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ODISHA ELECTRICITY REGULATORY COMMISSION
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No.DIR (T)-373/09/ 1311

Dt: 13.11.2024

To

The Managing Director,
GRIDCO, Janpath,
Bhubaneswar

Sub: **Review of Performance of GRIDCO for the FY 2023-24 held at OERC on 27.09.2024 at 03:00 PM.**

Sir,

In inviting a reference to the subject cited above, I am directed to enclose herewith the minutes of the review meeting on performance of GRIDCO for the FY 2023-24 (i.e. from April 2023 to March 2024) held at OERC on 27.09.2024 at 03:00 PM for your information and necessary action.

Encl: As above.

Yours faithfully,

SECRETARY

13.11.24

Copy to:

The Principal Secretary, Department of Energy, Govt. of Odisha along with copy of the enclosure for favour of information.

**Minutes of the Review Meeting held on 27.09.2024 on the Performance of
GRIDCO for the FY 2023-24**

Date of Review : 27th September, 2024

Period of Review : April 2023 - March 2024

1. The Managing Director, GRIDCO made a power point presentation on the performance of GRIDCO for the FY 2023-24 i.e. from April'23 to March'24. He stated that GRIDCO has purchased 40122.23 MU of energy during the period under review at a cost of Rs. 13101.89 Crs. (at an average rate of 326.55 P/U) as against OERC approval of 38185.57 MU at a cost of Rs. 11850.47 Crs. (at an average rate of 310.34 P/U) for the FY 2023-24. The total purchase of 40122.23 MU includes purchase of 782.70 MU through trading, UI overdrawal of 220.98 MU and drawal of 294.96 MU through power banking. The details of Power purchase are given at Table-3. GRIDCO has cleared all the power purchase dues of the generators including PGCIL charges for the FY 2023-24 which amounts to Rs.13101.89 Crs. GRIDCO has earned a total revenue of Rs.2797.91 Crs. during the FY 2023-24 on account of the sale of available surplus power through trading, tripartite agreement, Unscheduled Interchange (DSM) charges and sale of power to CGP & others (excluding the revenue towards sale of power to DISCOMs & Surcharge).
2. GRIDCO further stated that during the period from April-2023 to March-2024, the DISCOMs have underdrawn a quantum of 2863.45 MU of energy as compared to the estimation for the FY 2023-24. This is basically due to consumer base sanitisation leading to decrease in demand of the consumers of the State. The details of energy drawl by the DISCOMs are given in the table below.

**Table-1
Energy Drawal by DISCOMs (in MU) during the FY 2023-24
(i.e. from April, 23 to March, 24)**

DISCOMs	OERC Approval for the FY 2023-24	Actual Drawal during FY 2023-24	Over (+) / Under (-) Drawal than the approved quantum
TPCODL	11,256.00	11,306.49	50.49
TPNODL	7,508.00	7,047.15	(-) 460.85
TPWODL	13286.00	12746.95	(-) 539.05
TPSODL	4,920.00	4,347.32	(-) 572.68
TOTAL	36970.00	35447.91	(-)1522.09

3. For the FY 2023-24 (i.e. from April, 2023 to March, 2024), GRIDCO has shown a revenue surplus of Rs. 260.44 Crs. against the estimated shortfall of Rs. 256.52 Crs., the details of which are as given in the table below:

Table-2
Revenue Approval Vis-à-vis Actual during the FY 2023-24

(Rs. in Crs.)

Sl No	Description	OERC Approval for FY 2023-24		Actual (prov.) for FY 2023-24	
		MU	Amount	MU	Amount
1.	Power Purchase Cost	38,185.57	11,927.60	40,122.23	13,163.67
2.	Employee Cost		20.14		15.67
3	A&G Cost (incl. R&M Cost and Depreciation charges)		7.91		10.62
4.	Interest and Financial Charges incl. Carrying Cost on Regulatory Asset		109.83		612.55
5.	Pass Through Dues		818.84		
6.	Rebate Availed				(-)160.22
7.	Total Revenue requirement (1+2+3+4)	38,185.57	12884.32	40,122.23	13642.29
8.	Revenue realized from sale of power to DISCOMs	36970.00	12549.58	35447.91 (Incl. sale through TPA)	11894.17 (Excl. the rebate of 123.57 Crs.& Bill revisions)
9.	Revenue from Sale through Tripartite Agreement Margin		26.00		121.44
10.	Revenue from Trading			2671.55	1346.72
11.	Revenue from DSM/SCED/ Reactive charges			585.33	278.35
12.	Revenue from CGPs & Others	70	52.22	370.92	372.27
13.	Total Revenue Realization (6+7+8+9)	37,040.00	12,627.80	39,075.71	14,012.95
14.	Diminution in Value of Investment in Equity				(-) 110.22
15.	Surplus / (Gap) (11-5)		(-)256.52		260.44

4. GRIDCO has stated that in the BSP order of GRIDCO, the Commission had advised for sale of surplus power to the intended industries through tripartite agreement between GRIDCO, concerned DISCOM and the Industry. Accordingly, GRIDCO has sold 1741.36 MU through tripartite agreement and earned revenue of Rs. 800.57 Crs. on this account at an average rate of 459.73 P/U. GRIDCO has traded surplus power of 2671.55 MU through power exchanges at an average rate of 504.09 P/U and has earned a revenue of Rs. 1346.72 Crs. In total, GRIDCO has sold surplus power of 4412.91 MU available to it mostly during off-peak hours and earned total revenue of Rs. 2147.29 Crs. by selling this surplus power during the period under review. Further, GRIDCO has earned Rs.161.71 Crs. for selling of 187.19 MU to CGPs & others and has earned Rs.278.35 Crs. through DSM, SCED & Reactive Charges of 585.33 MU. GRIDCO has maintained a surplus of Rs. 260.44 Crs. after deducting an amount of Rs. 110.22 Crs. on account of diminution in value of investment in equity.
5. GRIDCO submits that all the DISCOMs are now paying their current BSP dues regularly and availing rebate. Further, GRIDCO has received an amount of Rs. 171.53 Crs. from

DISCOMs against past arrears and an amount of Rs. 121.64 Crs. under OTS Scheme during the FY 2023-24.

6. For the FY 2023-24, GRIDCO has shown the closing cash deficit of Rs.645.22 Crs. as against the opening cash deficit of Rs.94.29 Crs. During this period total cash inflow was Rs.14706.85 Crs. which includes Rs. 10,890.53 Crs from DISCOMs towards current BSP and Rs. 293.17 Crs. towards past arrear dues of DISCOMs, Rs. 2523.15 Crs. from the revenue earning through trading, DSM and emergency power supply to CGPs & others, and Rs.1000 Crs. from Loan (soft loan from Government). Total cash outflow was Rs.15,257.78 Crs. which includes Rs.12,845.55 Crs. towards payment of power purchase dues, Rs.1756.15 Crs. towards loan repayment, Rs. 597.94 Crs. towards interest and financial charges, Rs. 28.60 Crs. towards OEMF Trust and Rs.29.54 Crs. towards Employee cost and A&G expenses.
7. GRIDCO stated that its outstanding loan from Commercial Banks as on 01.04.2023 was Rs.4669.05 Crs. During the FY 2023-24 they have paid an amount of Rs. 3433.47 Crs. towards principal repayment and Rs. 320.57 Crs. towards interest and availed new loan of Rs. 1868.72 Crs. Now, the outstanding Bank Loan as on 31.03.2024 is Rs. 3104.11 Crs. (after year-end adjustment of Rs. 0.19 Crs.).
8. The Managing Director, GRIDCO stated that the Annual Accounts of GRIDCO for the FY 2023-24 was appraised to the Board of Directors of GRIDCO on 07.08.2024 and was adopted in the AGM on 30.08.2024.
9. **Commission's Observation:**
 - i. In the FY 2023-24, GRIDCO has met the state demand by procuring power from the following sources and the average per unit cost arrived at 326.55 P/U including all charges.

Table-3

Sl. No.	Source	OERC Approval (2023-24)			GRIDCO Actual (2023-24)			% share of total purchase
		Drawal (MU)	Cost (Rs. In Crs.)	Avg. Rate P/U	Drawal (MU)	Cost (Rs. In Crs.)	Rate P/U	
01.	State Hydro	6345.83	758.69	119.56	5941.94	874.25	147.13	14.81%
02.	State Thermal	17497.61	5573.71	318.54	16120.42	5204.30	322.84	40.18%
03.	Inadvertent Injection				446.23			1.11%
04.	Biomass	80.00	60.80	760.00	96.44	73.29	760.00	0.24%
05.	State Solar	617.00	278.27	451.00	652.95	289.39	443.20	1.63%
06.	Central Solar	1543.00	468.23	303.45	1319.65	447.60	339.18	3.29%
07.	Central Wind	1060.43	296.84	279.92	962.77	271.04	281.52	2.40%
08.	Central Thermal	9855.13	3387.76	343.76	12434.06	4368.10	351.30	30.99%
09.	Central Hydro	1186.57	329.82	277.96	849.13	223.95	263.74	2.12%
10.	DSM				220.98	101.44	459.05	0.55%
11.	Banking				294.96	94.76	321.27	0.74%
12.	Trading				782.70	374.11	477.98	1.95%

13.	TOTAL	38185.57	11154.12	292.10	40122.23	12322.23	307.12	100%
14.	PGCILTr. Charges		693.64			764.73		
15.	Reactive Energy Charges					1.81		
16.	SOC & MOC Charges		2.71			3.44		
17.	OA Charges					9.91		
18.	NALCO CTU charges					-0.22		
GRAND TOTAL		38185.57	11850.47	310.34	40,122.23	13,101.89	326.55	

ii. The total sales of GRIDCO in the FY 2023-24 is as shown in the table below:

Sl. No.	Sales	OERC Approval (MU)	Actual Energy (MU)	% share of total Sales
01.	TPCODL	11256.00	11306.49	28.93 %
02.	TPNODL	7508.00	7047.15	18.03 %
03.	TPWODL	13286.00	11005.59	28.16 %
04.	Tri-Partite Agreement		1741.36	4.46 %
05.	TPSODL	4920.00	4347.32	11.13 %
06.	Emergency Sale to NALCO & IMFA	70.00	183.73	0.47 %
07.	Trading	-	2671.55	6.84 %
08.	DSM	-	585.33	1.50 %
09.	CGP	-	187.19	0.48 %
Total		37,040.00	39,075.71	100%

- iii. The Commission observed that GRIDCO has purchased 810.62 MU of energy from power market (782.7 MU excluding Inter-state transmission loss) at an average rate of 461.51 paise/unit whereas has traded 2671.55 MU of energy at an average rate of 504.09 paise/unit.
- iv. The Commission observed that surplus power is available with GRIDCO during off peak hours and 2671.55 MU of surplus power has been sold through trading at an average rate of 504.09 paise/unit during the FY 2023-24 and it has earned revenue of about Rs.1346.72 Crs.. GRIDCO is advised continue its endeavour and remain vigilant to get maximum possible returned through trading of available surplus power (after meeting the State requirement) and reduce the outstanding bank loan by making payment from revenue earned through trading.
- v. GRIDCO is directed to strictly adhere to the merit order principle while drawing power from the costly sources at the time of any contingencies/ power supply shortage.
- vi. GRIDCO must put emphasis on early commissioning of hydro Pumped Storage projects identified in the State and linked to existing hydro projects.
- vii. As per the submission, GRIDCO has requested DISCOMs in the Power Release Standing Committee meeting to provide information regarding connected and disconnected industries and the anticipated load growth. Further co-ordinated action is

- required in this direction for estimation of a realistic future demand of power in the State and to go for long term planning for power procurement from various generation sources judiciously considering the projected demand of the State as well as for meeting Renewable Purchase Obligation (RPO).
- viii. Further, GRIDCO, being the nodal agency for procurement of RE power, has to plan for accommodating the banking of RE power as expected by the developers of Solar Power and Green Hydrogen / Green Ammonia for which Government of Odisha has taken numbers of proactive steps. If required, GRIDCO should execute long term PPA for procuring power from different RE sources.
 - ix. GRIDCO may also discuss with DISCOMs and explore the possibility of increasing HT/EHT consumers in the State and selling of surplus power available during off-peak hours to industries through tripartite agreement. This will enhance revenue of GRIDCO.
 - x. GRIDCO is advised to conduct quarterly meeting with DISCOMs to discuss important matters such as demand projection, industrial growth & requirement of power by the industries under special tariff, compliance of vesting orders and issues pertaining to RPO compliance, recovery of outstanding dues etc.
 - xi. GRIDCO should reduce the A&G expenses, particularly the legal expenses, for which disputes with OPTCL/OPGC/OHPC should be resolved amicably without approaching legal forum.
 - xii. GRIDCO is directed to provide the following information for the last five years:
 - a) The estimated and actual power purchase/ energy requirement (MU) from various sources for meeting the demand of the state.
 - b) The projected and actual peak demand of the state.
 - c) Average demand (MW) of the state.
 - d) Estimated and actual power purchase cost (including and excluding GRIDCO cost)
 - e) Actual fixed cost in total power purchase cost.
 - f) Quantum of power / energy (MU) sold in power market and revenue earned.
 - xiii. GRIDCO is directed to provide the details of outstanding bank loan as on the last date of every financial year since FY 2019-20 segregating the soft loan provided by GoO.
 - xiv. GRIDCO is directed to prepare the Resource Adequacy Plan as per the OERC (Framework for Resource Adequacy) Regulations, 2024 after its publication in the Extra-ordinary Odisha Gazette.

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13/11/2024
Officiating Chairperson