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ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAVAN, PLOT NO. - 4,
CHUNAKOLI, SHAILASHREE VIHAR,
BHUBANESWAR-751021
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No. DIR-(T)-373/09/1132
Dated: 05.08.2023

From

Shri Antaryami Sahoo
Secretary

To

The Managing Director,
GRIDCO, Janpath,
Bhubaneswar

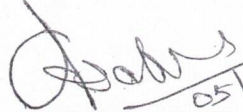
Sub: Review of Performance of GRIDCO for the FY 2022-23 held at OERC on 17.07.2023.

Sir,

In inviting a reference to the subject cited above, I am directed to enclosed herewith the minutes of the review meeting on performance of GRIDCO for the FY 2022-23 (i.e. from April, 2022 to March, 2023) held at OERC on 17.07.2023 for your information and necessary action.

Yours faithfully,

Encl: As above.


05/08/23
SECRETARY

Copy to: The Additional Chief Secretary, Department of Energy, Government of Odisha along with copy of the enclosure for information.

**Minutes of the Review Meeting held on 17.07.2023 on the Performance of
GRIDCO for the FY 2022-23**

Date of Review : 17.07.2023 at 11.00 AM

Period of Review : For the FY 2022-23 i.e. from April, 2022 to March, 2023

1. The Managing Director, GRIDCO made a power point presentation on the performance of GRIDCO for the FY 2022-23 i.e. from April'22 to March'23. He stated that GRIDCO has purchased 36693.84 MU of energy during the period under review at a cost of Rs.11661.01 Crore with an average rate of 317.79 P/U as against OERC approval of 30474.24 MU at a cost of Rs. 9071.92 Crore at an average rate of 297.69 P/U for the FY 2022-23. The total purchase of 36693.84 MU includes purchase of 320.69 MU through trading, UI overdrawal of 462.64 MU and drawal of 184.30 MU through power banking. The details of Power purchase are enclosed at **Annexure-I**. GRIDCO has cleared all the power purchase dues of the generators for the FY 2022-23 which amounts to Rs.11661.01 Crore. GRIDCO has earned a total revenue of Rs.1946.16 crore during the FY 2022-23 on account of the sale of available surplus power through trading, tripartite agreement, Unscheduled Interchange (DSM) charges and sale of power to CGP & others (excluding the revenue towards sale of power to DISCOMs).
2. GRIDCO further stated that during the period from April, 2022 to March, 2023, the DISCOMs have overdrawn a quantum of 2253.84 MU of energy as compared to the estimation for the FY 2021-22 due to increase in demand of the consumers of the State. The details of energy drawl by the DISCOMs are given in the table below.

**Energy Drawal by DISCOMs (in MU) during the FY 2022-23
(i.e. from April, 22 to March, 23)**

DISCOMs	OERC Approval for the FY 2022-23	Actual Drawal during FY 2022-23	Over (+) / Under (-) Drawal than the approved quantum
TPCODL	9790.00	9898.59	108.59
TPNODL	6020.00	6475.75	455.75
TPWODL	9300.00	11175.55	1875.55
TPSODL	4390.00	4203.95	(-)186.05
TOTAL	29500.00	31753.84	(+) 2253.84

3. For the FY 2022-23 (i.e. from April, 2022 to March, 2023), GRIDCO has shown a revenue shortfall of Rs.961.22 Crore against the estimated shortfall of Rs.21.15 Crore as given in the table below:

Revenue Approval Vis-à-vis Actual (Prov.) during the FY 2022-23
(Rs. Crore)

Sl No	Description	OERC Approval for FY 2022-23		Actual (prov.) for FY 2022-23	
		MU	Amount	MU	Amount
1.	Power Purchase Cost	30474.24	9071.92	36693.84	11661.01
2.	Establishment & Interest Cost	-	60.24	-	533.18
3	Pass Through Dues	-	147.46	-	782.00
4.	Rebate Availed	-	-	-	(-)163.38
5.	Total Revenue requirement (1+2+3+4)	30474.24	9279.62	36693.84	12812.81
6.	Revenue realized from sale of power to DISCOMs	29500.00	9213.95	31753.84	9905.43 (excluding the rebate of Rs.120.37 Cr.)
7.	Revenue from Sale through Tripartite Agreement			1816.50	783.48
8.	Revenue from Trading	-	-	1684.47	841.24
9.	Revenue from UI	-	-	427.00	134.77
10.	Revenue from CGPs & Others	60.00	44.52	209.31	186.67
11.	Total Revenue Realization (6+7+8+9)	29560.00	9258.47	35891.12	11851.59
12.	Surplus / (Gap) (10-5)	-	(21.15)	-	(961.22)

4. GRIDCO has stated that in the BSP order of GRIDCO, the Commission had advised for sale of surplus power to the intended industries through tripartite agreement between GRIDCO, concerned DISCOM and the Industry. Accordingly, GRIDCO has sold 1816.50 MU through tripartite agreement and earned revenue of Rs.783.48 crore on this account at an average rate of 431.31 P/U. Further, GRIDCO has earned revenue amounting to Rs.841.24 Crore through trading of 1684.47 MU of surplus power through power exchanges at an average rate of 499.41 P/U. In total, GRIDCO has sold surplus power of 3500.97 MU available to it mostly during off-peak hours and earned total revenue of Rs.1624.72 Crore by selling this surplus power during the period under review. Further, GRIDCO has earned Rs.186.67 Crore for selling of 209.31 MU to CGPs & others and earned Rs.134.77 Crore through Unscheduled Interchange (DSM) of 427.00 MU. GRIDCO submits that the gap of Rs.961.22 Crore is mainly due to the interest cost of Rs.501.80 Crore paid by GRIDCO on its borrowed capital against the approval of Rs.39.53 Crore in the ARR and payment of past power purchase dues which was partly allowed in the ARR.
5. GRIDCO submits that all the DISCOMs are now paying their current BSP dues regularly and availing rebate. Further, out of the past arrear collection of Rs.241.45 Crore by DISCOMs (as on 31.03.2023) under OTS, an amount of Rs.215.79 has been remitted to GRIDCO (till 20.05.2023) against the net receivable of Rs.215.80 Crore.

6. For the FY 2022-23, GRIDCO has shown the closing cash deficit of Rs.94.29 Crore as against the opening cash surplus of Rs.11.33 Crore. During this period total cash inflow was Rs.13331.70 Crore which includes Rs.9722.53 Crore from DISCOMs towards current BSP and Rs.436.72 Crore towards past arrear dues of DISCOMs, Rs.61.92 Crore from GoO towards arrear under OTS, Rs.15.03 Crore from OERC towards balance sale proceeds of DISCOMs, Rs.1893.31 Crore from the revenue earning through trading, DSM and emergency power supply to CGPs & others, Rs.2.19 Crore from interest on flexi deposit and Rs.1200 Crore from Loan (Rs.500 Crore from REC-Short-term loan & Rs.700 Crore of soft loan from Government). Total cash outflow was Rs.13437.32 Crore which includes Rs.10979.93 Crore towards payment of power purchase dues & Rs.235.13 Crore towards purchase of power through trading etc., Rs.1660.31 Crore towards loan repayment (Rs.1187.98 Crore to Commercial Banks and Rs.472.32 towards loan from different Govt. Institutions), Rs.473.13 Crore towards interest and financial charges (out of accrued amount of Rs.501.80 Crore), Rs.1.56 Crore towards security deposit refund, Rs.51.34 Crore towards GENCOs TDS deposit and Rs.33.92 Crore towards employee cost and A&G expenses.
7. GRIDCO stated that its outstanding loan from Commercial Banks as on 01.04.2022 was Rs.5857.33 Crore. During the FY 2022-23 they have paid an amount of Rs.1187.98 Crore towards principal repayment and Rs.390.43 Crore towards interest. Now, the outstanding Bank Loan as on 31.03.2023 is Rs.4669.04 Crore (after year-end adjustment of Rs.0.31 Crore).
8. The Managing Director, GRIDCO stated that the Annual Accounts of GRIDCO for the FY 2022-23 is scheduled to be appraised to the Board of Directors of GRIDCO on 29.07.2023 and to be adopted in the AGM on 31.08.2023.

9. **Commission's Observation:**

- i. The Commission observed that GRIDCO has purchased costly power from the central generating stations which was not estimated for the State requirements in the ARR and BSP order of GRIDCO for the FY 2022-23. It was stated that GRIDCO is being scheduled to draw power from the central sector generating stations towards state share with generation at technical minimum level. Further, GRIDCO also draws power from those central sector generating stations to meet the state demand when availability of generation from approved generating stations is less than the projected/approved generation due to forced outage/other reasons. GRIDCO is directed to strictly adhere to the merit order principle while drawing power from the costly sources.
- ii. The Commission observed that surplus power is available with GRIDCO during off peak hours and 1684 MU of surplus power has been sold through trading at an average rate of 499 P/U during the FY 2022-23 and it has earned revenue of about

Rs.841.00 Crore. GRIDCO is advised to be more vigilant and make endeavor to get maximum possible returned through trading of available surplus power (after meeting the State requirement).

- iii. Regarding availability of power from M/s. Vedanta Limited, GRIDCO has submitted that now M/s. Vedanta Limited is now supplying about 450 MW power. The Commission advised GRIDCO to settle all the issues between GRIDCO & M/s. Vedanta Limited under the guidance of the Department of Energy, Government of Odisha and ensure availability of full State share of power from M/s. Vedanta Limited and must avail maximum possible quantum of power during peak hours.
- iv. The Commission observed that the cost of Bio-mass energy from the 20 MW Bio-mass plant of M/s. Shalivahan Green Energy Limited is 733 P/U for the FY 2022-23 and 760 P/U for the current FY 2023-24. Now, GRIDCO has become the nodal agency for promotion of renewable energy in the State as per Odisha Renewable Energy Policy-2022. As GRIDCO is paying such high tariff for the Bio-mass energy, it is advised to make a joint verification of the Bio-mass plant of M/s. Shalivahan Green Energy Limited in coordination with OREDA to ensure that quantum of coal used in this Bio-mass plant is within the permissible limit.
- v. The Commission observed that very low quantum of solar power is being available from 8 nos. of 1 MW Solar PV Plant established in the State under RPSSGP Scheme of Government of India. GRIDCO is advised to discuss with these solar power developers about the reasons for such low generation.
- vi. GRIDCO is advised to make reasonable endeavor for establishment of wind power plant in the State by encouraging the wind power developers. GRIDCO is also advised to submit the report of NIWE about wind power potential in the State of Odisha. Further, GRIDCO must put emphasis on early commissioning of Pump Storage Power Stations identified in the State and linked to existing hydro projects.
- vii. GRIDCO is advised to discuss with the DISCOMs for estimation of a realistic future demand of power in the State and to go for long term planning for power procurement from various generation sources judiciously considering the projected demand of the State as well as for meeting Renewable Purchase Obligation (RPO) keeping in view the LOLP & ENS parameters in line with national level. Further, GRIDCO, being the nodal agency for procurement of RE power, has to plan for accommodating the banking of RE power as expected by the developers of Solar Power and Green Hydrogen / Green Ammonia for which Government of Odisha has taken numbers of proactive steps. If required, GRIDCO should execute long term PPA for procuring power from different sources.
- viii. GRIDCO may also discuss with DISCOMs and explore the possibility of increasing HT/EHT consumers in the State and selling of surplus power available during off-peak hours to industries through tripartite agreement. This will enhance revenue of GRIDCO.

- ix. During the review meeting GRIDCO raised the issue of non-payment of BSP surcharge by TPWODL which has been introduced for the current financial year 2023-24 and considered in the ARR of GRIDCO. GRIDCO also raised certain issues with TPWODL regarding rebate and late payment surcharge. The Commission advised GRIDCO to resolve such issues amicably with DISCOM(s). It is further advised that quarterly meeting of the top-level officers of both GRIDCO and DISCOMs should be convened by GRIDCO to discuss important matters such as demand projection, industrial growth & requirement of power by the industries under special tariff, compliance of vesting orders and issues pertaining to RPO compliance, recovery of outstanding dues etc.
- x. GRIDCO should reduce the A&G expenses, particularly the legal expenses, for which disputes with OPTCL/OPGC/OHPC should be resolved amicably without approaching legal forum.
- xi. GRIDCO should try for early resolution of the disputes with GMR, JITPL for availing the cheap power.
- xii. GRIDCO is directed to submit impact on tariff on account of additional cost due to ash handling of thermal power plants and Fuel & Power Purchase Adjustment Surcharge (FPPAS).
- xiii. Regarding borrowing of loan, GRIDCO has submitted that they have made borrowing of Rs.1200 Crore i.e. Rs.500 Crore from REC & Rs.700 Crore soft loan from Government of Odisha during FY 2022-23. They have reduced the principal amount of earlier loans borrowed from different commercial Banks, which amounts to Rs.4669.04 Crore as on 31.03.2023. However, the interest burden has been increased for FY 2022-23 due to increase in Bank interest rate (increase of more than 1% over the previous FY 2021-22). The Commission advised GRIDCO to collect the BSP dues from the DISCOMs in time and avoid further borrowing of loans from the Commercial Banks towards payment of power purchase dues of the generators. Further, GRIDCO is advised to pursue with the Government of Odisha with a long-term plan of about five years to extent support through the annual budget for payment of principal and interest of past loans.
- xiv. The Commission directs GRIDCO to complete the audit of its Annual Accounts as per the schedule.

POWER PURCHASED FROM DIFERENT SOURCES BY GRIDCO DURING FY 2022-23

Source	OERC approval for 2022-23			Actual for FY 2022-23		
	Drawal (MU)	Avg. Rate P/U	Cost (Rs Cr)	Drawal (MU)	Rate P/U	Cost (Rs Cr)
Total OHPC (O)	3,660.22	91.71	335.69	3,434.47	105.12	361.04
INDRAVATI	1,942.38	85.27	165.62	1,351.49	111.23	150.32
MACHAKUND	259.88	110.90	28.82	254.60	91.71	23.35
TOTAL OHPC	5,862.48	90.43	530.13	5,040.56	106.08	534.71
OPGC- 1 & 2	2,636.04	265.31	699.38	2,447.73	304.16	744.49
OPGC- 3 & 4	4,862.04	330.00	1,604.47	7,398.22	340.18	2,516.70
UI-OD (OPGC- 3&4)				12.53	62.25	0.78
GMR (IPP)	1,670.00	342.15	571.39	1,899.71	366.68	696.58
Vedanta Ltd. (IPP)	2,628.70	279.04	733.52	3,049.85	228.50	696.89
NBVL (IPP)	39.66	209.03	8.29	39.64	199.55	7.91
JITPL (IPP)				458.38	346.92	159.02
CGPs				425.61		
Solar	1,800.00	360.97	649.74	1,943.87	361.92	703.53
Biomass	80.00	733.00	58.64	60.68	733.03	44.48
Wind	975.87	278.68	271.96	932.67	282.21	263.21
Small Hydro	456.35	415.38	189.56	424.97	417.98	177.63
TOTAL STATE	21,011.14	253.06	5,317.08	24,134.42	271.23	6,545.93
FSTPS - I & II			5.07	27.41	903.68	24.77
FSTPS - III			89.28	383.34	629.02	241.13
KHSTPS-I			3.20	12.34	622.37	7.68
KHSTPS-II			29.89	196.26	474.07	93.04
TSTPS -I	541.01	287.81	155.71	2,188.58	308.93	676.12
TSTPS -II	1,349.63	256.85	346.65	1,467.28	284.87	417.98
Darlipalli STPS-I (Units-1&2)	6,350.84	279.99	1778.20	5,919.87	304.77	1,804.18
North KARANPURA STPS-I				80.58	417.85	33.67
NVVNL Bundle power (Coal)				114.42	549.29	62.85
BARH-I				7.57	619.55	4.69
BARH-II				13.32	611.86	8.15
NABINAGAR				14.80	449.32	6.65
KBUNL				1.80	700.00	1.26
Total NTPC	8,241.48	292.18	2,408.00	10,427.57	324.35	3,382.17
CHUKKA	267.05	248.42	66.34	231.92	248.53	57.64
TALA	125.80	234.82	29.54	97.57	234.91	22.92
TEESTA	505.93	198.76	100.56	548.89	264.21	145.02
MANGEDECHHU	322.84	433.43	139.93	285.84	433.70	123.97
Total Central Hydro	1,221.62	275.35	336.37	1,164.22	300.24	349.55
TOTAL Central Sector	9,463.10	290.01	2,744.37	11,591.79	321.93	3,731.72
U I Overdrawal				462.64	577.04	266.96
PGCIL Tr. Charge			680.00			866.18
FC towards Additional Power Purchase from OPGC (3&4)			327.80			
TOTAL	30,474.24	297.60	9,069.25	36,188.85	315.31	11,410.79
Power Banking (Received)				184.30	313.56	57.79
Power purchase through Trading				320.69	630.27	202.12
OA, SLDC & SOC & MOC Charges			2.67	<i>Incl. Reactive energy charges</i>		8.99
Less: NALCO CTU Charges						-18.68
GRAND TOTAL	30,474.24	297.69	9,071.92	36,693.84	317.79	11,661.01

REVIEW OF PERFORMANCE OF GRIDCO FOR THE YEAR 2022-23

A. SALE OF POWER (Revenue)

Source	Approved by OERC			ACTUAL FOR 2022-23					
	Sale (MU)	BSP P/U	Amount Billed (Rs Cr)	Actual Energy Drawal	BSP Rate P/U	BSP Billed (Rs Cr)	Rebate allowed	BSP dues excl. rebate (Rs Cr)	Payment Received (Rs. In Cr.)
TPCODL	9,790.00	300.00	2,937.00	9,898.59	300.00	2,969.58	29.14	2,940.44	2,912.43
TPNODL	6,020.00	321.00	1,932.42	6,475.75	321.00	2,078.72	18.31	2,060.41	2,013.60
TPWODL	9,300.00	360.00	3,348.00	11,175.55	360.00	4,023.20	62.82	3,960.38	3,906.54
TPSODL	4,390.00	227.00	996.53	4,203.95	227.00	954.30	10.10	944.20	1,009.59
TOTAL DISCOMs	29,500.00	312.34	9,213.95	31,753.84	315.74	10,025.80	120.37	9,905.43	9,842.16
Through Trading & Tripartite Agreement				3,500.97	464.08	1,624.72		1,624.72	1,624.72
Sold to CPPs	60.00	742.00	44.52	209.31	891.84	186.67		186.67	147.88
Misc Income						-		-	
U I (DSM)				427.00	315.62	134.77		134.77	134.77
SUB TOTAL	60.00	742.00	44.52	4,137.28	470.40	1,946.16		1,946.16	1,907.37
GRAND TOTAL REVENUE	29,560.00	313.21	9,258.47	35,891.12	333.56	11,971.96		11,851.59	11,749.53
Difference				6,331.12				2,593.12	

B. Expenditure (Rs. in Cr)

	2022-23		
	Approved by OERC	Actual	Difference
Power Purchase (MU)	30,474.24	36,693.84	6,219.61
Rate P/U	297.69	317.79	20.10
Power Purchase Cost	9,071.92	11,661.01	2,589.09
Rebate availed		(163.38)	
Employees Cost	13.25	16.47	3.22
R & M , A & G Cost , Depreciation	7.46	14.91	7.45
Interest & Finance Charges	39.53	501.80	462.27
Pass through of past Power Purchase Dues	147.46	782.00	
Total Expenditure	9,279.62	12,812.81	3,533.19

C. Revenue (Rs. in Crore)

From sale of power	9,258.47	9,905.43
From Trading Revenue		1,624.72
Receipt from Others		186.67
Receipt from UI		134.77
Total	9,258.47	11,851.59
D. GAP (Rs. Crore)	-21.15	-961.22