS (Rs.298.77 Cr.) against Commission's approval of Rs.52.22 Cr. & Miscellaneous revenue (Rs.2.08 Cr.) under the head Miscellaneous receipts i.e., Rs.329.98 Cr. (Rs.29.13 Cr.+Rs.298.77 Cr.+Rs.2.08 Cr.)
301. The Commission has scrutinized the above revenue from sales of power and other income as per audited accounts and accordingly has considered the entire amount of revenue from sale of power i.e., Rs.13,941.53 Cr. [including (a) DSM-Rs.778.35 Cr. (b) Trading-Rs.1346.72 Cr. (c) Surcharge from TPWODL-Rs.330.17 Cr. (against the Commission's

approval of Rs.386.58 Cr.) (d) Sales by TPWODL through TPA-Rs.800.57 Cr.(against the Commission’s approval of Rs.26.00 Cr.)] and other income (i.e., Rs.29.13Cr.) earned by GRIDCO during the FY 2023-24 while truing up of its accounts. Accordingly, the Commission approves Rs.13,640.68Cr. (Rs.13941.53Cr – Rs.298.77Cr – Rs.2.08Cr) under the head total revenue from operation & Rs.329.98 Cr. under the head Miscellaneous receipts for truing-up of accounts of GRIDCO for the FY 2023-24. The Commission also observes that, the additional revenue earned by GRIDCO has helped GRIDCO to meet the fixed cost burden of central generating stations & reduce its regulatory gap.

Carrying Cost of Regulatory Assets:

302. GRIDCO in its petition has prayed before the Commission to allow the carrying cost on the Regulatory Gap left by the Commission. Further, it has submitted that, the Commission has allowed Rs.94.10 Cr. as pass through in this ARR & BSP order of GRIDCO for the FY 2023-24 towards carrying cost against the net regulatory gap of Rs.1111.04 Cr. as on 31.03. 2022. The Commission observed that after truing up of the accounts of GRIDCO for FY 2023-24, there is a net cumulative negative Regulatory gap of Rs.746.54 Cr. up to 31.03.2024. Basing on the submission of GRIDCO and after considering the weighted average rate of interest (i.e. 8.16%) on the basic actual loan portfolio of the FY 2023-24 submitted by GRIDCO in its petition, the Commission allows **Rs.95.34 Cr.** as pass through while truing-up of accounts for the FY 2023-34.
303. Accordingly, the Commission approves the Truing-up of Accounts of GRIDCO for the FY 2023-24 and the summary of the same is given in the Table below:

**Table-78
Summary of Truing up Approved for the FY 2023-24**

(Rs. in Crore)

Sl.No	Particulars	Approved in ARR by OERC	Actual as per Audited Accounts of GRIDCO	Truing-up Proposed by GRIDCO	Truing-up Approved by OERC	Surplus /(Deficit)
1	2	3	4	5	6	7=6-3
1	Power Purchase Cost	11,850.44	13,163.68	12,255.89	13,163.68	1,313.24
2	Rebate received	-	160.22	-	160.22	160.22
3	Power Purchase Cost after Rebate (1-2)	11,850.44	13,003.46	12,255.89	13,003.46	1,153.02
4	Employee Costs	20.14	15.67	15.67	15.67	(4.47)
5	Repair & Maintenance	0.81	0.37	0.37	0.37	(0.44)
6	Administrative & General Expenses	5.79	119.95	119.95	6.37	0.58

Sl.No	Particulars	Approved in ARR by OERC	Actual as per Audited Accounts of GRIDCO	Truing-up Proposed by GRIDCO	Truing-up Approved by OERC	Surplus /(Deficit)
1	2	3	4	5	6	7=6-3
7	Depreciation	1.31	0.52	0.52	0.52	(0.79)
8	Interest Chargeable to Revenue	15.73	612.55	585.89	5.21	(10.52)
9	Carrying Cost on Regulatory Gap	94.10	-	-	95.34	1.24
10	Sub-total (4+5+6+7+8+9)	137.88	749.06	722.40	123.48	(14.40)
11	Pass Through of Power Purchase Dues	896.00	-	-	-	(896.00)
12	Total Revenue Requirement (3+10+11)	12,884.32	13,752.52	12,978.29	13,126.94	242.62
13	Less: Miscellaneous Receipt	52.22	329.98	329.98	329.98	277.76
14	Net Revenue Requirement (12-13)	12,832.10	13,422.54	12,648.31	12,796.96	(35.14)
15	Revenue from Sale of Power to DISCOMs	12,163.00	11,008.44	11,008.44	11,008.44	(1,154.56)
16	Surcharge from TPWODL@30P/U	386.58	330.17	330.17	330.17	(56.41)
17	Additional Revenue from TPWODL towards sale of power through TPA	26.00	800.57	800.57	800.57	774.57
18	Less: Rebate allowed to DISCOMs	-	123.57	-	123.57	123.57
19	Total Revenue from DISCOMs (15+16+17-18)	12,575.58	12,015.61	12,139.18	12,015.61	(559.97)
20	Revenue from Trading & DSM	-	1,625.07	-	1,625.07	1,625.07
21	Provision Written Back	-	42.29	-	-	-
22	Total Revenue from Operation (19+20+21)	12,575.58	13,682.97	12,139.18	13,640.68	1,065.10
23	Surplus/(deficit) GAP (22-14)	(256.52)	260.43	(509.13)	843.72	1,100.24
24	Cumulative Truing-up gap up to the end of FY 2022-23				(1,590.26)	
25	Cumulative Truing-up gap up to the end of FY 2023-24 (23+24)				(746.54)	

304. Hence, from the above table the cumulative Truing-up gap of GRIDCO is Rs.746.54 Cr. up to the end of FY 2023-24. The Commission reiterates its earlier stand and in line with the previous BSP order, the Commission is not inclined to consider the amortization of regulatory assets of Rs.746.54 Cr. as a pass through in the ARR. As stated in the previous BSP orders the amortized amount shall be funded from trading revenue, earnings from UI charges, other miscellaneous receipt and budgetary support from the Govt. of Odisha.

However, on the above regulatory gap, the Commission has allowed the Carrying cost of Rs.49.20 Cr. at weighted average rate of interest (@6.59%) in the ARR & BSP Order for the FY 2025-26 of GRIDCO.

Design for Bulk Supply Pricing

305. The Commission has been following a particular methodology considering the uniqueness of Odisha power sector for a long time. As per past legacy, the State Designated Agency, GRIDCO holds all the Power Purchase Agreements (PPAs) with the Generators on behalf of State Government. The power purchased from Generators is pooled at GRIDCO end and bulk power is supplied to DISCOMs as per their Bulk Supply Agreements (BSAs) made with GRIDCO. It is not possible to allocate power from any generating station directly to a DISCOM as the Power Purchase Agreement has been signed by the generator with GRIDCO and not with any DISCOM / Distribution Licensee. The allocation of power from a generator to a particular DISCOM shall be possible only when the PPAs would be executed between DISCOM(s) and the Generator(s), which is not the prevailing practice in the State. Therefore, the Commission considers the pooled power purchase cost of GRIDCO while designing the BSP of DISCOMs.
306. OERC has been following a uniform Retail Supply Tariff (RST) policy, which is in the overall interest of the consumers of the State. The RST for each distribution licensee is based solely on its ARR and its expected revenue ought not to be considered in isolation. The Commission has taken into consideration the Annual Revenue Requirement and the expected source of revenue of the distribution licensee in its area of operation safeguarding consumers' interest of the State and recovering the cost of electricity as per Section 61(d) of the Electricity Act, 2003. Moreover, uniformity of RST for the whole State is in line with the National Tariff Policy [Para 8.4(2)]. Only when distribution licensee(s) shows appreciable increase in operational efficiency by reducing AT & C losses, a non-uniform RST would arise to reward better performing distribution licensee(s), which is not the case at present. The benefit of differential Bulk Supply Price has been an accepted practice although the Intra-State transmission network along with ISTS forms backbone of power system of the State and serves the distribution network as a single system. Accordingly, the consumers of Odisha have been paying for the cost of this transmission system uniformly. Further, the industries are set up in the State depending upon the availability of raw materials, facility for transportation, ease of doing business and Government policies etc. However, one distribution licensee would earn substantially higher revenue compared to

other distribution licensee by virtue of concentration of industries in its area of operation. DISCOMs having higher percentage of LT consumers earns less revenue. Hence, it is just & fair/proper that Bulk Supply Price (BSP) should be higher for the DISCOM(s) with higher concentration of HT/EHT industries/load compare to other DISCOM(s). Therefore, with differential Bulk Supply Price across the distribution licensees, there could be uniform RST in the State and at present there is no need to change the prevailing practice.

307. Tariff is essentially intended to balance the conflicting interest of various stakeholders like the distribution licensees and various groups of consumers as well as the generators. Judicious, fair & transparent process is being exercised while determining the Bulk Supply Price for distribution licensees, so that the revenue earned by the licensees are sufficient to meet all their expenses like the cost of power purchase (constitute a substantial part of their revenue requirement), transmission & SLDC charges, the cost of employees, the interest burden and Return on Equity, etc.
308. The Commission has taken into consideration the amount of revenue that a distribution licensee is likely to earn from sale of power to HT & EHT groups of consumers. Besides, the quantum of sale of power to LT consumers is also an important criterion as the loss level is high at LT level and the expected revenue realisation is low. Thus, the Bulk Supply Price (BSP) is fixed in a manner that makes all the distribution licensees operationally stable and financially viable.

Determination of Bulk Supply Price (BSP)

309. GRIDCO has proposed average BSP @ 381.84 P/U to be levied on the DISCOMs towards their purchase of power during FY 2025-26. The Commission has determined the BSP in such a way that the estimated revenue of DISCOMs shall be sufficient to pay the Power Purchase Cost, the transmission charge including SLDC charges and meet their expenses towards establishment, maintenance & other allied expenses along with all statutory obligations.
310. The details of Bulk Supply Price as well as the energy requirement of each DISCOM as approved by the Commission are summarized in a table below:

Table – 79
BSP and Quantum of Energy Approved by the Commission for FY 2025-26

Name of the DISCOMs	Existing Bulk Supply Price approved for FY 2024-25 (P/U)	Quantum of Energy approved for sale during FY 2025-26 (MU)	Total Expected Revenue for FY 2025-26 (Rs. Crore)	Bulk Supply Price approved for FY 2025-26 (P/U)
TPCODL	315.00	13823.00	4354.25	315.00
TPNODL	350.00	8719.00	3138.84	360.00
TPWODL	380.00	12378.00	4765.53	385.00
TPSODL	200.00	5062.00	961.78	190.00
Total	328.20	39982.00	13220.40	330.66

311. The above approved revenue is to be realized by GRIDCO from the DISCOMs. In case of any default in making payment of monthly BSP dues by the DISCOMs, they are liable for imposition of power regulation by GRIDCO to the extent of non-payment of monthly BSP dues.

Charges for Overdrawl of Energy

312. In its application, GRIDCO has submitted that presently the energy over drawn by DISCOMs is billed at the corresponding OERC's approved applicable BSP rates in line with the judgment of Hon'ble APTEL dated 07.05.2018 passed in Appeal No. 55/2015. This practice may need to continue till the Deviation Settlement Mechanism (DSM) Regulations is pronounced by OERC and implemented in the State of Odisha. GRIDCO has further submitted that there is restriction of over drawl of power by ERPC/ERLDC and stringent strictures are being issued by ERPC/ERLDC from time to time if any utility continues with over drawl of energy. However, GRIDCO is forced to overdraw power from the grid when there is unplanned/forced outage of generating units within the State or Central Generating Station. Under such scenario when there is under drawl by a particular DISCOM (having higher BSP) vis-à-vis its monthly approved SMD and over drawl by other DISCOMs (having lower BSP), GRIDCO is unable to recover the cost of power as approved in its ARR through BSP, which results in under recovery of its costs. In view of the above facts and accountability for maintaining grid discipline, GRIDCO has prayed the Commission to issue necessary guidelines in this matter for the DISCOMs to adhere to the approved drawal quantum of energy and SMD limit fixed and approved by the Commission so as to prevent any kind of additional cost burden on the petitioner GRIDCO.

313. The Commission observed that the issue of overdrawl / underdrawl of energy would have been adjusted through Un-scheduled Interchange (UI) mechanism framed under Intra-State ABT Regulations, the 1st phase of which was introduced for transaction between GRIDCO

and DISCOMs. However, the Commission further observed that being aggrieved by the order dated 05.04.2014 of the Commission in Case No. 40/2013 on the matter relating to settlement of dues between GRIDCO and DISCOMs in respect of payment towards over drawl energy by DISCOMs, GRIDCO had made an appeal before the Hon'ble APTEL. The Hon'ble APTEL in their judgment dated 07.05.2018 in Appeal No. 55/2015 and IA No. 75/2015 have pronounced that in absence of any DSM Regulations for the State, the deviation energy may be settled amicably between GRIDCO, DISCOMs & SLDC and paid at BSP rate for the period from 17.02.2014 onwards till Intra-State DSM Regulations comes into effect. The SLDC will stop billing to DISCOMs on account of deviation of energy henceforth till DSM Regulations is pronounced by OERC and also SLDC is to withdraw the DSM bills so raised since 17.02.2014. Accordingly, till implementation of Intra-State DSM Regulations in our State, the quantum of overdrawl of energy by DISCOMs shall be billed by GRIDCO at the applicable BSP determined by the Commission.

Demand Charges

314. In its application, GRIDCO has requested to consider the levy on demand charges @ Rs.250/kVA/Month from the DISCOMs on the excess SMD based on the following conditions:
- When the actual SMD of a DISCOM in a month exceeds the permitted monthly SMD (105% of the approved SMD), the respective distribution company will be billed by GRIDCO @ Rs.250/kVA/Month for the excess SMD.
 - Such charges shall not be adjusted at the end of the year even if the actual monthly SMD remains within the permitted monthly SMD in any other month(s) of the same financial year.
315. After examining the proposal of GRIDCO, the Commission decided that there shall not be any levy of separate maximum demand charges upto the permitted SMD in a month for the distribution licensee(s) for the FY 2025-26. Permitted SMD would mean monthly SMD recorded upto maximum of 5% over the approved SMD in the current tariff order to take care of monthly variations. Any excess drawl over the permitted SMD will have to be paid by the Distribution Licensee(s) @ Rs.250 per kVA per month, subject to the condition that the annual average SMD shall be limited to the SMD approved in the order. This is essential for proper planning of load and ensuring system stability. In case the annual average SMD is more than the approved SMD, then over drawl quantum shall attract the

penalty @Rs.250 per kVA per month, notwithstanding the fact that a licensee might have paid the SMD charges for exceeding the permitted SMD in any month.

Rebate

316. GRIDCO has proposed for approval of following rebate policy towards payment of BSP dues by DISCOMs for FY 2025-26:
- For crediting the BSP bill of the DISCOM(s) to GRIDCO's designated current bank account through Letter of Credit (LC) on presentation or through NEFT/RTGS within a period of five (5) working days, a rebate of 1.5 % shall be allowed.
 - Where the amount is credited on any day after five (5) working days and within a period of twenty-five (25) days of presentation of bill, a rebate of 1% shall be allowed.
 - For eligibility of rebate, total current BSP dues needs to be settled by the DISCOM(s) within 25th day of presentation of BSP bill.
317. After analysing the above proposal of GRIDCO for revision of rebate policy and the views of other stakeholders, the Commission decided the following rebate provisions on prompt payment of BSP dues by DISCOMs to GRIDCO. For payment of BSP bills by the DISCOM(s) to GRIDCO through Letter of Credit (LC) / RTGS / NEFT or by cash within a period of five (5) working days (excluding holidays under the N.I. Act., 1881), a rebate of 1.5% shall be allowed on current dues. If the payments are made after five working days, but within a period of thirty (30) days of presentation of bills, a rebate of 1% shall be allowed.

Delayed Payment Surcharge (DPS)

318. GRIDCO has proposed to levy DPS @1.50% per month, if payment BSP bills are made by the DISCOMs after 30 days from the date of submission of bills. However, the Commission decides to continue with the existing provision for levy of DPS on late payment of BSP dues by the DISCOMs. Accordingly, in case payment of BSP bills by the distribution licensees is delayed beyond a period of thirty (30) days from the date of presentation of bill, a late payment surcharge at the rate of 1.25% per month shall be levied by GRIDCO Ltd. on the unpaid amount.

Duty and Taxes

319. The Commission approves that the statutory duty/tax/cess/toll etc. imposed under any law from time to time shall be charged over and above the Bulk Supply Price fixed by the Commission.

320. The Bulk Supply Price in respect of GRIDCO as indicated below will become effective from **1st April, 2025** and shall continue until further orders.

Table -80

Name of the DISCOMs	Paise/ kWh
TPCODL	315.00
TPNODL	360.00
TPWODL	385.00
TPSODL	190.00

Action to be taken by GRIDCO

321. GRIDCO, being the Single Buyer entity, has a major role in optimizing Power Purchase Cost which constitutes about 70% of the Average Cost of Supply. Hence, GRIDCO is directed to provide details of the following issues to the Commission within a period of three months:

- (a) GRIDCO is directed to provide the following information for last five (5) years.
- Approved Vs. Actual availability of energy (in MU) from various sources i.e. thermal, hydro, wind, solar etc. separately including IPPs.
 - Approved Vs. Actual quantum of power purchase (in MU)
 - Approved Vs. Actual power purchase cost.
 - Approved Vs. Actual quantum of surplus power (in MU)
 - Surplus energy sold in energy market/to other consumers other than DISCOMs.
 - Approved Vs. Actual energy Requirement (in MU) for each DISCOM and for the State.
 - Approved Vs. Actual peak demand (in MW) for each DISCOM and for the State.
- (b) GRIDCO is to furnish the revenue earned during the FY 2024-25 from the incentive schemes approved for the industries with and without CGP including Steel & Aluminum industries by selling of surplus power through TPA. For the FY 2025-26, additional incentive schemes have been approved for the industries including rebate for drawal of power during solar hours for all category of consumers to increase the overall sales and revenue of GRIDCO as well as distribution licensees and hence, GRIDCO shall coordinate with the DISCOMs for achieving the objective.
- (c) GRIDCO is directed to provide details of (i) additional expenditure due to Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the FY 2024-25 (ii) expenditure made towards Ash Transportation and handling of Ash of various thermal generators as per the notification of MOFECC, Government of India.

- (d) GRIDCO, being the nodal agency for development of RE sources in the State, is directed to intimate about status of development of (i) solar power including floating solar power plant (ii) wind power (iii) Battery Energy Storage System (BESS) within the State and (iv) difficulty / constraint in implementation of banking of RE power and providing additional RE power to the developers of Green Hydrogen and Green Ammonia Plants within the State.
- (e) GRIDCO may discuss with CGPs to explore possibilities for optimum utilization of surplus power available with them, particularly during peak hours.
- (f) In the interest of the consumers of the State, GRIDCO should coordinate with M/s. Vedanta for availing more quantum of linkage coal from MCL in order to maximize the State share of low cost power from M/s. Vedanta. The objective of OERC's order dated 22.06.2020 in Case No.68 of 2018 is to provide share of power of State to GRIDCO in letter and spirit, but not to pay compensation in respect of non / short supply to GRIDCO for compliance of order. The compensation is to be paid in case the situation / circumstance is beyond the control of M/s. Vedanta Ltd.
- (g) GRIDCO has to take steps to address the peak deficit scenario of the State. Moreover, GRIDCO has tied up with RE generators, primarily solar generator for meeting RPO. It is expected that there would be surplus RE power during solar hours for which number of tariff rationalization measures have been taken to increase solar power consumption during solar hours by giving incentive to all consumers in general and industrial consumers in particular. Considering such surplus RE power during day time and deficit in peak demand of the State, there is need for Energy Storage System (ESS), which can store surplus RE power during solar hours and can provide support during peak hours. GRIDCO being the nodal agency of State for development of RE power in the State, need to fast track the development of PSP projects of OHPC associated with existing HEPs, which are in the pipeline and such PSP projects will benefit the State in the long-run in addressing issue of large-scale integration of RE power and meeting peak demand of the State. Further, GRIDCO should explore the possibility of installation of Battery Energy Storage System (BESS) suitable for meeting peak demand for about 2 to 4 hours, so that pumping of water to the upper reservoir or charging of battery can be done during solar hours utilizing the surplus solar power available during day time and utilize the PSP/BESS to meet peak demand.
- (h) GRIDCO is not able to achieve its RPO target during past years. It is observed from the submissions of GRIDCO that some RE generator tied up with SECI, from which

power was allotted to GRIDCO, have backed up from execution of their projects. Therefore, the Commission directs GRIDCO to make its plan carefully & judiciously so as to meet its RPO target.

- (i) There are number of proposed SHEPs within the State for which DPR has been prepared and some of them are allotted to private developers, but have not been implemented till date. GRIDCO is advised to appraise the Government of Odisha for allotment of such SHEPs to OHPC for implementation.
322. The ARR & BSP Application for the FY 2025-26 in Case No.94 of 2024 and Truing-up Application for the FY 2023-24 in Case No.103 of 2024 of GRIDCO are disposed of accordingly.

Sd/

(S.K. Ray Mohapatra)
Member

Sd/

(G. Mohapatra)
Officiating Chairperson

