



ARR & BSP Application of GRIDCO for FY 2024-25
(Case No. 115 of 2023)

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TRUING UP Application of GRIDCO for FY 2022-23
(Case No. 128 of 2023)

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GRIDCO at a Glance

- Section 13 (1) of the Orissa Electricity Reform Act, 1995 forms the basis of existence of GRIDCO.
- Under 5th proviso to Section 14 of the Electricity Act,2003, GRIDCO is a **Deemed Trading Licensee**.
- Vide notification dated 17.08.2006, Govt. of Odisha has notified GRIDCO as the “**State Designated Entity**” for execution of PPA with different generating sources for procurement of power.
- Govt. of Odisha vide Notification dtd.15.12.2022 has notified GRIDCO as the Renewable Energy Nodal Agency (RENA) for development of Renewable Energy projects in the State.
- As per **Section 86 (1) (a) of Electricity Act, 2003**, Hon’ble Commission determines the ARR of GRIDCO
- Several other States viz. Bihar, UP, MP, Haryana and Gujarat follow Single Buyer Model for bulk procurement of electricity through State-owned entity like our State, Odisha.
- As per **Government of Odisha’s Transfer Notification No 6892 dated 9.6.2005**, GRIDCO is a bulk supplier in the State of Orissa which has been upheld by Hon’ble APTEL Order dated 21.12.2012 in Appeal No.188 of 2010:
- Relevant extract of Hon’ble APTEL Judgment in Appeal No.106 of 2010 has admitted that:
*“Admittedly, the Appellant is a trading licensee under the Electricity Act, 2003. It is also **responsible for bulk supply of power** to the distribution licensees and the Power Purchase Agreements of the erstwhile Orissa State Electricity Board have been vested with the Appellant. GRIDCO is also responsible for short-term arrangements for procurement of power to meet the requirements of the distribution licensee.”*

Key Functions of GRIDCO

Chapter-V of the Orissa Electricity Reform Act, 1995 stipulates the functions of GRIDCO as follows:

- Procurement and Bulk Supply of Electricity
- Determine the electricity requirements of the State in coordination with Generating companies, State Govt., Contiguous States, the Regulatory Commission and the Central Electricity Authority (CEA)

Therefore, broadly GRIDCO has the following responsibilities:

**Ensure Energy
Security of the State**

**Preparation of
Long-term power
procurement plan
for the State**

**Capacity Planning &
Power Procurement
with Cost
Optimization**

**Planning and taking
steps for meeting
the RPO targets for
the State**

Energy and SMD Projection for FY 2024-25

| DISCOMs | FY 2022-23 (Actual) | | FY 2023-24 (Approval) | | FY 2023-24 (Estimated) | | DISCOM Projection FY 2024-25 | |
|--------------|------------------------|--------------|-----------------------|-------------------|------------------------|-------------------|------------------------------------|--------------------|
| | (MU) | (MVA) | (MU) | (MVA)# | (MU) | (MVA)# | (MU) | (MVA) |
| TPCODL | 9,899 | 1,895 | 11,256 (14%) | 2,190 (16%) | 10,860 (10%) | 2244 (18%) | 11,469 (6%) | 2,583(15%) |
| TPNODL | 6,476 | 1,155 | 7,508 (16%) | 1,280 (11%) | 7,701 (19%) | 1267(10%) | 8,172 (6%) | 1,394 (10%) |
| TPSODL | 4,204 | 722 | 4,920 (17%) | 760 (5%) | 4,591 (9%) | 703 (-3%) | 4,917 (7%) | 863 (23%) |
| TPWODL | 11,176 | 1,796 | 13,286 (19%) | 1,860 (4%) | 11,346 (2%) | 1676 (-7%) | 11,705 (3%) | 1,900 (13%) |
| Total | 31,755 | 5,568 | 36,970 (16%) | 6,090 (9%) | 34,498 (9%) | 5,890 (6%) | 36,263 (5%) | 6,740 (14%) |

Highlights

- ❖ Against projected SMD, GRIDCO has tied up capacity of ~4,797 MW Thermal, ~2,481 MW Hydro & ~1,357 MW other RE.
- ❖ To meet the peak demand in the past during the entire year, all thermal stations had to be scheduled. Availability of RE and Hydro sources may not coincide with the peak period. Hence, power from all thermal power stations are essential for GRIDCO to meet state peak demand at all times of the year.

Demand Projection for FY 2024-25

(In MUs)

| Particulars | 2021-22 | 2022-23 | 2023-24 | 2023-24 | 2024-25 |
|---------------------------------------|---------------|---------------|---------------|----------------------|---------------|
| | (Actual) | (Actual) | (Approved) | (Revised Projection) | (Projected) |
| TPCODL | 8,814 | 9,899 | 11,256 | 10,860 | 11,469 |
| TPNODL | 5,327 | 6,476 | 7,508 | 7,701 | 8,172 |
| TPSODL | 3,942 | 4,204 | 4,920 | 4,591 | 4,917 |
| TPWODL | 8,967 | 11,176 | 13,286 | 11,346 | 11,705 |
| Total DISCOMs | 27,050 | 31,755 | 36,970 | 34,498 | 36,263 |
| IMFA | 34 | 51 | 70 | 128 | 22 |
| NALCO | 39 | 55 | | | 48 |
| Total including Emergency Sale | 27,123 | 31,861 | 37,040 | 34,626 | 36,333 |
| Intra-State Trsn. Loss @3% | | | 1,146 | 1,071 | 1,124 |
| Required Procurement | | | 38,186 | 35,697 | 37,457 |

Assumptions:

- ❑ Projected demand of DISCOMs was estimated to rise by 16.42% in FY 2023-24 (approved) over FY 2022-23 (actual), but expected to rise only by 8.64% (TPCODL - 9.7%, TPNODL - 18.9%, TPSODL - 9.2%, TPWODL - 1.52%) in FY 2023-24 (Revised Projection)
- ❑ Growth in sales of TPCODL, TPNODL, TPSODL, TPWODL has been projected to rise by 5.61%, 6.12%, 7.10%, 3.16% respectively for the FY 2024-25 over FY 2023-24 (Revised Projection) with 5.12% (Total DISCOMs)
- ❑ Intra-State Transmission Loss is considered @ 3% for FY 2024-25 as approved by Hon'ble OERC for FY 2023-24

Note: Clause 3.10 of the Odisha Grid Code, 2015 stipulates that the primary responsibility of load forecasting within its area rests with the DISCOMs. GRIDCO estimates the energy demand by aggregating the projections submitted by the DISCOMs.

Key Considerations for Projection of Power Purchase Cost

General Approach:

- Hydro & Renewables are considered as “Must Run” plants
- GRIDCO follows the MoD principles for Power Procurement for State consumption

Assumptions / Methodology followed for Projection:

- **State Hydro:** Last 3 Years average drawal as per RST Regulations, 2022
- **State Thermal (OPGC):** Actual PLF of FY 2022-23 considered for Stage-I, Generation Plan of OPGC for Stage-II
- **Central Hydro:** Last 6 years’ average and for new hydro stations, supply trend since their COD.
- **Central Thermal:** Last 6 months’ average drawl
- **M/s. Vedanta Ltd.:** Generation Plan shared with GRIDCO
- **M/s. GKEL:** Generation Plan shared with GRIDCO
- **M/s. NBVL:** Generation Plan shared with GRIDCO
- **M/s. JITPL:** Last 6 months’ average drawl

Projected Power Purchase Cost for FY 2024-25

| Station Name | Energy Availability | Total VC | Total FC | Year End charges | Total Cost | Rate |
|---|---------------------|-----------------|-------------|------------------|----------------|---------------|
| | (MU) | (Rs Cr.) | (Rs Cr.) | (Rs Cr.) | (Rs Cr.) | (P/U) |
| Must Run Plants | | | | | | |
| Total State hydro availability | 5299.05 | 555.93 | 0.00 | 13.85 | 569.78 | 107.53 |
| Total Central Hydro Availability | 666.00 | 232.83 | 1.23 | 0.00 | 234.06 | 351.45 |
| Renewables | | | | | | |
| Solar | 1950.00 | 690.81 | 0.00 | 29.21 | 720.02 | 369.24 |
| SHEP | 468.70 | 198.98 | 0.00 | 0.19 | 199.17 | 424.94 |
| Biomass | 70.00 | 53.20 | | | 53.20 | 760.00 |
| Wind | 1091.92 | 305.55 | | | 305.55 | 279.83 |
| Total Non Solar | 1630.62 | 557.73 | | 0.19 | 557.92 | 342.15 |
| Total Renewables | 3580.62 | 1248.54 | 0.00 | 29.40 | 1277.95 | 356.91 |
| Sub Total (Must Run Plants) | 9,545.67 | 2,037.31 | 1.23 | 43.25 | 2081.79 | 218.09 |
| Darlipali STPS-I | 5207.20 | 563.15 | 961.62 | 87.41 | 1612.18 | 309.61 |
| OPGC -3 &4 | 9236.11 | 1274.58 | 1904.70 | 31.31 | 3210.59 | 347.61 |
| NKSTPS-I | 1932.05 | 292.59 | 403.83 | 0.14 | 696.56 | 360.53 |
| OPGC-1 &2 | 2447.98 | 409.20 | 291.95 | 24.40 | 725.55 | 296.39 |
| M/s. GKEL | 1917.50 | 325.25 | 314.74 | 0.00 | 639.99 | 333.76 |
| M/s.Vedanta Ltd. | 2873.03 | 520.42 | 274.86 | 11.62 | 806.90 | 280.85 |
| M/s. NBVL | 38.74 | 7.73 | 0.00 | 0.00 | 7.73 | 199.50 |
| TSTPS-II | 1336.46 | 271.10 | 114.46 | 12.40 | 397.96 | 297.77 |
| TSTPS-I | 2233.89 | 456.53 | 221.85 | 21.40 | 699.78 | 313.26 |
| NSTPS-I | 105.26 | 27.08 | 23.70 | 0.02 | 50.79 | 482.55 |

Projected Power Purchase Cost for FY 2024-25

| Station Name | Energy | Total VC | Total FC | Year End charges | Total Cost | Rate |
|-------------------|------------------|-----------------|-----------------|------------------|------------------|---------------|
| | (MU) | (Rs Cr.) | (Rs Cr.) | (Rs Cr.) | (Rs Cr.) | (P/U) |
| MTPS-II | 171.70 | 51.24 | 59.33 | 0.02 | 110.59 | 644.11 |
| BSTPS-I | 410.64 | 129.03 | 105.11 | 1.82 | 235.96 | 574.61 |
| PGCIL Charges | | | 1,018.03 | | 1018.03 | |
| SOC & MOC Charges | | | 3.50 | | 3.50 | |
| BSTPS-I | | | 140.63 | | 140.63 | |
| KHSTPS-II | | | 32.76 | 2.12 | 34.87 | |
| FSTPS-III | | | 97.09 | 10.17 | 107.27 | |
| KHSTPS-I | | | 9.76 | 0.41 | 10.17 | |
| BSTPS-II | | | 27.27 | 0.97 | 28.24 | |
| FSTPS-I & II | | | 17.75 | 2.31 | 20.06 | |
| Total | 37,456.22 | 6,365.21 | 6,024.16 | 249.77 | 12,639.14 | 337.44 |

Fixed Cost is 49.64% & Variable Cost is 50.36% of the total Power Purchase Cost projected for FY 2024-25

Additional Power Purchase Cost

| Sl. | Amount | Remarks |
|--------------|-----------------------|--|
| 1 | Rs.29.25 Cr. | <ul style="list-style-type: none"> • STU transmission charges and RLDC / SLDC charges for RE Power from other States (Rs.11.63 Cr.) • Safeguard Duty claims as per change in law provision of PSA dated 21.08.2018 (Rs.15.72 Cr.) • Compensation towards Ash transportation charges (Rs.1.89 Cr.) |
| 2 | Rs.28.07 Cr. | Adhoc payment made to OPGC towards claim of Secondary Fuel Oil cost for OPGC Stage-I |
| 3 | Rs.127.69 Cr. | Amount paid to M/s. Vedanta Ltd. as per reconciliation of cost of power for the period FY 2010-11 to FY 2020-21 as per directives of Hon'ble Commission in Order dated 22.06.2020 in Case No. 68/2018. |
| 4 | Rs. 1.03 Cr. | Reimbursement of Electricity Duty (ED) for the period June,2019 to Sept,2019 to M/s. GMR |
| 5 | Rs. 1.38 Cr. | Pay regularization impact of various stations of NHPC Stations Teesta-V as per CERC vide its order dtd.28.01.2023 |
| 6 | Rs. 0.02 Cr. | As per ERPC vide letter dtd 15.02.2023 re-allocation of the power of CGSs of Eastern Region and Bhutan HPS (Rangit) for Uniform allocation of unallocated power to GRIDCO (share allocation of 1.46%) period Feb'23 to Aug'23 |
| 7 | Rs. 8.63 Cr. | 15 % O&M advance working capital for Machhkund Hydro Project for the FY: 2021-22 |
| 8 | Rs.119.74 Cr. | Fixed Cost due to Tariff Orders, Additional O&M Charges due to Wage revision of FSTPS-I&II and TSTPS , I Tax , Filing Charges and Publication Expenses |
| 9 | Rs.231.85 Cr. | Addl. Cost of CTUIL on account of difference in estimated actual cost to be incurred and the approved cost by OERC in ARR for FY 2023-24 |
| 10 | Rs. 54.89 Cr | Enhancement of tariff revision of Chukha HEP w.e.f. 1 st January'2021 from 255 P/kWh to 300 P/kWh, valid until 31 st December'2024. |
| 11 | Rs.158.43 Cr | Additional Cost towards Interest on OHPC Securitised Dues w.r.t Hon'ble OERC Order dated 11.07.2023 in Case No. 35/2023. GRIDCO is obliged to pay the Interest Cost. |
| Total | Rs. 760.99 Cr. | |

Hon'ble Commission is requested to allow Additional power purchase cost ,which is uncontrollable in nature to be recovered through BSP in FY 2024-25

Total Interest & Finance Charges for FY 2024-25 estimated : Rs. 521.55 Cr.
(Bank Loan:331.60 Cr., *OHPC Loan:Rs.134.03Cr.,Financial Charges(incl. int. on SOD: Rs. 38.00Cr.,Guarantee Comm.: Rs.17.92Cr.)

- ❑ Working Capital loans facilitated for availing rebate and avoiding LPS, optimizing Tariff
- ❑ Loans availed for ensuring timely payment to GENCOs for ensuring uninterrupted power supply in the State.
- ❑ Non-consideration of Finance Costs will adversely impact GRIDCO's financials and cash flow.
- ❑ Hon'ble Supreme Court order dated 05.10.2023 in CA NO.414 of 2007 stipulates that the Hon'ble Commission shall consider interest costs to be passed through in proportion to the outstanding of the DISCOMs.
- ❑ Hon'ble Commission vide order dated 23.05.2023 in Case No.35/2023 have approved the amicable settlement towards settlement of OHPC securitized dues of Rs.619 Cr., along with interest of Rs. 134.03 Cr.
- ❑ GRIDCO prays before Hon'ble OERC to kindly approve the uncontrollable Finance Costs to the tune of Rs.521.55 Cr.

Hon'ble Commission is requested to kindly allow total financing cost and carrying cost on Regulatory asset for servicing the outstanding loan liabilities

Administrative & General Expenses

- ❖ Projected A&G expenses of Rs.17.19 Crore for FY 2024-25 include License fees, professional charges, legal expenses, etc.
- ❖ Hon'ble Commission had consistently approved A&G expenses on the basis of audited accounts of the preceding year.
- ❖ Hon'ble Commission changed the methodology of A& G expenses from FY 2013-14:
 - Approved expenses for the FY 2013-14 was escalated with inflation factor in the range of 5.00% to 5.50% in the subsequent tariff orders till FY 2023-24.
 - Business relationship with nearly 24 nos. of generators with turnover of Rs.5,509 Cr. during FY 2013-14, significantly increased to more than 50 nos. of Generators with turnover of more than Rs.12,000 Cr. for FY 2022-23.
 - Increase in legal expenses to protect the consumers interest of the State before legal forums in order to absorb the prudent costs and lower tariff impact.
- ❖ Audited figures were not considered in the Tariff orders as well as in the Truing up orders since FY 2015-16. The revised approach adopted since FY 2013-14 has affected the recovery of A&G expenses of the Petitioner considerably.
- ❖ The Hon'ble Commission is requested to kindly consider the genuine A&G Expenses of the Petitioner for the ensuing year on the basis of trend of past years' audited accounts.

Proposed ARR for FY 2024-25

In Rs. Cr.

| Sl. | Particulars | Proposed for | Approved for | Estimated for | Proposed for |
|-----------|---|------------------|------------------|------------------|------------------|
| | | FY 2023-24 | FY 2023-24 | FY 2023-24 | FY 2024-25 |
| 1 | Power Purchase Cost | 12593.78 | 11850.44 | | 12639.14 |
| 2 | Additional Power Purchase cost | 2068.04 | 896 | 12882.89 | 760.99 |
| 3 | Interest cost | 543.46 | 15.73 | 530.97 | 521.55 |
| 4 | Employee cost | 23.52 | 20.14 | 16.56 | 22.3 |
| 5 | Repair & Maintenance | 0.81 | 0.81 | 0.82 | 0.98 |
| 6 | Administrative and General Expenses | 13.07 | 5.79 | 14.42 | 17.19 |
| 7 | Depreciation | 1.31 | 1.31 | 0.68 | 2.47 |
| 8 | Carrying Cost on Regulatory Asset | | 94.1 | | 0 |
| 9 | ARR | 15,243.99 | 12,884.32 | 13,446.30 | 13,964.62 |
| 10 | Less: Revenue from Emergency sales | 51.94 | 52.22 | 138.74 | 52.22 |
| 11 | Net ARR | 15,192.05 | 12,832.10 | 13,307.60 | 13,912.40 |
| 12 | Revenue from Discoms at existing BSP including Surcharge @ 30 P/U from TPWODL | 11,513.69 | 12,575.58 | 11,621.57 | 12,184.08 |
| 13 | Less: Revenue from trading surplus power | 357.08 | | 1,250.00 | |
| 14 | Deficit Revenue at existing BSP of respective DISCOMs | -3,321.28 | -256.52 | -436.03 | -1,728.32 |

| Sl. No | COMPONENTS | Proposed ARR & BSP for FY 2024-25 |
|--------|---|-----------------------------------|
| A | Net ARR to be recovered through BSP (Rs Cr.) | 13,912.40 |
| B | Units to be sold to DISCOMs Utilities (MU) | 36,263 |
| C | Proposed Average BSP to recover the Net Total Aggregate Revenue (P/U) | 383.66 |

- The Petitioner shall request the State Govt. for waiver of Return on Equity (RoE) for FY 2024-25 to have a lower tariff impact.

Considerations in ARR FY 2024-25

Revenue from sale of Surplus Power

- GRIDCO undertakes trading of surplus power after meeting the State demand and earns revenue which is to be factored for recovery of past losses, repayment obligations as per the directives of Hon'ble Commission.
- GRIDCO supplies power at cost without any profit margin to ensure low-cost power for State consumers.

Inadvertent Power

- Injection of inadvertent power is detrimental for stability of the State Grid and State has to do a balancing act to accommodate this power. This may attract a penalty on GRIDCO under CERC DSM Regulations.
- As per the Hon'ble APTEL judgement dated 08.05.2017, any inadvertent power injected to the system to be treated as free power.

Power Procurement from CGPs

- CGPs are not firm sources of power as they are essentially meant for the captive consumption.
- Sourcing power from CGPs inside the State is explored to meet the contingency, deficit and force majeure conditions in a cost-effective manner

Key submissions

Demand Charges for Excess SMD:

- When the actual SMD of a DISCOM on monthly basis 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.
- The deviation 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.

Rebate Policy:

- Existing Rebate Policy, 1.50% for payment within 5 working days, 1% within 25 days from the date of presentation of bill is proposed for FY 2024-25.

Overdrawl Charges:

- Any excess drawl of energy by a DISCOM during any month over and above the approved energy quantum for the respective month shall be charged at actual power purchase cost incurred by the Petitioner for such excess quantum (including transmission, deviation charges, transmission loss, etc.) in case it exceeds the approved BSP

Delayed Payment Surcharges (DPS):

- Surcharge for delayed payment after 30 days from the date of submission of bills, may be allowed to be levied at 1.50% per month.

Key submissions

Special Concessional Tariff for Industrial Consumers:

- The Hon'ble Commission vide Order dated 23.05.2022 approved for sale of surplus power to the interested industries having CGP with CD of more than 20 MW at a fixed price of Rs.5.00/kVAh (beyond 80% LF) through a Tripartite Agreement

Commitment Charges for New and Additional Load from Consumers:

- Commitment charges @ Rs.250/ KVA/ Month on Industries is proposed to be levied for not availing the committed new / additional load within the agreed time period.

Recovery of Fixed Charge and Variable Charge:

- GRIDCO needs to be allowed to recover the Capacity charges associated with the tied up capacities from the DISCOMs in line with recovery from consumers in shape of Fixed/Demand Charges and the balance costs as part of BSP.

Time of the Day Tariff (ToD):

- MOP, GOI vide notification dt.14.06.2023 has mandated Time of Day(TOD) tariff for Commercial and Industrial consumers wef 1st April, 2024 and for other consumers except agricultural consumers w.e.f. 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters.
- At present, TOD tariff in the state is applicable to 3-Ph. Consumers excluding public lighting, emergency supply to CGP, LT Domestic LT General Purpose categories with rebate of 20P/Unit during time slot from 2 PM to 6 PM and 12 AM to 6 AM.
- GRIDCO proposes the TOD mechanism for the DISCOMs for (Peak @ 120% of Base Tariff & Off-Peak hrs @ 90% of base tariff) or any other rate approved by Hon'ble Commission, so as to manage the peak demand within the state availability.

Key submissions

Green Consumer Certificate:

- GRIDCO submits before the Hon'ble Commission that, the onus of arranging RE power for DISCOMs has been entrusted to the petitioner GRIDCO.
- Hon'ble Commission may kindly consider to approve for apportionment of premium on sale of Green Consumer Certificate between GRIDCO and the DISCOMs in the ratio of 80:20.

Energy Transition:

GRIDCO endeavors for the Energy Transition in the State through following broad measures:

- Comprehensive energy planning by adequate procurement from various sources through PPAs to meet long-term demand of the State
- Procuring Renewable Energy to meet Renewable Purchase Obligation (RPO) target on behalf of DISCOMs.
- Promoting development of RE projects in the State, being the Renewable Energy Nodal Agency (RENA) notified by Govt. of Odisha.
- Supporting Industries to meet their RPO targets as Demand aggregator and sourcing RE power for them.

Key submissions

Review of ARR & BSP order for FY 2023-24 as per directives of Hon'ble Commission :

- Hon'ble Commission have directed to raise the genuine issues, if any, with proper justification and reasons in the ARR and BSP application for the FY 2024-25.

- **Disallowances of uncontrollable costs:**

- 1. **Finance costs to the tune of Rs.527.73 Crore :**

- ❖ Loans were inevitable for funding requirement due to non cost-reflective Tariff, Outstanding BSP dues of erstwhile DISCOMs.
- ❖ Working capital Loans utilised for payment of Energy dues in time for availing Rebate and avoiding LPSE.
- ❖ Hon'ble Apex Court in CA 414/2007 vide Order dated 04th October'2023 have held the finance costs needs to be allowed in proportion to the outstanding of DISCOMs.
- ❖ Hon'ble OERC is requested to allow the balance Finance Costs of Rs.527.73 Cr.

- 2. **Administrative and General Expenses of Rs. 7.28 Cr.**

- ❖ The base for A&G expenses was determined way long back during FY 2013-14, considering the audited figure for FY: 2011-12, by allowing suitable escalation rate in the range of 5.00% to 5.50%.
- ❖ There has been manifold increase in the business activities over the last ten years period, handling more no. of legal cases with higher legal expenses.
- ❖ Hon'ble Commission is requested to allow the balance A&G expenses of Rs.7.28 Cr.

Key submissions

Review of Truing up Order for FY 2021-22 as per directives of Hon'ble Commission:

- Hon'ble Commission has directed to raise the genuine issues, if any, with proper justification and reasons in the ARR and BSP application for the FY 2024- 25.
- **Disallowances of uncontrollable Cost:**
 - **Finance costs to the tune of Rs.665.91Crore:** GRIDCO, was compelled to ensure energy security to the state even though there was much outstanding by the erstwhile DISCOMs and absence of cost reflective tariff over the years.
 - a. Borrowing resulted in cost saving by way of availing rebate and avoiding the LPSE, resulted in lower tariff to the state consumers.
 - b. Static BSP continuing over the years resulted in non-recovery of costs in past years.
 - c. Lower DISCOMs demand resulted in under recovery of capacity charges, resulted in net deficit of Rs.1,352.14 Cr. and Rs.1,512.84 Cr. during FY 2019-20 and FY 2020-21. **The above deficits were financed through external borrowings.**
 - d. Hon'ble Commission is requested to kindly implement the directives of Hon'ble Apex Court in CA 414/2007.

Administration and General Expenses of Rs. Rs.25.99 Cr.

- A. A&G Expenses are quite inevitable considering the business requirements and number of pending cases before various legal forum to protect the business interest and consumers interest of the State.
- B. Manifold increase in the volume of business due to more nos. of generators with additional compliances, operations compared to FY 2013-14.
- C. DPS paid to PGCIL towards Trans. Charges for Rs.23.26 Cr, incurred during FY 2021-22.
- D. Hon'ble Commission is requested to allow the balance A&G expenses of Rs.7.28 Cr due to manifold increase in business operations.

Odisha Renewable Energy Policy-2022- GRIDCO as Nodal Agency

- Odisha Renewable Energy Policy, 2022, notified by Govt. of Odisha on 30.11.2022
- GRIDCO Limited - designated as the Renewable Energy Nodal Agency as per Para 25.2 of the Policy
- Envisions RE capacity addition of ~10 GW in Odisha by 2030
- Major Activities of GRIDCO as Nodal Agency:
 - *Assessment of RE resource potential,*
 - *Creation of a RE project pipeline,*
 - *Preparation of PFR/DPR, Operational Guidelines and Bid Processing,*
 - *Project Facilitation and Monitoring etc.*
- GRIDCO is also notified as aggregator to procure RE and supply to obligated entities
- Govt of Odisha shall provide funds to GRIDCO to carry out above responsibilities.

Hon'ble Commission is requested to issue necessary Orders and Regulations to facilitate implementation of RE Policy-2022 as envisaged in Para 25.9 of the said Policy

RPO Compliance for FY 2023-24 (Up to Nov'23)

Renewable Purchase Obligation Compliance of GRIDCO for the FY 2023-24

State Consumption Quantum in FY 2023-24 (From April'23 to November'23):

23763.720MU

Hydro power consumption (From April'23 to November'23) :

5071.254MU

State Consumption Quantum in FY 2023-24 (From April'23 to November'23) Excl Hydro

18692.466MU

FY 2023-24 (April'2023 to November'2023)

| Sl. No. | Renewable Power Procurement | RPO Target by OERC in % | RPO Target by OERC in MU | Capacity (MW) | RPO Target met | | Compliance (%) |
|------------------|------------------------------|-------------------------|--------------------------|---------------|----------------|--------|----------------|
| | | | | | in (MU) | in (%) | |
| HPO | | | | | | | |
| (a) | HPO | 0.66 | 123.37 | 51 | 123.37 | 0.66 | 100.00 |
| NON-SOLAR | | | | | | | |
| (i) | Small Hydro Projects | 6.59 | 1231.83 | 58.15 | 200.21 | 5.19 | 78.81 |
| (ii) | Biomass | | | 20 | 63.69 | | |
| (iii) | Wind | | | 321.50 | 691.64 | | |
| (iv) | Nuclear power | | | - | 5.28 | | |
| (b) | Other Non-Solar (i+ii+iii) | | | 399.65 | 970.80 | | |
| (c) | Total Non-Solar (a + b) | 7.25 | 1355.20 | 450.65 | 1094.17 | 5.85 | 80.74 |
| SOLAR | | | | | | | |
| (iv) | Ground Mounted Solar | 8.75 | 1635.59 | 991 | 1339.63 | 7.32 | 83.61 |
| (v) | Roof Top Solar | | | 25 | 27.82 | | |
| (d) | Total Solar (iv + v) | | | 1016 | 1367.45 | | |
| (e) | Total RPO Compliance (c + d) | 16.00 | 2990.79 | 1466.65 | 2461.62 | 13.17 | 82.31 |

#1. Average generation @ 19 % CUF has been considered from 25 MW of Roof Top Solar in absence of actual generation data.

#2. Towards compliance of HPO in FY 2022-23, generation from 51 MW SHEPs commissioned after 08.03.2019 has been considered.

#3. Around 5.28 MU of Nuclear Power was availed by GRIDCO during JUNE'23 from the unallocated share of WR & SR pool.

#4. Around 1.83 MU of Renewable Energy has been procured through IEX in G-DAM during August'23 and September'23.

#5. Excess generation of 8.16 MU from HPO category has been considered towards the Other Non-solar compliance.

NB: It is submitted that by Nov 2023, 82.31% of RPO compliance has been achieved and the Petitioner endeavors to comply the RPO.

Regulatory Surplus/ Deficit of DISCOMs

Movement of Regulatory Deferral Account excluding OCI (Rs. in Cr)

| Particulars | TPCODL | TPNODL | TPWODL | TPSODL | TOTAL |
|---|---------|--------|----------|--------|----------|
| FY 2020-21 | | | | | |
| Opening RDA in BS (Asset + / Liability -) | | | | | |
| RDA during the year (Asset + / Liability -) | 64.12 | - | -101.38 | -18.45 | -55.71 |
| Closing RDA (Asset + / Liability -) | 64.12 | - | -101.38 | -18.45 | -55.71 |
| FY 2021-22 | | | | | |
| Opening RDA in BS (Asset + / Liability -) | 64.12 | - | -101.38 | -18.45 | -55.71 |
| RDA during the year (Asset + / Liability -) | -80.73 | -27.19 | -599.79 | 3.35 | -704.36 |
| Closing RDA (Asset + / Liability -) | -16.61 | -27.19 | -701.17 | -15.10 | -760.07 |
| FY 2022-23 | | | | | |
| Opening RDA in BS (Asset + / Liability -) | -16.61 | -27.19 | -701.17 | -15.10 | -760.07 |
| RDA during the year (Asset + / Liability -) | -38.26 | -22.24 | -638.78 | 206.09 | -493.19 |
| Closing RDA (Asset + / Liability -) | -54.87 | -49.43 | -1339.95 | 190.99 | -1253.26 |
| FY 2023-24 (Upto Q3) | | | | | |
| Opening RDA in BS (Asset + / Liability -) | -54.87 | -49.43 | -1339.95 | 190.99 | -1253.26 |
| RDA during the year (Asset + / Liability -) | -173.90 | -13.64 | 223.68 | 189.40 | 225.54 |
| Closing RDA (Asset + / Liability -) | -228.77 | -63.07 | -1116.27 | 380.39 | -1027.72 |

Prayer before the Hon'ble Commission

1. To approve ARR of GRIDCO submitted for FY 2024-25
2. To approve monthly SMD and monthly quantum of energy for sale to each of the Discoms
3. To allow recovery of the Fixed/ Capacity charges of all Generating stations.
4. To allow the carrying cost on Regulatory Assets and amortisation of the same.
5. To allow recovery of additional cost due to overdrawal, Fuel Price Adjustment/ Surcharge Adjustment.
6. To apportion the premium on sale of green power by DISCOMs in the ratio of 80:20 between the petitioner & the DISCOMs towards Green Consumer Certificate for 100% consumption of RE power.
7. To allow recovery of costs on account of the orders issued by Hon'ble OERC / CERC / APTEL / Hon'ble Apex Court/ Hon'ble High Court/ Impact due to any Change In Law/Dispute Resolution/Tariff revision/Truing Up, etc. on quarterly basis.
8. To allow the recovery of charges on account of any excess drawl of energy by DISCOM during a month over and above the monthly approved energy quantum.
9. To formulate suitable monthly controlling measures by revising the existing limit of drawal of SMD i.e. from 110% to 105% of the approved monthly SMD for DISCOMs for recovery of charges on account of any excess drawl of energy during a month over and above the monthly approved energy quantum.

Prayer before the Hon'ble Commission

10. To allow recovery of the additional cost due to over-drawal of energy, at actual power purchase cost or at approved BSP rate for each Discom whichever is higher on a monthly basis
11. To consider the regulatory surplus of DISCOMs for absorbing higher BSP.
12. To approve the proposed TOD tariff in the State so as to incentivize the industries and consumers for use of power during off peak hours.
13. 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
14. To approve the finance cost on loans availed by GRIDCO as per the Hon'ble Supreme Court of India's Order in C.A. No. 414 of 2007 dated 05.01.2023.
15. To Consider the uncontrollable cost towards disallowances by Hon'ble Commission in review order of ARR & BSP for FY 2023-24 & Truing Up Order for FY 20221-22

Truing Up Application for FY 2022-23

Hon'ble Commission has registered the Truing Up application for FY 2022-23 vide Case No. 128 /2023.

Summary of the Revenue vis-a vis Cost as per audited Accounts :

| | |
|-----------------------------|-----------------------------|
| Total DISCOM's Revenue : | Rs. 10,023.41 Cr. |
| Other Income : | Rs. 198.17 Cr. |
| Total Revenue (A): | Rs. 10,221.58 Cr. |
| Total Cost (B): | Rs. 12,089.71 Cr. |
| Truing Up Gap (A-B): | (-) Rs. 1,868.13 Cr. |

PRAYERS:

- To consider the present application of GRIDCO and approve the Truing-up of respective expenses based on Audited Accounts for FY 2022-23
- As per the orders of the Hon'ble Commission it is proposed to amortize Rs.796.58 crore (Trading Revenue, Net-off variable cost) against the past regulatory assets of the petitioner. Further, true up gap of Rs. Rs.1,868.13 crore for FY 2022-23 may be recognized as regulatory assets.



Thank You