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ODISHA ELECTRICITY REGULATORY COMMISSION

BIDYUT NIYAMAK BHAWAN

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lives

No.DIR (T)-373/09/ ୨୦୩

Dt: 17.07.2026

To

The Managing Director,
GRIDCO, Janpath,
Bhubaneswar

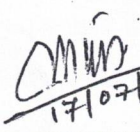
Sub: **Review of Performance of GRIDCO for the FY 2025-26 held at OERC on 02.07.2026 at 11:00 AM.**

Sir,

In inviting 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 2025-26 (i.e. from April 2025 to March 2026) held at OERC on 02.07.2026 at 11:00 AM for your information and necessary action.

Encl: As above.

Yours faithfully,


17/07/2026
SECRETARY

Copy to:

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

o/c

Minutes of the Review Meeting held on 02.07.2026 on the Performance of GRIDCO for the FY 2025-26

Date of Review : 2nd July, 2026

Period of Review : April 2025 - March 2026

1. The Managing Director, GRIDCO made presentation on the performance of GRIDCO for the FY 2025-26. He stated that the contracted capacity of GRIDCO as on 31.03.2026 is 10,185 MW from various sources i.e. State hydro: 2095 MW, State thermal: 1740 MW, IPPs: 1260 MW, Central Sector Hydro: 399 MW, Central Sector Thermal: 2,342 MW, Solar plants including DRE: 1875 MW, Small Hydro Plants: 134 MW, Wind Power Plants: 340 MW and Waste to Energy plant (Rourkela Municipal Corporation): 0.04 MW. In the similar philosophy as RMC initiative has been taken up with Bhubaneswar Municipal Corporation (BMC) for addition of such WTE plants. The installed capacity of Distributed Renewable Energy sources as on 31.03.2026 is 243 MW.
2. GRIDCO was able to meet the State's demand without facing any deficit at any point of time including summer peak hours. The DISCOMs' drawal was below the estimated energy requirement and the differential surplus energy of 4719 MU was utilised in trading. He emphasised that GRIDCO has saved Rs. 14 Crs. towards reduction in Working Capital during H2 of FY 2025-26 by realisation of the DISCOMs' BSP dues on the first day of each month through schedule-based billing, which is adjusted as per actual in the subsequent bill.
3. GRIDCO has realised saving of Rs. 442 Crs. in FY 2025-26 in power purchase cost by strategic planning and sourcing low-cost power. This savings also includes impact of approximately Rs. 168 Crs. due to change in GST on coal and Rs. 176 Crs. due to tariff revision of OPGC. Further, Government has also rendered assistance in reducing external term loan by providing Soft loan of Rs. 1500 Crs. at the same interest rate, as availed from RIDF, which consequently has also reduced the financing cost by approximately Rs. 66 Crs. in FY 2025-26 as compared to FY 2024-25.
4. The overall non-fossil fuel contracts constitute 48% (4843 MW) of GRIDCO's generation portfolio of 10185 MW as on 31.03.2026. GRIDCO has projected that the non-fossil fuel component is expected to rise to 61% (13,588 MW out of projected 22,276 MW) by 2036 and 74% (22,195 MW out of projected 29,993 MW) by 2047.
5. GRIDCO has purchased 44675.67 MU of energy from different sources, which includes the energy loss on central sector power procurement and energy availed through banking and through trading. Excluding the losses, GRIDCO has availed 44,072 MU of energy from different sources at a cost of Rs. 14,674.89 Crs. resulting in an average cost of Rs. 3.33 per unit in FY 2025-26, as compared to Rs. 3.25 per unit in FY 2024-25. Out of the above total power purchase cost of Rs. 14,674.89 Crs., the costs pertaining to FY 2025-26 account is Rs.

14,235.38 Crs. and Rs. 439.76 Crs. is related to past years accounts. GRIDCO has availed 424.60 MU through banking and has purchased 712.42 MU through trading.

6. GRIDCO has sold total 43,082 MU of energy out of which 35,191 MU of energy has been sold to DISCOMs & 433 MU of energy has been sold through Tri-partite Agreement as per BSP/RST Order for FY 2025-26. The emergency sale of power to CGP's was 89 MU as compared to approved energy of 100 MU in FY 2025-26, whereas it was 150 MU in FY 2024-25. Energy injected to CTU network under DSM mechanism is 705.18 MU and other sales is 372.99 MU. Further, GRIDCO has sold 6290.84 MU of energy through trading. The aggregate of the above sales is 43,082.33 MU. The energy returned through Banking is 484 MU and thus the total energy sold and returned by GRIDCO in the FY 2025-26 is 43,566 MU. GRIDCO has also increased the other sales quantum that includes trading due to availability of more surplus energy. The other sales in FY 2025-26 were 7,369 MU as compared to 5,954 MU in FY 2024-25. On comparative analysis, the average power purchase cost is Rs. 3.33 per unit which includes inadvertent injection of 561 MU from the CGPs.
7. The State's peak demand (including the open access drawal of Vedanta Ltd.) was reached on 10.05.2025 at 23:26 Hrs with 6466 MW during the period under review as compared to 6661 MW in FY 2024-25 (29.05.2024, 23:00 Hrs). The overall quantum of Open Access availed by the consumers of the state has increased by 37% from 5521 MU in FY 2024-25 to 7545 MU in FY 2025-26. This has affected the drawal of the DISCOMs from GRIDCO thereby resulting in lesser achievement of the approved sales. The Open Access quantum has increased by 63% during Solar Hours, 27% during Normal Hours and 12% during Peak Hours in the FY 2025-26 as compared to FY 2024-25.
8. The DISCOMs have cleared all the BSP dues within due date and have also availed rebate for early payment. GRIDCO had cleared all the power purchase dues of the generators which amounts to Rs. 14,235.38 Crs. and has availed rebate of Rs. 175.34 Crs. from the generators.
9. The DISCOMs have underdrawn 4790.85 MU of energy as compared to the estimation for the FY 2025-26. 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 2025-26

DISCOMs	OERC Approval for the FY 2025-26	Actual Drawal during FY 2025-26	Over (+) / Under (-) Drawal than the approved quantum
TPCODL	13823	12154.72	-1668.28
TPNODL	8719	7750.01	-968.99
TPWODL	12378	10710.72	-1667.28
TPSODL	5062	4575.70	-486.30
TOTAL	39982	35191.15	-4790.85

10. For the FY 2025-26, GRIDCO has shown a revenue surplus of Rs. 101.45 Crs. against the estimated shortfall of Rs. 798.05 Crs., the details of which are as given in the table below:

Table-2
Revenue Approval vis-à-vis Actual during the FY 2025-26

(Rs. in Crs.)

Sl. No.	Particulars	OERC Approved for FY 2025-26		Actual for FY 2025-26	
		MU	Rs. in Crs.	MU	Rs. in Crs.
1	2	3	4	5	6
A	REVENUE				
1	BSP from DISCOMs				
	TPWODL	12,378.00	4,765.53	10,710.72	4,123.63
	TPNODL	8,719.00	3,138.84	7,750.01	2,790.00
	TPSODL	5,062.00	961.78	4,575.70	869.38
	TPCODL	13,823.00	4,354.25	12,154.72	3,828.74
	Less: rebate allowed to DISCOMs				-109.24
2	Surcharge from TPWODL				
3	Past year adjustments				9.18
	Sub-Total	39,982.00	13,220.40	35,191.15	11,511.69
1	Emergency Sales (NALCO & IMFA)	100.00	74.45	88.72	66.05
2	Trading		-	6,290.84	2,281.19
3	Tripartite Agreement Sale		26.60	433.45	190.17
4	DSM Charges	-	-	705.18	182.94
5	Other Sales (CGP)			372.99	195.19
6	Other Income (Reactive Charges, SCED)				11.17
7	Misc. revenue				195.98
	Total Revenue (1+2+3+4+5+6+7)	40,082.00	13,321.45	43,082.33	14,634.37
B	EXPENDITURE				
1	Power Purchase Cost	41,321.65	13,508.44	44,072.02	14,235.38
1(a)	Less: Rebate allowed by Generators				(175.34)
2	Pass Through/Past Year Cost		505.02		
3	Employees Cost		18.84		18.45
4	A & G Cost (including R&M Cost and Depreciation Charges)		14.52		14.04
5	Interest and Financial Charges		23.47		440.40
6	Carrying Cost on Regulatory Asset		49.20		
	Total Expenditure (1-1(a)+2+3+4+5+6)	41,321.65	14,119.49	44,072.02	14,532.93
D	REVENUE GAP		(798.05)		101.45

11. 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 433.45 MU through tripartite agreement and has earned revenue of Rs. 190.17 Crs. on this account at an average rate of 438.72 paise/unit. GRIDCO has traded surplus power of 6,290.84 MU through power exchanges at an average rate of 362.62 paise/unit and has earned a revenue of Rs. 2,281.19 Crs.

12. The outstanding loan as on 31.03.2026 was Rs. 5,609 Crs. out of which Rs. 4,201 Crs. is Government Soft Loan, Rs. 149 Crs. is loan from Commercial Banks, Rs. 924 Crs. as Secured Overdraft and Rs. 335 Crs. is Inter-Corporate loan from OHPC. GRIDCO has repaid Rs. 2,143 Crs. loan and Rs. 356 Crs. Interest during the FY 2025-26. The average rate of interest arrived at during the FY 2025-26 is 6.5% which is less as compared to 7.04% in FY 2024-25.
13. The Annual Accounts of GRIDCO for the FY 2025-26 has been authenticated by the Board on 7th May, 2026 and statutory audit report has been submitted to C&AG on 5th June, 2026. GRIDCO has planned to complete the complete the process with final adoption of Annual Accounts in the AGM by 30th Sept' 2026.
14. As the Nodal Agency under the Odisha Renewable Energy Policy-2022, GRIDCO undertakes the facilitation of Renewable Energy projects inside the state. Further, it complies the Renewable Consumption Obligation/Renewable Purchase Obligations as per respective targets on behalf of the DISCOMs. GRIDCO has achieved 28.15% against the target of 29.91% and has purchased REC certificates for fulfilling the target obligations for the FY 2024-25. For the FY 2025-26, GRIDCO has achieved 32.71% against the target of 33.01%.
15. GRIDCO submitted the details of the RE projects in the pipeline which includes, 125 MW BESS, 2.5 GW Ground Mount & Rooftop Solar, 5 GW Floating Solar, 1.2 GW Pump Storage Plants, 2 GW Wind and 260 MW SHEP (Small Hydro Electric Project). All the above projects have been targeted to be completed by 2030.
16. **Commission's Observation:**
- i. In the FY 2025-26, GRIDCO has met the state demand by procuring power from the following sources and the average per unit cost arrived at 332.98 paise/unit including all charges. The details of such procurement is as given in the table below;

Table-3
Source & Quantum of Energy procured during the FY 2025-26

Sl. No.	Source	Energy purchased in MU including loss	% share of total energy	Energy purchased excluding loss (MU)	Total cost (Rs. In Crs.)	Rate paise/unit
1	State Hydro Power Plants	6630.67	14.84%	6630.67	688.86	103.89
2	State Thermal Plants	11627.24	26.03%	11627.24	3886.31	334.24
3	State IPPs	6071.33	13.59%	6071.33	1771.42	291.77
4	State SHEP	622.00	1.39%	622.00	265.75	427.25
5	State Solar	722.43	1.62%	722.43	326.18	451.51

Sl. No.	Source	Energy purchased in MU including loss	% share of total energy	Energy purchased excluding loss (MU)	Total cost (Rs. In Crs.)	Rate paise/unit
6	Central Solar	1577.14	3.53%	1577.14	473.57	300.27
7	Central Wind	909.61	2.04%	909.44	255.07	280.47
8	Central Thermal	13,835.69	30.97%	13,298.02	5,403.14	406.31
9	Central Hydro	689.67	1.54%	664.52	275.42	414.47
10	State Inadvertent / Infirm Injection	560.60	1.25%	560.60	-	-
11	DSM	292.25	0.65%	292.25	192.09	657.26
12	Power received through Banking	424.60	0.95%	409.42	139.57	340.91
13	Purchase through Trading	712.42	1.59%	686.95	221.21	322.02
	Total Power Purchase	44,675.67	100%	44,072.02	13,898.58	
14	CTUIL / PGCIL Transmission Charges				742.55	
15	SOC & MoC Charges				3.06	
16	OA Charges (SLDC, Odisha)				4.79	
17	NALCO CTU Charges				0.56	
18	Reactive Energy Charges				25.34	
	Total Power Purchase cost including other charges	44675.67		44,072.02	14,674.89	332.98

- ii. Out of the above total power purchase cost of Rs. 14,674.89 Crs., the costs pertaining to FY 2025-26 is Rs. 14,235.38 Crs. and including other expenditure such as employee cost, A&G costs, financing costs etc. is Rs. 14,532.93 Crs. GRIDCO has earned revenue of Rs. 14,634.37 Crs. during the year resulting in a surplus of Rs. 101.45 Crs.
- iii. As can be inferred from the above table, major energy requirement is met from central thermal and state thermal generators, followed by state hydro generation and IPPs inside the state. The penetration of RE inside the state is still lagging and the RE projects in the pipeline must be expedited to reach their finality with successful commissioning within the timeline.
- iv. The share of each sale of total sales in the FY 2025-26 is as given in the table below;

Table-4
Energy Sales during the FY 2025-26

Sl. No.	Description	Qty in MU	% of sale	Amount in Crs.	Rate paise/unit
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Sl. No.	Description	Qty in MU	% of sale	Amount in Crs.	Rate paise/unit
1.	TPWODL	10,710.72	24.86%	4123.63	385
2.	TPNODL	7,750.01	17.99%	2790.00	360
3.	TPSODL	4,575.70	10.62%	869.38	190
4.	TPCODL	12,154.72	28.21%	3828.74	315
	Rebate			-109.24	
	Past year adjustment			9.18	
	Sub-Total	35,191.15			
5.	Emergency Sales (NALCO & IMFA)	88.72	0.21%	66.05	745
6.	Trading	6,290.84	14.60%	2281.19	363
7.	Tripartite Agreement Sale	433.45	1.01%	190.17	439
8.	DSM	705.18	1.64%	182.94	259
9.	Others	372.99	0.87%	195.19	523
	Other Revenue			207.15	
	TOTAL	43,082.33		14,634.37	

- v. As per the information submitted by GRIDCO, the actual energy sold during the FY 2025-26 was 43,082 MU at Rs. 14,634 Crs. with an average revenue of **Rs. 3.40 per unit**. The average BSP realised after accounting for the rebate allowed to DISCOMs for early payment is Rs. 3.27 per unit and GRIDCO has sold 6,291 MU in trading at Rs. 2,281 Crs. with an average cost of Rs. 3.62 per unit. Further, GRIDCO has surplus of Rs. 101 Crs. in FY 2025-26 as against the approved Gap of Rs. 789 Crs.
- vi. GRIDCO has purchased 712.42 MU of energy from power market at an average rate of 322.02 paise/unit whereas has traded 6290.84 MU of energy at an average rate of only 362.62 paise/unit.
- vii. GRIDCO has cleared all its energy dues to the Generators/ sources and has also availed rebate of Rs. 175.34 Crs. for early payment of dues. Further, the DISCOMs have cleared all the BSP dues within due date and have also availed rebate of Rs. 109 Crs. for early payment. This is essential for proper functioning of the state power sector.
- viii. GRIDCO is directed to strictly adhere to the merit order despatch principle while drawing power from the costly sources at the time of any contingencies/ power shortage.
- ix. GRIDCO is obligated to achieve the RCO/RPO targets on behalf of the DISCOMs and since the targets set by the Central Government are higher in the future years, strategic planning for procurement of RE and development of RE projects inside the state is essential.

- x. As per the submission of GRIDCO, it has signed a tripartite MOU with NTPC & CRUT- BBSR in December 2024 for development of Green Hydrogen Mobility Project. The said project is expected to achieve COD on 26th January 2027. GRIDCO is directed to take necessary action as and when required for the timely execution of the project.
- xi. GRIDCO has procured 2486.75 MU of Renewable energy (solar & wind) from Central Sector generating stations which are linked to waiver of transmission charges for the energy procured. GRIDCO is required to take necessary action for development of such projects within the state as per its proposals. Necessary effort must be put towards completion of projects within the timeline.
- xii. During the review, GRIDCO requested the Commission to consider the interest on past arrear dues. However, the Commission has already provisioned a mechanism in the BSP Order for FY 2026-27 dated 24.03.2026 at para 385. GRIDCO is advised to take necessary steps as per the directions of this Commission in the BSP Order.
- xiii. After the introduction of market derivatives/ electricity futures in electricity power market, GRIDCO must strengthen its Trading Team to understand the evolving power market to draw maximum benefit in the overall interest of the consumers of the state. Necessary restructuring if required may also be done for delivering the current/ future work assignments. The strengthening, restructuring and capacity building of Human resources is the need of hour and GRIDCO is expected to plan accordingly. GRIDCO must also strengthen its Renewal Energy Team for fulfilment of RCO/RPO Obligations and further planning of future Renewable Energy Projects in a strategic manner.
- xiv. 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/ RCO compliance, recovery of outstanding dues etc.
- xv. GRIDCO submitted that tripartite agreement has been signed under KUSUM A scheme between GRIDCO, the Developer and the DISCOMs for 63 MW and with OREDA for 20 MW. Further, 43 MW capacity agreement has been executed under KUSUM-C2 between GRIDCO, DISCOM and Developer. All these projects that are under execution must be closely followed by GRIDCO in coordination with the Developer and DISCOM for timely completion of the projects.
- xvi. The state is unable to avail 50% of its share of cheap power from Machkund HEP due to transmission constraints. GRIDCO must pursue this matter with OPTCL and

necessary steps must be taken urgently to augment the transmission network and carrying out required system study. Till the time the system is augmented to achieve the objective, GRIDCO and OHPC may explore different possible mechanisms for availing state share of power from Machkund HEP.

- xvii. GRIDCO being 49% stakeholder in the Distribution business of the state, is responsible for safe reliable & affordable power supply to the consumers of the state. The CAPEX investment proposals of DISCOMs needs to be examined thoroughly and prioritised properly to reduce the burden on consumers. The benefit of CAPEX investment needs to be analysed w.r.t reduction in technical loss, improvement in quality of power supply etc.
- xviii. The RAP (Resource Adequacy Plan) needs to be done utilising available software tool like STELLAR provided by CEA in order to analyse various scenarios so as to optimise the power procurement cost. Accordingly, the officers of GRIDCO should be trained to utilise various analytical tools available for power procurement planning and trading of power including the power from BESS.
- xix. GRIDCO has contracted 125 MW (500 MWh) of BESS with VGF from MoP and BESPA has been executed on 05.06.2026 and as per the submission of GRIDCO, is expected to be commissioned by September 2027. Further, GRIDCO has projected DRE capacity addition of 2.5 GW by 2030. Additionally, it is in the process of developing 5 GW of Floating Solar PV Project, 1.2 GW of PSP, 2 GW of Wind projects and 260 MW of SHEP. The resultant addition of 10.96 GW Renewable capacity addition by 2030 would be helpful in increasing the RE integration in the portfolio and meeting the necessary RPO/RCO compliances. GRIDCO is expected to keep vigilant track of the timelines for completion of these projects.