

To  
**The Secretary,**  
The Honourable Telangana State Electricity  
Regulatory Commission,  
V Floor, Singareni Bhavan, Red Hills, Hyderabad.

Dt:28.01.2022

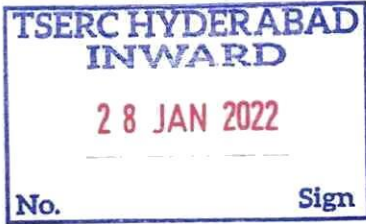
**From:**

**My Home Industries Private Limited,**  
Regd. Office: My Home Hub, Block-3, 9<sup>th</sup> Floor,  
Madhapur, Hyderabad – 500 081,  
Rep. by its Company Secretary & Vice President (Legal),  
B.Muralidhara Rao.  
Email: [cs@myhomegroup.in](mailto:cs@myhomegroup.in)  
Phone Number: 9948919200

Respected Sir,

We are herewith filing our views/objections/suggestions on the ARR & FPT filed by the Distribution Licensee in O.P.No.58 of 2021. The same are enclosed within. We request you to kindly take the same on record.

Yours faithfully,



For My Home Industries Private Limited



B.Muralidhara Rao

Company Secretary & Vice-President (Legal)

CC:  
CGM (RAC),  
TSSPDCL, Corporate Office,  
A-Block, 1<sup>st</sup> Floor, Mint Compound, Hyderabad-500063.




Regd. & Corp. Office: 9<sup>th</sup> Floor, Block-3, My Home Hub, Madhapur, Hyderabad - 500 081, Telangana, India. | Ph.: +91-40-6692 9696  
Fax: +91-40-2311 8000 | Email: [corp@myhomegroup.in](mailto:corp@myhomegroup.in) | Web: [www.mahacement.com](http://www.mahacement.com) | CIN: U26942TG1984PTC004951

Works-I: Srinagar, Mellacheruvu (Post & Mandal), Suryapet Dist. - 508 246, Telangana, India. | Ph.: 08683 226025, 226316 | Fax: 08683 226354 | Email: [mahacement@myhomegroup.in](mailto:mahacement@myhomegroup.in)  
Works-II: Mulakalapalli (V), K. Purushottapuram (Post), Yelamanchili (M), Visakhapatnam Dist. - 531 055, Andhra Pradesh, India. | Ph.: 08931-3047066 | Email: [guv@myhomegroup.in](mailto:guv@myhomegroup.in)  
Works-III: 1/172, Melamaruthur Village, Melaarasadi Post, Ottapidaram Taluk, Thoothukudi, Tamilnadu - 628 002 | Email: [tgu@myhomegroup.in](mailto:tgu@myhomegroup.in)

## STATEMENT

Name and Address of the Objector with Contact Number	Brief Details of views/objections/ suggestions	Objections against the Proposals of TSSPDCL	Whether the copy of the objection and proof of delivery at Licenseeso ffile enclosed	Whether the objector wants be heard in person
<p><b>My Home Industries Private Limited,</b> Regd. Office: My Home Hub, Block-3, 9<sup>th</sup> Floor, Madhapur, Hyderabad- 500 081, Rep. by its Company Secretary &amp; Vice President (Legal), B.Muralidhara Rao. Email: <a href="mailto:cs@myhomegroup.in">cs@myhomegroup.in</a> Phone Number: 9948919200</p>	<p>Grid Support Charges have been proposed to be levied on Captive Power Plants. Such a proposal is without jurisdiction in the proposed RST. The imposition of GSC in today's scenario is unnecessary and unwarranted. Moreover, no methodology has been prescribed or proposed even assuming that such charges can be levied, and the proposal has been mechanically without considering the relevant facts and law as on date. The proposed levy is grossly excessive and arbitrary and will result in a huge burden to the generators.</p>	<p>Detailed objections attached herein.</p>	<p>Yes. Proof of delivery enclosed.</p>	<p>Yes. The Objector wishes to be heard in person during the public hearings.</p>

For My Home Industries Private Limited

  
 B. Muralidhara Rao  
 Company Secretary &  
 Vice President (Legal)  
 Membership No. FCS4789

**Regd. & Corp. Office:** 9<sup>th</sup> Floor, Block-3, My Home Hub, Madhapur, Hyderabad - 500 081, Telangana, India. | Ph.: +91-40-6692 9696  
 Fax: +91-40-2311 8000 | Email: corp@myhomegroup.in | Web: www.mahacement.com | CIN: U26942TG1984PTC004951

**Works-I:** Srinagar, Mellacheruvu (Post & Mandal), Suryapet Dist. - 508 246, Telangana, India. | Ph.: 08683 226025, 226316 | Fax: 08683 226354 | Email: mahacement@myhomegroup.in  
**Works-II:** Mulakalapalli (V), K. Purushottapuram (Post), Yelamanchili (M), Visakhapatnam Dist. - 531 055, Andhra Pradesh, India. Ph.: 08931-3047066 | Email: guv@myhomegroup.in  
**Works-III:** 1/172, Melamaruthur Village, Melaarasadi Post, Ottapidaram Taluk, Thoothukudi, Tamilnadu - 628 002 | Email: tgu@myhomegroup.in

**BEFORE THE HON'BLE TELANGANA ELECTRICITY REGULATORY  
COMMISSION**  
AT ITS OFFICE AT V-FLOOR, SINGARENI BHAWAN, RED HILLS,  
HYDERABAD

**In the matter of:**

Determination of Aggregate Revenue Requirement (ARR) for Retail  
Supply Business for the FY 2022-23 under Section 62 of the  
Electricity Act, 2003.

**In the matter of:**

**Southern Power Distribution Company of Telangana Ltd.**

**...Applicant**

**My Home Industries Private Limited,**  
Regd. Office: My Home Hub, Block-3, 9<sup>th</sup> Floor,  
Madhapur, Hyderabad – 500 081,  
Rep. by its Company Secretary & Vice President (Legal),  
Sri. B.Muralidhara Rao.

UNIT: Srinagar, Mellacheruvu (V) & (M),  
Suryapet District – 508 246.  
HT Service Connection No. **SPT-351.**

**...Objector**

**OBJECTIONS FOR THE PROPOSAL OF GRID SUPPORT CHARGES FOR  
FY 2022-23.**

1. While filing the Tariff Proposals (ARR) for FY 2022-23, the Distribution Licensees in Telangana have proposed, inter alia, a levy of Grid Support Charges on Captive Power Plants (CPPs) in Telangana for parallel operation with Grid as mentioned below:

*“Persons operating Captive Power Plants (CPPs) in parallel with T.S. Grid have to pay ‘Grid Support Charges’ for FY 2022-23 on the difference between the capacity of CPP in kVA and the contracted Maximum Demand in kVA with Licensee and all other sources of supply, at a rate equal to 50% of the prevailing demand charge for HT Consumers. In case of CPPs exporting firm power to TSTRANSCO, the capacity, which is dedicated to such export, will also be additionally subtracted from the CPP capacity.”*

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Company Secretary &  
Vice President (Legal)  
Membership No: FCS4789

In the ARR, the DISCOMS preferred to consider the above term considering the erstwhile APERC's Order dated 08.02.2002 and referring the para 64 of the Judgement of Hon'ble Supreme Court Order dated 29.11.2019, the excerpt of which is as below:

*64. Any Government Order or Incentive Scheme does not govern the Grid Support Charges. Grid Code is the basis for levy of the Grid Support Charges, which came to be approved by the Commission on 26.5.2001. The same is also reflected in the impugned order. ....The Grid Support Charges can be levied, and the order dated 8.2.2002 of the Commission is, thus on the parity of the reasonings, has to be upheld considering the provisions of Section 21 (3) of the Reforms Act, 1998. Under section 11 read with section 26 of the Reforms Act, 1998, all fixed charges under the distribution and Grid Support Charges are leviable only at the instance of a distribution company, and because of the discussion above, the Commission has the powers to determine it. In the agreements also there is a power where the Board could have fixed the Grid Support Charge unilaterally, but because of Reforms Act, 1998 came to be enacted, the application was filed in the Commission. After that, the Commission has passed the order in accordance with the law. We find no fault in the same. Thus, the order of the Commission concerning the Grid Support Charges has to be upheld... ”*


The Hon'ble Supreme Court has upheld the Order of APERC considering the provisions of the Reforms Act, 1998. But unfortunately, there was no mention about the provisions of the Electricity Act 2003. In fact, there is no provision in Electricity Act, 2003 for determination of Grid Support Charges.

2. We, My Home Industries Private Limited, own and operate Captive Power Plant(s) comprising coal based 60 MW and 15 MW Plants and also WHRS based 12.5 MW Plant in our cement manufacturing unit at Mellacheruvu (V&M), Suryapet District, Telangana, and wish to submit our objections and concerns on the proposed levy of Grid Support Charges by TS DISCOMS as under:
3. While proposing the above, the DISCOMS have considered the following advantages to CPPs relying on the Hon'ble Chhattisgarh State Electricity Regulatory Commission's (CSERC) discussion paper on parallel operation charges dated 01.06.2008 and Order dated 31.12.2008, **the excerpt of which is as follows:**

“10.1 *Advantages to CPPs:*

- (1) *The fluctuations in the load are absorbed by the utility grid in the parallel operation mode. This will reduce the stresses on the captive generator and*

For My Home Industries Private Limited

  
B. Muralidhara Rao  
Company Secretary &  
Vice President (Legal)  
Membership No: FCS4789

equipments. The bulk consumer can operate his generating units at constant power generation mode irrespective of his load cycle.

- (2) *Fluctuating loads of the industries connected in parallel with the grid inject harmonics into the grid. The current harmonics absorbed by the utility grid is much more than that by CPP generator. These harmonics flowing in the grid system are harmful to the equipments and are also responsible for polluting the power quality of the system.*
- (3) *Negative phase sequence current is generated by unbalance loads. The magnitude of negative phase sequence current is much higher at the point of common coupling than at generator output terminal. This unbalance current normally creates problem of overheating of the generators and other equipments of CPP, if not running in parallel with grid. When they are connected to the grid, the TSNPDCL Tariff & Cross Subsidy Surcharge Proposals for FY2022-23 33 negative phase sequence current flows into the grid and reduces stress on the captive generator.*
- (4) *Captive power plants have higher fault level support when they are running in parallel with the grid supply. Because of the higher fault level, the voltage drop at load terminal is less when connected with the grid.*
- (5) *On account of increase in plant load factor of captive generator, additional revenues can be generated by the CPPs by sale of surplus power to the utility.*
- (6) *In addition to the above, CPPs enjoy the following advantages also: (i) In case of fault in a CPP generating unit or other equipment, bulk consumers can draw the required power from the grid and can save their production loss. (ii) The grid provides stability to the plant to start heavy loads like HT motors. (iii) The variation in the voltage and frequency at the time of starting large motors and heavy loads, is minimized in the industry, as the grid supply acts as an infinite bus. The active and reactive power demand due to sudden and fluctuating load is not recorded in the meter. (iv) The impact created by sudden load throw off and consequent tripping of CPP generator on over speeding is avoided with the grid taking care of the impact. (v) The transient surges reduce the life of equipment of the CPP. In some cases, the equipment fails if transient is beyond a limit. If the system is connected to the grid, it absorbs the transient load. Hence, grid enhances the life of CPP equipment.*

4. In the above matter, the Distribution Licensees in Telangana and this Hon'ble Commission have invited the stakeholders to file their comments/suggestions/objections, if any, on or before 5.00 pm by 28.01.2022.
5. **Our objections against the proposed Grid Support Charges are set out below for your kind consideration and disposal:**

For My Home Industries Private Limited

*B. Muralidhara Rao*  
 B. Muralidhara Rao  
 Company Secretary &  
 Vice President (Legal)  
 Membership No: FCS4789

### 5.1 HISTORY OF GRID SUPPORT CHARGES (GSC):

1. The Grid Support Charge (GSC) was initially levied by the erstwhile Hon'ble APERC vide Order in O.P.No. 1 of 1999 dated 08.02.2002 in the context of the AP Electricity Reform Act, 1998. The GSC order was implemented vide Tariff Order FY 2002-03 from 01.04.2002. The same was challenged before the Hon'ble High Court for the erstwhile State of A.P which was decided in favour of the generators/Captive Power Producers (CPPs) by setting aside the levy of grid support charges. An Appeal was filed by AP Transco (Civil Appeal No. 4569 of 2003) in the Hon'ble Supreme Court. The Hon'ble Supreme Court, vide its judgement dated 29.11.2019 affirmed the orders of the erstwhile Commission.
2. The prevailing conditions during 2002 and at present are totally different. At that time, the Electricity Act, 2003 had not come into existence and SLDC had no separate statutory identity then and SLDC revenue was part of APTRANSCO.
3. There was lot of indiscipline in Transmission Companies in handling their affairs. States were exceeding the drawal limits as there was no stringent enforcement mechanism. As a result of which we have witnessed failure of Northern grid on 2<sup>nd</sup> January, 2001 and 230 million people were affected.
4. There was no concept of Open Access, as such Transmission and Wheeling charges were allowed only by means of mutual agreements as per the prevailing statutes viz. The Indian Electricity Act, 1910, The Electricity (Supply) Act, 1948 and rules made thereunder.
5. It is pertinent to mention here that the erstwhile APERC was constituted under the AP Electricity Reform Act, 1998, and has passed the order in O.P.No.1 of 1999 in exercise of its powers under the said Act.

### 5.2 THE IMPACT OF THE ELECTRICITY ACT, 2003:

1. In 2003, the Electricity Act, 2003 ("Act") came into force. The Act brought in substantial changes to the previous regime, including the establishment of State Commissions, delicensing of Generation, unbundling of transmission and distribution, specification of tariffs and charges, crystallized the scheme of Open Access, brought in procedures and standards to enforce discipline, etc. However, it left the Commissions established by States under earlier State enactments (such as the AP Electricity Reform Act, 1998) untouched and treated them to be Commissions established under the Act, essentially conferring them with powers

For My Home Industries Private Limited

  
 B. Muralicharan Rao  
 Company Secretary &  
 Vice President (Legal)  
 Membership No: FCS-4789

under both Acts, in as much as the State enactments were not in derogation to the Act.

2. Open Access was introduced under Section 42 of the Act, in pursuance to which APERC Regulation Nos.2 of 2005 and 2 of 2006 were also promulgated by the erstwhile Commission. The Grid Code came into existence. In 2021, this Hon'ble Commission also notified Regulation No.3 of 2021 to maintain grid discipline and grid security as envisaged under the State Electricity Grid Code through the commercial mechanism for Deviation Settlement for controlling drawal and injection of electricity by the users of the grid.
3. CPP's are exempt from the payment of CSS as per the 4<sup>th</sup> proviso to S.42(2) of the Act, as the legislature intended to reduce the charges on CPP's in order to encourage generation. Further, S.86 (1) (e) of the Act also prescribes that generation from cogeneration sources be promoted.
4. Now, as there is an established mechanism to bring discipline among the Generators and Consumers by levying various charges as per the Grid Code and Open Access (OA) Regulations, due to which both OA Consumers and OA Generators are supposed to declare Week Ahead and Day Ahead Schedules.
5. SLDC/RLDC is the nodal agency to maintain Grid discipline and optimum scheduling and despatch of electricity under Sections 28 and 32 of the Act. Every Licensee, Generating companies and other persons connected with the operation of power system are under strict obligation to comply with the directions issued by RLDC (Section 29(1) of the Act) and SLDC (S.33(1) of the Act) as per the Regulations prescribed by the appropriate Commission.
6. Under the provisions of the Act, a separate agency by SLDC/RLDC/NLDC were created to take care of the Grid. SLDC/RLDC is responsible for maintaining grid security, Load forecasting, scheduling and despatching and balancing of generation and demand (load). The ARR of SLDC was already approved in the MYT Tariff 2021-23. The DISCOMs have no role in maintaining Grid security and have to comply with the directions issued by SLDC/RLDC. Hence, in the present scenario, there is no need to propose GSC by DISCOMs and the DISCOMs have no role in seeking GSC.
7. TSTRANSCO and DISCOMs are responsible for Transmission and Wheeling business and can levy those charges only, but the levy of GSC is under the

For My Home Industries Private Limited



B. Muralidhara Rao  
Company Secretary &  
Vice President (Legal)  
Membership No: FCS4789

purview of SLDC only. Therefore, TSTRANSCO and DISCOMs have nothing to do with GSC. The ARR of Transmission and DISCOMs distribution business is recovered through Transmission charges and wheeling charges as approved in the relevant MYT orders. As the present ARR and Tariff proposal is to recover the retail supply business costs filed under S.62 of the Electricity Act, 2003, read with Regulations 2(n), 3.4, 6.4(a), 7.2(b), 7.4 and 12.1 of APERC Regulation No.4 of 2005 read with TSERC Regulation No.1 of 2014, the DISCOM has no role in proposing any GSC.

8. It is also pertinent to note that this Hon'ble Commission is constituted under the Electricity Act, 2003 and thus the earlier AP Electricity Reform Act, 1998 under which GSC were earlier determined is neither applicable nor relevant in the present day. The Act, 2003 specifically lays down the charges and tariffs to be collected, and no charges beyond what is prescribed can be levied. Admittedly, there is no charge such as GSC mentioned in the Act or the regulations, let alone under S.62 under which the present petitions are filed, and as such, any such proposal to levy GSC is without jurisdiction.
9. It is further submitted that the cost of the retail business of the Distribution Licensee is being covered by the proposed tariffs. Without specifying as to why the GSC is required and how much the same would cost the Licensee, there is no scope for levying such unspecified charges.
10. It is thus submitted that the scope of present ARR for Retail Supply Business for FY 2022-23 should be strictly confined in terms of Section 62 of the Act r/w APERC Regulation 4 of 2005 as adopted under Regulation 1 of 2014, and Section 42 of the Act for the purpose of determination of CSS and any proposal of the DISCOMs to levy GSC is itself misconceived and patently without jurisdiction.

**Without Prejudice to above submissions of the very power and jurisdiction to levy GSC, the following further submissions are made.**

- 5.3 Captive Power Generation is delicensed under the Electricity Act, 2003 so as to lessen the burden on the Grid in meeting the distributed loads. The provision in Para 5.2.26 of National Electricity Policy, 2005 notified by Govt of India laid emphasis on grid connectivity of captive generators even under open access regime which is reproduced below:

*“Under the Act, captive generators have access to licensees and would get access to consumers who are allowed open access. Grid inter-connection for captive generators shall be facilitated as per Section 30 of the Act. This*

For My Home Industries Private Limited



B. Muralidhara Rao  
Company Secretary &  
Vice President (Legal)  
Membership No: FCS4789



*should be done on priority basis to enable captive generation to become available as distributed generation along with the grid.”*

In the spirit of this legislation and rules framed thereunder, determination of Grid Support or Parallel Operation Charge should follow the principles of transparency, actual forbearance and fair computation based on time tested methodology. The proposed levy does not meet any of these criteria and is arbitrary.

- 5.4** In the case of CPPs availing Open Access for transmission and wheeling of power from the generation point to the consumption point, Grid levies charges as determined by the regulator from time to time. Even in these cases there is an established mechanism of UI charges which essentially address the so-called grid support or parallel operation. A similar time-tested methodology should be devised for such CPPs that do not avail open access so that Grid is adequately compensated for forbearance, if any, in providing parallel operation to CPPs. The proposed levy by the TSDISCOMs is therefore quite arbitrary, excessive and is not supported by quantifiable data.
- 5.5** The Transmission system of the TRANSCO/DISCOM should be so designed that it should take care of fluctuating load of the consumer as it is the duty of the transmission licensee under Section 40 of the Electricity Act, 2003. Moreover, variation of load of a consumer having CGP is much less than a consumer without CGP.
1. CGPs absorb some amount of harmonics whereas a consumer without CGP inject full quantum of harmonics generated to the grid.
  2. The unbalanced voltage of the grid is a source of negative phase sequence current which is absorbed by the generators of CGP.
  3. Fault level depends upon the generation capacity connected to the grid. The parallel operation of CGPs with the grid is in fact beneficial with some degree of voltage support that the CGPs extend to the Grid
  4. As per Regulations of Supply Code, Industries having CGPs can draw emergency power up to the capacity of largest generating unit by paying required tariff. CPP's drawl of power is limited to "start-up power" that too when there is total loss of generation of the CPP. The drawl of power for production purposes, is limited to the CMD as per the Power Supply Agreement with the DISCOM. Otherwise, penalty is attracted. Overdrawl is prevented by proper setting of the relays at the Grid Sub-station.

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 B. Muralidharan Rao  
 Company Secretary &  
 Vice President (Legal)  
 Membership No. FCS4789

5. It is wrong to state that active and reactive power demand due to sudden and fluctuating load are not recorded in the meter. Billing is done for all consumers by integration over 15 minutes period and this is also applicable for CPPs and so it does not result in any undue advantage.
6. Due to injection of power by CGPs the load on the transformers in the grid reduces resulting in less transformer loss.
7. The CGPs are acting as distributed generators at the load center for which the transmission and distribution loss has been reduced to great extent. In fact, the CGPs connected to the grid are facing issues due to the irregularities in grid operation by TSTRANSCO.
8. As per Section 7 of the Electricity Act, 2003 any generating company may establish operate and maintain a generating station if it complies with State Grid Code and standards of grid connectivity as referred in Section 73 (b) of the Act. Both Tariff Policy and National Electricity Policy emphasizes the unhindered connectivity of CGPs to the grid. Section 2(32) of the Electricity Act, 2003 defines Grid means the high voltage backbone system of interconnected transmission lines, substation and generating plants. That implies CPPs and Generator are part and parcel of the grid system. Therefore it is not understood how one part of the grid is asking Support Charges to other part. Under such condition of dynamism all the constituency of the intergrade Grid system are mutually benefitted as well as become victims of the vagaries created. Thus the very concept of levying Grid support charges to Captive Generating Plant only seems to be absurd. The proposed and arbitrary quantum of Grid Support Charge makes the captive power generation unviable and the spirit of the Act and the rules framed thereunder are thus vitiated.
9. The transmission licensee and the SLDC are responsible for maintaining the network and the Grid. Moreover, the provisions of the Electricity Act do not differentiate between an IPP and a CGP in so far as Grid connectivity is concerned and hence both should be treated equitably from the viewpoint Grid support and connectivity. Moreover, industries with arc furnaces and rolling mills without CGP create larger disturbances in the grid as compared to those with a CGP. CGPs provide advantages to the Grid such as providing VAR support and fault MVA support.
10. There is no provision in the statute empowering the DISCOMS to levy Grid Support Charges on the CPPs. They, on the other hand as CPPs absorbed some amount of harmonics. On the contrary consumer without CGPs transmit full quantum of harmonics to the Grid. The DISCOMS/TRANSCO is not taking any step to install suitable equipment to filter the harmonics

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B. Muralidhar Rao  
 Chairman, PSC &  
 Vice Chairman (PSC)  
 Membership No. FCS4789

and injecting those pollutants to the Grid for which the CPPs are forced to suffer. The Grid voltage is always unbalanced due to various categories of consumers and hence is a source of negative phase sequence current which cause stress on the generators of CPPs. TRANSCO being the STU of Telangana should find some means to prevent the same

11. It is relevant to mention here the observations and comments of the Hon'ble Orissa Electricity Regulatory Commission in the similar matter, in its Order dated 31.03.2014 in Case No. 46/2012, the excerpt of which is as follows:

i) Para- 15 of Order:

*"We heard the parties at length and also perused the technical report submitted by OPTCL. The present installed capacity of the CGPs in the State as submitted by OPTCL is 5173 MW which is more than or equal to capacity of other generators connected to Odisha Grid including Odisha share of power from Central Generation Stations. We agree with the contention of CCPPO that the pollutants of the Grid like fluctuations in frequency and voltage, negative phase sequence, distortion due to harmonics etc. are the resultant effect of all synchronous machines like generators and motors of the Grid system. These pollutants are injected in to the grid not only by CGPs but also by other independent generators and machines like motors and arc furnaces of the consumers. Holding industry having CGPs only responsible for this is not correct".*

ii) Para-16 of Order:

*"After going through the submission of various stake holders of the grid system we conclude that the behaviour of industries having CGPs and also without CGPs varies case to case basis. There are ample provisions in the Odisha Grid Code to regulate the behaviour of entities connected to the OPTCL system. Hence, a generic method of calculation of Grid Support Charges for all industries may not be proper. The Petitioner has failed to submit a State-wide study before us on which a decision could have been taken. One solution fits all can't be applicable here. So implementation of a model of another State in our State will not be proper."*

iii) Para- 17 of Order:

*"There are enough provisions in Odisha Grid Code, 2006 to maintain quality supply in the grid system. Regulation 4.7 of Odisha Grid Code discuss elaborately the ideal behaviour of constituents of the Grid. OPTCL should play the role of watchdog and analyze the pollutant injected by various constituents of the grid system. CGPs and industries injecting pollution should be directed to take up remedial measures like installation*

For My Home Industries Private Limited

*B. Murthy*

B. Murthy  
Comptroller &

Member, No. FCS4789

*of capacitors, filters for harmonics, etc. so that grid pollution will be minimized. The non-compliance by any industry or industry having CGP of the Grid Code should be dealt as per Regulation 1.18 of OGC, 2006. Therefore, the prayer of OPTCL for levy of Grid Support Charges is not acceptable.”*

12. Just as in the case of Original proposal when GSC was proposed at 50% of the then applicable Demand Charge of Rs 170 per KVA during the year 2002, the current proposal of 50% of the Demand Charge of Rs 475 per KVA per month is also not supported by any data proving that the grid suffered to this extent in providing parallel operations to CPPs.
13. The proposed levy of 50% of the Demand Charges of Rs. 475per KVA per month, proposed by TSDISCOMS has no basis and is grossly excessive and arbitrary.
14. CPPs involve heavy capital investments and are necessitated to provide fillip to the main consumption industry utilizing captive power at reasonable rate as opposed to fluctuating and ever-increasing grid tariff.
15. Further, the original proposal when GSC was proposed by APERC during the year 1999 and 2002, the Electricity Act 2003 was not in force. The Act is in force from 2003 and Section 9 of Electricity Act does not differentiate between CGP and IPP as far as grid connectivity is concerned and hence both should be treated equitably from the viewpoint of grid connectivity and support.
16. The proposed arbitrary levy of GSC aims to stifle the consuming industries, which in turn erodes the viability of the principal industry to a point that it may perforce cease operations.
17. The CPPs who are predominantly coal-fired, are already subjected to substantial increases in coal cost being supplied by the State mining companies and have no window to absorb such high levies such as the proposed GSC.
18. CPPs have repeatedly expressed their willingness to provide additional protections in their facilities as desired by the grid to see that no untoward load throwbacks or fault currents or reactive power surges happen.
19. The original levy of GSC in 1999 was proposed when the generation shortfall was prevailing, and the TSDISCOMS were going through occasional R&C periods and frequent fluctuations, etc. when the Regulator considered that the proposed levy had merits. However, the TS Grid has

For My Home Industries Private Limited

  
 B. Muralidharan  
 Company Secretary &  
 Vice President (Legal)  
 Membership No. FCS4789

since improved / made many strides in Grid size, availability of power and attained stability and is one of the few Grids in the country being engaged in export of power on a regular basis. Aggregate capacity of the CPPs now is relatively marginal compared to the Grid Size and no real forbearance could be possible warranting such huge and arbitrary levy.

20. Grid Support Charges cannot be a substitute for Demand or Capacity Charges which are determined on a wider basis by the regulator. So the proposed levy of Grid Support Charges based on applicable demand charge is arbitrary, excessive and results in undue enrichment of the TSDISCOMs at the expense of CPPs.
  21. Determination of the Grid Support Charges based on CPP capacity in KVA lacks merits while the entire power systems in the premises of CPP are approved by CEIG in KW, in addition to this even the export contracts either bilateral or under the Exchanges are settled in MWs. So the quantification of the Grid Support Charge, if any, has to be in KW.
6. The proposed levy of GSC at such a high rate will be a death knell for large process industries which depend upon captive power at reasonable cost. The proposed GSC will hit at the core viability of the principal industry resulting in closure of operations and in loss of direct and indirect employment apart from loss of revenue to the exchequer.
  7. There is no mention of basis and methodology by DISCOMS for the proposed GSC of 50% of demand charges. How the DISCOM arrived GSC at 50% of demand charges and why not 2% or 5% is not specified. If the proposed GSC is considered, a captive power generating plant having installed capacity of 100 MW, is forced to pay GSC Rs.2.97 Crores per month and Rs.35.63 Crores per annum, which will inevitably result in the closure of the industry in Telangana.
  8. Most of the CPPs installed capacities are much higher when compared to their captive load. When the operating capacity of captive load is much lower than installed Capacity of Power plant, it is very unfair to impose GSC based on the installed capacity of CPP.

For My Home Industries Private Limited


  
 B. Murthy  
 Company Secretary &  
 Vice President (Legal)  
 Membership No. FCS4789

PRAYER

That, in view of the above, we pray that the Hon'ble Commission may be graciously pleased to-

- a) reject the proposal of the levy of Grid Support Charges; and
- b) consider our foregoing objections, and grant us a personal hearing and grant leave to adduce further evidential data in our support at the time of hearing either by our representative or legal counsel.

For My Home Industries Private Limited

  
B. Muralidhara Rao  
Company Secretary &  
Vice President (Legal)  
Membership No. 254789

Hyderabad:  
28.01.2022

**OBJECTOR**