

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO. 4, CHUNAKOLI, SHAILASHREE VIHAR,
BHUBANESWAR-751021**

**Present : Shri G. Mohapatra, Member
Shri S. K. Ray Mohapatra, Member**

CASE NO.75 OF 2022

Date of Hearing : 13.02.2023 (at 3.00 P.M)

Date of Order : 23.03.2023

IN THE MATTER OF: Application for approval of Generation Tariff of OPGC (Unit 1&2) for FY 2023-24 under Sections 62 & 86 of the Electricity Act, 2003 read with OERC (Terms & Conditions for Determination of Generation Tariff) Regulation, 2020 and OERC (Conduct of Business) Regulation, 2004.

ORDER

PROCEDURAL HISTORY (Para 1 to 12)

The Petitioner, M/s. Odisha Power Generation Corporation (OPGC) Ltd. has filed an application before the Commission for determination of Generation Tariff of its power station (Unit 1&2) of 420 MW (2 X 210 MW) for FY 2023-24. In the present petition, OPGC had prayed the Commission to approve the tariff, including annual fixed cost and base variable charges, other charges, recovery of other charges on actual basis, the recovery of FPA in accordance with the approved PPA during FY 2023-24 and also allow OPGC to file a separate Petition regarding additional capitalisation from FY 2015-16 to FY 2023-24 after the Appellate Tribunal of Electricity (APTEL) passed the Judgment in Appeal No.335/2021 filed by OPGC against the Commission's Order dated May 21, 2021 in Case No.54 of 2018.

2. GRIDCO Limited ("GRIDCO") had entered into Bulk Power Supply Agreement ("PPA") with OPGC dated August 13, 1996, for purchase of power from its Generating Units 1&2 of IB Thermal Power Station, having capacity of 420 MW (2 X 210 MW). OPGC, GRIDCO and Government of Odisha signed a Tripartite Agreement on 18th October, 1998 providing certain further amendments to existing PPA and other provisions including those concerning the establishment of Units 3&4 having capacity of 1320 MW (2X660 MW) of IB Thermal Power Station owned by OPGC. Tariff of OPGC for units 3&4 was approved by the

Commission in the month of January 2023 at the rate of 126.15 (P/kWh) for the FY 2023-24. Therefore, in the present petition, we are determining the tariff for OPGC Units 1&2.

3. Earlier the principle of tariff determination was sub-judice before the Hon'ble Supreme Court. The said Hon'ble Court vide their judgment dated 19.04.2018 (CA No.9485 of 2017) had directed as follows:

“ 6. *We are of the view that the Commission vide their order dated 27.04.2015 on the joint application of the parties dated 26.02.2014 rightly fixed the tariff but the view taken in subsequent order dated 21.03.2016 which has been upheld on appeal is unsustainable.*

7. *Accordingly, we set aside the impugned order and remand the matter to the State Commission for fresh decision. The State Commission may take into account the Notification dated 21.06.2008 for the fixed costs, the PPA for the variable costs specified therein and for other costs not reflected in the PPA, statutory Regulations may be applied.*

8. *The appeal shall stand disposed of as indicated above.*

9. *The parties may appear before the State Commission for further proceedings on 02.07.2018.”*

Accordingly, OPGC had filed the Case No.33 of 2018 before the Commission for redetermination of tariff of its generating stations for FY 2016-17, FY 2017-18 and FY 2018-19 and the matter was heard as per the direction of the Hon'ble Supreme Court and disposed of by the Commission.

4. Now OPGC Ltd. as a “Generating Company” incorporated under the Companies Act, 1956 and is within the meaning of Section 2(28) of the Electricity Act, 2003 (herein after referred as ‘the Act’) has filed the present petition for determination of tariff for FY 2022-23 which shall be determined by the Commission in accordance with the principle already laid down by the Hon'ble Supreme Court. Under the existing legal set up, GRIDCO Ltd. as the State designated entity is procuring power from the generating stations of OPGC Ltd. and making bulk supply to the Distribution Licensees.

5. As per Regulation 61(2) of the OERC (Conduct of Business) Regulations, 2004, a generating company is required to file an application by 30th November of each year to the Commission for determination of tariff for any of its generating stations, for sale of energy in the State of Odisha giving details of cost associated with the generation and sale of energy from the generating stations.

6. In compliance to the above direction of the Commission, OPGC Ltd. has filed an application on 30.11.2022 under Sections 62 & 86 of the Electricity Act, 2003 read with OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2014 and Regulation 61(2) of the OERC (Conduct of Business) Regulations, 2004 for determination of

Generation Tariff for the FY 2023-24 of Units 1&2 of IB Thermal Power Stations (2X210 MW). The above application filed by OPGC Ltd. is based on the provisions of amended PPA, Bulk Supply Agreement, Tripartite Agreement and Escrow Agreement following the securitization arrangements.

7. After due scrutiny and admission of the aforesaid application, the Commission directed OPGC Ltd. to publish its application in the approved format. In compliance to the same, public notice was given in leading and widely circulated newspaper on 31.01.2023 and was also posted in the Commission's website, in order to invite objections/suggestions from the general public. The applicant was also directed to file its rejoinder to the objections/suggestions filed by the objectors. In response to the aforesaid public notice, the Commission received 4 number of objections from the following persons/organizations:
(a) Shri R. P. Mahapatra, Retd. Chief Engineer & Member (Gen.) erstwhile OSEB, Plot No-775 (P), Lane-3, Jayadev Vihar, Bhubaneswar-751013, (b) Shri Soumya Ranjan Patnaik, S/o-Late Brajabandhu Patnaik, MLA, Khandapada, Plot No. 185, VIP Colony, Nayapalli, Bhubaneswar-15,(c) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, and (d) The Managing Director, GRIDCO Ltd., Janapath, Bhubaneswar-22.
8. In exercise of the power conferred under Section 94(3) of the Electricity Act, 2003, the Commission appointed World Institute of Sustainable Energy (WISE), Pune as Consumer Counsel for objective analysis of the applicant's petition for determination of generation tariff proposal for its different power stations for the FY 2023-24 with a view to protect the interest of the consumers.
9. The date of hearing was fixed to 13.02.2023 at 3.00 P.M and was duly notified in the leading and widely circulated newspaper mentioning the list of objectors. The Commission also issued notice to each objectors and the Department of Energy, Government of Odisha informing them about the date and time of hearing through hybrid mode and requested the objectors and the Government's authorized representative to provide e-mail ID and Whatsapp number for providing links for hearing. All the Objectors along with the representative of the applicant-OPGC Ltd. except DoE, GoO were present during tariff hearing through hybrid mode and their written submissions filed before the Commission were taken on record and also considered by the Commission. The applicant submitted its reply to the issues raised by the various objectors during hearing. Accordingly, as a part of the consultative process, the Applicant, Objectors and Consumer Counsel participated in the proceedings and offered their views/suggestion/proposal in the hearing through hybrid mode

on the date and time fixed by the Commission. The Consumer Counsel presented views on the matter during the hearing.

10. At the beginning of the hearing, Learned Objector Shri R. P. Mahapatra and Shri R. C. Satapathy unanimously raised the objection pointing out that this Commission presently functioning with two Members, one of whom is the Acting Chairperson, cannot legally embark upon hearing on ARR and Tariff application for the FY 2023-24 and the presence of the Chairperson is indispensable for full-fledged hearing on Tariff application.
11. The objection raised on behalf of the above objectors is found to be legally untenable in view of Section 93 of the Electricity Act, 2003 read with Section 9(4) of the Orissa Electricity Reform Act, 1995 and Regulation 8(b) of the OERC (Conduct of Business) Regulations, 2004. Hence, it is held by this Commission that presently functioning with Acting Chairperson and another Member, is vested with the required quorum for hearing of the petition at hand. Accordingly, it is concluded that hearing on Generation Tariff proposal of OPGC Ltd. for the FY 2023-24 cannot be legally deferred on account of non-posting of regular Chairperson. Finally, it is held that, the objection is untenable and the same is rejected. Consequent upon the same, hearing of the petition is taken up.
12. The Commission convened the State Advisory Committee (SAC) meeting on 15.03.2023 at 11.00 A.M. to discuss about the proposal of the applicant for determination of generation tariff for the FY 2023-24. The Members of SAC presented their valuable suggestions and views on the matter for consideration of the Commission.

OPGC's proposal for determination of Generation Tariff for FY 2023-24 (Para 13 to 41)

13. Odisha Power Generation Corporation Limited (herein after referred as "OPGC") is a company incorporated under the Companies Act, 1956 having its registered office at Zone-A, 7th floor, Fortune Towers, Chandrasekharpur, Bhubaneswar, Odisha-751023. GRIDCO Limited ("GRIDCO") had entered into Bulk Power Supply Agreement ("PPA") with OPGC dated August 13, 1996, for purchase of power from its Generating Units 1 & 2, having capacity of 420 MW (210 MW x 2) of IB Thermal Power Station. OPGC, GRIDCO and Government of Odisha signed a Tripartite Agreement dated 18th October, 1998 providing certain further amendments to existing PPA and other provisions including those concerning the establishment of Units 3 & 4 of IB Thermal Power Station by OPGC. Further, Escrow and Security Agreement dated 30th November, 1998 was entered between OPGC, GRIDCO and Union Bank of India.
14. Subsequently, certain disputes had arisen between the parties relating to the terms of the PPA, Tripartite Agreement and other agreements between the Parties. In order to resolve

these disputes, Government of Odisha constituted a Task Force, vide Resolution No. 3895 dated May 7, 2007, for resolving disputes regarding tariff and other related matters. Government of Odisha, based on the recommendations of Task Force, issued Notification No. 7216 dated June 21, 2008 for resolving and settling all such disputes on terms and conditions contained therein in respect of Units 1 & 2 and also relating to setting up of Units 3 & 4. OPGC and GRIDCO agreed to amend existing PPA and Tripartite Agreement based on above notification of Government of Odisha. Accordingly, an agreement was signed on September 6, 2012 as Supplemental to the Tripartite Agreement executed on October 18, 1998. Subsequently, OPGC and GRIDCO signed an amendment to existing PPA on December 19, 2012 by modifying certain clauses related to Plant Load Factor, revision in tariff, etc.

15. The Commission vide its Order dated April 27, 2015, approved the Amended PPA and directed OPGC to file an application for determination of Generation Tariff for rest of the control period starting from FY 2016-17 onwards in line with the amendments since tariff for FY 2014-15 and FY 2015-16 had already been approved by OERC in ARR of GRIDCO. The Commission, vide its Order dated March 21, 2016, determined the Generation Tariff of Units 1 & 2 of IB Thermal Power Station for FY 2016-17, in accordance with the terms and conditions of OERC Generation Tariff Regulations, 2014.
16. Aggrieved by the said Order, OPGC filed Appeal No. 126 of 2016 before the Hon'ble APTEL against the Tariff Order for FY 2016-17. Hon'ble APTEL, vide its Judgment dated April 6, 2017, in the stated Appeal upheld the Commission's Tariff Order for FY 2016-17. Aggrieved by the Judgment of Hon'ble APTEL, OPGC filed Civil Appeal No. 9485 of 2017 before the Hon'ble Supreme Court. The Hon'ble Supreme Court vide its Judgment dated April 19, 2018 in the stated Appeal set aside the Tariff Order for FY 2016-17 and remanded the matter to the Commission for a fresh decision. In effect, the Hon'ble Supreme Court held that primarily the tariff norms under the PPA are to be followed while determining OPGC's tariff. Further, to the extent there are tariff norms not covered by the PPA, the Tariff Regulations 2014 may be relied upon by the OERC to determine OPGC's tariff.
17. In the meantime, the Commission disposed of the Generation Tariff Petition for FY 2017-18 (Case No. 62/2016) vide its Order dated March 23, 2017 and Generation Tariff Petition for FY 2018-19 (Case No. 75/2017) vide its Order dated March 22, 2018 in line with its approach adopted in the tariff determination for FY 2016-17.
18. In accordance with the Order of Hon'ble Supreme Court, OPGC filed the Petitions for Re-determination of Tariff for the FY 2016-17, FY 2017-18 and FY 2018-19 before the Commission on May 25, 2018 considering the original project cost as per the approved

Amended PPA (Case No. 33 of 2018) and the final Order was issued by the Commission on March 28, 2019.

19. Subsequently, OPGC filed a separate Petition numbered as Case No. 54 of 2018, for approval of additional capitalisation for FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 in compliance to the Commission's directive in the Tariff Order for FY 2018-19 dated March 22, 2018 and Hon'ble Supreme Court order in Civil Appeal No. 9485/2017 dated April 19, 2018.
20. In line with the approach adopted in Petitions filed in Case No. 33 of 2018 and Case No. 54 of 2018, OPGC had filed the Petition for the FY 2019-20 and FY 2020-21 and the final Orders were issued by the Commission.
21. The Commission notified the Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 ("OERC Generation Tariff Regulations, 2020") on August 26, 2020 exercising the powers conferred under Section 61 & 62 read with Section 181 of the Act. As per these Regulations, the Tariff Period is for four years, i.e., FY 2020-21 to FY 2023-24. In accordance with the provisions of OERC Generation Tariff Regulations, 2020 and in line with the approach adopted in Petitions in Case No. 70 of 2018, Case No. 33 of 2018, Case No. 54 of 2018 and Case No. 69 of 2019, OPGC filed a Petition for approval of Generation Tariff for FY 2021-22. The said Petition was numbered as Case no. 71 of 2020 and the final Order was issued by the Commission on March 26, 2021.
22. Subsequently, the Commission, vide Order dated May 21, 2021 in Petition No. 54 of 2018, disallowed actual additional capitalization for FY 2015-16 to FY 2017-18 and proposed additional capital expenditure for FY 2018-19. OPGC has filed an Appeal before Hon'ble APTEL on November 15, 2021, as DFR No. 407/2021 against OERC Order dated May 21, 2021 in Case No.54 of 2018.
23. In accordance with the provisions of OERC Generation Tariff Regulations, 2020 and in line with the approach adopted in Petitions in Case No. 33 of 2018, Case No. 70 of 2018, Case No. 69 of 2019, and Case No. 71 of 2020, OPGC had filed Petition for approval of Generation Tariff for FY 2022-23. The said Petition was registered as Case No.104 of 2021 and the final Order was issued by the Commission on March 24, 2022.
24. In the present Petition, OPGC has claimed approval for Generation Tariff for FY 2023-24 based on the provision of the approved Amended PPA against the original project cost. With regard to the claim of additional components of Annual Fixed Charges due to additional capitalisation for FY 2015-16 to FY 2021-22 and projected additional capitalisation for FY 2022-23 and FY 2023-24, OPGC has submitted that a separate petition will be submitted

based on the outcome of the Appeal registered before Hon'ble APTEL in Appeal No. 335/2021 against the Commission's Order dated May 21, 2021 in Case No. 54 of 2018.

25. Accordingly, the present Petition has been filed by OPGC based on the following agreements entered between the parties and notification of Govt. of Odisha:

- a) Bulk Power Supply Agreement between OPGC and GRIDCO, dated August 13, 1996 ("PPA") and an agreement as Supplemental to Bulk Power Supply Agreement dated December 19, 2012 ("Amended PPA"). Both agreements were approved by the OERC vide its Order dated April 27, 2015;
- b) Tripartite Agreement between OPGC, GRIDCO and Government of Odisha dated October 18, 1998 ("Tripartite Agreement");
- c) Govt. of Orissa ("GoO") Notification No. 7216/E dated June 21, 2008;
- d) Agreements as Supplement to Tripartite Agreement dated September 6, 2012 ("Amended Tripartite Agreement") which was approved by the OERC vide its Order dated April 27, 2015; and
- e) Escrow and Securitization Arrangement dated November 30, 1998 entered between OPGC, GRIDCO and Union Bank of India, which was approved by the OERC vide its Order dated April 27, 2015.

Generation Tariff for FY 2023-24 considering the original project cost

26. OPGC has submitted that, the Annual Fixed Cost (AFC), as per Clause 3.0 of Schedule II of the Amended PPA, shall consist of the following components:

- a. Depreciation;
- b. Return on Equity;
- c. Interest on Loan;
- d. Operation and Maintenance Expenses; and
- e. Interest on Working Capital.

27. **Capital Cost and Additional Capitalization**

- a) OPGC has considered capital cost of the Project as Rs. 1060 Crore for FY 2023-24 as per the Amended PPA signed between OPGC and GRIDCO.
- b) Further, OPGC has submitted that after detailed discussions/deliberations with GRIDCO. It had filed a Petition registered as Case No 66 of 2021 for in-principle approval of the Commission for Renovation & Modernisation for enhancement of plant life and implementation of FGD and FGC for complying with the revised Emission Standards as prescribed by MoEF&CC. The Commission has been pleased to dispose off the Case vide its Order dated November 03, 2021.

- c) Subsequently, OPGC filed a review petition before the Commission for reconsidering construction of a new ash pond commensurate with proposed extended life of the plant (Case No 96 of 2021), considering the practical difficulties being faced for 100% utilisation of Ash by OPGC. The Commission was pleased to approve in-principle to construct a new ash pond. OPGC submitted that the Renovation & Modernisation and implementation of FGD and FGC shall be taken up after receiving concurrence from the Board of Directors of OPGC.
- d) Therefore, in the present Petition, OPGC has not claimed actual additional capitalisation for FY 2020-21, FY 2021-22 and projected additional capitalisation for FY 2022-23 and FY 2023-24. Based on the outcome of the Appeal filed before Hon'ble APTEL against the Commission's order in Case No. 54 of 2018, OPGC will approach the Commission for approval of actual additional capitalisation for FY 2015-16 to FY 2021-22 and projected additional capitalisation for FY 2022-23 and FY 2023-24 through a separate petition.

28. **Debt – Equity Ratio**

OPGC has submitted that while approving the Amended PPA, vide Order dated April 27, 2015, the Commission had approved the equity of Rs. 450 Crore and loan of Rs. 610 Crore. OPGC has considered actual debt: equity ratio, as approved in amended PPA and the same was considered in Tariff order for FY 2022-23, and has also been proposed for determination of tariff for FY 2023-24.

29. **Depreciation**

As the assets corresponding to Original Capital Cost of Generating Station are fully depreciated by the financial year ending March 31, 2009, OPGC has not claimed any amount towards depreciation for FY 2023-24.

30. **Return on Equity**

OPGC has proposed Return on Equity considering the actual amount of equity capital (Rs.450 Crore) and Return on Equity at the rate of 16% as per Clause 8.0 (10) of Schedule II of PPA. Accordingly, OPGC claimed Return on Equity of Rs.72 crore for the FY 2023-24.

31. **Interest on Loan Capital**

OPGC has submitted that Clause 8.0 (7) and (11) of Schedule II of the Amended PPA provides the loan amount of Rs. 610 Crore and interest on loan as per actual. Since the loan amount of Rs. 610 Crore has been fully repaid by financial year ending March 31, 2012, OPGC has not claimed any interest on loan capital for FY 2023-24.

32. **O&M Expenses**

OPGC has submitted that Clause 3.0 (d) and (e) of Schedule II of the Amended PPA provides that O&M expenses for first year of operation at the rate of 2.5% of the capital cost which shall be escalated by 8% each year from April 1, 1996. Accordingly, OPGC has proposed Rs.205.69 Crore under O&M Expenses for FY 2023-24 considering the annual escalation factor of 8% as per the methodology prescribed in amended PPA.

33. **Interest on Working Capital**

OPGC has claimed that, Clause 3.0 (f) of Schedule II of the Amended PPA provides the details of interest on working capital. As OPGC has started availing working capital from external sources, the actual interest rate for the Working Capital facility availed by OPGC in FY 2022-23 as on September 2022 is 7.95%. Accordingly, the same has been considered for FY 2023-24. Accordingly, OPGC claimed interest on working capital as Rs.14.88 Crore for FY 2023-24. The details are given in the table 1 below:

Table 1
Computation of interest on working capital for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Amount
1	Cost of Coal for one and half months	43.96
2	Cost of Secondary Fuel Oil for two months	9.37
3	O&M Expenses for one month	17.14
4	Receivables equivalent to two months	116.74
5	Total Working Capital Requirement	187.21
6	Interest Rate (%)	7.95%
7	Interest on Working Capital	14.88

34. **Summary of Annual Fixed Cost**

Considering above mentioned annual fixed cost components, OPGC has proposed the Annual Fixed Cost of Rs. 292.58 Crore for FY 2023-24 corresponding to the original project cost. The details are given in the Table 2 below:

Table 2:
Annual Fixed Cost of OPGC for FY 2023-24(Rs. Crore)

Particulars	Amount
Depreciation	0.00
Return on Equity	72.00
Interest on Loan Capital	0.00
O&M Expenses	205.69
Interest on Working Capital	14.88
Total Annual Fixed Cost	292.58

35. **Operational Performance Parameters**

The norms of operation proposed for FY 2023-24 by OPGC as per Clause 8 of Schedule II of the approved Amended PPA are given in Table 3 below:

**Table 3:
Operational Performance Parameters for FY 2023-24**

Sl. No.	Particulars	Unit	Value
1.	Normative Availability	%	68.49%
2.	Target Plant Load Factor for incentive	%	80.00%
3.	Auxiliary Consumption	%	9.50%
4.	Station Heat Rate	kcal/kWh	2500
5.	Specific Oil Consumption	ml/ kWh	3.50

36. **Fuel Prices & GCV**

- (i) During FY 2023-24, the entire coal requirement for OPGC is proposed to be met from coal supply under existing FSA with Mahanadi Coal Fields Limited. In line with the Judgment of the Hon'ble Supreme Court of India dated 18.04.2018 in Civil Appeal No. 9485 of 2017, variable costs for OPGC are to be determined as per the PPA. As per the provision of PPA, the GCV of Oil and Coal is to be considered as actually delivered to the power station. Accordingly, OPGC has considered the GCV of coal and oil as actually delivered to the power station for the computation of energy charges.
- (ii) Further, Clause 9 of Schedule II of the PPA stipulates that the prices and GCV of oil and coal for one year shall be the base for the next year. OPGC has filed Appeal No. 189 of 2020 before the Hon'ble APTEL against the Commission's Order dated October 28, 2020 in Case No. 43 of 2017 on the GCV to be considered for tariff computation. However, as the matter is sub judice before Hon'ble APTEL, OPGC has considered the GCV of coal and oil as actually delivered to the power station for computation of energy charges.
- (iii) Accordingly, OPGC has considered the actual delivered fuel prices and GCV of oil and coal for the period from April to September 2022 for purpose of computation of tariff in the present Petition. Accordingly, the price and GCV of coal and oil considered for FY 2023-24 have been given in the table 4 below:

**Table 4:
Price and Gross Calorific Value of Coal and Oil proposed for FY 2023-24**

Sr. No.	Source of Coal	Base for FY 2023-24
1	Price of Coal (Rs. /MT)	1622.39
2	Price of LDO (Rs./kL)	80561.66
3	Price of HFO (Rs./kL)	61885.46

Sr. No.	Source of Coal	Base for FY 2023-24
4	Gross Calorific Value of Coal (kCal/kg)	2865.76
5	Gross Calorific value of LDO (kCal/ltr.)	10000
6	Gross Calorific value of HFO (kCal/ltr.)	10000

37. **Energy charges**

OPGC has proposed that, in accordance with Clause 7.0 of Schedule II of the Amended PPA, it has considered the norms of operation, GCV and prices of the fuel for computation of Energy Charge for FY 2023-24. Accordingly, it has proposed Variable charges of 178.86 paise/kWh for FY 2023-24. The details are given in table 5 below:

**Table 5:
Computation of Energy Charge for 2023-24**

Particulars	Unit	FY 2023-24
Auxiliary Consumption	%	9.50%
Gross Station Heat Rate	kCal/kWh	2500
GCV of Coal	kCal/kg	2865.76
GCV of Oil (LDO)	kCal/ltr	10000.00
GCV of Oil (HFO)	kCal/ltr	10000.00
Specific Coal Consumption	kg/kWh	0.86
Specific Oil Consumption-LDO	ml/kWh	0.35
Specific Oil Consumption-HFO	ml/kWh	3.15
Price of Coal	Rs./MT	1622.39
Price of Secondary Oil-LDO	Rs./ kL	80561.66
Price of Secondary Oil-HFO	Rs./ kL	61885.46
Variable Charges per kWh (base value)	Paisa/kWh	178.86

38. **Reimbursement of Other Charges**

OPGC has proposed for reimbursement of the different charges and expenses which comprise of Electricity duty, water cess and charges, tax and cess on land, SOC and MOC paid to SLDC, EPRC charges, Annual Inspection fees, Income tax, recovery of ARR and tariff petition fees and publication expenses and contribution towards Water Conservation Fund, Odisha as per Clause 10 of the approved amended PPA. The details are given in Table 6 below:

**Table 6:
Other Charges for FY 2023-24 (Rs. Crore)**

Sr. No.	Particulars	Amount
1	Electricity Duty	14.94
2	Water Cess and Water Charges	9.22
3	Energy Compensation Charges	0.78
5	Tax and Cess on land	0.25
6	SOC and MOC for SLDC	0.36
7	ERPC Charges	0.16
8	Annual inspection fees	0.16

Sr. No.	Particulars	Amount
9	Income Tax	38.67
10	Recovery of ARR & Tariff Petition Fee	0.30
11	Contribution towards Water Conservation Fund	6.13
	Total	70.97

OPGC has requested to provisionally approve the other charges of **Rs. 70.97 Crore**. OPGC further requested to direct GRIDCO Ltd. to reimburse the other charges on actual basis during the year.

39. **Additional Capitalization for FY 2023-24**

OPGC has submitted that the claim of additional components of Annual Fixed Charges towards additional capitalization for FY 2015-16 to FY 2021-22 and projected additional capitalization for FY 2022-23 and FY 2023-24 will be claimed by OPGC through a separate petition based on the outcome of the Appeal No. 335/2021 registered before Hon'ble APTEL.

40. **Summary of Tariff proposal for FY 2023-24**

The Summary of tariff proposed is given in the Table-7 and other charges in Table 8 below:

Table 7
Summary of Tariff Proposal of OPGC for FY 2023-24

Particulars	Units	Amount
Depreciation	Rs. Crore	-
Return on Equity	Rs. Crore	72.00
Interest on loan	Rs. Crore	-
O&M expenses	Rs. Crore	205.69
Interest on working capital	Rs. Crore	14.88
Total Annual Fixed Cost	Rs. Crore	292.58
Variable Charges per kWh	Paisa/kWh	178.86

Table8
Other Charges for FY 2023-24

Particulars	Units	Amount
Other Charges	Rs. Crore	70.97

41. Further, the Petitioner has submitted the following in compliance to directives of the Commission:

- (i) Efforts being made for ash disposal/ utilization in line with MOEF&CC Notification dated 31.12.2021 and MoP Notification No.9/7/2011-ST.TH (Vol.IV) dated 22.02.2022.
- (ii) Measures relating to safety are being taken in line with CEA (Safety Requirements for Construction, Operation and maintenance of Electrical Plants and Electric Lines) Regulation as amended from time to time.

(iii) The feasibility for development of solar power plant within the existing power plant area and other steps is being taken in this regard.

(iv) Steps are being taken to improve performance and availability of IB TPS.

Views of the objectors and response of OPGC (petitioner) on the Generation Tariff proposal for FY 2023-24 (Para 42 to 64)

The views of the objectors and response of OPGC on various issues are as follows:

42. Absence of MYT Framework

- a) Mr. Soumya Ranjan Patnaik submitted that Section 61 of the Electricity Act, 2003 and the National Tariff Policy (NTP)-2016 notified by Central Govt under Section 3 of the Act, mandates the State Electricity Regulatory Commission (SERCs) and Central Electricity Regulatory Commission (CERC) to follow the principle of Multi-Year Tariff (MYT) in framing regulations & determination of Tariff and Charges of the Generating Companies and Licensees. The Act stipulates the Commission to determine the Tariff in a prudent and realistic manner for the ensuing year. So the act of prudence and the reality checking on the part of the Commission is best ascertained from the rate of variation recorded during truing up exercises. In the absence of truing up exercise of the previous year, the Commission loses its capacity of prudent checking of the ARR documents filed by the Licensee for determination of tariff for the ensuing year and for which if the tariff is determined without truing up exercises by the Commission, then it becomes imprudent and unrealistic. The Commission has been determining the Tariff of the Licensee for the previous years in an imprudent and unrealistic manner because while determined the tariff for ensuing year in the past, the Commission did not true up the previous years' tariff order with audited account and business plan.
- b) Further, the Objector submitted that the Commission did not pay any heed to the guiding principle of MYT approach, for which the performances of the licensees could not be reached to the desired level and in the other hand the retail Tariff has been increased year after year in an imprudent and unrealistic manner as is seen during last decade. The Objector submitted that as per Clause no 7 of OERC Generation Tariff Regulations, 2020, the Petitioner is required to file the forecasted ARR for each year of control period along with the tariff petition for the ensuing year; however, the Petitioner has failed to submit the forecast ARR for the tariff period along with the present Petition. Moreover, the tariff petition shall include the approved, admitted, projected capital cost (duly audited), additional capitalization,

decapitalisation, generation plan, expected revenue and other parameters of tariff project wise as stipulated in the above regulations along with the proposed tariff for the tariff period; whereas, the Petitioner has grossly failed to follow the above provisions.

- c) In view of section 61(f) of the Act, the Commission shall follow the multiyear tariff principles in the proceeding to determine generation tariff. Moreover, because of the constraints put in section 61(a) of the Act, the SERCs shall not ignore the principles and methodologies specified by the Central Commission for determination of Tariff for Generating Companies and Transmission Licensees. The Commission does not take care of the above mandates of the Act in the proceeding to determine tariff. The Objector urged the Commission that the Petitioner should submit necessary data in view of the above regulations in the present proceeding well in advance of the public hearing.

Response of OPGC- No comments

43. **Supreme Court Order regarding determination of Tariff as per Electricity Act, 2003:**

Mr. Soumya Ranjan Patnaik submitted that Hon'ble Supreme Court of India, while disposed of the Civil Appeal No. 1933 of 2022 (TPCL Transmission vrs. MERC), has hold that the SERCs are not determining Tariff as per the guiding principles specified in section 61 of the Act and direction is given to all the SERCs including the Commission for compliance of the guiding principles of section 61 of the Act in making/notifying the desired regulations within three months from the date of the said Order. The Objector hoped that pragmatic remedial actions may be initiated at the earliest.

Response of OPGC- No comments.

44. **Not Truing up of Tariff Orders**

Mr. Soumya Ranjan Patnaik submitted that the Commission has not carried out Truing up of capital expenditure and tariff exercise for OPGC for past years. The Objector has pointed out that the truing up of past expenses is necessary and mandated in OERC Generation Tariff Regulations 2014. The Clause No 2.13 of the said Regulations has given emphasis for filing true-up petition with respect to capital expenditure including additional capitalization and determination of revenue gap /surplus. The Objector submitted that the repeated failure of the OPGC to submit the true up petition and failure to observe the prescribed procedure for tariff determination could result in dismissal of the instant petition by the Commission. Further, as per first proviso of Clause No 2.13, the Commission shall compare the approved ARR and tariff recovery with the financial performance of the Petitioner for previous year. However, OPGC does not admit such provision of the regulations, and restricts the truing up

only within capital expenditure. The Objector submitted that determination of generation tariff for ensuing year without ascertaining the gain/loss of actual tariff recovery done by OPGC in previous tariff period may not be prudent and shall be against the MYT principles. OPGC has huge revenue surplus recovered from the tariff determined by the Commission for previous years but they are neither passing out nor filing true-up petition nor sharing the same with consumer.

Response of OPGC

OPGC has submitted that Regulation 7(6) of OERC Generation Tariff Regulations, 2020 stipulates as follows:

“Notwithstanding anything contained above the existing generation plants of OHPC and OPGC (UNIT-I & II) may make an application as per the Format prescribed by the Commission for determination of tariff as per annual schedule, by November 30th of every year for determination of tariff in respect of the units of the generating station.

Provided that the OHPC and OPGC (Unit -1 & 2) shall make an application as per the prescribed Format with necessary information and explanations, for determination of tariff based on capital expenditure incurred duly certified by the auditors or projected to be incurred up to the date of commercial operation and additional capital expenditure incurred duly certified by the auditors or projected to be incurred during the period for which application for determination of tariff is filed of the generating station:

Provided further that application shall contain details of underlying assumptions for projected capital cost and additional capital expenditure, wherever applicable.”

In accordance with Regulation 7(6) reproduced above, OPGC has filed the instant tariff petition for FY 2023-24. Further, the Commission vide order dated May 21, 2021 in Petition No. 54 of 2018 disallowed claimed actual additional capitalisation for FY 2015-16 to FY 2017-18 and proposed additional capital expenditure for FY 2018-19. OPGC has filed an Appeal before APTEL on November 15, 2021, vide Appeal No.335/2021 against this Commission’s Order dated May 21, 2021 in Case No. 54 of 2018. The matter was last heard by the Registrar on November 23, 2022. The matter is listed for hearing on January 27, 2023.

In the present Petition, OPGC has not claimed actual additional capitalisation for FY 2020-21, FY 2021-22 and projected additional capitalisation for FY 2022-23 and FY 2023-24. Based on the outcome of the Appeal filed against the Commission’s Order in Case No. 54 of 2018, OPGC will approach the Commission for approval of actual additional capitalisation for FY 2015-16 to FY 2021-22 and projected additional capitalisation for FY 2022-23 and FY2023-24 through a separate true up petition, if the Appeal goes in OPGC’s favour.

From the above, it is amply clear that the instant tariff petition has been filed in accordance with the stipulations in the Regulations.

45. **Additional capitalization**

Views of Objectors

- a) One of the objectors submitted that the Petitioner's thermal plant has been fully depreciated since March, 2009. The claim of the OPGC for additional capitalisation pertaining to FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 vide Case No.54 of 2018 has been finally disposed of by the Commission vide order dated 21.05.2021.
- b) Another Objector submitted that, in view of in-principle approval of R & M with 15 years' life extension allowed by Commission, vide order dated 03.11.2021 in Case No. 66 of 2021, and since the Appeal No. 335 of 2021 is sub-judice, the submissions of OPGC regarding additional capitalisation may not be considered in the present application.

Response of OPGC:

- a) OPGC had claimed the actual additional capitalisation of Rs. 13.32 Crore, Rs. 20.94 Crore and Rs. 44.11 Crore for FY 2015-16, FY 2016-17 and FY 2017-18 respectively vide Case No.54 of 2018. Vide Case No.69 of 2019 OPGC had claimed the actual additional capitalization of Rs.43.78 Crore for FY 2018-19, The Case No.69 of 2019 was disposed of without considering additional capitalisation for FY 2018-19, as it were linked to the Case No 54 of 2018 which was under active consideration of the Commission. Vide Case No. 71 of 2020, OPGC had claimed the actual additional capitalisation of Rs. 6.41 Crore for FY 2019-20, revised additional capitalisation for FY 2020-21 and projected additional capitalisation for FY 2021-22. However, the Commission disposed of the said Petition without considering the additional capitalisation, as Order in Case No 54 of 2018 was reserved by the Commission.
- b) The Commission, vide order dated May 21, 2021 in Petition No. 54 of 2018, disallowed actual additional capital expenditure for FY 2015-16 to FY 2017-18. OPGC has filed an Appeal before Hon'ble APTEL on November 15, 2021, registered as Appeal No. 335/2021 against the Commission's Order dated May 21, 2021 in Case No.54 of 2018.
- c) In the present Petition, OPGC has not claimed actual additional capitalisation for FY 2020-21, FY 2021-22 and projected additional capitalisation for FY 2022-23 and FY 2023-24. Based on the outcome of the Appeal filed against the Commission's order in Case No. 54 of 2018, OPGC will approach the Commission for approval of actual additional capitalisation through a separate petition.

46. **Capital Cost of the Project**

Views of Objectors

One of the stakeholder submitted that the Commission has been considering the capital cost of the project as Rs.1060 Crores and Debt: Equity ratio as per the Government Notification dated 21.06.2008 while working out the tariff for previous financial years and therefore, such considerations may also be made for determining tariff for FY 2023-24.

Response of OPGC

In the present Petition, OPGC has considered the original project cost of Rs. 1060 Crore as the capital cost in accordance with the approved amended PPA. Further, equity of Rs. 450 Crore and loan of Rs. 610 Crore has been considered for determination of Tariff. The same are in line with the Commission's earlier Tariff Orders.

47. **Return on Equity**

Views of Objectors

- a) Another Objector submitted that as per Clause 8.0 of Schedule II of the PPA, the original capital cost of Rs 1060 Crore of the project consists of equity of Rs.450 crore and debt of Rs 610 crores. Accordingly, the Commission may consider the same debt-equity ratio for determination of generation tariff of OPGC Stage I for FY 2023-24.
- b) One of the Stakeholders submitted that as per Clause 8.0 (10) of Schedule II of PPA, Return on Equity is to be paid @ 16% on Equity Capital. Considering the equity capital of Rs.450 crores of the original project cost and rate of RoE of 16%, OPGC has computed the Return on Equity for FY 2023-24. The Commission may consider the same Return on Equity while determining the tariff.

Response of OPGC:

OPGC submitted that the OPGC's claim on Return on Equity is in accordance with the approved amended PPA. Therefore, it is requested to the Commission to approve the Return on Equity as claimed in the Petition.

48. **O&M expenses**

Views of Objectors

An Objector submitted that as per Clause 3 (d) & (e) of Schedule-II of the amended PPA, for the purpose of computation of O&M expenses, capital cost is to be taken as Rs.1030 Crore and O & M Expenses for the first year of operation shall be @ 2.5% of the capital cost and it shall be escalated @ 8% each year from 01.04.1996 with the first escalation factor becoming applicable on 01.04.1997. Based on the above methodology, the Commission may consider O&M expenses for determination of generation tariff for FY 2023-24. However,

actual O&M expenses and its growth rate may be reviewed by the Commission in this regard.

Response of OPGC

OPGC has claimed the O&M Expenses at 2.50% of the capital cost of Rs. 1030 Crore for the first year and escalated in accordance to provision of the approved amended PPA and order of the Hon'ble Supreme Court. Therefore, it is requested to the Commission to allow O&M expenses as claimed in the petition.

49. Interest on Working Capital

- a) One of the stakeholders submitted that as per the Clause 3.0 (f) of Schedule II of the PPA, working capital requirement is to be worked out by considering coal cost for 1.5 months, Oil cost for 2 months, O & M expenses for one month and receivable for 2 months on the normative level of generation. OPGC has submitted that it has been availing working capital requirement from external sources and the actual interest rate for the working capital facility was 7.20% as on November 2021. So, interest on working capital may be reviewed by the Commission based on actual information.
- b) Further, without prejudice to stand of GRIDCO in Appeal No. 189 of 2020 before APTEL, the cost of coal may be prudently verified and considered by the Commission. It is pertinent to mention here that OPGC is not submitting Coal and secondary fuel oil data in Form 7 (c) and 7 (0) format and also not providing the CIMFR reports to derive/work out the "As Received" GCV of linkage coal as per Commission's order dated 28.10.2020 in Case No.43 of 2017.
- c) One of the Objectors submitted to the Commission that OPGC has prayed for approval of Annual Fixed Charges (AFC) of Rs.292.58 Crores for FY 2022-23 vis-à-vis current AFC of Rs.275.76 Crores i.e. a hike of about 5.75% which is quite high. Therefore, the objector prayed before the Commission to carry out prudent verification of Working Capital claimed by OPGC.

Response of OPGC

- a) OPGC has computed the working capital in accordance to the Clause 3.0(f) of Schedule II of the approved Amended PPA. Further, the Petitioner has considered the actual prevailing rate of interest of working capital being availed in September 2022. The supporting document of actual interest rate of 7.95% has been submitted.
- b) With regard to consideration of GCV for tariff determination, OPGC submitted that the OPGC has preferred an Appeal No. 189 of 2020 before Hon'ble APTEL against the Commission's Order dated October 28, 2020 in Case No. 43 of 2017 in the

matter of GCV of coal to be considered for tariff computation and the matter is sub judice.

- c) With regard to cost of coal, OPGC has submitted actual month wise details of the cost of coal and GCV from April 2021 to November 2022 in response to additional information sought for by the Commission. Further, the Petitioner has also submitted auditor certified half yearly Fuel Price Adjustment for the period from April 2022 to September 2022 along with the Petition. Therefore, considering above, OPGC requested to the Commission to allow interest on working capital as claimed in the Petition.
- d) OPGC submitted that the AFC approved by the Commission for FY 2022-23 is Rs.274.74 Crore and not Rs.275.56 Crore as submitted by GRIDCO.

50. **Plant Load Factor**

An Objector submitted that the thermal Power Station of the State such as IPPs & Central Sector NTPC is now generating more than 85 to 90% PLF. The Objector requests the Commission to pass order directing OPGC to be functional with more than 85% PLF.

Response of OPGC

OPGC submitted that they have projected the PLF of 81.8% for FY 2023-24 and not 81.46% as stated by the stakeholder. OPGC further submitted that the actual PLF of the plant depends on scheduled maintenance outages and other operating conditions beyond the control of OPGC during a given year. Accordingly, the PLF varies from year to year. Even, OPGC in FY 2016-17 achieved PLF of 87.92% ranking first among the thermal generating stations in State sector. The target export of Power to GRIDCO for the FY 2023-24 is 2731.657 MU, which corresponds to the PLF of 81.8%.

51. **Auxiliary Consumption**

One of the Objectors pointed out that OPGC proposes 9.5% auxiliary consumption; whereas, the central thermal power station like NTPC considers 5.5% auxiliary consumption. The auxiliary consumption should be made as per the regulation.

Response of OPGC

The normative auxiliary consumption claimed by OPGC is 9.5% in accordance with the approved Amended PPA even though the actual auxiliary consumption has remained above 10% since COD of the station. The Commission had approved the auxiliary consumption of 9.5% for Units 1&2 in the tariff determination for the years till FY 2022-23. The reference to auxiliary consumption of central generating stations is misplaced as they are different for different unit configuration as per Tariff Regulations of the Hon'ble Central Electricity Regulatory Commission.

52. **Fuel Cost and GCV of Coal and Oil**

- a) One of the Objectors submitted that, the Commission, vide its Order dated 28.10.2020 in Case No. 43/2017, has provided the basis for calculation of GCV of coal "As delivered" to the power station. The Commission's order has been challenged by OPGC before APTEL vide Appeal No.189 of 2020 and is sub-judice now. As per Clause 7 of Schedule-II of the PPA, Gross Calorific Value (GCV) of Secondary Oil and Coal is to be considered on "As delivered" to the power station.
- b) Further the Objector pointed out that OPGC submitted that it is not possible to provide auditor certified delivered price and GCV of oil and coal for the FY 2022-23 as part of tariff submission. However, for the half yearly fuel price adjustment bill, dated 18.10.2022, raised by OPGC, it could not be ascertained whether the GCV of coal considered is as per the provisions of PPA or not. Also, OPGC has not submitted the annual notification of grade of GCV for FY 2022-23 as notified by MCL. OPGC is not submitting the third party sampling report carried out by CIMFR at mine's end along with the monthly energy bills like other IPPs of the State. In absence of sufficient data / information, the Objector suggested that the Commission may direct OPGC to provide the annual notification for FY 2022-23 by MCL and accordingly take decision in this matter.
- c) Another Objector pointed out that it is essential to be vigilant enough while scrutinising each and every parameter contributing to determination of ECR, when the generator is availing linkage coal under the long term fuel supply agreement at concessional rate. GCV of linkage coal procured from MCL under the long term FSA ought to commensurate with landed cost paid for the notified grade of GCV of coal by the coal supplier. The Objector requested that OPGC may be directed to provide GCV of coal measured at billing end as per their joint party sampling of coal at mines end by CIMFR for FY 2022-23 up to December 2022 and for every month along with landed price of coal to GRIDCO as well as the Commission.
- d) One of the Objectors urged the Commission that OPGC may be directed to provide the details of GCV of secondary fuel oil along with ratio of LDO: HFO for FY 2021-22 and up to December, 2022 (FY 2022-23) for necessary scrutiny and consideration by the Commission while determining the tariff for FY 2023-24.

Response of OPGC

- a) OPGC submitted that as per terms of the Amended PPA, GCV of coal shall be considered "as delivered to the power station". The Ministry of Power Notification dated 30.03.1992 based on which the Amended PPA has been structured, clearly

provides for considering GCV of coal ‘actually received and burnt’ for the purposes of determining energy charge. Since implementation of the PPA from 1996, OPGC has been providing the GCV of coal only on the basis of this principle, which has been accepted by GRIDCO and paid accordingly. GRIDCO cannot be allowed to adopt a different principle now to suit its own interest and withhold energy charge payments on the ground of re-interpreting the term ‘as delivered to the power station’ value of GCV as ‘grade GCV’ value (with moisture adjustment formula).

- b) Further, the Commission, vide its Order dated October 28, 2020 in Case No. 43 of 2017, on the Petition filed by OPGC regarding the dispute on Gross Calorific Value to be considered for tariff, has ruled as under:

“13. *We carefully heard the arguments and rival arguments of all the parties including opinions of experts. The bone of contention in this case is related to the calculation of Energy Charge Rate (ECR) of the power procured by GRIDCO from OPGC. After longstanding dispute in this matter, the Commission had finally redetermined the tariff for Unit-I and II of the petitioner vide case No.33 of 2018 dt.28.03.2019 for FY 2016-17, FY 2017-18 and FY 2018-19 pursuant to the judgment of the Hon’ble Supreme court of India dated 19.04.2018 in Civil Appeal No. 9485 of 2017. The Commission in the said order had directed as follows:*

Directives of the Commission:

- “40. *The recovery of monthly Capacity Charges as approved by the Commission here shall be made as per the methodology stipulated in the PPA and GRIDCO Ltd. shall make payment after prudence check.*
41. *The operational norms like Auxiliary Consumption, Gross Station Heat Rate, and Consumption of Oil as indicated in Clause 8 of Schedule-II of the PPA and Price and GCV of Oil and Coal actually delivered to the power station as per Clause 7 of Schedule-II of the PPA shall be considered. Accordingly claims of monthly Energy Charges shall be made by OPGC and GRIDCO Ltd. shall make payment after prudence check of all parameters of energy charges like GCV and price of Coal & Oil etc.”*

The capacity charge and energy charge are to be computed as per the above order of the Commission.

14. *Heat energy contents of the coal and oil are converted to electrical energy in the power station. Heat energy content of the coal per kilogram varies at different points starting from the time of its mining till its firing in the furnace due to addition and release of moisture and other impurities during its handling. PPA between the parties at clause-7 of Schedule-II specifies that Gross Calorific Value of the coal and oil shall be determined “as delivered to the power station”. It is understood from the submission of the experts and parties that the GCV of coal is measured at mines end by a third party agency named CIMFR on “equilibrated method”. This is done to arrive at a standardized pricing of coal of a particular grade. But the heat energy available in the power station from the coal depends upon moisture content and other impurities. Therefore, GCV of coal measured at equilibrated*

method requires moisture correction for determination of heat content available for energy conversion. Therefore, if we apply a moisture correction formula on “as billed” GCV which is determined on equilibrated method, we can arrive at GCV on total moisture basis. CERC in petition No.279/GT/2014 dated 30.07.2016 has also adopted this method. This is because the measurement of GCV on total moisture basis at power station end is the practice generally followed by the industry and it determines the volume of coal the power station requires to generate a particular quantity of energy.

GCV of coal as delivered to the power station (total moisture basis)= $GCV \times \frac{1}{(1-TM)/(1-IM)}$

Where:

GCV= Gross Calorific value of coal as billed by coal supplier

TM= Total moisture as per CIMFR report

IM= Inherent moisture as per CIMFR report

The above formula should form the basis of calculation of GCV of coal on “as delivered basis” for computation of energy charge. The above formula shall take care of total moisture in calculation of GCV which is the prevalent industry practice.

15. *The old bill of OPGC should be modified accordingly from April, 2017 onwards for the entire tariff period. The value of IM and TM should be adopted from the third party CIMFR report.”*
- c) OPGC further submitted that it has filed Appeal No. 189 of 2020 before the Hon’ble APTEL against the Commission’s Order dated October 28, 2020 in Case No. 43 of 2017 on the GCV to be considered for tariff computation. Both OPGC and GRIDCO have completed pleadings in OPGC’s I.A. No. 1632 of 2020 (for Interim Relief) as well as Main Appeal No 189 of 2020. In the hearing dated 26.11.2020 before the Hon’ble APTEL, GRIDCO undertook not to initiate any coercive action against OPGC till next hearing. Subsequently, the APTEL, vide its various daily order in the above matter, has directed to continue the interim relief.
- d) Since 1996, OPGC has been measuring GCV of coal at the boiler end/ firing point within its Power Plant and GRIDCO has paid OPGC variable costs on such basis without any objections. If GRIDCO’s submissions are accepted, it will amount to precipitating the matter, before the Hon’ble APTEL has had the opportunity to adjudicate upon the matter pending before it. OPGC submitted that GRIDCO cannot be allowed to precipitate the matter until the final disposal of Appeal No. 189 of 2020 in deference to the fact that the Hon’ble APTEL is in seisin of the matter.
- e) In line with the Judgement of the Hon’ble Supreme Court of India dated 18.04.2018 in Civil Appeal No. 9485 of 2017, variable costs for OPGC are to be determined as per the PPA. As per the provision of PPA, the GCV of Oil and Coal is to be

considered as actually delivered to the power station, which implies GCV measured at the 'boiler end' on a Total Moisture basis. Accordingly, OPGC has considered the GCV of coal and oil as actually delivered to the power station for computation of energy charges.

- f) In view of the above, the Commission is requested to consider the actual GCV of coal as provided by OPGC for base ECR in line with Clause 9, Schedule II, of the PPA, till the final disposal of Appeal No.189 of 2020 by the Hon'ble APTEL.
- g) OPGC submitted that in accordance with the direction of the Commission in its Case No 33/2018 (Para 41), Case No.70/2018 (Para 104), Case No.69/2019 (Para 100), Case No.71/2020 (Para 108) and Case No.104/2021 (Para 60b) and terms of the PPA (Clause 9 of Schedule-II), OPGC has submitted the audited prices and GCV for oil and coal while claiming the half yearly fuel price adjustment and as such, Coal Sampling Report of CIMFR has no bearing on the monthly energy bill raised by OPGC and hence the same is not being submitted along with the monthly bills. However, considering GRIDCO's request, in the interest of transparency, CIMFR report for the period of April -2022 to September-2022 has been submitted to GRIDCO along with copy of filing-2.
- h) OPGC has already submitted the actual quantum of oil consumed for generation for the Period of April-November 2022, vide its filing-2 dated January 12, 2023, in the present petition, which has been served to GRIDCO. As there is no arrangement for use of HFO in OPGC Units 1&2, there is no actual consumption of HFO. However, the details of price and GCV of both LDO and HFO have been submitted to GRIDCO vide its Half Yearly Fuel Price Adjustment bill which has also been submitted as Annexure -1 of the main petition.

53. **Operational Performance Parameters**

One of the Objectors submitted that the Petitioner has not submitted the actual operational parameters achieved in the first 9 months of operation in FY 2022-23 for information of all stakeholders. The Commission may prudently fix up the operational parameters for FY 2023-24 in respect of the Petitioner's Unit 1 & 2. Further, the Plant Availability Factor for the Month (PAFM %), Plant Load Factor (PLF %) for FY 2023-24 shall have to be certified by SLDC on month-to-month basis as is being carried out at present.

Response of OPGC

- a) OPGC has submitted that they have already submitted the actual details of the performance parameters for the current year upto November 2022 on affidavit dated January 12, 2023 as filing-2 in response to the additional information sought by the

Commission vide letter dated December 26, 2022. This information was made available to all the Objectors who had taken the copy of the Petition and also the same is available in the website of OPGC. Further, copy of the filing-2 has also been e-mailed on February 1, 2023 to all the stakeholders as mentioned in the Public Notice dated January 31, 2023 and has also been served to GRIDCO.

- b) Further, OPGC has submitted that the Hon'ble Supreme Court, vide its Judgment dated April 19, 2018 has held that the tariff norms under the PPA are to be followed in determining OPGC's tariff. Further, to the extent the tariff norms not covered by the PPA, the Tariff Regulations may be relied upon by OERC to determine OPGC's tariff. The suggestion of GRIDCO to again prudently fix up the operational parameters which are already agreed in PPA is in contradiction to Hon'ble Supreme Court Judgment as well as the Commission's Orders on re-determination of tariff for FY 2015-16 to FY 2018-19 and Tariff Orders for FY 2019-20 to FY 2022-23. Any attempt to revise the operational norms which are already covered in the PPA will lead to violation of Hon'ble Supreme Court Judgment.
- c) OPGC in Amended PPA signed with GRIDCO has agreed upon operational performance parameters. OPGC in its Petition for computation of variable charges for FY 2023-24 has considered the operational performance parameters as per Clause 8 of Schedule II of the approved Amended PPA and requested the Commission to approve the same.

54. **Energy Charge**

- a) One of the Objectors submitted that the Petitioner has not complied with the provisions under Clause 7.0 and 9.0 of the Schedule II of PPA dated 13.08.1996 and Supplementary PPA dated 19.12.2012 in respect of GCV of coal considered in determining the Energy Charge Rate (ECR) as well as the actual Specific Fuel Oil consumption.
- b) In view of the above submissions, the Objector urged the Commission to consider the base ECR prudently and set the principle of monthly ECR determination accordingly, which shall be paid on actual basis from month to month. Till date, the GRIDCO has been making payment of ECR at base rate fixed by Commission in respective tariff orders of OPGC Stage I (i.e. Units 1&2).

Response of OPGC

OPGC submitted that the present Petition has been filed for determination of Generation Tariff for its Units 1&2 following the same principles in Case No.33 of 2018, Case No.70 of 2018, Case No.69 of 2019, Case No.71 of 2020 and Case No.104 of 2021. Accordingly,

OPGC has prayed for allowing variation in energy charges during the year on account of fuel prices and calorific value to be claimed through Fuel Price Adjustment in supplementary bills on half yearly basis in accordance with the provisions of the approved Amended PPA. Further, the Commission vide its orders in Case No.33 of 2018 (Para 42), Case No.70 of 2018 (Para 105), Case No.69 of 2019 (Para 101), Case No.71 of 2020 (Para 108) and Case No.104 of 2021 (Para 60b) directed OPGC to claim the Fuel Price Adjustment and other charges through supplementary bills, which is being followed by OPGC. The practice being followed is in accordance with the approved PPA and any direction to change the practice beyond Half Yearly/Annual Fuel Price Adjustment will alter the terms and conditions of PPA. Further, OPGC mentioned that the outstanding dues from GRIDCO are to the tune of Rs.235.73 Crore which are towards the Half Yearly/Annual Fuel Price Adjustment bills raised by OPGC.

55. Non-Tariff Income

- a) One of the Objectors pointed out that the Petitioner failed to project the Non-Tariff Income (NTI) in the present petition in view of the prevailing Generation Tariff Regulations. The clause no. 41 of the regulation has devised a ratio of 50:50 for sharing the NTI from three sources namely, (i) Rent of land or building, (ii) Sale of Scrap and (iii) Advertisements in between the Beneficiaries and Generating Company but that does not restrict the other NTI specified in clause no. 26(2) for a pass through in the proceeding to determine generation Tariff. Therefore, the Objector urged the Commission for a prudent check of the Financial Statement for FY2021-22 of the Petitioner and approves the NTI accordingly.
- b) One of the Objectors submitted that the OPGC have 51% share of OCPL now incurring profit more than Rs. 600 Crs. The amount of 51% OPGC share should be added as a non-tariff income of the Company & tariff claim of OPGC should be reduced accordingly.

Response of OPGC

- a) The Hon'ble Supreme Court vide its Judgment dated April 19, 2018 has held that primarily the tariff norms under the PPA are to be followed in determining OPGC's tariff. Further, to the extent there are tariff norms not covered by the PPA, the Tariff Regulations may be relied upon by the OERC to determine OPGC's tariff. It is submitted that the effect of the SC's Judgment is that this arrangement would apply for the entire term of the subsistence of the PPA viz. till 30.06.2026. The relevant extract of the Judgment of the Hon'ble SC is reproduced below:

- “6. *We are of the view that the Commission vide Order dated 27.04.2015 on the joint application of the parties dated 26.02.2014 rightly fixed the tariff but the view taken in subsequent order dated 21.03.2016 which has been upheld on appeal is unsustainable.*
7. *Accordingly, we set aside the impugned order and remand the matter to the State Commission for fresh decision. The State Commission may take into account the Notification dated 21.06.2008 for the fixed costs, the PPA for the variable costs specified therein and for other costs not reflected in the PPA, statutory Regulations may be applied.*
8. *The appeal shall stand disposed of as indicated above.*
9. *The parties may appear before the State Commission for further proceedings on 2.07.2018.”*

As per Clause 3.0 of Schedule II of the Amended PPA, the Annual Fixed Cost of OPGC shall consist of the following components:

- (a) Depreciation;
- (b) Return on Equity;
- (c) Interest on Loan;
- (d) Operation and Maintenance Expenses; and
- (e) Interest on Working Capital.

The approved Amended PPA does not specify any NTI and pass through of the same in AFC. The Commission had been determining the AFC in accordance with the above. Accordingly, OPGC has claimed the tariff for FY 2023-24.

- b) OPGC submitted that the stakeholder’s submissions are unfounded and irrelevant. OPGC submitted that OCPL is a separate legal entity and the finances of OCPL do not have any bearing whatsoever on the present tariff proceedings before the Commission.

56. **Water Charges and Water Conservation Fund**

- a) GRIDCO submitted that it has been carrying out reimbursement of other charges such as Electricity Duty, Water Cess and Water Charges, Tax and Cess on land, SOC and MOC charges, ERPC charges, Income Tax, recovery of ARR and Tariff petition fee and publication expenses as per the Commission's order from time to time after detail scrutiny of supporting documents.
- b) One of the Objectors submitted that in the present tariff application, OPGC has claimed for reimbursement of Energy Compensation Charges (ECC) for an amount of Rs.0.78 Crore payable to OHPC. Further OHPC has raised invoice of Rs.18.68 Crore in respect of Units 1 &2 for the period from FY 2005-06 up to March 2022 out of which Rs.10.97 Crore is towards DPS. OPGC has submitted that it is pursuing the matter related to waiver of DPS with Water Resources Department. The Objector

urged the Commission to direct OPGC to expedite the matter and in no case such DPS amount should be allowed as Pass Through in Tariff.

- c) Another Objector observed that OPGC hasn't explained why the additional charges are payable to OHPC for drawl of water in the form of energy compensation and is to be reimbursed by GRIDCO. The Objector urged the Commission such claims of OPGC may be prudently verified.
- d) One of the Objectors pointed out that GRIDCO shall reimburse various charges subject to necessary direction from the Commission and scrutiny of all supporting documents to be provided by OPGC. In case of water conservation fund, GRIDCO shall reimburse the amount as per the instalment paid by OPGC subject to necessary direction by the Commission and submission of all supporting documents in this regard.

Response of OPGC

- a) OPGC submitted that Clause 10.0 of the approved Amended PPA stipulates as under:

“10.0 LEVIES, TAXES, DUTIES, CESS ETC.:

The above tariff is exclusive of any statutory taxes, levies, duties, cess or any other kind of imposition(s) whatsoever imposed/charged by any Government (Central/State) and/or any other local bodies/authorities on generation of electricity including auxiliary consumption or any other type of consumption, transmission, sale or on supply of power/energy and/or in respect of any of its installations associated with Generating Stations and/or on Transmission System, Environmental Protection, Water etc. However electricity duty payable on energy drawn by OPGC if any shall be payable by OPGC and reimbursed by GRIDCO.”

Clause 11.0 (vii) of the approved Amended PPA stipulates as under:

“vii) Supplementary bills will be raised for the following.

a) Fuel price adjustment on half yearly basis

b) Incentive/disincentive at the end of year

c) Income Tax as per actual to be reimbursed as detailed in Para-6.0 of schedule – II

d) Any other charges/taxes etc.”

- b) Accordingly, OPGC has claimed the following other charges for FY 2023-24 considering the actual figures of FY 2021-22 and rationale detailed in the Petition:

- Electricity Duty;
- Water Cess and Water Charges;
- Energy Compensation Charges;
- Tax and Cess on Land;
- ERPC Charges;

- System Operation Charges (SOC) & Market Operation Charges (MOC) for SLDC;
 - Annual inspection fees;
 - Income Tax;
 - Recovery of ARR & Tariff Petition Fee and Publication Expenses; and
 - Contribution to Water Conservation Fund, Odisha.
- c) OPGC requested the Commission to issue appropriate direction to GRIDCO for reimbursement of other charges on actual in accordance with the approved Amended PPA. Further, as per the Government of Odisha letter No. 6140 dated July 31, 2012 (Copy of letter attached as Annexure-3 of the Petition), OPGC is required to pay additional charges to OHPC for drawl of water in the form of Energy Compensation Charge (ECC). These charges are statutory in nature which are to be paid by OPGC. Based on the proposal of OPGC, OERC was kind enough to approve Rs 0.71 Crore towards reimbursement of Energy Compensation Charge (ECC) vide its tariff order for FY 2022-23. Accordingly, in similar lines, OPGC requested the Commission to approve Rs 0.78 Crore towards reimbursement of ECC payable to OHPC for FY 2023-24.
- d) Further, OHPC has raised invoice dated April 12, 2022 for Rs. 18,68,03,198/- from FY 2005-06 till March 2022 out of which Rs. 10,96,85,992/- is towards delay payment surcharge and balance towards Energy Compensation Charge, which has not been paid since levy of the charge by OHPC. (Copy of OHPC Invoice is attached at Annexure-4 of the Petition). OPGC is continuously pursuing the matter with the Water Resources Department, Government of Odisha to waive the penalty along with interest, which is under its active consideration and till date the matter has not been resolved. In view of the above, OPGC requested the Commission to provisionally approve for reimbursement of the amount payable for the period and pass appropriate Order for reimbursement of such amount if paid by OPGC.
- e) OPGC submitted that the electricity duty and water cess and water charges actually reimbursed by GRIDCO for the period April to November, 2022 is Rs.8.45 Crore and Rs.6.53 Crore and not Rs.8.35 Crore and Rs.6.56 Crore respectively as submitted by GRIDCO.

57. **Payment of Income Tax**

- a) With regard to payment of income tax and proposed reimbursement in the instant ARR, an Objector submitted that the Petitioner - OPGC as per the provision under OERC generation tariff Regulations 2020, considers income tax as a component of

AFC and allow pass through in the tariff; whereas the CERC Regulations do not specify recovery of income tax from the beneficiaries. CERC recommends grossing of RoE with the applicable tax rate of respective financial year. Further, to protect the interest of Equity Shareholders/Investors of the Generating Company, CERC specifies that the Return on Equity (RoE) shall be grossed up with the effective tax rate of the respective financial year as per the given formula there under. Therefore, the approval of flat income tax as a reimbursement is illegal, unlawful and does not uphold the principles of cost-based tariff. The proposal may be rejected by enforcing power to relax clause no 49 of OERC Regulations and amend the same in consistent with CERC Regulations. The Objector has requested the Commission to follow the CERC methodology for calculation of RoE by gross-up the ROE, by considering core income of FY 2020-21 and tax paid for the same FY 2020-21. The effective tax rate of OPGC for FY 2020-21 may be considered for grossing up the ROE for the ensuring year. The Objector urged the Commission to rectify the past mistakes and be pleased to allow the Income Tax as per CERC Regulations in view of the Section 61(a) of the Act. Also, the tax rate of 34.94% is an old rate and the same has reduced to 15% for FY 2022-23.

- b) One of the Objectors submitted that the Commission is mandated to follow the Central Commission's methodology to determine tariff for generating companies. In view of the provision 61(a) of the Act, the Regulation Nos.19 & 21 of OERC Generation Tariff Regulations, 2020, contradicts to the Regulation Nos.15 & 31 of CERC Tariff Regulations, 2019 because OERC includes income tax as a component of AFC, whereas CERC does not include income tax in AFC.
- c) Income Tax is paid on the profit of the Company, so it is not a cost to Company but it is the reduction of the profit of the Company. The Respondent urged the Commission to enforce the power to relax Regulation No.49 of OERC Generation Tariff Regulations and set aside the Regulation Nos.19 & 21 and further enforce the CERC Regulation Nos.15 & 31 in the present proceedings so as to approve the Return on Equity by grossing up with the Tax Rate. So, the Objector submitted to the Commission to approve the gross return of equity by grossing it up with the Tax rate and be pleased to allow the Income Tax as per the CERC regulations in view of the Section 61(a) of the Act.

Response of OPGC - No comments.

58. **Depreciation:**

GRIDCO submitted that the Clause 3.0 (a) of Schedule II of the Amended PPA provides that depreciation charges shall be equal to 7.5% of the Capital Cost during the year. Since the assets of the generating Stations have been fully depreciated by the end of FY 2008-09, the Commission may not consider any amount towards depreciation for determination of generation tariff for FY 2023-24.

Response of OPGC

OPGC has submitted that it has not made any claim towards depreciation for FY 2023-24.

59. **Generation Tariff order of OPGC Stage-II (1320MW)**

- a) An Objector submitted that as per the provision of the Act, to dispose of the application of OPGC within 120 days, the same time period is not ensured by the Commission in the case of Application filed by OPGC for determination of Generation Tariff for Stage-II (Unit-3 & 4) 1320 MW ITPS, Jharsuguda. GRIDCO submitted in its Petition that, the Commission had approved a provisional tariff of 330 P/U for the Stage-II OPGC project for FY23 and the Tariff Application is still pending before the Commission.
- b) The Objector observed the inaction & unlawful act of the Commission on the Application filed by OPGC under Section 62(1)(a) on dated 16.11.2021 for approval of the capital cost and determination of tariff under multiyear tariff regime for the period 2019-24 for its Unit 3 & 4 1320 MW thermal power station. The Commission has failed to dispose of the Application of OPGC within 120 days as specified in the Act. The law specifies that the SERC can either issue an order or reject the application with reason. As on 9th January 2023, 420 days have been elapsed but still the Application of OPGC is pending before the Commission. Applying provisional tariff for second consecutive year is neither good nor conducive for competitive tariff and electricity industry. Therefore, the Objector urged the Commission to initiate necessary action to dispose of the Tariff Application of OPGC for Stage-II as early as possible for the purpose of determination of Bulk Price of GRIDCO.

Response of OPGC

OPGC submitted that the Commission has issued the Order in Case No.96 of 2021 on January 7, 2023 with regard to OPGC Stage-II project.

60. **E-asset management**

An Objector observed that CERC has launched the e-Assets module titled “SAUDAMINI” w.e.f. 24th July 2021 in order to facilitate the Generating and Transmission Companies to submit information pertaining to assets in service in their generating stations and

transmission jurisdiction. The Objector urged the Commission to implement similar e-asset management of the stations which are under the Commission. The benefits of prudent e-asset management are enormous in electricity industry. The tariff notified by the SERCs/CERC is directly linked with the value & prudent management of the Assets. Moreover, OERC can extend the above e-module to Distribution Companies too. In the above backdrop, the Objector urged the Commission to launch the e-module asset management system in Odisha.

Response of OPGC

OPGC has submitted that they shall comply with the directions of the Commission in this regard.

61. Non appointment of Chairman of the Commission

- a) One of the Objectors submitted that the Commission is not properly constituted, at present, to hear the ARR and Tariff Applications of the different constituents in the power sector. The Objector referred the provisions given in Section 85(2) and 85(3) of the Electricity Act, 2003, relating to Constitution of Selection Committee to select Members of State Commission. Further, in accordance with the provisions given in Sections 85(2) and 85(3), the Selection Committee should have finalized the selection of the Chairperson by 16.10.2021, i.e. three months before the completion of term of the Chairperson, OERC. Accordingly, the State Government should have issued the Order appointing the successor of the Chairperson, OERC before he demitted office on 15.01.2022.
- b) The Objector submitted that, in contravention of the provisions in the Electricity Act, 2003, no appointment of the Chairperson has been made even though more than 12 (twelve) months have been elapsed in the meantime. The determination of the Tariff through public hearing is one of the most important functions of the Commission and accordingly all the three Members should hear the Tariff Petitions. The provisions in Section 93 of the Electricity Act, 2003 cannot be considered as applicable, when there is inordinate delay in filling up the vacancy of the post of Chairperson without any justification whatsoever.
- c) So, the Objector urged to the Commission that the Commission may direct that the existing Tariff determined for the FY 2022-23 be continued till determination of Tariff for the FY 2023-24 through public hearing, after the appointment of the Chairperson of the Commission.

Response from OPGC

OPGC has requested the Commission to determine the Tariff of OPGC units 1&2 as claimed in the Petition filed for FY 2023-24.

62. Biomass blending

An Objector submitted that the clause no. 24.2 of Odisha Renewable Energy Policy, 2022 mandates Commission to look into the affairs of blending of 5-7% biomass briquettes and pellets in the coal based thermal power stations of the Petitioner and account for the same in meeting the RPO. The Objector urged the Commission to carry out the mandates of the policy.

Response of OPGC

OPGC has submitted that they shall comply with the directions of the Commission in this regard.

63. Rate of Imported Power and DSM

- a) GRIDCO submitted that the Commission may also consider the fixing of the rate of imported power from the grid system to be the actual full tariff at which power is procured from OPGC.
- b) GRIDCO urged the Commission to give necessary direction regarding Deviation Settlement Mechanism (DSM) Charges payable by OPGC in case of deviation between scheduled generation and actual export to GRIDCO.

Response of OPGC

- a) OPGC has submitted that imported power from the grid system is being settled in accordance with the practice being followed as per the Approved PPA and record note of discussion held on 13.08.1996 between OPGC and GRIDCO. The approved PPA has the appropriate provision for considering the tariff for power imported by OPGC for black start up along with its settlement. Hence, OPGC humbly submits before the Commission for settlement of the imported power in accordance with the approved PPA.
- b) OPGC has submitted that the energy scheduling to GRIDCO from its power station is being settled on net exchange basis every month, wherein actual generation is being considered as scheduled generation, in accordance with the practice being followed as per the approved Amended PPA.

64. Other Issues

- a) An Objector has submitted that OPGC is the generating unit of the State Government. The government of Odisha is the owner of 100% share of OPGC. The Commission should direct the OPGC authorities to conduct the audit through CAG.

- b) One of the Objectors has submitted that OPGC in their ARR application have mentioned their functioning as per the PPA signed between GRIDCO & OPGC knowing fully well that PPA is a separate matter & tariff hearing is a separate matter. At present the government is the owner of OPGC and the calculation as per provisions of PPA as per the direction of the Hon'ble Supreme Court should be stopped.
- c) Another Objector pointed out that the applicant OPGC may be directed to produce the number of force outage & reason for such outage from year 2016 till today.
- d) One of the Objectors has submitted that OPGC has to submit the month wise cash flow statement showing sources of inflow & outflow of cash from the FY 2010-11 to FY 2021-22.
- e) One of the Objectors requested that OPGC has to produce the detail action plan they have prepared for development of mini Hydro Projects, along with their functioning and per unit cost.
- f) One of the Objectors requested that OPGC has to produce the number of pending cases before different courts & amount paid for legal expenses of the cases from 2015-22.
- g) One of the Objectors has submitted that, it has been noted that, the Govt. of Odisha, Dept. of Energy, have published in newspaper for sale of 49% share of the OPGC, which the Objector strongly opposed, because OPGC is a profit making generating unit of the state & regularly paying dividend Rs.200 Crs per year. Further, it is a brownfield power project & going to install 2 units i.e., Units 5 &6 (total 2x660 MW) for the interest of consumers. The Objector requested the Commission to direct the government of Odisha to produce the reasons for the disinvestment and explanation must be submitted before the hearing of the case.
- h) The Government of Odisha has invited Expression of Interest from the prospective bidders through global tender for disinvestment of 49% Equity of OPGC. However, the OPGC is a profit making public enterprise; the two new Coal Blocks of Manoharpur and deep Manoharpur have been allocated in favour of Government Company OCPL, a subsidiary of OPGC. The Respondent urged the Commission to initiate necessary action for the preparation of DPR Report for construction of Stage III (660x2=1320 MW) project of OPGC at IB Valley, Jharsuguda specially because the coal reserves of aforesaid two blocks could supply coal to Stage II & Stage III for the upcoming 50 years.

- i) One of the Objectors has submitted that the Government of Odisha, being the owner of OPGC, should immediately intimate the Commission, why the top heads of the Company should not be appointed as per the guideline of Soven Kanungo Expert Committee.
- j) One of the stakeholders has observed that the OPGC's IB Thermal Power Station (ITPS), Jharsuguda is a coal fired power station and it emits Green House Gases which cause pollution and warming of environment. Therefore, the stakeholder urges the Commission that the Petitioner should submit the Carbon accounts of the Thermal station for the kind information of the Stakeholders.

Response of OPGC

- a) OPGC has submitted that the accounts of OPGC are regularly audited from time to time as per the statutory provisions as applicable including CAG.
- b) OPGC has submitted that the instant Petition for approval of Generation Tariff for FY 2023-24 has been filed in accordance with the approved Amended PPA pursuant to the Hon'ble Supreme Court's Order dated April 19, 2018 in Civil Appeal No.9485 of 2017 and the Commission's Orders dated March 28, 2019 in Case No.33 of 2018 and subsequent tariff orders issued for the years till FY 2022-23. Irrespective of ownership of the Company, the basic principles of tariff determination cannot change and tariff needs to be determined as per the provisions of the PPA in compliance with the Hon'ble Supreme Court Judgment. Hence, the stakeholder's statements for not complying with the Orders of the Supreme Court are unwarranted.
- c) OPGC has submitted that the audited annual accounts for FY 2021-22 have been submitted to the Commission alongwith the Tariff Petition and the information sought by the stakeholder is not relevant for tariff determination. The annual reports of OPGC are published on the website of OPGC and the stakeholder may refer to the same.
- d) OPGC has submitted that the information sought by the stakeholder is not relevant for tariff determination of OPGC Units 1& 2 and hence does not deserve any reply.
- e) OPGC has submitted that the information sought by the stakeholder is not relevant as Petitioner has claimed only normative O&M expenses and has not separately sought any compensation for legal expenses.
- f) On various issues, which are not directly replied by OPGC, it is submitted that the information sought by the stakeholder is not relevant for tariff determination and hence does not warrant any reply.

65. **Views of Consumer Counsel (Para 65)**

WISE, Pune on behalf of the Consumers made a presentation on the Analysis of ARR and tariff filed by OPGC for FY 2023-24. The Consumer Counsel's observations/suggestions are as under:

- (i) OPGC has not proposed any additional capitalization as the same was decided in the Commission's order in Case No.54 of 2018. ROE has been claimed based only on original capital cost.
- (ii) OPGC has proposed interest on working capital @7.95% based on actual interest rate for working capital for FY 2022-23. So, interest on working capital may be reviewed by the Commission based on actual interest rate and working capital requirement should be based on approved values.
- (iii) OPGC has considered the Clause 3.0 (d) and (e) of Schedule II of the Amended PPA which provides that O&M expenses for first year of operation at the rate of 2.5% of the capital cost and which shall be escalated by 8% each year from April 1, 1996. Actual O&M expenses and its growth rate can be reviewed by the Commission in this regard.
- (iv) OPGC proposed the PLF as 68.49%, as per Amended PPA. However, the actual PLF for FY 2021-22 was 80.34%. Also, as per Regulations, NAPLF of thermal power stations is considered as 85%. However, actual Average PLF of OPGC (FY 2011-12 to FY 2022-23) is 79.775%. So, the Commission can appropriately decide the PLF for FY 2023-24.
- (v) OPGC has submitted the specific oil consumption as 3.5 ml/kWh for FY 2023-24 as a mix of HFO and LDO in the ratio of 90:10. As per actual data, they have used LDO only but now proposing to use LDO and HFO. OPGC should justify its proposal.
- (vi) The Commission, in the ARR of FY 2022-23, has approved the GCV as 3101 Kcal/kg. However, OPGC proposes the same as 2865.76 Kcal/kg for FY 2023-24. In Para 92 of last year's order the Commission opined that: "*As per Commission's Order dated 28.10.2020, sampling report by CIMFR at mine's end with moisture correction would be considered for determining GCV of 'as delivered' Coal on total moisture basis. This is in line with PPA and order of Hon'ble Supreme Court. ..., the Commission has decided to consider the base GCV of Grade-14 (G-14), i.e. 3101 kcal/kg similar to last year order*". So, without availability of data as per the direction of the Commission, the MCL declared grade's GCV (G-14) can be considered for present tariff determination process. Also, the latest available price of coal can be considered.

- (vii) OPGC has proposed the electricity duty payment for FY 2023-24 as per generation plan and auxiliary consumption of 9%. It should be as approved by the Commission for FY 2022-23, i.e. at the rate of Rs.0.55/kWh in accordance with PPA norms, i.e. 9% of auxiliary Consumption on normative generation of 68.49%.
- (viii) Along with water cess and water charges, energy compensation to OHPC is proposed by OPGC for FY 2023-24. This charge should be reviewed and OPGC should produce proper justification of payment of such charges along with relevant documents while claiming reimbursement from GRIDCO. Water contribution fund payment should be reviewed based on actual payment made vis-a-vis the Govt. order and verification of the same by GRIDCO.
- (ix) Income tax: The Commission has not considered any income tax for FY 2022-23. However, the Commission directed that Income tax shall be reimbursed by GRIDCO on actual basis as per the applicable provisions in PPA. The same principle can be continued.

66. **Observations of the State Advisory Committee (SAC) (Para 66)**

Certain issues were raised by the members of the SAC regarding shut down of OPGC unit-1, Biomass Usage, ECR, Coal Shortage, etc.

Sri P.K. Mohapatra, MD, OPGC pointed out that availability was more than 1700 MW during March-June 2022 period, except April, when one unit was not available due to some problem. No maintenance has been planned during the period from February to July. He said that PLF of OPGC has been increased. He mentioned that biomass usage in thermal projects is not available in Odisha at present, although the usage is prevalent in Punjab and Haryana. However, a study is being conducted and the result will be available in next two-three months. He mentioned that current age of Stage-I is 29 years and R&M of Stage-I is envisaged in 2026 for further extension of life of the plant for about next 15 years. In case of ECR, he said that ECR of OPGC Unit III & IV is lowest in the country. He also submitted that OPGC has ensured coal availability and maintained 15 days' stock and have not used imported coal.

67. **Views of the Government of Odisha (Para 67)**

Government of Odisha has not given any views/ comments specific to Tariff determination of Unit 1&2 of OPGC in their letter dated 21.03.2023.

Analysis of OPGC's proposal and Commission's Observations with reference to determination of Generation Tariff for the FY 2023-24 (Para 68 to 81)

68. The present petition for determination of Generation Tariff for the FY 2023-24 has been filed by OPGC under Sections 62 & 86 of the Electricity Act, 2003 read with amended PPA,

related provisions of OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, OERC (Conduct of Business) Regulations, 2004 and Hon'ble Supreme Court's Order dated April 19, 2018 in Case No. 9485 of 2017.

69. As per the judgement of Hon'ble Supreme Court, the Commission while determining the tariff of the Generating Company for the FY 2023-24 has relied on the norms of PPA for fixed & variable costs and statutory Regulations for other costs not reflected in the PPA.

70. The Commission has carefully examined and analysed the proposal of OPGC. The written and oral submissions of the objectors have been considered while determining the tariff. The detailed analysis and observations of the Commission are as follows:

71. **Computation of Annual Fixed Cost**

(a) The Commission has considered the norms as per Clause 3.0 of Schedule II of the amended PPA for approval of the Annual Fixed Cost. Accordingly the component wise annual fixed cost of OPGC for determination of generation tariff for FY 2023-24 is as under:

- i. **Capital Cost:** As per the amended PPA signed between OPGC & GRIDCO and approved by the OERC, vide its order dated 27.04.2015, the original capital cost of the project is Rs.1060 Crore. Accordingly, the same is approved for determination of generation tariff of OPGC for the FY 2023-24.
- ii. **Debt – Equity Ratio:** As per Clause No.8.0 of Schedule II of the PPA, the original capital cost of the project (Rs. 1060 Crore) consists of equity of Rs. 450 crore and debt of Rs. 610 crore. Accordingly the Commission approves the same debt-equity ratio for determination of generation tariff for the FY 2023-24.
- iii. **Depreciation:** The Clause No.3.0(a) of Schedule II of the Amended PPA provides that depreciation charges shall be equal to 7.5% of the Capital Cost during the year. Since the assets of the generating Stations have been fully depreciated by the end of FY 2008-09, OPGC has not considered any amount towards depreciation. Accordingly, the Commission does not approve any amount towards depreciation for determination of generation tariff for the FY 2023-24.
- iv. **Return on Equity (RoE):** As per Clause 8.0 (10) of Schedule II of PPA, Return on Equity is to be paid @ 16% on Equity Capital. Considering the equity capital of Rs. 450 crore, OPGC has claimed the RoE of Rs.72 crore (@ 16% per annum). Accordingly, the Commission approves Rs. 72 crore towards RoE for determination of generation tariff for FY 2023-24.

- v. **Interest on Loan Capital:** As per Clause 8.0 (7) and (11) of Schedule II of the amended PPA, loan amount is Rs. 610 Crore and interest on loan will be paid as per actual. As the loan amount of the original project cost has been fully repaid by the FY 2011-12, OPGC has not claimed any amount towards Interest on loan capital. Accordingly, the Commission does not approve any amount towards interest on loan capital for determination of generation tariff for FY 2023-24.
- vi. **O&M Expenses:** As per clause 3 (d) & (e) of Schedule-II of the amended PPA, capital cost is to be taken as Rs.1030 crore (against original Capital Cost of the Project of Rs.1060 crore) and O & M expenses for the first year of operation shall be @ 2.5% of the capital cost and it shall be escalated @ 8% each year from 01.04.1996 with applicability of the first escalation factor of 8% from 01.04.1997. Based on the above methodology, OPGC has claimed Rs. 205.69 crore towards O&M expenses. Accordingly, the Commission approves the same amount of Rs. 205.69 crore, i.e., [Rs.1030 cr x 2.5% x (1.08)²⁷] towards O&M expenses for determination of generation tariff for FY 2023-24.
- vii. **Interest on Working Capital:**As per the Clause 3.0 (f) of Schedule II of the PPA, working capital requirement is to be worked out by considering coal cost for 1.5 months, Oil cost for 2 months, O & M expenses for one month and Receivable for 2 months on the normative level of generation. The interest rate applicable for working capital shall be as on the date when the fixed charges are computed. OPGC has submitted that it has started availing working capital requirement from external sources and the actual interest rate for the working capital facility is 7.95% in the FY 2022-23 till November 2022. The same has been considered for FY 2023-24. The detailed calculation of working capital requirement and interest on working capital approved by commission against OPGC's proposal for determination of generation tariff for FY 2023-24 is given in table 9 below:

Table-9
Interest on working capital Approved by Commission for determination of Generation Tariff for FY 2023-24

Particulars	Norms	FY 2023-24	
		OPGC Proposal	OERC Approval
Cost of Coal	1.5 Months	43.96	40.62

Particulars	Norms	FY 2023-24	
		OPGC Proposal	OERC Approval
Cost of Secondary Fuel Oil	2 Month	9.37	9.37
O&M expenses	1 Month	17.14	17.14
Receivables	2 Month	116.74	112.19
Working Capital Requirements		187.21	179.33
Rate of Interest		7.95%	7.95%
Interest on working capital		14.88	14.26

Accordingly, the Commission approves Rs.14.26 Crore towards interest on working capital as against OPGC proposal of Rs.14.88 Crore.

- (b) The proposal of OPGC and approval of the Commission with respect to Annual Fixed cost of OPGC (Unit-1&2) is summarised in the table 10 below:

Table- 10
Total Annual Fixed Cost (AFC) Approved by Commission for determination of Generation Tariff of OPGC for FY 2023-24
(Rs Crore)

Particulars	OPGC Proposal	OERC Approval
Depreciation	0.00	0.00
Return on Equity	72.00	72.00
Interest on Loan Capital	0.00	0.00
O&M Expenses	205.69	205.69
Interest on working capital	14.88	14.26
Total	292.58	291.95

The total AFC comes to Rs 291.95 Crore as against OPGC's proposal of Rs. 292.58 Crore.

72. Computation of Energy Charges:

- (a) **Operational Performance Parameters**

Regarding operational parameter, the Commission adopts the norms mentioned in the PPA. Details of these parameters are given in table 11 below:

Table-11
Operational norms adopted by the Commission in accordance with PPA for Determination of Generation Tariff of OPGC for FY 2023-24

Particulars	Unit	OPGC Proposal	OERC Approval
Plant Load Factor (PLF)- Normative	%	68.49	68.49
Auxiliary consumption	%	9.50	9.50
Gross Station Heat Rate	(Kcal/Kwh)	2500	2500
Secondary fuel oil consumption	(ml/Kwh)	3.50	3.50

- (b) **Price & GCV of Coal and Secondary fuel oil**

The Commission, vide its Order dated 28.10.2020 in Case No. 43/2017, has provided the basis for calculation of GCV of coal as delivered to the power station (total

moisture basis). This has been challenged by OPGC in APTEL which is subjudice. As per Commission's Order dated 28.10.2020, sampling report by Central Institute of Mining & Fuel Research (CIMFR) at mine's end with moisture correction would be considered for determining GCV of 'as delivered' Coal on total moisture basis. This is in line with PPA and order of Hon'ble Supreme Court. However, OPGC has taken a plea at para 3.40 of their tariff application that the order of the Commission in this regard in Case No. 43/2017 dated 28.10.2020 has been challenged before Hon'ble APTEL in Appeal No. 189/2020. Therefore, in the absence of above details, the Commission has decided to consider the base GCV of Grade-14 (G-14) coal, i.e. 3101 kcal/kg similar to last year order. The relevant documents for verification of prices for secondary fuel oil have been provided by OPGC.

- (c) Considering all the above operational norms, price and GCV of Coal and Secondary fuel oil parameters of PPA, details for calculation of energy charges are given in table 12 below:

Table-12
Computation of Energy Charges for determination of Generation
Tariff of OPGC for FY 2023-24

Particulars	Unit	OPGC Proposal	OERC Approval
Price of Coal	(Rs./MT)	1622.39	1622.39
Price of LDO	(Rs./KL)	80561.66	80561.66
Price of HFO	(Rs./KL)	61885.46	61885.46
GCV of Coal	(Kcal/Kg)	2865.76	3101
GCV of Oil	(Kcal/Ltr)	10000	10000
Secondary Fuel Oil Consumption (LDO-10% & HFO-90%)	(ml/kWh)	3.50	3.50
Energy Charges	(Paisa/kWh)	178.86	167.16

The Commission approves indicative Energy charges as 167.16 paisa/kWh for OPGC as against OPGC's proposal of @ 178.86 paisa/kWh for FY 2023-24.

73. Reimbursement of Other Charges

Apart from the Annual Fixed Cost and Energy Charges, as per Clause 10 and 11 (vii) of Schedule II of PPA, other charges such as levies, taxes, duties, cess, tariff filing fee etc. and supplementary bills, if any, are to be reimbursed from GRIDCO. Accordingly, OPGC has proposed to consider other charges of Rs.70.97 Crore for FY 2023-24 as part of the reimbursement from GRIDCO. These are to be examined item-wise by GRIDCO based on their paid bills as per appropriate rules applicable to those charges. However, the following expenditure towards Other Charges is allowed provisionally:

(a) **Electricity Duty**

OPGC has submitted that Rs. 14.94 Crore (@ Rs.0.55/kWh) has been projected for FY 2023-24 considering projected gross generation of 3018.41 MU. It has been observed that in the application before Arbitral Tribunal in the year 2004, both OPGC and GRIDCO had agreed to consider auxiliary consumption of 9% for the purpose of calculation of Electricity Duty. Further, in response to the Commission's queries, OPGC has submitted an estimated PLF of 81.8% for FY 2023-24. Considering 9% auxiliary Consumption at 80% nominal PLF, the Commission provisionally approves Rs. 14.57 Crore (@ Rs.0.55/kWh) towards electricity duty for FY 2023-24.

(b) **Water Cess & Water Charges**

OPGC has submitted that, during the FY 2021-22, it has incurred an expenditure of Rs.9.22 Crore towards water cess and water charges and accordingly the same has been claimed to be allowed for reimbursement for the FY 2023-24. Based on the above proposal of OPGC, the Commission provisionally approves the amount of Rs. 9.22 Crore towards water cess and water charges for FY 2023-24 and direct OPGC to produce proper justification of payment of such charges along with relevant documents while claiming reimbursement from GRIDCO. The Commission also directs GRIDCO to verify the documents while making payment to OPGC.

(c) **Energy Compensation Charge**

OPGC has submitted that in addition to water cess and water charges, it has to pay an additional charge to OHPC for drawal of water in the form of Energy Compensation Charges (ECC) based on Govt. of Odisha letter dated 31.07.2012. The estimated charge on this account is Rs.0.78 Crore approximately in line with the invoice raised by OHPC for the FY 2021-22. However, it is observed that OPGC has not made any payment to OHPC for FY 2021-22 and hence the Commission is not inclined to approve the amount of Rs.0.78 Crore towards ECC for FY 2023-24. However, ECC shall be reimbursed by GRIDCO on the basis of actual payment made and claimed by OPGC for FY 2023-24. The Commission also directs OPGC to submit details of such payment while claiming reimbursement from GRIDCO and GRIDCO is directed to make payment to OPGC after verification of relevant documents. Such amount shall be considered during Truing-up of GRIDCO.

(d) **Tax and Cess on Land**

OPGC has submitted that an expenditure of Rs.0.25 Crore has been incurred towards tax and cess on land during the FY 2021-22 and it has claimed the same for

reimbursement. The Commission provisionally approves the same amount for reimbursement of tax and cess on land to OPGC from GRIDCO during FY 2023-24.

(e) **System Operation Charges (SoC) & Market Operation Charges (MoC) for SLDC**

OPGC has claimed Rs.0.36 Crore towards SoC & MoC charges payable to SLDC. The Commission approves Rs.0.39 Crore (@ Rs.9200.636/MW/year) for the FY2023-24 towards SoC & MoC charges of OPGC payable to SLDC as per the latest SLDC Charges and Fees order.

(f) **ERPC Charges**

OPGC has proposed an amount of Rs. 0.16 Crore towards reimbursement against ERPC charges which has been actually paid by OPGC during FY 2021-22. The Commission provisionally approves the same amount for reimbursement by GRIDCO during FY 2023-24.

(g) **Income Tax**

OPGC has proposed an amount of Rs. 38.67 Crore towards reimbursement of income tax for the FY 2022-23 considering the RoE of Rs. 72 Crore corresponding to the equity capital of Rs 450 Crore (original capital cost of Rs 1060 Crore) and the applicable tax rate of 34.94% on pre-tax RoE. As per Clause 6 of Schedule II of the PPA, income tax on the income for supply of power will be passed on to GRIDCO. In response to queries raised by the Commission, OPGC has not intimated any claim towards income tax for FY 2021-22. Accordingly, the Commission is not considering any income tax under other charges of OPGC for FY 2023-24. However, Income tax shall be reimbursed by GRIDCO on actual basis as per the applicable provisions in PPA as and when claimed by OPGC for FY 2023-24 and such amount shall be reflected by GRIDCO in the Truing-up.

(h) **Reimbursement of contribution towards Water Conservation Fund (WCF)**

As per the resolution of Department of Water Resources, Govt. of Odisha, dated 18.05.2015, OPGC has proposed approval of Rs.6.13 Crore towards reimbursement of contribution to WCF during the FY 2023-24. However, OPGC has not made any payment towards WCF and hence the Commission is not inclined to approve the amount of Rs. 6.13 Crore towards contribution of WCF for FY 2023-24. However, the amount shall be reimbursed by GRIDCO on the basis of actual payment made and claimed by OPGC for the FY 2023-24. The Commission also directs OPGC to submit details of such payment while claiming reimbursement from GRIDCO and

GRIDCO is directed to make payment to OPGC after verification of relevant documents. Such amount shall be considered during Truing-up of GRIDCO.

(i) **Recovery of ARR and Tariff Petition Fees & Publication Expenses**

The Commission provisionally approves an amount of Rs.0.30 Crore for FY 2023-24 towards recovery of ARR and Tariff petition fees & publication expenses as proposed by OPGC.

The summary of reimbursement of other charges allowed by the Commission for the FY 2023-24 on provisional basis is given in the table 13 below:

Table – 13
Reimbursement of Other Charges for FY 2023-24
(Rs. in Crore)

Sl. No.	Particulars	OPGC Proposal	OERC Approval
(a)	Electricity Duty	14.94	14.57
(b)	Water Cess and Water Charges	9.22	9.22
(c)	Energy Compensation Charges	0.78	0.00
(d)	Tax and Cess on land	0.25	0.25
(e)	SOC and MOC for SLDC	0.36	0.39
(f)	ERPC Charges	0.16	0.16
(g)	Annual Inspection fees	0.16	0.16
(h)	Income Tax	38.67	0.00
(i)	Recovery of ARR and Tariff Petition Fees	0.30	0.30
(j)	Water Conservation Fund	6.13	0.00
	Total	70.97	25.05

Since the above charges are reimbursable, the same shall be reflected in the ARR of GRIDCO. As per Clauses 10 & 11(vii) of Schedule II of the PPA, GRIDCO is directed to reimburse the charges as mentioned above on actual basis as and when claimed by OPGC with appropriate documentary evidences.

74. **Additional Capitalization**

The Commission had earlier disallowed additional capitalisation in its Order dated 21.05.2021 in Case No.54 of 2018. In the instant petition, OPGC has not claimed additional capitalization for the FY 2020-21 & the FY 2021-22 and projected additional capitalization for the FY 2022-23. OPGC has filed an appeal before Hon'ble APTEL against this Commission's Order dated 21.05.2021 and based on the outcome, OPGC will approach the Commission through a separate petition for approval of additional capitalization. As per the prayer of OPGC, the Commission hereby allow OPGC to file a separate petition relating to additional capitalisation for the period from the FY 2015-16 to the FY 2022-23 after the APTEL's Judgement is pronounced in the above appeal of OPGC.

75. **Non-Tariff Income (NTI)**

As per Regulation 19 (2) of the OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, *“the Annual Fixed Cost for OHPC and OPGC (Unit-I & II) will be determined by the Commission by taking into account the notification(s) issued by the Government of Odisha from time to time and their PPAs.”* The notifications of Government of Odisha does not mention about deduction of NTI from the Fixed Cost. Since fixed cost is firmed up by Govt. of Odisha, the Commission cannot deviate from it in view of the Order of Hon’ble Supreme Court. Further, the approved amended PPA of OPGC does not provide for any adjustment of NTI in AFC, therefore, Non-Tariff Income has not been factored in the tariff determination.

76. **MYT Principles**

As per Regulation 7 (6) of OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, OPGC has to submit an application to the Commission for determination of tariff for the existing generation plants (Unit 1&2) as per annual schedule by 30th November every year. Accordingly, OPGC has filed its tariff application for the FY 2023-24 before 30th November, 2022 along with all the information required in accordance to the regulations. The MYT principles are based on certain set of parameters for determination of tariff for a control period. The OERC strictly follows the similar principles for determination of tariff on yearly basis. Therefore, it is not proper to say that MYT principles have not been practiced/followed.

77. **Truing up of Tariff Orders**

A separate petition has been filed by OPGC for approval of additional capitalisation (i.e. the only additional capital expenditure for OPGC) from FY 2015-16 to FY 2018-19 which has been disallowed by the Commission. OPGC then filed an Appeal before Hon’ble APTEL on 15.11.2021 against the said Commission’s Order. However, OPGC has not filed any truing up application for the period from the FY 2019-20 to FY 2021-22. Once these applications are filed, the Commission will decide the matter basing on the outcome of cases pending in this regard before Hon’ble APTEL.

78. **Other Issues**

The Commission takes note of other issues raised by Objectors relating to Auxiliary Consumption, Secondary fuel oil consumption, PLF and Return on Equity, which are not aligned as per OERC Generation Tariff Regulations, 2020. It may be noted that these aspects shall be dealt as per the provision in the PPA following the directions of Hon’ble Supreme

Court. Further, since OPGC is a public sector company, their auditing shall be governed as per the rules of the Government.

79. **Summary of Approved Generation Tariff of OPGC for FY 2023-24**

The summary of generation tariff for OPGC as approved by the Commission for FY 2023-24 is given in Table 14 below:

Table - 14
Summary of Approved Generation Tariff of OPGC for FY 2023-24

Particulars	Units	OPGC Proposal	OERC Approval
Annual Fixed Cost	Rs. Crore	292.58	291.95
Variable Charges	Paisa/kWh	178.86	167.16
Other Charges	Rs. Crore	70.97	25.05

80. **Directives of the Commission**

- (a) The recovery of monthly Capacity Charges approved by the Commission shall be made as per the methodology stipulated in the amended PPA and GRIDCO shall make payment after prudence check.
- (b) Based on the operational norms like Auxiliary Consumption, Gross Station Heat Rate and specific secondary Oil consumption as indicated in Clause 8 of Schedule-II of the PPA, Price and GCV of Oil & Coal as actually delivered to the power station as per Clause 7 of Schedule-II of the PPA, bills shall be raised by OPGC and it shall be paid by GRIDCO after verification.
- (c) Incentives/Disincentives, other charges, supplementary bills etc. are to be recovered by OPGC from GRIDCO as per Clause 10 and 11 (vii) of the PPA on production of documentary evidence.
- (d) Rebate and late payment surcharge (if any) will be applicable as per the clause 8.24 & 8.25 of the PPA.
- (e) OPGC shall put sincere effort for timely disposal of ash in line with notification of MoEF&CC dated 31.12.2021 and letter issued by MoP, GoI to thermal power plants dated 22.09.2021.
- (f) OPGC shall provide no. of forced outages of generating units, repetition of such incidents in last 5 years, reason for such outage and remedial measures taken so that such incidents has not been repeated/ reoccurred.

- (g) OPGC shall intimate the present status of Stage-III 1320 MW (2x660 MW), pit head thermal project of OPGC at IB Valley, Jharsuguda, which will impact Resource Adequacy planning of GRIDCO.
- (h) In the present scenario with large scale integration of Generation from Renewable Sources, contribution from conventional thermal generation to meet peak power demand during night time cannot be ignored. The commission directs OPGC to inform about its preparedness to comply with CEA (Flexible Operation of Coal based Thermal generating units) Regulations 2022, which specifies that:
- Flexible operation capability of generating unit shall be with minimum possible power level of 55% of MCR within one year of notification and 40% of MCR within the time frame as notified by CEA from time to time.
 - Ramp rate shall be: minimum 3% per minute (for 70% to 100% of MCR) within one year of notification, minimum 2% per minute (for 55% to 70% of MCR) within one year of notification, and minimum 1% per minute (for 40% to 55% of MCR) within the time frame as notified by CEA from time to time.
- (i) The Commission in its previous Order has directed OPGC to explore the possibilities of development of Solar power in its Power plant area. OPGC shall intimate the present status of development of Solar Power within the Power Plant area.
- (j) OPGC shall strictly adhere to the safety norms as per CEA (Safety requirement for construction, operation & maintenance of electric plants and electric lines) Regulation, 2011 as amended from time to time.
- (k) The Tariff now approved shall be effective from 01.04.2023 for energy sold to GRIDCO and shall be in force until further Orders.

81. The case is accordingly disposed of.

Sd/-
(S.K. RAY MOHAPATRA)
MEMBER

Sd/-
(G. MOHAPATRA)
MEMBER