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**ଓଡ଼ିଶା ବିଦ୍ୟୁତ୍ ନିୟାମକ ଆୟୋଗ**  
**ODISHA ELECTRICITY REGULATORY COMMISSION**  
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**Present** : **Shri P. K. Jena, Chairperson**  
**Shri S. K. Ray Mohapatra, Member**  
**Shri B. Mohanty, Member**

**Date of Hearing: 02.02.2026**

**Date of Order: 24.03.2026**

**CASE NO.122 OF 2025**

**IN THE MATTER OF:** **Application for approval of Aggregate Revenue Requirement (ARR) and determination of Bulk Supply Price (BSP) of GRIDCO Ltd for the FY 2026-27 under Section 86(1) (a) & (b) and all other applicable provisions of the Electricity Act, 2003 read with OERC (Terms and Conditions for Determination of Tariff) Regulations, 2004 and OERC (Conduct of Business) Regulations, 2004.**

**AND**

**CASE NO.123 OF 2025**

**IN THE MATTER OF:** **Application under Section 86(1)(a) &(b) read with other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Conduct of Business) Regulations, 2004 for Truing-up of expenses for the FY 2024-25 and for Revised of Truing-up Order of the FY 2023-24.**

**ORDER**

The Commission is required to regulate the Electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies from various sources through agreement for distribution and supply within the State under Section 86(1) (b) of the Electricity Act, 2003 (hereinafter referred to as “the Act”). GRIDCO (erstwhile Grid Corporation of Odisha Ltd.) was created under Section 13 of the Orissa Electricity Reform Act, 1995 (Reform Act). It was granted “transmission and bulk supply license” under the said Reform Act by the Commission. The Government of Odisha, vide notification No.7948 dated 17.08.2006, has declared GRIDCO as “State Designated Entity” for execution of Power Purchase Agreements with generating companies within or outside state for procurement of power from various sources like Thermal, Hydro, Solar and Wind Power, etc. The Distribution Companies have entered into Bulk Supply

Agreements with GRIDCO Ltd. (in short GRIDCO). After taking over the Intra-state transmission business along with functions of State Load Dispatch Centre by OPTCL (the State Transmission Utility), the present activity of GRIDCO is now confined to Resource Adequacy planning & load forecasting for bulk purchase of electricity for sale to Distribution Companies of Odisha. This satisfies the definition of trading in Section 2(71) of the Act. Therefore, GRIDCO's position under the 5<sup>th</sup> proviso to Section 14 of the Act is that of a trading licensee carrying on trading of electricity in bulk. Bulk Supply activity by a trader is not repugnant to any of the provisions of the Act, 2003. Such activity is tenable in Law. It is a historical legacy coming down from the period under the Reform Act, 1995 and it continues so long as the bulk supply agreement, with the Distribution Companies subsist. GRIDCO Ltd. has also been entrusted with the responsibility of Nodal Agency for development of all RE projects within the States, monitor of RPO/RCO compliance of all obligated entities and act as a RE demand aggregator in the State as per Notification of Government of Odisha. GRIDCO has 49% share holding in DISCOMs, which is run/operated in the Public Private Partnership (PPP) mode by Private DISCOMs (Tata Power Ltd.) on behalf of the Government of Odisha. GRIDCO acts as an inter-mediary between consumer and the DISCOM for bulk supply power and hence acts as a shock absorber for accommodating any surplus deficit of power in State so as to provide uninterrupted power supply to ultimate consumers of the State. The Commission does not fix tariff for sale of electricity by a trader, vide Section 62 of the Act. It does not intend to do so for GRIDCO Ltd. as a trader; even though under Section 86(1)(d) read with Section 62 of the Act, the Commission may determine tariff for whole-sale or bulk supply of electricity by generators or distributors (*i.e. licensees other than traders*). This follows from a harmonious reading of Section 62 and Section 86(1)(a) and Section 86(1)(j) of the Electricity Act, 2003. But it just happens that in the present situation of "Single Buyer Model", the regulated purchase price for Distribution Companies fixed under Section 86(1)(b) of the Act coincides with the selling price of GRIDCO Ltd. as a trader for sale of power *only to the present Distribution Companies of Odisha*. If GRIDCO Ltd. sells surplus power, after meeting its contractual obligation under existing Bulk Supply Agreements, directly to any consumer under Section 42 read with Section 49 of the Act or another trader, or even to another distributor licensee under the 6<sup>th</sup> proviso to Section 14 of the Act, the procurement price, which coincides with selling of price of GRIDCO Ltd., fixed in this order is not applicable. Thus, this order does not fix tariff for GRIDCO Ltd. as a trader.

The Distribution Companies of Odisha are under obligation to purchase power primarily from GRIDCO Ltd. To determine the procurement price of power of DISCOMs, the Commission

has to hear not only the buyers (Distribution Companies) but also the seller (GRIDCO Ltd.). No meaningful hearing is possible unless GRIDCO files its Aggregate Revenue Requirement and expected revenue. GRIDCO Ltd. has done so. The Commission has taken the filing of GRIDCO Ltd. into consideration even though GRIDCO Ltd. as a deemed trading licensee under the 5<sup>th</sup> Proviso to Section 14 of the Act is outside the purview of Section 62 of the said Act. This is because the prices at which GRIDCO Ltd. supplies power to the Distribution Companies coincides with the procurement price fixed for the Distribution Companies under Section 86(1)(b) of the Act. For supply of surplus power to any other person anywhere after satisfying the requirements of the Distribution Companies of Odisha, the bulk supply prices fixed for the Distribution Companies would not be applicable. Similarly, as per vesting order of the Commission for the present DISCOMs (TPCODL, TPNODL, TPWODL, TPSODL), if GRIDCO expresses its inability to provide required quantum of power requisitioned by the DISCOMs, such incremental quantum can be procured directly by the DISCOMs from alternative sources, provided that such alternative sources are selected through a transparent and competitive bidding process and with the prior approval of the Commission. GRIDCO Ltd. would supply power to Distribution Companies of Odisha and Bulk Supply Price (BSP) has to be determined by the Commission with reference to the Aggregate Revenue Requirement (ARR) of GRIDCO Ltd. Hence GRIDCO Ltd. was called upon to file Application for approval of its Aggregate Revenue Requirement (ARR) & BSP for the ensuing FY 2026-27.

**PROCEDURAL BACKDROP (PARA 2 TO 6)**

2. The Commission directed GRIDCO Ltd. to publish its Aggregate Revenue Requirement (ARR) and determination of Bulk Supply Price (BSP) application in the approved format in two leading and widely circulated daily newspapers one in Odia and the other in English, and the matter was also posted on the Commission's website ([www.orierc.org](http://www.orierc.org)) in order to invite objections from the intending Objectors. The said public notice was published in the leading daily newspapers, Commission's website and GRIDCO Ltd.'s website. The Commission directed GRIDCO Ltd. to file its rejoinder to the objections filed by the various Objectors before the Commission and to serve copy to them.
3. In response to the aforesaid public notices in respect of the Aggregate Revenue Requirement (ARR) and BSP application of the GRIDCO Ltd. for the FY 2026-27 in Case No.122 of 2025 and application for Truing up of expenses for the FY 2024-25 & for revised of Truing-up Order for the FY 2023-24 in Case No.123 of 2025, the Commission has received 16 numbers of objections/ suggestions from the following persons/ associations/ institutions/ licensees: -

- (i) Shri Basudeb Bhatta, Co-Convenor, Aama Janata Adhikar, 226, Kharavel Nagar, Unit-3, Bhubaneswar-751001,
- (ii) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012,
- (iii) M/s. Jindal Stainless Limited, Kalinga Nagar, Industrial Complex, Jajpur-755026,
- (iv) M/s. Tata Steel Limited, Athagarh, Anantapur, Po-Dhurusia, Cuttack-754027,
- (v) M/s. Jindal Steel Limited, Chhendipada Road, SH-63, Po-Jindal Nagar, Angul-759111,
- (vi) M/s. Bhushan Power and Steel Limited, At/Po-Lapanga, PS-Thekoli, Sambalpur-768212,
- (vii) M/s. Visa Steel Limited, Kalinganagr Industrial Complex, At/Po-Jakhapura, Dist-Jajpur-755026,
- (viii) M/s. Tata Steel Limited, Kalinganagar Industrial Complex, Duburi, JK Road, Jajpur-755026,
- (ix) M/s. Power Tech Consultants, At-K-8-82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029,
- (x) M/s. Utkal Chamber of Commerce & Industry Ltd. (UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015,
- (xi) M/s. Vedanta Limited, 1st Floor, Module-C/2, Fortune Tower, Chandrasekharapur, Bhubaneswar-751023,
- (xii) Shri Ananda Kumar Mohapatra, Power Analystis, Plot No-799/4, Kotitirtha Lane, Old Town, Bhubaneswar-751012,
- (xiii) M/s. TPCODL, 2nd Floor, IDCO Tower, Janapath, Bhubaneswar-22,
- (xiv) M/s. TPNODL, Januganj, Balasore,
- (xv) M/s. TPSODL, Courtpeta, Berhampur,
- (xvi) M/s. TPWODL, Burla, Sambalpur, and

Shri S.B.K. Pradhan, Addl. Secretary, Department of Energy, Govt. of Odisha and Shri Soubhik Das, Sr. Director & Regional head, M/s. AMPIN Energy also participated in the hearing. The applicant submitted its reply to issues raised by the various objectors during hearing of the above case.

4. In exercise of the power conferred under Section 94(3) of the Electricity Act, 2003, and with a view to protecting the interests of the consumers of Odisha, the Commission appointed Consumer Counsel for objective analysis of the licensee's Aggregate Revenue Requirement (ARR) and Bulk Supply Price proposal for FY 2026-27 keeping in view the interest of the consumers of the State.
5. The hearing was fixed to 02.02.2026 at 10.30 AM through hybrid mode (by physical presence or by virtual mode) and it was duly notified in the leading newspaper mentioning the list of the Objectors, Place and date & time of hearing etc. The Commission also issued individual notices to the Objectors and the Department of Energy, Government of Odisha, informing them about the date and time of hearing through hybrid mode. Accordingly, the applicant, some of the Objectors and the representative of Department of Energy, Govt. of Odisha were physically present during the hearing and some of the objectors took part in the proceeding through virtual mode. The MD, GRIDCO made a brief presentation on the application of GRIDCO for approval of ARR for determination of BSP of GRIDCO for the FY 2026-27 and truing up of expenses for the FY 2024-25 followed by the presentation by the Consumer Counsel appointed by the Commission.
6. The Commission convened the State Advisory Committee (SAC) meeting on 16.03.2025 at 11.00 AM through hybrid mode at the Power Training Centre, OPTCL, Chandaka, to discuss on ARR & Bulk Supply Price proposal of GRIDCO for the FY 2026-27 and Truing up of expenses for the FY 2024-25 and revised truing up order of the FY 2023-24. The Members of the SAC, Special Invitees, the Representative of Department of Energy, Govt. of Odisha actively participated in the discussion and offered their valuable suggestions and views on the matter for consideration of the Commission.

**PROPOSAL OF ARR AND BULK SUPPLY PRICE (BSP) FOR THE FY 2026-27 (PARA 7 TO 43)**

7. GRIDCO Limited (hereinafter called as 'GRIDCO') is a Deemed Trading Licensee under the 5th Proviso to Section 14 of the Electricity Act, 2003. GRIDCO, a wholly State-owned Company, is engaged in the business of purchase of electricity in bulk from various generators located inside Odisha and the State's share of power from the Central Generators for supply in bulk to the four Electricity Distribution and Retail Supply Companies (hereinafter called as 'DISCOMs') in the State and also performs trading of available surplus power after meeting the State demand. GRIDCO's existence as the "State Designated Entity" to procure power on behalf of the State of Odisha for bulk supply to the DISCOMs for onward retail sale to the end consumers of the State is consistent with the provisions of the Electricity Act, 2003 under

Section 14. The Odisha Electricity Regulatory Commission (hereinafter called as ‘Commission’) in the Annual Revenue Requirement (ARR) & Bulk Supply Price (BSP) Orders dated 18.03.2011 for FY 2011-12 & 23.03.2012 for FY 2012-13 has extensively dealt with the issues relating to the “Legal Status” of GRIDCO and concluded that the continuance of GRIDCO is sustainable in law and essential in the overall interest of the people of Odisha and State power sector in particular.

8. Under the existing Bulk Supply Agreements between the DISCOMs and GRIDCO, the DISCOMs are to purchase power from GRIDCO at a regulated price to be determined by the Commission. The Commission is empowered under section 86 (1) (a) and (b) of the Electricity Act, 2003 to determine the power purchase cost for the DISCOMs. This procurement price of DISCOMs happens to be the Bulk Supply Price at which GRIDCO supplies power in bulk to the DISCOMs.
9. Sub Section 5 (k) of Section 15 of the Orissa Electricity Reform Act, 1995 mandates GRIDCO to file its Tariff/ Annual Revenue Requirement petition in accordance with the statutory requirements for due approval of the Commission. Further, as provided in the OERC (Conduct of Business) Regulations, 2004, GRIDCO is required to submit its Aggregate Revenue Requirement (ARR) and Bulk Supply Price (BSP)/ Tariff Petition to the Commission for approval, before 30th November of each year for the ensuing year and the Commission is empowered under Section 86 (1) (a) & (b) and other applicable provisions of the Electricity Act, 2003, to determine the power purchase quantum and cost for the DISCOMs. The Bulk Supply Price (BSP) represents the procurement price of DISCOMs at which GRIDCO has to supply power in bulk to DISCOMs. Therefore, it is the statutory requirement for GRIDCO to submit its Aggregate Revenue Requirement (ARR) & BSP Petition before the Commission for determination and approval of the procurement price of the DISCOMs. In this above backdrop, GRIDCO has filed an application for approval of its proposed Annual Revenue Requirement (ARR) and revision of Bulk Supply Price (BSP) for the FY 2026-27 to enable it to carry out its functions of bulk supply to DISCOMs.

**Simultaneous Maximum Demand (SMD)**

10. The Simultaneous Maximum Demand (SMD) of DISCOMs for the FY 2026-27 has been projected by GRIDCO based on the data received from the DISCOMs which has been estimated considering the maximum SMD observed during the period from April’ 25 to September’ 25 and the additional load growth as estimated for the FY 2026-27 over the FY 2025-26 for each DISCOM. The maximum SMD recorded during first six months of the FY 2025-26 and DISCOMs projection for the FY 2026-27, as submitted by GRIDCO in its BSP and ARR application are given in Table below.

**Table-1**  
**Projection of Simultaneous Maximum Demand (SMD) for FY 2026-27**  
**(MVA/Month)**

<b>DISCOMs</b>	<b>OERC approval for FY 2025-26</b>	<b>Highest SMD recorded during FY 2025-26 (Apr.'25 to Sept'25)</b>	<b>SMD Projected by DISCOMs for FY 2026-27</b>
TPCODL	2650	2539.50	2752
TPNODL	1622	1478.56	1641
TPWODL	1904	1963.15	1989
TPSODL	861	792.08	900

11. GRIDCO has submitted that the SMD projected by DISCOMs seems to be higher as compared to the actual occurrence in the summer months of the current financial year. Moreover, the rate of increase in the projected SMD is much higher to the energy requirement of the State projected by DISCOMs for the FY 2026-27. GRIDCO has requested the Commission to approve the SMD for the FY 2026-27 on monthly basis considering the actual SMD of the DISCOMs during the current year as per the SLDC data and a proportionate increase corresponding to the rise in monthly energy demand for the FY 2026-27.

**STU/OPTCL Transmission Losses (%):**

12. GRIDCO has submitted that, the Commission had approved the transmission loss of STU/OPTCL @ 3.00% for the FY 2025-26. The same figure of 3% has been provisionally considered by GRIDCO towards Intra-state transmission loss for the FY 2026-27. However, GRIDCO has requested the Commission to consider the STU Transmission loss for the FY 2026-27 to be approved in the ARR & Transmission Tariff order of OPTCL.

**Quantum of Energy Requirement:**

13. GRIDCO has proposed 39,203.47 MU of energy consumption for the FY 2026-27, basing on the projected demand of 39,103.47MU of DISCOMs and considering 100 MU (NALCO-70 MU and IMFA-30 MU) towards emergency supply of power to Captive Generating Plants (CGPs). Accordingly, GRIDCO has planned to procure total energy of 40,415.95 MU including transmission loss of 1,212.48 MU (considering the Transmission Loss @ 3%) to meet the projected energy requirement of 39,203.47 MU for the FY 2026-27. The summary of quantum of energy requirement projected by GRIDCO for the FY 2026-27 is shown in the Table below:

**Table-2**  
**Projected Quantum of Energy Requirement of GRIDCO for FY 2026-27**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Projection for FY 2026-27 (MU)</b>
1	Sales to DISCOMs	39,103.47

Sl. No.	Particulars	Projection for FY 2026-27 (MU)
2	Emergency sales to CGPs	100.00
3	Transmission Loss @ 3%	1,212.48
4	<b>Energy to be purchased by GRIDCO to meet the State demand</b>	<b>40,415.95</b>

#### **Projected Energy Availability to GRIDCO during FY 2026-27**

14. GRIDCO has projected energy availability of 46,334.13 MU during FY 2026-27 from different generating stations considering the Generation plan submitted/shared by the generating stations, PAF & normative auxiliary consumption of the power plant and ISTS loss of 3.61% & STU loss of 3%. However, GRIDCO has proposed to procure 40,415.95 MU of energy to meet the State requirement the FY 2026-27 considering Merit order Dispatch (MoD) and it has estimated an availability of surplus power to the tune of 5918.18 MU during FY 2026-27.
15. GRIDCO has estimated to avail (a) hydro power of 5446.59 MU from OHPC including 1477.09 MU from Upper Indravati & 259.35 MU from Machhkund, (b) thermal power of 11658.61 MU from OPGC (2395.04 MU from Units 1& 2 and 9263.57 MU from Units 3 & 4), (c) 5208.66 MU from Renewable Energy sources (521.97 MU from small hydro, 1015.69 MU from wind, and 3671.00 MU from Solar), (d) 6643.75 MU from thermal IPPs (M/s Vedanta Ltd, M/s GKEL, M/s GMR Kamalanga Energy Ltd, M/s NAVA Ltd., M/s. JIPL, M/s. JSWE(U)L, & M/s. MTPCL). Further, GRIDCO has proposed to purchase Odisha share of 15796.53 MU from Central Thermal Power Stations and 1580.00 MU from Central Hydro Power Stations viz. Tala, Chukha, Mangdechhu, Rangit, Kurichhu, Punatsangchhu-II and Teesta-V. The station-wise details in respect of availability of power including surplus power are given in the Table below:

**Table: 3**  
**Station-wise Availability of power to GRIDCO for the FY 2026-27**

Sl No	Station Name	Projected Energy Availability (MU)
1	Hirakud	816.90
2	Chiplima	277.28
3	Rengali	779.17
4	Upper Kolab	628.22
5	Balimela	1,208.58
6	<b>Sub-total State Hydro-Old OHPC (1 to 5)</b>	<b>3,710.15</b>
7	Indravati	1,477.09
8	Machkund	259.35

<b>Sl No</b>	<b>Station Name</b>	<b>Projected Energy Availability (MU)</b>
<b>9</b>	<b>Total State Hydro-OHPC (6+7+8)</b>	<b>5,446.59</b>
10	OPGC - 1 & 2	2,395.04
11	OPGC - 3 & 4	9,263.57
<b>12</b>	<b>Total OPGC (10+11)</b>	<b>11,658.61</b>
13	M/s. Vedanta Ltd.	2,880.51
14	M/s. GKEL	1,898.00
15	M/s JSWE(U)L	970.22
16	M/s. NAVA Ltd (Unit-1)	36.80
17	M/s. NAVA Ltd (Unit-2)	46.06
18	M/s. JTPL	544.91
19	M/s. MTPCL	48.25
20	M/s. MTPCL(Mid-term)	219.00
<b>21</b>	<b>Total IPP (13 to 20)</b>	<b>6,643.75</b>
<b>22</b>	<b>Total State Thermal (12+21)</b>	<b>18,302.36</b>
<b>23</b>	<b>Solar</b>	<b>3,671.00</b>
24	SHEP	521.97
25	Wind	1,015.69
<b>26</b>	<b>Non-Solar (24+25)</b>	<b>1,537.66</b>
<b>27</b>	<b>Total Renewables (23+26)</b>	<b>5,208.66</b>
<b>28</b>	<b>Total State (9+22+27)</b>	<b>28,957.61</b>
29	Chukha HEP	163.00
30	Tala HEP	59.00
31	Mangdechhu HEP	278.00
32	Rangit HEP	6.00
33	Kurichhu HEP	1.00
34	Punatsangchhu-II HEP	524.00
35	Teesta-V HEP	549.00
<b>36</b>	<b>Total Central Hydro (29 to 35)</b>	<b>1,580.00</b>
37	Talcher STPS-I	2,254.30
38	Talcher STPS-II	1,352.90
39	Darlipali STPS-I	5,608.33
40	North Karnapura STPS-I	662.81
<b>41</b>	<b>Sub-total Central Thermal (37 to 40)</b>	<b>9,878.34</b>
<b>42</b>	<b>Total Central (36+41)</b>	<b>11,458.34</b>
<b>43</b>	<b>MOD applied to meet the State Demand (28+42)</b>	<b>40,415.95</b>
44	FSTPS-I & II	189.15
45	FSTPS-III	610.14
46	KhSTPS-I	89.75
47	KhSTPS-II	343.16
48	Muzaffarpur TPS-II	205.51
49	Nabinagar STPS-I	64.30

Sl No	Station Name	Projected Energy Availability (MU)
50	Barh STPS-I	2,035.77
51	Barh STPS-II	134.40
52	North Karnapura STPS-I	2,246.00
<b>53</b>	<b>Total Surplus Power (44 to52)</b>	<b>5,918.18</b>
<b>54</b>	<b>Total Energy Availability (43+53)</b>	<b>46,334.13</b>

16. **Power Purchase Cost Estimated for FY 2026-27:**

GRIDCO has estimated total power purchase cost of Rs.16104.33 Cr. (@ 347.57 Paise/Unit) for total projected energy availability of 46334.13 MU for the FY 2026-27. However, on Merit Order Dispatch (MoD) basis, GRIDCO has estimated the Power purchase cost of Rs.14503.08 Cr. (@ 358.85 Paise/Unit) to meet the State energy demand of 40415.95 MU. The generating station-wise energy availability, power purchase cost and rate (paise/unit) as proposed by GRIDCO for the FY 2026-27 is shown in the Table below:

**Table-4**  
**Station-wise Power Purchase Cost Proposed by GRIDCO for the FY 2026-27**

Sl No	Station Name	Energy Availability (MU)	Total Cost (Rs. Crore)	Rate (Paise/Unit)
1	Hirakud	816.90	99.33	121.60
2	Chiplima	277.28	45.66	164.68
3	Rengali	779.17	70.77	90.83
4	Upper Kolab	628.22	83.07	132.23
5	Balimela	1,208.58	107.84	89.23
<b>6</b>	<b>Sub-total State Hydro-Old OHPC (1 to 5)</b>	<b>3,710.15</b>	<b>406.68</b>	<b>109.61</b>
7	Indravati	1,477.09	170.24	115.25
8	Machkund	259.35	37.16	143.28
<b>9</b>	<b>Total State Hydro-OHPC (6+7+8)</b>	<b>5,446.59</b>	<b>614.08</b>	<b>112.74</b>
10	OPGC - 1 & 2	2,395.04	761.45	317.93
11	OPGC - 3 & 4	9,263.57	3,460.60	373.57
<b>12</b>	<b>Total OPGC (10+11)</b>	<b>11,658.61</b>	<b>4,222.05</b>	<b>362.14</b>
13	M/s.Vedanta Ltd.	2,880.51	874.48	303.59
14	M/s. GKEL	1,898.00	655.06	345.13
15	M/s JSWE(U)L	970.22	325.99	336.00
16	M/s. NAVA Ltd (Unit-1)	36.80	7.57	205.71
17	M/s. NAVA Ltd (Unit-2)	46.06	10.96	238.02
18	M/s. JIPL	544.91	111.16	204.00
19	M/s. MTPCL	48.25	14.70	304.66
20	M/s. MTPCL(Mid-term)	219.00	120.01	547.99
<b>21</b>	<b>Total IPP (13 to 20)</b>	<b>6,643.75</b>	<b>2,119.94</b>	<b>319.09</b>
<b>22</b>	<b>Total State Thermal (12+21)</b>	<b>18,302.36</b>	<b>6,341.99</b>	<b>346.51</b>
<b>23</b>	<b>Solar</b>	<b>3,671.00</b>	<b>1,166.79</b>	<b>317.84</b>

Sl No	Station Name	Energy Availability (MU)	Total Cost (Rs. Crore)	Rate (Paise/Unit)
24	SHEP	521.97	236.23	452.57
25	Wind	1,015.69	285.38	280.97
<b>26</b>	<b>Non-Solar (24+25)</b>	<b>1,537.66</b>	<b>521.61</b>	<b>339.22</b>
<b>27</b>	<b>Total Renewables (23+26)</b>	<b>5,208.66</b>	<b>1,688.40</b>	<b>324.15</b>
<b>28</b>	<b>Total State (9+22+27)</b>	<b>28,957.61</b>	<b>8,644.46</b>	<b>298.52</b>
29	Chukha HEP	163.00	51.41	315.40
30	Tala HEP	59.00	13.89	235.42
31	Mangdechhu HEP	278.00	132.96	478.27
32	Rangit HEP	6.00	2.94	490.00
33	Kurichhu HEP	1.00	0.24	240.00
34	Punatsangchhu-II HEP	524.00	281.05	536.35
35	Teesta-V HEP	549.00	138.14	251.62
<b>36</b>	<b>Total Central Hydro (29 to 35)</b>	<b>1,580.00</b>	<b>620.63</b>	<b>392.80</b>
37	Talcher STPS-I	2,254.30	663.98	294.54
38	Talcher STPS-II	1,352.90	383.92	283.78
39	Darlipali STPS-I	5,608.33	1,954.33	348.47
40	North Karnapura STPS-I	662.81	743.50	1,121.74
41	KhSTPS-II	-	38.81	-
42	KhSTPS-I	-	11.44	-
43	FSTPS-I & II	-	23.51	-
44	FSTPS-III	-	111.55	-
45	Muzaffarpur TPS-II	-	56.45	-
46	Nabinagar STPS-I	-	14.76	-
47	Barh STPS-I	-	510.86	-
48	Barh STPS-II	-	26.57	-
<b>49</b>	<b>Sub-total Central Thermal (37 to 48)</b>	<b>9,878.34</b>	<b>4,539.67</b>	<b>459.56</b>
<b>50</b>	<b>Total Central (36+49)</b>	<b>11,458.34</b>	<b>5,160.30</b>	<b>450.35</b>
51	PGCIL Charges		694.91	-
52	SOC & MOC Charges		3.41	-
<b>53</b>	<b>MOD applied to meet the State Demand (28+50+51+52)</b>	<b>40,415.95</b>	<b>14,503.08</b>	<b>358.85</b>
54	FSTPS-I & II	189.15	67.13	-
55	FSTPS-III	610.14	210.33	-
56	KhSTPS-I	89.75	29.03	-
57	KhSTPS-II	343.16	103.91	-
58	Muzaffarpur TPS-II	205.51	64.75	-
59	Nabinagar STPS-I	64.30	19.37	-
60	Barh STPS-I	2,035.77	633.53	-
61	Barh STPS-II	134.40	41.00	-
62	North Karnapura STPS-I	2,246.00	432.20	-
<b>63</b>	<b>Total Surplus Power (54 to 62)</b>	<b>5,918.18</b>	<b>1,601.25</b>	<b>270.56</b>
<b>64</b>	<b>Total Energy Availability (53+63)</b>	<b>46,334.13</b>	<b>16,104.33</b>	<b>347.57</b>

17. GRIDCO has requested the Commission to approve the fixed charges as payable by GRIDCO to the all tied-up thermal generating stations, which would be recovered from DISCOMs through BSP for the ensuing FY 2026-27.

**Pass through of Additional Power Purchase Cost**

18. The summary of total pass-through cost claimed by GRIDCO are shown in the Table below:

**Table-5**  
**Summary of Total Pass-through Cost claimed by GRIDCO in the ARR for FY 2026-27**

Sl. No.	Name of the Station	Particulars	Amount Proposed for Pass Through (Rs. Crore)
1	OPGC	Electrical Inspection fees arrear for the period from FY 2022 to FY 2025 in respect of Units-3 & 4	0.06
		CTO Expenses amounting to Rs.72,00,000.00 claimed by OPGC in respect of Units-3 & 4	0.72
2	M/s. Vedanta Ltd.	Water Charges for the period from April'2024 to March'2025	6.09
3	Rangit HEP	Shortfall in energy for FY 2023-24 & FY 2024-25 to GRIDCO (As per Clause No.65(7) of CERC Regulation 2024)	0.23
		NAPAF Revision as per 1st Amendment of Regulation 2024 (April'24 to Dec'24 and Jan'25) respectively to GRIDCO in line with CERC Regulation 2024	
4	Kurichhu HEP	O&M Charges for FY 2023-24, FY 2024-25 & FY 2025-26 (up to Dec'25)	0.05
		Insurance Charges (Period:09.09.2022-08.09.2023,09.09.2023-08.09.2024 & 09.09.2024-08.09.2025)	
5	Renewable Energy	<b>Samal Barrage SHEP</b> (Reimbursement of Water Charge and SLDC Charge for the FY 2024-25 paid in FY 2025-26)	0.19
		<b>Lower Baitarani SHEP of M/s BPPPL</b> (Reimbursement of SLDC Charge for the FY 2024-25 to be paid in FY 2025-26)	0.03
		<b>Shaheed Lakhon Nayak SHEP 25 MW</b> Energy purchase from Shaheed Lakhon Nayak SHEP during FY 2025-26	25.09
6	DSM	Deviation and Ancillary Service Pool Account for the period from 07.07.2025 to 12.10.2025	34.63
7	<b>Total</b>		<b>67.09</b>

## **Finance Cost:**

### **Receivable from Erstwhile DISCOMs:**

19. GRIDCO has submitted that, as on 30.09.2025, including DPS total outstanding dues receivable from the erstwhile DISCOMs is Rs. 6,395.14 Cr. which detailed are shown in the Table below:

**Table-6**  
**Summary of Receivables from Erstwhile DISCOMs as on 30-09-2025**

**(Rs. in Crore)**

<b>Sl. No</b>	<b>Particulars</b>	<b>CESU</b>	<b>WESCO</b>	<b>SOUTHCO</b>	<b>NESCO</b>	<b>Total</b>
<b>1</b>	BSP dues	1,174.34	647.61	787.30	560.57	3,169.82
<b>2</b>	Converted to Equity	-299.95	-299.95	-199.95	-249.95	-1,049.80
<b>3</b>	<b>Net BSP Dues (1-2)</b>	<b>874.39</b>	<b>347.66</b>	<b>587.35</b>	<b>310.62</b>	<b>2,120.02</b>
<b>4</b>	Securitize Dues (incl. interest)	1,219.91	239.27	196.12	208.51	1,863.81
<b>5</b>	NTPC Power Bond	-	-	146.45	48.91	195.36
<b>6</b>	Tr. Scheme dues	118.85	12.10	29.91	6.74	167.60
<b>7</b>	Cash Support	174.00	-	-	-	174.00
<b>8</b>	<b>Total as on Vesting Date (3 to 7)</b>	<b>2,387.15</b>	<b>599.03</b>	<b>959.83</b>	<b>574.78</b>	<b>4,520.79</b>
<b>9</b>	Balance BSP of FY 20-21	-225.16	-	-98.88	-	-324.04
<b>10</b>	Paid/adjusted till 30.09.2025	-324.56	-332.35	-203.42	-494.51	-1,354.84
<b>11</b>	Settled under OTS by DISCOMs	-21.60	-36.53	-20.26	-75.48	-153.87
<b>12</b>	Settled under OTS directly by GoO	-18.32	-25.38	-7.59	-10.63	-61.92
<b>13</b>	<b>Total post vesting paid/ settled (9+10+11+12)</b>	<b>-589.64</b>	<b>-394.26</b>	<b>-330.15</b>	<b>-580.62</b>	<b>-1,894.67</b>
<b>14</b>	<b>Total Receivable (8-13)</b>	<b>1,797.51</b>	<b>204.77</b>	<b>629.68</b>	<b>-5.84</b>	<b>2,626.12</b>
<b>15</b>	DPS on BSP	819.49	1,417.23	647.31	884.99	3,769.02
<b>16</b>	<b>Total receivable incl. DPS (14+15)</b>	<b>2,617.00</b>	<b>1,622.00</b>	<b>1,276.99</b>	<b>879.15</b>	<b>6,395.14</b>

*Note: (1) BSP dues after adjustment of equity and credit/debit bills.*

*(2) The receivable excludes the receivable on account of CAPEX dues.*

20. GRIDCO has submitted that, it has no scope for recovery of above substantial amount of outstanding dues receivable from erstwhile DISCOMs due to vesting of the license and business operations with the new DISCOMs. In the vesting order, the Commission had issued directives to the new DISCOMs for collection of past arrears stipulating the minimum commitment amount and also notified the OTS scheme for recovery & settlement of outstanding dues from the defaulting consumers against past dues receivable from erstwhile DISCOMs/Utilities and to pass on to GRIDCO. Still, huge outstanding dues is continuing in the consumers ledger of the erstwhile DISCOMs period. GRIDCO has requested the Commission to issue suitable advisories /directives to present DISCOMs for collection of past

arrears towards settlement of outstanding dues and also to frame suitable mechanism for recovery of the balance amount through regulatory process preferably in next two to three years.

**Interest & Financial Charges:**

21. GRIDCO has submitted that in view of interim order of the Commission dated 23.05.2023 (Petition No 35/2023), an amicable settlement was agreed upon in the meeting held on 26.06.2023 regarding OHPC Securitized dues under the Chairmanship of Additional Chief Secretary, Energy Department. The Commission has approved the settlement in the final order in Case No. 35/2023 dated 11.07.2023. GRIDCO has submitted that considering the settlement process, total interest payable on settlement of OHPC Securitized dues for the FY 2026-27 comes to Rs.17.28 Cr. and requested the Commission to consider it favourably under interest and finance charges for the FY 2026-27. Further, due to the uncontrollable factors like non- settlement of BSP dues by the erstwhile DISCOMs, lack of cost reflective Tariff, non-amortization of approved Regulatory Asset, absence of carrying cost on regulatory assets of earlier years, it had borrowed funds from external sources and from the Govt. of Odisha. Further, it has submitted that, borrowing working capital loans in the past were predominantly due to non-cost reflective BSP, delay in truing up exercise, disallowances of carrying cost on regulatory assets in the past period, huge outstanding receivables from erstwhile DISCOMs and mandate to supply power as “State Designated entity” irrespective of recovery of uncontrollable cost from sale of power to State DISCOMs as approved in the ARR. It has borrowed working capital loan to avail rebate from generators and also to reduce its late payment surcharge obligations which carries higher interest in the form of penalty. The benefit of rebate on power purchase cost and lower LPS is ultimately being passed on to end consumers. GRIDCO has submitted that the cost of raising the fund to earn the rebate, resulted in avoiding the late payment surcharge, needs to be considered by the Commission in the ARR. GRIDCO has requested the Commission to consider the above benefits and approve interest accrued for the ensuing FY 2026-27 on loans availed during the past periods. Accordingly, the Petitioner has proposed to approve total interest and financial charge of Rs.370.79 Cr. in the ARR & BSP application for the FY 2026-27, which details are shown in the Table below:

**Table-7**  
**Interest & Finance Charge Proposed by GRIDCO for the FY 2026-27**

Sl. No	Particulars	Principal O/S as on 30.09.2025 (Rs. Cr)	Rate of Interest	Interest Claimed (Rs. Cr.)
<b>A</b>	<b>Bank Loan</b>			
1	Union Bank (e-Andhra_ Bank_VIII) 300CR	70.58	8.15%	1.26
2	Union Bank (e-Andhra_ Bank_IX) 400CR	114.17	8.45%	3.06
3	Punjab National Bank 600 CR	259.92	8.00%	11.6
4	Bank of Baroda TL-5	48.44	8.00%	1.01
5	Bank of Baroda TL-6	69.68	8.00%	2.5
6	Bank of Baroda TL-7	208.18	8.00%	9
7	Canara Bank TL-3	78.60	8.20%	1.62
8	Canara Bank TL-4	29.64	8.20%	0.79
9	Canara Bank TL-5	208.27	8.20%	9.23
10	Canara Bank TL-7	224.76	8.20%	10.58
11	Canara Bank TL-9	224.71	8.20%	10.57
12	Proposed Term Loan for FY 25-26*			20.74
13	Proposed Term Loan for FY 26-27#			21.25
14	Financial Charges (Inc. Interest on SOD)			80.94
	<b>Sub-Total (1 to 14)</b>	<b>1,536.95</b>		<b>184.15</b>
<b>B</b>	<b>OHPC &amp; Govt. Loan</b>			
15	Soft Loan from GoO	3,213.00	4.25% to 5.25%	159.26
16	OHPC Loan 619 crores	386.87	6.00%	17.28
17	Guarantee Commission			10.1
	<b>Sub-Total (15 to 17)</b>	<b>3,599.87</b>		<b>186.64</b>
	<b>Total (A+B)</b>	<b>5,136.82</b>		<b>370.79</b>

**Other Expenses:**

22. GRIDCO has proposed Rs.314.62 Cr. towards expenses on account of Employees Cost, A&G Cost, R &M Cost, Depreciation & Carrying Cost on Regulatory Asset for the FY 2026-27, which details are shown in the Table below:

**Table-8**  
**Other Expenses Proposed by GRIDCO for the FY 2026-27**

Particulars	Amounts (Rs. Cr.)
Employee Cost	23.01
A&G Cost	16.47
Repair & Maintenance Cost	3.19
Depreciation	2.87
Carrying Cost on Regulatory Asset	269.08
<b>Total</b>	<b>314.62</b>

### **Other Income / Miscellaneous Receipts**

23. GRIDCO has estimated to earn an amount of Rs.74.50 Cr. under miscellaneous revenue head during the FY 2026-27 towards proposed sale of emergency power of 100 MUs (NALCO - 70 MU and IMFA -30 MU) at approved rate of Rs.7.45 /kWh for FY 2025-26.

### **Aggregate Revenue Requirement (ARR) proposed by GRIDCO for the FY 2026-27**

24. The Summary of Aggregate Revenue Requirement (ARR) proposed by GRIDCO for the FY 2026-27 is shown in the Table below.

**Table-9**  
**ARR Proposed by GRIDCO for the FY 2026-27**

<b>Particulars</b>	<b>Amount (Rs Cr.)</b>
Power Purchase Cost as per MOD for State (Excluding cost of Surplus power)	<b>14,503.08</b>
Additional Power Purchase Cost (Pass-through)	67.09
Interest Cost	370.79
Employee Cost	23.01
Repair & Maintenance Cost	3.19
Administrative and General Cost	16.47
Depreciation	2.87
Carrying Cost on Regulatory Assets	269.08
<b>Aggregate Revenue Requirement (ARR)</b>	<b>15,255.58</b>
Less: Revenue from Emergency sales	74.50
<b>Net Aggregate Revenue Requirement (ARR)</b>	<b>15,181.08</b>
<b>Units to be sold to DISCOMs (MU)</b>	<b>39,103.47</b>
<b>Revenue from DISCOMs at existing BSP of respective DISCOMs</b>	<b>12,921.39</b>
<b>Revenue Deficit at existing BSP of respective DISCOMs</b>	<b>-2,259.69</b>

### **Proposed Bulk Supply Price (BSP) for the FY 2026-27:**

25. GRIDCO has submitted that, at the existing BSP of respective DISCOMs, it would generate revenue of Rs.12,921.39 Cr. during FY 2026-27 towards sale of proposed energy of 39103.47 MU to four DISCOMs (TPWODL, TPNODL, TPSODL & TPCODL). It has contended that the current BSP structure would not be sufficient to recover its estimated Net Aggregate Revenue Requirement of Rs. 15,181.08 Cr for FY 2026-27 and there would be a net revenue deficit of Rs. 2,259.69 Cr at the existing BSP of respective DISCOMs. To address the above deficit, GRIDCO has requested for an upward revision of Bulk Supply Price (BSP) from April 1, 2026, which details is shown in the Table below:

**Table-10**  
**Rate of BSP Proposed by GRIDCO for the FY 2026-27**

Sl. No	Components	Proposed BSP for FY 2026-27
A	<b>Net ARR to be recovered through BSP (Rs. Cr.)</b>	<b>15,181.08</b>
B	Units to be sold to DISCOMs (MU)	<b>39,103.47</b>
C	<b>Proposed Average BSP(Paise/Unit) to recover the Net ARR [A/B*1000]</b>	<b>388.23</b>

26. Further, GRIDCO has submitted that it has paid-up equity capital of Rs. 3,611.84 Cr. as on 31.03.2025. Considering Return on Equity (RoE) @16%, it has estimated RoE of Rs.577.89 Cr on the above this equity capital. If the RoE would be considered, the BSP will be 403.11 paise /unit.

**Demand Charges for excess SMD**

27. GRIDCO has requested the Commission to establish a monthly control measure for Simultaneous Maximum Demand (SMD) of DISCOMs with the permitted SMD at 105% of the approved SMD and for approval of SMD on ‘monthly basis’ instead of ‘annual basis’, which enable the recovery of charges for any excess energy drawn during a month beyond the approved monthly SMD. Further it has proposed to consider for levy of demand charges @ Rs.250/KVA/Month on the DISCOMs for excess SMD based on the following conditions:
- a. When the actual SMD of a DISCOM in a given month exceeds the permitted monthly SMD (105% of the approved SMD), the respective DISCOM shall be billed by GRIDCO @ Rs.250/kVA/Month for the excess SMD.
  - b. Such charges shall not be adjusted at the end of the year, even if the actual monthly SMD in any other month(s) (s) of the same financial year remains within the permitted monthly SMD.

**Over Drawl Charges**

28. GRIDCO has submitted that the energy bills are now being raised on the DISCOMs at the approved BSP rate(s) during a financial year in accordance with the Judgment dated 07.05.2018 passed by the Hon’ble APTEL in Appeal No. 55 of 2015. This practice may continue until the Deviation Settlement Mechanism (DSM) Regulations are notified and implemented by the Commission in the State of Odisha. Further, to maintain grid discipline, stability is required in the drawal pattern of the DISCOMs. GRIDCO has requested the Commission to issue suitable guidelines to the DISCOMs to adhere to the drawl quantum of energy and the SMD limit approved fixed and approved by the Commission so as to prevent

any additional cost burden to it on account of high-cost power purchased from Central Generating Stations and overdrawl restrictions imposed by ERPC/ERLDC.

**Rebate Policy**

29. GRIDCO has proposed for approval of the following rebate policy in its ARR order for FY 2026-27 towards payment of BSP dues by the DISCOMs:
- a. For crediting the BSP bill amount to GRIDCO's designated current bank account through Letter of Credit on presentation, or through NEFT/RTGS within a period of five (5) working days, a rebate of 1.5% shall be allowed.
  - b. Where the amount is credited on any day after five (5) working days and within a period of twenty-five (25) days from the date of presentation of the bill, a rebate of 1.0% shall be allowed.
  - c. The DISCOMs may avail the rebate only if the total current BSP dues are fully settled within the twenty-fifth (25th) day from the date of presentation of the BSP bill.

**Delayed Payment Surcharge (DPS)**

30. GRIDCO has proposed for levy of delayed payment surcharge @1.50% per month, if the payments for Bulk Power Supply bills are made by the DISCOMs after 30 days from the date of submission of bills.

**Additional Proposal by GRIDCO:**

**Introduction of Time-of-Day (ToD)-Based Bulk Supply Price (BSP) for DISCOMs:**

31. GRIDCO has submitted that due to structural shift in the State's power scenario with increasing share of renewable generation, particularly from solar sources, it is essential to introduce ToD-Linked BSP as an economic signal to the DISCOMs to incentivize shifting their drawal to solar hours, thereby improving effective utilization of contracted demand, reducing surrender volumes and aligning demand with solar power availability. Accordingly, considering the present availability of renewable energy, GRIDCO proposes a reduction of 15 P/U during the solar hours for TPWODL, TPCODL and TPNODL, and 10 P/U for TPSODL from the existing BSP. Similarly, a hike of 10 P/U in the existing BSP of all DISCOMs during non-solar hours is proposed by GRIDCO. However, GRIDCO has requested the Commission to approve any other suitable ToD based BSP mechanism.

**Re-structuring of ToD based RST:**

32. GRIDCO has submitted that upon adoption of the ToD-based RST with effect from 01st April, 2024, there has been a gradual increase in load shifting from non-solar hours to solar hours.

With rapid penetration of solar energy, the present ToD mechanism as well as load factor-based RST requires restructuring so that benefits of the low-cost solar power can be availed by the State consumers. GRIDCO has proposed that ToD based RST may be adopted on a revenue-neutral basis, where rebates with lower RST during solar hours are offset by surcharges with higher RST during other hours, ensuring no revenue shortfall to the DISCOM while improving load management. Further, the DISCOMs may be directed to devise suitable schemes to bring other consumer categories such as commercial establishments and government buildings under the ambit of the ToD-based RST so that the ToD benefits are also passed on to these categories of consumers.

**Low-Cost Power for CGP-Based Industries during Solar Hours:**

33. GRIDCO has submitted that it bears around Rs.7000 Crore towards fixed cost for availing power from the tied-up generation capacity of around 9800 MW. As per the DISCOMs' data, the connected load of the State under LT, HT & EHT categories is around 15000 MW with a scope of recovery of fixed cost of around Rs.5000 Crore. Thus, the gap of approximately Rs.2000 Crore remains unrecovered through the existing demand charges which acts as a barrier to achieving a cost-reflective tariff. Therefore, GRIDCO has proposed to introduce a minimum contract demand drawl of 20% for Industries with CGP having CD 1 MW and above during Solar Hours (08:00 hrs. - 16:00 hrs.) on a monthly basis. Further, suitable increase in demand charges may also be considered for all category of consumers those are paying monthly demand charges @ Rs. 250/ kVA/month to arrive at a cost reflective tariff.

**Sale of Power through Specialised Tariff Scheme under Tripartite Agreement:**

34. GRIDCO has submitted that a special scheme was devised by the Commission since FY 2021-22, allowing the industries having CGP with CD above 20 MW who are willing to avail power from DISCOMs and operating at load factor more than 80% to draw power through Tri-Partite Agreement (TPA) at a rate approved in the BSP/ RST order for the respective Financial Year. Further, based on the joint application of GRIDCO and DISCOM, the Commission, vide order dated 22.07.2025 and 28.10.2025 in Case No.53 of 2025, had allowed applicability of this scheme to the industries operating at load factor more than 60% for the current FY 2025-26. In the instant application for FY 2026-27, GRIDCO has proposed to consider the said Special Tariff Scheme under TPA with minimum off-take of 60% of CD during the TPA period.
35. Further, anticipating availability of surplus power on intermittent basis during the ensuing FY 2026-27, GRIDCO has proposed for approval of the Special Tariff Scheme under TPA at a suitable ToD based tariffs for FY 2026-27 with minimum offtake of 60% CD during the TPA period. Further, the CGP based industries may opt for green certification of the energy availed

under TPA for their RCO compliance through payment of Green Tariff Premium as approved by the Commission.

**Green Tariff Framework for Sale of Renewable Power to Obligated Entities:**

36. GRIDCO has submitted that Odisha is experiencing surplus power during solar hours (08:00 hrs - 16:00 hrs) owing to high renewable generation and this scenario is expected to continue in the next financial year as well. Simultaneously, many industrial and commercial consumers are migrating toward open-access or captive arrangements to source renewable energy for meeting their Renewable Consumption Obligation (RCO). In order to retain such consumers within the State grid and to provide them an economical avenue to meet their RCO, GRIDCO has proposed to introduce a scheme for sale of renewable energy (RE) to the interested industries through the respective DISCOMs at a special rate during the solar hours. Under the proposed scheme, GRIDCO shall act as the aggregator of renewable energy available from various sources. Interested entities shall place day-ahead requisitions through their DISCOMs, indicating desired quantum and time-blocks of purchase limited to solar hours. The energy accounting shall be carried out on schedule basis and billed at Rs.4.10/ kVAh\* with revenue sharing as follows:

GRIDCO - Rs. 3.80/ kWh, OPTCL - Rs. 0.255/ kWh, Balance with the DISCOM

**Mechanism for adjustment of past losses borne by GRIDCO:**

37. GRIDCO has submitted that it has incurred financial losses over the past several years, excluding the last two financial years and such adverse financial condition can primarily be attributed to the uncontrollable factors, such as Non-settlement of Bulk Supply Price (BSP) dues by erstwhile DISCOMs, Lack of a cost-reflective tariff for GRIDCO, Non-amortization of approved Regulatory Assets over the years, and Non-allowance of carrying cost on Regulatory Assets up to FY 2022-23. Therefore, GRIDCO has prayed the Commission to consider allowing utilization of the margin earned (either fully or partly with certain percentage) through trading activities towards adjustment of past accumulated losses over the next six years.

**Amnesty arrear clearance scheme:**

38. GRIDCO has submitted that accumulation of long-pending electricity dues on different consumers has adversely impacted the liquidity position and operational efficiency of the electricity sector. The outstanding arrears, compounded over time through the accrual of interest and penalties, have placed a significant burden on both consumers and the DISCOMs. GRIDCO has proposed an Amnesty Arrear Clearance Scheme for settlement of the past arrears accumulated prior to takeover by present DISCOMs. GRIDCO submits that the arrear

amount realized would be utilized for meeting past liabilities of the erstwhile utilities and, in the process, the interest burden on GRIDCO will be reduced.

**Recovery of BSP through Quarterly Adjustments in Cases of Inter-DISCOM's transactions:**

39. GRIDCO has submitted that the BSP bills are now being raised on the DISCOM in whose area the grid substation is situated, whereas the consumer is billed by the DISCOM under whose licensed area the consumer's premises are located. Such inter-DISCOM energy transactions are currently being settled between the DISCOMs through internal arrangements. However, due to differential BSP across the DISCOMs, there is no such settlement mechanism in place to ensure recovery of the appropriate BSP cost by GRIDCO for such inter-DISCOM transactions. Therefore, GRIDCO has proposed for a Standard Operating Procedure for approval of the Commission to standardize the procedure for identification, reporting, and settlement of inter-DISCOM energy transactions to ensure correct BSP recovery and appropriate revenue recognition.

**Sale mechanism for drawl by the CGP based industries on interim basis:**

40. GRIDCO has submitted that the industries having CGPs requires power for a short period during maintenance and annual overhauling of their captive generating units. Further, several seasonal industries require Grid power intermittently, depending on their production cycles. Such industrial consumers often approach the respective DISCOM seeking power supply for a few weeks or months, without enhancement of the contract demand, as subsequent reduction in load attracts procedural restrictions under the prevailing regulations. In absence of any flexible arrangements by the DISCOMs, these industries resort to open access procurement, leading to revenue loss to the DISCOMs and underutilization of surplus power available to GRIDCO. Therefore, GRIDCO proposes that the Commission may permit supply of interim or additional power to such industries beyond the approved contract demand for a period up to three (3) months, subject to availability of power with GRIDCO.

**Sourcing of power by the DISCOMs from the CGPs for Retail Sale:**

41. GRIDCO has submitted that inadvertent power injected from the CGP connected at 132 kV and above in the intra-state network belongs to the State pool and is treated as 'zero' cost power. Similarly, the inadvertent injection by the CGPs connected at 33 kV and below should be considered as part of the State power pool and treated as 'zero' cost power. Accordingly, GRIDCO has requested the Commission to permit GRIDCO to compute such inadvertent power injected by the CGPs at 33 kV and below.

**Adjustment of the Electricity Duty paid by different generators having PPA with GRIDCO against the repayment of the principal amount of the loan availed by GRIDCO from the State Govt.:**

42. GRIDCO has proposed that the Electricity Duty (ED) paid by various generators located within the State and reimbursed by GRIDCO as part of power-purchase obligations may be adjusted against the repayment of the principal amount of the soft loan availed by GRIDCO from the Government of Odisha through yearly adjustment. Allowing such adjustment of such amounts against GRIDCO's repayment of principal amount to the Government would therefore have a fiscally neutral impact for the State, while substantially improving GRIDCO's cash position.

**Prayers:**

43. GRIDCO has prayed before the Commission to approve the following for FY 2026-27 and make the same effective from 1st April, 2026:
- a. All reasonable and uncontrollable costs as proposed in the instant Application and accordingly, approve the ARR and Bulk Supply Price (BSP) for FY 2026-27;
  - b. Net Aggregate Revenue Requirement (ARR) of Rs. 15181.08 crores with BSP @ 388.23 P/U for FY 2026-27 to meet the State requirement;
  - c. Monthly Simultaneous Maximum Demand (SMD) and monthly quantum of energy for sale of power to each DISCOM on realistic basis instead of the prevailing approval on annual basis;
  - d. The Capacity Charge obligations mandatorily payable by the Applicant to all existing and upcoming generating stations having long-term PPAs with GRIDCO, notwithstanding that the energy is not fully scheduled from these stations based on Merit Order Dispatch (MOD) principles;
  - e. Recovery of additional costs arising from over-drawal of energy, Fuel and Power Purchase Adjustment /Surcharge Adjustment (FPPAS) and any statutory increase including reimbursement of Electricity Duty, Water Cess or other applicable levies, duties or taxes, and permit the same to be passed on to GRIDCO;
  - f. Tariff rationalization measures for arriving at a cost-reflective tariff through utilization of low-cost power during solar hours;
  - g. The ToD based BSP as proposed.
  - h. Utilization of surplus revenue earned from trading activities for adjustment of past accumulated losses and regulatory gap over the proposed recovery period;

- i. The proposed Amnesty Arrear Clearance Scheme as proposed for recovery of long-pending dues;
- j. Energy accounting of infirm power injected by CGPs at any voltage level within the State.
- k. Allow Rs. 63 crores towards purchase of RECs for meeting the RCO obligations for FY 2026-27 for the shortfall of 1269 MU of Non-Fossil power.
- l. Allow prudent accounting and settlement of inter-DISCOM transactions as proposed;
- m. Issue necessary directions to the DISCOMs to undertake proactive measures to collect the outstanding dues of the pre vesting period;
- n. Formulate a suitable mechanism to recover the shortfall towards erstwhile DISCOM's receivable of Rs.6,395.14 crores as on 30.09.2025, arising out of sale of utilities of CESU, WESCO, NESCO and SOUTHCO through regulatory process preferably in the next two to three years.

**PROPOSAL OF GRIDCO TO REVISE THE TRUING-UP ORDER FOR THE FY 2023-24 & TRUING-UP APPLICATION FOR THE FY 2024-25 (PARA 44 TO 55).**

44. GRIDCO has also filed a separate application to revise the Truing-up Order for the FY 2023-24 passed by the Commission along with ARR & BSP Order for the FY 2025-26 and also Truing-up of its expenses for the FY 2024-25. In this petition, GRIDCO has sought to set out its entitlements based on the actual audited accounts. This application has been registered in Case No.123 of 2025. The summary of above proposals is stated in the following paragraphs:

**PROPOSAL TO REVISIT OF TRUING-UP ORDER OF THE FY 2023-24**

45. GRIDCO has submitted that, the Commission has approved the Truing -up Order for the FY 2023-24 along with ARR & BSP Order for the FY 2025-26. In the said order, the Commission has approved an amount of Rs. 843.72 Cr. truing-up surplus for the FY 2023-24 as against its proposed Truing-up deficit amount of Rs.509.13 Cr. In the instant petition, GRIDCO has requested to revisit the truing-up Order of the FY 2023-24 and proposed to approve revised truing-up deficit of Rs.567.81Cr. for the FY 2023-24 as against the Commission's approved truing-up surplus of Rs.843.72Cr for the FY 2023-24.
46. Further GRIDCO has submitted that, regulatory gap allowed for amortization but not passed through till FY 2012-13 amounting to Rs.2616.95 Cr. may consider to derive the cumulative truing -up gap upto FY 2023-24. Accordingly, GRIDCO has proposed to consider its cumulative truing-up gap of Rs.4475.02 Cr. upto FY 2023-24, which details is shown in the Table below:

**Table- 11**  
**GRIDCO's Proposed Cumulative Truing-up Gap upto the FY: 2023-24**

Particulars	Amounts (Rs. Cr.)
Cumulative Truing up gap up to the end of FY 2022-23 (As considered by OERC)	1590.26
Revised Truing-up Gap Proposed by GRIDCO for FY 2023-24	567.81
Regulatory gap allowed for amortization but not passed through till FY 2012-13	2616.95
<b>Total</b>	<b>4775.02</b>

47. Accordingly, GRIDCO has prayed before the Commission to:
- a. Consider the present Application of GRIDCO towards the revised Truing-up for FY 2023-24 on record;
  - b. Allow the net margin earned after meeting the State demand from trading & DSM to fund the past losses of GRIDCO;
  - c. Allow the uncontrollable expenditures and finance costs in full;
  - d. Allow recovery of the revenue gap along with carrying cost through BSP of subsequent year or through appropriate regulatory mechanism;
  - e. Allow for amortization of regulatory gap / deficit in tariff along with carrying cost thereof as per the directives of Hon'ble APTEL in OP No. 01/2011 and Hon'ble Supreme Court of India order dated 05.08.2025.
  - f. Approve the revised truing up of FY 2023-24 as proposed.

**PROPOSAL FOR TRUING-UP OF EXPENSES FOR THE FY 2024-25:**

48. GRIDCO has submitted application for truing-up of its expenses of the FY 2024-25. In its Truing-up application, GRIDCO has sought to set out its entitlements based on the actual audited accounts. The summary of Truing-up application is depicted in the following paragraphs:

**Power Purchase Cost**

49. GRIDCO has submitted that the State's power purchase requirement is primarily fulfilled from various generation sources, for which GRIDCO has long-term tie-up for allocated capacities through PPAs. The main sources of power procurement are State Hydro Generating Stations (through OHPC), State Thermal Generating Stations (through OPGC), Central Hydro Generating Stations (Chukha, Tala, Teesta-V, Mangdechhu, Rangit & Kurichu), Central Thermal Generating Stations of NTPC, IPPs (Vedanta Ltd., JITPL, GMR Kamalanga Ltd., NBVL, JSWEUL &MTPCL), Renewable Energy Sources (Solar, Small Hydro, Biomass, Wind). In addition to the above sources, GRIDCO also procures power on short-term basis

through power exchanges, trading and also through banking, in case of shortfall from regular sources or to meet the deviation from estimated demand depending on the availability of power on real time basis.

50. Further, GRIDCO has submitted that power procurement from different sources has been undertaken by adopting Merit Order Despatch (MoD) principle on real time basis in consultation with SLDC for optimal utilization of the available energy sources ensuring procurement of power at least variable cost from approved Generators. The power purchase cost of Rs. 12454.05 Cr. (for 38804.13 MU @ 320.95 Paise/Unit) was approved by the Commission in the Tariff Order for FY 2024-25 whereas the actual power procurement cost of Rs. 13775.64 Cr. (for 42695.17 MU @326.45 Paise/Unit) has incurred by GRIDCO. Further, Pass Through cost of Rs. 595.79 Cr. towards reimbursement to OPGC, OHPC, STU charges for Solar power, wage revision of Teesta-V HEP etc. as approved by the Commission in the ARR Order of FY 2024-25 has been included in the power purchase cost on actual basis. Accordingly, GRIDCO has requested the Commission to approve the total power procurement cost of Rs. 13775.64 Cr as per the audited accounts for the FY 2024-25.

#### **Finance and Other Cost**

51. GRIDCO has submitted that, basing on the audited accounts of the FY 2024-25, it has proposed for Truing-up of total expenses of Rs.763.13 Cr. on account of Employees Cost, R &M Cost, A&G Cost, Depreciation, Finance cost Chargeable to Revenue & Carrying Cost on Regulatory Asset for the FY 2024-25 as against the Commission's approval of Rs.145.24 Cr. in the ARR & BSP Order.

#### **Revenue from Operation:**

52. GRIDCO has submitted that, it has earned total revenue of Rs. 14510.61 Cr. (Rs.12092.50 Cr from DISCOMs after rebate, Rs. 1799.77 Cr. from trading, Rs. 216.90 Cr from DSM and Rs.401.44 Cr. from Miscellaneous Receipt) during FY 2024-25. In this truing-up proposal, GRIDCO has excluded the revenue earned and estimated power purchase cost relating to trading & DSM activities. It has considered Power Purchase Cost of Rs. 1406.29 Cr. for trading and DSM purposes. Accordingly, in its truing-up proposal for FY 2024-25, GRIDCO has excluded net trading & DSM revenue of Rs. 610.38 Cr. (i.e. Rs. 1799.77 Cr. + Rs. 216.90 Cr. – Rs. 1406.29 Cr.) and stated for funding the past losses. Further, out of miscellaneous receipts of Rs. 401.44Cr., it has not considered Rs. 101.55 Cr on account of Delay Payment Surcharges (Rs.36.61Cr.), Fair Value Changes for Amortization of Deferred GoO Grant (Rs. 51.58 Cr) & Provision written Back (Rs.13.36 Cr.) in its truing-up proposal.

**Summary of Truing-up Proposed for the FY 2024-25:**

53. GRIDCO has proposed to consider Net Power Purchase Cost of Rs. 12,211.33Cr. (Rs. 13775.63 Cr. - Rs. 1406.29 Cr. - Rs.158.01Cr.) for truing-up purpose after deducting the variable cost of Rs. 1406.29 Cr towards surplus power from costly stations and Rs158.01Cr towards rebate received. Further, rebate received from generators and allowed to DISCOMs has been excluded in its proposal considering that the same has not been considered by the Commission in the ARR. The net revenue surplus of Rs.610.38Cr. earned from Trading & DSM activities, has been proposed for funding the past losses. Accordingly, the summary of Truing up proposed by GRIDCO as against the approval of the Commission for the FY 2024-25 are given in the Table below:

**Table-12  
Summary of Truing-up Proposed by GRIDCO for the FY: 2024-25**

**(Rs. Crore)**

Sl No	Particulars	Approved by OERC	Actual as per Audited Accounts of GRIDCO	Proposed for Truing-up
1	<b>Total Power Purchase Cost</b>	<b>12,454.03</b>	<b>13,775.63</b>	<b>13,775.63</b>
2	<b>Less: Rebate received</b>	-	158.01	158.01
3	<b>Less: Variable Power Purchase Cost for Trading</b>	-	-	1,406.29
4	<b>Net Power Purchase Cost {1-(2+3)}</b>	<b>12,454.03</b>	<b>13,617.62</b>	<b>12,211.33</b>
5	Employee Costs	22.30	16.87	16.87
6	Repair & Maintenance Cost	0.98	1.94	1.94
7	Administrative & General Cost	11.19	39.53	39.53
8	Depreciation	2.47	1.50	1.50
9	Interest Chargeable to Revenue	-	485.79	434.21
10	Carrying Cost on Regulatory Assets	108.30	-	269.08
11	<b>Sub-total (5 to 10)</b>	<b>145.24</b>	<b>545.63</b>	<b>763.13</b>
12	Pass Through of Power Purchase Dues	595.79	-	-
13	<b>Total Revenue Requirement (4+11+12)</b>	<b>13,195.06</b>	<b>14,163.25</b>	<b>12,974.46</b>
14	Revenue from Sale of Power to DISCOM	12,320.65	11,511.00	11,511.00
15	Surcharge from TPWODL@35P/U	409.15	389.80	389.80
16	Additional Revenue from TPWODL towards sale of power through TPA	18.75	305.31	305.31
17	<b>Less: Rebate to DISCOMs</b>	-	113.61	113.61
18	<b>Sub-total (14+15+16-17)</b>	<b>12,748.55</b>	<b>12,092.50</b>	<b>12,092.50</b>
19	Revenue from Trading & DSM	-	2,016.67	-
20	Other Income	74.60	388.08	299.89
21	Provision Written Back	-	13.36	-

Sl No	Particulars	Approved by OERC	Actual as per Audited Accounts of GRIDCO	Proposed for Truing-up
22	<b>Total Revenue (17+18+19+20)</b>	<b>12,823.15</b>	<b>14,510.61</b>	<b>12,392.39</b>
23	<b>Surplus/(deficit) GAP (21-12)</b>	<b>(371.91)</b>	<b>347.36</b>	<b>(582.07)</b>

54. Considering the above proposed Truing-up gap of Rs.582.07 Cr for the FY 2024-25, GRIDCO has proposed to consider its cumulative truing-up gap of Rs.5357.09 Cr. upto FY 2024-25, which details is shown in the Table below:

**Table- 13**  
**GRIDCO's Proposed Cumulative Truing-up Gap upto the FY: 2024-25**

Particulars	Amounts (Rs. Cr.)
Cumulative Truing up Gap Proposed up to FY 2023-24	4775.02
Proposed Truing-up Gap for the FY 2024-25	582.07
<b>Total</b>	<b>5357.09</b>

55. Accordingly, GRIDCO has prayed before the Commission to:
- Consider the present Application of GRIDCO towards the truing up of revenue and expenses based on Audited Accounts for FY 2024-25 on record;
  - Allow the net margin earned after meeting the State demand; from trading & DSM to fund the past losses of GRIDCO;
  - Allow the uncontrollable expenditures and finance costs in full;
  - Allow recovery of the revenue gap along with carrying cost through BSP of subsequent year or through appropriate regulatory mechanism;
  - Allow for amortization of regulatory gap / deficit in tariff along with carrying cost thereof as per the directives of Hon'ble APTEL in OP No. 01/2011 and Hon'ble Supreme Court of India order dated 05.08.2025;
  - Approve the revised truing up of FY 2023-24 and FY 2024-25 as proposed.

**VIEWS OF THE CONSUMER COUNSEL AND OBJECTORS ON THE ARR AND BSP PROPOSAL FOR FY 2025-26 AND REPLIES/RESPONSES OF GRIDCO THEREON (PARA 56 TO 204)**

**Views of Consumer Counsel:**

56. Design of BSP for DISCOMs has direct impact on consumer tariff. Therefore, the Consumer Counsel has made the following observations and requested the Commission to consider in the ARR & BSP application of GRIDCO for FY 2026-27.
- The ARR and BSP proposals for FY 2026-27 require scrutiny to protect consumer interests. While acknowledging GRIDCO's obligation to pay capacity and fixed

charges, it is emphasized that high-cost power procurement, underutilization of low-cost hydro and renewable sources, and temporary drawl arrangements for CGP-based industries must be optimized to avoid undue burden. Pre-vesting arrears recovery, interest, finance costs, and legacy loan charges should be prudently considered.

- b. Potential issues with monthly SMD-based demand charges, ToD tariff rollout, and DPS/rebate structures, urging gradual implementation and consumer impact assessment need to be examined. Shortfall attribution, coal quality, ash disposal, and operational constraints must be fairly reflected in costs.
- c. While GRIDCO's ARR and BSP proposals for FY 2026–27 broadly align with regulatory requirements, several issues require attention to protect consumer interest. Depreciation and R&M projections including IT system upgrades should be audited for prudence.
- d. Energy procurement must strictly follow merit-order dispatch, optimize cost, and rely on approved sources, while long-term PPAs ensure reliability. Return on Equity should be considered afresh under prevailing regulations.
- e. Renewable energy promotion, in-state capacity enhancement, and timely RPO compliance are essential to reduce reliance on RECs and associated cost pass-through. Charges from CGPs, inadvertent power injections, SMD excess drawl and DPS are largely justified, though mechanisms must ensure financial discipline without penalizing consumers.
- f. Fixed charges under PPAs and legacy arrears reflect unavoidable historical obligations, and GRIDCO must continue prudent management of high-cost power procurement besides addressing OPGC outages.
- g. While GRIDCO has submitted its Revised True-up for FY 2023-24 and True-up for FY 2024-25, several concerns persist regarding financial prudence, cost recovery, and consumer impact. GRIDCO's cumulative revenue gap, finance costs, and fixed charges—particularly under long-term PPAs and past arrears—impose a significant burden on consumers.
- h. There are discrepancies in energy drawl versus cost, provisional payments, and fixed cost claims for certain thermal and hydro stations. While GRIDCO asserts that these costs are legitimate, regulated and aligned with its statutory role as a State Designated Entity, stakeholders emphasize transparency, prudence check and the need for Government budgetary support to avoid over-burdening consumers.
- i. Trading/DSM margins, carrying costs on regulatory assets, provisions for doubtful debts, and miscellaneous accounting adjustments must be scrutinized carefully to ensure

that only justified costs are passed through in the BSP in line with the Commission's earlier orders and regulatory framework.

- j. Tariff determination must balance cost recovery, operational efficiency, renewable integration, and long-term sector sustainability, while safeguarding consumers against unnecessary tariff escalation.

## **VIEWS OF OBJECTORS**

### **Monthly approval of Simultaneous Maximum Demand (SMD) and Monthly Levy of Demand Charges on excess SMD:**

#### **Views of Objectors:**

57. Some Objectors have submitted that considering inter-DISCOM dynamics, regional load patterns, and drawl behaviour of industries with CGPs, the proposal for monthly SMD approval should not be adopted for the ensuing year. They submit that DISCOMs are maintaining compliance with approved SMD limits through SCADA monitoring and load management/ Monthly framework may create operational complexities in demand planning, reconciliation, and managing seasonal variations. It is further submitted that DISCOMs have already provided demand forecast to SLDC and are coordinating regularly. Considering the evolving Resource Adequacy framework and the draft OERC DSM Regulations, 2025, they have requested for continuation of the existing practice stating that DISCOMs are not overdrawing beyond permitted SMD.

#### **Response of GRIDCO:**

58. GRIDCO submits that monthly SMD control is based on the principle of cost causation and grid discipline, as power procurement and transmission capacity are managed on real-time and monthly operational horizons. Excess drawl beyond the approved SMD in a month leads to higher capacity charges, congestion risk, and operational stress, which cannot be neutralized through annual averaging. The proposed framework allows flexibility up to 105% of monthly SMD to accommodate seasonal variations, while discouraging persistent excess drawl. Grid planning, scheduling, and contingency management are undertaken on daily and monthly horizons. Hence, a monthly framework ensures operational accountability and aligns with Resource Adequacy and DSM regulations. The demand charge applies only to excess drawl ensuring that DISCOMs face no additional burden.

### **Forced Outrages and Contingency Planning:**

#### **Views of Objectors:**

59. Some Objectors have submitted that the Applicant has access to power under its existing PPAs. While demand may be higher during summer months, surplus power is likely to exist

during rainy and winter periods, mainly during solar hours, which does not offset peak deficits. They have suggested that the Petitioner should maximize trading or banking of surplus power to reduce ARR and carrying costs. It is further submitted that cheaper market tariffs during solar hours are encouraging OA consumers to shift towards RE power, increasing dependence on CD power during peak periods. To retain such consumers, restructuring of ToD-based RST for OA and CGP consumers has been suggested. The Objectors have also requested that any contingency procurement cost be allowed only after strict prudence check.

**Response of GRIDCO:**

60. GRIDCO has submitted that power banking arrangements are regularly undertaken to manage seasonal demand variations, forced outages, and extreme demand conditions ensuring adequacy of supply and grid reliability. While GRIDCO endeavors to maximize surplus power sale through trading to reduce carrying costs, market prices during solar hours have remained subdued limiting monetization and sometimes leading to distress sale or backing down of low-cost generation. The Petitioner has proposed tariff rationalization and operational measures to encourage higher drawl during solar hours to reduce surplus. It is further submitted that peak-hour procurement from costlier sources is undertaken only after exhausting low-cost resources under Merit Order Dispatch. Any contingency procurement cost is subject to prudence check during truing-up.

**Formulation of Suitable Mechanism to recover shortfall in Receivables from erstwhile**

**DISCOMs:**

**Views of Objectors:**

61. Some Objectors have submitted that following the competitive bidding process under Section 20 of the Electricity Act, 2003, the distribution utilities were vested with new licensees—TPCODL, TPNODL, TPWODL and TPSODL—under the Vesting Order, which provides a limited mechanism for settlement of past liabilities, and the new licensees are not liable for liabilities of the erstwhile utilities as per Para 54. They further referred to Case No. 56 of 2024, wherein the Commission directed DISCOMs to make best efforts to recover pre-vesting arrears. The objectors stated that DISCOMs have been continuously recovering such arrears and have already collected Rs. 289.48 crore against the target of Rs. 100 crore up to FY 2025-26.

**Response of GRIDCO:**

62. GRIDCO has submitted that the contention of the stakeholder that the issue has already been disposed of by the Hon'ble Commission and therefore does not warrant consideration in the present ARR proceedings is misplaced. GRIDCO stated that the Hon'ble Commission, vide Order dated 09.09.2025 in Case No. 56 of 2024, had directed the DISCOMs to work in

coordination with GRIDCO for recovery of past dues. In compliance, all four DISCOMs along with GRIDCO have jointly filed a petition on 02.01.2026 seeking approval of an Amnesty Arrear Clearance Scheme for recovery of long outstanding pre-vesting arrears of non-government consumers, which has implications for revenue realization and financial health of the sector.

**Interest and Finance Charges:**

**View of Objectors:**

63. Some Objectors have submitted that the Petitioner had estimated total interest and finance charges of Rs.428.55 crore for FY 2025-26, which has reduced to Rs.370.79 crore in the ARR for FY 2026-27 based on existing loan liabilities and securitized dues payable to OHPC. They submit that this reflects repayment of loans through operational efficiencies and support from DISCOMs through payment of BSP dues and recovery of past arrears. They further submit that DISCOMs are paying 100% of BSP bills and remitting pre-vesting arrear collections to GRIDCO. Referring to the earlier Commission's orders regarding interest on loans and OHPC securitized bonds, they have requested that interest on loans be limited to the approved quantum.

**Response of GRIDCO:**

64. GRIDCO has submitted that the outstanding dues and corresponding finance costs have arisen primarily due to non-payment or short payment of BSP dues by the erstwhile DISCOMs. While the Vesting Orders stipulate that past liabilities shall not be passed on to TP-DISCOMs, servicing of loans raised against such legacy dues remain unavoidable. GRIDCO further acknowledges the timely BSP payments by TP-DISCOMs and their efforts in arrear recovery. It is submitted that with support from the Government of Odisha, high-interest loans have been mitigated and therefore GRIDCO has proposed interest of Rs.370.79 crore for FY 2026-27. GRIDCO also refers to the Hon'ble Supreme Court judgment in Civil Appeal No. 414 of 2007 recognizing allowance of interest on BSP dues and requests the Commission to consider the finance cost in ARR.

**True-up order for past years:**

**Views of Objectors:**

65. Some Objectors have submitted that the Petitioner has referred to the status of Appeal Nos. 79, 80, 81 and 612 of 2023 pending before the APTEL against certain disallowances made by the Commission in the consolidated True-up Orders for FY 2015-16 to FY 2020-21. They have also noted that the Petitioner is in the process of filing further appeals against disallowances in the True-up Orders for FY 2021-22, FY 2022-23, FY 2023-24. In this regard, the Objectors submit that as per Para 54 of the Vesting Order dated 28.12.2020, TP-DISCOMs

shall not bear any financial gain or loss arising from true-up of the past period prior to the effective date and requested the Commission to ensure minimal impact on RST tariffs due to any adverse orders in such cases. Another Objector has submitted that the Commission may share the revenue surplus of 843.72 Cr to GRIDCO and Consumers in equal manner.

**Response of GRIDCO:**

66. GRIDCO has submitted that a significant portion of the finance cost relates to the continuing obligations arising from historic payment defaults by erstwhile DISCOMs, pertaining to loans availed prior to FY 2015, the principal of which remains outstanding and continues to accrue interest. In absence of a regulatory mechanism for recovery of such costs from DISCOMs, the interest burden continues to be borne by GRIDCO. GRIDCO further submits that the Hon'ble Supreme Court in Civil Appeal No. 414 of 2007 has recognized interest on loans as a legitimate cost to be allowed as pass-through. Accordingly, GRIDCO has filed appeals before APTEL against disallowance of such finance costs. It is clarified that GRIDCO is not seeking transfer of pre-vesting liabilities to TP-DISCOMs but only regulatory recognition of its finance and carrying costs. GRIDCO requests the Commission to consider the stakeholders' suggestion for sharing the revenue surplus of Rs.843.72 crores between GRIDCO and the consumers in equal manner.

**ARR & BSP Proposal & corresponding Revenue Gap - Abolition of GST Compensation Cess on coal:**

**View of Objectors:**

67. Some Objectors have submitted that GRIDCO has projected power procurement of 39,103.47 MU at an average BSP of Rs.3.88/kWh for FY 2026-27, which is significantly higher than the BSP of Rs.3.30/kWh, approved by the Commission for FY 2025-26. They further submit that the abolition of GST Compensation Cess on coal (Rs.400/tonne) by the Government of India may reduce the landed cost of coal and consequently lower the energy charge of thermal power plants. Therefore, the Commission may consider this benefit while determining BSP so that consumers are benefited. They also request prudence check of additional power purchase cost and seek detailed scrutiny of the proposed ToD-based BSP before implementation. Some Objectors have submitted that power purchase cost, constituting more than 99% of the ARR, may include high-cost procurement from certain thermal sources and underutilization of comparatively low-cost hydro and renewable power. It is submitted that in FY 2025-26 the Commission had reduced GRIDCO's proposed ARR after prudence checks by disallowing certain escalations in pass-through dues, interest, and other costs. Another Objector has submitted that the carrying cost of RA is claimed for 269.09 Cr without details. Similarly, power purchase cost has been proposed very high in view of our previous submissions. Interest

cost of Rs. 370 Cr is charged to bulk price beyond the purview of the Act. The fixed cost of the surplus power is charged to bulk price whereas the estimated revenue from sale of surplus power is not included in the bulk price. The miscellaneous revenue of the Petitioner is kept outside the bulk price.

**Response of GRIDCO:**

68. GRIDCO has submitted that the proposed average BSP of 388.23 P/U for FY 2026-27 is a cost-reflective outcome based on power purchase cost, transmission charges, statutory levies, and other uncontrollable pass-through components placed before the Commission in the ARR and BSP application. GRIDCO states that it does not earn any margin through BSP and acts only as a bulk supply intermediary to recover prudently incurred costs. The comparison with BSP of FY 2025-26 is not appropriate as GRIDCO had retained a revenue gap instead of fully neutralizing the deficit. The approved BSP of 330.66 p/u is therefore not cost reflective but a moderated figure arrived at by regulatory intervention. Accordingly, the approved BSP of FY 2025-26 cannot be treated as benchmark cost to allege that the proposed BSP for FY 2026-27 is excessive. GRIDCO further submits that abolition of GST Compensation Cess along with increase of GST on coal to 18% has resulted in an overall increase in coal procurement cost, which has been reflected in the variable charges submitted to the Commission. GRIDCO has further submitted that the carrying cost of Rs.269.08 crores has been included in the total regulatory asset amounting to Rs.3,363.49 crores (Rs.2,616.95 crores + Rs.746.54 crores) at the current interest rate of 8%, by adopting a conservative approach, as in the past the Commission has disallowed the adjustment of the trading revenue against past loss/gap in the truing-up order and has preferred to set it off against the current year's gap.

**Introduction of ToD based RST for State consumers:**

**Views of Objectors:**

69. Some Objectors have submitted that while TOD tariffs as a long-term concept can promote load shifting and grid optimisation, the present proposal has not been supported by any empirical load profile analysis, system benefit study, consumer impact assessment or revenue neutrality demonstration. In particular, the proposed sharp escalation of other-hour tariff and corresponding restructuring of existing slab-based rates is likely to result in sudden bill volatility and tariff shock for industrial and large consumers, whose operational processes may not permit flexible load shifting. They further submit that the Commission may defer / not approve the proposed TOD-based restructured RST for FY 2026-27 and direct GRIDCO to first conduct a detailed impact study, pilot implementation, stakeholder consultation, and demonstrate consumer neutrality and system-level benefits prior to any full-scale rollout.

**Response of GRIDCO:**

70. GRIDCO has submitted that the proposed ToD-based BSP is intended to provide a supply-side economic signal to encourage higher drawl during solar hours when power availability is high and marginal costs are lower. With increasing solar penetration, effective demand-side management has become essential for grid stability and management of peak demand. Solar-hour surplus is expected to rise further due to initiatives such as PM-Surya Ghar, PM-KUSUM, rooftop solar adoption and upcoming utility-scale projects. The proposal aims to address the imbalance between low-cost daytime power and expensive peak-hour power. GRIDCO has clarified that the ToD-based BSP operates at the bulk supply level and is designed to be revenue-neutral, enabling DISCOMs to implement demand-side measures. The framework is indicative and subject to the Commission's consideration.

**Capacity Charges/Fixed Cost payable by GRIDCO:**

**Views of Objectors:**

71. Some Objectors have submitted that payment of capacity/fixed charges to Central Generating Stations, including NTPC stations, is a contractual obligation under the Power Purchase Agreements and is governed by the availability-based tariff framework. Such charges are payable based on Plant Availability Factor irrespective of actual drawl and therefore, cannot be avoided by GRIDCO. GRIDCO further submits that the fixed charges proposed in the ARR are based on the tariffs presently billed by the generating stations and are subject to revision in accordance with the tariff orders issued by CERC. It is stated that surplus power, if available after meeting DISCOM demand, is optimally managed through trading or other mechanisms in order to minimize the overall cost impact on the power sector.

**Response of GRIDCO:**

72. GRIDCO has submitted that it is contractually and statutorily obligated to pay fixed charges to generating stations tied up under long-term Power Purchase Agreements in accordance with applicable Tariff Regulations and declared Plant Availability Factor, irrespective of the quantum of energy scheduled or drawn. GRIDCO states that power from all generating sources is primarily utilized to meet the State demand based on the Merit Order Dispatch principle. After meeting State demand and contingency requirements, any intermittent surplus power is sold through power exchanges, short-term/medium-term bilateral arrangements or other approved mechanisms. However, the liability towards payment of fixed charges remains unaffected by the utilization of power. GRIDCO further states that it has no objection to the stakeholders' suggestion of supply of the surplus power to the targeted consumers through DISCOMs, subject to the approval of the Commission.

**Re-structuring of ToD based RST:**

**Views of Objectors:**

73. Some Objectors have submitted that the Petitioner has proposed adoption of ToD-based RST tariff for HT/EHT industrial consumers with load factor around 60%. It has earlier introduced a Special Scheme to incentivize power consumption during solar hours. They submit that any ToD-based RST framework should be implemented on a revenue-neutral basis so that there is no revenue shortfall to the DISCOMs while improving load management. They further suggest that the Commission may initially implement the ToD-based RST for the specific targeted consumer categories, such as HT/EHT Open Access consumers, and based on the experience and outcome, the framework may be extended to other consumer categories

**Response of GRIDCO:**

74. GRIDCO has submitted that the objective of restructuring the ToD-based Retail Supply Tariff (RST) is to align consumer demand with the increasing availability of relatively low-cost solar power during daytime hours while maintaining revenue neutrality and tariff stability. The proposal aims to provide appropriate price signals to encourage efficient consumption without imposing tariff shock on consumers. GRIDCO further submits that with the rapid growth of solar generation through initiatives, such as PM Surya Ghar, PM-KUSUM and other solarisation programs, surplus power during solar hours is expected to increase. In the absence of suitable tariff incentives, large industrial consumers may migrate to open access or market procurement during these hours, affecting DISCOM revenues. The proposed ToD-based RST seeks to encourage higher daytime consumption through competitive tariffs during solar hours while reflecting higher system costs during peak hours. GRIDCO also submits that the proposal is conceptual in nature and the detailed framework may be finalized by the Commission after prudence check.

**Renewable Consumption Obligation (RCO) & Purchase of REC:**

**Views of Objectors:**

75. Some Objectors have submitted that the Petitioner has proposed Rs.63 crore towards purchase of Renewable Energy Certificates (RECs) for FY 2026-27 to meet the projected shortfall of 1269 MU of non-fossil power against the Renewable Consumption Obligation (RCO) target of 35.95%, including contributions from PM-KUSUM, rooftop solar and other DRE sources. They submit that GRIDCO, as the State Designated Entity, has already executed PPAs/PSAs with various renewable energy developers through agencies such as SECI and NTPC. They have referred to the Ministry of Power Notifications on RCO targets and supported REC procurement to meet the shortfall, while requesting the Commission to entrust RCO compliance and reporting responsibilities to the Petitioner.

**Response of GRIDCO:**

76. No comments.

**Sale mechanism for drawl by the CGP based industries on interim basis:**

**Views of Objectors:**

77. Some Objectors have submitted that while temporary drawl of grid power by CGP-based industries during maintenance outages or seasonal requirements may help utilize surplus power and retain large consumers within the State system, the proposal allowing drawl beyond approved Contract Demand (CD) for up to three months with a flat surcharge of 10% raises several concerns. They submit that GRIDCO's proposal to charge 10% above the highest BSP appears unjustified and is not supported by any marginal cost analysis to demonstrate recovery of incremental procurement, balancing or system operation costs. They further submit that issues relating to connectivity, load management, and operational feasibility fall within the domain of the concerned DISCOM, and therefore any such arrangement should originate from a structured proposal of the DISCOM supported by network readiness and commercial assessment.

**Response of GRIDCO:**

78. GRIDCO has submitted that the proposal aims to facilitate temporary supply of power to CGP-based industries during maintenance outages or short-term operational requirements while ensuring optimal utilisation of surplus power available with the State. In absence of such an arrangement, industries may resort to open access procurement, leading to revenue leakage from the State system. GRIDCO further submit that the proposed 10% premium is aligned with the tariff principle applicable for temporary connections and is necessary to ensure revenue certainty without burdening regulated consumers. It has also clarified that the arrangement will be routed through the respective DISCOMs and all operational aspects such as connectivity, network adequacy, metering, and billing will remain under their domain.

**Low-Cost Power for CGP-Based Industries During Solar Hours:**

**Views of Objectors:**

79. Some Objectors have submitted that the Petitioner has proposed introduction of a minimum offtake requirement against contracted demand for industrial consumers, particularly CGP-based industries, along with an increase in demand charges to support cross-subsidized consumer categories. The proposal includes a minimum drawl of 20% of contract demand during solar hours (08:00–16:00 hrs) on monthly basis for industries with CD of 1 MW and above. They submit that such a mechanism may encourage utilization of surplus solar power and provide benefits such as lower energy cost and improved environmental performance. However, they have requested that any revenue shortfall to DISCOMs arising from such a Scheme should be allowed as pass-through.

**Response of GRIDCO:**

80. No comments.

**Sale of intermittent surplus power under TPA Arrangement with minimum offtake of 60% CD:**

**Views of Objectors:**

81. Some Objectors have submitted that the Petitioner has proposed introduction of a minimum offtake requirement against contracted demand for industrial consumers, particularly CGP-based industries, along with an increase in demand charges to support cross-subsidized consumer categories. The proposal includes a minimum drawl of 20% of contract demand during solar hours (08:00–16:00 hrs) on monthly basis for industries with CD of 1 MW and above. They submit that such a mechanism may encourage utilization of surplus solar power and provide benefits such as lower energy cost and improved environmental performance. However, they have requested that any revenue shortfall to DISCOMs arising from such a scheme should be allowed as pass-through.

**Response of GRIDCO:**

82. No comments.

**Green Tariff Framework for Sale of Renewable Power to Obligated Entities:**

**Views of Objectors:**

83. Some Objectors have submitted that the Petitioner has proposed introduction of a Scheme for sale of renewable energy (RE) power to interested industries through DISCOMs at a special tariff during solar hours (08:00–16:00 hrs), considering the availability of surplus renewable generation and the increasing migration of industrial consumers to open access and captive arrangements to meet their Renewable Consumption Obligation (RCO). They submit that the Petitioner has sought determination of a Green Energy Tariff for such supply through DISCOMs. While supporting the proposal in principle, the Objectors request the Commission to ensure that DISCOMs are adequately ring-fenced from any adverse financial impact arising from such transactions.

**Response of GRIDCO:**

84. GRIDCO has submitted that determination of tariff and related aspects under the proposed Green Tariff Framework for sale of renewable power through DISCOMs, as submitted in its ARR application, may be considered and decided by the Commission, as deemed fit.

**Mechanism for adjustment of past losses borne by GRIDCO:**

**Views of Objectors:**

85. Some objectors have submitted that the Petitioner has proposed utilization of the margin earned from trading of surplus power towards adjustment of past accumulated losses over the next six years up to FY 2031-32. They submit that the proposed average BSP of 388.23 P/U

for FY 2026-27 is significantly higher than that approved for FY 2025-26 and may increase the power purchase cost of DISCOMs and the tariff burden on consumers. They have requested the Commission to continue the existing practice of adjusting the margin earned from sale of surplus power in the market against the overall power purchase cost during the truing-up of the respective financial years.

**Response of GRIDCO:**

86. GRIDCO has submitted that it has not sought any direct pass-through of past losses through the Bulk Supply Price nor proposed any increase in power purchase cost payable by the DISCOMs on account of such past under-recoveries. The proposal is limited to a time-bound utilization of the margin earned from trading of surplus power, either fully or partly, for adjustment of accumulated regulatory assets and past losses without impacting the approved tariffs. GRIDCO further submit that past under-recoveries have arisen due to historical factors such as non-settlement of BSP dues by erstwhile DISCOMs and non-allowance of carrying cost. Accordingly, a structured mechanism for utilizing trading margins has been proposed to strengthen GRIDCO's financial sustainability and reduce reliance on borrowings.

**Amnesty Arrear Clearance (AAC) scheme:**

**Views of Objectors:**

87. Some Objectors have submitted that the Petitioner has proposed an Amnesty Arrear Clearance (AAC) Scheme for realization of long outstanding pre-vesting arrears from non-government consumers. They submit that the arrears realized through the proposed Scheme may be utilized for meeting past liabilities of the erstwhile utilities, which may help in reducing GRIDCO's interest burden. They further submit that GRIDCO along with the DISCOMs has already filed a joint petition on 02.01.2026 before the Commission seeking approval of the AAC Scheme for consideration.

**Response of GRIDCO:**

88. No comments.

**Rebate Policy:**

**Views of Objectors:**

89. Some Objectors have submitted that the Petitioner has proposed modification in the existing rebate mechanism with a condition that the entire BSP bill should be settled by the DISCOMs within 25 days from the date of presentation of the bill. They submit that due to the DISCOM billing cycle and revenue realization pattern, such condition seems not plausible. They suggest that rebate of 2% may be allowed if the bill is cleared within five days from the date of presentation and 1.5% if payment is made within ten days. They further submit that the

existing due date of thirty days without levy of DPS may be continued and request that BSP bills be raised early to facilitate timely accounting.

**Response of GRIDCO:**

90. GRIDCO has submitted that the existing rebate mechanism has been approved by the Commission after considering the cash flow requirements of GRIDCO and the operational constraints of DISCOMs. GRIDCO submits that the present framework incentivizes timely payment and the DISCOM billing cycle cannot be a ground to dilute payment discipline at the bulk supply level, as delayed realization of BSP dues increases borrowing requirement and finance cost. GRIDCO further submits that the request for enhancement of rebate to 2% within five days and 1.5% within ten days is not justified, as rebate is only a conditional incentive linked to the liquidity benefit from early payment. Enhancement of rebate beyond the proposed levels would result in revenue loss to GRIDCO and weaken payment discipline.

**Levy of DPS @ 1.5% p.m. on non-payment of Bills:**

**Views of Objectors:**

91. Some Objectors have submitted that the Petitioner has proposed levy of Delayed Payment Surcharge (DPS) at the rate of 1.5% per month on outstanding BSP dues if the monthly BSP bills remain unpaid. They submit that as per the RST Order for FY 2025-26, DPS is applicable at the rate of 1.25% on delayed payments for certain retail consumer categories. Therefore, they submit that in case the Commission approves enhancement of DPS from 1.25% to 1.5%, the same principle may also be made applicable to the corresponding retail supply categories.

**Response of GRIDCO:**

92. GRIDCO has submitted that DPS in bulk supply transactions is a compensatory mechanism to offset the time value of money and carrying cost arising from delayed payment of BSP dues, as GRIDCO is required to make time-bound payments to generating stations and transmission utilities. GRIDCO further submits that parity between DPS applicable to bulk supply and retail supply is not appropriate since both segments operate under different commercial and risk frameworks. While retail DPS considers consumer protection and affordability, bulk supply DPS reflects GRIDCO's financing cost and cash flow exposure. Any alignment with retail DPS would under-compensate delay-related costs and may increase the burden on ARR.

**Constraints in Power Supply due to Degradation of Coal Quality, Coal Linkage Shortage, and Ash Disposal:**

**Views of Objectors:**

93. One Objector has submitted that Vedanta Limited has been supplying power to GRIDCO under the PPA based on linkage coal allocated through FSA since the COD of Unit-2.

However, due to degradation in the GCV of coal supplied by Mahanadi Coalfields Limited against the scheduled grade, the plant can supply only about 300–350 MW during FY 2026–27. As per CEA norms dated 08.03.2024, the coal requirement for operating a 564 MW unit at 85% PLF varies significantly with coal grade; while the FSA provides 25.70 LTPA, the requirement for G14 grade coal is about 33.43 LTPA, resulting in a shortage of about 7.8 LTPA. Consequently, the maximum generation from Unit-2 under existing coal availability is around 350 MW. It is further submitted that ash disposal constraints, particularly during monsoon, have also affected operations and occasional shutdowns. He submits that credit notes issued by MCL for grade slippage only compensate the monetary difference and do not increase the usable energy content of coal. Therefore, linking such compensation with the ability to supply higher power is unjustified. He denies that only Unit-2 operates at lower PLF, stating that the company has even procured power from the market to meet the deficit in captive power requirements for its aluminium operations.

**Response of GRIDCO:**

94. GRIDCO has submitted that the contentions of Vedanta Limited are incorrect and denied. GRIDCO submits that as per the Orders dated 27.01.2016 and 03.05.2023 of the Commission, Vedanta is obligated to supply the State's entitled share of power from Unit-2 and, in case of low or no generation, from the conditionally converted CGP Units (#1, #3 and #4). GRIDCO further submits that Vedanta can avail additional coal up to 120% of ACQ as per the notification of Coal India Limited dated 14.02.2023, which, as per the norms of the Central Electricity Authority, is sufficient to generate about 520–570 MW. Therefore, the claim that only 350 MW can be supplied is untenable. GRIDCO points out that generation data from April to December 2025 shows Unit-2 contributed only about 14% of total generation, indicating frequent shutdowns, while no power was supplied from the CGP Units despite the Commission's directions.

**Compliance with PPA Obligations and Attribution of Power Shortfall:**

**Views of Objectors:**

95. One Objector has submitted that Vedanta Limited has been supplying power to GRIDCO in accordance with the consolidated PPA and subsequent orders of the Commission. It is further submitted that in case of shortfall in supply attributable to Vedanta, the deficit is compensated through procurement of power from other sources in line with the Commission's Order dated 20.06.2022 in Case No. 68/2018 and the corresponding compensation has been provisionally deducted from Vedanta's monthly energy bills up to July 2025. He further submits that GRIDCO has been attributing any shortfall in State power supply to Vedanta, ignoring other factors such as outages in large thermal generating stations like Darlipali Super Thermal

Power Station and OPGC Stage III & IV. Therefore, the claim that GRIDCO had to procure costly power from the market solely due to short supply by Vedanta is not justified. He further submits that GRIDCO has been attributing any shortfall in State power supply solely to Vedanta, disregarding other factors such as outages in large thermal generating stations like Darlipali Super Thermal Power Station and OPGC Stage III & IV. Therefore, the contention that GRIDCO had to procure costly power from the market solely due to short supply by Vedanta is not justified.

**Response of GRIDCO:**

96. GRIDCO has submitted that its power purchase portfolio comprises supplies from multiple sources, including various IPPs and Central and State thermal generating stations of different capacities. Vedanta constitutes one of the most economical sources of thermal power available through the State Transmission Utility, i.e., OPTCL. Therefore, any short supply by Vedanta against its State entitlement compels GRIDCO to schedule power from comparatively higher-cost thermal stations and procure power from power exchanges. Hence, the shortfall arising due to non-supply by Vedanta is directly attributable to Vedanta and cannot be linked to the non-availability of power from other generators.

**Entitlement of GRIDCO under Clause 2.2 of the PPA:**

**Views of Objectors:**

97. One Objector has submitted that as per clause 2.2 of the PPA the capacity allocated to GRIDCO for State's entitlement of power is up to 25 % of the installed capacity of thermal power station (2400 MW) i.e. 600 MW. However, GRIDCO has the right to purchase up to 25% of energy sent out from 2400 MW. Considering the normative operational parameters as per this Commission's generation tariff regulation, share of power available to GRIDCO is 479 MW at full tariff. It is submitted that GRIDCO has the right to purchase 5% of net power sent out from the station which effectively arrived ~72 MW. Hence, the consolidating power available to GRIDCO is ~ 551 MW.

**Response of GRIDCO:**

98. GRIDCO has submitted that as per Order dated 27.01.2016 in Case No. 21 of 2015 and PPA dated 19.12.2012, the State's entitlement is 25 % (at full cost) + 5% (at variable cost) of the Energy Sent Out from the 4x600 MW Thermal power plant of Vedanta. Considering normative operation parameters i.e. 85% PLF and 6.05% auxiliary consumption, the average power that should be made available to GRIDCO is ~575 MW. Therefore, it requests the Commission to direct Vedanta to supply State share of power as per its direction and the PPA.

**Provisional Payment of ECR by GRIDCO and Dispute on GCV:**

**Views of Objectors:**

99. One objector has submitted that GRIDCO has presented the Energy Charge Rate (ECR) values claimed by Vedanta, which have been derived based on the “As Received GCV” of coal as claimed by Vedanta. However, GRIDCO has disputed Vedanta’s claim of ECR calculated on the basis of “As Received” GCV and, accordingly, has been making provisional payment of ECR.

**Response of GRIDCO:**

100. GRIDCO has submitted that as per prevailing practice and in line with Generation Tariff Regulations, the Energy Charge Rate (ECR) claimed by GRIDCO for FY 2026-27 has been computed considering the average ECR for Apr’25 to Sep’25. Computation of the Energy Charge Rate (ECR), Vedanta used to consider the “as received” Gross Calorific Value (GCV) along with moisture details determined on the basis of billing-end/mine-end third-party sampling reports, after applying the prescribed moisture correction formula. However, Vedanta has now appointed a sampling agency on its own and is relying on the sampling reports generated by the said agency for determination of the “as received” GCV for ECR computation. Despite repeated requests from GRIDCO, the mine-end sampling reports have not been furnished by Vedanta. In the absence of the requisite documents, GRIDCO has provisionally considered an ECR of Rs.1.827/kWh, which shall be revised upon submission and verification of the actual details by Vedanta.

**Utilization Norms and Reimbursement of Ash Transportation Cost:**

**Views of objectors:**

101. One objector has submitted that GRIDCO has stated that the intent of the Commission, as reflected in its Order dated 05.06.2024 in Case No. 18 of 2024, is that the ash generated shall first be disposed of in the ash pond and the remaining ash, if any, requiring further disposal, shall be evacuated, with the associated cost to be shared between Vedanta and GRIDCO in proportion to their respective consumption. He has further submitted that the Notification issued by the Ministry of Environment, Forest and Climate Change (MoEF&CC) dated 31.12.2021 directs the coal or lignite-based thermal power plant (including captive or co-generating stations or both) to utilize 100% of the ash (fly ash and bottom ash) generated during the year. The Notification further mandates utilization of 100% of the accumulated ash in an eco-friendly environment within 10 years commencing from 01.04.2022. Reimbursement of transportation cost towards utilisation of entire ash is done by GRIDCO. However, GRIDCO has been denying making payments towards the expenses incurred for transportation of bottom ash and accumulated ash and water weight charges.

**Response of GRIDCO:**

102. GRIDCO has submitted that it has been reimbursing ash transportation charges to Vedanta strictly in accordance with the Order dated 05.06.2024 passed in Case No. 18 of 2024, limited to the State's share of power supplied by Vedanta. However, it is observed that Vedanta disposes a comparatively lower quantum of ash from conditionally converted CGP Units #1, #3 & #4 as against IPP Unit#2, to get maximum reimbursement from GRIDCO towards ash transportation charges. Further, Vedanta has not been consistent in supplying the State's share of power to GRIDCO and continues to deviate from the directions of the Commission by not scheduling power from the conditionally converted CGP Units in case of low/no generation of IPP Unit#2.

**Consideration of GST Changes on Coal in Determination of BSP:**

**Views of objectors:**

103. One objector has submitted that GRIDCO has proposed an average Bulk Supply Price (BSP) of 388.23 P/U for FY 2026–27, which is 3.23 P/U higher than the BSP approved by the Commission for TPWODL in Case No. 94 of 2024 for FY 2024–25. It is submitted that the Ministry of Finance, Department of Revenue *vide* Notification dated 17.09.2025 increased GST on coal from 5% to 18% while abolishing the GST Compensation Cess of Rs.400.00 per tonne. The abolition of the cess effectively reduces the landed cost of coal for thermal power plants, which may lower the Energy Charge Rate (ECR). He requests the Commission to consider this while determining the BSP so that the benefit is passed on to consumers.

**Response of GRIDCO:**

104. GRIDCO has submitted that the impact on the landed price of coal arising from the abolition of Compensation Cess and the increase in the GST rate from 5% to 18% may be considered by the Commission for prudent determination of the ECR of the thermal generating station and for approval of the Bulk Supply Price (BSP).

**Minimum Contract Demand Drawl and Increase in Demand Charges:**

**Views of Objectors:**

105. One objector has submitted that GRIDCO has proposed to introduce a minimum contract demand drawl of 20% for industries having Captive Generating Plants (CGP) with Contract Demand (CD) of 1 MW and above during solar hours on monthly basis. GRIDCO has also proposed to increase Demand Charges from Rs.250 per kVA to Rs.350 per kVA citing under-recovery of fixed charges from LT, HT and EHT consumers. He further submits that GRIDCO presently has around 9800 MW of tied-up power for about 1 crore electricity consumers, whereas the State's peak demand is around 7500 MW. Therefore, instead of increasing demand charges and passing the additional burden on consumers, GRIDCO may consider

surrendering high fixed-cost power ties. Further, the proposal to mandate minimum 20% drawl from CD during solar hours is not justified.

**Response of GRIDCO:**

106. GRIDCO has submitted that it has proposed a minimum drawl of 20% of Contract Demand for consumers above 1 MW to ensure recovery of fixed costs incurred for maintaining resource adequacy and contracted capacity round the clock. The proposed increase in demand charges from Rs.250/kVA to Rs.350/kVA is cost-reflective and aligned with obligations such as capacity charges, transmission charges, and system operation requirements. The cited 9,800 MW represents total contracted capacity from thermal, hydro, solar, and wind sources, which are not entirely firm or simultaneously available due to intermittency, seasonality, and maintenance outages. Surrender of long-term contracted capacity would risk peak demand management, grid reliability, and expose the State to volatile market purchases. The proposed supply at Rs.4.10/kWh is optional and intended to facilitate better utilization of solar power while ensuring equitable recovery of fixed grid costs.

**Continuation and Expansion of Temporary Power Arrangement (TPA) Scheme:**

**Views of Objector:**

107. One objector has submitted that over the last three years, the TPA Scheme is evolved as a distinct product for industrial consumers. GRIDCO has continuously made efforts to make the Scheme more convenient so that more consumers can opt for TPA. He requests the Commission to continue with the TPA scheme for FY 2026–27. Further, To attract more consumers, it is proposed that availability of TPA power during peak hours may also be allowed, with separate commercial arrangements to be determined by the Commission.

**Response of GRIDCO:**

108. GRIDCO has submitted that the surplus available with the Applicant is intermittent and largely arises during off peak and solar hours, primarily due to increased solar generation. On a time-block and seasonal basis, particularly during evening peak hours and summer months from April to July, the State experiences deficit conditions. During such periods, the Applicant is required to rely on firm contracted capacity and in certain instances, procure power from the market at higher prices to meet the State's demand. Hence, extending TPA power availability during peak hours on regular basis is not feasible, as it would adversely impact the Applicant's ability to meet the State's peak demand and may necessitate costly market procurement.

**Determination of Trading Margin for GRIDCO:**

**Views of Objector:**

109. One objector has submitted that as a trader, GRIDCO should be allowed trading margin in the range of 4 paise/unit to 7 paise/unit on the total energy handled by it as per the ARR. GRIDCO has proposed to handle 46,334.13 MU of energy in FY 2026–27. Considering the trading margin of 4 paise/unit, the ARR of GRIDCO excluding power purchase cost would be about Rs.185.3 crore, whereas with a trading margin of 7 paise/unit, the ARR excluding power purchase cost would be about Rs.324.3 crore.

**Response of GRIDCO:**

110. GRIDCO has submitted that it functions as the State-designated bulk power procurer and supplier and is discharging statutory obligations such as long-term power procurement, grid balancing and supply security for DISCOMs under a cost-plus regulatory framework approved through the ARR process. The objector’s proposal of trading margin of 4–7 P/U on 46,334.13 MU would imply ARR (excluding power purchase cost) of about Rs.185.3–324.3 crore. However, such margin-based model would require a fundamental shift from the existing ARR framework and specific regulatory approval. Further, GRIDCO continues to bear legacy financial liabilities and therefore continuation of the present ARR mechanism remains necessary to maintain financial stability and avoid tariff shocks to consumers.

**Share allocation for Odisha made by the Ministry of Power:**

**Views of Objectors:**

111. Some Objectors have submitted that GRIDCO should submit the latest share allocation for Odisha made by the Ministry of Power along with present installed capacity in respect of Central Generating Station (Thermal, Hydro, Solar, Wind, Other Renewables).

**Response of GRIDCO:**

112. GRIDCO has submitted that latest monthly Regional Energy Accounting (REA) i.e., for the month of December’2025, as downloaded from the websites of Eastern Regional Power Committee (ERPC) and Southern Regional Power Committee (SRPC), has been mailed to the stakeholder. The REA so prepared by the ERPC depicts the Station-wise details of Energy Accounting like ‘Installed Capacity, allocated share for NTPC & NHPC in favour of the beneficiary States including Odisha (GRIDCO).

**Legacy Loan:**

**Views of Objectors:**

113. Some Objectors have submitted that there is a huge amount of receivables from earlier DISCOMs and GRIDCO should not be allowed to avail loan for bridging the cash gap due to its default in collecting the dues from the previous DISCOMs. Even if GRIDCO has availed any loan without approval of the Commission, then provision of principal and interest for the same should not be allowed by the Commission.

**Response of GRIDCO:**

114. GRIDCO has submitted that the loan outstanding and cash deficit arose due to non-payment of BSP dues by the previous DISCOMs under earlier non-cost-reflective tariff regimes and not due to inefficiency of GRIDCO. To maintain bulk power supply and service existing obligations, GRIDCO had to avail loans mainly for repayment or swapping of past loans approved under the regulatory framework. The finance costs claimed in ARR are therefore, unavoidable. Further, after vesting of DISCOMs in FY 2020-21, recovery of BSP dues has improved and arrear recovery by DISCOMs is expected to gradually reduce GRIDCO's loan liabilities.

**Power Procurement Cost:**

**Views of Objectors:**

115. One of the Objectors has submitted that GRIDCO has projected Power Procurement Cost expenditure at Rs.16104.33 Crore for FY 2026-27 against Rs.13508.44 Crore, as approved by the Commission for FY 2025-26. He submits that GRIDCO has not proposed procurement of power from Captive Generating Plants (CGPs) citing reasons that there is adequate State's share from existing and upcoming power plants and long-term procurement from Central Generating Stations. GRIDCO is in favour of procurement of power from CGPs only during shortfall or exigency. The Objector has submitted keeping in view the competition in the power sector, there is a need to establish an Intra-State Power Exchange in PPP mode, for which appropriate Regulations may be issued.
116. Some objectors have submitted that the low cost IPP power @283.75 P/U was available to Odisha to the extent of 11000 MU. GRIDCO procured only 5330 MU. It procured the high-cost central sector power @357.79 P/U more by 1811.75 MU than the approval given by the Commission OERC for FY25. The Commission approved purchase of 38804.13 MU @ 299.23 P/U for Rs. 11611.41 Cr. GRIDCO purchased 42487.27 MU (including zero cost inadvertent power of 495.94 MU) @308.26 P/U for Rs. 13097.27 Cr. In the process, it has incurred excess cost of Rs.379 Cr. GRIDCO should not have procured high-cost Central Thermal Power instead of low cost IPP power. The Commission had approved the tariff @313 P/U for the current FY against which OPGC has reduced the proposed tariff by 56 P/U for FY 2026-27.

**Response of GRIDCO:**

117. GRIDCO has submitted that the projected Power Procurement Cost of Rs.16,104.33 crore for FY 2026–27, as against Rs. 13,508.44 crore, approved for FY 2025–26, is mainly due to higher projected demand, increased capacity charge obligations under existing long-term PPAs, operational cost escalation and addition of RE power. GRIDCO further submits that no

PPAs have been executed with CGPs, as they are primarily meant for captive consumption and are considered infirm sources. However, procurement from CGPs may be considered on a short-term basis during exigencies, subject to economic viability. In this regard, GRIDCO has initiated a competitive tender process for procurement of power from intra-State CGPs for April–July 2026, while surplus power, if any, will be managed through approved market mechanisms.

**Energy and Demand Projection:**

**Views of Objectors:**

118. One of the Objectors has submitted that the projected energy sales for FY 2026–27 are 39,103.47 MU, which is lower than the approved sales of 39,982 MU for FY 2025–26, while the proposed ARR has increased to Rs.15,181.08 crore compared to Rs.14,119.49 crore approved in the previous year. He contends that this indicates possible overestimation of costs or inefficiency in power procurement matter. It is further submitted that despite availability of comparatively low-cost power from hydro sources such as OHPC (around 101.83 p/u in the previous year) and renewables (around 326.66 p/u), reliance on thermal power continues to remain high. He has pointed out that surplus energy, such as 6,996.43 MU approved for trading in FY 2025–26, has not been fully utilized to offset procurement costs. Accordingly, he has suggested that the Commission may direct GRIDCO to optimize procurement through strict merit order dispatch, enhance renewable procurement, and utilize surplus power revenue to reduce the Bulk Supply Price.
119. Some objectors have submitted that DISCOM wise electrical energy demand in MU from FY 2021-22 to 2031-32 is available. GRIDCO needs to submit the demand forecast for the coming ten years starting from FY 2027-28 along with its plan of action to meet the future demand of the state.

**Response of GRIDCO:**

120. GRIDCO has submitted that energy sales quantum and ARR are not linearly correlated. ARR is primarily driven by source wise power procurement cost, its availability, tariff structure of generating stations and fixed cost obligations, all of which vary independently with marginal changes in energy sales. The mere fact that projected sales are marginally lower than FY 2025-26, the approved figure does not, by itself, establish any inefficiency or overstatement of costs. The energy projections for FY 2026-27 have been prepared strictly on the basis of monthly SMD projections furnished by DISCOMs, historical drawl pattern, and anticipated system requirement. Any revenue arising from intermittent surplus sale or trading is not retained by the Applicant as profit but is subject to true up under regulatory norms. The apprehension that such revenue would not be passed on to consumers is therefore unfounded.

GRIDCO has further submitted that regarding energy demand projection of DISCOMs, there is growing demand in the domestic and industrial segment in the State in the recent years. As per the demand projections made by DISCOMs for FY 2026-27, the growth rate is around 6.26%. It is further clarified that the Commission may consider approving the State demand for FY 2026-27 with due analysis and prudence check.

**Employee Cost:**

**Views of Objectors:**

121. One of the Osbjector has submitted that GRIDCO has projected Employee Cost expenditure at Rs.23.01 Crs for FY 2026-27 against Rs.18.84 Crs, approved by the Commission for FY 2025-26. GRIDCO should justify such abnormal increase in Employee cost. He further submits that GRIDCO should produce the details of their present staff and future employee projection for the next two years.

**Response of GRIDCO:**

122. GRIDCO has submitted that the detailed projections relating to Employee Cost have been duly furnished in the Commission-prescribed Form-F9, along with the ARR and BSP Application for FY 2026-27. The projected Employee Cost of Rs.23.01 crore for FY 2026-27, as against Rs.18.84 crore approved for FY 2025-26, has been prepared based on the existing employee strength, applicable pay structures, statutory obligations, annual increments and are in conformity with the applicable regulations and directives of the Commission. Accordingly, the Employee Cost for FY 2026-27 may be considered for approval subject to prudence check by the Commission, in line with established regulatory practice.

**Administrative and General Expenses:**

**Views of Objectors:**

123. One of the Objectors has submitted that GRIDCO has projected Administrative and General (A&G) expenditure at Rs.16.47 Crs for FY 2026-27 against Rs.10.47 crore, approved by the Commission for FY 2025-26. He submits that the GRIDCO must justify the reasons for consistently exceeding the approved A&G expenses without obtaining prior approval of the Commission and should clarify whether the accounts are being audited in accordance with the statutory provisions of the Companies Act. The administrative costs related to implementation of the RE policy do not fall under the licensee's core activities and, therefore, such expenses should be accounted for separately and excluded from the ARR of GRIDCO while determining the Bulk Supply Price.

**Response of GRIDCO:**

124. GRIDCO has submitted that the projected A&G expenses of Rs.16.47 crore for FY 2026–27 against the approved Rs.10.47 for FY 2025–26, are commensurate with the scale and

complexity of GRIDCO's operations including increased regulatory compliance, legal engagements, IT support, and operational activities. The projections include only about 5% inflationary increase and detailed justification has been provided in the ARR application. Any deviation between approved and actual expenses is subject to truing-up by the Commission. Further, GRIDCO's accounts are duly audited under the Companies Act and administrative costs related to implementation of RE policy form part of its statutory and policy-mandated functions and cannot be excluded from ARR.

**Depreciation:**

**Views of Objectors:**

125. One of the Objectors has submitted that GRIDCO has projected higher depreciation expenditure at Rs.2.87 Cr for FY 2026-27 as against Rs. 2.40 Cr., approved by the Commission for FY 2025-26.

**Response of GRIDCO:**

126. GRIDCO has submitted that the projected depreciation of Rs.2.87 crores for FY 2026-27, as against Rs. 2.40 crore approved for FY 2025-26, has been computed on a prudent and realistic basis in accordance with applicable accounting standards, tariff regulations, and the directions of the Commission. The hike is mainly on account of addition of capital assets such as desktops, laptops, office equipment, information technology infrastructure and related designated software proposed to be procured during FY 2026-27 for system upgradation and replacement of obsolete hardware. Such asset additions are essential for strengthening GRIDCO's IT systems and ensuring efficient discharge of its statutory and commercial functions.

**Repair and Maintenance Expense:**

**Views of Objectors:**

127. One of the Objectors has submitted that GRIDCO has projected Repair and Maintenance Expenses at Rs.3.19 Cr for FY 2026-27 against Rs.1.65 Cr, approved by the Commission for FY 2025-26.

**Response of GRIDCO:**

128. GRIDCO has submitted that the projected Repair & Maintenance (R&M) expenses of Rs.3.19 crores for FY 2026-27, as against Rs.1.65 crores, approved for FY 2025-26, relate to routine upkeep, R&M of staff quarters and maintenance of office premises, information technology systems, communication facilities, and other essential assets. The hike is primarily attributable to annual maintenance charges for SAP implemented with effect from 01.07.2023, AMC for servers, storage systems, and allied IT infrastructure, which are indispensable for day-to-day operations.

### **Energy Availability:**

#### **Views of Objectors:**

129. One of the Objectors has submitted that energy availability from all sources, particularly from OPGC, IPPs, and Central thermal stations, should be reviewed and that costly power procurement should be avoided by strictly following the merit order principle. He suggests review of cost components of OPGC as per the latest order, verification of all charges in respect of Central thermal power plants with fixed charges based only on CERC orders and consideration of costs only from approved sources. It is submitted that transmission loss and transmission charges for Central sector projects, as well as the quantum and rate of power procurement from IPPs, should be reviewed.

#### **Response of GRIDCO:**

130. GRIDCO has submitted that the projected energy requirement, source-wise availability and power procurement cost for FY 2026–27 have been estimated based on past actuals, current trends and truing-up of FY 2024–25. Procurement has been planned only from approved generating stations under long-term PPAs to ensure supply reliability. Costs from OPGC, IPPs and Central Sector stations have been considered as per tariffs approved by the respective Commissions with Central sector charges based on CERC orders and actual bills. Transmission losses are considered as determined by NLDC. Power from IPPs has been projected based on available data and past trends, while scheduling is undertaken as per the merit order principle to optimize costs.

### **Return on Equity:**

#### **Views of Objectors:**

131. One of the Objectors has submitted that no power procurement from the 52 CGPs of the State has been proposed in the ARR, as availability of surplus power from CGPs is uncertain and primarily meant for captive consumption. However, procurement from CGPs may be considered depending on system requirements and economic viability. It is submitted that according to GRIDCO, its ARR does not include Return on Equity and is consistent with the Commission's Order dated 24.03.2025 for FY 2025–26 upheld by APTEL.

#### **Response of GRIDCO:**

132. GRIDCO has submitted that reliance on earlier APTEL orders regarding non-allowance of RoE relates to specific tariff periods and cannot be treated as a perpetual restriction. Although the Commission did not allow RoE for FY 2025–26, the determination of RoE is an annual exercise based on applicable tariff regulations and facts for the relevant year. Past non-allowance does not, by itself, be construed as an automatic continuation of the same approach for FY 2026-27. GRIDCO has placed its submission and justification for RoE in the ARR and

BSP Application for FY 2026-27 strictly in accordance with the prevailing tariff regulations. The same is required to be examined on its own merits through regulatory prudence, rather than being summarily excluded based on past orders. Accordingly, the objection seeking outright disallowance of RoE for FY 2026-27 is not justified and the issue is left to be considered by the Commission.

**Power Procurement Strategy and Long-Term Planning:**

**Views of Objectors:**

133. One of the Objectors has submitted that GRIDCO has projected energy availability of 46,334.13 MU from different sources and energy sales to DISCOMs of 39,103.47 MU for FY 2026–27. He has requested the Commission to direct GRIDCO to procure cheaper power from power exchanges through open access, wherever feasible, instead of costly central sector power and to strictly follow merit order scheduling to minimize the BSP burden. He has further suggested that GRIDCO may prepare a five-year plan considering power availability from IPPs in the State and the projected future demand. Another Objector has submitted that GRIDCO has under casted 282 MW & 5718 MU in the projection for FY27. The low availability estimation on the part of the Petitioner arises due to low power procurement mostly from IPPs & OPGC. The power availability in the State pool should be 52052 MU for FY27.

**Response of GRIDCO:**

134. GRIDCO has submitted that it continuously optimizes power procurement by strictly following the merit order principle on a real-time basis. Surplus power, after meeting the State’s requirement, is traded through power exchanges or bilateral mechanisms to offset procurement costs and reduce the impact on Bulk Supply Price. GRIDCO has further submitted that long-term PPAs are essential for ensuring reliable and uninterrupted supply. Replacement of firm power from Central Sector Generating Stations with exchange-based power is not feasible due to uncertainty of availability. Capacity charges under such PPAs are contractual obligations and payable irrespective of drawl. GRIDCO also undertakes efforts to optimize its power portfolio by maximizing drawl from IPPs and pursuing deallocation or surrender of costly power where feasible. Long-term demand–supply planning is carried out based on projected load growth, availability from IPPs and evolving system requirements to ensure energy security for the State. Further, GRIDCO has submitted that the stakeholder has erroneously equated notional installed/contracted capacity with realistic energy availability.

**Status of Renewable Energy Capacity in Odisha:**

**Views of Objectors:**

135. One of the Objectors has submitted that as per the *All-India Electricity Statistics – General Review 2025* published by the Central Electricity Authority, the total installed renewable energy capacity in India stood at 143,644.51 MW as on 31.03.2024. In comparison, Odisha has an installed renewable capacity of only 670.48 MW, comprising 115.63 MW of small hydro, 59.22 MW of biomass and 495.63 MW of solar power, with no wind or waste-to-energy capacity. He has stated that Odisha’s share is about 0.47% of the national renewable capacity, placing the State in the lower-middle bracket and significantly behind the States such as Rajasthan, Gujarat, Tamil Nadu, Karnataka, and Maharashtra, as well as neighbouring States like Andhra Pradesh and Telangana.

**Response of GRIDCO:**

136. GRIDCO has submitted that Renewable Energy capacity of a State depends on geographical and resource-specific factors such as solar and wind potential, land availability, and climatic conditions. Compared to RE-rich States, Odisha has inherent limitations in large-scale solar and wind resources. However, as per the CEA report (as on 31.12.2025), Odisha has achieved about 3,147 MW of Renewable Energy capacity, the highest in the Eastern Region. The State is further promoting RE through initiatives under RE Policy 2022, PM-Surya Ghar, PM-KUSUM, and other programs. Therefore, comparison with RE-rich States is not relevant for determination of GRIDCO’s ARR, which is based on approved procurement sources and regulatory principles.

**Promotion of Renewable Energy and Reliance on RECs:**

**Views of Objectors:**

137. One of the Objectors has submitted that GRIDCO, being the Nodal Agency nominated by the Government of Odisha for promotion of renewable energy, has not undertaken adequate proactive measures to attract and facilitate large-scale renewable energy projects in the State. Consequently, for meeting Renewable Purchase Obligation (RPO) / Renewable Consumption Obligation (RCO) targets, GRIDCO continues to rely significantly on the purchase of Renewable Energy Certificates (RECs) instead of enabling physical renewable power procurement from in-State or nearby projects. This approach results in avoidable financial burden on the general consumers of the State, as the cost of RECs ultimately gets passed through in tariff. It is imperative that GRIDCO adopts a more proactive and facilitative approach for renewable energy development in Odisha to enhance in-State renewable capacity, improve availability of competitively priced green power, reduce overall power procurement cost and thereby contribute to lower Bulk Supply Price (BSP) and long-term tariff benefits for consumers.

**Response of GRIDCO:**

138. GRIDCO has submitted that the allegation of excessive reliance on Renewable Energy Certificates (RECs) is misconceived. During FY 2025–26 (up to November 2025), GRIDCO achieved RCO compliance of about 35% against the MoP target of 33.01% and had earlier met RPO targets in FY 2022–23 and FY 2023–24, placing Odisha among the top compliant States. In FY 2024–25, compliance reached about 28.15% against the target of 29.91% due to delay in commissioning of some central RE projects and outages. GRIDCO has submitted that REC procurement is a legally permitted mechanism under the RCO framework and was undertaken only to the extent of shortfall with approval of the Commission. GRIDCO continues to promote in-State renewable capacity through long-term PPAs, competitive bidding and participation in schemes such as PM-KUSUM and PM Surya Ghar.

**Determination of Generic Tariff for Renewable Energy Sources:**

**Views of Objectors:**

139. One of the Objectors has submitted that GRIDCO, as the State-designated agency for executing PPAs with thermal, hydro, and renewable generators, has not approached the Commission in its ARR for determination of generic tariff for various renewable sources such as pumped storage, small hydro, floating solar, ground-mounted solar, rooftop solar, wind, biomass, waste-to-energy, green hydrogen, and green ammonia. He contends that absence of such tariff determination has slowed renewable energy development in the State and requests the Commission to finalize tariffs for procurement of power from various RE sources along with the Bulk Supply Tariff order.

**Response of GRIDCO:**

140. GRIDCO has submitted that renewable energy procurement is undertaken in compliance with the prevailing OERC Regulations. The Commission has already determined the generic tariff for Small Hydro Electric Projects for the 4th Control Period vide Order dated 04.12.2023. Renewable power is presently procured through tariff-based competitive bidding in line with the Odisha Renewable Energy Policy, 2022. PPAs are executed with prior approval of the Commission. The Commission also determines project-specific tariffs where applicable. However, determination of generic tariff for various RE projects does not fall within the scope of the present ARR and BSP petition.

**Non-Achievement of RPO Targets:**

**Views of Objectors:**

141. One of the Objectors has submitted that GRIDCO, being the designated nodal agency for bulk procurement of Renewable Energy (RE) in the State of Odisha, is also entrusted with the responsibility of ensuring compliance with the Renewable Purchase Obligation (RPO) on behalf of the obligated entities. However, despite holding this pivotal role, GRIDCO has failed

to achieve the mandated RPO targets for FY 2024-25, which is neither prudent nor in consonance with its statutory responsibilities. Such non-compliance on the part of the nodal agency undermines the State's renewable energy objectives and warrants due consideration by the Commission.

**Response of GRIDCO:**

142. GRIDCO has submitted that as the State-designated agency for bulk power procurement, it undertakes RCO compliance on behalf of the DISCOMs and has been making continuous efforts to procure renewable power in a cost-effective manner. The marginal shortfall in FY 2024–25 (28.15% against the target of 29.91%) occurred due to factors beyond GRIDCO's control, such as delay in commissioning of central RE projects, outage of the Teesta-V Hydro project, and limited availability of economical RE power. GRIDCO has outlined strategies to enhance renewable procurement and bridge the gap in subsequent years. The Commission has also permitted procurement of RECs to meet the shortfall.

**Delay in Renewable Energy Procurement:**

**Views of Objectors:**

143. One of the Objectors has submitted that the prevailing market prices of Renewable Energy are significantly lower compared to conventional sources of power and that GRIDCO had adequate opportunity to timely procure renewable power. The objector has contended that such procurement could have reduced overall power purchase cost and ensured compliance with Renewable Purchase Obligation (RPO). However, due to lack of timely and proactive action by GRIDCO, the intended cost benefits could not be realized, thereby imposing higher power purchase costs and additional RPO compliance burden on consumers of the State.

**Response of GRIDCO:**

144. GRIDCO has submitted that it undertakes non-fossil fuel procurement strictly in accordance with the applicable regulatory framework, approved procurement plans and directions of the Commission, while balancing multiple considerations including demand-supply requirements, system reliability, grid readiness, availability of transmission infrastructure, project viability and tariff prudence. Further, such procurement is also subject to inherent uncertainties including project development timelines, commissioning delays, and variability in availability of competitively priced renewable power, which are beyond the exclusive control of GRIDCO. Accordingly, the procurement decisions of GRIDCO reflect a reasoned, balanced and prudent approach aimed at ensuring statutory compliance, cost optimization, and long-term consumer interest. Further, RE power is predominantly available during solar hours. However, during the same period, GRIDCO experiences substantial surplus power and is

constrained to back down its generators on MOD basis and to address the same, various mechanisms have been suggested in the instant Application.

**Delay in Aggregation and Supply of Renewable Energy to Industries:**

**Views of Objectors:**

145. One of the Objectors has submitted that GRIDCO, being responsible for procuring and supplying Renewable Energy as an aggregator in the State, had earlier invited Expressions of Interest from industries for procurement of renewable power. Although several industries participated and submitted their requirements, GRIDCO allegedly failed to take timely decisions and could not supply Renewable Energy to them. He contends that timely aggregation and procurement could have enabled supply of renewable power to industries while also helping GRIDCO meet its RPO obligations in line with the Odisha Renewable Energy Policy, 2022.

**Response of GRIDCO:**

146. GRIDCO has submitted that although a few industrial consumers have expressed interest, they have neither participated in the finalization of contract norms or agreements nor indicated any tariff for the same. Accordingly, upon confirmation from the industries, necessary steps shall be taken. As the same does not form part of the instant Application, it shall be dealt with separately.

**Delay in Signing PPAs with SHEP Developers:**

**Views of Objectors:**

147. One of the Objectors has submitted that several Small Hydro Electric Projects (SHEPs) in the State have already obtained in-principle clearances, land, forest approvals, and executed MoUs with the Government of Odisha. However, GRIDCO has delayed signing Power Purchase Agreements despite directions from the State authorities and repeated requests from developers to procure power at the generic tariff approved by the Commission. He further contends that GRIDCO has instead issued tender documents for procurement of power from SHEPs without prior approval of the Commission and included restrictive conditions, which may discourage participation, lead to complications and litigations and delay renewable energy procurement as well as RPO compliance.

**Response of GRIDCO:**

148. GRIDCO has submitted that the MoUs for the SHEPs were executed with the Govt. of Odisha during 2005 to 2014. In view of the unsatisfactory progress made by the developers even after execution of the said MoUs, the Energy Department has directed GRIDCO to initiate a competitive procurement process for sourcing the required quantum of power from SHEPs within the State, with a ceiling price linked to the tariff of the Fourth Control Period as

determined by the Commission in Case No. 94 of 2023. It is further submitted that the Odisha Renewable Energy Policy, 2022 provides for procurement of power from SHEPs through a competitive bidding mechanism. Accordingly, necessary steps have been taken by GRIDCO in compliance with the directions of the Energy Department and the regulatory provisions of OREP-2022.

**Biomass Utilization:**

**Views of Objectors:**

149. One of the Objectors has submitted that the Ministry of Power has framed a policy on Biomass utilization dated 8<sup>th</sup> October 2021 for blending of Biomass briquettes & Pellets with coal which shall account for meeting RPO. In view of the same, GRIDCO may be directed to discuss with various coal based central & private generating plants to submit month wise status report of utilization(blending) of Biomass in coal so that it can claim necessary RPO while procuring from the central sector IPP & private IPP.

**Response of GRIDCO:**

150. GRIDCO has submitted that the Ministry of Power (MoP) policy dated 8th October 2021 on co-firing of biomass pellets in thermal power plants has been revised and superseded by the MoP, GoI Policy dated 7th November 2025. It is submitted that GRIDCO has not received any proposals from either the Central IPPs or the State IPPs towards procurement of power from the biomass co-firing thermal power plants. Further, in view of the fungibility among comparatively lower-cost wind, hydro & solar projects within the non-fossil fuel source category and the incremental cost implications associated with biomass co-firing, such procurement may run counter to GRIDCO's objective of cost optimization while safeguarding consumer interest.

**Collection of Additional Charges from CGPs under Open Access:**

**Views of Objectors:**

151. One of the Objectors has submitted that Captive Power Generators (CGPs) avail open access for sale of surplus power after obtaining the necessary No Objection Certificate from the State Load Dispatch Centre. During such transactions, GRIDCO collects deviation charges along with an additional ₹1/kWh or alternatively BSP + ₹1/kWh, whichever is higher, in cases where scheduled delivery is not maintained. He has raised concerns regarding the collection of this additional amount and has requested the Commission to clarify whether such revenue forms part of GRIDCO's ARR. The objector has further sought the details of the amount collected from CGPs from FY 2018–19 to FY 2024–25 and requested that, if not already reflected, such revenue should be considered while determining GRIDCO's ARR.

**Response of GRIDCO:**

152. GRIDCO has submitted that the deviation charges are duly accounted for and factored into the income of the Applicant and are appropriately considered during the truing-up exercise, resulting in a lower tariff impact for end consumers. Further, as no cost is incurred for infirm power injected into the system, such power is utilized for meeting State consumption, thereby contributing to optimization of overall power procurement cost.

**Inadvertent Power:**

**Views of Objectors:**

153. One of the Objectors has submitted that earlier Captive Power Generators (CGPs) used to inject inadvertent power into the grid and avail the benefits associated with such injections. It is submitted that GRIDCO used to pay hydro pool cost towards the inadvertent power injected by CGPs. He requests the Commission to direct GRIDCO to quantify the inadvertent power injected by CGPs and release the applicable hydro pool cost for the same. It is alternatively suggested that if GRIDCO does not intend to make such payment, the same may be considered by OPTCL for adjustment in transmission loss. Another Objector has demanded for a special audit on injection of zero cost inadvertent power into grid and the revenue thereof since FY12 suggesting that the recovery of above unrecovered revenue may be utilized for amortization of loan dues of GRIDCO.

**Response of GRIDCO:**

154. GRIDCO has submitted that the contention regarding quantification and separate settlement of inadvertent power is misconceived. Inadvertent injections from CGPs arise due to real-time grid dynamics, frequency variations and system balancing requirements and are not planned or scheduled injections attributable to any specific generator or procurer. There is no established regulatory methodology to accurately segregate, quantify and monetize such inadvertent injections on generator-wise or beneficiary-wise basis. It is submitted that inadvertent power has never been treated as free or discretionary source of energy. Such injections are inherently accounted for within the overall energy balance and deviation settlement framework. Their net impact, if any, is considered by the Commission during the truing-up exercise based on audited accounts. Accordingly, there is no separate liability on GRIDCO to release hydro pool cost for inadvertent power nor can such injections be carved out and attributed for reduction of transmission loss of OPTCL, which is determined on normative technical parameters, approved by the Commission. GRIDCO has further submitted that any net benefit, if arising from such inadvertent injections after adjustment of deviations, is appropriately passed on to consumers through the truing-up mechanism.

**Demand and Over drawl Charges on excess monthly SMD:**

**Views of Objectors:**

155. One of the Objectors has submitted that the proposed demand charge of Rs.250/kVA/month on excess monthly SMD (beyond 105% of approved) and overdrawl penalties could penalize DISCOMs for genuine demand fluctuations (e.g., seasonal agricultural peaks), indirectly raising retail tariffs without addressing systemic issues like transmission constraints. In FY 2025-26, similar charges were moderated to prevent undue pass-through and historical overdrawls have added extra costs to ARR without accountability. The proposal lacks evidence that these charges reflect actual incremental costs (e.g., verified by SLDC), potentially subsidizing GRIDCO's inefficiency. There should be a capping charge at verified actuals, offsetting with non-tariff income (e.g., from investments or trading surpluses) and exempting essential sectors like agriculture.

**Response of GRIDCO:**

156. GRIDCO has submitted that the proposed demand charge of Rs.250/kVA/month on excess drawl beyond the approved monthly SMD is not penal in nature but a regulatory mechanism to ensure drawl discipline by DISCOMs and maintain secure grid operation. The SMD for FY 2026–27 has been furnished by the DISCOMs and power procurement planning has been carried out accordingly. Any drawl beyond the approved SMD results in additional system costs and operational stress, thereby justifying such charges. GRIDCO has further submitted that similar demand-related provisions were examined and approved by the Commission in FY 2025–26 based on operational requirements. The concern that such charges would increase retail tariffs is misconceived, as the charges arise only if DISCOMs exceed the approved SMD. Scheduling and drawl are monitored through SLDC and remain fully auditable and subject to regulatory scrutiny during truing-up. It is clarified that the charges are levied at the bulk supply level on DISCOMs and not directly on consumers. Issues relating to consumer categories fall within the scope of retail tariff proceedings.

**Delayed Payment Surcharge:**

**Views of Objectors:**

157. One of the Objectors has submitted that the proposed rebate structure of 1.5% for payment within 5 working days and 1% for payment within 25 days along with a Delayed Payment Surcharge (DPS) of 1.5% per month after 30 days, is inadequate to incentivize operational efficiency. He contends that DPS recovery may allow GRIDCO to offset delays without linking such provisions to performance. It is submitted that in previous tariff orders, including FY 2025–26, the Commission had reduced interest-related claims (from Rs.428.55 crore to Rs.23.47 crore) after prudence check. The Objector has suggested that the rebate may be increased to 2% for early payments, DPS may be capped at 1.25% and rebate provisions may

be linked to GRIDCO's adherence to prudent power procurement practices to ensure fiscal discipline and reduce overall consumer cost.

**Response of GRIDCO:**

158. GRIDCO has submitted that the rebate and Delayed Payment Surcharge (DPS) provisions are essential to ensure timely realization of Bulk Supply Price dues and maintain adequate cash flow for meeting payment obligations to generating stations. It is submitted that GRIDCO is not allowed any Working Capital in the ARR, which limits its ability to manage payments in case of delayed realization of dues from DISCOMs. Therefore, the proposed rebate and DPS structure for FY 2026–27 is intended to maintain financial discipline rather than augment revenue. GRIDCO has further submitted that the regulatory framework already provides safeguards, as the Commission undertakes prudence check and disallows unjustified interest claims, as observed in FY 2025–26. DPS arises only when DISCOMs make delayed payments beyond the stipulated period. It is avoidable by timely payment. The suggestion to increase rebate while reducing DPS would weaken payment discipline and adversely affect liquidity. It is submitted that rebate is realized only through prompt payment and is not part of the projected ARR.

**Fixed Charges:**

**Views of Objectors:**

159. One of the Objectors has submitted that the fixed charges are increasing year by year but GRIDCO is unable to collect the fixed charges rent by selling surplus power outside the State. He has suggested that the high-cost power should not be purchased as low-cost power i.e. Rs. 2.75 Per unit is plentifully available with the CGPs of the State. GRIDCO should purchase such cost power for the GENERATORS for the interest of the State's consumers.

**Response of GRIDCO:**

160. GRIDCO has submitted that it has not executed any PPA with Captive Power Generators (CGPs) for procurement of power to meet the State's requirement, as CGPs are primarily meant for captive consumption and are considered infirm sources. However, GRIDCO may consider procuring power from CGPs if it is economically viable and justified by the demand–supply situation in the State. It is informed that GRIDCO has entered into long-term PPAs with Central and State generating stations such as NTPC and NHPC based on CEA projections to ensure long-term energy security. Fixed charges under such PPAs are payable irrespective of actual drawl. Therefore, procurement decisions cannot be based solely on short-term availability of low-cost power. It is further informed that GRIDCO has initiated a competitive tender process to procure power from intra-State CGPs for the period April 2026 to July 2026. Additionally, it is exploring short-term procurement options such as banking arrangements

and open access purchases to meet possible contingency requirements during the summer months.

**Outstanding Loan:**

**Views of Objectors:**

161. One of the Objectors has submitted that the Commission should not accept loans with principal amounting Rs. 5969.89 Crs as GRIDCO has taken loan for repayment of outstanding dues of the DISCOMs, who have left the power sector for their non-performance. Further, being a Govt owned company having 49% share of the all DISCOMs, by borrowing loan from different nationalised bank & payment of interest should not be accepted as GoO is collecting Rs.4500 Crs of Electricity Duty every year from the consumers & also dividend from OHPC, OPGC. Another Objector has also submitted that interest on loan should not be approved for True-up exercise of FY 2024-25.

**Response of GRIDCO:**

162. GRIDCO has submitted that the loans availed by it were necessitated due to persistent non-cost reflective tariffs, delayed settlement of dues by the erstwhile DISCOMs and gaps in ARR and BSP approvals. These borrowings, supported by Government guarantee, were required to ensure timely payment to generators and avoid power regulation arising from non-payment of bills. GRIDCO has further submitted that cumulative revenue gaps and financial stress over the years have made such financing unavoidable, particularly in the absence of reserves and surplus. Accordingly, GRIDCO has requested the Commission to allow the associated interest cost in the ARR for FY 2026–27, including interest on soft loans from the Government of Odisha. It is clarified that although GRIDCO is a Government-owned entity, it functions as a commercial organization and must take loan liabilities independently. GRIDCO has further submitted that the finance cost disallowed by the Hon'ble Commission pertains to loans availed by GRIDCO primarily due to prolonged non-cost-reflective tariffs, disallowance of carrying cost on regulatory assets in earlier years and persistent default by erstwhile DISCOMs in payment of BSP dues during the pre-revocation period.

**Legacy problems:**

**Views of Objectors:**

163. One of the Osbjector has submitted that Reliance Infrastructure Limited (RIL) managed three DISCOMs—WESCO, NESCO, and SOUTHCO—until their licenses were revoked by the Commission on 04.03.2015 (in Case No. 55 of 2013). Outstanding dues of Rs.4,234.09 Cr remains uncollected. Legal proceedings are pending. GRIDCO, whose Chairman was appointed as the Administrator of these three Companies under Sec-20D of the Act, has failed to fix accountability for inefficiency resulting in losses and consumer hardship. He has

submitted that GRIDCO's payment of Rs.174 Cr to CESU-managed AES in 1999 remains unrecovered. Consequently, he strongly opposes GRIDCO's ARR application asserting that GRIDCO's statutory duties include: (a) bulk power procurement and supply, (b) planning and coordinating electricity requirements at economical rates, (c) transparent power procurement, and (d) setting tariffs in accordance with Commission prescriptions, to reliably meet the State's electricity demand.

**Response of GRIDCO:**

164. GRIDCO has submitted that the outstanding dues of WESCO, NESCO, and SOUTHCO, recognized in GRIDCO's books after license revocation on 04.03.2015 (in Case No. 55 of 2013) are sub-judice before Hon'ble APTEL. Recovery is being pursued through legal proceedings. It is beyond GRIDCO's control. The appointment of GRIDCO's Chairman as Administrator of these DISCOMs was limited to ensuring operational continuity and does not fall within the present tariff application. The payment of Rs.174 Cr to CESU during AES management in 1999 relates to legacy transactions and is duly reflected in GRIDCO's accounts. GRIDCO submits that it continues to perform all statutory functions—including power procurement, bulk supply, demand planning and ARR/tariff submissions—in strict compliance with the Act and the Odisha Electricity Reform Act, 1995.

**Implementation of Vesting Orders and Recovery of Consumer Penalties:**

**Views of Objectors:**

165. One of the Objector has submitted that as per GRIDCO's application CESU, WESCO, SOUTHCO and NESCO were privatized between June 2020 and April 2021 and vested with Tata Power DISCOMs, with a minimum payment commitment of Rs.1,000 Crs, of which Rs.1,190.02 Crs was paid by September 2023. However, it is not clear if all DISCOMs have remitted the Rs. 2,000 Crs collected from consumers as penalty under Section 126 of the Act, 2003 without OERC-sanctioned rules. GRIDCO should ensure proper implementation of the vesting order and verify that all liabilities to vendors under CESU (now TPCODL) prior to 01/06/2020 are fully settled.

**Response of GRIDCO:**

166. Regarding settlement of arrear collections by the erstwhile DISCOMs, GRIDCO has submitted the following summary of amounts settled by the DISCOMs:

<i>(Rs. in Crore)</i>					
<b>Particulars</b>	<b>TPCODL</b>	<b>TPWODL</b>	<b>TPNODL</b>	<b>TPSODL</b>	<b>Total</b>
Target in Vesting Order	200.00	300.00	400.00	100.00	1000.00
Amount settled till Dec 2025	365.76	401.64	591.51	229.25	1588.16

GRIDCO submits that issues relating to assessment and recovery of penalties under Section 126 of the Act fall within the statutory jurisdiction of the respective DISCOMs and do not form part of GRIDCO's responsibilities and hence are outside the scope of the present proceedings. GRIDCO has further submitted that the settlement of liabilities of erstwhile DISCOMs, including vendor payments, is undertaken periodically as per specific directions of the Commission. It has acted strictly in accordance with such directions. Any residual claims or disputes lie outside the scope of the present ARR proceedings.

**Arrear outstanding prior to TP DISCOMs:**

**Views of Objectors:**

167. One of the Objectors has submitted that GRIDCO, as 100% equity holder, executed the sale and vesting of erstwhile Utilities to TPCL/TP DISCOMs as per OERC orders, with provisional and final balance sheets recognizing Rs.4,087 Cr receivables. Disputes remain over amounts collected and remitted by TP DISCOMs (Rs.1,477.67 Cr). GRIDCO's proposal for an Amnesty Scheme for Rs.6,425.44 Cr. appears misleading and ignores the OERC order of 09.09.2025 in Case No. 56/2024, raising concerns about its propriety.

**Response of GRIDCO:**

168. GRIDCO has submitted that it has mentioned in the application and subsequent responses about the status of arrears outstanding prior to TP DISCOMs.

**Growth of Open Access Consumption:**

**Views of Objectors:**

169. One of the Objectors has submitted that as per the application for FY 2026-27 there is growth by 35% of open access power consumption in the State. Several reasons are responsible for unexpected high growth in open access power consumption in the State for which Commission may go for a cost benefit analysis of the high growth in open access consumption in the State.

**Response of GRIDCO:**

170. No comments.

**Outage of OPGC Power Plants:**

**Views of Objectors:**

171. One of the Objectors has submitted that OPGC supplies nearly about 1/3rd of the total power consumption of the State through DISCOMs but the four Units of OPGC are undergoing frequent outages. These abnormal high outages make GRIDCO procure high cost power from central sector. Therefore, it is necessary to devise suitable plans and actions for uninterrupted functioning of OPGC units. GRIDCO has projected the PPC of OPGC power for FY27.

**Response of GRIDCO:**

172. GRIDCO has submitted that it has already brought on record that OPGC is a critical baseload source with 100% entitlement of power to GRIDCO from both Stage I and Stage II. However, due to frequent unplanned outages in recent periods, GRIDCO is often compelled to procure power from DAM/RTM at significantly higher rates, sometimes near the market ceiling during peak demand, which increases overall power purchase cost beyond GRIDCO's control. GRIDCO has accordingly placed this adverse impact on record and requests the Commission to issue necessary directions to ensure improved availability of power from OPGC so that high-cost market purchases can be minimized.

**True-up of FY 2023-24 and FY 2024-25:**

**Views of Objectors:**

173. Some objectors have submitted that GRIDCO had submitted its true-up application, registered as Case 103/2024, for FY 2023-24 last year. The Commission in its order dated 24.03.2025 (in Case Nos. 94/2024 and 103/2024) had completed the true-up exercise for FY 2023-24. Later, the Commission had permitted GRIDCO to come up with alternative suggestions only. No fresh application for truing up of FY 2023-24 is therefore permissible

**Response of GRIDCO:**

174. GRIDCO has submitted that the present Revised Truing-up for FY 2023-24 does not seek re-opening of issues. It has placed before the Commission an alternative regulatory mechanism for treatment of regulatory gap and uncontrollable costs, including structured utilization of trading/DSM margins, as expressly contemplated by the Commission in different ARR & Truing Up orders of the previous years.

**Financial Statement:**

**Views of Objectors:**

175. One of the Objectors has submitted that the audited Balance Sheet of GRIDCO as on 31.03.2025 shows total non-current assets of Rs.3,750.27 Cr and investment of Rs.1,509.95 Cr, up from Rs.1,189.57 Cr in FY24. Loans stand at Rs.923.36 Cr, while total current assets are Rs.2,563.57 Cr, including trade receivables of Rs.2,225.70 Cr. Despite equity capital of Rs.3,611.84 Cr, accumulated losses of Rs.8,056.86 Cr result in negative equity of Rs.4,445.02 Cr. Profit after tax of Rs. 347.06 Cr provides only marginal relief. Long-term and short-term borrowings total are Rs.3,387.83 Cr and Rs.1,754.68 Cr, respectively. The Objector expresses concern that GRIDCO's financial position undermines its capacity as an intra-State power trader, urging the Government of Odisha to intervene to restore viability, He further submits that GRIDCO's FY25 P&L shows revenue of Rs.14,510.61 Cr (trading Rs.14,404.43 Cr and other income Rs. 106.18 Cr) with only 3% YoY growth. Power purchase cost is Rs.13,617.62 Cr, while 'Other Cost' is at Rs.545.63 Cr which far exceed CERC's allowed trading margin

of Rs.300 Cr. He requests the Commission to advise the State Government under Section 86(2)(iii) of the Act to restructure GRIDCO for efficiency and alignment with Odisha's power sector objectives.

**Response of GRIDCO:**

176. GRIDCO has submitted that the audited Balance Sheet figures cited by the stakeholder, including non-current assets of Rs.3,750.27 crores, investments of Rs. 1,509.95 crores, loans and advances of Rs. 923.36 crores, current assets of Rs. 2,563.57 crores and trade receivables of Rs.2,225.70 crores, are matters of record and have been disclosed transparently in the audited account, placed before the Commission. The increase in investments and receivables is not abnormal or imprudent, as the same primarily reflects legacy dues of erstwhile DISCOMs carried forward under the vesting framework, conversion and settlement of dues pursuant to the directives of the Government and Commission and regulated recovery mechanisms, as explained in the ARR Application and recognized in the Tariff Order. It has further submitted that the "Other Cost" of Rs.545.63 crore for the relevant year i.e. FY 2024-25 is predominantly attributable to finance cost amounting to Rs.485.79 crore. It is submitted that the finance cost has already exhibited a significant declining trend, reducing from Rs.612.55 crore in FY 2023-24 to Rs.485.79 crore in FY 2024-25. The estimated finance cost during the current FY will be around Rs.428 crore & Rs.371 crore has been proposed for FY 2026-27. GRIDCO does not earn any assured trading margin. Any surplus or deficit reflected in the audited accounts is subject to regulatory treatment through ARR determination and true-up.

**GRIDCO's Statutory Role, Cost Recovery and Revenue Gap Management:**

**Views of Objectors:**

177. One of the Objectors has submitted that Consumers of Odisha cannot pay for the claims made by GRIDCO beyond the provisions of the Act. As the intra-State power trader, GRIDCO is responsible for ensuring reliable, affordable, and environmentally friendly power for Odisha's consumers. However, GRIDCO is paying around Rs.500 Cr towards fixed charges to generators without actual procurement, passing these costs to the consumers. Being a 100% Government-owned PSU, GRIDCO should seek budgetary support from the State to cover such revenue gaps. The Objector urges the Commission to direct GRIDCO to submit copies of requisitions sent to the Government of Odisha for necessary budgetary support, failing which it may appear that GRIDCO is unfairly burdening consumers and violating the Commission's orders.

**Response of GRIDCO:**

178. GRIDCO has submitted that the stakeholder's claim that GRIDCO is recovering costs beyond its statutory role is misconceived. GRIDCO operates strictly under the Act and the Odisha Electricity Reform Act, 1995, performing bulk procurement, PPA execution, RE nodal agency functions, system integration, and maintaining reserves—activities essential for reliable, round-the-clock power supply. Payments of fixed charges under long-term PPAs, even during low drawl, are legitimate costs recognized under the regulatory framework. GRIDCO has no intent to exploit the consumers and has consistently proposed using trading and DSM margins to liquidate regulatory assets gradually. GRIDCO had sought budgetary support from the Government of Odisha to bridge revenue gaps, but consent was not granted; accordingly, recovery has been proposed partly through BSP without impacting Retail Supply Tariffs.

**Carrying cost of Regulatory Assets (RA):**

**Views of Objectors:**

179. One of the Objectors has submitted that Commission had approved the carrying cost of RA for a sum of Rs.108.30 Cr in the bulk price of GRIDCO for FY25. The Commission may disclose the details in support of determination of carrying cost and dismiss the entire carrying cost of RA.

**Response of GRIDCO:**

180. GRIDCO has submitted that the carrying cost claimed by GRIDCO has arisen due to revenue gaps retained by the Commission in successive years while determining BSP instead of fully neutralizing the deficit through tariff. As a result, the unrecovered revenue gap has accumulated over time and has necessarily attracted carrying cost. It is further submitted that the quantum of carrying cost is considered as the weighted average rate of interest i.e., around 8% on the regulatory gap. However, as per the audited accounts of GRIDCO, the accumulated loss is around Rs.8057 crores as on 31.03.2025. The carrying cost on such accumulated loss may be substantial but the Commission approves much lesser amount of carrying cost. Moreover, the Commission has been allowing the carrying cost since FY 2023-24.

**Interest and Finance Cost:**

**Views of Objectors:**

181. One of the Objectors has submitted that total interest and finance cost for FY 2023-24 amount to Rs.612.55 Cr. & Rs.485.70 Cr. for FY 2024-25. Another objector has submitted that it has been paying the BSP bill timely to the Petitioner since takeover (1.86/Unit in FY 2021-22, 2.27/Unit in FY 2022-23, 2.10/Unit in FY 2023-24, 2.00/Unit in FY 2024-25 & 1.90/Unit in FY 2025-26). As the outstanding liabilities except DPS due to the Petitioner prior to takeover have almost been cleared and GRIDCO's liquidity position has improved considering the

revenues collected by it on account of collection of past arrears and is adequate to meet the disallowance of Interest & Finance Costs. Further, the objector has requested the Commission not to consider truing up the pass through of interest and finance cost arising due to loan availed during the period prior to take over in the ARR as it may lead to increase in BSP of the Discoms.

**Response of GRIDCO:**

182. GRIDCO has submitted that a major part of its finance cost arises from historic DISCOM payment defaults on loans availed before FY 2015, which continue to accrue interest. There is no mechanism to recover these costs from DISCOMs and the burden remains with GRIDCO. As held by the Hon'ble Supreme Court in Civil Appeal No. 414 of 2007, interest on loans is a legitimate cost and must be allowed to pass through, while principal cannot. The finance costs for FY 2023–24 and FY 2024–25 relate to loans taken to ensure timely payment to generators, maintain supply reliability and meet contractual obligations despite non-cost-reflective ARR/BSP orders. In line with Supreme Court and APTEL rulings, GRIDCO has submitted that these uncontrollable finance costs, as reflected in audited accounts and Truing-up Applications, should be fully allowed in the truing-up exercise.

**Treatment of earlier years True-up:**

**Views of Objectors:**

183. Some objectors have submitted that as per the Act and vesting order, no pre-vesting period liability can be passed on to the newly formed DISCOMs. They have further submitted that there being no change in prevailing circumstances, the stand taken earlier by the Commission in this matter may continue.

**Response of GRIDCO:**

184. GRIDCO has submitted that it claimed to recognize the finance cost of GRIDCO from FY 2015-16 to FY 2022-23. GRIDCO does not seek to transfer pre-vesting liabilities of erstwhile DISCOMs to the new entities contrary to the Vesting Orders; rather, it seeks regulatory recognition of its own finance costs and carrying costs in line with the Supreme Court and APTEL directions. It is clarified that the Vesting order stipulates for not transferring any impact on the truing up of the earlier DISCOMs/Utilities to the operating DISCOMs rather not referring the truing up of the Applicant. The claims in the present Truing-up Applications relate to recognition of GRIDCO's own finance costs and regulatory gaps, derived from its role as State Designated Entity and bulk supplier, and not to transferring pre-vesting liabilities of erstwhile DISCOMs to the stakeholder.

**A&G expense:**

**Views of Objectors:**

185. Some objectors have submitted that the Commission may adopt a similar principle as taken up in the truing up order dated 22.10.2021, 13.09.2022, 07.08.2023, 19.09.2024 & 24.03.2025.

**Response of GRIDCO:**

186. GRIDCO has submitted that the A&G expenses claimed are very limited. The same are essential for the functioning of GRIDCO and there is no realistic scope to avoid such essential expenditures.

**Past Arrear Collection:**

**Views of Objectors:**

187. Some objectors have submitted that considering the revenues collected by the Applicant on account of past arrear collection including OTS, BSP, BSP surcharge & surplus margin after meeting TPA power, GRIDCO's liquidity may increase and be adequate to meet the disallowance of interest & finance costs, if the Commission permits to do so. However, the Commission may conduct prudence check and issue appropriate directions in the matter.

**Response of GRIDCO:**

188. GRIDCO has submitted that it acknowledges TPWODL's efforts in arrear recovery and remittance. It submits that these receipts used to partially mitigate the accumulated gap caused by earlier non-payment of BSP dues by DISCOMs. The applicant also appreciates that the BSP surcharge for FY 2023-24 and FY 2024-25 has provided some comfort to liquidity; however, in view of the substantial past liabilities, the same has not been sufficient to address the accumulated gap. However, the Commission has considered the same as pass through in truing up order for FY 2023-24. Therefore, GRIDCO requests the Commission to consider the finance cost as pass through in the ARR as well as in truing up.

**Variable Cost of Power Availed for trading purpose:**

**Views of Objectors:**

189. Some Objectors have submitted that GRIDCO has deducted amount for claiming power purchase cost for True-up of FY 2024-25. Total trading revenue minus the above amount has been utilised against cumulative Truing up gap up to FY 2024-25. The logic of above treatment is not clear, total power purchase cost may be claimed in True-up and the total revenue from Trading may be offered in True-up thereby passing on the net gain out of trading in the true-up. Some of Objectors further submit that the applicant has shown total cumulative Truing up gap till FY 2023-24 as Rs.4775.02. The Commission in Order dated 24.03.2025 has approved total cumulative Truing up gap till FY 2023-24 as Rs.746.54 Cr.

**Response of GRIDCO:**

190. GRIDCO has submitted that it has transparently segregated the cost and revenue streams associated with intermittent surplus power used for trading/DSM. It further submits that the treatment of variable cost and trading/DSM revenue in the Truing-up Applications is consistent with the regulatory framework and earlier orders and offers a more precise and appropriate mechanism for allocating trading/DSM margins towards liquidation of regulatory assets. GRIDCO further submits that the figure of Rs.746.54 crore represents the cumulative regulatory gap as recognized by the Commission in its truing-up orders, after excluding the amortization amount of Rs.2,616.95 crore that was earlier allowed to be amortized but not passed through in ARR, with the express direction that it will be funded from trading revenues, UI charges and other receipts.

**Power Purchase Cost during FY 2024-25:**

**Views of Objectors:**

191. Some Objectors have submitted that in respect of Teesta-V the power purchase cost is claimed without energy drawl being reconciled. Except for Central Thermal and RE Sources, the % variation in energy (MU) drawl vis-a-vis the % variation in actual cost (Rs. Cr) is not in sync and in some of the cases even though energy drawl is reducing, but the actual cost is increasing. No Fixed Cost was approved, but actual incurred is Rs.297 Cr. JITPL, IBUL, MPCL- No Energy (MU) drawl was approved, but actual drawl has taken place. In RE sources, Rs.10 Cr of actual expenses under 'Fixed Cost' has been shown. GRIDCO may clarify the same.

**Response of GRIDCO:**

192. GRIDCO has submitted that for Teesta-V the cost was under reconciliation and upon completion of the reconciliation the claim is raised. Regarding drawl of power from NTPC stations, it is submitted that the power procurement during FY 2024-25 has been undertaken in line with merit-order dispatch and system requirements, including backing down high-cost stations where feasible. Due to reduction in the availability of power from hydro sources due to meteorological and hydrological factors beyond GRIDCO's control. To ensure secure and reliable supply to meet the State's peak demand requirements, GRIDCO was constrained to draw power from conventional thermal sources, including NTPC stations, in compliance with Central generating station allocation orders. The drawl from NTPC was therefore a necessary operational measure to maintain system stability and ensure the supply of power to meet State demand.

**Provisional Cost Claimed:**

**View of Objector:**

193. Some Objectors have submitted that in the details provided by the petitioner, the petitioner has claimed provision amount against various head of generators. However, not all amount has been paid against these provisions, further all of these payments are not done in FY 2024-25.

**Response of GRIDCO:**

194. GRIDCO has submitted that provisions have been created based on obligations, regulatory decisions and contractual terms and certain payments made in FY 2024-25 observing billing and settlement cycles of the respective generators. Furthermore, GRIDCO submits that a significant portion of the provisioned amount has been paid in the subsequent period and the remaining amount shall be discharged in accordance with the contractual and regulatory timelines.

**Provision for Bad and Doubtful debt**

**Views of Objectors:**

195. Some Objectors have submitted that GRIDCO has claimed Rs.29.98 Cr. as provision for bad and doubtful debt towards OIPL-UWP projects.

**Response of GRIDCO:**

196. GRIDCO has submitted that the said provision has been made in line with the observations of C&AG and the Board's decision, reflecting prudent accounting norms. However, GRIDCO has no objection to the Commission's prudence scrutiny.

**Fixed Cost claimed against thermal generating stations:**

**Views of Objectors:**

197. Some objectors have submitted that there are several Thermal Plants for which the Commission has not approved ant fixed cost, however the petitioner has claimed fixed cost against these plants in its True up Petition. While GRIDCO has claimed these actual Fixed Costs, it has not furnished the essential information regarding the status of Power Purchase Agreement (PPA) approvals for these projects. It is imperative that GRIDCO submits the complete status of PPA approvals for all such thermal plants mentioned in Para 5.4.1 where Fixed Cost claims have been made. This information is crucial for proper regulatory scrutiny and determination of the legitimacy of these cost claims.

**Response of GRIDCO:**

198. GRIDCO has submitted that the fixed costs of NTPC stations are approved by the Commission in the ARR & BSP orders of GRIDCO after duly scrutinizing the fact.

### **Miscellaneous Receipt:**

#### **Views of Objectors:**

199. One of the Objectors has submitted that GRIDCO has not considered fair value, DPS and Provision written back in the true-up application even though those values are present in the audited financial statements.

#### **Response of GRIDCO:**

GRIDCO has submitted that the fair value adjustments and provisions written back are merely accounting entries and do not result in any actual cash inflows. Since the related costs were previously disallowed, GRIDCO has also not recognized the corresponding income arising from these items. The DPS pertains to receivables from the erstwhile DISCOMs and has not been claimed by GRIDCO, as interest was not charged due to non-payment of BSP dues by the erstwhile DISCOMs.

### **OBSERVATIONS OF THE STATE ADVISORY COMMITTEE (PARA 200)**

200. The 39<sup>th</sup> State Advisory Committee Meeting was convened on 16.03.2026 at 11.00 AM at the Power Training Centre, OPTCL, Chandaka, Bhubaneswar through hybrid mode to discuss on ARR & Tariff proposals of different Power Utilities for the ensuing FY 2026-27. The Consumer Counsel appointed by the Commission had made brief presentation on important issues in the ARR & Tariff Application filed by GRIDCO before the State Advisory Committee (SAC). The Members of the SAC have deliberated on various issues on ARR & BSP of GRIDCO. They stated that the cross-subsidy surcharge should be divided between GRIDCO and DISCOMs because the PPAs of GRIDCO are also stranded due to purchase of power by consumer through Open Access from a source other than incumbent DISCOMs. They also advised that the pre-vesting period arrear collected by DISCOMs must be deposited with GRIDCO. They further suggested that consumers with solar installation of 500 KW and above must install storage facility and should have flexibility to sell the stored power at a remunerative price to GRIDCO.

### **VIEWS OF STATE GOVERNMENT (PARA 201 to 202)**

201. The Commission had held a meeting on 05.03.2026 with the Energy Department, led by the Additional Chief Secretary of the Department and deliberated on the issues related to the electricity tariff.

The relevant portion of the minutes of the meeting pertaining to GRIDCO, is as follows:

#### ***a. Annual Contract Quantity (ACQ) of M/s Vedanta Ltd.***

*The members present discussed about the short supply of power from IPP of M/s Vedanta to GRIDCO. It was pointed out that M/s Vedanta is obtaining only 25.7 lakh tonne/annum*

*of linkage coal from MCL which as per its submission has low GCV of Grade-14 coal instead of G-13 grade resulting in low generation of 2880.51 MU per year instead of 5036.77 MU for FY 2026-27. It was brought to the notice of the meeting that as per CIL notification dated 14.02.2023, M/s Vedanta can opt for additional 20% of linkage coal. However, it has not opted for the same. The direction of the Commission in Case No. 21/2015 on conversion of CGP into IPP on the basis of assurance of M/s Vedanta has not implemented by GRIDCO and M/s Vedanta in the true spirit. The loss of such cheaper power results in jacking up of power purchase cost of the state. Chairman, OERC advised Government/GRIDCO to take necessary initiative to ensure that M/s Vedanta procures another 20% of linkage coal from CIL or avail coal from OCPL, so that the entire state share of power from M/s Vedanta can be availed in the FY 2026-27. The Commission opined that any reduction in the quantum of power availed from M/s Vedanta due to laxity of GRIDCO shall not be considered in the ARR and GRIDCO shall bear the incremental power purchase cost on its own without being passed on through the BSP.*

*It was brought to the notice of the Commission that, M/s Vedanta has not even signed the PPA as converted CGP with GRIDCO till date as per the Order of the Commission in Case No. 21/2015. Therefore, if the direction of the Commission in Case No. 21/2015 is not followed in the true spirit, the conditional CGP status of the other units (Unit I, III & IV) of M/s Vedanta would automatically lapse.*

*The Government representatives and MD, GRIDCO acknowledged the issue and assured to resolve the issue at the earliest.*

*Action-State Government & GRIDCO*

**b. Energy from M/s JITPL**

*The GRIDCO is supposed to avail 12% power at variable cost from 3 X 600 MW IPP of M/s JITPL. However, the matter is sub-judice before Hon'ble APTEL and Hon'ble High Court. As per the interim Order of Hon'ble High Court, GRIDCO is getting 120 MW power from M/s JITPL at a price of Rs. 3.36 per unit.*

*Representatives of the Government stated that they have taken the initiative in this regard. Further, they assured to take steps to expedite the matter so that the matter will be resolved quickly and GRIDCO will avail power at cheaper rate from M/s JITPL.*

*Action-State Government & GRIDCO*

**c. GRIDCO interest of loan since FY2015-16**

*It was brought to the notice of the meeting that GRIDCO has following loan position:  
Rs. 3,701 Crs. at 5% rate of interest from State Government,  
Rs. 353 Crs. at 6% rate of interest from OHPC,  
Rs. 1,057 Crs. at 8% rate of interest from external bank, including working capital.*

*MD, GRIDCO apprised the Commission that the Government is under the process of granting soft loan to GRIDCO to repay the bank loan. It will be resolved very soon. As a result, GRIDCO will not have any external loan except the State Government soft loan. In that way, the burden on the BSP will be reduced and consumers will get benefit.*

*Action-State Government*

**d. Electricity Duty is double charged on the same energy**

*The Electricity duty imposed on the auxiliary energy consumption of the Generator is reimbursed by GRIDCO to the Generator which is subsequently passed on to the consumers through BSP. Again, the Electricity Duty is charged on the consumption of the electricity on the consumers whose tariff has a component of BSP. This results in double payment of ED on ED by the consumers. The representatives of the Government acknowledged the issue and agreed to GRIDCO's proposal for reimbursement of the ED amount collected from Generators to GRIDCO.*

*Action-State Government*

**e. Future of BESS in the State**

*With high integration of RE and the inbuilt intermittent nature of its supply, the power system is in need of energy storage systems such as BESS and PSP. Therefore, BESS implementation program should be taken up by the state government.*

*MD, GRIDCO stated that they have already undertaken 125 MW BESS projects in the state under VGF by the Central Government through reverse auction. Further, they are exploring the installation of small BESS of 1-2 MW projects at PSS level, that would also contribute to the system dynamics if done on a larger scale.*

*Action- GRIDCO*

202. In course of the hearing, the Commission had requested the Government to submit its views within seven days of the date of conclusion of the hearing for consideration in the tariff determination process. The written views of the Government were received on 17.03.2026. On meticulous scrutiny of the same, the Commission observes that baring issues pertaining to Annual Contracted Quantity (ACQ) of M/s Vedanta Ltd., Energy from M/s JITPL, GRIDCO interest of loan since 2015-16 and double charging of Electricity Duty, the views are not comprehensive and do not adequately address all the issues raised in the instant proceeding. Since tariff determination is a time-bound statutory exercise, the Commission has proceeded with the determination of the tariff based on the materials available on record.

The Commission feels it prudent to reproduce the views of the Government pertaining to GRIDCO:

**a. Annual Contracted Quantity (ACQ) of M/s Vedanta Ltd.**

*It has been observed that Vedanta's power supply to GRIDCO has progressively declined over the years compared to its normative entitlement. GRIDCO has informed that it has already taken up the matter with Vedanta's officials and advised them to lift the full eligible quantum of linkage coal from MCL to ensure adherence to the State's power entitlement as per the PPA provisions and applicable regulatory orders. The issue will be further reviewed and taken up appropriately to ensure timely corrective action.*

**b. Energy from M/s Jindal India Thermal Power Ltd. (JITPL)**

*The State's entitled power supply is a crucial pillar of Odisha's energy security framework and remains essential for meeting consumer demand at affordable rates. The issues raised by JIPL involve contractual obligations as well as policy and regulatory considerations, many of which are presently under examination before Constitutional and statutory authorities. The Energy Department will review the matter in detail and take it up appropriately to ensure timely and necessary action.*

**c. GRIDCO Interest of loan since 2015-16**

*The interest burden incurred by GRIDCO is an integral and legitimate cost of sustaining bulk power supply operations and therefore merits full recognition within GRIDCO's Annual Revenue Requirement (ARR). However, the Commission has not admitted interest expenses on loans availed beyond FY 2015–16. In the BSP Order for FY 2025–26, OERC further directed that such interest burden be shared between GRIDCO and the Government of Odisha, instead of being allowed as a pass-through in the tariff.*

*Despite this regulatory position, GRIDCO, being the State's sole bulk power procurer, has consistently ensured uninterrupted and adequate power availability for consumers, including during periods of elevated demand and volatility in the power market. To maintain supply reliability and avoid Late Payment Surcharge (LPS) liabilities to generating companies, GRIDCO was compelled to borrow funds to make timely payments. These borrowings were undertaken in the larger public interest to ensure continuous power supply to all consumer categories across the State.*

*The Govt. has extended sustained financial support to GRIDCO, including soft loans amounting to Rs.3,701 crore from FY 2022–23 onwards to bridge revenue gaps, and conversion of loans totalling to Rs.2,039 crore into equity during FY 2021–22 to strengthen GRIDCO's financial position and net worth. The State Government is also examining additional measures for a comprehensive and long-term resolution of the issue.*

**d. Electricity Duty is double charged on the same energy**

*The matter requires comprehensive financial and legal examination to ensure that statutory compliance, revenue neutrality for the State, and consumer interests are appropriately balanced.*

*The Government will undertake a review of the existing Electricity Duty (ED) structure in consultation with GRIDCO, the DISCOMs, and other relevant departments. This review will explore feasible options for rationalisation wherever appropriate, without adversely impacting State revenues or the tariff for the consumers. Suitable measures and actions shall be taken based on the outcomes of this review.*

*In the meantime, the Commission may proceed with the existing arrangement, and any financial or tariff implications arising from future decisions on this matter may be addressed during the Truing-up process.*

## **ANALYSIS AND OBSERVATIONS OF THE COMMISSION ON THE ARR & BSP PROPOSAL OF GRIDCO (Para 203 to 420)**

### **Legal Status of GRIDCO Ltd. and Nature of its Application**

203. Prior to enactment of the Electricity Act, 2003, GRIDCO Ltd. was “Transmission and Bulk Supply Licensee” under the Orissa Electricity Reforms Act, 1995 (in short, ‘the Reforms Act’). As such GRIDCO Ltd. has entered into long-term Power Purchase Agreements (PPAs) with Generating Companies namely OHPC, OPGC, NTPC, NHPC etc. and also with IPPs & different RE generators for purchase of power and also Bulk Supply Agreements with the four Distribution Companies of Odisha, namely TPCODL, TPNODL, TPWODL and TPSODL to supply power for meeting the State demand. Under the said agreements, GRIDCO Ltd. is obliged to sell power on priority basis to the aforesaid Distribution Companies of Odisha as per their requirements and the Distribution Licensees are obligated to buy power from GRIDCO Ltd. This type of bulk supply arrangement is known as the “Single- Buyer- Model” of power procurement for Distribution Companies of Odisha and the same is prevailing in the State as a historical legacy.
204. Under the 5<sup>th</sup> Proviso to Section 14 of the Electricity Act, 2003, GRIDCO Ltd. has become a deemed licensee; but its position has had to be consistent with the provisions of the Electricity Act, 2003. GRIDCO Ltd. has had to belong to one of the categories of licensee as set forth in clauses (a) (b) & (c) of Section 14 of the Act. It could not continue to maintain its position as “Transmission and Bulk Supply Licensee” as per the Orissa Electricity Reforms Act, 1995. The transmission business was taken over by the OPTCL and GRIDCO’s present activity is now confined to bulk purchase of electricity for sale to the Distribution Companies of Odisha. This satisfies the definition of trading under Section 2(71) of the Act. Therefore, GRIDCO’s position as per the 5<sup>th</sup> Proviso to Section 14 of the Electricity Act, 2003 is that of a deemed trading licensee, responsible for trading of electricity in bulk.
205. Bulk supply activity by a trader is not repugnant to any provisions of the Electricity Act, 2003. Such activity is tenable under law. It is a historical legacy coming down from the period under the Reforms Act, 1995 and continues so long as the long-term bulk supply agreements with Distribution Companies subsist. Some of the objectors have canvassed the view that the single buyer model is against the spirit of the Electricity Act, 2003 and adversely affects the consumers of Odisha. In this tariff proceeding, the Commission has to set tariff in the situation as it stands now and therefore it refrains from addressing this incoherent issue.
206. Further, the Government of Odisha through Department of Energy, vide Notification No. 7948 dated 17.08.2006, have notified GRIDCO as the ‘State Designated Entity’ for execution of

Power Purchase Agreements with generating companies involved in generation of power from thermal, hydro & renewable sources.

207. Regarding filing of ARR & BSP application of GRIDCO Ltd. before the OERC, it is to clarify that the Commission is empowered under Section 86 (1) (b) of the Electricity Act, 2003 to regulate the price for procurement of power by the DISCOMs. Thus, this provision enables the Commission to fix the regulated price for procurement of power by the DISCOMs under the existing Bulk Supply Agreements with GRIDCO. Incidentally the approval of regulated price of power purchase for DISCOMs happens to be the Bulk Supply Price of GRIDCO Ltd. under the present arrangement and as such, the Commission is empowered to approve/disapprove the ARR & BSP application of GRIDCO Ltd. Hence, GRIDCO's submission of its ARR & BSP application before the OERC for approval is quite logical and very much tenable under the law. Moreover, GRIDCO acts as a facilitator in the matter of regular and continuous procurement of power and safeguards the interest of the DISCOMs when they are put under any hurdles and also protects possible Power Regulation by the generator(s).
208. Under Section 86(1)(b) of the Electricity Act, 2003, the Commission is vested with authority to regulate the price at which Distribution Companies may buy power from generating companies or licensees (such as GRIDCO Ltd., which is a deemed trading licensee) or from other sources through agreements. The power to regulate price includes the power to fix regulated price from time to time. This provision enables the Commission to fix a regulated price for procurement of power by Distribution Companies under the existing Bulk Supply Agreements with GRIDCO Ltd. Conceptually, this is different from fixing of general tariff for sale of electricity by GRIDCO Ltd. to any purchaser.
209. The Commission cannot and does not fix tariff for sale of electricity by a trader, vide Section 62 of the Electricity Act, 2003, and it does not intend to do so for GRIDCO Ltd. as a trader; even though under Section 86(1)(d) read with Section 62 of the Act, the Commission may determine tariff for whole-sale or bulk supply of electricity by generators or distributors (*i.e. licensees other than traders*). This follows from a harmonious reading of Section 62 and Section 86(1)(a) and Section 86(1)(j) of the Electricity Act, 2003. But it just happens that in the present situation of Single-Buyer-Model that the regulated purchase price for Distribution Companies fixed under Section 86(1)(b) of the Act coincides with the selling price of GRIDCO Ltd. as a trader for sale of power only to the present Distribution Companies of Odisha. If GRIDCO Ltd. sells the available surplus power, after meeting its contractual obligation under existing Bulk Supply Agreements, directly to any consumer under Section 42 read with Section 49 of the Electricity Act, 2003 or another trader, or even to another

distributor licensed under the 6<sup>th</sup> proviso to Section 14 of the Act, the regulated power procurement price fixed for the Distribution Companies in this order, which coincides with the selling price of GRIDCO Ltd., is not applicable. **Thus, this order does not fix tariff for GRIDCO Ltd. as a trader.**

210. However, the single buyer model has put GRIDCO Ltd. in a dominant position, indeed a monopolistic position, so far as supply to the Distribution Companies of Odisha is concerned. By virtue of Section 60 of the Electricity Act, 2003, GRIDCO Ltd. is under an obligation to refrain from abusing its dominant position. In particular, GRIDCO Ltd. has to refrain from exploiting scarcity situation in the State arising from inability of generating companies to supply adequate power to GRIDCO Ltd. under their PPAs. Where, in such a situation, GRIDCO Ltd. chooses to purchase power from open market and *de hors* the PPAs, it has to do so prudently and following merit order dispatch principle. Also, in taking such decision, GRIDCO Ltd. has to weigh the possibility of over-burdening the tariff payable by the consumers of Odisha as against reasonable power regulation. Therefore, it would be proper for GRIDCO Ltd. to present facts before the Commission and seek Commission's directions under Section 23 of the Electricity Act, 2003. In this connection Commission's Order dated 14.01.2010 in Case No.01/2010 regarding Power Regulation Protocol may be referred to. If it is established that GRIDCO Ltd. has not taken such steps and arbitrarily purchased power at high cost, the Commission would be within its rights not to allow such costs to be passed on to consumers.
211. In the process of re-organization of electricity industry, GRIDCO Ltd. as a trading licensee could not be a transferee of the liabilities either of erstwhile OSEB or of erstwhile Grid Corporation of Odisha functioning as a distribution or transmission company vide Section 131 of the Electricity Act, 2003. Therefore, it has been contended that GRIDCO Ltd. as deemed trading licensee now is not entitled to consideration of past losses and other related costs indicated in the application. On deeper analysis, it transpires that these past losses, securitization of liabilities and other related costs etc. are a mirror reflection or virtual image of what in reality are the liabilities of Distribution Companies and are actually being serviced by Distribution Companies. These liabilities are the Liabilities incurred by GRIDCO Ltd. on behalf of the DISCOMs after privatization. These are arrears on account of power purchase payable to generators and incurred by GRIDCO Ltd. in the course of its role as a bulk supplier or deemed trading licensee. These liabilities could not be transferred to Distribution Companies as Commission does not allow regulatory asset in the DISCOMs' account.
212. The regulatory power under Section 86(1)(b) of the Electricity Act, 2003 can be exercised by the Commission Suo Motu. GRIDCO Ltd. has filed its application referring to Section

86(1)(b) of the Act. GRIDCO Ltd. has however prayed for fixation of its selling price i.e. the Bulk Supply Price qua the present distribution companies by virtue of the subsisting Bulk Supply Agreements with the Distribution Companies and filed its Aggregate Revenue Requirement (ARR) along with the application. The Distribution Companies have also filed their tariff applications for the FY 2026-27 through their Chief Executive Officers vide Case No.136 of 2025 for TPCODL, Case No.124 of 2025 for TPNODL, Case No.128 of 2025 for TPWODL and Case No.132 of 2025 for TPSODL. They have not prayed for fixation of their power procurement price, but such fixation being fundamental determinant of tariff, is implicit in their prayer for determination of tariff. In the circumstances, GRIDCO's application is not being treated as a tariff application, but as material for the Commission to proceed Suo Motu for fixation of a regulatory price for power procurement by the present Distribution Companies of Odisha under the existing Bulk Supply Agreements. In this context GRIDCO Ltd. had been heard at length on its Aggregate Revenue Requirement (ARR) because under the prevailing single buyer model, the procurement price of the present Distribution Companies coincides with the selling price of GRIDCO Ltd. Therefore, GRIDCO Ltd. ought to have say in the matter and ought to be heard even though the Commission is essentially fixing the procurement price for the present Distribution Companies. Consideration and approval of Aggregate Revenue Requirement of GRIDCO is not possible unless GRIDCO is heard in length. It is in this context that Aggregate Revenue Requirement (ARR) of GRIDCO Ltd. was considered and analyzed and not in the context of fixing a general tariff for GRIDCO Ltd.

213. On detailed scrutiny & examination of the Aggregate Revenue Requirement (ARR) & Bulk Supply Price (BSP) Application of GRIDCO Ltd. for 2026-27 and the written & oral submission of the objectors, the Commission has passed the order as enunciated in the subsequent paragraphs.

**Principle followed for approval of ARR for FY 2026-27**

214. The Commission, for determination and approval of the ARR of GRIDCO for FY 2026-27, continues to follow the principles laid down in terms and conditions for determination of tariff regulations and principles followed in the previous year. It continues to be guided by the provisions of the Tariff Policy as well as other statutory notifications and directives, while giving due considerations to the complexities of the Odisha Power Sector.
215. The determination of tariff and ARR components for the ensuing FY 2026-27 are based on various assumptions & principles and hence, it is a reasonable estimate. The actual

figures/amount will be considered in the truing-up exercise. The Commission has determined the ARR for the FY 2026-27 using the following principles.

- a) The cost of power purchase on a merit-order basis for GRIDCO constitutes more than 99% of the total cost structure. The availability of energy from state hydro generation has been estimated as per design energy of each hydro stations and that of state thermal generation has been computed based on the generation plan submitted by OPGC. The cost has been considered as per norms of OERC's Regulations/Power Purchase Agreements (PPAs). Availability of power from the Central Sector Generating Stations/Inter State Generating Stations (ISGS) has been considered as per the allocation/shares of Odisha in these stations and the applicable tariff is as per CERC norms. The drawal from Independent Power Producers (IPPs), Captive Generating Plants (CGPs), Cogeneration Plants and energy from renewable sources have been estimated based on the State's entitlement of power / proposal of GRIDCO, the requirement of the State and other obligations.
- b) Following the separation of the transmission business along with transfer of related assets, liabilities and personnel to OPTCL w.e.f. 01.04.2005, GRIDCO does not possess any asset on its books of account. It however continues to carry the accumulated burden of past liabilities arised due to non-payment of dues by the earlier DISCOMs in time. GRIDCO also does not have the benefit of depreciation provisions to meet these debt obligations. In line with earlier orders and to avoid passing on huge additional burden on to the retail consumers, the Commission has provided for servicing a substantial part of debt liabilities from the non-core activities of GRIDCO, namely earnings from sale of surplus power and un-scheduled interchange charges, after meeting the requirement of DISCOMs.
- c) The Commission has scrutinized in detail the energy requirement proposed by the DISCOMs for FY 2026-27. Based on the availability of power from various sources, the Commission observes that drawal of power from all state-owned generating stations (both Thermal and Hydro), the State's share from central sector generating stations, and drawal from IPPs & Renewable sources would result in some surplus energy, which would meet the contingency requirement due to any real time deficit situation in State demand or would be traded in power market, if such deficit situation does not arise for FY 2026-27. The availability of energy has been calculated based on normative loss. The quantum of surplus energy may increase or decrease based on outage of generating unit(s), hydrology and/or projected drawal from IPPs & central sector generating stations, though this has been estimated on normative basis for the ensuing year.

## **Quantum of Power Purchase**

216. GRIDCO as a deemed trading licensee procures power from the generating stations within and outside the State to meet the requirement of the consumers of the State. The power purchased by GRIDCO is supplied to the DISCOMs through the OPTCL's transmission system.
217. GRIDCO Ltd. as well as DISCOMs have filed their ARR applications for FY 2026-27 before the Commission separately for approval. In their applications, the Distribution Companies have furnished their projections of drawal of power from GRIDCO for FY 2026-27 and GRIDCO has projected the total power to be purchased from the Generators considering the requirement of distribution companies, emergency requirement of industries owning CGPs and the energy loss in OPTCL transmission system. The ARR applications filed by GRIDCO and DISCOMs in respect of expected quantum of power purchase by GRIDCO & energy drawl by DISCOMs have been examined & estimated by the Commission based on the quantum of present drawl of power and expected additional load growth during FY 2026-27.
218. The quantum of power to be purchased by the four Distribution Companies for the FY 2026-27 has been assessed and approved by the Commission while determining their Revenue Requirement & Tariff in Case No.136/2025 (TPCODL), Case No.124/2025 (TPNODL), Case No.128/2025 (TPWODL) and Case No.136/2025 (TPSODL), in line with the provisions in the existing Regulations. The Commission has approved the total energy requirement of 39,776.00 MU for all the DISCOMs for the ensuing FY 2026-27 and this would be about 0.51% decline over the approved figure (39982 MU) for the current FY 2025-26. However, the requirement of TPCODL, TPNODL, TPWODL and TPSODL has been estimated as 13248.00 MU, 8898.00 MU, 12531.00 MU and 5099.00 MU respectively. Further, considering the proposal of GRIDCO, the Commission approves 100.00 MU towards sale of emergency power to the CGPs for FY 2026-27.
219. The Commission has considered 3% as loss in the transmission system of OPTCL for the FY 2026-27 and accordingly OPTCL's tariff order for the FY 2026-27 has been approved in Case No.121of 2025.
220. Accordingly, the estimated quantum of power purchase by GRIDCO to meet requirement of DISCOMs and emergency power supply to the CGPs, would be 41109.28 MU considering OPTCL transmission loss of 3%. The details of the estimated quantum of power purchase to meet the requirement/demand of the State is summarized in the Table below:

**Table – 14**  
**Purchase of Power by GRIDCO for State Use for FY 2026-27**

**(In MU)**

<b>Name of the DISCOMs</b>	<b>Commission’s Approval for the FY 2025-26</b>	<b>GRIDCO’s Proposal in ARR for the FY 2026-27</b>	<b>Commission’s Approval for the FY 2026-27</b>
TPCODL	13823.00	13248.01	13248.00
TPNODL	8719.00	8853.46	8898.00
TPWODL	12378.00	11952.00	12531.00
TPSODL	5062.00	5050.00	5099.00
<b>Total DISCOMs</b>	<b>39982.00</b>	<b>39103.47</b>	<b>39776.00</b>
Emergency Sale to CGPs	100.00	100.00	100.00
<b>Total Sale</b>	<b>40082.00</b>	<b>39203.47</b>	<b>39876.00</b>
Transmission loss at EHT in MU	1239.65 (@ 3.00% Transmission loss)	1212.48 (@ 3.00% Transmission loss)	1233.28 (@ 3.00% Transmission loss)
<b>Total Purchase</b>	<b>41321.65</b>	<b>40415.95</b>	<b>41109.28</b>

221. The Commission has approved the energy drawal by the DISCOMs for FY 2026-27 considering their present drawal pattern and the future projection due to additional load growth. Hence there may not be much variations from the approved drawal. The DISCOMs need to plan their drawal in consultation with GRIDCO keeping in view the deviation settlement mechanism and actual losses in the system.

**Simultaneous Maximum Demand (SMD) in MVA**

222. GRIDCO has submitted that as requested by it, the DISCOMs have projected their SMD for FY 2026-27 considering the additional SMD on account of estimated additional load growth over the maximum SMD that occurred during the period from April, 2025 to June, 2025 and submitted the same to GRIDCO. The projections by DISCOMs for the FY 2026-27 are given in the Table below:

**Table-15**  
**SMD Projections by DISCOMs for FY 2026-27 (MVA/Month)**

<b>DISCOMs</b>	<b>OERC approval for FY 2025-26</b>	<b>Highest SMD recorded during FY 2025-26 (Apr'25 to June'25)</b>	<b>Projection of SMD by DISCOMs for FY 2026-27</b>
TPCODL	2650.00	2539.50	2752.00
TPNODL	1622.00	1478.56	1641.00
TPWODL	1904.00	1963.15	1989.00
TPSODL	861.00	792.08	900.00

223. GRIDCO has submitted that the above projections of SMD by DISCOMs is higher than the actual SMD recorded during the summer months of the current FY 2025-26. Furthermore, the

percentage increase in projected SMD for FY 2026-27 is significantly higher compared to the corresponding growth observed in energy requirement of the State DISCOMs. The projected SMD reflects an increase of around 7.5%, which appears to be on the higher side and is not commensurate with the realistic trend demand growth. Therefore, GRIDCO has requested the Commission for prudent and realistic determination of SMD in respect of each DISCOMs for the ensuing FY 2026-27 with due consideration to actual performance and overall cost optimization.

224. GRIDCO has further submitted that during course of the year, there would be shut down of plants due to planned maintenance or force outage at any point of time and also the availability of renewable energy may not coincide with the time of maximum demand at various time intervals. Further, during the periods of power shortages across the country or in crisis situations, scarcity in the power exchanges persists even at the capped market rate. Therefore, in order to meet the above projected maximum demand of the State at all times of the year, there would be requirement of scheduling of power from all thermal stations having long term tie up. GRIDCO has requested the Commission to take into account above aspects while determining the power purchase cost and allow recovery of full capacity charges for all tied-up thermal stations to ensure reliable and uninterrupted power supply to the consumers of the State.
225. GRIDCO has requested the Commission to approve the SMD on a monthly basis, taking into account the actual load pattern of the DISCOMs for FY 2024-25 and FY 2025-26 and permitting a proportionate increase corresponding to the rise in monthly energy demand during FY 2026-27. Such approval will enable GRIDCO to effectively optimize its generation and procurement plan in advance and optimal utilization of the State's share of power within the permissible cost levels approved in the ARR. Further, approval of month-wise SMD will enable avoidance of high-cost power procurement in the event of any sudden surge in demand by a DISCOM on a real-time basis. Any such unforeseen escalation in demand could impose an additional financial burden through the Deviation Settlement Mechanism (DSM).
226. As objectors to the ARR application of GRIDCO, the DISCOMs have submitted that considering the inter-DISCOM dynamics, regional load pattern, and drawal behaviour of industries having CGPs, the proposal of GRIDCO for determination of monthly SMD should not be adopted for the ensuing year. They stated that the DISCOMs are maintaining compliance with approved SMD limits through SCADA monitoring and load management, and a monthly framework may create operational complexities in demand planning, reconciliation, and managing seasonal variations. Further, the DISCOMs are providing their

demand forecasts to SLDC and coordinating regularly in this regard. Considering the evolving Resource Adequacy framework and the draft OERC DSM Regulations, 2025, the DISCOMs have requested for continuing the existing practice as the DISCOMs are not overdrawing beyond their permitted SMD.

227. After analyzing the proposal of GRIDCO for determination of monthly SMD, the Commission observed that in the current tariff order the Commission has permitted monthly SMD recorded upto maximum of 5% over the approved SMD of the respective DISCOMs to take care of monthly variations and any excess drawl over the permitted SMD will have to be paid by the Distribution Licensee(s) @ Rs.250 per kVA per month, subject to the condition that the annual average SMD shall be limited to the SMD approved in the order. In case the annual average SMD is more than the approved SMD, then over drawl quantum shall attract the penalty @Rs.250 per kVA per month, notwithstanding the fact that a licensee might have paid the SMD charges for exceeding the permitted SMD in any month. In view of the above, the Commission does not consider the proposal of GRIDCO for determination of monthly SMD at present scenario of the State power sector and decides to continue the existing practice of determining the SMD of DISCOMs for the ensuing FY 2026-27. However, the same may be considered in future after effective implementation of Intra-State DSM Regulations or OERC (Framework for Resource Adequacy) Regulations, 2024 in the State.
228. The Commission observed that Bulk Supply Price (BSP) contains a component of demand charge which is calculated on the basis of average system demand of the DISCOMs. In ARR application, GRIDCO has considered the simultaneous maximum demand as furnished by DISCOMs to GRIDCO with additional amount towards projected additional growth for the ensuing year. As per the submissions of DISCOMs, the monthly demand for the period from April, 2025 to December, 2025 is as given in the table below:

**Table -16**  
**Demand in MVA during 2025-26 (upto December, 2025)**

	<b>TPCODL</b>	<b>TPNODL</b>	<b>TPWODL</b>	<b>TPSODL</b>	<b>Total</b>
<b>April'25</b>	2406	<b>1479</b>	<b>1963</b>	<b>792</b>	<b>6640</b>
<b>May'25</b>	2487	1410	1122	762	5781
<b>June'25</b>	<b>2539</b>	1464	1116	765	5885
<b>July'25</b>	2258	1395	1425	736	5815
<b>Aug'25</b>	2330	1314	1741	721	6106
<b>Sept'25</b>	2282	1326	1166	721	5496
<b>Oct'25</b>	1911	1083	1146	664	4804
<b>Nov'25</b>	1896	1082	1357	650	4985
<b>Dec'25</b>	1676	1028	1585	684	4973
<b>Average (4/25 to 12/25)</b>	<b>2198</b>	<b>1287</b>	<b>1402</b>	<b>722</b>	<b>5609</b>

229. From the above table, it is observed that the total demand of all four DISCOMs varies over the year and the peak demand of the State (6640 MVA) was observed in the month of April, 2025 coinciding with the month of occurrence of maximum demand TPNODL (1479 MVA), TPWODL (1963 MVA) and TPSODL (792 MVA). Whereas, the maximum demand of TPCODL (2539 MVA) occurred in the month of June, 2025.
230. The Commission has considered actual energy requirement, peak demand and corresponding load factor (LF) of all four DISCOMs from FY 2019-20 to FY 2025-26 (9 months). The average LF of each DISCOM for these years has been considered to estimate the expected peak demand for FY 2026-27 with respect to the projected energy requirement. Accordingly, the Commission approves SMD of TPCODL, TPNODL, TPWODL & TPSODL as 2570 MVA, 1645 MVA, 1970 MVA & 870 MVA respectively. The details of the same are given in the Table below:

**Table -17**  
**Maximum Demand in MVA for FY 2026-27**

		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26 (9 months)	2026-27 Approval)
TPCODL	Energy (MU)	8,160.10	8,370.43	8,816.55	9,901.98	11,299.17	11,981.45	9,597.29	13,248.00
	Maximum Demand (MVA)	1,590.49	1,531.00	1,661.89	1,891.49	2,243.82	2,451.93	2,539.50	~ <b>2,570</b>
	Load Factor %	<b>65.1%</b>	<b>69.3%</b>	<b>67.3%</b>	<b>66.4%</b>	<b>63.9%</b>	<b>62.0%</b>	<b>63.9%</b>	65.42%
TPNODL	Energy (MU)	5,439.43	4,941.19	5,327.04	6,473.32	7,047.15	7,388.95	5,965.33	8,898.00
	Maximum Demand (MVA)	1,015.24	980.50	937.94	1,154.65	1,267.20	1,406.07	1,478.56	~ <b>1,645</b>
	Load Factor %	<b>68.0%</b>	<b>63.9%</b>	<b>72.0%</b>	<b>71.1%</b>	<b>70.5%</b>	<b>66.7%</b>	<b>68.2%</b>	68.63%
TPWODL	Energy (MU)	7,523.90	7,624.82	9,313.21	13,002.41	12,752.41	11,831.39	8,229.49	12,531.00
	Maximum Demand (MVA)	1,238.94	1,422.64	1,524.24	1,794.13	1,701.70	1,780.34	1,963.15	~ <b>1,970</b>
	Load Factor %	<b>77.0%</b>	<b>68.0%</b>	<b>77.5%</b>	<b>91.9%</b>	<b>95.1%</b>	<b>84.3%</b>	<b>70.9%</b>	80.67%
TPSODL	Energy (MU)	3,468.63	3,599.30	3,941.54	4,188.45	4,345.31	4,576.24	3,503.57	5,099.00
	Maximum Demand (MVA)	613.86	600.00	650.00	721.00	737.00	791.00	792.08	~ <b>870</b>
	Load Factor %	<b>71.7%</b>	<b>76.1%</b>	<b>76.9%</b>	<b>73.7%</b>	<b>74.8%</b>	<b>73.4%</b>	<b>74.8%</b>	74.50%

### **Purchase of Power from Different Generating Stations**

#### **OHPC Hydro Power Stations**

231. GRIDCO has projected to draw 5187.24 MU from the OHPC Hydro Power Stations considering average drawal for the preceding three years and 16.644 MU towards 5 MW allocation in favour of Chhatishragh State Electricity Board from Hirakud HPS. The Commission observed that the ARR and Generation Tariff of individual power stations of OHPC for the FY 2026-27 has been dealt in Case No.118/2025 separately based on the

application of OHPC filed under Section 62, 64 and 86 of the Electricity Act, 2003. The details of energy available to GRIDCO from various power stations of OHPC and the cost per unit has been dealt in the order passed in Case No.118/2025, wherein the Commission has considered the design energy of each power station of OHPC for the purpose, although actual energy generation of the power stations varies from their design energy depending on water flow hydrology of the year. Further, the design energy of Machhkund Joint Venture H.E. Project is 525 MU. Considering Odisha's share of 50% and 1.20% auxiliary consumption, the net energy drawal from this station comes to 259.35 MU. Hence, the Commission approves an availability of 259.35 MU to GRIDCO from Machhkund (Jt.) HE projects. The Commission desires that the State should draw its full share from Machhkund power station every day in a planned and economical manner. GRIDCO/OPTCL and TPSODL should coordinate to maximize the drawal from Machhkund (Jt.) project in consultation with Government of Odisha whenever necessary. GRIDCO's proposal and Commission's approval for drawal of energy from OHPC stations for the FY 2026-27 are given in the Table below:

**Table –18**  
**Drawal from Hydro Power Stations of OHPC (in MU)**

Source of Generation	Approved for FY 2025-26	GRIDCO's Proposal for FY 2026-27	Approval for FY 2026-27
OHPC (Old Stations)	3659.24	3710.15	3659.24
Upper Indravati	1942.38	1477.09	1942.38
Machhkund	259.35	259.35	259.35
<b>Total Hydro</b>	<b>5860.97</b>	<b>5446.59</b>	<b>5860.97</b>

232. The tariff approved for OHPC Stations in the order passed in Case No.118/2025 will be considered for determination of the power procurement cost of GRIDCO in respect of all stations of OHPC for FY 2026-27. Accordingly, the cost of power purchase by GRIDCO from each of the power stations of OHPC is given in the table below:

**Table –19**  
**Cost of Power Purchase from Power Stations of OHPC for FY 2026-27**

Name of the Power Station	Quantum of Power Purchase for 2026-27 (MU)	Average Tariff Approved for 2026-27 (P/U)	Cost of Power Purchase for FY 2026-27 (Rs. Crore)
Burla (HHEP)	660.52	149.54	98.78
Chipilima (CHEP)	484.12	95.50	45.75
Balimela (BHEP)	1171.17	91.49	107.15
Rengali (RHEP)	519.75	135.22	70.28
Upper Kolab (UKHEP)	823.68	89.33	73.58

<b>Name of the Power Station</b>	<b>Quantum of Power Purchase for 2026-27 (MU)</b>	<b>Average Tariff Approved for 2026-27 (P/U)</b>	<b>Cost of Power Purchase for FY 2026-27 (Rs. Crore)</b>
<b>Sub-Total</b>	<b>3659.24</b>	<b>108.09</b>	<b>395.53</b>
Upper Indravati (UIHEP)	1942.38	79.61	154.64
Machhkund	259.35	143.27	37.16
<b>Total</b>	<b>5860.97</b>	<b>100.21</b>	<b>587.33</b>

#### **IB Thermal Power Station of OPGC**

233. Orissa Power Generation Corporation (OPGC) owns IB Thermal Power Station at Banharpalli in the district of Jharsuguda with an installed capacity of 2x210 MW (Units-1 & 2) in Stage-I, from which GRIDCO is entitled to draw 100% power. Further, OPGC expansion project i.e. Stage-II (Units-3 & 4) is having installed capacity of 1320 MW (2x660 MW), from which GRIDCO is entitled to draw 100 % power with effect from 01.04.2023 as per the approved Supplementary PPA executed between OPGC & GRIDCO on 24.01.2019. In its application, GRIDCO has projected to procure the net energy of 2395.04 MU from the Units-1 & 2 (Stage-I) for FY 2026-27 based on the auxiliary consumption @9.50% and PLF of 71.93% at which the plant was operated during FY 2024-25. It is observed that the Commission in its order passed in Case No.120/2025, while determining the generation tariff for OPGC Units-1 & 2, has considered net export of 2636.30 MU from the power station during FY 2026-27. The Commission considers the same and approves the net drawal of 2636.30 MU by GRIDCO from Units-1 & 2 of IB Thermal Power Station for the ensuing FY 2026-27.
234. GRIDCO has submitted that OPGC, vide its e-mail dated 22.10.2025, has projected the Annual Fixed Charge (AFC) at Rs.328.78 Crore and Energy Charge Rate (ECR) at 168.82 P/U for the ensuing FY 2026-27 in respect of OPGC Stage-I (Units-1 & 2). GRIDCO has provisionally considered the said projection of OPGC for Units-1 & 2. However, GRIDCO has prayed that the Commission to consider and approve the AFC and ECR of OPGC Stage-I (Units 1 & 2) as to be determined in the tariff order of OPGC Stage-I for FY 2026-27.
235. The Commission observed that in the order passed in Case No.120/2025, the AFC of OPGC Units-1 & 2 has been determined as Rs.281.13 crore for the ensuing FY 2026-27, which would be considered for determination of power procurement cost of GRIDCO from this power station. Further, in the said order, an indicative ECR for OPGC Units-1 & 2 has been determined as 152.73 P/U for export of 2636.30 MU from the power station during FY 2026-27. The Commission provisionally considers the same ECR i.e. 152.73 P/U for OPGC Units-1&2 for the purpose of computation of ARR of GRIDCO for the ensuing FY 2026-27. Accordingly, the power procurement cost comes to Rs.683.78 Crore towards purchase of

2636.30 MU from OPGC Units-1 & 2 at the average rate of 259.37 P/U and the same is approved by the Commission for the purpose of determination of ARR and BSP of GRIDCO for the FY 2026-27. Further, the year-end charges of Rs.34.14 Crore, as determined in the aforesaid order passed in Case No.120/2025, has been considered as pass through in the ARR of GRIDCO, which shall be reimbursed by GRIDCO to OPGC on actual basis after verification of the relevant data/documents furnished by OPGC.

236. Further, GRIDCO has submitted that OPGC has shared Generation Plan for 2 X 660 MW OPGC Stage-II (Units-3&4) for FY 2026-27 wherein the gross generation has been projected to be 10407.27 MU and accordingly estimated the Ex-Bus export quantum of power to be 9826.26 MU without FGD operation & 9801.04 MU with FGD operation. However, GRIDCO has considered 9263.57 MU to be made available from OPGC Stage-II (Units-3&4) for FY 2026-27 considering the availability at 85% and auxiliary consumption of 5.75%.
237. GRIDCO has further submitted that the Commission, vide its order dated 07.01.2023 passed in Case No.96 of 2021, has determined Generation Tariff for OPGC Stage-II (Units- 3 & 4) fixing the Annual Fixed Charges (AFC) as Rs.1904.70 Cr. for FY 2023-24. However, OPGC has filed its tariff application for Stage-II for the control period FY 2025-29 before the Commission in Case No.112 of 2024. GRIDCO has provisionally considered the AFC for the FY 2026-27 as proposed by OPGC in the said tariff application for computation of power purchase cost for the FY 2026-27, subject to final approval of the same by the Commission for the block period FY2025-29 in Case No.112 of 2024. Further, considering the actual average ECR for first six months of FY 2025-26, GRIDCO has provisionally considered the ECR @ 137.23 Paise/kWh for FY 2026-27 in respect of Units-3 & 4 of OPGC. Further, GRIDCO has estimated year end charges of Rs 51.95 crore for FY 2026-27 in respect of OPGC Stage II (Units- 3 & 4) to be considered in the tariff. Accordingly, GRIDCO has proposed power procurement cost of Rs.3460.60 crore in respect of OPGC Stage II (Units- 3 & 4) for FY 2026-27 at an average rate of 373.57 P/U towards purchase of 9263.57 MU.
238. After scrutiny of the above proposal of GRIDCO, the Commission observed that as per Notification No. 10485 dated 20.12.2018 of the Department of Energy, Government of Odisha, the contracted capacity is 100% in respect of OPGC Units-3 & 4 (2x660 MW) w.e.f. 01.04.2023 till completion of 25 years i.e. upto 31.03.2048. The Commission further observed that considering its annual maintenance schedule, OPGC in its generation plan for its Units-3 & 4 has projected export of 9826.26 MU without FGD operation & 9801.04 MU with FGD operation to GRIDCO for FY 2026-27 which translates to availability of about 90.16% & 89.93% respectively considering auxiliary consumption @5.75% as per the extant

Regulations. Accordingly, the Commission approves 9801.04 MU as the drawl from OPGC Stage-II (Units-3 & 4) for FY 2026-27 for State consumption, basing on the generation plan submitted by OPGC which translates to plant availability of 89.93%. It is further observed that the Commission, vide order dated 13.01.2026 passed in Case No.112 of 2024, has already determined the generation tariff for OPGC Units-3 & 4 for the control period FY 2025-29, wherein, the Annual Fixed Charge (AFC) for OPGC Stage-II (Units-3 & 4) has been determined as Rs.1952.01 Crore for the FY 2026-27. Accordingly, the Commission considers the fixed cost of Rs.1952.01 Crore for the ensuing FY 2026-27 in respect of Units 3 & 4 of OPGC. The per unit cost of fixed cost comes to 199.16 P/U for drawal of 9801.04 MU. Further, considering the actual average ECR of first 10 months of the current financial year i.e. for the period from April, 2025 to January, 2026, the Commission provisionally considers the ECR @132.63 P/U for the purpose of computation of ARR of GRIDCO for the ensuing FY 2026-27. However, the monthly energy charges shall be computed by OPGC in accordance with the OERC Generation Tariff Regulations, 2024 and billed to GRIDCO along with the details of required data/information on coal and oil used for generation as per the said Regulations. Further, the Commission approves year end charges of Rs.55.60 crore provisionally in respect of OPGC Units-3 & 4, which includes Rs.32.89 Crore towards electricity duty on auxiliary consumption, Rs.1.21 Crore towards SLDC charges and Rs.21.50 Crore towards incentive for higher plant availability beyond 85%. Thus, the per unit cost of year end charges comes to 5.68 P/U. The year end charges shall be reimbursed by GRIDCO to OPGC on actual basis after verification of the relevant data/documents furnished by OPGC. The Commission does not consider the proposed amount of Rs.19.40 Crore towards reimbursement of Ash Transportation charges, as the charges towards Ash utilization/transportation has been factored in the Annual Fixed Cost as per the existing Generation Tariff Regulations while determining the generation tariff for OPGC Units-3 & 4 for the control period FY 2025-29 by the Commission in its order dated 13.01.2026 passed in Case No.112 of 2024. Accordingly, the Commission estimates the total power procurement cost in respect of OPGC Units-3 & 4 as Rs.3307.48 Crore for procurement of 9801.04 MU during the FY 2026-27 at an average rate of 337.46 P/U. However, after determination of input price of coal used in Units-3 & 4 of OPGC, as per the OERC (Determination of Input Price of Coal from Integrated Mine) Regulations, 2024, the same shall be applicable for computing the ECR in respect of OPGC Stage-II (Units-3 & 4).

### **Captive Generating Plants (CGPs) and Captive Co-generation Plants**

239. In the application, GRIDCO has submitted that with availability of full entitlement of power from OPGC Units-3 & 4 and State's share of NTPC Stations i.e. Darlipalli (1600 MW), Barh-I and capacity addition from renewable sources, there would not be any requirement of power from CGP sources during the ensuing FY 2026-27. However, procurement of power from CGPs and Co-Generation Plants may be undertaken, in accordance with the Commission's Order dated 09.04.2019 passed in Case No.62 of 2017, only if any unprecedented acute power shortage arises in the State. In such scenario, GRIDCO may procure CGP power, provided the economics of such power procurement works out in favour of GRIDCO vis-à-vis power supply & demand situation of the State and exigency/force majeure conditions, if any. Further, CGP power is not a firm source of power supply, as CGPs are established for meeting the captive requirements of their respective industries. GRIDCO has therefore requested the Commission to consider the tariff for procurement of power from CGPs in the State for FY 2026-27, to be applied only under shortage conditions or during outages of large generating stations.
240. Some of the objectors have stated that the reasons submitted by GRIDCO for not procuring power from the CGPs of the State are not proper and adequate. It will be always beneficial for GRIDCO to procure the surplus power available from the CGPs of the State for the interest of the State consumers, considering the fact that the tariff of CGP power would be cheaper in comparison to the tariff at which GRIDCO buys power from the Central Sector Generating Station as it is not associated with any transmission loss, ISTS transmission charges and other associated costs. Some of the objectors have stated that the CGPs are injecting inadvertent power to the grid and GRIDCO is availing the benefits of such inadvertent power. They have requested the Commission to direct GRIDCO to quantify the inadvertent power and release hydro pool cost towards availing such power from the CGPs. Otherwise, the amount can be utilized by OPTCL in deduction of transmission loss.
241. In response to the above objections, GRIDCO has submitted that for FY 2026-27, the projected procurement of about 40,415 MU from firm stations broadly matches the projected demand of the DISCOMs. Any surplus power, if and when available, will be optimally disposed of through approved market mechanisms, and no firm procurement from infirm CGPs is envisaged for FY 2026-27. Further, GRIDCO has not executed PPA with any CGPs operating in the State for procurement of power to meet the State requirement. However, GRIDCO remains open to procuring power from CGPs on a short-term basis, subject to economic viability, depending on the Power Supply & Demand Configurations of the State

and the exigency conditions justifying such procurement from CGPs in lieu of the Central Generating Stations. Further, during deficit or contingency situations such as generator outages or sudden demand surges, GRIDCO proposes to explore short-term procurement avenues including banking arrangements, short-term open access from CGPs, and other sources, with the objective of maintaining grid security and meeting demand at optimized cost. However, GRIDCO may consider to procure power from CGPs, provided the economics of power procurement works out in its favour, Further, the CGPs are infirm sources and thus, cannot be relied upon as compared to the firm sources. Hence, GRIDCO can't propose definite quantum of power to be procured from CGPs which is essentially meant for captive consumption. In other hand, GRIDCO has entered into PPAs with Central Sector Generating Stations such as NTPC and NHPC based on the 17<sup>th</sup> EPS projections of the CEA to ensure long-term power security for the State. Fixed charges under such PPAs are contractual obligations and are payable irrespective of actual drawal. Procurement decisions are taken with due regard to reliability, grid security, and long-term interests of consumers, and cannot be solely based on short-term availability of low-cost power. GRIDCO has further submitted that low-cost power as indicated by the objectors may be available from Intra-State CGPs. In this regard, GRIDCO has already initiated a competitive procurement process by inviting tenders to harness power from the CGPs of the State for the period from April'2026 to July'2026. The details of the said tender have been floated in the official website of GRIDCO. In the event that any Intra-State CGP qualifies to supply power at the price claimed by the objectors through the aforesaid tender process, the same would result in a mutually beneficial outcome for both GRIDCO and the CGP.

242. The Commission do not consider any drawal of power from the CGPs for State consumption for the ensuing FY 2026-27 basing on the submission of GRIDCO. However, considering the objections/suggestions of the objectors, the Commission observed that there is scope for drawal of power from the CGPs within the State in power shortage scenario, particularly when the marginal cost of such power is low compared to the other power stations. Hence, the Commission directs GRIDCO to explore possibility to purchase available surplus power from the CGPs and Co-generation plants through short term agreements for State consumption in case of shortfall in drawal from the approved sources. While purchasing such power GRIDCO must ensure that the price of the CGP power is cheaper than variable component of firm power. Further, the Commission also advises GRIDCO to purchase the available surplus power from CGPs and Co-generation plants at a negotiable price for trading purposes after meeting the State demand subject to commercial viability.

## **Availability and Procurement Cost of Renewable Energy**

### **(A) Solar Energy**

243. In its submission, GRIDCO has proposed to procure 3671 MU of solar energy from different sources during the FY 2026-27 as given hereunder:

- (i) 10 MU at the rate of 628 P/U from 8 Nos. of Solar PV Projects, each of 1 MW capacity commissioned in the State under 'Rooftop PV and Small Solar Power Generation Programme' (RPSSGP) guidelines of MNRE, GoI.
- (ii) 28 MU @ 1065 P/U from 20 MW Solar capacity under 'New Projects Scheme' in Phase-1 of Jawaharlal Nehru National Solar Mission (JNNSM) where Solar capacity bundled with equal quantum of thermal capacity from the unallocated quota of the NTPC Coal Based Stations available to GRIDCO.
- (iii) 13 MU from 10 MW Solar capacity through NTPC i.e. 5 MW from Dadri Solar PV project in U.P. (7 MU @ 1294 P/U) and another 5 MW from Faridabad Solar PV Project in Haryana (6 MU @ 935 P/U).
- (iv) 8 MU @ 700 P/U from the 5 MW Solar PV Project developed by M/s. Alex Green Energy Ltd. at Patnagarh in Bolangir district under OREDA State Scheme.
- (v) 46 MU @ 728 P/U from 25 MW Solar PV Project developed by M/s ACME Odisha Solar Power Pvt. Ltd. in Bolangir district under OREDA State Scheme Phase-II.
- (vi) 117 MU @ 550 P/U from 70 MW Solar Capacity through SECI under Viability Gap Funding (VGF) Scheme under JNNSM Phase-II, Batch-I.
- (vii) 450 MU @ 450 P/U from 270 MW capacity Solar PV Projects through SECI under Viability Gap Funding (VGF) Scheme under JNNSM Phase-II, Batch-IV.
- (viii) 145 MU @ 306 P/U from the 75 MW Solar PV project developed by M/s. Aditya Birla Renewables Limited, selected under GRIDCO e-bidding Scheme.
- (ix) 710 MU @ 260 P/U from the 300 MW Solar Power Project through SECI under ISTS-Connected Solar Power Projects Scheme.
- (x) 474 MU @ 265 P/U from the 200 MW Solar capacity allocated to GRIDCO through SECI under ISTS-Connected Solar Power Projects Scheme.
- (xi) 12 MU @ 284 P/U from the 8 MW Solar PV Projects developed by GEDCOL at 5 nos. of locations (3 nos. of OPTCL Sub-stations, one at Mukhiguda Power House and another is Manamunda Solar Project of GEDCOL) in the un-utilized surplus land.
- (xii) 854 MU @ 250 P/U from 400 MW Solar Projects through NTPC under ISTS Solar Projects Scheme with two nos. of PSAs (18.04.2022 & 30.09.2022) signed by GRIDCO with NTPC towards procurement of total 400 MW (200 MW each), including trading margin of 7 P/U and no ISTS charges & transmission losses.
- (xiii) 730 MU @ 261 P/U from 333 MW out of 500 MW Solar Projects through SECI under ISTS-Connected Manufacturing Linked Scheme, expected to be available to GRIDCO during FY 2026-27 from the Solar Developer M/s. Adani Green Energy

Twenty-Six Ltd. Since the Developer M/s Azure Power Fifty-Two Pvt. Ltd. has expressed its inability to execute the projects for the balance 167 MW, GRIDCO has given its consent to SECI for availing the balance 167 MW of solar capacity from other Developer with the same tariff and same terms and conditions of PSA.

- (xiv) 74 MU @ 275 P/U is expected to be available to GRIDCO during FY 2026-27 from the 40 MW Solar Project of NHPC which is to be set up at Landeihil in Ganjam District as per the PPA executed between GRIDCO and NHPC on 29.06.2024.

244. Accordingly, GRIDCO has projected procurement of 3671 MU of Solar Energy during FY 2026-27 from the above sources with procurement cost of Rs.1139.07 Crore at an average rate of 310.29 P/U. Further, based on the actual year end charges provisionally accepted and paid during FY 2025-26, GRIDCO in its application has projected total year end charges of Rs.27.72 Crore (Rs.12.00 Crore towards STU charges / SLDC & RLDC charges and Compensation of Rs.15.72 Crore towards Safe Guard Duty) for purchase of the solar power during FY 2026-27 from some sources as given in the table below.

**Table-20**  
**Proposed Year End Charges towards Purchase of Solar for FY 2026-27**

Sl. No.	Name of Solar Projects	Capacity (MW)	Nature of Expenditure	Projected Expenditure for FY 2026-27 (Rs. in Crore)
1	Rajasthan and Gujarat through SECI under VGF Scheme Ph-2, Batch-1	50	Re-imburement towards STU Charges and SLDC charges	12.00
2	Dadri & Faridabad Solar PV Project through NTPC	10	Re-imburement towards RLDC & SLDC charges	
3	Bundled Power through NVVN	15	Re-imburement towards STU Charges and SLDC charges	
4	ISTS Solar Projects Tranche-1 through SECI	300	Compensation towards Safe Guard Duty claims under Change in Law provision of PSA dated 21.08.2018	13.86
5	ISTS Solar Projects Tranche-3 through SECI	200	Compensation towards Safe Guard Duty claims under Change in Law provision of PSA dated 21.08.2018	1.86
	<b>Total</b>			<b>27.72</b>

245. After scrutiny of the above proposal of GRIDCO, the Commission allows for procurement of 3671 MU of Solar Energy from different sources as projected by GRIDCO and approves the estimated procurement cost of Rs.1139.07 Crore and the year-end charges of Rs.27.72 Crore in the ARR of GRIDCO for FY 2026-27 for purchase of such solar power. Accordingly, the

total estimated procurement cost of 3671 MU of solar power for the FY 2026-27 comes to Rs.1166.79 Crore with average rate of 317.84 P/U as detailed in the Table below:

**Table –21  
Quantum & Procurement Cost of Solar Power during FY 2026-27**

Sl. No.	Solar RE Sources	Quantum	Rate	Approved Purchase Cost of Solar Power for FY 2026-27
		(MU)	(P/U)	(Rs. Cr.)
	<b>Existing Sources</b>			
1	8 Nos. of Solar PV projects of 1MW each under RPSSGP	10	628	6.28
2	20 MW through NVVN under 'New Projects Scheme' under JNNSM, Ph-1	28	1065	29.82
3	10 MW through NTPC from Solar PV projects of 5 MW each at Dadri & Faridabad	13	7.00 MU @1294 P/U & 6.00 MU @935 P/U	14.67
4	5 MW from M/s Alex Green Energy Ltd. through OREDA State Scheme	8	700	5.60
5	25 MW from ACME Odisha Solar Power Private Ltd.	46	728	33.49
6	70 MW through SECI under JNNSM, Phase –II, Batch-I	117	550	64.35
7	270MW through SECI under JNNSM, Phase –II, Batch-IV	450	450	202.50
8	75 MW from M/s. Aditya Birla Renewables Ltd. under GRIDCO e-bidding.	145	306	44.37
9	300 MW through SECI under ISTS – Connected Solar Power Projects Scheme	710	260	184.60
10	200 MW through SECI under ISTS – Connected Solar Power Projects Scheme	474	265	125.61
11	8 MW from GEDCOL implemented in un-utilized surplus land	12	284	3.41
12	400 MW through NTPC under ISTS Solar Projects Scheme Phase-II	854	250	213.50
	<b>Upcoming Sources</b>			
13	333 MW through SECI under manufacturing linked Scheme Phase-I	730	261	190.53
14	40 MW from NHPC	74	275	20.35
	Year End Charges			27.72
	<b>Total</b>	<b>3671.00</b>	<b>317.84</b>	<b>1166.79</b>

**(B) Small Hydro Sources:**

246. GRIDCO has submitted that considering procurement of 451.01 MU during FY 2024-25 and drawal of 288.13 MU during the first six months of FY 2025-26 from the Small/Mini Hydro Projects, GRIDCO proposes to draw 521.97 MU of Renewable Energy during FY 2026-27 from the SHEPs i.e. Meenakshi, Samal Barrage, Lower Baitarani, Saptadhara, Bargarh Head Regulator, OPGC Mini Hydel Projects and the recently commissioned Saheed Laxman Nayak SHEP of M/s. Meenakshi Odisha Power Pvt. Ltd., as given in the Table below.

**Table-22**

**Proposed Drawal from the SHE Projects by FY 2026- 27**

Sl. No.	Name of the SHEPs	Installed Capacity	Energy drawal during FY 2024-25	Energy drawal during Apr'25-Sept'25	Proposed Energy procurement for FY 2026-27
		MW	MU	MU	MU
1	Lower Kolab & Middle Kolab SHEPs of Meenaskhi Power Ltd. through PTC	37	202.67	115.06	180.98
2	SAMAL Barrage SHEP of M/s OPCL through PTC	20	98.03	43.12	93.91
3	Lower Baitarani SHEP by M/s BPPPL	24	78.71	74.29	80.01
4	Saptadhara SHEP by M/s APPPL	18	37.60	42.95	43.42
5	Bargarh Head Regulator SHEP by M/s Kakatiya Industries Pvt. Ltd.	09	33.95	12.71	29.58
6	Saheed Laxman Nayak SHEP by M/s. Meenakshi Odisha Power Pvt. Ltd.	25	-	-	93.98
6	OPGC MHP	1.15	0.05	-	0.09
	<b>Total</b>	<b>134.15</b>	<b>451.01</b>	<b>288.13</b>	<b>521.97</b>

247. GRIDCO has proposed the cost of power procurement from the above SHEPs are as under:

- a. **Lower Kolab & Middle Kolab SHEPs:** Procurement of 180.98 MU of energy from 37 MW Lower Kolab & Middle Kolab SHEPs of M/s. Meenakshi Power Pvt. Limited has been proposed at a rate of 368 P/U including PTC Trading Margin of 04 P/U. Accordingly, power procurement cost of 180.98 MU of energy comes to Rs.66.60 Crore.
- b. **Samal Barrage SHEP:** Procurement of 93.91 MU of energy from 20 MW Samal Barrage SHEP of M/s OPCL has been proposed at a rate of 480 P/U including PTC

Trading Margin of 04 P/U in accordance with the order dated 09.04.2024 of the Hon'ble APTEL in Appeal No.63 of 2016. Accordingly, the power procurement cost of 93.91 MU comes to Rs.45.08 Crore.

- c. **Lower Baitarani SHEP:** Procurement of 80.01 MU of energy from 24 MW Lower Baitarani SHEP of M/s BPPPL has been proposed at a tariff of 565 P/U as per the interim order dated 05.02.2024 of the APTEL in Appeal No.25 of 2023 and IA No.2343 of 2023. Accordingly, the power procurement cost of 80.01 MU comes to Rs.45.21 Crore.
  - d. **Saptadhara SHEP:** Procurement of 43.42 MU of energy from 18 MW Saptadhara SHEP of M/s. APPPL has been proposed at a tariff of 506 P/U as approved by the Commission vide order dated 07.05.2022 in Case No. 100/2021. Accordingly, the power procurement cost of 43.42 MU comes to Rs.21.97 Crore.
  - e. **Bargarh Head Regulator SHEP:** Procurement of 29.58 MU of energy from 9 MW Bargarh Head Regulator SHEP M/s Kakatiya Industries Pvt. Ltd. has been proposed at a rate of 506 P/U as per the PPA dated 02.12.2015. Accordingly, the power procurement cost of 29.58 MU comes to Rs.14.97 Crore.
  - f. **Saheed Laxman Nayak SHEP:** The procurement cost of proposed energy of 93.98 MU from the Saheed Laxman Nayak SHEP of M/s. Meenakshi Odisha Power Pvt. Ltd. has been estimated as Rs.42.37 crore considering the tariff @582 P/U for the drawal upto the normative CUF of 30% and for the drawal beyond the normative CUF, the tariff has been considered by GRIDCO at the rate of 25% of 582 P/U as per the Commission's order dated 28.07.2025 passed in Case No.35 of 2025.
  - g. **Biribati & Kendupatna MHPs:** Procurement of 0.09 MU of energy from 1.15 MW Biribati & Kendupatna Mini Hydel Projects of OPGC has been proposed @ 391 P/U based on the Commission's order dated 05.01.2019 passed in Case No.35 of 2018. Accordingly, the power purchase cost of 0.09 MU comes to Rs. 0.04 Crore.
248. Considering the above, GRIDCO has proposed to procure total 521.97 MU from small hydro sources during the ensuing FY 2026-27 with the total procurement cost of Rs.236.23 crore at an average price of 452.57 P/U. GRIDCO has further submitted that the 22.5 MW Sharvani SHEP developed by M/s Sharvani Energy Pvt. Ltd. and the 16.5 MW Kharagpur SHEP developed by M/s Sidheswari Power Generation Pvt. Ltd. are expected to achieve CoD during the FY 2026-27. Therefore, GRIDCO has prayed before the Commission that, in the event these SHEPs are commissioned during FY 2026-27, any energy procured from these SHEPs may be allowed and the procurement costs of such energy be considered as a Pass through in the ARR of FY 2027-28.

249. After scrutiny of the above proposal of GRIDCO, the Commission approves the quantum of 521.97 MU of energy to be procured by GRIDCO from the small/mini hydel sources during the FY 2026-27 as proposed by it. It is observed that the Commission, in its order dated 19.05.2011 passed in Case Nos.17 & 24 of 2011, have fixed 368.00 P/U (inclusive of 4 P/U as trading margin of PTC) towards procurement of power by GRIDCO from PTC in respect of drawal from Lower Kolab & Middle Kolab SHEPs of M/s. Meenaskhi Power Pvt. Ltd. Similarly, the Commission, vide its order dated 04.02.2016 passed in Case No. 15/2015, had fixed 371.00 P/U (inclusive of 4 P/U as trading margin of PTC) towards procurement of power by GRIDCO from PTC in respect of drawal from Samal Barrage SHEP of M/s. OPCL. However, the said order dated 04.02.2016 was challenged by M/s. OPCL before the Hon'ble APTEL vide Appeal No.63 of 2016 and the Hon'ble APTEL, vide its order dated 09.04.2024 passed in the said appeal, has approved the tariff of 480 P/U for the Samal Barrage SHEP of M/s. OPCL. Accordingly, the same tariff has been considered for procurement of power from the Samal Barrage SHEP of M/s. OPCL. Further, the Commission, vide its order dated 06.01.2023 passed in Case No. 88/2020, had approved 503 P/U towards procurement of power from the SHEP of M/s Baitarani Power Projects Pvt. Ltd. and the said order was challenged by M/s Baitarani Power Projects Pvt. Ltd before the Hon'ble APTEL, vide Appeal No 25 of 2024 & IA No 2343 of 2023. The Hon'ble APTEL, vide their Order dated 05.02.2024 passed in IA No 2343 of 2023, have directed GRIDCO to pay a tariff of Rs.5.65 per unit to M/s Baitarani Power Projects Pvt. Ltd from the date of the impugned Order, and during the pendency of this appeal. Accordingly, the tariff of 565 P/U has been considered towards purchase of power from the SHEP of M/s Baitarani Power Projects Pvt. Ltd. till final Order in this matter is passed by the APTEL. The Commission further observed that the tariff of 506 P/U has been approved, vide order dated 07.05.2022 in Case No. 100/2021, for procurement of power from Saptadhara SHEP. Further, GRIDCO has proposed to procure 36 MU energy from Bargarh Head Regulator SHEP at a rate of 506 P/U as per the PPA executed by GRIDCO with the project developer-M/s. Kakatiya Industries Pvt. Ltd. Further, the Commission, vide order dated 28.07.2025 passed in Case No.35 of 2025, has approved the tariff of 582 P/U (generic tariff of the 4<sup>th</sup> Control Period) in respect of Saheed Laxman Nayak SHEP of M/s. Meenakshi Odisha Power Pvt. Ltd. for the drawal by GRIDCO upto the normative CUF of 30% and the drawal beyond the normative CUF has been fixed at the rate of 25% of the generic tariff of 582 P/U (i.e.145.50 P/U). Accordingly, GRIDCO has estimated procurement cost of Rs.42.37 crore for drawal of 93.98 MU from the said SHEP and accordingly, the average tariff for such drawal comes to 450.84 P/U. It is further observed that vide Commission's order dated 05.01.2019 passed in Case No.35/2018, the tariff for procurement of power from

Biribati and Kendupatna mini hydel projects of OPGC has been fixed at Rs.3.91/kWh. Accordingly, the Commission approves the procurement cost of Rs.236.23 Crore towards purchase of total 521.97 MU by GRIDCO from the Mini and Small Hydro sources during the FY 2026-27 for State consumption at an average rate of 452.57 P/U, the details of which is given in the Table below:

**Table-23**

**Procurement & Cost of Power from Mini /Small Hydro Sources for FY 2026-27**

Sl. No.	Name of the Projects	Installed Capacity (MW)	Energy Approved for Drawal (MU)	Rate (P/U)	Total Cost (Rs. Cr.)
1.	Lower Kolab & Middle Kolab SHEP of Meenaskhi Power Ltd. through PTC	37	180.98	368.00	66.60
2.	SAMAL Barrage SHEP of M/s OPCL through PTC	20	93.91	480.00	45.08
3.	Lower Baitarani SHEP by M/s BPPPL	24	80.01	565.00	45.21
4.	Saptadhara SHEP by M/s APPPL	18	43.42	506.00	21.97
5.	Bargarh Head Regulator SHEP by M/s Kakatiya Industries Pvt. Ltd.	09	29.58	506.00	14.97
6	Saheed Laxman Nayak SHEP of M/s. Meenakshi Odisha Power Pvt. Ltd.	25	93.98	450.84*	42.37
7	OPGC MHP	1.15	0.09	391.00	0.04
	<b>Total</b>	<b>134.15</b>	<b>521.97</b>	<b>452.57</b>	<b>236.23</b>

\* Average tariff of Saheed Laxman Nayak SHEP for drawal of 93.98 MU.

250. Though the Commission has approved drawal of 521.97 MU from small hydro sources based on the submission of GRIDCO for computation of ARR and determination of BSP for the ensuing FY 2026-27, GRIDCO is required to draw maximum possible energy from the existing SHEPs as well as the fourth coming SHEPs (Sharvani SHEP and Kharagpur SHEP) which are expected to be commissioned during FY 2026-27. The procurement cost of such energy may be considered as pass through on actual basis in the ARR of GRIDCO in the future years as per the prevailing practice.

**(C) Wind Energy:**

251. GRIDCO has submitted that it has executed Power Sale Agreements (PSAs) with PTC India Ltd. and SECI to purchase total 360 MW of wind power under different schemes of MNRE, GoI where ISTS Charges are waived off. GRIDCO submits that at present it is availing 321.50

MW wind power out of the contracted capacity of 360 MW. The details are as given in the table below:

**Table -24**  
**PSA with PTC India & SECI**

Sl. No.	Name of Trader	MNRE ISTS – Connected Wind Power Project Scheme	Contracted Capacity	Capacity Commissioned /Expected to be Commissioned	Applicable Tariff *	Date of PSA
			(MW)	(MW)	(P/kWh)	
1	PTC	Tranche – I	50	50	353	20.07.2017
2	SECI	Tranche – II	100	100	272	24.11.2017
3		Tranche – III	50	37.5	251	23.03.2018
4		Tranche – IV	100	84	258	15.06.2018
5		Tranche – VI	50	50	289	22.08.2019
6		Tranche-XI	5.25	1.5	276	07.11.2022
		4.75	Nil	277		
		<b>TOTAL</b>	<b>360</b>	<b>323</b>		

\* The applicable tariff is inclusive of PTC/SECI trading margin of Rs.0.07/kWh.

252. Considering energy procurement of 886.30 MU of wind power during FY 2024-25, drawl of 567.88 MU during the first six months of FY 2025-26 and expected additional availability of 1.50 MW Wind power from Tranche-XI Scheme, GRIDCO has proposed to procure around 1015.70 MU of wind power from PTC & SECI in FY 2026-27 at an average rate of 280.97 P/U as given in the Table below:

**Table-25**  
**Procurement of Wind Energy by GRIDCO for FY 2026-27**

Sl. No.	Wind Project Schemes	Contracted Capacity (MW)	Capacity Commissioned (MW)	Proposed Energy for FY 2026-27 (MU)	Rate (P/U)	Total Cost (Rs. Cr.)
1	MNRE ISTS-Connected Wind Power Scheme Tranche-I through PTC,	50	50	157.68	353.00	55.66
2	MNRE ISTS-Connected Wind Power Scheme Tranche-II through SECI,	100	100	306.60	272.00	83.40
3	MNRE ISTS-Connected Wind Power Scheme Tranche-III through SECI,	50	37.5	131.40	251.00	32.98

Sl. No.	Wind Project Schemes	Contracted Capacity (MW)	Capacity Commissioned (MW)	Proposed Energy for FY 2026-27 (MU)	Rate (P/U)	Total Cost (Rs. Cr.)
4	MNRE ISTS-Connected Wind Power Scheme Tranche-IV through SECI,	100	84	257.55	258.00	66.45
5	MNRE ISTS-Connected Wind Power Scheme Tranche-VI through SECI,	50	50	157.67	289.00	45.57
6	MNRE ISTS-Connected Wind Power Scheme Tranche-XI through SECI,	5.25	1.5	4.80	276.00	1.32
		4.75	-	-	-	-
	<b>Total</b>	<b>360</b>	<b>323</b>	<b>1015.70</b>	<b>280.97</b>	<b>285.38</b>

253. After scrutiny, the Commission accepts the above proposal of GRIDCO and approves the procurement cost of Rs.285.38 Crore towards purchase of 1015.70 MU of wind energy by GRIDCO during the FY 2026-27 at an average rate of 280.97 P/U for State consumption.

254. The Commission, in the above paragraphs, has approved total 5208.67 MU from renewable energy sources (both solar and non-solar) to be purchased by GRIDCO during the FY 2026-27 based on its proposal and availability of the same. The total procurement cost of such renewable energy is estimated at Rs.1688.40 Crore at an average rate of 324.15 P/U as summarized in the Table below:

**Table-26**  
**Estimated Cost of Renewable Energy Procurement for FY 2026- 27**

RE Sources	RE Procurement Approved for FY 2026-27	Average Rate	Estimated Cost
	(MU)	(P/U)	(Rs. Crore)
<b>Non-Solar</b>			
SHEP	521.97	452.57	236.23
Wind	1015.70	280.97	285.38
<b>Total Non-Solar</b>	<b>1537.67</b>	<b>339.22</b>	<b>521.61</b>
<b>Total Solar</b>	<b>3671.00</b>	<b>317.84</b>	<b>1166.79</b>
<b>TOTAL (Non-Solar &amp; Solar)</b>	<b>5208.67</b>	<b>324.15</b>	<b>1688.40</b>

255. The Commission observed that as per the RST order for FY 2026-27, the consumers of any category can get a 'Green Consumer Certificate', if 100% of their power requirement is met by DISCOMs from renewable sources, for which the consumer has to pay additional 20 Paise/Unit as premium over and above the normal rate of energy charges. For this purpose, the quantum

of renewable energy purchased by GRIDCO needs to be apportioned in favour of each DISCOM in order to facilitate them to provide renewable power to the green consumers to that extent. In view of the above, the Commission apportions the total projected available renewable energy to the DISCOMs in proportion to their estimated total energy requirement for the FY 2026-27. Accordingly, out of the total projected renewable energy of 5208.67 MU available to GRIDCO for the ensuing year, 1734.83 MU, 1165.19 MU, 1640.94 MU & 667.71 MU are allocated to TPCODL, TPNODL, TPWODL & TPSODL respectively for the above purpose. The DISCOMs can issue 'Green Consumer Certificate' to the consumers desirous of availing such certificates (for 100% of their power requirement met by DISCOMs from RE sources) in their respective area within the above ceiling limit of renewable energy. However, in case of surplus of such renewable energy with one DISCOM and deficit with another, the DISCOM having deficit renewable power may draw more renewable power with consent of the DISCOM having surplus renewable power under intimation to GRIDCO.

256. The Commission further observed that as per OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021, for FY 2024-25, Solar RPO was 9.75%, the 'Non-solar RPO' was 8.25% which includes 1.08% of Hydropower Purchase Obligation (HPO) and 7.17% of 'Other Non-solar RPO'. The HPO shall be met from the eligible large hydro plants commissioned on or after 08.03.2019. If power from eligible large hydro plants is insufficient to meet HPO, generation from small hydro sources commissioned on and after 08.03.2019 would qualify for fulfilment of HPO. In such cases, if small hydro generation exceeds the desired HPO, the surplus will then be considered under category 'Other Non-solar RPO'. Further, as per the said Regulations, the RPO shall be calculated in energy terms as a percentage of total consumption of electricity excluding consumption met from large hydro sources of power (both State and Central Sector). The Commission has estimated a quantum of 7376.03 MU to be purchased by GRIDCO from large hydro sources during the FY 2026-27 (5860.97 MU from State hydro and 1515.06 MU from Central hydro). Further, the Commission has estimated a quantum of 39876 MU to be sold by GRIDCO to DISCOMs for State consumption during FY 2026-27 including 100 MU towards sale of emergency power to CGPs. Thus, deducting the quantum of power from large hydro sources, the State consumption for the purpose of computation of RPO comes to 32499.97 MU (~ 32500 MU). The source-wise estimated power procurement from Renewable Energy sources and projected compliance of RPO by GRIDCO (on behalf of DISCOMs) are indicated in the Table below:

**Table –27**

**Drawal from Renewable Energy Sources during FY 2026-27**

<b>Sl. No.</b>	<b>RE Sources</b>	<b>Renewable Energy approved for drawal during FY 2026-27 (MU)</b>	<b>Percentage w.r.t. the total estimated quantum of 32500 MU (%)</b>	<b>RPO fixed in Regulation for FY 2024-25 (%)</b>
<b>A.</b>	<b>Non-Solar (including HPO)</b>			
(i)	Mini / Small Hydro Electric Projects (SHEPs)	521.97	1.61	
(ii)	Wind Energy	1015.70	3.13	
	<b>Sub-Total (Non-Solar &amp; HPO)</b>	<b>1537.67</b>	<b>4.74</b>	<b>8.25</b>
<b>B.</b>	<b>Solar</b>	<b>3671.00</b>	<b>11.30</b>	<b>9.75</b>
<b>C.</b>	<b>Total (Solar &amp; Non-Solar)</b>	<b>5208.67</b>	<b>16.04</b>	<b>18.00</b>

257. It is observed from the above table that with procurement of renewable energy of this magnitude during the ensuing year, GRIDCO will not be able to meet its RPO target as specified by this Commission for the FY 2024-25. The Commission further observed that the Ministry of Power, Govt. of India, in consultation with Bureau of Energy Efficiency (BEE), have issued notification dated 27.09.2025, specifying the minimum share of electrical energy consumption from renewable energy for designated consumers, who are electricity distribution licenses, open access consumer and captive users. Such specified minimum share of electrical energy from renewable sources as percentage of total electrical energy consumption, refer to as the Renewable Consumption Obligation (RCO), for each category shall be as per the details given in the table below followed by some important notes and provisions of the said notification.

**Table-28**

**Percentage of Renewable Consumption Obligation (RCO) fixed by MoP, GoI**

<b>Sl No</b>	<b>Year</b>	<b>Wind Energy</b>	<b>Hydro Energy</b>	<b>Distributed renewable energy *</b>	<b>Other renewable energy</b>	<b>Total renewable energy</b>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>
1	2024-25	0.67%	0.38%	1.50%	27.36%	<b>29.91%</b>
2	2025-26	1.45%	1.22%	2.10%	28.24%	<b>33.01%</b>
3	2026-27	1.97%	1.34%	2.70%	29.94%	<b>35.95%</b>
4	2027-28	2.45%	1.42%	3.30%	31.64%	<b>38.81%</b>
5	2028-29	2.95%	1.42%	3.90%	33.09%	<b>41.36%</b>
6	2029-30	3.48%	1.33%	4.50%	34.02%	<b>43.33%</b>

**“Note1\*:** xxx    xxx    xxx

**Note 2:** The obligation under the Wind energy component shall be met by energy produced from Wind Power Projects commissioned after 31st March, 2024.

**Note 3:** The obligations under the Hydro energy component shall be met by energy produced from Hydro Power Projects, commissioned after 31st March, 2024:

*Provided that the obligation under the Hydro energy component may also be met out of the free power being provided to the State or distribution licensee from such Projects:*

*Provided further that the obligation under the Hydro energy component may also be met from Hydro Power Projects located outside India, as approved by the Central Government, on a case- to-case basis.*

**Note 4:** *The obligation under the Distributed renewable energy component shall be met from the energy generated from renewable energy projects that do not exceed 10 MW in size and shall include solar installations under all configurations (net metering, gross metering, virtual net metering, group net metering, behind the meter installations and any other configuration) and Other renewable energy sources notified by the Central Government:*

*Provided that the compliance against Distributed renewable energy obligation shall ordinarily be considered in terms of energy (kilowatt hour units):*

*Provided further that in case the designated consumer is unable to provide generation data against Distributed renewable energy installations, the reported capacity shall be converted into Distributed renewable energy generation in terms of energy by a multiplier of 4 kilowatt hour per kilowatt per day (kWh/kW/day).*

**Note 5:** *The obligation under the Other renewable energy component may be met by electrical energy produced from any renewable energy project other than specified in Notes 2, 3 and 4. Other renewable energy shall include, but not limited to, electrical energy generated from all,-*

*(i) Wind Power Projects;*

*(ii) Hydro Power Projects, including free power, commissioned before 1st April, 2024; and*

*(iii) co-firing of biomass pellets and charcoal produced from Municipal Solid Waste.*

**3.** *Obligations under Wind, Hydro, and Other renewable energy components are fungible (shortfalls in one may be met by surpluses from others), while Distributed renewable energy is non-fungible for its shortfall but its surplus may offset other components.*

**4.** *For all the designated consumers, the Renewable Consumption Obligation shall exclude electricity consumed from Nuclear Power Sources.*

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**11.** *The Bureau shall monitor compliance of this notification and submit periodic report to the Central Government with a copy to the respective State Electricity Regulatory Commissions. For compliance monitoring, all the designated consumers shall furnish the required information in the format provided in the Annexure-II attached to this notification, duly certified by the State Load Dispatch Center for distribution licensees, and by a Bureau empanelled accredited energy auditing firm for all other designated consumers.*

xx      xx      xx

**13.** *Any shortfall in meeting the Renewable Consumption Obligation shall be treated as non-compliance and penalty may be imposed in accordance with the provisions under sub-section (3) of section 26 of the Act.*

**14.** *In case of a non-compliance of this notification including but not limited to shortfall in meeting the Renewable Consumption Obligation, non-submission of required information, or submission of incorrect information, the Bureau or the State designated agency may process for imposing penalty, in accordance with the provisions of the Act and the rules made thereunder.*

*15. The Bureau shall issue detailed guidelines for implementation of this notification consistent with the provisions of this notification.*

*16. For all designated consumers under the Act, no additional Renewable Purchase Obligation shall apply under the Electricity Act, 2003 (36 of 2003), and the State-level Renewable Purchase Obligation targets shall be subsumed within the Renewable Consumption Obligation targets specified in this notification.”*

258. GRIDCO, in its ARR application has submitted that based on the DISCOM’s projection of total energy requirement along with proposed energy under RTS and the expected availability of energy from non-fossil fuel sources, there will be a shortfall of approximately 1270 MU to meet the RCO target for the ensuing FY 2026-27. As per the RCO Notification dated 27.09.2025 issued by the MoP, GoI, the RCO target can be fulfilled by the designated consumers through (a) Direct consumption of RE or through an energy storage system; (b) Purchase of RECs or self-generated RECs acquired under a Virtual Power Purchase Agreement (VPPA); and (c) Payment of buyout price as specified by CERC, in which the fund will be credited to Central Energy Conservation Fund under a separate head with 75% transferred to respective State Energy Conservation Fund to support the development of RE sources. The REC mechanism offers a market-based instrument for fulfilling renewable obligations in cases where direct procurement of renewable energy is insufficient or not economically viable. The purchase of RECs from the Power Exchanges (IEX/PXIL) will enable GRIDCO to bridge the RCO shortfall for FY 2026-27 and ensure compliance with the targets stipulated by the MoP, GoI. Further, any surplus RECs purchased in a year can be carried forward to the next year for RCO compliance. Therefore, GRIDCO has proposed to purchase of RECs @ 50 P/U through Power Exchanges, at a total cost of Rs.63 Crore, to meet its shortfall of 1269 MU for FY 2026-27.
259. Further, in its reply to the Commission’s queries, GRIDCO has submitted that during current year (upto Nov’2025), GRIDCO has achieved RCO compliance of 35% against the target of 33.01% specified by MoP, GoI and by the end of the current financial year, solar capacity of 333 MW through SECI and 40 MW through NHPC is expected to be available to GRIDCO, which shall be added to the non-fossil fuel consumption basket of the State. Further, in order to meet the future RCO targets, GRIDCO has executed 03 Power Sale Agreements (PSAs) with SECI for procurement of wind power aggregating to 1000 MW, with Scheduled Commissioning Date (SCD) during FY 2025-26. But, due to various reasons wind power developers aggregating to 715 MW capacity have either terminated the respective PPA or are in the process of termination. Further, the progress in execution of the projects by the remaining developers has not been satisfactory.

260. However, the 22.5 MW Sharvani SHEP by M/s Sharvani Energy Pvt. Ltd. and 16.5 MW Kharagpur SHEP by M/s Sidheswari Power Generation Pvt. Ltd. are expected to achieve COD during the FY 2026-27. Further, GRIDCO has executed Tripartite PPAs with the solar power generators and the concerned DISCOMs for a solar capacity of 123 MW under PM-KUSUM A & C2 categories. The consumption from these projects shall be utilized towards meeting DRE obligation under RCO compliance. In addition, the rapid increase in adoption of the RTS projects under the PM Surya Ghar Scheme and the RTS scheme of OREDA for Govt. buildings in the State is also encouraging, the generation of which shall be accounted under the DRE category. GRIDCO has also signed PPA with NHPC towards procurement of 19 MW capacity from the Teesta-VI Hydro project, 13 MW from Rattle Hydro Project and 23 MW capacity from Kiru Hydro Project, which are expected to be available by FY 2028-29. Further, GRIDCO is in the process of finalization of the PPA with GEDCOL towards procurement of power from a 10 MW solar project with 4 hours battery energy support at Chiplima and another 50 MW solar capacity from OPGC. Under the floating solar PV category, GRIDCO has floated tender for procurement of power of 225 MW solar capacity. Further, a 125 MW/500 MWh standalone BESS tender with VGF (@18 lakhs per MWh) supported through the Power System Development Fund (PSDF), has been floated by GRIDCO on 18th December'2025. The expected timeframe for commissioning of the BESS project is September'2027, in line with BESS VGF guidelines of MoP, GoI. To meet the peak demand, manage the variability arising out of RE integration and to ensure compliance with future RPO targets, GRIDCO has planned to procurement of around 2000 MW of power from pumped storage projects within the State of Odisha. GRIDCO submits that it is taking all necessary planning measures and requisite steps for procurement of the required quantum of power from non-fossil fuel sources to meet the specified RCO targets, while ensuring that the aggregate tariff remains within reasonable limits so that consumers are not unduly burdened.

#### **Independent Power Producers (IPPs)**

261. In its application GRIDCO has submitted that it is entitled to draw power from six nos. of IPPs in the State under long-term PPAs, namely M/s. Vedanta Ltd., M/s. GMR Kamalanga Energy Ltd. (M/s. GKEL), M/s. Jindal (India) Power Ltd. (M/s. JIPL), M/s NAVA Ltd., M/s. JSW Energy (Utkal) Ltd. (M/s. JSWEUL) and M/s. Maadurga Thermal Power Company Ltd. (M/s. MTPCL). Additionally, GRIDCO is procuring power from M/s. MTPCL under a medium-term arrangement with effect from 01.04.2025 for a period of four (4) years. GRIDCO has stated that the actual supply of power from IPPs is varying from the State's entitlement, for which there have been substantial difference in terms of energy supplied from

IPPs and approved by the Commission. The approved Vs. actual power purchase from the IPPs during last four years is given hereunder:

**Table-29**  
**Actual vs Approved Power Purchase from IPPs (MU)**

IPPs	FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25		Actual (Avg.)
	Approval	Actual	Approval	Actual	Approval	Actual	Approval	Actual	
M/s. Vedanta Ltd.	3003.48	2101.19	2628.70	3049.85	3011.87	2773.82	3050.00	2246.98	2542.96
M/s. GKEL	1844.00	1960.32	1670.00	1899.72	1960.09	1811.52	2005.50	1887.16	1889.68
M/s. JIPL	0	0	0	458.38	512.10	499.59	0	890.71	462.17
M/s. NAVAL	0	3.83	39.66	39.64	40.39	46.95	38.74	46.56	34.24
M/s. JSWEUL	-	-	-	-	0	25.02	0	236.96	130.99
M/s. MTPCL (L-T)	-	-	-	-	-	-	0	23.55	23.55
<b>Total</b>	<b>4847.48</b>	<b>4065.34</b>	<b>4338.36</b>	<b>5447.59</b>	<b>5524.45</b>	<b>5156.90</b>	<b>5094.24</b>	<b>5331.92</b>	<b>5000.44</b>

262. GRIDCO has submitted that the significant gap between the Commission's approval/projection vis-à-vis actual quantum of power supplied by the IPPs adversely affects the availability of power with GRIDCO to meet the State demand and directly impacts on the BSP. Non-supply of the requisite quantum of power by the IPP during real time operation compels GRIDCO to rely on the high-cost energy sources to meet/cater State demand. Therefore, GRIDCO requests the Commission to approve energy availability from the IPPs based on realistic assessments and direct the concerned IPPs to comply/adhere to the subsisting contractual obligations to supply power to GRIDCO as per the contracted capacity so as to manage the State demand of power smoothly with the approved costs.

263. Further, GRIDCO has furnished the actual drawl of power from the IPPs for the 1<sup>st</sup> nine months of the current FY 2025-26 i.e. from April, 2025 to November, 2025 as given in the table below:

**Table-30**  
**Actual Power Procurement from IPPs during April to November, 2025 (MU)**

Month	Vedanta	GKEL	JIPL	NAVAL (Unit-1)	NAVAL (Unit-2)	JSWEUL	MTPCL (L-Term)	MTPCL (M-Term)
Apr-25	365.72	167.86	76.89	3.74	0	41.36	3.59	12.01
May-25	311.93	166.42	86.14	3.65	0	37.60	2.20	6.51
Jun-25	0.00	161.49	78.27	3.64	0	38.14	0.93	8.97
Jul-25	0.00	178.95	82.30	4.35	0	41.89	1.01	9.25
Aug-25	139.49	148.66	78.75	2.04	0	30.19	2.19	10.18
Sep-25	165.03	169.34	74.84	1.76	0	21.70	1.84	8.95
Oct-25	43.83	161.59	83.94	3.35	0	35.50	2.84	12.58
Nov-25	335.41	20.38	80.19	3.08	2.69	40.05	2.87	13.16
<b>Total</b>	<b>1361.41</b>	<b>1174.69</b>	<b>641.32</b>	<b>25.61</b>	<b>2.69</b>	<b>286.43</b>	<b>17.47</b>	<b>81.62</b>

264. GRIDCO has submitted that in response to its request, the above IPPs have furnished their tentative generation plan to GRIDCO for the ensuing year 2026-27, based on which it has projected availability of power of the individual IPPs as stated in the following paragraphs.

**M/s. Vedanta Limited**

265. GRIDCO has submitted that the entitlement of State's share of power, as per OERC order dated 27.01.2016 in Case No. 21 of 2015 which has been subsequently upheld vide order dated 03.05.2023 in case No 129 of 2021, is 25%+7%/5% of total energy sent out from the power station or total ex-bus generation from Unit-2 whichever is higher. Further, in case of non-supply or short supply of power from IPP Unit-2 (600 MW), M/s. Vedanta Ltd shall supply the requisite quantum of power from its conditionally converted CGP Units as per the aforesaid orders. The quantum of energy approved by the Commission vis-a-vis the actual power supplied by M/s Vedanta Ltd to GRIDCO is summarized in the table below:

**Table-31**

**Quantum of energy approved by the Commission vis-a-vis the actual power supplied by M/s. Vedanta Ltd.**

FY	Approval of State Demand by OERC (MU)	Approved Quantum of Energy drawal from Vedanta by OERC (MU)	Share of approved drawal from Vedanta w.r.t. State Demand (%)	Actual Quantum of Energy supplied by Vedanta to GRIDCO (MU)	Share of Actual Energy supplied to GRIDCO w.r.t. approved State Demand (%)	Share of Actual Energy supplied to GRIDCO w.r.t. the approved quantum (%)	Approved Power Purchase Rate by OERC (P/U)
24-25	38804.12	3050.00	7.86	2246.98	5.79	73.67	278.02
23-24	38185.57	3011.87	7.89	2773.82	7.26	92.10	285.39
22-23	30474.23	2628.70	8.63	3049.85	10.01	116.02	279.05
21-22	28791.96	3003.48	10.43	2101.19	7.3	69.96	251.99
20-21	29018.76	3053.00	10.52	2806.01	9.67	91.91	251.29
19-20	28731.03	5039.45	17.54	747.84	2.6	14.84	243.26
18-19	26803.81	5039.45	18.80	978.11	3.65	19.41	260.96
17-18	26051.63	5039.45	19.34	1061.52	4.07	21.06	237.78
16-17	25492.87	5039.45	19.77	3216.84	12.62	63.83	223.10
15-16	25776.23	4199.54	16.29	3414.16	13.25	81.30	212.09
14-15	25495.71	4199.54	16.47	3093.07	12.13	73.65	207.32
13-14	24058.42	3132.90	13.02	2849.67	11.84	90.96	275.00
12-13	24096.98	2612.57	10.84	3027.27	12.56	115.87	275.00
11-12	23489.18	3357.12	14.29	1964.55	8.36	58.52	275.00
10-11	21003.75	646.23	3.08	468.50	2.23	72.50	243.45
<b>AVG.</b>	<b>27751.62</b>	<b>3536.85</b>	<b>12.74</b>	<b>2253.29</b>	<b>8.12</b>	<b>63.71</b>	<b>253.25</b>

266. GRIDCO has submitted that the average quantum of energy drawal from the IPP Unit-2 of Vedanta as approved by the Commission was about 12.74% of total power demand of the

State. However, average of actual supply of power by Vedanta-IPP to GRIDCO in the last 15 years was only 63.71% of approved drawal of power from the Vedanta-IPP, which indicates that there was a short supply of about 36.29% vis-à-vis the approval quantum of power during the above period. Further, in earlier years, the Commission had approved availability of full normative entitlement/State share of power from Vedanta's IPP Unit which has resulted in lower BSP because of lower power procurement cost of the said IPP Unit. The rate/ tariff of power is low on account of recovery of capital cost through Annual Fixed Charges comprising of depreciation, interest on loan, Return on Equity etc. over last 15 years of operation and Linkage Coal available under long term Fuel Supply Agreement with MCL based on long term PPA with GRIDCO (25 years validity). The Commission has, in multiple occasions in its ARR & BSP Orders, directed GRIDCO to avail full entitlement of power from the said IPP. Accordingly, GRIDCO always endeavors to avail the full entitlement of power from the State dedicated IPP Unit of Vedanta since its commercial operation in 2010. However, despite repeated directions issued by the Commission, M/s. Vedanta Ltd. has not complied with the mandated requirement of supplying the full State entitlement of power from its State dedicated Unit-2. The persistent and recurring shortfall in supply reflects continued non-adherence to the approved contractual and regulatory framework governing power allocation to GRIDCO. Further, in case of non /short supply of power by the IPP Unit, Vedanta Ltd. has never scheduled and supplied power from its converted CGP Units even though these units are consistently operating at or near their full capacity, which is evident from the table given below:

**Table-32**  
**Power Supplied to GRIDCO by M/s. Vedanta Ltd. from April, 2025 to Jan' 2026**

Month	Power Supplied to GRIDCO as per Energy Bill (MU)	Ex-bus Generation of Unit#2 (MU)	Ex-bus Generation of Unit# 1, #3 & #4 (MU)	Total Ex-bus Generation of all 4 Units (MU)	Ratio of Unit #2 Generation and All 4 Units Generation
Apr-25	365.72	366.29	1166.14	1532.43	23.90%
May-25	311.93	311.95	1117.32	1429.27	21.83%
Jun-25	0.00	0.00	980.07	980.07	0.00%
Jul-25	0.00	0.00	790.82	790.82	0.00%
Aug-25	139.49	139.51	741.88	881.39	15.83%
Sep-25	165.03	165.07	989.34	1154.41	14.30%
Oct-25	43.83	43.83	1079.18	1123.00	3.90%
Nov-25	335.41	335.59	1012.30	1347.89	24.90%
Dec-25	349.24	349.25	1155.89	1505.14	23.20%
Jan-26	326.67	326.42	1026.87	1353.29	24.12%
<b>Total</b>	<b>2037.32</b>			<b>12097.71</b>	<b>16.84 %</b>

267. GRIDCO submits that M/s. Vedanta has intimated GRIDCO that on the basis of allocation of linkage coal under existing FSA and considering the coal grade (~3000~3400 kCal/kg)

supplied by MCL, it will be able to supply power in the range of 300~350 MW during the FY 2026-27. According to GRIDCO, M/s. Vedanta Ltd. may not take plea of lower GCV of linkage coal to supply power lower than the State's entitlement under the subsisting PPA and Order of the Commission, as it is getting credit/debit notes under the FSA based on the grade of GCV of Linkage coal supplied by the coal supplier i.e. MCL. In the MYT Order dated 26.12.2023 of Vedanta in Case No. 20 of 2020, the Commission has already rejected the contention of M/s. Vedanta Ltd. regarding lower generation on account of grade slippage of coal. Further, as per the CIL notification dated 14.02.2023, prescribing modalities for supply of coal to the IPPs beyond the Annual Contracted Quantity (ACQ), the Vedanta-IPP is eligible to avail additional 20% linkage coal over and above the existing ACQ of 25.70 lakh tonnes, thereby enabling total availability of up to 30.84 lakh tonnes (25.70 + 5.14 lakh tonnes). Despite the availability of this mechanism and the clear opportunity to secure adequate coal to meet the State entitlement, Vedanta-IPP has not exercised this option and continues to put forth untenable justifications for its inability to supply the full contracted quantum of power to GRIDCO.

268. Further, subsequent to raising the issue of short supply of linkage coal and grade slippage, M/s. Vedanta has now cited difficulties in disposal of Ash generated from the IPP Unit #2 and frequently kept the said Unit under shutdown, while simultaneously operating all three conditionally converted CGP units at full capacity to exclusively meet the captive requirements of its SEZ Smelter plant. Despite the continuous support/cooperation extended by GRIDCO and the State Government to resolve the issues raised by Vedanta from time to time, Vedanta has not ensured supply of the State's entitled share of power to GRIDCO. Instead, Vedanta continues to unabatedly generate and consume power from its conditionally converted CGP units at its SEZ Smelter plant, without supplying State entitlement of power to GRIDCO. Moreover, even when Unit-2 is operational it is being run at part-load, typically in the range of only 280 to 350 MW and at that time Vedanta is not scheduling any power from its conditionally converted CGP Units. If Vedanta would have supplied RTC full Ex-bus generated power from Unit #2, such power could have been used to meet State requirement and purchasing the high cost power could have been avoided, particularly during the peak hours when the market price frequently hovers around Rs.10/kWh. As a consequence, GRIDCO is constrained in managing power procurement within the costs approved by the Commission and is unable to fully comply with the obligations envisaged in the ARR Order and also faces operational challenges in arranging power in real time situations, particularly when power shortages have become a common scenario across the country. During such

periods, even Power Exchanges are unable to support the State requirement due to insufficient availability of power, thereby exposing the State to deficit situations.

269. GRIDCO has submitted that, as per the observation of the Commission in its Order dated 22.06.2020 in Case No. 68 of 2018, GRIDCO had been recovering the additional cost incurred due to non-supply or short supply of power by the IPP from M/s. Vedanta Ltd. However, pursuant to the judgment dated 09.09.2025 of the Hon'ble APTEL in Appeal No. 107 of 2022 and Appeal No. 312 of 2022, GRIDCO, under protest and without prejudice to its rights in the Review Petition/Appeal filed, has discontinued recovery of such compensation from M/s. Vedanta Ltd. with effect from August, 2025. Now, M/s. Vedanta Ltd. has raised a claim of Rs. 1105.30 crores along with interest amounting to Rs. 502 crores against GRIDCO on the basis of the impugned judgement dated 09.09.2025 passed by the Hon'ble APTEL.
270. In view of the above, GRIDCO has requested the Commission to direct M/s. Vedanta Ltd. to supply full entitlement of power to the State from the IPP Unit-2 / conditionally converted CGP Units as per the terms of existing PPA and the subsequent Order dated 27.01.2016 of the Commission passed in Case No.21 of 2015 and Order dated 03.05.2023 passed in Case No.129 of 2021. Accordingly, the entitlement of State's share of power at normative generation (i.e., 85% PLF and 6.05% Auxiliary Energy Consumption) works out to be 5036.77 MU. However, in order to avoid any distortion in the ARR & consequential BSP to be approved by the Commission, without prejudice and under protest, GRIDCO has estimated the availability of 2880.51 MU only for FY 2026-27 from IPP of M/s. Vedanta Ltd. basing on the generation plan intimated by M/s. Vedanta Ltd. for supply of 350 MW of power Round The Clock (RTC) basis and the historical trend of supply of power by M/s. Vedanta Ltd. Though this projection of GRIDCO fall short of 2156.26 MU, GRIDCO has considered the same in order to avoid over projection of availability which may lead to distortion in the ARR of GRIDCO for FY 2026-27 and requested the Commission for approving the same for computation of ARR & BSP for FY 2026-27. However, GRIDCO has requested the Commission to direct M/s. Vedanta Ltd. to supply the full entitled quantum of 5,036.77 MU in accordance with the applicable Orders of the Commission and the PPA dated 19.12.2012.
271. GRIDCO has projected the average rate of power from M/s Vedanta Ltd. at 303.58 P/U (FC: 89.31 P/U + ECR: 194.83 P/U + ED & SOC&MOC: 3.75 P/U + Ash Transportation Charges: 15.69 P/U) and submitted that it is well within the merit order for procurement of power to meet the State requirement. Since the AFC for the IPP of M/s. Vedanta Ltd is yet to be determined for the current block period 2024-29, GRIDCO has provisionally considered the

Fixed Cost at 89.31 P/U basing on the AFC as determined by the Commission for the FY 2023-24 vide order dated 26.12.2023 in Case No.20 of 2020.

272. Further, considering the ‘As Billed’ GCV data provided by Vedanta in Form-15 format along with energy bills for the month of April, 2025, May, 2025, August, 2025 & September, 2025, the “As Received” GCV of linkage coal has been derived by GRIDCO, based on which the average ECR has been worked out to be 194.83 P/U as shown in table below. GRIDCO proposes the same for procurement of power from M/s. Vedanta Ltd. during FY 2026-27.

**Table-33**

**Energy Charge Rate (ECR) of Vedanta-IPP from April-24 to Sept-24**

Month	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
LPPF (Rs. /kg)	2.265	2.28	-	-	2.329	2.301
CVPF (kCal /kg)	3107	3101	-	-	3084	3042
GHR (kCal /kwh)	2375	2375	-	-	2375	2375
SFC (ml/kWh)	1	1	-	-	1	1
CVSF (kCal/ml)	9.85	9.85	-	-	9.85	9.85
LPSFi (Rs. /ml)	0.067391	0.065802	-	-	0.074711	0.074798
AUX (%)	6.05	6.05	-	-	6.05	6.05
ECR (P/U)	<b>190.72</b>	<b>192.09</b>	-	-	<b>198.09</b>	<b>198.41</b>
<b>Average (P/U)</b>						<b>194.83</b>

273. GRIDCO has estimated the Year-end Charges as Rs.56.01 crore for FY 2026-27 by considering Electricity Duty @55 P/U on auxiliary consumption amounting to Rs.10.20 Crore, considering gross generation of 3066 MU & projected drawl of 2880.51 MU, SOC & MOC charges amounting to Rs. 0.61 Crore and Ash Transportation Charges amounting to Rs.45.20 crore considering an average rate of 15.69 P/U on the projected drawal of 2880.51 MU for FY 2026-27 basing on the actual reimbursement of Rs.29.80 Crore towards ash transportation charges for actual supply of 1898.89 MU by M/s. Vedanta Limited during the period from April, 2024 to February, 2025. Accordingly, GRIDCO has estimated the power procurement cost of projected energy to be procured from Vedanta-IPP during FY 2026-27 as given in the table below:

**Table-34**

**Power Procurement Cost of Vedanta-IPP for FY 2026-27**

Projected Energy (MU)	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Year-end Charges (Rs Cr.)	Total Estimated Cost (Rs. Cr.)	Unit Rate (P/U)
2880.51	257.26	561.21	56.01	874.48	303.58

274. M/s. Vedanta Ltd., as an objector to the present case, has submitted that it has been supplying power to GRIDCO in terms of the PPA and as per the allocation of linkage coal under the

FSA. Vide its letter dated 25.10.2025, it has intimated to GRIDCO that considering linkage coal allocation under FSA, they will be able to supply 300-350 MW of power to GRIDCO for the FY 2026-27 due to degradation in declared grade of coal GCV supplied by MCL against the scheduled grade under the FSA. M/s. Vedanta Ltd., vide various communications and affidavits in Case Nos. 62 /2019 & 20/2020, has raised this issue. As per Schedule-III of the FSA "Quality of Coal", M/s. Vedanta Ltd. is entitled to receive linkage coal of GCV between ~G8 (5200-4900 KCal/Kg) - G13 (3400-3700 KCal/Kg). Based on the CEA norms w.e.f. 08.03.2024, for 250 MW and above units considering SHR as 2375 KCal/kWh for G8 grade coal, total (ACQ) requirement of 600 MW unit @ 85% availability = 3779 (Tonne/MW/Annum) x 564 MW = 21.31 Lakh tonne/annum and for G14 grade coal ACQ of coal = 5928 (Tonne/MW/Annum) x 564 MW = 33.43 Lakh tonne/annum. However, MCL has been supplying linkage coal having GCV in the range of G14 (3400-3100 KCal/Kg) grade under FSA dated 27.08.2013 and the quantity of linkage coal allocated under the said FSA is 25.70 Lakh tonne per annum. On the basis of CEA norms and the GCV of coal supplied by MCL, Vedanta's coal allocation is required to be increased to 33.43 lakh tonne/annum (5928 X 564 MW). Accordingly, Vedanta has shortage of linkage coal of around ~7.8 lakh tonne per annum to supply 564 MW at 85% PLF to GRIDCO which is subject to the GCV grade of coal supplied by MCL. However, with the advent of CIL notification dated 14.02.2023, an IPP having FSA under MoU route can avail linkage coal upto 120% of ACQ.

275. M/s. Vedanta Ltd. has further submitted that in view of the above, maximum power that can be generated from Unit-2 under the existing FSA basis G14 grade of coal is 350 MW. Further, M/s. Vedanta Ltd. has also been paying short supply compensation to GRIDCO for the reason beyond its control. M/s. Vedanta Ltd. has communicated to the DoE, GoO and GRIDCO regarding the difficulties in disposing the ash for which Unit-2 was forced to take shutdown. M/s. Vedanta Ltd. struggles to dispose the ash in the entire western region of Odisha which is being more aggravated during monsoon season due to limited availability of avenues of ash disposal. Consequently, other thermal plants were also forced to take shutdown or to run on part load for the difficulty in disposing ash. So, the allegation of GRIDCO that M/s. Vedanta Ltd. prefers to shutdown Unit-2 is unjustifiable. Although, M/s. Vedanta Ltd. is being compensated by MCL by credit notes for grade slippage of coal, the GCV of coal supplied and available at the station for generation and supply of State share of power remains same. The compensation is only the monetary difference between billed grade and actual supplied grade of coal multiplied by the quantity supplied as per FSA. Therefore, the amount of power that can be generated remain same which has been informed to GRIDCO and thus connecting

credit note to power supply is not justifiable. These issues are not only related to Unit-2 but also related to other CGP units, for which M/s. Vedanta Ltd. has been importing power from the market to meet the deficit in availability of captive power requirement for its aluminum smelters. M/s. Vedanta has further submitted that it has been supplying power to GRIDCO as per the terms of the consolidated PPA and subsequent OERC orders. In the event of non or less supply of power to GRIDCO, the shortage of power attributable by Vedanta is being compensated by procuring the same from other sources of power in line with OERC order dated 20.06.2022 in Case No.68/2018. Accordingly short fall power supply compensation had been provisionally deducted from monthly energy bills of Vedanta till July, 2025.

276. The Commission scrutinized the above proposal of GRIDCO and observed that as per the Commission's order dated 27.01.2016 passed in Case No. 21/2015, the Unit-II (600 MW) of 2400 MW (4x600 MW) power plant of M/s. Vedanta Ltd. will continue to remain as IPP and must remain connected to STU network as State dedicated Unit and the other three Units-1, 3 & 4 of the power plant are converted to Captive Generating Plant w.e.f. 01.04.2015. As per the said order, the quantum of power supply to GRIDCO towards State entitlement should be 25% at full cost and 7% / 5% (depending upon the allotment of coal block within the State) of the total energy sent out of the power station at variable cost as per the PPA in force. The power supply to GRIDCO must be 25% of the total energy sent out of the power station or total ex-bus generation from Unit-2 whichever is higher plus 7%/5% of the total energy sent out from the power station. The Commission further observed that as per the OERC Tariff Regulations, 2024, the normative auxiliary consumption for the thermal generating stations with unit capacity of more than 300 MW is 5.25% and additional 0.8% where tube type coal mill is used. Therefore, considering PLF of 85% and auxiliary consumption of 6.05%, the State share of energy from the thermal power plant of M/s. Vedanta Limited comes to 5036.77 MU.

277. Further, the Commission at Para-30 of its order dated 05.10.2021 passed in Case No. 34/2018 has observed as under:

*"30. Accordingly, considering the submission of parties and basing on the above analysis we allow GRIDCO to operate its PPA without losing its entitlement under the same.*

*(a) The Unit-II of M/s. Vedanta shall normally operate as CGP. If in any quarter, GRIDCO requires power form M/s. Vedanta for State consumption they can avail the same giving three months prior notice to M/s. Vedanta and avail the same for a period of at least three months. During that period the CGP will operate as IPP and GRIDCO will be required to pay fixed cost for the said period in addition to energy charge and other charges.*

- (b) *During IPP mode of operation, Quantum of power supply to GRIDCO towards State entitlement should be 25% (at full cost) and 7% / 5% (at variable cost) of total energy sent out from the power station (4 x 600 MW) as per the PPA in force. The Unit-II must remain connected to STU as State dedicated unit and accordingly supply to GRIDCO must be 25%+7%/5% of total energy sent out from the power station or total ex-bus generation from Unit-II whichever is higher. Such quantum of power supply should not be disturbed at any point of time.*
- (c) *During IPP mode of operation, the coal used for generating power for State entitlement shall be linkage coal / captive mines allocated to the Petitioner for State use.*
- (d) *If M/s. Vedanta fails to supply power after requisition by GRIDCO within the stipulated period, M/s. Vedanta will compensate GRIDCO by paying the differential cost incurred by GRIDCO for such drawal at margin over and above the cost of normal power purchase from M/s. Vedanta IPP Unit-II.*
- (e) *If at any time it is found that M/s. Vedanta has failed to supply IPP power after requisition by GRIDCO and is trading the same, M/s. Vedanta will have to pay, in compensation, two times the differential cost incurred by GRIDCO at margin over and above the IPP power cost from M/s. Vedanta.*
- (f) *In order to prevent dislocation in the current supply of power, the Unit-II will continue as IPP for the current quarter. GRIDCO has to exercise its option to avail IPP power from M/s. Vedanta for the next quarter within one month of this order failing which the IPP Unit –II of M/s. Vedanta shall operate as CGP with effect from the 1<sup>st</sup> of January, 2022. Thereafter, as stated in sub-para (a) above, GRIDCO will have to give three months prior notice for availing power in any quarter.*
- (g) *The option of GRIDCO to avail IPP power shall be prudently exercised in order to minimise the total power purchase cost and shall be scrutinised by the Commission at any time.”*

278. GRIDCO had filed a review petition before this Commission against the above order dated 05.10.2021 passed in Case No.34 of 2018 which was registered as Case No. 129 of 2021. The Commission upon hearing of the said Review Petition, vide its order dated 28.10.2022, had directed to re-hear the Case No.34 of 2018. M/s. Vedanta Limited had filed an Appeal before the Hon’ble APTEL challenging the said order dated 28.10.2022 in Appeal No.437 of 2022 and the Hon’ble APTEL in its judgment dated 13.01.2023 has allowed the appeal by setting aside the order of the Commission on the ground that the Commission has not indicated the reasons why it had reviewed the earlier order and directed that the Commission shall pass an Order afresh assigning reasons for reviewing its earlier Order, and thereafter act in accordance with law. Thereafter, the Commission, after hearing the parties, passed the order dated 03.05.2023 in the aforesaid Review Petition of GRIDCO (Case No.121 of 2021) and in Para 25 of the said order, the Commission has observed as under:

*“For the whole discussions made here-in-before, we are of the considered view that in the face of the subsisting PPA dated 19.12.2012 which is for a tenure of as long as 25 years, and the order dated 27.01.2016 passed in Case No.21 of 2015 which has already attained finality, and also the written undertaking given by M/s. Vedanta Ltd.*

*through affidavit in course of the proceeding of Case No.21 of 2015 to the effect that it shall comply with the requirement of supplying power to M/s. GRIDCO Ltd. as per the terms and conditions of the PPA, the direction issued vide the order dated 05.10.2021 that the Unit-II of M/s. Vedanta Ltd. shall normally operate as CGP, and the consequential directions are found to be patently and self-evidently erroneous. Hence, the Review Petition is allowed directing both the Respondent No.1-M/s. Vedanta Ltd. and the Petitioner-GRIDCO to abide by the Order dated 27.01.2016 passed by this Commission in Case No.21 of 2015. Without prejudice to the PPA dated 19.12.2012 and the order dated 27.01.2016 passed in Case No.21 of 2015, either side is at liberty to raise individual issue, if any, pertaining to individual cause of action, if any, through appropriate proceeding which shall be decided according to law. The Order dated 05.10.2021 passed in Case No.34 of 2018 is reviewed accordingly.”*

279. The Commission observed that as per the above order dated 03.05.2023 both GRIDCO and M/s. Vedanta Ltd. are to abide the order dated 27.01.2016 passed by this Commission in Case No.21 of 2015. However, in its generation plan for the ensuing FY 2025-26, M/s Vedanta Ltd. has submitted to GRIDCO that it would supply power upto 350 MW on RTC basis citing the existing quantum of linkage coal supplied by MCL and lower GCV of such coal due to grade slippage. In the present tariff petition, GRIDCO has proposed to avail 2880.51 MU of energy from M/s. Vedanta Ltd. during the FY 2026-27 for State requirement based on the projection of M/s. Vedanta Ltd. and the present trend of supply of power by M/s. Vedanta Ltd., in place of the estimated normative State entitlement of 5036.77 MU. In the earlier ARR & BSP orders of GRIDCO, the Commission had directed that GRIDCO must purchase power from M/s. Vedanta Ltd. to the extent of generation from the available linkage coal and also to purchase power beyond the generation from the available linkage coal upto the State's entitlement, if it is commercially viable. Further, in the previous tariff order, M/s. Vedanta Ltd. was directed to take immediate action for availing additional linkage coal of 20% of ACQ from M/s. MCL as per the Notification dated 14.02.2023 of CIL in order to supply more quantum of power to GRIDCO towards State's entitlement. Further, both GRIDCO and M/s. Vedanta Ltd. were directed to take up the matter with the coal supplier M/s. MCL in coordination with the State Government for further enhancement coal supply so that GRIDCO can avail the State's entitlement of power in full as per PPA at lower price. It is observed that the present pattern of power drawal from M/s. Vedanta Ltd. is not satisfactory, which implies that neither M/s. Vedanta Ltd. nor GRIDCO has taken appropriate action on the aforesaid directions of the Commission for supply/drawal of State's entitlement of power from the thermal power station of M/s. Vedanta Ltd. The Commission expresses its discontent on such inaction of M/s. Vedanta Ltd. and GRIDCO, which is detrimental to the interest of the State consumers being deprived of availing the benefit of such low-cost power.

280. Further, considering the variable cost/ECR of the Central Thermal Generating Stations outside the State and ISTS charges & losses, the Commission is of the view that purchase of power from the IPP of M/s. Vedanta Ltd. to the extent of State's entitlement would be much cheaper to GRIDCO, which would definitely benefit the State consumers. The Commission has estimated an availability of 5036.77 MU towards State's entitlement from M/s. Vedanta Limited for the ensuing FY 2026-27 as per the provisions of the existing PPA and norms laid down in the extant Generation Tariff Regulations. Out of which 4197.31 MU would be towards the State share of 25% at full tariff and 839.46 MU would be towards 5% share from the total generation at variable cost/ECR only. Accordingly, the Commission approves total drawal of 5036.77 MU from the Thermal Power Station of M/s. Vedanta Ltd. towards State consumption during the ensuing FY 2026-27. The Commission reiterates its earlier directions and directs M/s Vedanta Ltd. to take immediate action for availing additional linkage coal of 20% of ACQ from M/s MCL as per the Notification dated 14.02.2023 of CIL in order to supply more quantum of power to GRIDCO towards State's entitlement as per the extant PPA and the order dated 27.01.2016 passed by this Commission in Case No.21 of 2015. Further, both GRIDCO and M/s. Vedanta Ltd. are directed to take up the matter with the coal supplier M/s. MCL in coordination with the State Government for further enhancement coal supply so that GRIDCO can avail the State's entitlement of power in full. GRIDCO is also directed to take up the matter with the State Government to explore possibility of allotment of required quantum of coal from M/s. OCPL in favour the State dedicated IPP Unit-2 of M/s. Vedanta Ltd. in order to avail the State entitlement of power in full from the thermal generating station of M/s. Vedanta Ltd.

281. The Commission observed that the Multi-Year Tariff (MYT) has been determined by the Commission for the FY 2019-20 to FY 2023-24 in respect of the IPP of M/s. Vedanta Ltd. vide order dated 26.12.2023 in Case No.20 of 2020. According to this order, the GRIDCO's share of annual fixed cost in respect of the IPP of M/s. Vedanta Ltd. was Rs.374.88 crore for FY 2023-24. Though M/s Vedanta Ltd. has recently filed application for determination of tariff for its IPP for the control period FY 2024-29, the tariff order has not yet been issued by the Commission. Therefore, the Commission provisionally considers the fixed cost of Rs.374.88 crore, for the ensuing year 2026-27, same as that of the FY 2023-24. Accordingly, the per unit cost of the fixed cost for Vedanta-IPP comes to 89.31 P/U corresponding to the energy availability of 4197.31 MU to GRIDCO from the IPP-Unit-2 as per PPA/ norms of Regulations/ order of the Commission. Further, considering the average of actual ECR paid by the GRIDCO during the period of last 9 months i.e. from April, 2025 to December, 2025,

the Commission provisionally consider the ECR of 186.38 P/U for the purpose of computation of ARR of GRIDCO for the FY 2026-27. Thus, total energy charges for drawal of 5036.77 MU comes to Rs.938.74 crore. Further, the Commission provisionally allows Rs.81.27 Crore in tariff towards year end charges (Rs.14.87 Crore towards payment of E.D. on auxiliary consumption, Rs.0.55 Crore towards SLDC charges and Rs.65.86 Crore towards Ash Transportation Charges basing on the proportional rate proposed by GRIDCO (Rs.29.80 Crore paid for the period from April, 2024 to February, 2025 towards supply of 1898.89 MU to GRIDCO during this period). Accordingly, the power procurement cost has been estimated as Rs.1394.89 Crore (Fixed Charges Rs.374.88 Cr. + Energy Charges Rs.938.74 Cr. + Year End Charges Rs.81.27 Cr.) at the average rate of 276.94 P/U towards procurement of 5036.77 MU from M/s. Vedanta Ltd. during the FY 2026-27 for State consumption and the same is considered in the ARR of GRIDCO for the ensuing FY 2026-27.

**M/s. GMR Kamalanga Energy Limited (M/s. GKEL)**

282. GRIDCO has submitted that as per the subsisting PPA dated 04.01.2011, it has requisitioned contracted capacity of 262.5 MW of power (25% of the total installed capacity of 3x350 MW) from the IPP of M/s. GKEL for the block period 2024-29, as this power is availed through STU and ECR being computed based on the firm linkage coal and Shakti Scheme coal and placed within the merit order procurement of power to meet the State demand. Considering the normative PLF of 85% and auxiliary consumption of 5.75%, the generation towards State's share would be 1842 MU. However, GRIDCO has proposed to procure 1898 MU of energy from M/s. GKEL during FY 2026-27 as per the generation plan submitted by the IPP, which corresponds to the PLF of 87.58%. GRIDCO further submits that although the PPA dated 04.01.2011 stipulates that any generation beyond PLF of 80% shall be supplied at the Variable Cost-plus applicable incentive, the treatment under the prevailing CERC Tariff Regulations mandates that generation supplied beyond the normative PLF of 85% shall be billed at the Energy Charge Rate (ECR)/Variable Cost-plus applicable incentive. Since, the tariff for the IPP of M/s. GKEL is now being determined by the CERC, GRIDCO has followed the CERC norms for FY 2026-27.
283. GRIDCO has submitted that CERC, vide its order dated 17.05.2024 in Petition No. 407/GT/2020, had passed the final Tariff Order for the control period 2019-24 in respect of procurement of contracted capacity of 262.5 MW of power by GRIDCO from M/s. GKEL. As per the said tariff order, the Annual Fixed Charges (AFC) approved by CERC for the control period 2019-24 is given below:

**Table-35**  
**Annual Fixed Charges of GMR approved for the Period 2019-24**  
**(Rs. Cr.)**

<b>Item</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Total AFC of the IPP	1261.42	1238.95	1219.79	1197.77	1182.65
GRIDCO's Share of AFC (25%)	315.36	309.74	304.95	299.44	295.66

Accordingly, GRIDCO has provisionally considered the Annual Fixed Charges (AFC) of Rs.295.66 Cr. for FY 2026-27 as the AFC for the year is yet to be determined by the CERC.

284. GRIDCO has further submitted that, in accordance with the Judgment dated 08.09.2025 of the Hon'ble Supreme Court of India in Civil Appeal No. 3429 of 2020 and Civil Appeal No. 1929 of 2020, the firm linkage coal, SHAKTI scheme coal and alternate source coal procured by GKEL is required to be apportioned among all beneficiaries on a pro rata basis. Based on the aforesaid judgment of the Hon'ble Supreme Court, GRIDCO has been making monthly payments of Energy Charges to M/s. GKEL by first considering the cost of Firm Linkage Coal, SHAKTI Scheme Coal, and alternate coal sources (if required to meet power supply to GRIDCO). Accordingly, GRIDCO has worked out the average Energy Charge Rate (ECR) at 175.87 P/U in respect of the IPP of M/s. GKEL considering the ECR for the period from April, 2025 to Sept., 2025 based on use of Linkage, SHAKTI and other sources of coal to M/s. GKEL and proposed the same for FY 2026-27. Further, GRIDCO has estimated the Year-end Charges to the tune of Rs.25.60 crore for FY 2026-27 towards reimbursement of Electricity Duty (Rs.6.33 Crore), SOC & MOC charges (Rs.0.26 Crore) and Ash Transportation Charges (Rs.19.01 Crore). Accordingly, GRIDCO has proposed the procurement cost of Rs.655.06 Crore towards purchase of 1898 MU of energy from M/s. GKEL at an average rate of 345.13 P/U as given in the Table below:

**Table -36**  
**Proposed Power Purchase Cost of GMR-IPP for FY 2026-27**

<b>Name of the IPP</b>	<b>Energy (MU)</b>	<b>Annual Fixed charges (Rs. Cr)</b>	<b>Energy Charges (Rs. Cr.)</b>	<b>Year End Charges (Rs. Cr.)</b>	<b>Total Projected Cost (Rs. Cr.)</b>	<b>Average Rate (P/U)</b>
M/s. GKEL	1898.00	295.66	333.80	25.60	655.06	345.13

285. The Commission scrutinized the proposal of GRIDCO and observed that as per the PPA with M/s. GKEL the State share is 25% of the total energy sent out from the station at 80% PLF and power generated in excess of 80% PLF shall be available to the State at variable cost. Since the IPP of M/s. GKEL is supplying power to more than one State, its tariff is now being determined by the CERC. The Commission further observed that the present installed capacity of the IPP is 1050 MW (3x350 MW) and considering normative plant availability of 85% &

auxiliary consumption at 5.75%, net generation comes to 7368.75 MU. Further, considering plant availability of 80% and auxiliary consumption of 5.75%, net generation comes to 6935.29 MU. As per the PPA, energy available to GRIDCO is 25% of total energy sent out at 80% PLF i.e. 1733.82 MU (i.e. 25% of 6935.29 MU) plus excess power generated beyond 80% PLF i.e. 433.46 MU (7368.75 MU – 6935.29 MU). Thus, the total availability to GRIDCO would be 2167.28 MU (1733.82 MU + 433.46 MU) as per the extant PPA considering normative plant availability of 85%. However, considering requirement of the State, the Commission approves 1843.54 MU from the IPP of M/s. GKEL towards State consumption during the ensuing FY 2026-27. This approval is not limited for drawal of power by GRIDCO from the said IPP. GRIDCO shall draw power from M/s. GKEL to the extent of State's entitlement during shortage of power due to non-availability of power from other approved sources and may also draw for trading purposes, if commercially viable.

286. The Commission further observed that as per the latest Tariff Order dated 17.05.2024 of the CERC, the Annual Fixed Charges (AFC) of the IPP of M/s. GKEL is Rs.1182.65 Crore for the FY 2023-24. Since no further tariff order has been issued by the CERC, the Commission provisionally considers the same for the ensuing FY 2026-27 for computation of ARR of GRIDCO. Accordingly, GRIDCO share of AFC comes to Rs.295.66 crore i.e. 25% of the total AFC of Rs.1182.65 Crore. The Commission has approved drawal of 1843.54 MU by GRIDCO from M/s. GKEL during FY 2026-27 which is more than 25% of total energy sent out at 80% PLF i.e. 1733.82 MU. Hence, GRIDCO has to pay its share of fixed cost in full i.e. Rs.295.66 Crore to M/s. GKEL towards drawal of State share of power. Further, considering the actual ECR of M/s. GKEL from the month of April, 2025 to December, 2025, as submitted by GRIDCO, the average ECR is computed as 179.49 P/U, which is provisionally considered by the Commission for procurement of power from M/s. GKEL during FY 2026-27. Accordingly, total energy charge comes to Rs.330.90 Crore for drawal of 1843.54 MU. Further, the Commission provisionally approves Rs.23.26 Crore in tariff for the FY 2026-27 towards year end charges consisting of ED on Auxiliary Consumption (Rs.6.18 Cr.) SLDC charges (Rs.0.33 Cr.) and Ash Transportation Charges (Rs.16.75 Cr. based on the actuals for the FY 2023-24) in respect of the IPP of M/s. GKEL. The per unit cost of year end charges allowed by the Commission comes to 12.61 P/U. Accordingly, the power procurement cost has been estimated as Rs.649.81 Crore (Fixed Charges Rs.295.66 Cr. + Energy Charges Rs.330.90 Cr. + Year End Charges Rs.23.25 Cr.) at the average rate of 352.48 P/U towards procurement of 1843.54 MU from M/s. GKEL during the FY 2026-27 for State consumption and the same is considered in the ARR of GRIDCO for the ensuing FY 2026-27.

### **M/s. JSW Energy (Utkal) Limited**

287. GRIDCO has submitted that, erstwhile M/s. Ind-Barath Energy (Utkal) Limited (IBEUL) had established a thermal power plant of installed capacity 2 x 350 MW at Sahajbahal, Odisha. The Commercial Operation Date (COD) of the 1<sup>st</sup> Unit (350MW) was declared with effect from 20.07.2016 with a de-rated capacity of 339.6 MW. Pursuant to the acquisition of M/s. IBEUL by M/s. JSW Energy Limited on 28.12.2022, and in accordance with the Supplemental MOU dated 24.11.2023 executed between the Government of Odisha and M/s. IBEUL, a restated amended PPA was executed between M/s. JSW Energy (Utkal) Limited (M/s. JSWEUL) and GRIDCO on 23.12.2024. The said amended PPA was subsequently approved by the Commission vide Order dated 08.01.2025 in Case No. 64 of 2024 filed by GRIDCO. As an interim arrangement, the IPP has been supplying 12% of Energy Sent Out to GRIDCO since 21.02.2024 as per entitlement under the PPA, through CTU network, bearing all transmission losses and associated charges (i.e. GNA Charges & Losses) in accordance with the Supplementary PPA dated 07.06.2017 executed between the IPP and GRIDCO. Now, the IPP has successfully commissioned the 2<sup>nd</sup> Unit on 01.04.2025 and commercial operations have commenced from 03.04.2025. Further, the 1<sup>st</sup> Unit has also attained COD at rated capacity of 350 MW on 06.02.2025. Presently, both the Units of M/s. JSWEUL are operating at their rated capacities of 350 MW.
288. M/s. JSWEUL had filed an application registered as Case No. 43 of 2024 for determination of tariff for supply of 12% power sent out to GRIDCO. The Commission issued the final order in Case No. 43 of 2024 on 11.02.2025, wherein the IPP was allowed to recover statutory charges such as ED, Water Charges and SOC-MOC charges from GRIDCO in proportion to the power supplied. GRIDCO subsequently had filed a Review Petition in Case No. 30 of 2025 against the said order, which was dismissed by the Commission vide Order dated 14.08.2025. Being aggrieved by the said order, GRIDCO has filed an appeal before the Hon'ble APTEL, which is registered as DFR No.362/2025. However, GRIDCO is now making payment of energy charges based on verification of the actual ECR claimed by the IPP on a monthly basis along with validation coal fuel data submitted by the IPP in prescribed format. The proportionate GNA Charges and associated losses are also being adjusted from the monthly payable amount to the IPP.
289. GRIDCO submits that in its Generation Plan for the ensuing year 2026-27, M/s. JSWEUL indicated for a planned shutdown period of 15 days during August, 2026 in respect of Unit#1 and another 15 days during November, 2026 for Unit#2. As per the generation plan, M/s. JSWEUL has projected 562.28 MU towards State entitlement @12% of Energy Sent Out from

its IPP at 85% PLF and Auxiliary Consumption @6.25%. After accounting for transmission loss, the projected saleable quantum to GRIDCO has been indicated as 528.99 MU. However, as per tariff order dated 11.02.2025 in Case No.43 of 2024 and applicable provisions of the OERC Generation Tariff Regulations, 2024, the projected State entitlement has been recalculated by GRIDCO based on 12% of Energy Sent Out from both units, planned outages of 15 days each for Unit#1 and Unit#2, Auxiliary Consumption of 5.75 %, normative PLF of 85 %, and ISTS loss of 3.61 %, which works out to 544.91 MU during FY 2026-27. Accordingly, GRIDCO proposes to procure the entire quantum of 544.91 MU of power from M/s. JSWEUL during FY 2026-27.

290. GRIDCO further submits that, the IPP of M/s. JSWEUL has not been allocated any concessional coal. However, based on the request of the IPP and as a prerequisite for execution of the FSA with MCL, GRIDCO has given its consent on 28.07.2025 to JSWEUL, in line with the existing long-term PPA. The IPP had participated in the e-auction (Round 7) under SHAKTI B (iii) Scheme and was declared as a provisional successful bidder. GRIDCO anticipates that, the supply of SHAKTI coal under SHAKTI B (iii) scheme shall commence shortly after execution of the FSA between M/s. JSWEUL and MCL. The IPP has been requested to furnish the detailed status regarding the commencement of Shakti coal supply for GRIDCO's entitlement of power. However, taking the average of actual ECR for the period from April'25 to September'25, GRIDCO has provisionally considered the ECR as 204 P/U for the IPP of M/s. JSWEUL for the ensuing FY 2026-27 and worked out the power purchase cost to be Rs.111.16 Crore towards drawal of 544.91 MU during FY 2026-27.

**Table-37**

**Proposed Power Purchase Cost of M/s. JSWEUL-IPP for FY 2026-27**

<b>Name of the IPP</b>	<b>Energy (MU)</b>	<b>Net Generation (MU)</b>	<b>Projected Sales @85% PAF</b>	<b>Odisha Share (12%) after Central Sector Loss of 3.46% (MU)</b>	<b>Total Cost (Rs. Cr.)</b>
JSWEUL	5880	5542	4711	544.91	111.16

291. The Commission scrutinized the above proposal of GRIDCO and observed that GRIDCO had executed PPA with erstwhile Ind Barath Energy (Utkal) Ltd. on 14.09.2009, revised PPA dated 04.01.2011 and supplementary PPA dated 07.06.2017 to avail State share of power (14% of energy sent out at ECR if coal block is allocated or 12% of energy sent out at ECR if coal block is not allocated) from the proposed 1360 MW (2x350 MW + 1x660 MW) thermal power plant of M/s. Ind Barath Energy (Utkal) Ltd. Pursuant to acquisition of the said IPP of M/s. Ind Barath Energy (Utkal) Ltd. by M/s. JSW Energy Ltd., the name of the IPP has been

changed to M/s. JSW Energy (Utkal) Ltd. (M/s. JSWEUL). The COD of only 1<sup>st</sup> Unit (350 MW) was declared w.e.f. 20.07.2016 with a de-rated capacity of 339.60 MW and the IPP was supplying 12% of the energy sent out to GRIDCO w.e.f. 21.02.2024 as per the entitlement in the earlier PPA through CTU bearing all the transmission losses and charges. Thereafter, GRIDCO has entered into amended/restated PPA dated 23.12.2024 with M/s. JSWEUL. The Commission, vide order dated 08.01.2025 passed in Case No.64 of 2024, has accorded in-principle approval to the said amended/restated PPA dated 23.12.2024. According to the said PPA, GRIDCO is entitled to draw 12% of total energy sent out from the IPP of M/s. JSWEUL towards State share at variable cost (ECR), which is to be determined by the Commission. As submitted by GRIDCO, the IPP has successfully commissioned the 2<sup>nd</sup> Unit on 01.04.2025 with COD on 03.04.2025 and the 1<sup>st</sup> Unit has also attained COD at rated capacity of 350 MW on 06.02.2025. Now, both the Units of M/s. JSWEUL are operating at their rated capacities of 350 MW each. Considering the tariff order dated 11.02.2025 passed in Case No.43 of 2024 along with the applicable provisions of the OERC Generation Tariff Regulations, 2024, the Commission estimates availability of 567.69 MU of energy from both the IPP Units of M/s. JSWEUL during FY 2026-27 towards State's entitlement of 12% of the Energy Sent Out, considering normative plant availability of 85% and auxiliary energy consumption @5.75% and ISTS loss @3.70%. Accordingly, the Commission estimates availability of 567.69 MU of energy to GRIDCO from M/s. JSWEUL for the FY 2026-27

292. Further, the Commission, vide its order dated 11.02.2025 passed in Case No.43/2024, has fixed the gross Station Heat Rate and norms of secondary fuel oil consumption etc. for the IPP of M/s. JSWEUL. As per the said order, the energy charge is to be calculated based on the provisions under OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, as notified from time to time and accordingly billing shall be prepared by the IPP. However, considering the actual ECR of M/s. JSWEUL from the month of April, 2025 to December, 2025, as submitted by GRIDCO, the average ECR is computed as 199.14 P/U. The Commission provisionally considers the same for computation of ARR of GRIDCO for the FY 2026-27. Further the Commission has considered availability of 567.69 MU from M/s. JSWEUL during FY 2026-27. Accordingly, the Commission estimates the power procurement cost of Rs.113.05 Crore towards procurement of 567.69 MU by GRIDCO from the IPP of M/s. JSWEUL @199.14 P/U during the ensuing financial year 2026-27.

**M/s. Jindal India Power Limited (M/s. JIPL)**

293. GRIDCO has submitted that M/s. JIPL vide their letter dated 30.08.2024, intimated GRIDCO regarding change of name from Jindal India Thermal Power Ltd. (JITPL) to Jindal

India Power Ltd. (JIPL) and requested for execution of a supplementary agreement to formalize the name change, which is required to continue smooth supply of linkage coal to its IPP. Accordingly, a supplementary agreement has been executed between both the parties on 01.03.2025 for amendment of the PPA dated 05.01.2011 & supplementary PPA dated 23.07.2013, limited to the change of name as stated above, with all other terms and conditions remaining unchanged. Further, as per the subsisting PPA dated 05.01.2011 and as because no Coal Block has been allocated within the State, M/s. JIPL is required to supply contracted energy of 12% of Energy Sent Out (ESO) and all infirm power from its power plant to GRIDCO at Energy Charge Rate (ECR).

294. M/s. JIPL has started supplying power to GRIDCO with effect from 29.04.2022 as per interim order dated 29.04.2022 of the Hon'ble High Court of Orissa in WP(C) No. 18150 of 2018. As M/s. JIPL was supplying only 60 MW of power instead of 120 MW as directed by the Hon'ble High Court in the said interim order, GRIDCO had filed Contempt Petition No. 6451 of 2023 before the Hon'ble High Court due to violation of the said order. Subsequently, M/s. JIPL has commenced supply of 120 MW Power to GRIDCO w.e.f. 01.05.2024 as per the Interim Orders dated 29.04.2022 and 03.05.2024 passed by the Hon'ble High Court of Orissa and GRIDCO is getting 116 MW on RTC basis after ISTS Loss. The Hon'ble High Court of Odisha, vide interim order dated 29.04.2022, has fixed a provisional Tariff of Rs.3.36/ kWh, with the condition that 50% of the transmission cost raised by the CTU shall be payable by GRIDCO, subject to a ceiling of Rs.5 (Five) Crore. The said transmission cost cap of Rs.5 Crore was fully exhausted in September' 2022 and GRIDCO is now making payment of energy charges only at provisional tariff of Rs.3.36/ kWh. On further extension of the said Interim order dated 29.04.2022 by the Hon'ble High Court, GRIDCO is requesting MCL to continue supply of Linkage Coal to M/s. JIPL till next date of hearing.
295. According to the Generation Plan submitted by M/s. JIPL to GRIDCO for FY 2026-27, it shall supply 120 MW of power at Rs.3.36/Unit on provisional and interim basis in line with the aforesaid orders of the Hon'ble High Court of Orissa in W.P.(C) No. 18150 of 2018. Further, M/s. JIPL has intimated that one of its Unit (i.e. Unit#1) will be shut down for Annual Overhauling for a period of 31 days. Accordingly, considering supply of 120 MW power on Round-the-Clock (RTC) basis to GRIDCO and average ISTS loss of 3.61% (average from Apr'2025 to Sept'2025), GRIDCO has estimated to avail 970.22 MU from M/s. JIPL during FY 2026-27 and considering the provisional tariff of Rs.3.36/Unit as per the interim direction of the Hon'ble High Court of Orissa vide Order dated 29.04.2022, GRIDCO has calculated

the power purchase cost of Rs.325.99 Crore provisionally towards drawal of 970.22 MU from M/s. JIPL as shown in the table below:

**Table-38**

**Power purchase cost of JIPL for FY 2026-27**

<b>Name of the IPP</b>	<b>Energy (MU)</b>	<b>Energy Charge Rate (P/U)</b>	<b>Projected Cost (Rs. Cr.)</b>
JITPL	972.22	336.00	325.99

296. The Commission scrutinized the above proposal of GRIDCO and observed that the installed capacity of M/s JIPL is 1800 MW (3x600 MW), out of which two units (2x600 MW) are in commercial operation. As per PPA dated 05.01.2011 with M/s JIPL, GRIDCO is entitled for 12% (after de-allocation of coal blocks by the Hon'ble Supreme Court of India) of the power sent out at Variable Cost/Energy Charge Rate (ECR) to be determined by the Commission. However, M/s. JIPL has challenged the Commission's order dated 04.06.2019 passed in Case No.01/2017 before the APTEL on the matter of PPA approval. The Commission further observed that M/s. JIPL has also challenged the MoU and PPA with GRIDCO before the Hon'ble High Court of Orissa in W.P.(C). No. 18150/2018 and based on the interim stay order dated 16.05.2019 of Hon'ble High Court of Orissa in this writ petition, M/s. JIPL was not supplying power to the State since 22.05.2019. However, after issue of the interim order date 29.04.2022 by the Hon'ble High Court of Orissa, M/s. JIPL is supplying power to GRIDCO and the Hon'ble Court has fixed a provisional flat tariff of 336 P/U for drawal of power from M/s. JIPL, on the further condition of payment of 50% of the transmission cost of CTU subject to a cap of Rs.5.00 Crore payable by GRIDCO. Further, the Hon'ble High Court of Orissa in the said order dated 16.05.2019, had directed M/s. JIPL to supply power of 120 MW daily to GRIDCO at the rate of 336 P/U. After the said order of the Hon'ble High Court, M/s. JIPL was supplying only 60 MW of power to GRIDCO instead of 120 MW. Thus, GRIDCO had filed a Contempt Petition No.6451 of 2023 before the Hon'ble High Court. Thereafter, M/s. JIPL has commenced supply of 120 MW power to GRIDCO w.e.f. 01.05.2024. In the meantime, the interim order dated 29.04.2022 of the Hon'ble High Court of Orissa has been further extended. However, considering supply of 120 MW of power on RTC basis and average ISTS loss of 3.70%, the Commission estimates availability of 954.10 MU of energy from M/s. JIPL for the FY 2026-27.

297. It is observed that the rate of power procurement of 336 P/U has been fixed by the Hon'ble High Court in respect of M/s. JIPL as stated in the above paragraph. Accordingly, the

Commission estimates the power procurement cost as Rs.320.58 Crore @ 336 P/U for drawal of 954.10 MU. However, as per merit order principle, the Commission does not consider drawal of such power for State consumption for the FY 2026-27. GRIDCO is directed to draw the power from M/s. JIPL for State consumption in case of exigencies i.e. when there will shortfall in drawal of energy from the approved sources or increase in State demand on real time basis. Further, GRIDCO may also avail this power for trading purpose to meet its past liabilities, if it is commercially viable. The Commission directs GRIDCO to take up the matter with Government of Odisha regarding availability of linkage coal to the IPP of M/s. JIPL to the extent of State share of power and pursue the cases related to M/s. JIPL at appropriate judicial forum for early resolution of the disputes as State share of energy would be available at the variable cost only. After resolution of disputes, GRIDCO should draw State share of power in full from the IPP of M/s. JIPL at the ECR based on the formula given in OERC Generation Tariff Regulations, 2024, considering linkage coal.

**M/s. NAVA Limited (M/s. NAVAL)**

298. GRIDCO has submitted that as per the subsisting long term PPA, the State's entitlement of 12% of Energy Sent Out from 1 x 60 MW IPP of M/s. NAVA Ltd is to be procured at ECR only. Further, M/s. NAVA Ltd has been allocated SHAKTI Linkage Coal by Ministry of Coal, Govt. of India under Clause B (ii) of SHAKTI Policy, 2017. Accordingly, M/s. NAVA Ltd has signed Fuel Supply Agreement (FSA) dated 19.08.2024 with MCL and is availing SHAKTI Coal since August, 2024 for its IPP Unit-1. In its generation plan, M/s. NAVA Ltd. has projected generation of 36.39 MU from its IPP Unit-1 for FY 2026-27. However, considering the Auxiliary Energy Consumption (AEC) of 10%, as approved in the Tariff order of the IPP, GRIDCO has estimated to procure 36.80 MU of energy from the IPP Unit-1 of M/s. NAVA Ltd during FY 2026-27 towards 12% State's entitlement of power. According to GRIDCO, M/s. NAVA Ltd is utilising various types of domestic coal for supply of power to GRIDCO. However, from August, 2024, supply of SHAKTI linkage coal has been commenced under the FSA signed with MCL which shall be utilised for supply of a major percentage of power to GRIDCO. Considering the average of actual ECR for the 1<sup>st</sup> six months of FY 2025-26, GRIDCO has projected the ECR of the IPP Unit-1 of M/s. NAVA Ltd. as 205.64 P/U for the ensuing FY 2026-27. Accordingly, the power purchase cost has been estimated by GRIDCO at Rs.7.57 Crore for the IPP Unit-1 of M/s. NAVA Ltd. towards drawal of 36.80 MU @ 205.64 P/U.
299. GRIDCO has further submitted that M/s. NAVA Ltd., vide letter dated 07.04.2025, had submitted a proposal to Industrial Promotion and Investment Corporation of Odisha Ltd.

(IPICOL), Govt. of Odisha, seeking an approval for conversion and operation of its existing CPP Unit-2 (60 MW) as IPP, and upon such conversion, M/s. NAVA Ltd. will supply 14%/12% of the energy sent-out to GRIDCO from this generating Unit-2 under the State Thermal Policy, at the tariff determined by the Commission. IPICOL, vide letter dated 27.05.2025, intimated the approval of proposal of M/s. NAVA Ltd. for conversion of CPP Unit-2 (60 MW) to IPP to the Industries Department, Govt. of Odisha. Subsequently, Industries Department, vide letter dated 03.06.2025, communicated to M/s. NAVA Ltd. regarding approval of their proposal for conversion of CPP Unit-2 (60 MW) to IPP in the 136<sup>th</sup> State Level Single Window Clearance Authority (SLSWCA) meeting held on 02.05.2025. The Industries Department has also communicated the same to the Energy Department, Government of Odisha, vide letter dated 25.06.2025. Thereafter, the Department Energy, Government of Odisha, vide letter dated 26.06.2025, has intimated GRIDCO regarding approval of conversion of CPP Unit-2 (60 MW) of M/s. NAVA Ltd. to IPP Unit. Accordingly, M/s. NAVA Ltd approached GRIDCO for supplying 12% of energy sent out from the said IPP Unit-2 (60 MW) and also furnished an undertaking for supplying 12% of the energy sent out from this Unit to GRIDCO at the same ECR as being billed for its IPP Unit-1. Thereafter, the draft PPA furnished by M/s. NAVA Ltd. for supply of 12% of energy sent out from the IPP Unit-2 to GRIDCO incorporating the necessary clauses was mutually agreed between the parties, signed and shall be filed before the Commission for necessary approval. Subsequently, GRIDCO was intimated that the said 60 MW IPP Unit-2 of M/s. NAVA Ltd. was disconnected from the CPP Bus and connected to the IPP Bus on 29.10.2025, in the presence of representatives from O&M and E&MR, OPTCL, C.E-Cum-C.E.I (Central Zone, Odisha) and TPCODL. The scheduling of power in respect of 60 MW IPP Unit-2 of M/s. NAVA Ltd. has also commenced from 04.11.2025. Considering the above, GRIDCO, in its present ARR application, has proposed to draw power from the 60 MW IPP Unit-2 of M/s. NAVA Ltd. during the FY 2026-27.

300. In its generation plan, M/s. NAVA Ltd. has projected generation of 45.55 MU towards State entitlement from its IPP Unit-2 and has indicated an ECR of 238.00 P/U. However, considering Auxiliary Energy Consumption at 10%, as approved for IPP Unit-1 and the State entitlement of 12% of energy sent-out, GRIDCO has worked out availability of 46.06 MU and proposed to procure the said quantum of energy from the 60 MW IPP Unit-2 of M/s NAVA Ltd. during FY 2026-27. GRIDCO has further submitted that it has been mutually agreed between the parties that M/s. NAVA Ltd. shall supply the power to GRIDCO from its IPP Unit-2 at the same ECR as being billed for IPP Unit-1 for three (3) months and thereafter as per the

tariff to be determined by OERC. However, in the draft PPA, signed for procurement of 12% share of power from the IPP Unit-2 (60 MW) of NAVA and GRIDCO, it has also been specified that concessional coal/ SHAKTI coal should be arranged by M/s. NAVA Ltd. after commencement of power supply to GRIDCO. Since NAVA Ltd. has not yet been allocated coal under the SHAKTI scheme for its IPP Unit-2, GRIDCO has requested the Commission to consider the tentative tariff of 238 P/U, as indicated by M/s. NAVA Ltd. in its generation plan, for calculating the power purchase cost for IPP Unit-2 of M/s. NAVA Ltd. Accordingly, GRIDCO has estimated the power purchase cost of Rs.10.96 crore @ 238 P/U towards procurement of 46.05 MU of energy from the IPP Unit-2 of M/s. NAVA Ltd.

301. The power purchase cost of both the IPP Units of M/s. NAVA Ltd. is summarized in the table below:

**Table-39**

**Power purchase cost of NAVA Ltd. IPP for FY 2026-27**

<b>Name of the Power Station</b>	<b>Gross Generation (MU)</b>	<b>Net Generation (MU)</b>	<b>Odisha Share (12%) (MU)</b>	<b>ECR (P/U)</b>	<b>Total Cost (Rs. Cr.)</b>
<b>NAVA Ltd. (Unit-1)</b>	340.70	306.63	36.80	205.64	7.57
<b>NAVA Ltd. (Unit-2)</b>	426.46	383.81	46.05	238.00	10.96
<b>Total</b>	<b>767.16</b>	<b>690.44</b>	<b>82.85</b>	<b>223.65</b>	<b>18.53</b>

302. The Commission scrutinized the above proposal of GRIDCO and observed that as per the PPA dated 31.10.2014 and supplementary PPA dated 23.09.2015 executed between GRIDCO and M/s. NBVL (presently M/s. NAVAL), GRIDCO is entitled to draw 12% of total energy sent out from the 60 MW IPP (Unit-1) of the power plant of M/s. NAVAL as State share at variable cost (ECR), which is to be determined by the Commission. The erstwhile M/s. NBVL had approached the Commission for determination of ECR in respect of its 60 MW power plant in Case No. 44/2021. The Commission, vide its order dated 12.01.2022, has fixed the annual plant availability factor of 85% and auxiliary energy consumption @ 10% for the 60 MW IPP (Unit-1) of the power plant of the erstwhile M/s. NBVL. Accordingly, the energy availability to GRIDCO from this IPP (Unit-1) comes out to 48.25 MU considering State share of 12% of total energy sent out.
303. The Commission, vide its order dated 12.01.2022, has fixed the annual plant availability factor, auxiliary energy consumption, gross Station Heat Rate and norms of secondary fuel oil consumption for the 60 MW IPP of M/s. NAVAL. The Commission observed that the energy charge is to be calculated as per the provisions under OERC (Terms and Conditions for

Determination of Generation Tariff) Regulations, 2024 and accordingly billing shall be prepared by the generator. Further, considering the actual ECR of M/s. NAVAL from the month of April, 2025 to December, 2025, as submitted by GRIDCO, the average ECR is computed as 200.86 P/U. The Commission provisionally consider the same for the ensuing financial year 2026-27. Accordingly, the Commission estimates the power procurement cost of Rs.9.69 Crore towards procurement of 48.25 MU by GRIDCO from the 60 MW IPP (Unit-1) of M/s. NAVAL at the rate of 200.86 P/U.

304. The Commission further observed that the proposal of M/s. NAVA Ltd. for conversion its CPP Unit-2 to IPP Unit has been approved by the Government of Odisha and GRIDCO has signed draft PPA with M/s. NAVA Ltd. to purchase 12% of energy sent out from this converted IPP Unit-2 under the State Thermal Policy, which is yet to be approved by the Commission. However, it is also agreed by both the parties that M/s. NAVA Ltd. shall arrange concessional coal / SHAKTI coal after commencement of power supply to GRIDCO. It is also agreed that M/s. NAVA Ltd. shall supply power to GRIDCO at the same ECR as billed for the existing IPP Unit-1. Since M/s. NAVA Ltd. has not yet been allocated coal under SHAKTI Scheme, GRIDCO has proposed the tentative tariff of 238 P/U towards purchase of power from the converted IPP Unit-2 of M/s. NAVA Ltd. As the power from the converted IPP Unit-2 of M/s. NAVA Ltd. would be available to GRIDCO at the ECR only, the Commission accepts the proposal of GRIDCO and allows for drawal of power by GRIDCO during the ensuing FY 2026-27. However, the Commission directs GRIDCO to extend cooperation with M/s. NAVA Ltd. in coordination with the Government of Odisha for allotment of linkage coal /SHAKTI Coal to the extent of State entitlement of power from the IPP Unit-2 of M/s. NAVA Ltd. The Commission further directed GRIDCO to file the signed draft PPA before the Commission for necessary approval.
305. Considering the normative plant availability factor of 85%, auxiliary consumption @10% and 12% of energy sent out towards State entitlement, the Commission estimates availability of 48.25 MU of energy from the IPP Unit-2 of M/s. NAVA Ltd. for the FY 2026-27. In its application, GRIDCO has proposed the ECR @ 238 P/U towards drawal of power from the IPP Unit-2 of M/s. NAVA Ltd. The Commission accepts the same and estimates the power procurement cost of Rs.11.48 Crore towards procurement of 48.25 MU by GRIDCO from the 60 MW IPP (Unit-2) of M/s. NAVAL at the rate of 238 P/U, as shown in the Table below:

**Table-40****Power purchase cost of NAVA Ltd. IPP for FY 2026-27**

<b>Name of the Power Station</b>	<b>Normative Energy Available to GRIDCO (MU)</b>	<b>Energy Considered for drawal by GRIDCO (MU)</b>	<b>ECR (P/U)</b>	<b>Total Cost (Rs. Cr.)</b>
<b>NAVA Ltd. (Unit-1)</b>	48.25	48.25	200.86	9.69
<b>NAVA Ltd. (Unit-2)</b>	48.25	48.25	238.00	11.48

**M/s. Maadurga Thermal Power Company Limited (M/s. MTPCL)**

306. GRIDCO has submitted that as per the PPA dated 30.12.2010 between GRIDCO and M/s. MTPCL, GRIDCO would avail entire “infirm power” as well as 12% of firm power sent out from the 60 MW (2x30 MW) thermal power plant of M/s. MTPCL at ECR only. GRIDCO has intended to procure the full entitled quantum of power from the said IPP. As per the Generation Plan received by GRIDCO from M/s. MTPCL, the net drawal from the said IPP of M/s. MTPCL is projected to be 48.25 MU for the FY 2026-27, considering Aux. Energy Consumption @10% and normative PAF of 85%. GRIDCO has submitted that now they are procuring State’s share of power from M/s. MTPCL at the provisional ECR of 304.60 P/U (based on information/data provided by the IPP in respect of landed cost and GCV of coal and oil), subject to finalization after determination of tariff by the Commission. Accordingly, the power purchase cost has been computed by GRIDCO to the tune of Rs.14.70 Crore for procurement of 48.25 MU of energy during the ensuing FY 2026-27 @304.60 P/U, as indicated in the table below:

**Table-41****Projected Power Purchase Cost of M/s. MTPCL-IPP for FY 2026-27**

<b>Name of the IPP</b>	<b>Gross Generation @85% PLF (MU)</b>	<b>AEC @10% (MU)</b>	<b>Net Generation (MU)</b>	<b>Odisha Share (12%) (MU)</b>	<b>ECR (P/U)</b>	<b>Total Cost (Rs. Cr.)</b>
M/s. MTPCL	446.76	44.68	402.08	48.25	304.60	14.70

307. After scrutiny of the above proposal, the Commission accepts the above proposal of GRIDCO and approves an availability of 48.25 MU of energy from the IPP of M/s. MTPCL during the ensuing FY 2026-27. The Commission observed that currently the billing is made by the IPP at the ECR of 304.60 P/U. Accordingly, the Commission estimates the power procurement cost of Rs.14.70 Crore towards procurement of 48.25 MU of energy from the IPP of M/s.

MTPCL (Long-term Agreement) at the ECR of 304.60 P/U. Since this ECR of 304.60 P/U does not come under merit order principle, the Commission has not considered drawal of such power for State consumption.

308. GRIDCO has further submitted that they have executed a Medium-Term Agreement with M/s. Maadurga Thermal Power Company Limited (MTPCL) on 27.03.2025 for procurement of power from the said IPP for a period of four years, with a Contracted Capacity of 25 MW (Ex-Bus) power at delivery point. The tariff for supply of such Medium-Term Power to GRIDCO has been determined under the TBCB Procedure in accordance with Section-63 of the Electricity Act, 2003. Accordingly, the tariff has been fixed as Rs. 5.48/kWh, comprising a base Fixed Charge of Rs.2.74/kWh and a base Variable Charge of Rs.2.74/kWh, subject to the annual revision in WPI variation as per the provisions of the PPA. The PPA dated 27.03.2025 executed between the parties for procurement of such power has been approved by the Commission vide order dated 09.06.2025 in Case No. 23 of 2025. However, the power has been scheduled w.e.f. 01.04.2025. Considering supply of 25 MW power on Round-The-Clock (RTC) basis, the estimated quantum of energy to be supplied by M/s. MTPCL during FY 2026-27 has been worked out by GRIDCO as 219 MU. Accordingly, the power purchase cost has been computed by GRIDCO at Rs. 120.01 Crore, subject to revision on account of applicable WPI variation as per the terms of the Agreement.
309. After scrutiny of the above, the Commission accepts the proposal of GRIDCO for procurement of 219 MU of energy from M/s. MTPCL in terms of the PPA (Medium-Term) dated 27.03.2025 executed between GRIDCO and M/s. MTPCL. The Commission observed that as per the medium-term contract between the parties, tariff has been fixed as Rs. 5.48/kWh, (Base Fixed Charge of Rs.2.74/kWh and Base Variable Charge of Rs.2.74/kWh). Accordingly, the Commission estimates the power procurement cost as Rs.120.01 Crore towards procurement of 219 MU of energy from the IPP of M/s. MTPCL (Medium-term Agreement) @ 548 P/U. However, as the ECR for such power procurement is fixed at 274 P/U, it does not come under merit order principle. Thus, the Commission does not consider any drawal from the IPP of M/s. MTPCL (Medium-Term Contract) for State consumption.
310. As described in the above paragraphs, the Commission estimates the availability of 9089.59 MU for the FY 2026-27 towards State's share of power from the IPPs operating in the State based on the existing norms in the Generation Tariff Regulations and provisions of the PPA. However, the Commission has approved 6880.31 MU only from these IPPs for State consumption during the ensuing FY 2026-27 basing on the merit order principle. However, this approval does not restrict GRIDCO to avail power from these IPPs. GRIDCO is directed

to draw the power from these IPPs to the extent of State's entitlement as per PPA for State consumption in case of exigencies i.e. when there will shortfall in drawal of energy from the approved sources or increase in State demand on real time basis. Further, GRIDCO may also avail this power for trading purpose to meet its past liabilities. The proposal of GRIDCO and approval of the Commission towards purchase of power from the IPPs during the FY 2026-27 are summarized in the table below.

**Table -42**  
**Power Procurement Cost from IPPs during FY 2026-27**

IPP's	GRIDCO's Proposal			Commission's Approval			
	Quantum of Energy (MU)	Average Rate (P/U)	Cost (Rs. in Cr.)	Availability of Energy MU	Drawal for State Use (MU)	Average Rate (P/U)	Cost (Rs. in Cr.)
M/s.Vedanta Ltd.	2880.51	303.58	874.48	5036.77	5036.77	276.94	1394.89
M/s GKEL	1898.00	345.13	655.06	2167.28	1843.54	352.48	649.81
M/s.JSWEUL	544.91	204.00	111.16	567.69	0.00	199.14	-
M/s. JIPL	970.22	336.00	325.99	954.10	0.00	336.00	-
M/s. NAVAL (Unit-1)	36.80	205.64	7.57	48.25	0.00	200.86	-
M/s. NAVAL (Unit-2)	46.06	238.00	10.96	48.25	0.00	238.00	-
M/s. MTPCL (Long Term)	48.25	304.60	14.70	48.25	0.00	304.60	-
M/s. MTPCL (Medium Term)	219.00	548.00	120.01	219.00	0.00	548.00	-
<b>Total</b>	<b>6643.75</b>	<b>319.09</b>	<b>2119.94</b>	<b>9089.59</b>	<b>6880.31</b>	<b>297.18</b>	<b>2044.71</b>

311. The Commission has provisionally considered the above price of the IPPs for the purpose of computation of ARR of GRIDCO for the FY 2026-27. However, GRIDCO should make payment of the energy bills and other applicable charges of these IPPs after due scrutiny as per the PPA and tariff order issued by the appropriate Commission. Further, the Commission directs that deviations/adjustment in revenue, if any, on this account shall be considered in the truing up exercise.

#### **Power Purchase from Central Generating Stations**

312. Odisha has been allocated shares in the NTPC's stations located in the Eastern Region as well as from the Chukha, Tala, Mangdechhu, Kurichu and Punatsangchhu Hydro Electric Projects in Bhutan and Teesta-V & Rangit Hydro Electric Project of NHPC in Sikkim. The entitlement from these stations is based on share allocation made by the CEA/Ministry of Power, GoI from time to time. In the instant case the percentage of share allocation in favour of Odisha has been considered based on the latest Regional Energy Accounts (REA) of the Eastern Regional Power Committee (ERPC).

### **Central Transmission Loss:**

313. GRIDCO has submitted that the ISTS losses are being calculated at all India level on weekly basis as per CERC (Sharing of Inter State Transmission Charges and Losses) Regulations as amended from time to time. In its ARR & BSP application, GRIDCO has computed the average Inter-State Transmission Loss as 3.61% based on the weekly transmission losses uploaded in the website of NLDC/Grid-India for the period from April, 2025 to September, 2025 and has projected the same for FY 2026-27. However, while replying to the queries of the Commission, GRIDCO in its rejoinder has submitted that considering the period from April, 2025 to November, 2025, the average ISTS losses has been increased to 3.70% based on the date available on the NLDC/Grid-India website. According to GRIDCO, the increase in transmission loss is due to injection of power from certain RE sources those are exempted from transmission losses. After analyzing the transmission loss computation published by NLDC for the months of September, 2025 to November, 2025, GRIDCO observes that the decline in total injection of power into the ISTS network is higher than the decline in the exempted renewable energy injection during this period. Consequently, the adjusted injection base reduces at a comparatively higher rate. As a result, even if the absolute system losses do not increase, the transmission loss percentage rises during periods of lower demand. After scrutiny of the transmission loss data from NLDC website for the period from April 2025 to November, 2025, the Commission accepts the submission of GRIDCO and provisionally considers the Inter-State Transmission Loss @ 3.70% for drawal of power by GRIDCO from central sector generating stations during the FY 2026-27.

### **Hydro Generating Stations of Central Sector and Neighbouring Country (Bhutan)**

314. **Chukha HEP (Bhutan):** GRIDCO has submitted that as per latest ERPC allocation Order dated 16.09.2025, Odisha has a share of 14.61% (Firm Allocation: 12.96% & Unallocated Share percentage: 1.65%) with effect from 18.09.2025 from the ER allocation of 270 MW in the Chukha Hydro Electric Project (4x84 MW) of Bhutan. GRIDCO has proposed the availability of 168.75 MU from Chukha HEP for FY 2026-27 based on the average drawal pattern of the last three financial years, i.e., FY 2022-23, FY 2023-24 & FY 2024-25 and deducting Inter-State transmission loss @ 3.61%, the net drawl of GRIDCO from Chukha HEP has been projected at 163.00 MU for the FY 2026-27. In its application, GRIDCO has considered the rate of 304 P/U (including trading margin @ 4 P/U) for procuring power from Chukha hydro power station during the FY 2026-27, based on the Office Memorandum dated 08.03.2018 of Ministry of External Affairs, Govt. of India and dated 16.11.2023 of Ministry of Power, Govt. of India. Further, considering Inter-State Transmission Loss of 3.61%,

GRIDCO has estimated the rate of 315.38 P/U towards procurement of power from Chukha hydro power station for the FY 2026-27. Thus, the power purchase cost of the proposed drawal of 163.00 MU has been worked out to Rs.51.41 crore by GRIDCO.

315. The Commission scrutinized the above proposal of GRIDCO and observed that the drawal of GRIDCO from Chukha during the period from FY 2022-23 to 2024-25 were 240.02 MU 141.31 MU and 152.09 MU respectively. Due to such variations in drawal, the Commission estimates drawal of 177.81 MU from Chukha considering the average drawal in last 3 years i.e. from FY 2022-23 to 2024-25. Further, deducting the Inter-State Transmission Loss @ 3.70%, the Commission approves the net drawl of 171.23 MU by GRIDCO from Chukha hydroelectric project for FY 2026-27. Further, the Commission approves power procurement from Chukha HEP for FY 2026-27 at the rate of 315.68 P/U considering Inter-State transmission loss @ 3.70%. Hence, the cost of power from Chukka power station comes out Rs.54.05 Crore for the approved drawal of 171.23 MU for FY 2026-27, as summarized in the Table below:

**Table – 43**

<b>Chukha HEP</b>	<b>GRIDCO's Proposal</b>	<b>Commission's Approval</b>
Net Energy Drawal (MU)	163.00	171.23
Energy Charge Rate (P/U)	304.00	304.00
Energy Charge Rate considering Inter-State Tr. Loss (P/U)	315.38 (ISTS Loss @ 3.61%)	315.68 (ISTS Loss @ 3.70%)
<b>Cost of Chukha Power (Rs. Cr.)</b>	<b>51.41</b>	<b>54.05</b>

316. **TALA HEP (Bhutan):** GRIDCO has submitted that Odisha has an allocated share of 4.25% from Tala HEP, Bhutan having installed capacity of 1020 MW (6X170 MW). GRIDCO has proposed the availability of 61.41 MU of energy from Tala HEP during FY 2026-27 based on the average drawal pattern of the last three financial years, i.e., FY 2022-23, FY 2023-24 & FY 2024-25 and deducting Inter-State transmission loss @ 3.61%, GRIDCO has projected net drawal of 59.00 MU from Tala HEP for FY 2026-27. In its application, GRIDCO has considered the rate of 227 P/U (including trading margin @ 4 P/U) for procuring power from TALA HEP during the FY 2026-27 based on the current bills served to GRIDCO in accordance to the PTC Letter No.C/PTC/Tala/2220 dated 11.11.2021. Further, considering Inter-State Transmission Loss @3.61%, GRIDCO has estimated the rate as 235.50 P/U towards procurement of power from TALA HEP for the FY 2026-27. Thus, the power purchase cost of the proposed drawal of 59.00 MU is worked out by GRIDCO as Rs.13.89 Crore for the FY 2026-27.

317. After scrutiny, the Commission observed that the availability to GRIDCO from Tala Hydro Power Station during the period from FY 2022-23 to 2024-25 were 100.95 MU, 52.51 MU and 34.38 MU respectively. Due to such variation in drawal of power, the Commission estimates the availability of 62.61 MU from Tala Hydro Power Station considering the average drawal of last 3 years i.e. from FY 2022-23 to 2024-25. Further, deducting the Inter-State Transmission Loss @ 3.70%, the Commission approves the net drawl of 60.30 MU by GRIDCO from Tala hydroelectric project for FY 2026-27. Further, the Commission approves power procurement from Tala HEP for FY 2026-27 at the rate of 235.72 P/U considering Inter-State transmission loss @ 3.70%. Hence, the cost of TALA power comes to Rs.14.21 Crore for the approved drawal of 60.30 MU for FY 2026-27, as summarized in the Table below:

**Table –44**

<b>Tala HEP</b>	<b>GRIDCO Proposal</b>	<b>Commission's Approval</b>
Net Energy Drawal (MU)	59.00	60.30
Energy Charge Rate (P/U)	227.00	227.00
Energy Charge Rate considering Inter-State Tr. Loss (P/U)	235.50 (ISTS Loss @ 3.61%)	235.72 (ISTS Loss @ 3.70%)
<b>Cost of Tala Power (Rs. Cr.)</b>	<b>13.89</b>	<b>14.21</b>

318. **Mangdechhu HEP (Bhutan):** GRIDCO has submitted that Odisha has share of 10.796% (Firm Allocation: 9.33% & Unallocated Share percentage: 1.47%) from the Mangdechhu Hydro Electric Project in Bhutan having Installed Capacity of 720 MW (4x180 MW) i.e. Odisha share is equivalent to 77.736 MW. GRIDCO has proposed to draw 288.75 MU from Mangdechhu HEP during FY 2026-27 based on the average drawal pattern over the last three financial years, i.e. FY 2022-23, FY 2023-24 & FY 2024-25. Further, considering the ISTS loss of 3.61%, the net availability to GRIDCO has been proposed as 278.00 MU from Mangdechhu HEP during FY 2026-27. In its application, GRIDCO has considered the cost of power from Mangdechhu HEP as 461 P/U (including the PTC Margin of 7 P/U) based on the protocol to the Agreement (signed on 23.04.2019) between the Govt. of the Republic of India & the Royal Govt. of Bhutan regarding Mangdechhu HEP and the Power Sale Agreement executed between PTC & GRIDCO on 30.08.2019 to this effect. Further, considering ISTS Loss @ 3.61%, the rate of Mangdechhu power has been proposed as 478.27 P/U. Accordingly, GRIDCO has estimated the power purchase cost of Mangdechhu power at Rs.132.96 Crore for procurement of 278.00 MU @ 478.27 P/U during FY 2026-27.

319. The Commission scrutinized the above proposal of GRIDCO and observed that the average of annual drawal from Mangdechhu HEP comes to 280.92 MU considering the actual drawal

of FY 2022-23, 2023-24 & 2024-25. Further, considering the ISTS loss @ 3.70%, the net availability to GRIDCO comes to 270.52 MU. Hence, the Commission approves an availability of 270.52 MU from Mangdechhu HEP during FY 2026-27 for State consumption. Further, the Commission approves the power procurement from Mangdechhu HEP for FY 2026-27 at the rate of 478.71 P/U basing on the submission of GRIDCO and factoring ISTS loss @3.70%. Hence, the cost of Mangdechhu hydel power comes to Rs.129.50 Crore towards procurement of the approved drawal of 270.52 MU during FY 2026-27, as summarized in the Table below:

**Table –45**

<b>Mangdechhu HEP</b>	<b>GRIDCO's Proposal</b>	<b>Commission's Approval</b>
Net Energy Drawal MU	278.00	270.52
Energy Charge (P/U)	461.00	461.00
Energy Charge including Inter-State Tr.Loss (P/U)	478.27 (ISTS Loss @ 3.61%)	478.71 (ISTS Loss @ 3.70%)
<b>Cost of Mangdechhu Power (Rs. in Cr.)</b>	<b>132.96</b>	<b>129.50</b>

320. **Kurichhu HEP (Bhutan):** GRIDCO has submitted that as per the directives of the Ministry of Power and the CEA, the ERPC, vide its letter dated 15.02.2023, has re-allocated the power from Central Generating Stations of Eastern Region and Hydro Power Stations of Bhutan upon Uniform allocation of unallocated power among ER beneficiaries from Eastern Region pool. Accordingly, GRIDCO has been allotted an unallocated share from the Kurichhu Hydro Electric Project of Bhutan, from which GRIDCO had no firm allocation previously. As per the latest ERPC allocation Order dated 16.09.2025, which came into effect from 18.09.2025, GRIDCO has been allocated an unallocated share of 1.02%, corresponding to 0.611 MW from Kurichhu HEP of Bhutan. The drawal of power from Kurichhu was nil during FY 2024-25. However, the drawal up to September'2025 in FY 2025-26 amounts to 1.06659 MU. In view of this, GRIDCO has proposed a drawal of 1 MU from Kurichhu HEP for the ensuing year 2026-27. In its application, GRIDCO has considered the cost of power from Kurichhu HEP as 228 P/U (including the PTC Margin of 4 P/U). Further, considering ISTS Loss @ 3.61%, the rate of Kurichhu power has been proposed as 236.54 P/U. Accordingly, GRIDCO has estimated the power purchase cost of Kurichhu power at Rs.0.24 Crore for procurement of 1 MU @ 236.54 P/U during FY 2026-27.
321. After scrutiny of the proposal of GRIDCO, the Commission approves for procurement of 1.03 MU from Kurichhu HEP of Bhutan during FY 2026-27 for State consumption at the rate of 236.76 P/U considering the drawal up to September'2025 during FY 2025-26 and factoring ISTS loss @ 3.70%. Accordingly, the power procurement cost of 1.03 MU from Kurichhu HEP comes to Rs.0.24 crore at the rate of 236.76 P/U, as summarized in the Table below:

**Table –46**

<b>Kurichu HEP</b>	<b>GRIDCO's Proposal</b>	<b>Commission's Approval</b>
Net Energy Drawal MU	1.00	1.03
Energy Charge (P/U)	228.00	228.00
Energy Charge including Inter-State Tr.Loss (P/U)	236.54 (ISTS Loss @ 3.61%)	236.76 (ISTS Loss @ 3.70%)
<b>Cost of Kurichu Power (Rs. in Cr.)</b>	<b>0.24</b>	<b>0.24</b>

322. **Punatsangchhu-II HEP (Bhutan):** GRIDCO has submitted that as per the Ministry of Power, Government of India, Allocation Order dated 01.09.2025, 104 MW of power was allocated to the State from the Punatsangchhu-II Hydro Electric Project (HEP) located in Bhutan and having Installed Capacity of 1020 MW (6x170 MW). However, as per the latest ERPC Allocation Order dated 16.09.2025, GRIDCO has been allocated a total share of 12.033% (Firm Allocation: 10.20% and Unallocated Share: 1.83%) from Punatsangchhu-II HEP, equivalent to 122.74 MW. The Ministry of Power, Government of India, has designated NVVN as the Nodal Agency for procurement of power from Punatsangchhu-II HEP. NVVN, vide its e-mail dated 15.09.2025, has communicated an indicative first-year tariff of Rs. 5.10 per unit (exclusive of Trading Margin of Rs. 0.07 per unit), pending finalisation of the protocol between the Government of India and the Royal Government of Bhutan. The Power Purchase Agreement between the two governments is currently under process, following which the Power Supply Agreements (PSAs) will be executed with the respective beneficiaries. The scheduling of power from Punatsangchhu-II HEP has already been commenced at 00:00 hours on 20th September'2025. As per the final schedule published on the ERLDC website, GRIDCO has drawn 26 MU of power during the period from 20.09.2025 to 30.09.2025. The Annual Design Energy of Punatsangchhu-II HEP is 4575 MU. After accounting for 1.20% towards Auxiliary Consumption, the Annual Saleable Energy of the project worked out by GRIDCO as 4520.10 MU. Considering GRIDCO's share of 12.033% of the saleable energy, GRIDCO has proposed a drawal of 524 MU during FY 2026-27 after factoring in Central Transmission Loss of 3.61%. The effective power purchase cost from Punatsangchhu-II HEP for the projected drawal of 524 MU @ 536.36 P/U (including Trading Margin @ 7 P/U and Central Transmission Loss of 3.61%) has been worked out by GRIDCO as Rs. 281.05 Crores for FY 2026-27.
323. After scrutiny of the above proposal of GRIDCO, the Commission estimates an availability of 543.90 MU from Punatsangchhu-II HEP considering Design Energy of 4575 MU, Auxiliary Consumption @ 1.20% and GRIDCO's share of 12.033%. Further, considering the ISTS loss @ 3.70%, the Commission estimates the net drawl of 523.78 MU from Punatsangchhu-II HEP. Further, considering the proposed indicative tariff of 517 P/U

(including Trading Margin @ 7 P/U) for the first year and factoring ISTS Loss @ 3.70%, the Commission provisionally approves the power procurement rate at 536.86 P/U towards drawal of energy from Punatsangchhu-II HEP. Accordingly, the power procurement cost has come to Rs.281.20 crore for net drawal of 523.78 MU from Punatsangchhu-II HEP at the rate of 536.86 P/U for computation of ARR of GRIDCO for the ensuing FY 2026-27, as summarized in the table below:

**Table –47**

<b>Punatsangchhu-II HEP</b>	<b>GRIDCO's Proposal</b>	<b>Commission's Approval</b>
Design Energy (MU)	4575.00	4575.00
Annual Saleable Energy considering 1.20% Auxiliary Consumption	4520.10	4520.10
GRIDCO share (%)	12.033	12.033
Available Energy (MU)	543.90	543.90
Net Energy Drawal (MU) deducting ISTS Loss	524.00	523.78
Energy Charge Rate (P/U)	536.36	536.86
<b>Cost of Rangit HEP (Rs. in Cr.)</b>	<b>281.05</b>	<b>281.20</b>

324. **Rangit HEP:** GRIDCO has submitted that GRIDCO did not have any firm allocation of power from Rangit Hydro Power Station of NHPC Ltd. However, the ERPC, vide its letter dated 15.02.2023, has re-allocated the power of Central Generating Stations of Eastern Region and Bhutan HPS upon uniform allocation of unallocated power among the beneficiaries from Eastern Region Pool as per the directive of CEA and Ministry of Power. As per the latest ERPC allocation Order dated 16.09.2025, effective from 18.09.2025, GRIDCO has been allocated 1.833% from the unallocated share of Rangit HEP including 12% free power of home state corresponding to 1.10 MW. Accordingly, GRIDCO has proposed to draw about 6.00 MU from Rangit HEP during the FY 2026-27 considering the design energy (338.61 MU) of Rangit Hydro Power Station, 12% free power to the home State and ISTS Loss @3.61%. In its application, GRIDCO has submitted that NHPC has already filed the tariff petition for the control period 2024-29 before the CERC. Accordingly, GRIDCO has proposed the AFC of Rs.141.40 Crore of Rangit HEP for FY 2026-27 based on the tariff petition filed by NHPC and requested the Commission to approve the same subject to revision, if any, upon issuance of the final tariff order by CERC. Considering GRIDCO's share of 1.833% and 12% free power to the Home State, the power procurement cost of 6.00 MU of energy from Rangit HEP is estimated at Rs. 2.94 Crore by GRIDCO for FY 2026-27 at an average rate of 490 P/U.

325. The Commission scrutinized the above proposal of GRIDCO and observed that as per the latest monthly Regional Energy Accounting (REA) for the month of December, 2025, the share of GRIDCO from Rangit Hydro Power Station of NHPC Ltd. is 1.834%. Accordingly, the Commission estimates an availability of 5.40 MU from Rangit Hydro Power Station considering Design Energy of 338.61 MU, Auxiliary Consumption @ 1.20%, free power of 12% for the Home State and GRIDCO share of 1.834%. Further, considering the ISTS loss @ 3.70%, the Commission estimates the net drawl from Rangit HEP as 5.20 MU. Further, considering the proposal of GRIDCO, the Commission provisionally approves the AFC of Rangit HEP Rs.141.40 Crore and GRIDCO's share of AFC comes to Rs.2.59 Crore. Accordingly, the power procurement cost has been considered as Rs.2.59 crore for net drawl of 5.20 MU from Rangit HEP at an average rate of 498.74 P/U for computation of ARR of GRIDCO for the ensuing FY 2026-27, as summarized in the table below:

**Table –48**

<b>Rangit HEP</b>	<b>GRIDCO's Proposal</b>	<b>Commission's Approval</b>
Design Energy (MU)	338.61	338.61
Annual Saleable Energy considering 1.20% Auxiliary Consumption & 12% free energy to Home State	294.40	294.40
GRIDCO share (%)	2.08	1.834
Available Energy (MU)	6.12	5.40
Net Energy Drawal (MU) deducting ISTS Loss	6.00	5.20
Energy Charge Rate (P/U)	490.00	498.74
<b>Cost of Rangit HEP (Rs. in Cr.)</b>	<b>2.94</b>	<b>2.59</b>

326. **TEESTA-V HEP (NHPC):** GRIDCO has submitted that the Annual Design Energy of the Teesta-V Hydro Electric Project (Installed Capacity: 510 MW) located in Sikkim is 2572.67 MU. After accounting for 12% free energy to the Home State and 1.20% towards Auxiliary Consumption, the Annual Saleable Energy of the project is estimated at 2236.78 MU. GRIDCO has a share of 22.42% (Firm Allocation: 20.59% and Unallocated Share: 1.83%) in the Teesta-V Hydro Electric Project as per the latest ERPC Allocation Order dated 16.09.2025 and including the 12% free power to the home state the effective share of GRIDCO worked out to 25.48%. Accordingly, the proposed drawal from Teesta-V HEP for FY 2026-27 is estimated by GRIDCO at 549 MU after accounting for Central Transmission Loss of 3.61%. GRIDCO has further submitted that NHPC has filed tariff petitions before CERC for determination of tariff in respect of its central hydro generating stations for the control period 2024-29 and GRIDCO has relied upon the same. Accordingly, GRIDCO has considered the Annual Fixed Cost (AFC) of Rs.541.6290 Crores for Teesta-V HEP based on the tariff petition filed by NHPC before CERC for the control period 2024-2029 and thus GRIDCO's share of

AFC has been considered as Rs.138.01 Crore (Rs. 69 Crore towards fixed cost and the balance Rs. 69 Crore towards ECR) taking the effective share of 25.48%. GRIDCO has further considered year-end charge of Rs.0.13 crore for Teesta-V HEP. Accordingly, GRIDCO has proposed total power procurement cost of Rs.138.14 crore towards drawal of projected energy of 549 MU at an average rate of 251.62 P/U.

327. GRIDCO has further submitted that due to the heavy rainfall and subsequent damage to the Teesta-V HEP on 4th and 5th October'2023, the power station was rendered non-operational. As per the communication received from NHPC, power station is expected to resume operation by March 2026. Therefore, GRIDCO has requested the Commission to consider and approve the proposed energy drawal as well as the corresponding power purchase cost of Teesta-V HEP for FY 2026-27 based on the tariff petition filed by NHPC before the CERC, subject to revision upon pronouncement of the final order by CERC in this regard.
328. The Commission observed that the share of GRIDCO from Teesta-V HEP is 22.424% and hence, GRIDCO is entitled to get 22.424% on the generation less auxiliary consumption. However, there is provision for 12% free power to the home State (Sikkim) from the Teesta-V HEP. Accordingly, there would be an availability of 501.57 MU from Teesta-V power station considering the State share of 22.42% on annual saleable energy of 2541.80 MU (Design Energy of 2572.67 MU less auxiliary consumption @1.20%) and 12% free power to the home State. Further, considering ISTS loss @ 3.70%, the net availability to GRIDCO from Teesta-V power station is estimated to be 483.01 MU. The Commission further observed that the Teesta-V HEP was completely damaged and not in operation for more than three and half years due to heavy rainfall. As per the communication of NHPC it is expected to resume operation by the end of the current financial year 2025-26 and NHPC has filed the tariff application before CERC for this project for the control period 2024-29. In view of the above, Commission accepts the proposal of GRIDCO and provisionally considers the AFC of Rs.541.629 crore in respect of Teesta-V HEP for the ensuing year 2026-27 based on the tariff petition filed by NHPC before CERC for the purpose of computation of ARR & BSP of GRIDCO. Accordingly, the share of AFC for GRIDCO comes to Rs.60.73 Crore considering the share of 22.424%. the Commission does not consider the year-end charges of Rs.0.13 Crore as proposed by GRIDCO for the Teesta-V HEP, which would be considered during truing up exercise. Therefore, Commission approves the total power purchase cost of Rs.121.45 Crore for procurement of 483.01 MU from Teesta-V HEP during the FY 2026-27 at an average rate of 251.45 P/U, as summarized in the table below:

**Table –49**

<b>Teesta-V HEP</b>	<b>GRIDCO's Proposal</b>	<b>Commission's Approval</b>
Design Energy (MU)	2572.67	2572.67
Annual Saleable Energy considering 1.20% Auxiliary Consumption & 12% free energy to Home State	2236.78	2236.78
GRIDCO share (%)	25.48	22.42
Available Energy (MU)	569.93	501.57
Net Energy Drawal (MU) deducting ISTS Loss	549.00	483.01
Average Tariff (P/U)	251.62	251.45
<b>Cost of Teesta-V HEP (Rs. in Cr.)</b>	<b>138.14</b>	<b>121.45</b>

329. In view of the above, the Commission approves the total energy drawal of 1515.06 MU from the Central Hydro Generating Stations for the FY 2026-27 with the estimated procurement cost of Rs.603.26 Crore at an average rate of 398.17 P/U. The proposal of GRIDCO and approval of the Commission are summarized in the table below:

**Table –50**  
**Drawal from Central Hydro Stations during FY 2026-27**

<b>Central Hydro Stations</b>	<b>Installed Capacity (MW)</b>	<b>GRIDCO Share (MW)</b>	<b>GRIDCO's Proposal</b>			<b>Commission's Approval</b>		
			<b>Net Energy Drawal (MU)</b>	<b>Rate (P/U)</b>	<b>Cost (Rs. Cr.)</b>	<b>Net Energy Drawal (MU)</b>	<b>Rate (P/U)</b>	<b>Cost (Rs. Cr.)</b>
<b>Chukha</b>	336 (4*84) (ER Allocation =270)	39.45 (14.613%)	163.00	315.39	51.41	171.23	315.68	54.05
<b>Tala</b>	1020 (6*170)	43.35 (4.250%)	59.00	235.50	13.89	60.30	235.72	14.21
<b>Mang-dechhu</b>	720 (4*180)	77.74 (10.797%)	278.00	478.27	132.96	270.52	478.71	129.50
<b>Kurichhu</b>	60	0.61 (1.018%)	1.00	236.54	0.24	1.03	236.76	0.24
<b>Punat-sangchhu</b>	1020 (6*170)	122.74 (12.033%)	524.00	536.36	281.05	523.78	536.86	281.20
<b>Rangeet</b>	60	1.10 (1.834%)	6.00	490.40	2.94	5.20	498.74	2.59
<b>Teesta-V</b>	510 (3*170)	114.36 (22.424%)	549.00	261.62	138.14	483.01	251.45	121.45
<b>TOTAL</b>			<b>1580.00</b>	<b>392.80</b>	<b>620.63</b>	<b>1515.06</b>	<b>398.17</b>	<b>603.25</b>

**Central Sector Thermal Generating Stations**

330. GRIDCO has submitted that the normative energy availability from the Central Sector Thermal Generating Stations of NTPC for GRIDCO during FY 2026-27 have been estimated by considering the existing share allocation to GRIDCO from the respective stations as per

the latest share allocation of ERPC vide their letter dated 16.09.2025 and the parameters including Normative Annual Plant Availability Factor (NAPAF) as 85%, Auxiliary Consumptions as per the existing CERC Generation Tariff Regulations, 2024 and ISTS Transmission Loss of 3.61% (considering average loss during the period from April, 2025 to September, 2025). The normative energy availability to GRIDCO from the existing Central Thermal Generating Stations of NTPC for the FY 2026-27, as estimated by GRIDCO, is summarized in the table below:

**Table-51**

**Normative Availability of Central Sector Generating Stations for the FY 2026-27**

Station	Installed Capacity (MW)	GRIDCO Share (%)	Auxiliary Consumption (%)	PLF (%)	Availability before Loss (MU)	Tr. Loss (%)	Net Availability after Loss (MU)
FSTPS-I&II	1600	1.76	6.47	85	196.23	3.61	189.15
FSTPS-III	500	18.04	5.75	85	632.99	3.61	610.14
KhSTPS-I	840	1.64	9.00	85	93.11	3.61	89.75
KhSTPS-II	1500	3.38	5.75	85	356.02	3.61	343.16
TSTPS-I	1000	33.61	6.55	85	2338.73	3.61	2254.30
TSTPS-II	2000	10.00	5.75	85	1403.57	3.61	1352.90
DSTPS-I	1600	51.82	5.75	85	5818.38	3.61	5608.33
Barh-I	1980	15.20	5.75	85	2112.02	3.61	2035.77
Barh-II	1320	1.51	5.75	85	139.44	3.61	134.40
MTPS-II (Kanti Bijli)	390	8.07	9.00	85	213.20	3.61	205.51
Nabinagar STPS-I	1980	0.48	5.75	85	66.71	3.61	64.30
North Karanpura STPS-I	1980	21.83	6.25	85	3017.75	3.61	2908.81
<b>Total</b>					<b>16388.14</b>		<b>15796.53</b>

331. GRIDCO submitted that the power from the central thermal generating stations has been drawn primarily to meet the State demand, particularly during peak hours and also during certain off-peak hours in case of generation outages/higher system demand/elevated market price. Generally, the market rate during peak hour remains higher than the variable cost of these power stations. Moreover, when the market prices are higher during off-peak hours and the State has adequate power to meet the demand, at that time GRIDCO also procure power from these power stations for sale in the market, thereby generating additional revenue. GRIDCO has further submitted that in co-ordination with SLDC, they consistently adhere to the Merit Order Despatch (MoD) principle while scheduling and drawing power from the Central Sector Generating Stations, State Thermal Power Stations and IPPs. Therefore,

GRIDCO has prayed before the Commission to consider and approve the entire energy estimated by it in the above table for drawal during the FY 2026-27 from the Central Thermal Generating Stations.

332. The Commission examined the above submissions of GRIDCO and observed that Central Electricity Authority (CEA) is the statutory body of the Govt. of India for allocation/deallocation of share from the Central Generating Stations and by the order of the CEA, ERPC, vide its letter dated 16.09.2025, has issued latest share allocation for the beneficiary States from the Central Sector Generating Stations. Now, the power is being supplied to GRIDCO as per the revised share allocation and bills are being raised on GRIDCO accordingly. Further, as per the MoP, GoI Notification dtd. 03.06.2022 of Electricity (Late Payment Surcharge) Rules, 2021, in case of non-payment of electricity bills of the central generating stations, there would be power regulation to the States. Keeping in view the above, there would be difficulty in meeting the State requirement in case of power regulation is made by the Central Authority. Therefore, the Commission accepts the proposal of GRIDCO for purchasing power from all available sources of central generating stations.
333. The Commission provisionally considers the normative plant availability factor for the purpose of computation of availability of power from the central sector thermal power stations of NTPC during the FY 2026-27. Further, the State share of power purchase by GRIDCO from ER-NTPC thermal stations has been considered by the Commission based on the latest share allocation of the CEA, Government of India. Considering the normative NAPAF of 85%, normative auxiliary consumption as per existing CERC guidelines and ISTS loss of 3.70%, the availability of energy from Central Sector Thermal Stations has been estimated by the Commission for the FY 2026-27 towards GRIDCO's drawal as given in the Table below:

**Table-52**  
**Estimated Availability of Energy from Central Thermal Generating Stations for FY 2026-27**

Central Thermal Stations	Installed Capacity (MW)	Aux. Cons. (%)	Plant Availability Factor (PAF) (%)	GRIDCO Share (%)	GRIDCO Share (MU)	ISTS Loss (%)	Energy Availability after ISTS Loss (MU)
TSTPS –I	1000 (2x500)	6.55	85	33.611	2338.73	3.70	2252.20
TSTPS –II	2000 (4x500)	5.75	85	10.000	1403.57	3.70	1351.64
FSTPS-I& II	1600 (3x200+2x500)	6.47	85	1.761	196.24	3.70	188.98
FSTPS-III	500 (1x500)	5.75	85	18.039	632.99	3.70	609.57
KhSTPS-I	840	9.00	85	1.636	93.11	3.70	89.66

Central Thermal Stations	Installed Capacity (MW)	Aux. Cons. (%)	Plant Availability Factor (PAF) (%)	GRIDCO Share (%)	GRIDCO Share (MU)	ISTS Loss (%)	Energy Availability after ISTS Loss (MU)
	(4x210)						
KhSTPS-II	1500 (3x500)	5.75	85	3.382	356.02	3.70	342.84
DSTPS-I	1600 (2x800)	5.75	85	51.818	5818.37	3.70	5603.10
NKSTPS-I	1980 (3x660)	6.25	85	21.834	3017.75	3.70	2906.09
Muzaffarpur TPS (Kanti Bijli)	390 (2x195)	9.00	85	8.068	213.20	3.70	205.31
Nabinagar STPS-I	1980 (3x660)	5.75	85	0.480	66.71	3.70	64.24
Barh STPS-I	1980 (3x660)	5.75	85	15.199	2112.01	3.70	2033.87
Barh STPS-II	1320 (2x660)	5.75	85	1.505	139.44	3.70	134.28
<b>TOTAL</b>					<b>16388.13</b>		<b>15781.77</b>

#### **Fixed Cost Proposed by GRIDCO for Central Thermal (NTPC-ER) Stations**

334. GRIDCO has submitted that the CERC has notified the Tariff Regulations for the control period FY 2024-29, pursuant to which NTPC has already filed tariff petitions before CERC for its various Central Generating Stations (CGS) from which GRIDCO procures power. The hearings for these petitions have commenced, and the tariff determination process is presently pending before the CERC for finalization. However, in the absence of tariff orders issued by the CERC for the generating stations of NTPC for the control period FY 2024-29, NTPC continues to raise monthly bills based on the tariff determined for FY 2023-24 applicable under the previous control period, FY 2019-24. GRIDCO submits that the proportionate AFC of GRIDCO, as per the tariff petition filed by NTPC, amounts to Rs. 3653.07 Crore for FY 2026-27. However, based on the current billing raised by NTPC in accordance with the tariff order issued by the CERC for the previous control period FY 2019-24, the corresponding AFC works out to Rs. 2718.35 Crore, resulting in a differential amount of Rs. 934.72 Crore. Since the aforesaid enhanced claim of NTPC is subject to regulatory scrutiny and final determination by the CERC, the projected AFC in the present ARR has been considered by GRIDCO based on the tariff reflected in the current bills served by NTPC. Notwithstanding the above, GRIDCO submits that it reserves the right to seek revision of the AFC in the event that the CERC issues a tariff order for any of the concerned generating stations prior to finalisation of the present ARR. The proportionate Fixed Cost corresponding to GRIDCO's allocated share in accordance with the tariff petitions filed by NTPC before the CERC and the same based on the current bills received from NTPC are summarized in the table below:

**Table-53****Projected Annual Fixed Cost for NTPC Stations for the FY 2026-27**

Central Generating Station	Installed Capacity	AFC of the Station as per the Tariff Petition filed by NTPC	AFC of the Station as per the current billing by NTPC	Share of GRIDCO	Proportionate AFC for GRIDCO as per the Tariff Petition filed by NTPC	Proportionate AFC for GRIDCO as per the current billing by NTPC
	(MW)	(Rs. in Cr.)	(Rs. in Cr.)	(%)	(Rs. in Cr.)	(Rs. in Cr.)
FSTPS-I & II	1600	1582.89	1007.77	1.76%	27.88	17.75
FSTPS-III	500	586.25	516.00	18.65%	105.76	93.08
KHSTPS-I	840	815.65	599.29	1.64%	13.34	9.80
KHSTPS-II	1500	1261.03	968.64	3.38%	42.65	32.76
TSTPS-I	1000	811.55	623.15	33.43%	272.77	209.45
TSTPS-II	2000	1642.23	1144.55	10.00%	164.22	114.46
DSTPS-I	1600	2934.89	2080.54	51.82%	1520.79	1078.08
Barh STPS-I	1980	4352.29	3258.59	15.68%	661.52	495.29
Barh STPS-II	1320	1955.07	1695.83	1.74%	29.43	25.53
MTPS-II	390	759.48	697.11	8.85%	61.27	56.24
NSTPS-I	1980	3602.43	2900.01	0.79%	17.30	13.92
NKSTPS-I	1980	3371.64	2619.79	21.83%	736.15	571.99
<b>Total</b>		<b>23675.40</b>	<b>18111.28</b>		<b>3653.07</b>	<b>2718.35</b>

335. GRIDCO has further submitted that, irrespective of the quantum of power drawn by it from the Central Generating Stations, it is statutorily required to pay the Fixed Charges corresponding to its allocated share, in accordance with the Plant Availability Factor (PAF) of the respective stations. Consequently, GRIDCO is obligated to bear the full Fixed Cost as per its share allocation from each generating station. The Commission, in its previous ARR Orders for GRIDCO, has been consistently approved the Fixed Cost payable to these stations, even in cases where there has been partial or no power procurement from certain generating stations. Therefore, GRIDCO has prayed before the Commission to approve the Fixed Cost of all NTPC Eastern Region Stations for FY 2026-27 corresponding to GRIDCO's proportionate share, based on the fixed cost presently billed by NTPC, which is subject to further modification in case tariff order by CERC is pronounced prior to finalization of ARR & BSP of GRIDCO for the ensuing FY 2026-27.

#### **Energy Charge Rate (ECR) Proposed by GRIDCO for Central Sector Thermal Stations**

336. GRIDCO has submitted that as per the CERC Tariff Regulations, 2024, applicable for the block period 2024-29, the Energy Charges of all CGSs include Charges towards both Primary fuel (i.e. coal) as well as Secondary Fuel Oil (SFO) & shall be borne by the Beneficiaries towards energy scheduled from the respective stations during the calendar month on Ex-Power Plant basis. Accordingly, at present, NTPC is raising the Monthly Energy Charges every month as per the ECR worked out from the landed price and GCV of Coal & Oil for the respective month, considering the operational parameters laid down in CERC Tariff Regulation, 2024. GRIDCO has projected the Energy Charge Rate (ECR) for the FY 2026-27 taking average of

actual ECR claimed by NTPC during the period from April, 2025 to September, 2025 and considering ISTS loss for the said period, the details of which given in the table below:

**Table-54**

**Proposed Energy Charge Rates (ECR) of NTPC Stations for the FY: 2026-27**

Station	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Six Month's Average ECR	ISTS Loss	Proposed ECR (after ISTS Loss)
	(in Rs/ kWh)							(%)	(in Rs/kWh)
FSTPS-I&II	3.406	3.329	3.364	3.454	3.471	3.502	3.421	3.61%	3.549
FSTPS-III	3.312	3.215	3.269	3.345	3.382	3.414	3.323	3.61%	3.447
KhSTPS-I	3.046	3.025	3.028	3.091	3.244	3.274	3.118	3.61%	3.235
KhSTPS-II	2.856	2.830	2.832	2.892	3.037	3.065	2.919	3.61%	3.028
TSTPS-I	1.635	1.657	1.711	1.708	1.775	1.854	1.723	3.61%	1.788
TSTPS-II	1.617	1.643	1.697	1.689	1.759	1.835	1.707	3.61%	1.771
DSTPS-I	1.062	1.135	1.069	0.988	0.981	1.077	1.052	3.61%	1.091
BSTPS-I	2.885	2.871	2.946	2.969	3.246	3.081	3.000	3.61%	3.112
BSTPS-II	2.837	2.839	2.860	2.932	3.159	3.014	2.940	3.61%	3.050
MTPS-II	2.981	3.147	3.101	2.998	3.007	2.987	3.037	3.61%	3.151
NSTPS-I	2.812	2.772	2.871	2.934	3.073	2.959	2.904	3.61%	3.012
NKSTPS-I	1.747	1.800	1.856	1.926	1.922	1.878	1.855	3.61%	1.924

337. Considering the proposed ECR and estimated energy drawal from the Central Sector Generating Stations, GRIDCO has proposed the total Energy Charges to the tune of Rs.2983.47 Cr. for drawal of 15796.53 MU for the FY 2026-27 as shown in the table below:

**Table-55**

**Proposed Energy Charges of NTPC Stations for the FY 2026-27**

Station	Proposed Energy	Proposed ECR	Proposed Energy Cost
	(in MU)	(in Rs/kWh)	(in Rs. Cr.)
FSTPS-I & II	189.15	3.549	67.13
FSTPS-III	610.14	3.447	210.33
KhSTPS-I	89.75	3.235	29.03
KhSTPS-II	343.16	3.028	103.91
TSTPS-I	2,254.30	1.788	403.04
TSTPS-II	1,352.90	1.771	239.54
DSTPS-I	5,608.33	1.091	612.09
BSTPS-I	2,035.77	3.112	633.53
BSTPS-II	134.40	3.050	41.00
MTPS-II	205.51	3.151	64.75
NSTPS-I	64.30	3.012	19.37
NKSTPS-I	2,908.81	1.924	559.74
<b>Total</b>	<b>15796.53</b>		<b>2983.47</b>

### **Claim of Year-end Adjustment Charges of Central Sector Generating Stations**

338. GRIDCO has submitted that NTPC had filed an application before the CERC seeking approval for recovery of additional expenditure incurred towards Ash Transportation Charges, in compliance with the MoEF & CC Notifications dated 03.11.2009 and 25.01.2016, on a recurring basis. In exercise of its regulatory powers under Section 79(1)(a) of the Electricity Act, 2003, the CERC, vide Order dated 28.10.2022, held that the additional expenditure incurred by NTPC towards Fly Ash Transportation Costs for the period 2019-24 is admissible as additional O&M expenses, being in accordance with the MoEF & CC Notifications dated 25.01.2016 and 31.12.2021. However, GRIDCO has filed an Appeal before the Hon'ble APTEL (Appeal No. 673 of 2023) challenging the aforesaid CERC Order dated 28.10.2022 along with an Interim Application seeking stay on the Order. As per the current status, no stay has been granted by the Hon'ble APTEL and the matter remains sub-judice for hearing on merits. GRIDCO further submits that NTPC in its tariff filings for all its stations for the control period FY 2024-29 has projected the Ash Transportation charges pertinent to each financial year and NTPC has further filed a miscellaneous petition before CERC bearing Petition No. 227/MP/2025, seeking monthly realization of Ash Transportation Charges for each financial year in accordance with Regulations 10(4) and 36(1)(6) of the CERC Tariff Regulations, 2024. In view of the above, GRIDCO has considered the projected Ash Transportation Charges as filed by NTPC in its tariff petitions for FY 2026-27, in proportion to GRIDCO's allocated share from the respective generating stations. In addition, the RLDC Charges and Electricity Duty (ED) on Auxiliary Energy Consumption (AEC) for FY 2026-27 in respect of the existing Central Generating Stations have been projected based on the actual Year-End Charges incurred by GRIDCO during the period from April'2024 to March'2025. Other Year-End Charges such as Compensation Charges, Incentives, Additional O&M Charges due to Wage Revision, Foreign Exchange Rate Variation (FERV) Charges, Water Charges, Deferred Tax Liability, etc., have not been projected in the present Petition, which will be claimed based on the actual amounts incurred at the time of filing the True-Up Application for FY 2026-27. The details of Year End charges payable by GRIDCO for FY 2026-27 are presented in the table below:

**Table-56**  
**Projected Year End Charges for FY 2026-27**

(Rs. Cr.)

Station	RLDC Charges	ED	Ash Transportation Charges	Total
	(Apr'24 to Sept'24)			(Prorated)
FSTPS-I & II	0.02354	0	5.74	5.77
FSTPS-III	0.09359	0	18.38	18.48

Station	RLDC Charges	ED	Ash Transportation Charges	Total
KHSTPS-I	0.01115	0	1.63	1.64
KHSTPS-II	0.04356	0	6.01	6.06
TSTPS-I	0.33565	8.85501	42.3	51.49
TSTPS-II	0.1539	4.59613	25.17	29.92
DSTPS-I	6.06222	18.16943	239.92	264.15
BSTPS-I	0.16428	0	15.41	15.58
BSTPS-II	0.02484	0	1.02	1.04
MTPS-II	0.03533	0	0.17	0.20
NSTPS-I	0.01689	0	0.82	0.84
NKSTPS-I	0.29456	0	43.67	43.96
<b>Total</b>	<b>7.26</b>	<b>31.62</b>	<b>400.24</b>	<b>439.11</b>

*\*Ash Transportation charges has not been received by GRIDCO till Sep '25, hence the rate of Ash-Transportation charges are considered from the Petition filed by NTPC before CERC.*

339. GRIDCO has requested the Commission to approve the Fixed Cost and Energy Charges along with Year End charges in respect of the various Central Sector Generating Stations as submitted above. The summary of power procurement cost of Central Thermal Generating Stations as proposed by GRIDCO for FY 2026-27 is summarized in the table below:

**Table-57**  
**Proposed Power Procurement Cost of Central Sector Thermal Stations FY 2026-27**

Sl. No.	Name of the Generating Station	Energy (MU)	Fixed/Capacity Charge (Rs. Cr.)	Variable Charges/Energy Charge (Rs. Cr.)	Year End Charge (Rs. Cr.)	Total Cost (Rs. Cr.)	Rate (P/U)
1	FSTPS-I & II	189.15	17.75	67.13	5.76	90.64	479.19
2	FSTPS-III	610.14	93.08	210.33	18.47	321.89	527.56
3	KhSTPS-I	89.75	9.80	29.03	1.64	40.47	450.99
4	KhSTPS-II	343.16	32.76	103.91	6.05	142.72	415.89
5	TSTPS-I	2254.30	209.45	403.04	[ 51.49	663.98	294.54
6	TSTPS-II	1352.90	114.46	239.54	29.92	383.92	283.77
7	DSTPS-I	5608.33	1,078.09	612.09	264.15	1954.33	348.47
8	Barh STPS-I	2035.77	495.29	633.53	15.57	1144.39	562.14
9	Barh STPS-II	134.40	25.53	41.00	1.04	67.56	502.69
10	MTPS-II	205.51	56.24	64.75	0.21	121.20	589.76
11	NSTPS-I	64.30	13.92	19.37	0.84	34.13	530.81
12	NKSTPS-I	2908.81	571.99	559.74	43.96	1175.70	404.18
<b>Total:</b>		<b>15796.53</b>	<b>2718.35</b>	<b>2983.47</b>	<b>439.11</b>	<b>6140.92</b>	<b>388.75</b>

340. The Commission scrutinized the above proposal of GRIDCO and observed that CERC Tariff Regulations for the control period FY 2024-29 has been pronounced and NTPC has already filed Tariff Petitions before CERC for the said control period in respect of its Generating Stations from which power is being procured by GRIDCO. Though the hearing of these petitions filed by the NTPC have already been commenced, the tariff orders are yet to be pronounced by the CERC. Therefore, for the proposed of determination of ARR & BSP of GRIDCO for the ensuing year 2026-27, the Commission would prefer to consider the current bills, being raised by NTPC in respect of its Thermal Generating Stations, which is based on the existing tariff orders of NTPC.
341. **Fixed Charge:** GRIDCO has provisionally considered the Fixed Cost/Capacity Charges of the Central Thermal Generating Stations based on the latest bills raised by NTPC to GRIDCO following the existing Tariff orders of CERC. The Commission provisionally considers the same for estimating ARR & BSP of GRIDCO for the ensuing year 2026-27.
342. **Energy Charge Rate (ECR):** The Commission observed that GRIDCO has considered the ECR of NTPC stations for the FY 2026-27 taking average of the ECR claimed by NTPC in respect of its power station for the period from April, 2025 to September, 2025. The Commission scrutinized the bills submitted by NTPC to GRIDCO from the month of April, 2025 to December, 2025 for the thermal power stations of NTPC and observed that the variation in ECRs of these generating stations do not follow any particular pattern. Therefore, the Commission has considered the average of actual ECR of first 9 (nine) months of the current FY 2025-26 (i.e. from April, 2025 to December, 2025) of the Central Sector Thermal Power Stations for the purpose of computation of ARR of GRIDCO for FY 2026-27. The ECR of Central Generating Stations considered by the Commission for the FY 2026-27 are given in the table below:

**Table-58**  
**Energy Charge Rate (ECR) of Central Sector Generating Stations approved by the Commission for 2026-27**

Name of the Central Thermal Stations	GRIDCO's Proposal for FY 2026-27 (including Loss)	Approval of the Commission considering the Avg. of actual ECR from April'25 to Dec'25 (excluding ISTS Loss)	Approval of the Commission including ISTS Loss @3.70% (Paise/Unit)
TSTPS-I	178.81	169.85	176.37
TSTPS-II	177.05	169.27	175.77
FSTPS-I & II	354.91	338.28	351.27
FSTPS -III	344.73	329.18	341.83
KhSTPS-I	323.52	305.90	317.65

Name of the Central Thermal Stations	GRIDCO's Proposal for FY 2026-27 (including Loss)	Approval of the Commission considering the Avg. of actual ECR from April'25 to Dec'25 (excluding ISTS Loss)	Approval of the Commission including ISTS Loss @3.70%
KhSTPS-II	302.85	286.32	297.33
DSTPS-I	109.14	106.44	110.53
North Karanpura STPS-I	192.42	184.36	191.44
Muzaffarpur TPS	315.06	304.72	316.43
Nabinagar STPS-I	301.22	279.21	289.93
Barh STPS-I	311.21	296.91	308.32
Barh STPS-II	305.01	293.52	304.80

343. In case of any variation in ECR during 2026-27 over the above rate approved by the Commission, the same may be recovered in accordance with the procedure and guidelines outlined in Regulation 5.7 of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022, which would be over and above the normal tariff applicable. Alternatively, the differential amount would be considered during trueing up exercise for FY 2026-27.

344. **Year-end Adjustment (YEA) Charges:** The Commission examined the proposal of GRIDCO towards reimbursement of year-end adjustment charges and after scrutiny, provisionally approves the Year-end Charges to the tune of Rs.125.01 Crore for the ensuing FY 2026-27 in respect of thermal power stations of NTPC, which includes RLDC Charges, ED on normative Auxiliary Consumption and Ash Transportation Charges only. The above approval is provisionally made basing on the actual data for the complete FY 2024-25. However, since the bills towards ash utilization has not yet been raised by NTPC for its thermal generating stations, the Ash Transportation Charges has been provisionally considered as the same approved in the ARR of GRIDCO for FY 2026-27. The Commission does not allow any incentive as normative generation has been considered for FY 2026-27. The details of the year-end charges approved by the Commission are given in the table below:

**Table –59**  
**Year End Charges Approved by the Commission for the FY 2026-27**

Central Generating Stations	RLDC Charges (Rs. Cr.)	Electricity Duty (Rs. Cr.)	Ash Transportation Charges (Rs. Cr.)	Total (Rs. Cr.)	Estimated energy after ISTS Loss (MU)	Rate including Loss (P/U)
TSTPS-I	0.34	8.86	9.40	18.59	2252.20	8.25
TSTPS-II	0.15	4.60	5.32	10.07	1351.64	7.45
FSTPS-I & II	0.02	0.00	1.88	1.90	188.98	10.07
FSTPS-III	0.09	0.00	8.40	8.49	609.57	13.93
KhSTPS-I	0.01	0.00	0.33	0.34	89.66	3.80

Central Generating Stations	RLDC Charges (Rs. Cr.)	Electricity Duty (Rs. Cr.)	Ash Transportation Charges (Rs. Cr.)	Total (Rs. Cr.)	Estimated energy after ISTS Loss (MU)	Rate including Loss (P/U)
KhSTPS-II	0.04	0.00	1.73	1.77	342.84	5.17
DSTPS-I	6.06	18.17	56.80	81.03	5603.10	14.46
North Karanpura STPS-I	0.29	0.00	0.00	0.29	2906.09	0.10
Muzaffarpur TPS-II	0.04	0.00	0.00	0.04	205.31	0.17
Nabinagar STPS-I	0.02	0.00	0.00	0.02	64.24	0.26
Barh STPS-I	0.16	0.00	1.48	1.64	2033.87	0.81
Barh STPS-II	0.02	0.00	0.79	0.81	134.28	6.07
<b>Total</b>	<b>7.26</b>	<b>31.62</b>	<b>86.13</b>	<b>125.01</b>	<b>15781.77</b>	

345. Taking all the above costs into account, the summary of estimated power purchase cost in respect of drawl of power from Central Sector Thermal Generating Stations by GRIDCO for FY 2026-27 is given in the table below:

**Table –60**  
**Summary of Power Purchase Cost from Central Generating Stations for FY 2026-27**

Generators	Estimated Availability of Energy (MU)	Approved drawal of Energy for the State (MU)	GRIDCO's Share of Fixed Cost (Rs. Cr.)	Fixed Cost (P/U)	Energy Charge Rate (P/U)	Other Cost (P/U)	Total Rate (P/U)	TOTAL Cost (Rs Cr)
TSTPS-I	2252.20	2252.20	209.45	93.00	176.37	8.25	277.62	625.27
TSTPS-II	1351.64	1351.64	114.46	84.68	175.77	7.45	267.90	362.10
FSTPS-I&II	188.98	0.00	17.75	93.92	351.27	10.07	455.26	17.75
FSTPS- III	609.57	0.00	93.08	152.70	341.83	13.93	508.47	93.08
KhSTPS-I	89.66	0.00	9.80	109.34	317.65	3.80	430.79	9.80
KhSTPS-II	342.84	0.00	32.76	95.55	297.33	5.17	398.05	32.76
DSTPS-I	5603.10	5603.09	1078.08	192.41	110.53	14.46	317.40	1778.41
North Karanpura STPS-I	2906.09	0.00	571.99	196.83	191.44	0.10	388.37	571.99
Muzaffarpur TPS-II	205.31	0.00	56.24	273.93	316.43	0.17	590.53	56.24
Nabinagar STPS-I	64.24	0.00	13.92	216.72	289.93	0.26	506.92	13.92
Barh STPS-I	2033.87	0.00	495.29	243.52	308.32	0.81	552.65	495.29
Barh STPS-II	134.28	0.00	25.53	190.10	304.80	6.07	500.97	25.53
<b>Total</b>	<b>15781.77</b>	<b>9206.93</b>	<b>2718.35</b>				<b>443.38</b>	<b>4082.14</b>

**NB:** The rates include ISTS Loss.

### Inter-State Transmission System (ISTS) Charges

346. GRIDCO has submitted that the ISTS Charges of CTUIL / PGCIL are being determined as per the norms and principles laid down by the CERC from time to time. The CERC has notified the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 along with subsequent amendments (GNA Regulations). These GNA regulations have replaced the earlier CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access to the inter-State Transmission and related matters)

Regulations, 2009. The CERC has also amended the CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 to align with the GNA Regulations. Both the GNA Regulations as well as the Sharing Regulations have come into effect from 01.10.2023. Accordingly, billing, collection and disbursement of the inter-State transmission charges and associated transmission losses are now being carried out in line with the provisions of the GNA Regulations and amended Sharing Regulations, 2020. According to the said Regulations, the Inter-State Transmission System charges are divided into the following components:

- A. National Component (NC)
  - A1: NC-RE
  - A2: NC-HVDC
- B. Regional Component (RC)
  - B1: RC-HVDC
  - B2: RC-AC
- C. Transformer Component (TC)
- D. AC system Component (ACC)
  - D1: AC-UBC (Usage Based AC Charge)
  - D2: AC-BC (Balance AC Charge)

347. GRIDCO has submitted that as per General Network Access (GNA) Regulations, the Deemed GNA for the State of Odisha has been fixed as 2157 MW and is granted to the STU (OPTCL). This allocated GNA is now being utilized by GRIDCO for scheduling power from generating stations connected to ISTS. In accordance with the provisions of the IEGC Regulations, the drawal schedule of a drawee DIC shall be limited to the quantum equivalent to the sum of GNA and T-GNA. Further, under the GNA Regulations, the access has been delinked from the PPA(s), thereby enabling the drawee DICs to schedule power under various contracts based on their assessment of merit order on day ahead basis within their approved GNA quantum. Further, subject to availability of margin under T-GNA, GRIDCO shall schedule additional power from generating stations connected to the CTU network through the T-GNA mechanism. The cost associated with availing T-GNA shall accordingly be factored under the Trading Cost component.
348. GRIDCO submits that the total ISTS charges include Bill # 1, Bill # 2 & Bill # 3 raised by CTUIL and the Non-PoC Bills raised by PGCIL. Since the calculations are being made on all India basis, it is extremely difficult to project the exact amount of ISTS Charges due to availability of limited data & complexity in GNA regime. Therefore, certain assumptions are taken by GRIDCO to arrive at the projections of GNA for FY 2026-27. Considering the ISTS charges billed for the period from April, 2025 to October, 2025 and prorating the same for the entire year with certain assumptions and also considering the GNA of Odisha as 2287 MW

for the ensuing FY 2026-27, GRIDCO has estimated the ISTS charges to the tune of Rs.694.91 Crore in its ARR application with energy drawal of 22791 MU from Central Sector Generators and requested the Commission to consider the same for the FY 2026-27.

349. Further, as per provisions of the Sharing Regulations, the Transmission Loss for ISTS shall be calculated on All India average basis for each week. Accordingly, GRIDCO has estimated the Average Loss as 3.61 % considering for the first six months FY 2025-26 and computed the per unit ISTS Charge before Loss and after Loss as 30.49 P/U and 31.63 P/U respectively. As the Per Unit ISTS charges depend upon the quantum of Central Sector drawal, if the scheduling of power will be less, the average per unit ISTS charges will increase. The proposed estimation of ISTS charge for FY 2026-27 calculated by GRIDCO is given in the table below:

**Table-61**  
**Proposed Transmission charges for FY 2026-27 (Rs Cr.)**

Particulars	Amount (Rs. Cr.)
Net amount payable by GRIDCO towards Transmission Charges (Rs. Cr.)	694.91
Projected Energy Drawal by GRIDCO (MU)	22791
ISTS Charges (P/U)	30.49
Average All India ISTS Loss (%)	3.61%
ISTS Charge including Loss (P/U)	31.63

350. The Commission observed that the transmission charges for Inter-State Transmission System (ISTS) shall be payable as per the principles and norms laid down by the CERC from time to time. The CERC has notified CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 and the first Amendment to this General Network Access (GNA) Regulations, which is effective from 01.10.2023. Further, CERC has also amended the CERC Sharing Regulations, 2020 in line with the GNA Regulations and notified CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023, which is also effective from 01.10.2023. The Commission scrutinized the proposal of GRIDCO along with the ISTS charges bills payable by GRIDCO for the FY 2025-26. It is observed that considering the ISTS charges bills for the period from April, 2025 to October, 2025 and prorating the same for the entire year with certain assumptions, GRIDCO has estimated the ISTS charges to the tune of Rs.631.74 Crore for the FY 2025-26. Further, considering 10% escalation on the same, GRIDCO has projected an amount of Rs.694.91 Crore towards ISTS charges for the ensuing FY 2026-27. However, the Commission considers the ISTS charges bills (PoC) raised by CTUIL on GRIDCO from the month of April, 2025 to March, 2026 based on the GNA of 2157 MW, which comes to Rs.681.63 crore (Bill # 1:

Rs.619.98 Crore, Bill # 2: Rs.61.57 and Bill # 3: Rs.0.08 Crore). Further, considering the Non-PoC Charges Bills raised by PGCIL from the month of April, 2025 to February, 2026 and prorating the same for the entire year, it is estimated to Rs.3.55 Crore for the FY 2025-26. Accordingly, both the PoC and Non-PoC ISTS charges towards for the FY 2025-26 comes to Rs.685.18 Crore. Further, considering the complexity in the GNA regime and difficulty in forecasting the ISGS charges for the ensuing year, the Commission allows 5% escalation on the ISTS charges of Rs.685.18 Crore arrived at for the FY 2025-26 (instead of 10% escalation as proposed by GRIDCO) and provisionally approves Rs.719.44 Crore towards ISTS charges in the ARR of GRIDCO for the ensuing year 2026-27, considering the existing GNA quantum of 2157 MW.

#### **ERLDC Fees and GCIL (formerly POSOCO) Charges**

351. GRIDCO has submitted that as per CERC (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, the RLDC fees and charges shall comprise of the fees of Regional Load Despatch Center, which is to be recovered by Grid Controller of India Ltd. (GCIL), formerly POSOCO, towards registration for commencement of Grid access & scheduling and also annual charges to be collected in the form of annual LDC charges from the users. The RLDC charges shall be collected equally (1/3<sup>rd</sup> of Monthly Charges) from the users i.e. (a) Distribution Licensees & Buyers (b) Generating Stations & Sellers and (c) Transmission Licensees. GRIDCO has forecasted the ERLDC fees and GCIL charges as Rs.3.41 Crore for FY 2026-27 by prorating the actual expenses for the period from April, 2025 to Sept, 2025 for the entire year. The Commission scrutinized the above proposal of GRIDCO and allows Rs.3.41 Crore in the ARR of GRIDCO towards ERLDC fees and GCIL charges for the FY 2026-27.
352. Accordingly, the Commission provisionally approves Rs. 722.85 Crore towards ISTS Transmission Charges (Rs. 719.44 Crore) and ERLDC / GCIL Charges (Rs.3.41 Crore) payable by GRIDCO for the FY 2025-26 as given in the table below:

**Table –62**  
**ISTS Transmission Charges and GCIL Charges for FY 2026-27**

<b>Particulars</b>	<b>Commission's Approval</b>
ISTS Transmission charge payable by GRIDCO (Rs. Cr.)	719.44
ERLDC/GCIL Charges (Rs. Cr.)	3.41
<b>Total amount payable by GRIDCO (Rs. Cr.)</b>	<b>722.85</b>

## Summary of Availability and Requirement of Power for State Consumption

353. The Commission observed that the total estimated availability of power from different sources is 49893.39 MU, whereas total power requirement of GRIDCO for State consumption is estimated at 41109.28 MU only. Therefore, following the Merit Order Despatch (MOD) principle, procurement of costly power from generating stations has not been considered in the ARR of GRIDCO for consumption within the State. However, GRIDCO may trade available surplus power (8784.11 MU) at different platforms, if commercially viable and earn some revenue to meet the gap left in its ARR and reduce the past losses. Hence, taking the least cost power procurement from different generating stations for the State consumption, the Commission approves the quantum of power purchase for FY 2026-27 as given in the table below:

**Table-63**  
**Quantum of Power Purchase from Various Sources for FY 2026-27**  
**(Figures in MU)**

Sources of Purchase	Commission's Approval for State Drawl for 2025-26	GRIDCO's Proposal for 2026-27	Estimated Availability for 2026-27	Commission's Approval for State Drawl for 2026-27
HYDRO (OLD)	3659.24	3710.15	3659.24	3659.24
Indravati	1942.38	1477.09	1942.38	1942.38
MachaKund	259.35	259.35	259.35	259.35
<b>Total State Hydro</b>	<b>5860.97</b>	<b>5446.59</b>	<b>5860.97</b>	<b>5860.97</b>
OPGC-I (Units-1 & 2)	2764.07	2395.04	2636.30	2636.30
OPGC-II (Units-3 & 4)	9610.98	9263.57	9801.04	9801.04
IPPs	5536.45	6643.75	9089.59	6880.31
<b>Total State Thermal</b>	<b>17911.50</b>	<b>18302.36</b>	<b>21526.93</b>	<b>19317.65</b>
Small Hydro	444.92	521.97	521.97	521.97
Wind Energy	1015.70	1015.69	1015.70	1015.70
Solar Energy	3266.99	3671.00	3671.00	3671.00
<b>Total Renewable</b>	<b>4727.61</b>	<b>5208.66</b>	<b>5208.67</b>	<b>5208.67</b>
<b>TOTAL STATE</b>	<b>28500.08</b>	<b>28957.61</b>	<b>32596.57</b>	<b>30387.29</b>
Chukha HEP	211.63	163.00	171.23	171.23
Tala HEP	87.25	59.00	60.30	60.30
Mangdechhu HEP	278.73	278.00	270.52	270.52
Kurichhu HEP	1.00	1.00	1.03	1.03
Punatsangchhu-II HEP	-	524.00	523.78	523.78
Rangeet HEP	5.21	6.00	5.20	5.20
Teesta-V HEP	-	549.00	483.01	483.01
<b>Total Central Hydro</b>	<b>583.81</b>	<b>1580.00</b>	<b>1515.06</b>	<b>1515.06</b>
TSTPS-I	2245.51	2254.30	2252.20	2252.20
TSTPS-II	1355.01	1352.90	1351.64	1351.64
FSTPS-I & II	0.00	189.15	188.98	-
FSTPS-III	0.00	610.14	609.57	-
KhSTPS-I	0.00	89.75	89.66	-

Sources of Purchase	Commission's Approval for State Drawl for 2025-26	GRIDCO's Proposal for 2026-27	Estimated Availability for 2026-27	Commission's Approval for State Drawl for 2026-27
KhSTPS-II	106.85	343.16	342.84	-
DSTPS-I	5617.06	5608.33	5603.09	5603.09
North Karanpura STPS-I	2913.33	2908.81	2906.09	-
Muzaffarpur TPS-II	0.00	205.51	205.31	-
Nabinagar STPS-I	0.00	64.30	64.24	-
Barh STPS-I	0.00	2035.77	2033.87	-
Barh STPS-II	0.00	134.40	134.28	-
<b>Total Central Thermal</b>	<b>12237.76</b>	<b>15796.52</b>	<b>15781.77</b>	<b>9206.93</b>
<b>Total Central Sector</b>	<b>12821.57</b>	<b>17376.52</b>	<b>17296.82</b>	<b>10721.99</b>
<b>TOTAL Availability</b>	<b>41321.65</b>	<b>46334.13</b>	<b>49893.39</b>	<b>41109.28</b>

354. GRIDCO has proposed to purchase 46334.13 MU from all available sources. Out of which 40415.95 MU is estimated by GRIDCO towards State requirement and balance 5918.18 MU of energy is proposed for procurement towards exigencies and trading purpose. However, the Commission has estimated availability of 49893.39 MU for FY 2026-27 from different sources, out of which procurement of 41109.28 MU is estimated towards State requirement. Although drawal of power would be from the least cost sources as indicated in the above table, the Commission has considered the payment towards fixed cost for all thermal stations.
355. GRIDCO's proposal for the cost of power purchase from various generating stations and the Commission's approval based on least cost power purchase for the FY 2026-27 are given in the table below:

**Table-64**  
**GRIDCO's Proposal & Commission's Approval for FY 2026-27**

Generators	GRIDCO's PROPOSAL			COMMISSION's APPROVAL		
	Energy	Average Rate	Total Cost	Energy	Average Rate	Total Cost
	MU	P/U	Rs.in Cr.	MU	P/U	Rs.in Cr.
HYDRO (OLD)	3710.15	109.61	406.68	3659.24	108.09	395.53
Indravati	1477.09	115.25	170.24	1942.38	79.61	154.64
Machhakund	259.35	143.28	37.16	259.35	143.27	37.16
<b>Total State Hydro</b>	<b>5446.59</b>	<b>112.75</b>	<b>614.08</b>	<b>5860.97</b>	<b>100.21</b>	<b>587.33</b>
OPGC-I (Units-1&2)	2395.04	317.93	761.45	2636.30	259.37	683.78
OPGC-II (Units-3&4)	9263.57	373.57	3460.60	9801.04	337.46	3307.48
IPPs	6643.75	319.09	2119.94	6880.31	297.18	2044.71
<b>Total State Thermal</b>	<b>18302.36</b>	<b>346.51</b>	<b>6341.99</b>	<b>19317.65</b>	<b>312.46</b>	<b>6035.96</b>
Small Hydro	521.97	452.57	236.23	521.97	452.57	236.23
Biomass	-	-	-	-	-	-
Wind	1015.69	280.97	285.38	1015.70	280.97	285.38
Solar	3671.00	317.84	1166.79	3671.00	317.84	1166.79

Generators	GRIDCO's PROPOSAL			COMMISSION's APPROVAL		
	Energy	Average Rate	Total Cost	Energy	Average Rate	Total Cost
	MU	P/U	Rs.in Cr.	MU	P/U	Rs.in Cr.
<b>Total RE</b>	<b>5208.66</b>	<b>324.15</b>	<b>1688.40</b>	<b>5208.67</b>	<b>324.15</b>	<b>1688.40</b>
<b>TOTAL STATE</b>	<b>28957.61</b>	<b>298.52</b>	<b>8644.47</b>	<b>30387.29</b>	<b>273.53</b>	<b>8311.69</b>
CHUKHA	163.00	315.38	51.41	171.23	315.68	54.05
Tala HPS	59.00	235.50	13.89	60.30	235.72	14.21
Mangdechhu	278.00	478.27	132.96	270.52	478.71	129.50
Kurichhu HEP	1.00	236.54	0.24	1.03	236.76	0.24
Punatsangchhu	524.00	536.36	281.05	523.78	536.86	281.20
Rangeet HEP	6.00	490.00	2.94	5.20	498.74	2.59
Teesta-V	549.00	251.60	138.13	483.01	251.45	121.45
<b>Total Central Hydro</b>	<b>1580.00</b>	<b>392.80</b>	<b>620.62</b>	<b>1515.06</b>	<b>398.17</b>	<b>603.25</b>
TSTPS - I	2254.30	294.54	663.98	2252.20	277.62	625.27
TSTPS - II	1352.90	283.78	383.92	1351.64	267.90	362.10
FSTPS - I & II	189.15	479.21	90.64	-	455.26	17.75
FSTPS -III	610.14	527.55	321.88	-	508.47	93.08
KhSTPS - I	89.75	450.93	40.47	-	430.79	9.80
KhSTPS - II	343.17	415.89	142.72	-	398.05	32.76
DSTPS-I	5608.34	348.47	1954.33	5603.09	317.40	1778.41
NKSTPS-I	2908.81	404.18	1175.69	-	388.37	571.99
Muzaffarpur TPS-II	205.50	589.77	121.20	-	590.53	56.24
Nabinagar STPS-I	64.30	530.78	34.13	-	506.92	13.92
Barh STPS-I	2035.78	562.14	1144.39	-	552.65	495.29
Barh STPS-II	134.41	502.73	67.57	-	500.97	25.53
<b>Total Central Thermal</b>	<b>15796.54</b>	<b>388.75</b>	<b>6140.92</b>	<b>9206.93</b>	<b>443.38</b>	<b>4082.15</b>
<b>Total Central Sector</b>	<b>17376.54</b>	<b>389.12</b>	<b>6761.54</b>	<b>10721.99</b>	<b>436.99</b>	<b>4685.40</b>
PGCIL Tr. Charge	-	-	694.91	-	-	719.44
ERLDC Charges	-	-	3.41	-	-	3.41
<b>TOTAL GRIDCO</b>	<b>46334.14</b>	<b>347.57</b>	<b>16104.33</b>	<b>41109.28</b>	<b>333.74</b>	<b>13719.94</b>

*NB: The rates of Central Sector Power Stations include ISTS Loss*

356. The estimated availability of energy from various sources is found to be 49893.39 MU. However, the Commission's approval of power purchase for State consumption is based on the merit order dispatch principles in order to optimise the power procurement cost. Hence, any deviation from the merit order dispatch principle should be avoided by GRIDCO. In past years, it is observed that there have been differences between the Commission's approval and actual drawal of energy by GRIDCO. Therefore, the Commission directs GRIDCO to follow the merit order dispatch principle while purchasing power for State consumption. Any major deviation in real time power purchase should be intimated to the Commission. GRIDCO should put sincere effort to optimize and rationalize the cost of power purchase. The Commission shall review the quantum and cost of power purchase of GRIDCO based on merit order during performance review. Accordingly, GRIDCO shall furnish the relevant data

during the review of its performance along with the justifications and rationales in case of any deviation from merit order dispatch principle. The Commission shall consider the same along with other expenses during truing up exercise. The surplus power available from various sources is estimated as 8784.11 MU, which can be procured by GRIDCO for meeting the demand of the State under exigency situation like outage of large units of thermal power stations or increase in State demand etc. and can also be traded judiciously in power market to compensate the gap left in the ARR and meet its past outstanding dues.

**Pass through of Past Power Purchase Costs in ARR & BSP of GRIDCO for FY 2026-27**

357. In its ARR application, GRIDCO has claimed an amount Rs. 67.09 Crore towards past power purchase costs to be pass through in its ARR for FY 2026-27 over and above the approved amount present power purchase cost. Further, while replying on the queries raised by the Commission, GRIDCO, in its rejoinder has claimed an additional amount of Rs.8.26 Crore as pass through towards payment on deficit in the deviation and ancillary service pool account. Accordingly, total amount claimed by GRIDCO towards pass through of past power purchase cost comes to Rs.75.35 Crore. The Commission scrutinized the proposal of GRIDCO and consider the amount as pass through basing on the amount already paid by GRIDCO or to be paid during the current FY 2025-26 as per the order/direction of any forum/authority. Accordingly, the Commission allows Rs.74.44 Crore as pass through in the ARR of GRIDCO for FY 2026-27 against the above claim of Rs.75.35 Crore by GRIDCO. The proposal of GRIDCO and approval of the Commission towards pass through of past power purchase costs is summarized in the table below:

**Table-65  
Pass Through Past Power Purchase Dues approved for FY 2026-27**

Item	Claimed by GRIDCO (Rs. Cr.)	Approved by the Commission (Rs. Cr.)	Remarks
<b>OPGC</b>			
Electrical Inspection fees arrear for the period from FY 2022 to FY 2025 in respect of Units-3 & 4 of OPGC	0.06	0.06	The amount has been paid by GRIDCO on 12.06.2025 i.e. during FY 2025-26. Thus, allowed in the present Tariff Order as pass through.
CTO Expenses amounting to Rs.72,00,000/- claimed by OPGC in respect of Units-3 & 4	0.72	0.00	The amount has been paid by GRIDCO on 04.09.2024 i.e. during FY 2024-25 and factored in the Truing up of accounts. Hence, it is not

Item	Claimed by GRIDCO (Rs. Cr.)	Approved by the Commission (Rs. Cr.)	Remarks
			allowed in the present Tariff Order as pass through.
<b>Vedanta Ltd.</b>			
Water Charges for the period from April'2024 to March'2025	6.09	0.00	The amount has been paid by GRIDCO on 14.07.2025 i.e. during FY 2025-26. Thus, allowed in the present Tariff Order as pass through.
<b>Rangit HEP</b>			
a) Rs.0.17 Crore towards shortfall in energy for FY 2024-25 & FY 2024-25 to GRIDCO (as per Clause No.65(7) of CERC Regulation 2024) and b) Rs. 0.06 Crore towards NAPAF Revision as per 1st Amendment of Regulation 2024 (April'24 to Dec'24 and Jan'25) respectively to GRIDCO in line with CERC Regulation 2024	0.23	0.07	Out of the total claim of Rs.0.23 Cr., an amount of only Rs.0.07 Cr. is allowed in the present Tariff Order as pass through, as the same has been paid/to be paid by GRIDCO during FY 2025-26. The balance amount has been paid during the FY 2024-25 and factored in the Truing Up of the expenses for that year.
<b>Kurichhu HEP</b>			
O&M charges for FY 2023-24, FY 2024-25 & FY 2025-26 (upto Dec'25) and Insurance Charges (Period 09.09.2022-08.09.2023, 09.09.2023-08.09.2024 & 09.09.2024-08.09.2025)	0.05	0.02	Out of the total claim of Rs.0.05 Cr., an amount of only Rs.0.02 Cr. is allowed in the present Tariff Order as pass through, as the same has been paid by GRIDCO on during FY 2025-26. The balance amount has been paid during the previous years and factored in the Truing Up of the expenses for those years.
<b>Samal Barrage SHEP</b>			
Reimbursement of Water Charge and SLDC Charge for the FY 2024-25 paid in FY 2025-26.	0.19	0.19	The amount has been paid by GRIDCO on 03.06.2025 i.e. during FY 2025-26. Thus, allowed in the present Tariff Order as pass through.
<b>Lower Baitarani SHEP</b>			
Reimbursement of SLDC Charge for the FY 2024-25 paid in FY 2025-26	0.03	0.03	The amount has been paid by GRIDCO on 31.05.2025 i.e. during FY 2025-26. Thus, allowed in the present Tariff Order as pass through.
<b>Saheed Lakhan Nayak SHEP</b>			

Item	Claimed by GRIDCO (Rs. Cr.)	Approved by the Commission (Rs. Cr.)	Remarks
Payment towards purchase of Energy from Shaheed Lakhan Nayak SHEP during FY 2025-26	25.09	25.09	The amount has been paid by GRIDCO during FY 2025-26. Thus, allowed in the present Tariff Order as pass through.
<b>DSM</b>			
Payment towards Deviation and Ancillary Service Pool Account for the period from 07.07.2025 to 12.10.2025	34.63	34.63	The amount has been paid by GRIDCO between 27.09.2025 during FY 2025-26. Thus, allowed in the present Tariff Order as pass through.
<b>Sub-Total</b>	<b>67.09</b>	<b>66.18</b>	
<b>DSM</b>			
Payment towards Deviation and Ancillary Service Pool Account for the period from 07.07.2025 to 12.10.2025	8.26	8.26	
<b>TOTAL</b>	<b>75.35</b>	<b>74.44</b>	

#### Reimbursement of Year End Charges in respect of OPGC Stage-I

358. The Commission, while passing the order on the ARR and Tariff application of OPGC Stage-I (Units-I&II) for the FY 2026-27 in Case No.120 of 2025, has allowed an amount of Rs.33.96 Crore provisionally towards Year-end charges to be reimbursed by GRIDCO to OPGC. The Commission approves the same as pass through in the ARR of GRIDCO for the FY 2026-27 and details are given in Table below:

**Table-66**

Sl. No.	Particulars	OERC Approval for FY 2026-27 (Rs. in Crore)
1	Electricity Duty	15.47
2	Water Cess and Water Charges	11.04
5	SOC and MOC for SLDC	0.39
7	Annual Inspection Fees	0.57
9	ARR and Tariff Petition Fees	0.25
11	Ash Utilisation/Transportation Charges	6.24
	<b>Total</b>	<b>33.96</b>

#### Reimbursement of Year End Charges to OHPC

359. The Commission while passing the order in ARR and Tariff application of OHPC for the FY 2026-27 in Case No.118 of 2025 has allowed an amount of Rs.30.38 Crore provisionally for

reimbursement by GRIDCO to OHPC. The Commission approves the same as pass through in the ARR of GRIDCO for the FY 2026-27 and details are given in the Table below.

**Table-67**

(Rs. in Cr.)

Particulars	RHEP	UKHEP	BHEP	HHEP	CHEP	UIHEP	Total
(a) License fee for use of water for generation of electricity	1.050	1.664	2.366	1.368	0.980	3.924	11.35
(b) ED on Aux. Consumption	0.289	0.458	0.651	0.376	0.323	1.079	3.18
(c) SLDC charges							1.65
(d) Application fees and publication expenses							0.27
(e) ERPC Charges							0.16
(f) Reimbursement of Income tax paid during FY 2023-24							13.77
<b>Total</b>							<b>30.38</b>

360. In addition to the amount of Rs.74.44 Crore as pass through towards past power purchase dues, the Commission allows Rs.33.96 Crore and Rs.30.38 Crore as pass through towards reimbursement of year end charges of OPGC Stage-I (Units-1 & 2) and OHPC hydro generating stations respectively by GRIDCO during the FY 2026-27. Accordingly, the Commission approves total amount of Rs.138.78 Crore as pass through in the ARR of GRIDCO for FY 2026-27 as given in the table below:

**Table-68**

**Total Pass-Through Expenses approved for FY 2026-27 (Rs Cr.)**

Particulars	Proposed by GRIDCO	Approved by the Commission
Pass through of past power purchase dues	75.35	74.44
Reimbursement of year-end charges in respect of OPGC (Units-1&2)	-	33.96
Reimbursement of year-end charges in respect of OHPC Generating Stations	-	30.38
<b>Total</b>	<b>75.35</b>	<b>138.78</b>

**GRIDCO FINANCE**

**Employees Cost:**

361. GRIDCO has proposed its employees cost for the FY 2026-27 by considering Basic pay, Dearness Allowance (DA), House Rent Allowance (HRA), Medical Allowance, Conveyance Allowance/Reimbursement, Contractual Engagement, Staff Welfare expenses, Ex-gratia, other employees related expenses, Terminal benefit liability (Pension, and Leave Salary) and employer contribution to NPS etc. Accordingly, it has proposed Rs.23.01Cr under employees cost for the ensuing FY 2026-27.

362. The Commission has reviewed the above submission of GRIDCO towards employees cost and for the FY 2026-27 as explained below:

- i. **Basic Pay:** GRIDCO has considered basic pay of the existing employees with 3% annual increment and consolidated remuneration of three nos. of functional Directors & Managing Director on CTC basis. Accordingly, it has proposed Rs.9.38 Cr. under this head for the FY 2026-27.

The Commission observes that the actual cash outflow towards basic pay during April, 2025 to November, 2025 is Rs. 5.21 Cr. Considering actual six month's basic pay of the FY 2025-26 and 3% annual increment, the Commission approves **Rs.8.05 Cr.** (i.e., Rs.5.21 Cr./8\*12\*1.03) towards basic pay for the FY 2026-27.

- ii. **Dearness Allowance (DA):** With reference to the guidelines issued by Finance Department, Govt. of Odisha, vide circular no.31086 date.11.11.2025, for preparation of Budget Estimate for the FY 2026-27, GRIDCO has proposed of DA @ 64% on basic pay for the FY 2026-27. Accordingly, it has proposed Rs.6.00 Cr. under this head.

Analyzing the above submission of GRIDCO, the Commission has considered DA @ 64% on basic pay and accordingly approves **Rs.5.15 Cr.** (Rs.8.05Cr. x 64%) towards DA for the FY 2026-27.

- iii. **House Rent Allowance (HRA):** GRIDCO has proposed Rs.1.88 Cr. towards HRA for the FY 2026-27. The Commission examined the actual HRA expenses as per audited account of the FY 2024-25 and basing on the actual HRA paid as per audited account of the FY 2024-25, the Commission approve **Rs. 1.25 Cr.** towards HRA for the FY 2026-27.

- iv. **Medical Expenses (allowance Reimbursement):** GRIDCO has proposed medical expenses (allowance + reimbursement) of Rs.0.71Cr for the FY 2026-27. The Commission examined the same and in line with audited accounts of FY 2024-25 and approval in past ARR & BSP Orders, **Rs.0.40 Cr.** (@ 5% on basic pay) is allowed under this head for the FY 2026-27.

- v. **Additional Employees Cost:** GRIDCO has proposed Rs.2.12 Cr. towards engagement of contractual employees for the FY 2026-27. The Commission observes that, the actual expenses under this head is Rs.1.48Cr as per audited accounts of the FY 2024-25 and the Commission had approved Rs.1.95Cr for the FY 2025-26. Considering the above, the Commission approves **Rs.1.95 Cr.** towards engagement of contractual employees

for the FY 2026-27 and directs GRIDCO to restrict the expenditure within the approved limit.

- vi. **Terminal Benefit Liabilities:** GRIDCO has proposed Rs.1.84 Cr. towards Pension (Rs.0.17 Cr.), Leave Salary (Rs.0.36 Cr.) and NPS Contributions (Rs.1.31Cr.) for the FY 2026-27 and the Commission approves same amounts of **Rs.1.84 Cr** under this head for the FY 2026-27.
- vii. **Other Employees Cost & Allowances:** GRIDCO has also proposed Rs.1.10 Cr. under different heads, such as LTC (Rs.0.11 Cr.), Honorarium (Rs.0.19 Cr.), Ex-gratia (Rs.0.22 Cr.), Staff Welfare Expenses (Rs.0.11 Cr.), other allowances (Rs.0.20 Cr.), Miscellaneous Expense (Rs.0.17 Cr.) and under CSR Contribution (Rs.0.10 Cr.).

The Commission examined the actual expenses incurred during FY 2024-25 as per the audited accounts and the expenses allowed in the previous ARR & BSP orders for the 2025-26 and decided to allow appropriately. Accordingly, the Commission approves **Rs.0.63 Cr.** [i.e. LTC (Rs.0.11 Cr.), Honorarium (Rs.0.19 Cr.), Staff Welfare Expenses (Rs.0.05 Cr.), other allowances (Rs.0.12 Cr.) & Miscellaneous Expense (Rs.0.16 Cr.)] under these heads for the FY 2026-27 and directs GRIDCO to restrict the expenditure within the approved limit.

363. Considering the above analysis, the Commission approves **Rs.19.27 Cr.** towards employees cost for the FY 2026-27 (against GRIDCO's proposal of Rs.23.01 Cr.), the details of which are shown in the Table below:

**Table-69**  
**Employees Cost proposed by GRIDCO and Approved by the Commission**  
**for the FY 2026-27**

(Rs. Crore)

Sl. No	Particulars	Actual for FY 2024-25	Approved for FY 2025-26	Proposed for FY 2026-27	Approved for FY 2026-27
<b>A</b>	<b>Salary &amp; Allowance</b>				
1	Basic Pay	7.51	7.69	9.38	8.05
2	Dearness Allowance	3.62	4.69	6.00	5.15
3	House Rent Allowance	1.17	1.11	1.88	1.25
4	Other Allowance	0.11	0.11	0.20	0.12
<b>5</b>	<b>Sub-total (A)</b>	<b>12.41</b>	<b>13.60</b>	<b>17.45</b>	<b>14.57</b>
<b>B</b>	<b>Additional Employee Cost</b>				
1	Contractual Engagement	1.48	1.95	2.12	1.95
<b>2</b>	<b>Sub-total (B)</b>	<b>1.48</b>	<b>1.95</b>	<b>2.12</b>	<b>1.95</b>
<b>C</b>	<b>Other Employee Cost</b>				

Sl. No	Particulars	Actual for FY 2024-25	Approved for FY 2025-26	Proposed for FY 2026-27	Approved for FY 2026-27
1	Medical Expenses (allowance+Reimbursement)	0.35	0.38	0.71	0.40
2	Leave Travel Concession	0.04	0.11	0.11	0.11
3	Honorarium	0.19	0.21	0.19	0.19
4	Ex-gratia	0.17	-	0.22	-
5	Staff Welfare Expenses	0.09	0.01	0.11	0.05
6	Miscellaneous	0.11	0.21	0.17	0.16
7	<b>Sub-total (C)</b>	<b>0.95</b>	<b>0.92</b>	<b>1.51</b>	<b>0.91</b>
<b>D</b>	<b>Terminal Benefits</b>				
1	Pension	0.53	0.61	0.17	0.17
2	Leave Salary	0.59	0.64	0.36	0.36
3	Other (including contribution to NPS)	0.91	1.12	1.31	1.31
4	CSR Contribution	-	-	0.10	-
5	<b>Sub-total (D)</b>	<b>2.03</b>	<b>2.37</b>	<b>1.94</b>	<b>1.84</b>
<b>E</b>	<b>Total Employees Cost (A+B+C+D)</b>	<b>16.87</b>	<b>18.84</b>	<b>23.01</b>	<b>19.27</b>

#### **Repair & Maintenance (R&M):**

364. GRIDCO has proposed Rs.3.19 Cr. under R&M cost for the FY 2026-27. This includes Rs.1.49 Cr. towards annual maintenance cost towards SAP (implemented w.e.f. 01.07.2023), AMC of server & storage, Rs.1.00 Cr. towards Shifting of Office Premises and Rs.0.70 Cr. towards other maintenance expenses of computers, building, vehicle, furniture & Fixture and office equipment etc.
365. After scrutinized the GRIDCO's proposal, the Commission observes that the actual R & M Cost as per audited accounts of GRIDCO is Rs. 1.94 Cr during the FY 2024-25 and the Commission had approved of Rs.1.65 Cr (including AMC for SAP of Rs.1.15 Cr.) in the ARR & BSP Order for the FY 2025-26. After analyzing the above, the Commission disallowed the proposal towards shifting of Office premises. However, if any amount will be incurred by GRIDCO towards shifting of Office premises, the same will be considered in the truing-up after prudent check. Further, as per audited accounts, GRIDCO has not spent any amount under towards R&M expenses for Computer during the FY 2024-25. Therefore, the Commission allows Rs.0.15 Cr. towards R&M expenses for Computer as against its proposal of Rs.0.33Cr. In view of above, the Commission approves **Rs.2.02 Cr.** (Rs.1.49 Cr for AMC of SAP & Rs.0.53 Cr for other maintenances) under R&M expenses for the FY 2026-27 and directs GRIDCO to take appropriate measures to control the R&M expenditure within the approved limit. The details of which are shown in the Table below:

**Table-70**  
**R&M Expenses Approved by the Commission for the 2026-27**

**(Rs. in Crore)**

Sl No	Particulars	Actual for FY 2024-25	Approved for FY 2025-26	Proposed for FY 2026-27	Approved for FY 2026-27
1	Building	0.29	0.50	0.25	0.25
2	Plant & machinery (Air Conditioner)	-		0.02	0.02
3	Computers	-		0.33	0.15
4	Vehicle	0.03		0.04	0.04
5	Furniture & Fixture	0.00		0.02	0.02
6	Office equipment	0.20		0.05	0.05
7	SAP/Server Maintenance & others	1.41	1.15	1.49	1.49
8	Shifting of Office Premises	-	-	1.00	-
	<b>Total Repair &amp; Maintenance</b>	<b>1.94</b>	<b>1.65</b>	<b>3.19</b>	<b>2.02</b>

**Administration & General (A&G) Expenses:**

366. GRIDCO has submitted that, excluding license fees, it has incurred A&G Expenses of Rs.2.15 Cr up to September, 2025 and has projected Rs.6.40 Cr for the last six months of the FY 2025-26. Considering inflation @5% over its projected A&G expenses of Rs.8.55Cr. (Rs.2.15Cr.+Rs.6.40Cr.) for the FY 2025-26 and including license fees of Rs.2.50Cr, it has estimated A&G expenses of Rs.11.47 Cr. (Rs.8.55 Cr. + 5% of Rs.8.55 Cr.+Rs.2.50Cr) for the FY 2026-27. Further, it has proposed special additional A&G expenses of Rs.5.00Cr. towards RENA promotional activities. Considering above, GRIDCO has proposed Rs. 16.47Cr. (Rs.11.47Cr.+Rs.5.00Cr.) under A&G expenses for the FY 2026-27.
367. The Commission examined the above proposal of GRIDCO towards A&G Expenses. It is pertinent to mention that, to approve the A&G expense for ARR & BSP Tariff, the Commission have been considering the normal A&G Expenses approved for previous financial year as base for the ensuing financial year. After considering inflation @5%, the Commission allowed A&G Expenses for GRIDCO. Accordingly, the Commission has calculated A&G expenses Rs. 8.18 Cr. for the FY 2026-27 by considering normal A&G expenses of Rs.7.79Cr which was approved for the FY 2025-26 and inflation @5% over it. Regarding special additional A&G expenses of Rs.5.00Cr. proposed by GRICO for RENA promotional activities, the Commission will consider the expenditure on actual basis at the time of the truing-up. The Commission approves **Rs.11.18 Cr.** towards A&G Expenses inclusive of licensee fees of Rs.3.00 Cr. for the FY 2026-27 against Rs.16.47 Cr. proposed by GRIDCO, details of which are shown in the Table below:

**Table-71**

**A&G Expenses Approved by the Commission for the 2026-27**

Description	Approved for FY 2025-26	Proposed for FY 2026-27	Approved for FY 2026-27
<b>Normal A&amp;G expenses for FY 2025-26</b>	<b>7.42</b>	<b>8.55</b>	<b>7.79</b>
Inflation considered for FY 2026-27 @5.00%	0.37	0.42	0.39
<b>Normal A&amp;G estimated for FY 2026-27</b>	<b>7.79</b>	<b>8.97</b>	<b>8.18</b>
Add: License Fees for the Financial Year	2.50	2.50	3.00
Add: ERPC Membership fees/Fund	0.18	-	-
Special additional A&G expenses for RENA	-	5.00	-
<b>Total A&amp;G expenses approved for FY 2025-26</b>	<b>10.47</b>	<b>16.47</b>	<b>11.18</b>

368. The Commission directs GRIDCO to take necessary steps to control the A&G expenses by proper management of resources.

**Depreciation**

369. GRIDCO has proposed Rs.2.87 Cr under the head depreciation on fixed assets (computer, software, furniture& Fixture and office equipment etc.) for the FY 2026-27. The Commission scrutinize the details of fixed assets & depreciation proposed by GRIDCO in F-13, which is summarized in the Table below:

**Table-72**  
**Depreciation on Fixed Assets Proposed by GRIDCO for the FY 2026-27**

**(Rs. in Crore)**

Particulars	Rate of Depreciation (%)	FY 2024-25 (Audited)					FY 2025-26 (Estimated)		FY 2026-27 (Proposed)	
		Opening Assets as on 01-04-2024	Net Assets Added during the year	Closing Assets as on 31-03-2025	Depreciated on during the Year	Accumulated Depreciated on as on 31-03-2025	Net Assets to be added during the Year	Depreciated on Estimated for the Year	Assets to be added during the Year	Depreciated on proposed for the Year
1	2	3	4	5=3+4	6	7	8	9	10	11
Plant and Machinery (Air Cond.)	20.00	0.43	0.02	0.45	0.01	0.41	0.05	0.01	-	0.01
Computers	33.33	5.95	(2.54)	3.41	0.35	2.75	0.79	0.49	0.96	1.56
Software (ERP Implementation)	25.00	0.90	3.14	4.04	1.04	1.17	0.19	1.16	0.52	1.12
Vehicles	12.50	0.39	(0.07)	0.32	-	0.30	-	-	-	-
Office Equipment	20.00	0.30	0.17	0.47	0.06	0.22	0.08	0.07	0.16	0.13
Furniture, Fixture	10.00	0.47	0.02	0.49	0.04	0.26	-	0.04	0.10	0.05
<b>Total</b>		<b>8.44</b>	<b>0.74</b>	<b>9.18</b>	<b>1.50</b>	<b>5.11</b>	<b>1.11</b>	<b>1.76</b>	<b>1.73</b>	<b>2.87</b>

370. From the above table, it is observed that, GRIDCO has claimed higher amount of depreciation for the FY 2026-27 basing on the assets value as per audited accounts for the Fy 2024-25 and

projected assets of Rs.1.11 Cr & Rs.1.73 Cr to be added during the FY 2025-26 & FY 2026-27 respectively. Further, to calculate depreciation for the FY 2026-27, the Commission has not considered the projected assets value of Rs.1.73 Cr. to be added during FY 2026-27. Analyzing the above, the Commission provisionally estimates and approves **Rs.1.83 Cr** under the head depreciation for FY 2026-27. However, the Commission directs GRIDCO to take appropriate steps for optimum use of its fixed assets. Further, GRIDCO is directed to maintain the fixed assets register as per prescribed format provided by the Commission in the ARR & BSP Order for the FY 2025-26 and submit the same to the Commission along with tariff application of subsequent year.

### Interest and Financial Charges:

371. GRIDCO has submitted its loan position and interest & financial charge for the FY 2026-27 in Format F-2 of the ARR application as given in the Table below:

**Table-73**  
**Loan Position & proposed Interest & Financial Charges for the FY 2026-27**  
**(Rs. in Crore)**

Sl No	Particulars/Availed during	Rate of int. (%) 01-04-2025	Loan Position as on 31.03.2026		Ensuing Year (FY 2026-27)						
			Principal	Interest	Principal		Interest		Closing Bal.		
					Received	Repayment	Due	Paid	Principal	Interest	
<b>A</b>	<b>FY 2014-15</b>										
1	OHPC Loan 619 cr	6.00%	335.29	-	-	103.17	17.28	17.28	232.12	-	-
	<b>Sub-total</b>		<b>335.29</b>	<b>-</b>	<b>-</b>	<b>103.17</b>	<b>17.28</b>	<b>17.28</b>	<b>232.12</b>	<b>-</b>	<b>-</b>
<b>B</b>	<b>FY 2019-20</b>										
2	Andhra Bank VIII 300CR	8.55%	40.58	-	-	40.58	1.26	1.26	-	-	-
3	Andhra Bank IX 400CR	8.55%	74.17	-	-	74.17	3.06	3.06	-	-	-
	<b>Sub-total</b>		<b>114.75</b>	<b>-</b>	<b>-</b>	<b>114.75</b>	<b>4.32</b>	<b>4.32</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C</b>	<b>FY 2020-21</b>										
4	Punjab National Bank 600 CR	8.40%	199.92	-	-	120.00	11.60	11.60	79.92	-	-
	<b>Sub-total</b>		<b>199.92</b>	<b>-</b>	<b>-</b>	<b>120.00</b>	<b>11.60</b>	<b>11.60</b>	<b>79.92</b>	<b>-</b>	<b>-</b>
<b>D</b>	<b>FY 2021-22</b>										
5	Bank of Baroda TL-5	8.30%	29.42	-	-	29.42	1.01	1.01	-	-	-
6	Bank of Baroda TL-6	8.30%	49.64	-	-	40.08	2.50	2.50	9.56	-	-
7	Bank of Baroda TL-7	8.30%	158.19	-	-	100.00	9.00	9.00	58.19	-	-
	<b>Sub-total</b>		<b>237.25</b>	<b>-</b>	<b>-</b>	<b>169.50</b>	<b>12.51</b>	<b>12.51</b>	<b>67.75</b>	<b>-</b>	<b>-</b>
<b>E</b>	<b>FY 2022-23</b>										
8	Soft Loan from GoO (1st & 2nd tranche)	5.00%	700.00	7.01	-	-	35.00	35.00	700.00	7.01	-
	<b>Sub-total</b>		<b>700.00</b>	<b>7.01</b>	<b>-</b>	<b>-</b>	<b>35.00</b>	<b>35.00</b>	<b>700.00</b>	<b>7.01</b>	<b>-</b>
<b>F</b>	<b>FY 2023-24</b>										
9	Canara Bank TL-3	8.55%	47.16	-	-	47.16	1.62	1.62	-	-	-
10	Canara Bank TL-4	8.55%	19.18	-	-	19.18	0.79	0.79	-	-	-
11	Canara Bank TL-5	8.55%	158.28	-	-	99.97	9.23	9.23	58.31	-	-
12	Canara Bank TL-7	8.55%	174.72	-	-	100.08	10.58	10.58	74.64	-	-
13	Canara Bank TL-9	8.55%	174.67	-	-	100.08	10.57	10.57	74.59	-	-
14	Soft Loan from GoO (3rd tranche)	5.00%	500.00	1.10	-	-	25.00	25.00	500.00	1.10	-
15	Soft Loan from GoO (4th tranche)	5.25%	200.00	1.21	-	-	10.50	10.50	200.00	.21	-
16	Soft Loan from GoO (5th tranche)	5.25%	300.00	0.17	-	-	15.75	15.75	300.00	0.17	-
	<b>Sub-total</b>		<b>1,574.01</b>	<b>2.48</b>	<b>-</b>	<b>366.47</b>	<b>84.04</b>	<b>84.04</b>	<b>1,207.54</b>	<b>2.48</b>	<b>-</b>

SI No	Particulars/Availed during	Rate of int. (%) 01-04-2025	Loan Position as on 31.03.2026		Ensuing Year (FY 2026-27)						
			Principal	Interest	Principal		Interest		Closing Bal.		
					Received	Repayment	Due	Paid	Principal	Interest	
<b>G</b>	<b>FY 2024-25</b>										
17	Soft Loan from GoO (6th tranche)	5.25%	280.00	1.69	-	-	14.70	14.70	280.00	1.69	
18	Soft Loan from GoO (7th tranche)	5.25%	200.00	2.21	-	-	10.50	10.50	200.00	2.21	
19	Soft Loan from GoO (8th tranche)	5.00%	521.00	0.57	-	-	26.05	26.05	521.00	0.57	
	<b>Sub-total</b>		<b>1,001.00</b>	<b>4.47</b>	<b>-</b>	<b>-</b>	<b>51.25</b>	<b>51.25</b>	<b>1,001.00</b>	<b>4.47</b>	
<b>H</b>	<b>Add: Soft Loan for FY 25-26</b>		512.00	0.54	-	-	21.76	21.76	512.00	0.54	
<b>I</b>	<b>Add: Proposed Term Loan for FY 25-26</b>		488.00	-	-	-	20.74	20.74	488.00	-	
<b>J</b>	<b>Add: Proposed Term Loan for FY 26-27</b>		-	-	1,000.00	-	21.25	21.25	1,000.00	-	
	<b>TOTAL (A+B+..+J)</b>		<b>5,162.22</b>	<b>14.50</b>	<b>1,000.00</b>	<b>873.89</b>	<b>279.75</b>	<b>279.75</b>	<b>5,288.33</b>	<b>14.50</b>	
<b>K</b>	<b>Add: Financial Charges (Incl. Interest on SOD)</b>		-	-	-	-	80.94	80.94	-	-	
<b>L</b>	<b>Add: Guarantee Commission</b>	0.50%		10.10	-	-	5.66	10.10	-	5.66	
	<b>Grand Total (A to K)</b>		<b>5,162.22</b>	<b>24.60</b>	<b>1,000.00</b>	<b>873.89</b>	<b>366.35</b>	<b>370.79</b>	<b>5,288.33</b>	<b>20.16</b>	

372. GRIDCO has submitted that, total interest and finance charges for FY 2026-27 is estimated based on existing loan liabilities along with securitized dues to be paid to OHPC. It has submitted that in view of interim order of the Commission dated 23.05.2023 (Petition No 35/2023), an amicable settlement was agreed upon in the meeting held on 26.06.2023 regarding OHPC Securitized dues under the Chairmanship of Additional Chief Secretary, Energy Department. The Commission has approved the settlement in the final order in Case No. 35/2023 dated 11.07.2023. GRIDCO has submitted that considering the settlement process, total interest payable on settlement of OHPC Securitized dues for the FY 2026-27 comes to Rs.17.28Cr. and requested the Commission to consider it favorably under interest and finance charges for FY 2026-27.

373. Further, it has submitted that due to the uncontrollable factors like non- settlement of BSP dues by the erstwhile DISCOMs, lack of cost reflective Tariff, non-amortization of approved Regulatory Asset, the Petitioner had to borrow funds from external sources and borrowing from Govt. of Odisha. Accordingly, GRIDCO has proposed the Commission to approve total interest and financial charge obligations to the tune of Rs.370.79 Cr. in its ARR & BSP order for the FY 2026-27.

374. As regards the of Interest and Financial Charges, the Commission in earlier tariff orders w.e.f. FY 2016-17 onwards have observed that there is no need for GRIDCO to borrow from banks, if the approved revenue is collected from DISCOMs. The inability of GRIDCO to collect such revenue had landed GRIDCO in a situation of borrowing from banks. Further, the Commission in the tariff order for FY 2017-18 at Para 301 had observed that “GRIDCO in

*reality landed in deficit balance i.e. the revenue received from DISCOMs is not sufficient to discharge even power dues of the generators, which is quite alarming. If this situation persists, every year GRIDCO will resort to borrowing from Banks, the interest impact of which will be passed on to the consumer. Therefore, the Commission is not inclined to accept the interest liability on loan availed by GRIDCO for the year 2016-17, which is attributable to inability of GRIDCO to mobilize the internal resource by way of collection of BSP dues from DISCOMs. Hence, the interest impact on loan for the year 2016-17 has not been considered by Commission in determining the ARR for FY 2017-18. In this regard Para-279 of the ARR & BSP order for the FY 2016-17 may be referred. GRIDCO is advised to fill the gap from collection of arrears from the DISCOM Utilities.”*

375. Further, the Commission observed that GRIDCO, instead of collecting its dues from the erstwhile DISCOMs, availed loan from the commercial institutions and the Commission had taken a view not to allow interest on loan availed by GRIDCO after FY 2015-16. The Commission also continues to follow the same principle of not allowing any interest on the loans availed by GRIDCO after FY 2015-16 onwards, for arriving at the interest cost to be passed on in the ARR for FY 2026-27. Accordingly, the Commission after scrutiny has not allowed any amount towards interest and financial charges for FY 2026-27 following the same principle.

376. However, the Commission, vide its order dated 11.07.2023 in Case No. 35 of 2003, have agreed for allowing interest on OHPC Securitized Bond basing on the amicable settlements between OHPC & GRIDCO in the meeting held on 26.06.2023 under the Chairmanship of Additional Chief Secretary, Energy Department, Government of Odisha, the following was agreed upon:

“

- i. *The outstanding interest up to 31.3.2021 amounting to Rs.152.93 Crore to remain unaltered.*
- ii. *The principal amount of Rs.619 Crore shall carry simple interest @ 6% per annum w.e.f. 01.04.2021.*
- iii. *Total outstanding interest up to June'23 amounting to Rs.236.50 Crore (i.e. Rs.152.93 Crore up to 31.03.2021 and Rs.83.57 Crore from 01.04.2021 to 30.06.2023 @ 6% p.a.) shall be paid by GRIDCO in 18 equated monthly instalment w.e.f. July'2023.*
- iv. *The principal amount of Rs.619 Crore along with interest shall be paid by GRIDCO in 72 equated monthly instalments from July'2023.*
- v. *GRIDCO shall claim the amount paid to OHPC in its BSP application, the Commission would be requested to consider it favourably.”*

377. The Commission has considered to pass through such interest in the ARR of GRIDCO as per the modality agreed upon in the said meeting. As decided by the Commission, in the ARR Order for the FY 2024-25 (at para 429), had dealt such issue and had allowed Rs.144.56 Cr

crore regarding payment of interest dues for the FY 2023-24 as pass through and as regards payment of interest for the FY 2024-25, it was decided to consider the same as pass through after payment of actual amount in the subsequent year. Accordingly, in ARR and BSP order of GRIDCO for the FY 2025-26 (at para 282), the Commission had allowed Rs.147.91 Cr as pass through towards payment of interest dues for the FY 2024-25 and as regards interest dues of Rs.23.47 Cr. for the FY 2025-26, the Commission had allowed the same under the head of interest chargeable to revenue. Adhering to the above direction, the Commission approves **Rs.17.28 Cr.** towards interest on OHPC Securitized Bond for the FY 2026-27 against GRIDCO proposal of Rs.370.79 Cr.

#### **Return on Equity**

378. GRIDCO has submitted that considering @16% on the Equity Capital of Rs.3611.84 Cr. as on 31.03.2025, the Return on Equity (RoE) will be Rs.577.89 Cr. for the FY 2026-27 and including this RoE, the proposed average BSP (388.23 Paise/unit) will be 395.40 Paise per Unit. However, GRIDCO has not considered RoE in its application for the FY 2026-27. Accordingly, the Commission does not allow any amount towards return on equity to GRIDCO for the FY 2026-27.

#### **Other Income/ Miscellaneous Receipts**

379. GRIDCO has submitted that during FY 2026-27, it expects to earn an amount of Rs.74.50 Cr (at existing approved RST rate of 745.00 P/U towards Emergency Sale of Power) from the proposed emergency sale of 100 MU to Long Term Customers like NALCO (70 MU) and IMFA (30 MU) for meeting their emergency & back-up power requirements as per the MOU signed with them.
380. The Commission, after analysis of the proposal of GRIDCO, approves an amount of Rs.74.60 Cr. @ 746.00 P/U (excluding transmission charges of 24.00 P/U from existing approved RST rate of 770.00 P/U) towards the miscellaneous revenue earned from Emergency Sale of 100 MU as proposed by GRIDCO for the FY 2026-27.

#### **Carrying Cost on Regulatory Assets**

381. In the Truing-up proposal for the FY 2024-25, GRIDCO has proposed Rs.269.08 Cr as carrying cost for estimated Regulatory asset amounting to Rs.3363.49 Cr. (Rs.2616.95Cr. +746.54 Cr.). Without any explanation, it has claimed the same amount (Rs.269.08 Cr.) under Carrying cost on Regulatory assets in its ARR & BSP application for the FY 2026-27. The Commission scrutinized the same and observes that, while truing –up of accounts of GRIDCO for FY 2023-24, cumulative regulatory gap was Rs.746.54 Cr. till 31.03.2024 as indicated in Order dated 24.03.2025 in Case No. 103 of 2024. Regarding Regulatory assets of Rs.2616.95

Cr., the Commission has explained in subsequent Paras while addressing the GRIDCO's proposal to revisit the Truing-up Order for the FY 2023-24. In view of the above observations and after truing up of the accounts of GRIDCO for FY 2024-25 in this Order, there is a net cumulative negative Regulatory gap of Rs.123.70 Cr. (Rs.746.54 Cr. - Rs.622.84 Cr. towards Regulatory surplus of FY 2024-25) upto 31.03.2025. Further, considering the weighted average rate of interest (@ 5.47%) on the actual loan portfolio of FY 2026-27 submitted by GRIDCO in its petition, the Commission allows **Rs.6.77 Cr.** towards carrying cost on the approved cumulative regulatory gap of Rs.123.70 Cr. as on 31.03. 2025 as pass through in this ARR & BSP order of GRIDCO for the FY 2026-27.

#### **Receivables from Erstwhile DISCOMs**

382. GRIDCO in its petition has submitted that, as on 30.09.2025, it has outstanding dues of Rs.6,395.14 Cr. (including DPS of Rs.3769.02 Cr) to be received from erstwhile DISCOMs. The Commission in the vesting order had issued directives to the new DISCOMs for collection of past arrears stipulating the minimum commitment amount. Further, the Commission had also notified the OTS for recovery and settlement of outstanding dues from the defaulting consumers against past dues receivable from erstwhile DISCOMs/Utilities and to pass on to GRIDCO. However, there is still huge outstanding from the consumers for the erstwhile utility period, which is continuing in the consumers ledger. GRIDCO has requested the Commission to issue suitable advisories /directives to present DISCOMs for collection of past arrears towards settlement of outstanding dues and also to frame suitable mechanism for recovery of the balance amount through regulatory process preferably in next two to three years.
383. Considering the above request of GRIDCO, it is pertinent to mention that, the Commission after undertaking the competitive bidding process for sale of Distribution Companies as envisaged under Section 20 of the Electricity Act, 2003 have now vested all the distribution utilities with new licensees such as TPCODL, TPNODL, TPWODL and TPSODL. The respective vesting order for these companies deals with the segregation of the balance sheet as on the date of vesting by transfer of assets and liabilities to the new companies. Accordingly, all the outstanding dues of the GRIDCO will be dealt as per the provisions of the vesting orders.
384. The summary of the ARR of GRIDCO approved for the FY 2026-27 is given in the Table below:

**Table –74**  
**Revenue Requirement of GRIDCO for the FY 2026-27**

**(Rs. in Crore)**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Approved for the FY 2025-26</b>	<b>Proposed for the FY 2026-27</b>	<b>Approved for the FY 2026-27</b>
1	Cost of Power Purchase	13,508.44	14,503.08	13,719.94
2	Employee cost	18.84	23.01	19.27
3	Repair & Maintenance	1.65	3.19	2.02
4	Administrative and General Expenses	10.47	16.47	11.18
5	Interest Chargeable to Revenue	23.47	370.79	17.28
6	Depreciation	2.40	2.87	1.83
7	Carrying Cost on Regulatory Asset	49.20	269.08	6.77
8	<b>Total Expenditure (1 to 7)</b>	<b>13,614.47</b>	<b>15,188.49</b>	<b>13,778.29</b>
10	Special Appropriation for Pass Through of Power Purchase Dues	505.02	67.09	138.78
11	<b>Total Revenue Requirement (9+10)</b>	<b>14,119.49</b>	<b>15,255.58</b>	<b>13,917.07</b>
12	Less: Miscellaneous Receipt	74.45	74.50	74.60
14	<b>Net Revenue Requirement {11-(12+13)}</b>	<b>14,045.04</b>	<b>15,181.08</b>	<b>13,842.47</b>
15	Revenue Through Bulk Supply Price (BSP)	13,220.40	12,921.39	13,164.06
16	Additional Revenue from TPWODL towards sale of power through TPA	26.60	-	14.00
17	<b>Total Revenue from DISCOMs (15+16)</b>	<b>13,247.00</b>	<b>12,921.39</b>	<b>13,178.06</b>
18	<b>GAP: Surplus/(deficit)</b>	<b>(798.04)</b>	<b>(2,259.69)</b>	<b>(664.41)</b>

385. From above table it is observed that, the Commission has estimated the net revenue requirement of GRIDCO to the tune of Rs.13,842.47 Cr. after adjustment of miscellaneous receipts of Rs.74.60 Crore and GRIDCO would recover Rs.13,178.06 Cr. from the DISCOMs through Bulk Supply Price and Sale of Power through Tripartite Agreement during the FY 2026-27 with a revenue deficit of Rs.664.41 Cr. It is observed that, the Commission has estimated the energy availability of 49,893.39 MU to GRIDCO from different sources during FY 2026-27 and the State requirement has been estimated at 41,109.28 MU, leaving a surplus availability of 8,784.11 MU. It is further observed from the Truing-up exercise of GRIDCO for the FY 2024-25, that, it has traded and earned substantial amount through trading of 4557.82 MU in the market and 632.66 MU through DSM as against estimated surplus quantum of 5158.49 MU. Further, from the reply of GRIDCO on the Commission's queries, it is observed that it has traded 3222.76 MU in the market and 452.99 MU through DSM during the period from April-25 to November-25 of current FY 2025-26 as against estimated surplus quantum of 6996.43 MU for the year. Considering the above, the Commission expected that, GRIDCO could be able to trade at least 8,000 MU during the ensuing FY 2026-27. In view of the above, the Commission considers it would be prudent that the net revenue earned from trading of above estimated surplus shall be adjusted towards the approved

cumulative gap left in the ARR of GRIDCO and meeting the past losses. However, the net revenue earned beyond trading of 6000 MU shall go towards meeting the past losses incurred by GRIDCO from FY 2015-16 onwards. The Commission's earlier orders on recognition of past losses after FY 2015-16 is revised to that extent.

#### **VARIOUS ISSUES RAISED BY GRIDCO**

386. Various issues raised by GRIDCO are addressed in following paragraphs:

- a. **Revenue Earning from Sale of Power through Tripartite Agreement:** GRIDCO has submitted that a special scheme was devised by the Commission since FY 2021-22, allowing the industries having CGP with CD above 20 MW who are willing to avail power from DISCOMs and operating at load factor more than 80% to draw power through Tri-Partite Agreement (TPA) at a rate approved in the BSP/ RST order for the respective Financial Year. Further, based on the joint application of GRIDCO and DISCOM, the Commission, vide order dated 22.07.2025 and 28.10.2025 in Case No.53 of 2025, had allowed applicability of this scheme to the industries operating at load factor more than 60% for the current FY 2025-26. In the instant application for FY 2026-27, GRIDCO has proposed to consider the said Special Tariff Scheme under TPA with minimum off-take of 60% of CD during the TPA period. Further, anticipating availability of surplus power on intermittent basis during the ensuing FY 2026-27, GRIDCO has proposed for approval of the Special Tariff Scheme under TPA at a suitable ToD based tariffs for FY 2026-27 with minimum offtake of 60% CD during the TPA period. Further, the CGP based industries may opt for green certification of the energy availed under TPA for their RCO compliance through payment of Green Tariff Premium as approved by the Commission.

Considering the above proposal of GRIDCO, the Commission viewed that any industry having CGP with CD above 20 MW and operating at minimum monthly load factor of 60% shall be allowed to draw power at the rate of Rs. 5.00 per kVAh during Peak hours and Rs. 4.30 per kVAh during hours other than Peak hours (i.e. during Solar & Normal Hours) for all incremental energy drawal above 60% load factor of the month. No overdrawal penalty shall be levied on them. For this purpose, the industry shall enter into a Tri-Partite Agreement (TPA) with the concerned DISCOM and GRIDCO. In such transactions for sale of intermittent incremental surplus power, OPTCL shall get normal transmission charge of 24 paise/kWh, GRIDCO shall get 456 paise/kWh (including BSP) during Peak hours and 400 paise/kWh (including BSP) during hours other than Peak hours (i.e. during Solar & Normal Hours) and DISCOMs shall keep the balance amount as margin, out of the price mentioned above. The DISCOM can certify the quantum of Green

Energy in the Industrial drawal from DISCOM, which can be utilized for any other purpose other than compliance of RPO/RCO. This quantum shall be within Renewable Energy quantum allocated to each DISCOM by GRIDCO. Other observations of the Commission in Case No. 25/2022 regarding this tripartite sale of surplus power shall continue. However, the Commission may revisit the matter on application from the DISCOM(s) / GRIDCO, in case of any constraint(s) in implementation of the above scheme to achieve the objective.

- b. **Green Tariff Framework for Sale of Renewable Power to Obligated Entities:** GRIDCO has submitted that Odisha is experiencing surplus power during solar hours (08:00 hrs - 16:00 hrs) owing to high renewable generation and this scenario is expected to continue in the next financial year as well. Simultaneously, many industrial and commercial consumers are migrating toward open-access or captive arrangements to source renewable energy for meeting their Renewable Consumption Obligation (RCO). In order to retain such consumers within the State grid and to provide them an economical avenue to meet their RCO, GRIDCO has proposed to introduce a scheme for sale of renewable energy (RE) to the interested industries through the respective DISCOMs at a special rate during the solar hours. Under the proposed scheme, GRIDCO shall act as the aggregator of renewable energy available from various sources. Interested entities shall place day-ahead requisitions through their DISCOMs, indicating desired quantum and time-blocks of purchase limited to solar hours. The energy accounting shall be carried out on schedule basis and billed at Rs.4.10/ kVAh\* with revenue sharing as follows: GRIDCO - Rs. 3.80/ kWh, OPTCL - Rs. 0.255/ kWh, Balance with the DISCOM.

Considering the above proposal of GRIDCO, the Commission observed that, any Obligated Entity/Designated Consumer (DC) can enter into a TPA with GRIDCO and the DISCOM for availing green energy for Regulatory compliance. Accordingly, GRIDCO would procure additional RE power to meet such requirement of DCs for RPO/RCO compliance. Such quantum of power would be available at Rs. 4.10 per kVAh by intimating DISCOM the day ahead block-wise drawal quantum. In such transactions for sale of RE power, OPTCL shall get normal transmission charge of 24 paise/kWh, GRIDCO shall get 380 paise/kWh (including BSP) and DISCOMs shall keep the balance amount as margin, out of the price mentioned above. However, any Overdrawal by the consumer beyond the requisitioned quantum shall be treated as RST drawal.

**c. Introduction of Time-of-Day (ToD)-Based Bulk Supply Price (BSP) for DISCOMs:**

GRIDCO has submitted that due to structural shift in the State's power scenario with increasing share of renewable generation, particularly from solar sources, it is the need to introduce ToD-Linked BSP as an economic signal to the DISCOMs to incentivize shifting their drawal to solar hours, thereby improving effective utilization of contracted demand, reducing surrender volumes and aligning demand with solar power availability. Accordingly, considering the present availability of renewable energy, GRIDCO has proposed a reduction of 15 P/U during the solar hours for TPWODL, TPCODL and TPNODL, and 10 P/U for TPSODL from the existing BSP. Similarly, a hike of 10 P/U in the existing BSP of all DISCOMs during non-solar hours is proposed by GRIDCO. However, GRIDCO has requested the Commission to approve any other suitable ToD based BSP mechanism.

The Commission perused the proposal of GRIDCO. The proposal is related basically to sale of surplus solar power available with GRIDCO during day time. The concern of GRIDCO has noted by the Commission and accordingly arrangements like TPA sale and ToD tariff for sale of surplus power by GRIDCO through DISCOMs have been made benefit to GRIDCO and the consumers of the State. Therefore, no further action is needed in present scenario.

**d. Re-structuring of ToD based RST:** GRIDCO has submitted that upon adoption of the ToD-based RST with effect from 01st April, 2024, there has been a gradual increase in load shifting from non-solar hours to solar hours. With rapid penetration of solar energy, the present ToD mechanism as well as load factor-based RST requires restructuring so that benefits of the low-cost solar power can be availed by the State consumers. GRIDCO has proposed that ToD based RST may be adopted on a revenue-neutral basis, where rebates with lower RST during solar hours are offset by surcharges with higher RST during other hours, ensuring no revenue shortfall to the DISCOM while improving load management. Further, the DISCOMs may be directed to devise suitable schemes to bring other consumer categories such as commercial establishments and government buildings under the ambit of the ToD-based RST so that the ToD benefits are also passed on to these categories of consumers.

The Commission observed that the above proposal of GRIDCO is related to the RST and thus, it is appropriately dealt with in the RST order for the ensuing FY 2026-27.

**e. Low-Cost Power for CGP-Based Industries during Solar Hours:** GRIDCO has submitted that it bears around Rs.7000 Crore towards fixed cost for availing power from the tied-up generation capacity of around 9800 MW. As per the DISCOMs' data, the

connected load of the State under LT, HT & EHT categories is around 15000 MW with a scope of recovery of fixed cost of around Rs.5000 Crore. Thus, the gap of approximately Rs.2000 Crore remains unrecovered through the existing demand charges which acts as a barrier to achieving a cost-reflective tariff. Therefore, GRIDCO has proposed to introduce a minimum contract demand drawl of 20% for Industries with CGP having CD 1 MW and above during Solar Hours (08:00 hrs. - 16:00 hrs.) on a monthly basis. Further, suitable increase in demand charges may also be considered for all category of consumers those are paying monthly demand charges @ Rs. 250/ kVA/month to arrive at a cost reflective tariff.

After analysing the above proposal of GRIDCO, the Commission does not consider the same in the present tariff order. Further, as the similar matter has been raised in the RST application of DISCOMs, it has been dealt in the RST order for the ensuing year.

- f. Mechanism for adjustment of past losses borne by GRIDCO:** GRIDCO has submitted that it has incurred financial losses over the past several years, excluding the last two financial years and such adverse financial condition can primarily be attributed to the uncontrollable factors, such as Non-settlement of Bulk Supply Price (BSP) dues by erstwhile DISCOMs, Lack of a cost-reflective tariff for GRIDCO, Non-amortization of approved Regulatory Assets over the years, and Non-allowance of carrying cost on Regulatory Assets up to FY 2022-23. Therefore, GRIDCO has prayed the Commission to consider allowing utilization of the margin earned (either fully or partly with certain percentage) through trading activities towards adjustment of past accumulated losses over the next six years.

After analysis of the above proposal of GRIDCO, the Commission does not consider the same in the present tariff order keeping in view the vesting orders of the present DISCOMs discussed elsewhere in this order.

- g. Amnesty arrear clearance scheme:** GRIDCO has submitted that accumulation of long-pending electricity dues on different consumers has adversely impacted the liquidity position and operational efficiency of the electricity sector. The outstanding arrears, compounded over time through the accrual of interest and penalties, have placed a significant burden on both consumers and the DISCOMs. GRIDCO has proposed an Amnesty Arrear Clearance Scheme for settlement of the past arrears accumulated prior to takeover by present DISCOMs. GRIDCO submits that the arrear amount realized would be utilized for meeting past liabilities of the erstwhile utilities and, in the process, the interest burden on GRIDCO will be reduced.

On scrutiny the above proposal of GRIDCO, the Commission observed that the matter has already been adequately dealt in the Commission's order dated 09.09.2025 passed in Case No.56/2024.

- h. Recovery of BSP through Quarterly Adjustments in Cases of Inter-DISCOM's transactions:** GRIDCO has submitted that the BSP bills are now being raised on the DISCOM in whose area the grid substation is situated, whereas the consumer is billed by the DISCOM under whose licensed area the consumer's premises are located. Such inter-DISCOM energy transactions are currently being settled between the DISCOMs through internal arrangements. However, due to differential BSP across the DISCOMs, there is no such settlement mechanism in place to ensure recovery of the appropriate BSP cost by GRIDCO for such inter-DISCOM transactions. Therefore, GRIDCO has proposed for a Standard Operating Procedure for approval of the Commission to standardize the procedure for identification, reporting, and settlement of inter-DISCOM energy transactions to ensure correct BSP recovery and appropriate revenue recognition.

After scrutiny of the above proposal, the Commission directs both GRIDCO and the DISCOMs to discuss on the above matter and develop a Standard Operating Procedure (SOP). After such development of SOP, GRIDCO may approach the Commission for its approval.

- i. Sale mechanism for drawl by the CGP based industries on interim basis:** GRIDCO has submitted that the industries having CGPs requires power for a short period during maintenance and annual overhauling of their captive generating units. Further, several seasonal industries require Grid power intermittently, depending on their production cycles. Such industrial consumers often approach the respective DISCOM seeking power supply for a few weeks or months, without enhancement of the contract demand, as subsequent reduction in load attracts procedural restrictions under the prevailing regulations. In absence of any flexible arrangements by the DISCOMs, these industries resort to open access procurement, leading to revenue loss to the DISCOMs and underutilization of surplus power available to GRIDCO. Therefore, GRIDCO proposes that the Commission may permit supply of interim or additional power to such industries beyond the approved contract demand for a period up to three (3) months, subject to availability of power with GRIDCO.

The Commission observed that as the similar proposal has been raised by the DISCOMs in their RST application, it has been dealt in the RST order for the ensuing year.

- j. Sourcing of power by the DISCOMs from the CGPs for Retail Sale:** GRIDCO has submitted that inadvertent power injected from the CGP connected at 132 kV and above

in the intra-state network belongs to the State pool and is treated as 'zero' cost power. Similarly, the inadvertent injection by the CGPs connected at 33 kV and below should be considered as part of the State power pool and treated as 'zero' cost power. Accordingly, GRIDCO has requested the Commission to permit GRIDCO to compute such inadvertent power injected by the CGPs at 33 kV and below.

Since the above proposal of GRIDCO is not related to Tariff, the Commission does not consider the same in this Tariff order. However, the Commission directs GRIDCO to discuss with the DISCOM for amicable settlement of the matter. If not settled amicably, GRIDCO may approach the Commission separately.

- k. Adjustment of the Electricity Duty paid by different generators having PPA with GRIDCO against the repayment of the principal amount of the loan availed by GRIDCO from the State Govt.:** GRIDCO has proposed that the Electricity Duty (ED) paid by various generators located within the State and reimbursed by GRIDCO as part of power-purchase obligations may be adjusted against the repayment of the principal amount of the soft loan availed by GRIDCO from the Government of Odisha through yearly adjustment. Allowing such adjustment of such amounts against GRIDCO's repayment of principal amount to the Government would therefore have a fiscally neutral impact for the State, while substantially improving GRIDCO's cash position.

In the above issue, the Commission directs GRIDCO to take up the matter with the Government of Odisha.

#### **REVISED TRUING-UP ORDER FOR THE FY 2023-24 & TRUING-UP FOR THE FY 2024-25.**

387. GRIDCO has filed a separate application to revised the Truing-up Order for the FY 2023-24 which was passed by the Commission along with ARR & BSP Order for the FY 2025-26 and also Truing-up of its accounts for the FY 2024-25 in Case No.123 of 2025, which was heard along with its ARR & BSP application for the FY 2026-27. The Commission analyzed the above application of GRIDCO towards revised the truing-up order for the FY 2023-24 & Truing-up of expenses for the FY 2024-25 and the explanations of the Commission are given in the following paragraphs.

#### **REVISIT OF TRUING-UP ORDER FOR THE FY 2023-24.**

388. The Commission vide Order dated 24.03.2025 had approved the Truing -up of accounts of GRIDCO (in Case No.103 of 2024) for the FY 2023-24 along with ARR & BSP Order (in Case No.94 of 2024) for the FY 2025-26. In the said order, the Commission had approved an amount of Rs. 843.72 Cr. towards truing-up surplus of GRIDCO for the FY 2023-24 as against

its proposed Truing-up deficit amounting to Rs.509.13 Cr. Along with the Truing-up application filed for the FY 2024-25 (Case No. 123 of 2025), GRIDCO has requested the Commission to revisit the truing-up order of FY 2023-24 and consider some expenditures (such as A&G expenses of Rs.113.58 Cr., Interest chargeable to revenue of Rs.580.68 Cr.) which were disallowed by the Commission. Further, GRIDCO has requested not to consider the net revenue surplus of Rs.717.27 Cr (Rs.1625.07 Cr. - Rs.907.80 Cr.) from trading and DSM activities (after considering the variable power purchase cost of Rs. 907.80 Cr.) which was considered by the Commission in the initial truing -up order. Accordingly, GRIDCO has requested the Commission to revisit the truing-up Order of the FY 2023-24 and approve revised truing-up deficit of Rs.567.81 Cr. (Rs.843.72 Cr. - Rs.113.58 Cr. -Rs.580.68 Cr. – Rs.717.27 Cr.) for the FY 2023-24 against the Commission’s approved truing-up surplus of Rs.843.72Cr for the FY 2023-24 the details of which are shown in the Table below:

**Table- 75**  
**Revised Truing-up Proposed by GRIDCO for the FY: 2023-24**

Sl. No.	Particulars	Approved in the ARR	Actual as per Audited Accounts	Initially Proposed for Truing-up	OERC Approved Truing-up	Truing-up proposed to revise
1	<b>Total Power Purchase Cost</b>	<b>11,850.44</b>	<b>13,163.68</b>	<b>12,255.89</b>	<b>13,163.68</b>	<b>13,163.68</b>
2	Less: Rebate received	-	160.22	-	160.22	160.22
3	Less: Variable PPC for Trading	-	-	-	-	907.80
4	<b>Power Purchase Cost after Rebate (1-2-3)</b>	<b>11,850.44</b>	<b>13,003.46</b>	<b>12,255.89</b>	<b>13,003.46</b>	<b>12,095.66</b>
5	Employee Costs	20.14	15.67	15.67	15.67	15.67
6	Repair & Maintenance	0.81	0.37	0.37	0.37	0.37
7	Administrative & General Expenses	5.79	119.95	119.95	6.37	119.95
8	Depreciation	1.31	0.52	0.52	0.52	0.52
9	Interest Chargeable to Revenue	15.73	612.55	585.89	5.21	585.89
10	Carrying Cost on Regulatory Assets	94.10	-	-	95.34	95.34
11	<b>Sub-total (5 to 10)</b>	<b>137.88</b>	<b>749.06</b>	<b>722.40</b>	<b>123.48</b>	<b>817.74</b>
12	Pass Through of Power Purchase Dues	896.00	-	-	-	-
13	<b>Total Revenue Requirement (4+11+12)</b>	<b>12,884.32</b>	<b>13,752.52</b>	<b>12,978.29</b>	<b>13,126.94</b>	<b>12,913.40</b>
14	Less: Miscellaneous Receipt	52.22	329.98	329.98	329.98	329.98
15	<b>Net Revenue Requirement (13-14)</b>	<b>12,832.10</b>	<b>13,422.54</b>	<b>12,648.31</b>	<b>12,796.96</b>	<b>12,583.42</b>
16	Revenue from Sale of Power to DISCOMs	12,163.00	11,008.44	11,008.44	11,008.44	11,008.44

Sl. No.	Particulars	Approved in the ARR	Actual as per Audited Accounts	Initially Proposed for Truing-up	OERC Approved Truing-up	Truing-up proposed to revise
17	Surcharge from TPWODL@30P/U	386.58	330.17	330.17	330.17	330.17
18	Additional Revenue from TPWODL towards sale of power through TPA	26.00	800.57	800.57	800.57	800.57
19	<b>Less:</b> Rebate allowed to DISCOMs	-	123.57	-	123.57	123.57
<b>20</b>	<b>Total Revenue from DISCOMs (16+17+18-19)</b>	<b>12,575.58</b>	<b>12,015.61</b>	<b>12,139.18</b>	<b>12,015.61</b>	<b>12,015.61</b>
21	Revenue from Trading & DSM	-	1,625.07	-	1,625.07	-
22	Provision Written Back	-	42.29	-	-	-
<b>23</b>	<b>Total Revenue from Operation (20+21+22)</b>	<b>12,575.58</b>	<b>13,682.97</b>	<b>12,139.18</b>	<b>13,640.68</b>	<b>12,015.61</b>
<b>24</b>	<b>Surplus/(deficit) GAP (23-15)</b>	<b>(256.52)</b>	<b>260.43</b>	<b>(509.13)</b>	<b>843.72</b>	<b>(567.81)</b>

389. It is pertinent to mention here that, basing on the income and expenditure as per the audited accounts, GRIDCO had filed its truing-up application for the FY 2023-24. After prudently scrutinizing the same, the Commission had carried out the Truing-up exercise of GRIDCO and accordingly had passed the Truing-up Order for the FY 2023-24 in Case No 103 of 2024 along with ARR & BSP Order dated 24.03.2025 for the FY 2025-26 in Case No. 94 of 2024. Therefore, after analyzing the Petition the Commission find that, there is no error apparent or mistake in the order hence we are not inclined to revisit our Truing-up Order dated 24.03.2025 for the FY 2023-24 in Case No. 103 of 2024. Further, regarding contention of GRIDCO that regulatory assets of Rs.2616.95 Cr. which was recognized by the Commission in the order at Para 263 in Case No. 54 of 2015 and was not allowed to be amortised, it is to be clarified that amortization is a process of passing through of the old expenditure in the future ARR to avoid tariff shock. The Utilities of Odisha have been vested with new DISCOMs under Section 21 of the Electricity Act, 2003. The Electricity Act, 2003 at Section 21 (a) provides that the Utilities shall be vested with intending purchaser free from any debt, mortgage or similar obligation of the Licensee. The amount which has been recognized as Regulatory Assets are related to a period upto FY 2012-13. The Utilities have been vested with new DISCOMs w.e.f. FY 2020-21. Therefore, we cannot pass on the past liabilities of the old Utilities to new DISCOMs under the provision of law. Accordingly, the Commission had consciously allowed the regulatory assets recognized before FY 2020-21 to be funded through trading revenue, UI charges, other miscellaneous receipts and budgetary support from Government of Odisha. GRIDCO's contention is that the trading surplus is not sufficient to meet the funding

requirement of regulatory assets, the Commission advise GRIDCO to approach State Government to address this issue either through budgetary support or any other mechanism without burdening the consumer of the State.

### TRUING-UP FOR THE FY 2024-25

#### Power Purchase Cost:

390. In the ARR & BSP order of GRIDCO for FY 2024-25, the Commission had estimated total energy availability of 43962.61 MU from different sources to GRIDCO. However, following the merit order dispatch principle, the Commission had approved 38,804.12 MU of energy to be purchased by GRIDCO for meeting the power demand of the State at an estimated procurement cost of Rs.12,454.03 Cr. at the average power purchase cost of 320.95 P/U. The Commission had not considered drawal from some central thermal generating stations following the merit order dispatch principle. However, the fixed costs of those power stations were considered in its ARR of GRIDCO. GRIDCO has submitted that it had procured total energy of 42,695.17 MU (against approved availability of 43,962.61 MU including State demand of 38804.12 MU) during FY 2024-25 at the cost of Rs.13775.63 Cr. (at an average power purchase cost of 322.65 P/U) without factoring the rebate avail by it. GRIDCO has submitted the station wise approved quantum of power purchase (in MU), power purchase cost (in Rs. Cr.) & cost per unit by the Commission vis-à-vis actual quantum of power purchase (in MU), power purchase cost (in Rs. Cr.) & cost per unit incurred by GRIDCO during the FY 2024-25, the details of which are shown in the Table below:

**Table-76**  
**Approved and Actual Power Purchase Quantum and Cost for FY 2024-25**

Sl No	Generators	OERC Approval			Actual as per Audited Accounts		
		Energy (MU)	Total Cost (Rs. Cr.)	Rate (Paise/ Unit)	Energy (MU)	Total Cost (Rs. Cr.)	Rate (Paise/ Unit)
1	Hirakud	660.52	95.34	144.34	747.18	112.93	151.14
2	Chiplima	485.10	40.35	83.18	217.60	28.95	133.05
3	Balimela	1171.17	96.04	82.00	1,632.93	114.41	70.06
4	Rengali	519.75	68.17	131.16	850.17	91.49	107.61
5	UpperKolab	823.68	63.02	76.51	787.39	64.40	81.79
<b>6</b>	<b>Sub-total State Hydro-Old OHPC (1 to 5)</b>	<b>3660.22</b>	<b>362.92</b>	<b>99.15</b>	<b>4235.27</b>	<b>412.17</b>	<b>97.32</b>
7	Indravati	1942.38	161.90	83.35	1,393	141.58	101.65
8	Machhkund	259.88	32.13	123.63	213	34.68	162.72
9	Other Chrges OHPC (ERPC, ED, Water	-	-	-	-	50.95	-

Sl No	Generators	OERC Approval			Actual as per Audited Accounts		
		Energy (MU)	Total Cost (Rs. Cr.)	Rate (Paise/Unit)	Energy (MU)	Total Cost (Rs. Cr.)	Rate (Paise/Unit)
	Cess,SLDC & ARR application fees)						
<b>10</b>	<b>Total State Hydro-OHPC(6+7+8+9)</b>	<b>5,862.48</b>	<b>556.95</b>	<b>95.00</b>	<b>5,841.16</b>	<b>639.38</b>	<b>109.46</b>
11	OPGC 1 & 2 <sup>nd</sup> Unit	2,668.31	750.45	281.24	2,389.52	702.44	293.97
12	OPGC 3 & 4 <sup>th</sup> Units	9,235.72	3,180.34	344.35	9,489.49	3,281.92	345.85
13	TTPS(NTPC)	-	-	-	-	36.76	-
<b>14</b>	<b>Total OPGC&amp; TTPS (11+12+13)</b>	<b>11,904.03</b>	<b>3,930.79</b>	<b>330.21</b>	<b>11,879.01</b>	<b>4,021.11</b>	<b>338.51</b>
15	M/s. GKEL	2,005.50	658.19	328.19	1,885.07	628.47	333.40
16	M/s.Vedanta	3,050.00	847.98	278.03	2,246.98	470.70	209.48
17	M/s. NBVL/NAVA	38.74	7.73	199.50	46.56	15.45	331.91
18	M/s. JITPL	-	-	-	890.71	299.28	336.00
19	M/s. IBUL	-	-	-	236.97	57.87	244.21
20	M/s. MTPCL	-	-	-	23.55	7.17	304.60
<b>21</b>	<b>Total IPP (15 to 20)</b>	<b>5,094.24</b>	<b>1,513.89</b>	<b>297.18</b>	<b>5,329.83</b>	<b>1,478.95</b>	<b>277.48</b>
<b>22</b>	<b>Total State Thermal (14+21)</b>	<b>16,998.27</b>	<b>5,444.68</b>	<b>320.31</b>	<b>17,208.84</b>	<b>5,500.05</b>	<b>319.61</b>
23	Small Hydro	468.70	205.11	437.61	450.98	207.06	459.13
24	Biomass	70.00	53.20	760.00	48.25	36.67	760.00
25	Wind	1,091.92	305.56	279.84	886.30	249.79	281.84
26	Solar	1,950.00	718.13	368.27	1,997.20	726.34	363.68
<b>27</b>	<b>Total RE (23+24+25+26)</b>	<b>3,580.62</b>	<b>1,282.00</b>	<b>358.04</b>	<b>3,382.72</b>	<b>1,219.86</b>	<b>360.62</b>
<b>28</b>	<b>Total Infirm Power</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>496.90</b>	<b>-</b>	<b>-</b>
<b>29</b>	<b>Total State (10+22+27+28)</b>	<b>26,441.37</b>	<b>7,283.63</b>	<b>275.46</b>	<b>26,929.62</b>	<b>7,359.30</b>	<b>273.28</b>
30	Chukha	255.74	79.46	310.71	152.09	46.23	304.00
31	Tala	115.74	27.21	235.10	34.38	7.81	227.00
32	Teesta-V	-	-	-	-	11.52	-
33	Mangdechhu	291.03	126.30	433.98	283.52	128.18	452.11
34	Rangeet	5.21	2.17	416.51	6.06	2.78	458.93
35	Kurichu	1.00	0.24	240.00	-	0.02	-
<b>36</b>	<b>Total Central Hydro (30 to 35)</b>	<b>668.72</b>	<b>235.38</b>	<b>351.99</b>	<b>476.05</b>	<b>196.55</b>	<b>412.87</b>
37	Talcher STPS-I	2,233.71	669.93	299.92	2,277.77	529.20	232.33
38	Talcher STPS-II	1,347.96	382.69	283.90	1,395.89	351.94	252.12
39	KhTPS St-II	261.37	115.75	442.86	308.43	111.04	360.03
40	DSTPS-I (Unit -1&2)	5,587.84	1,661.36	297.32	5,917.72	1,750.65	295.83
41	North Karnapura STPS-I	1,932.06	686.86	355.50	2,046.63	769.08	375.78

Sl No	Generators	OERC Approval			Actual as per Audited Accounts		
		Energy (MU)	Total Cost (Rs. Cr.)	Rate (Paise/Unit)	Energy (MU)	Total Cost (Rs. Cr.)	Rate (Paise/Unit)
42	Muzaffarpur TPS/KBUNL	225.84	126.14	558.54	225.80	124.82	552.80
43	Nabinagar STPS	105.26	52.09	494.87	111.49	56.34	505.29
44	FSTPS I & II	-	17.75	466.17	-	-	-
45	FSTPS III	-	97.09	497.36	-	-	-
46	KhTPS St-I	-	9.76	438.30	-	-	-
47	Barh-I	-	245.74	547.91	-	-	-
48	Barh-II	-	27.27	538.51	-	-	-
49	<b>Sub-total Central Thermal (37 to 48)</b>	<b>11,694.04</b>	<b>4,092.41</b>	<b>349.96</b>	<b>12,283.73</b>	<b>3,693.08</b>	<b>300.65</b>
50	<b>Total Central (36+49)</b>	<b>12,362.76</b>	<b>4,327.79</b>	<b>350.07</b>	<b>12,759.78</b>	<b>3,889.62</b>	<b>304.83</b>
51	PGCIL Tr. Charge-TGNA Charges	-	839.11	-	-	712.94	-
52	ERLDC Charges	-	3.50	-	-	3.62	-
53	<b>MOD applied to meet the State Demand (29+50+51+52)</b>	<b>38804.12</b>	<b>12454.03</b>	<b>320.95</b>	<b>39689.41</b>	<b>11965.48</b>	<b>301.48</b>
54	FSTPS-I & II	188.86	-	-	128.07	58.24	454.75
55	FSTPS-III	628.49	-	-	553.29	281.88	509.46
56	KhSTPS-I	89.90	-	-	70.87	65.43	923.26
57	Barh STPS-I	1,070.26	-	-	808.55	481.47	595.47
58	Barh STPS-II	143.04	-	-	155.38	76.93	495.12
59	KhSTPS-II	80.51	-	-	-	-	-
60	M/s.Vedanta Ltd.	1,959.97	-	-	-	-	-
61	M/s. GKEL	150.28	-	-	-	-	-
62	M/s. NBVL/NAVA	9.51	-	-	-	-	-
63	M/s. JITPL	837.68	-	-	-	-	-
64	Procurement through Trading	-	-	-	810.33	390.08	481.38
65	Deviation payable-EREB	-	-	-	260.88	199.18	763.51
66	NVVNL Bundled Power	-	-	-	127.14	49.98	393.15
67	NTPC(Others)	-	-	-	92.21	32.73	354.99
68	NPCIL	-	-	-	15.45	6.12	395.86
69	Banking of Power	-	-	-	(16.40)	3.18	-193.68
70	NLC	-	-	-	-	(0.03)	-
71	NTPC Provision	-	-	-	-	156.65	-
72	OA charges, SLDC	-	-	-	-	8.31	-
73	Reactive Charges	-	-	-	-	(0.01)	-
74	<b>Total Surplus Power (54 to 73)</b>	<b>5,158.49</b>	-	-	<b>3,005.77</b>	<b>1,810.15</b>	<b>602.23</b>
75	<b>Gross Total (53+74)</b>	<b>43,962.61</b>	-	-	<b>42,695.17</b>	<b>13,775.63</b>	<b>322.65</b>

391. GRIDCO has submitted that, it has incurred variable cost of Rs.1406.29Cr towards procurement of surplus power of 5379.71 MU for trading & DSM activities and accordingly in its truing-up proposal, GRIDCO has proposed net power purchase cost of Rs.12,211.33 Cr. (Rs.13,775.63 Cr. – Rs. 1406.29 Cr. towards variable cost – Rs.158.01 Cr. towards rebate received from the generators).
392. The Commission has examined the above power purchase cost as per audited accounts of GRIDCO and observes that, it has proposed the truing-up of accounts of the FY 2024-25 excluding the revenue earned from trading & DSM activities and variable cost estimated on account of this. However, in the past truing-up orders of GRIDCO, the Commission had always considered both revenues earned from and power purchase cost relating to trading & DSM activities. Therefore, in line with the same principle, the Commission after excluding rebate availed from the generators only, approves the net power procurement cost of **Rs.13,617.62 Cr.** (Rs.13775.63 Cr. – Rs.158.01 Cr.) towards truing-up of power purchase cost for the FY 2024-25.

**Financial & Other Cost:**

393. The audited accounts of GRIDCO shows Rs.545.63Cr. towards expenses on account of Employees Cost, A&G Expenses, R &M Expenses, depreciation & amortization expenses and financial cost (interest on loan) in its truing-up application for the FY 2024-25. The analysis and approval of the Commission in respect of above expenses are as under:

**Employees Cost:** The Commission had approved Rs. 22.30Cr. under employees cost in the ARR & BSP order of GRIDCO for the FY 2024-25. Basing on the actual employees' cost of Rs.16.87 Cr. as per audited accounts, GRIDCO has proposed the same amount in its truing-up proposal. The Commission has scrutinised the same and approves the same amount of Rs.16.87 Cr. towards employees cost for truing-up of accounts of the FY 2024-25, the details of which are shown in the Table below:

**Table-77**  
**Employees Cost Audited/Proposed and Approved by the Commission for Truing-up of FY 2024-25**

(Rs.in Crore)

Sl. No.	Particulars	Approved in ARR	Actual As per Audited Accounts	Proposed for Truing-up	Approved in Truing-Up
<b>A</b>	<b>Salary &amp; Allowance</b>				
1	Basic Pay & Grade Pay	9.34	7.51	7.51	7.51
2	Dearness Allowance	4.41	3.62	3.62	3.62

Sl. No.	Particulars	Approved in ARR	Actual As per Audited Accounts	Proposed for Truing-up	Approved in Truing-Up
3	House Rent Allowance	1.48	1.17	1.17	1.17
4	Other Allowance	0.14	0.11	0.11	0.11
	<b>Sub-total (A)</b>	<b>15.37</b>	<b>12.41</b>	<b>12.41</b>	<b>12.41</b>
<b>B</b>	<b>Additional Employee Cost</b>				
1	Contractual Engagement	3.47	1.48	1.48	1.48
	<b>Sub-total (B)</b>	<b>3.47</b>	<b>1.48</b>	<b>1.48</b>	<b>1.48</b>
<b>C</b>	<b>Other Employee Cost</b>				
1	Medical Expenses (allowance+Reimb.)	0.47	0.35	0.35	0.35
2	Leave Travel Concession	0.11	0.04	0.04	0.04
3	Honorarium	0.19	0.19	0.19	0.19
4	Ex-gratia	0.20	0.17	0.17	0.17
5	Staff Welfare Expenses	0.02	0.09	0.09	0.09
6	Miscellaneous	0.19	0.11	0.11	0.11
	<b>Sub-total (C)</b>	<b>1.18</b>	<b>0.95</b>	<b>0.95</b>	<b>0.95</b>
<b>D</b>	<b>Terminal Benefits</b>				
1	Pension	0.76	0.53	0.53	0.53
2	Leave Salary	0.66	0.59	0.59	0.59
3	Other (including contribution to NPS)	0.86	0.91	0.91	0.91
	<b>Sub-total (D)</b>	<b>2.28</b>	<b>2.03</b>	<b>2.03</b>	<b>2.03</b>
<b>E</b>	<b>Total Employees Cost(A+B+C+D)</b>	<b>22.30</b>	<b>16.87</b>	<b>16.87</b>	<b>16.87</b>

**A & G Cost:** The Commission had approved Rs.11.19 Cr. under A&G cost in the ARR & BSP order of GRIDCO for the FY 2024-25. GRIDCO has stated that as per audited accounts the A&G expenses is Rs.39.53 Crore and accordingly it has proposed the same amount for truing-up purpose. The Commission has scrutinised the above proposal of GRIDCO and observes that Rs.29.98Cr. has been considered on account of provision for bad & doubtful debt and Rs.0.10Cr on account of loss on sale/de-capitalisation of assets. Therefore, the Commission has not considered for approval of the same in the A&G Cost and approves **Rs.9.45 Cr.** in line with approval given in the ARR & BSP order, the details of which are shown in the Table below:

**Table-78**  
**A&G Cost Audited/ Proposed and Approved for Truing-up of FY 2024-25**  
**(Rs.in Crore)**

Particulars	Approved in the ARR	Actual as per Audited Accounts	Proposed for Truing-up	Approved in Truing-up
<b>Base A&amp;G Expenses Considered (Rs. Cr.)</b>	<b>8.68</b>	-	-	-
Annual Increment Rate (%)	5.00%	-	-	-

Particulars	Approved in the ARR	Actual as per Audited Accounts	Proposed for Truing-up	Approved in Truing-up
Annual Increment Amount (Rs. Cr.)	0.43	-	-	-
<b>Normal A&amp;G (Rs. Cr.)</b>	<b>9.11</b>	<b>6.95</b>	<b>6.95</b>	<b>6.95</b>
<b>Add:</b> licensee fees for Fy 2024-25	1.90	2.50	2.50	2.50
<b>Add:</b> ERPC Membership fees/Fund	0.18	-	-	-
<b>Add:</b> Provision for Bad & Doubtful debt	-	29.98	29.98	-
<b>Add:</b> Loss on Sale /De-capitalisation of Assets	-	0.10	0.10	-
<b>Total</b>	<b>11.19</b>	<b>39.53</b>	<b>39.53</b>	<b>9.45</b>

**R & M Cost:** The Commission had approved Rs. 0.98 Cr. under R& M cost in the ARR & BSP order of GRIDCO for the FY 2024-25. However, basing on the actual R&M expenses of Rs. 1.94 Cr. as per audited accounts, GRIDCO has proposed the same in its truing-up proposal. The Commission has scrutinised and approves the same amount of **Rs.1.94 Cr.** under R&M cost for truing-up of accounts of the FY 2024-25

**Depreciation:** The Commission had approved Rs.2.47 Cr. under the head depreciation in the ARR & BSP order of GRIDCO for the FY 2024-25. As per audited account, the actual depreciation is Rs.1.50 Cr. and accordingly, GRIDCO has proposed the same in its truing-up proposal. The Commission has scrutinised and approves the same amount of **Rs.1.50 Cr.** towards depreciation for truing-up of accounts of the FY 2024-25.

**Financial Cost (Interest on loan & Amortised Cost):** GRIDCO has submitted that, the Commission had not approved any amount under the head interest chargeable to revenue in the ARR & BSP order of GRIDCO for the FY 2024.25, however, as per audited account, Rs.485.79 has booked under financial cost. Excluding Rs.51.58 Cr on account of fair value changes for GoG soft loan, it has claimed **Rs.434.21Cr towards** financial cost in its truing - up proposal. The Commission has scrutinised the above proposal of GRIDCO and reiterates that the Commission is not inclined to allow the interest on the loan from State Government or any other source in line with the tariff orders of earlier periods since the FY 2015-16 onwards. The Commission also observed that passing on Tariff burden to the present consumers of the State on account of the interest on the loan availed by GRIDCO due to default in collection of BSP and securitized dues of erstwhile DISCOMs is unjustified. In view of above observations, the Commission has not allowed any amount in this truing up petition towards interest on loan for the FY 2024-25 against Rs.434.21 Cr. proposed by GRIDCO on the loan availed till the FY 2024-25.

394. The summary of Financial & other cost of Rs.29.76 Cr. approved by the Commission after Truing-up of accounts of GRIDCO for the FY 2024-25 is shown in the Table below:

**Table - 79**  
**Finance and Other Cost Audited/ Proposed and Approved after Truing-up of expenses for the FY 2024-25**

Sl. No.	Particulars	Approved in ARR	Actual as per Audited Accounts	Proposed for Truing-up	Approved for Truing-up
1	Net Employee Cost	22.30	16.87	16.87	16.87
2	R & M Cost	0.98	1.94	1.94	1.94
3	A & G Expenses	11.19	39.53	39.53	9.45
4	Depreciation	2.47	1.50	1.50	1.50
5	Interest Chargeable to Revenue	-	485.79	434.21	-
	<b>Total</b>	<b>36.94</b>	<b>545.63</b>	<b>494.05</b>	<b>29.76</b>

**Quantum of Energy Sold & Revenue Earned:**

395. GRIDCO has submitted that out of total quantum of power purchased (42695.17 MU) during the FY 2024-25, excluding the loss quantum of 1309.13MU, it had sold 41386.04 MU [35,104.01MU to DISCOMs to meet the energy requirement of the State, 664.04MU to CGPs under special tariff by TPWODL (through TPA), 4557.82 MU traded in the energy market, 632.66 MU under DSM and 427.51MU was sold under emergency sale to IMFA, NALCO & CGPs during the FY 2024-25] as against Commission's approved sale quantum of 37540.00 MU to DISCOMs & 100 MU under emergency sales to IMFA & NALCO in the ARR & BSP order for the FY 2024-25. By selling of above energy, it has earned total revenue of Rs14,404.43 Cr (Rs.12092.50 Cr. from DISCOMs, Rs. Rs.295.21 Cr. from emergency sale to IMFA, NALCO & CGPs, Rs.1799.77 Cr. from trading, Rs.216.90 Cr. from DSM activities. & Miscellaneous revenue of Rs.0.05 Cr.) during the FY 2024-25. However, GRIDCO has submitted its truing-up proposal without considering the revenue of Rs.2016.67 Cr. earned from trading (Rs 1799.77 Cr.) & DSM activities (Rs.216.90 Cr.) and estimated variable power purchase cost of Rs.1406.29 Cr on account of quantum of energy sold by trading & DSM activities after adjustment of fixed cost of Central Sector Power Plants/ISGS. Accordingly, GRIDCO has requested the Commission to allow the net margin of Rs. 610.38Cr (Rs.2016.67Cr. -Rs1406.29 Cr) earned from trading & DSM activities to meet past losses instead of considered for truing-up of accounts for the FY 2024-25. The quantum of actual power sales to DISCOMs, IMFA and CGPs is 3695.56 MU against approved sale of 37640.00

MU and actual revenue earned Rs.12387.71 Cr. against Rs.12823.15 approved by the Commission. However, the actual quantum of power sale including surplus power is 41,386.04 MU & total revenue earned Rs.14,404.43 Cr. by GRIDCO during the FY 2024-25, details of which are shown in the Table below:

**Table-80**  
**Approved and Actual Quantum of Sale of Power & Revenue earned during the FY 2024-25**

Power Sold to	OERC Approval			Actuals/ Audited		
	Energy (MU)	Total Revenue (Rs. Cr.)	Rate (Paise/ Unit)	Energy (MU)	Total Revenue (Rs. Cr.)	Rate (Paise/ Unit)
TPWODL	11,940.00	4,537.20	380.00	11,137.18	4,233.40	380.11
TPNODL	8,163.00	2,857.05	350.00	7,390.03	2,586.15	349.95
TPSODL	4,924.00	984.80	200.00	4,579.26	911.84	199.12
TPCODL	12,513.00	3,941.60	315.00	11,997.54	3,779.61	315.03
<b>Sub-total</b>	<b>37,540.00</b>	<b>12,320.65</b>	<b>328.20</b>	<b>35,104.01</b>	<b>11,511.00</b>	<b>327.91</b>
TPWODL Surcharges	-	409.15	35.00	-	389.80	35.00
TPWODL Through TPA	-	18.75	455.00	664.04	305.31	459.78
<b>Less: Rebate allowed</b>	-	-	-	-	113.61	-
<b>DISCOMs Total</b>	<b>37,540.00</b>	<b>12,748.55</b>	<b>339.60</b>	<b>35,768.05</b>	<b>12,092.50</b>	<b>338.08</b>
NALCO	100.00	74.60	746.00	149.56	111.57	745.99
IMFA				277.95	183.64	660.69
CGPs						
<b>Sub-total</b>	<b>100.00</b>	<b>74.60</b>	<b>746.00</b>	<b>427.51</b>	<b>295.21</b>	<b>690.53</b>
<b>Total from State Consumption</b>	<b>37,640.00</b>	<b>12,823.15</b>	<b>340.68</b>	<b>36,195.56</b>	<b>12,387.71</b>	<b>342.24</b>
Trading	-	-	-	4,557.82	1,799.77	1,799.77
DSM	-	-	-	632.66	216.90	216.90
Miscellaneous Revenue	-	-	-	-	0.05	-
<b>Total</b>	<b>37,640.00</b>	<b>12,823.15</b>	<b>340.68</b>	<b>41,386.04</b>	<b>14,404.43</b>	<b>348.05</b>

396. Apart from the aforesaid revenue from sale of power, GRIDCO has submitted that, it has earned other income of Rs.4.63 Cr. (i.e., Interest income – Rs.4.56 Cr. & other miscellaneous income-Rs.0.07 Cr) as per audited accounts of GRIDCO for the FY 2024-25. While submitting the truing-up application for the FY 2024-25, GRIDCO has proposed to consider the same along with the revenue earned through emergency sales to IMFA, NALCO & CGPS (Rs.295.21 Cr.) against Commission’s approval of Rs.74.60 Cr. & Miscellaneous revenue (Rs.0.05 Cr.) under the head Miscellaneous receipts i.e., Rs.299.89 Cr. (Rs.4.63 Cr.+Rs.295.21 Cr.+Rs.0.05 Cr.)

397. The Commission has scrutinized the above submission of GRIDCO towards quantum of power sold and revenue earned from different sources as per the audited accounts for the FY

2024-25. It is pertinent to mention here that, in past truing-up orders, the Commission has always considered total cost (power purchase cost & Other cost) and revenue earned from all sources while truing-up of accounts of GRIDCO. Following the same principle, the Commission has considered the total operational revenue of Rs14,404.43 Cr (Rs.12092.50 Cr. from DISCOMs, Rs. Rs.295.21 Cr. from emergency sale to IMFA, NALCO & CGPs, Rs.1799.77 Cr. from trading, Rs.216.90 Cr. from DSM activities. & Miscellaneous revenue of Rs.0.05Cr) for truing of account of GRIDCO for the FY 2024-25.

Further, basing on the audited accounts, the Commission observes that, GRIDCO has earned other income of Rs.36.61 Cr from Delay Payment Surcharges (DPS) and has not considered in its truing-up proposal. Analyzing the above, the Commission has taken into account of Rs.41.24 Cr. (Rs.4.63 Cr. against interest and miscellaneous income + Rs.36.61 Cr. against DPS) under the head other income. Accordingly, the Commission approves total revenue of Rs.14,445.67 Cr (Rs.14404.43 Cr+Rs41.24 Cr) under the head revenue from DISCOMs : Rs.12092.50 Cr., Trading : Rs.1799.77 Cr., DSM : Rs.216.90 Cr. and Miscellaneous receipt : Rs.336.50 Cr (Rs.295.21 Cr. from emergency sale to IMFA, NALCO & CGPs, Rs.0.05 Cr from Miscellaneous revenue & Rs.41.24 Cr. from other income) for truing -up of accounts of GRIDCO for the FY 2024-25. The Commission also observes that, the additional revenue earned by GRIDCO has helped GRIDCO to meet the fixed cost burden of central generating stations & reduce its regulatory gap.

#### **Carrying Cost of Regulatory Assets:**

398. GRIDCO has submitted that, the Commission had allowed Rs.108.30 Cr. in the ARR & BSP order of GRIDCO for the FY 2024-25 towards pass through of carrying cost against the net regulatory gap of Rs.1590.26 Cr. as on 31.03.2023 approved by the Commission. In its truing-up application, GRIDCO has claimed Rs. 269.08 Cr. towards carrying cost on the Regulatory Gap for the FY 2024-25. Analyzing the above submission of GRIDCO, the Commission observed that the net cumulative Regulatory gap (negative) was Rs.746.54 Cr. as on 01.03.2024 and after truing up of the accounts of GRIDCO for the FY 2024-25, the net cumulative Regulatory gap (negative) has reduced to Rs.123.70 Cr. as on 31.03.2025. In line with the principle adopted in past truing up orders, the Commission decides to allow carrying cost on the average approved regulatory gap of Rs.435.12 Cr.  $[(Rs.746.54 Cr.+ Rs. 123.70 Cr.)/2]$  for the FY 2024-25. Accordingly, the Commission allows **Rs.30.89 Cr.** (Rs.435.12 Cr. x 7.10%) as pass through of carrying cost considering the weighted average rate of interest @ 7.10% on the basic of actual loan portfolio of the FY 2024-25 submitted by GRIDCO in its truing up Petition.

399. Considering the above analysis and observations, the Commission approves net Regulatory surplus amounting to Rs.622.84 Cr. while Truing-up of Accounts of GRIDCO for the FY 2024-25 and the summary of the same is given in the Table below:

**Table-81**  
**Summary of Truing up Approved for the FY 2024-25**

(Rs. in Crore)

Sl. No	Particulars	Approved in the ARR	Actual as per Audited Accounts	Proposed for Truing-up	Approved for Truing-up	Surplus /(Deficit)
1	2	3	4	5	6	7=3-6
1	Total Power Purchase Cost	12,454.03	13,775.63	13,775.63	13,775.63	(1,321.60)
2	Less: Rebate received	-	158.01	158.01	158.01	(158.01)
3	Less: Variable Power Purchase Cost for Trading	-	-	1,406.29	-	-
4	Net Power Purchase Cost {1-(2+3)}	12,454.03	13,617.62	12,211.33	13,617.62	(1,163.59)
5	Employee Costs	22.30	16.87	16.87	16.87	5.43
6	Repair & Maintenance Cost	0.98	1.94	1.94	1.94	(0.96)
7	A & G Cost	11.19	39.53	39.53	9.45	1.74
8	Depreciation	2.47	1.50	1.50	1.50	0.97
9	Interest Chargeable to Revenue	-	485.79	434.21	-	-
10	Carrying Cost on Regulatory Assets	108.30	-	269.08	30.89	77.41
11	Sub-total (5 to 10)	145.24	545.63	763.13	60.65	84.59
12	Pass Through of Power Purchase Dues	595.79	-	-	144.56	451.23
13	Total Revenue Requirement (4+11+12)	13,195.06	14,163.25	12,974.46	13,822.83	(627.77)
14	Less: Miscellaneous Receipt	74.60	401.44	299.89	336.50	261.90
15	Net Revenue Requirement (13-14)	13,120.46	13,761.81	12,674.57	13,486.33	(365.87)
16	Revenue from Sale of Power to DISCOMs	12,320.65	11,511.00	11,511.00	11,511.00	(809.65)
17	Surcharge from TPWODL@35P/U	409.15	389.80	389.80	389.80	(19.35)
18	Additional Revenue from TPWODL towards sale of power through TPA	18.75	305.31	305.31	305.31	286.56
19	Less: Rebate allowed to DISCOMs	-	113.61	113.61	113.61	113.61
20	Total Revenue from DISCOMs (16+17+18-19)	12,748.55	12,092.50	12,092.50	12,092.50	(656.05)
21	Revenue from Trading & DSM	-	2,016.67	-	2,016.67	2,016.67
22	Total Revenue from Operation (20+21)	12,748.55	14,109.17	12,092.50	14,109.17	1,360.62
23	Surplus/(deficit) GAP (22-15)	(371.91)	347.36	(582.07)	622.84	994.75
24	Cumulative Truing-up gap up to the end of FY 2023-24	-	-	-	(746.54)	-
25	Cumulative Truing-up gap up to the end of FY 2024-25	-	-	-	(123.70)	-

400. From the above table, it is observed that the cumulative Truing-up gag (deficit) of GRIDCO is **Rs.123.70 Cr.** up to the end of the FY 2024-25. The Commission reiterates its earlier stand

and in line with the previous BSP order, the Commission is not inclined to consider the amortization of regulatory assets of Rs.123.70 Cr. as a pass through in the ARR. As stated in the previous BSP orders the amortized amount shall be funded from trading revenue, earnings from UI charges, other miscellaneous receipt and budgetary support from the Govt. of Odisha. However, on the above regulatory gap, the Commission has allowed the Carrying cost of **Rs.6.77 Cr.** at weighted average rate of interest (@5.47) in the ARR & BSP Order for the FY 2026-27 of GRIDCO.

### **Design for Bulk Supply Pricing**

401. The Commission has been following a particular methodology considering the uniqueness of Odisha power sector for a long time. As per past legacy, the State Designated Agency, GRIDCO holds all the Power Purchase Agreements (PPAs) with the Generators on behalf of State Government. The power purchased from Generators is pooled at GRIDCO end and bulk power is supplied to DISCOMs as per their Bulk Supply Agreements (BSAs) executed with GRIDCO. It is not possible to allocate power from any generating station directly to a DISCOM as the Power Purchase Agreement has been executed by the generator with GRIDCO and not with any DISCOM / Distribution Licensee. The allocation of power from a generator to a particular DISCOM shall be possible only when the PPAs would be executed between DISCOM(s) and the Generator(s), which is not the prevailing practice in the State. Therefore, the Commission considers the pooled power purchase cost of GRIDCO while designing the BSP of DISCOMs.
402. OERC has been following a uniform Retail Supply Tariff (RST) policy across all Distribution licensees, which is in the overall interest of the consumers of the State. The RST for each distribution licensee is based solely on its ARR and its expected revenue ought not to be considered in isolation. The Commission has taken into consideration the Annual Revenue Requirement and the expected source of revenue of the distribution licensee in its area of operation safeguarding consumers' interest of the State and recovering the cost of electricity as per Section 61(d) of the Electricity Act, 2003. Moreover, uniformity of RST for the whole State is in line with the National Tariff Policy [Para 8.4(2)]. Only when distribution licensee(s) shows appreciable increase in operational efficiency by reducing AT & C losses, a non-uniform RST would arise to reward better performing distribution licensee(s), which is not the case at present. The benefit of differential Bulk Supply Price (BSP) has been an accepted practice although the Intra-State transmission network along with ISTS forms backbone of power system of the State and serves the distribution network as a single system. Accordingly, the consumers of Odisha have been paying for the cost of this transmission system uniformly.

Further, the industries are set up in the State depending upon the availability of raw materials, facility for transportation, ease of doing business and Government policies etc. However, one distribution licensee would earn substantially higher revenue compared to other distribution licensee by virtue of concentration of industries and commercial establishments in its area of operation. DISCOMs having higher percentage of LT consumers earns less revenue. Hence, it is just & fair/proper that Bulk Supply Price (BSP) should be higher for the DISCOM(s) with higher concentration of HT/EHT industries/load compared to other DISCOM(s). Therefore, with differential Bulk Supply Price across the distribution licensees, there could be uniform RST in the State and at present there is no need to change the prevailing practice.

403. Tariff is essentially intended to balance the conflicting interest of various stakeholders like the distribution licensees and various groups of consumers as well as the generators. Judicious, fair & transparent process is being exercised while determining the Bulk Supply Price for distribution licensees, so that the revenue earned by the licensees are sufficient to meet all their expenses like the cost of power purchase (constitute a substantial part of their revenue requirement), transmission & SLDC charges, the cost of employees, the interest burden and Return on Equity, etc.
404. The Commission has taken into consideration the amount of revenue that a distribution licensee is likely to earn from sale of power to HT & EHT groups of consumers. Besides, the quantum of sale of power to LT consumers is also an important criterion as the loss level is high at LT level and the expected revenue realization is low. Thus, the Bulk Supply Price (BSP) is fixed in a manner that makes all the distribution licensees operationally stable and financially viable.

#### **Determination of Bulk Supply Price (BSP)**

405. GRIDCO has proposed average BSP @ 388.23 P/U to be levied on the DISCOMs towards their purchase of power during FY 2026-27. The Commission has determined the BSP in such a way that the estimated revenue of DISCOMs shall be sufficient to pay the Power Purchase Cost, the transmission charge including SLDC charges and meet their expenses towards establishment, maintenance & other allied expenses along with all statutory obligations.
406. The details of Bulk Supply Price as well as the energy requirement of each DISCOM as approved by the Commission for the FY 2026-27 are summarized in a table below:

**Table – 82**  
**BSP and Quantum of Energy Approved by the Commission for FY 2026-27**

<b>Name of the DISCOMs</b>	<b>Existing Bulk Supply Price approved for FY 2025-26 (P/U)</b>	<b>Quantum of Energy approved for sale during FY 2026-27 (MU)</b>	<b>Total Expected Revenue for FY 2026-27 (Rs. Crore)</b>	<b>Bulk Supply Price approved for FY 2026-27 (P/U)</b>
TPCODL	315.00	13248.00	4385.09	331.00
TPNODL	360.00	8898.00	3060.91	344.00
TPWODL	385.00	12531.00	4749.25	379.00
TPSODL	190.00	5099.00	968.81	190.00
<b>Total</b>	<b>330.66</b>	<b>39776.00</b>	<b>13164.06</b>	<b>330.95</b>

407. The above approved revenue is to be realized by GRIDCO from the DISCOMs. In case of any default in making payment of monthly BSP dues by the DISCOMs, they are liable for imposition of power regulation by GRIDCO to the extent of non-payment of monthly BSP dues.

#### **Demand Charges**

408. In its application, GRIDCO has requested to consider the levy on demand charges @ Rs.250/kVA/Month from the DISCOMs on the excess SMD based on the following conditions:

- When the actual SMD of a DISCOM in a month exceeds the permitted monthly SMD (105% of the approved SMD), the respective distribution company will be billed by GRIDCO @ Rs.250/kVA/Month for the excess SMD.
- Such charges shall not be adjusted at the end of the year, even if the actual monthly SMD in any other month(s) of the same financial year remains within the permitted monthly SMD.

409. After examining the proposal of GRIDCO, the Commission decided that there shall not be any levy of separate maximum demand charges upto the permitted SMD in a month for the distribution licensee(s) for the FY 2026-27. Permitted SMD would mean monthly SMD recorded upto maximum of 5% over the approved SMD in the current tariff order to take care of monthly variations. Any excess drawl over the permitted SMD will have to be paid by the Distribution Licensee(s) @ Rs.250 per kVA per month, subject to the condition that the annual average SMD shall be limited to the SMD approved in the order. This is essential for proper planning of load and ensuring system stability. In case the annual average SMD is more than the approved SMD, then over drawl quantum shall attract the penalty @Rs.250 per kVA per month, notwithstanding the fact that a licensee might have paid the SMD charges for exceeding the permitted SMD in any month.

### **Charges for Overdrawl of Energy**

410. In its application, GRIDCO has submitted that presently the energy over drawn by DISCOMs is billed at the applicable BSP rates as approved by OERC, in line with the judgment of Hon'ble APTEL dated 07.05.2018 passed in Appeal No. 55/2015. This practice need to continue till the Deviation Settlement Mechanism (DSM) Regulations is pronounced by OERC and implemented in the State of Odisha. GRIDCO has further submitted that there is restriction of over drawl of power by ERPC/ERLDC and stringent strictures are being issued by ERPC/ERLDC from time to time if any utility continues with over drawl of energy. However, GRIDCO is forced to overdraw power from the grid when there is unplanned/forced outage of generating units within the State or Central Generating Station. Under such scenario when there is under drawl by a particular DISCOM (having higher BSP) vis-à-vis its monthly approved SMD and over drawl by other DISCOMs (having lower BSP), GRIDCO is unable to recover the cost of power as approved in its ARR through BSP, which results in under recovery of its costs. In view of the above facts and accountability for maintaining grid discipline, GRIDCO has prayed the Commission to issue necessary guidelines in this matter for the DISCOMs to adhere to the approved drawal quantum of energy and SMD limit fixed and approved by the Commission so as to prevent any kind of additional cost burden on the petitioner GRIDCO.
411. The Commission observed that the Hon'ble APTEL in their judgment dated 07.05.2018 in Appeal No. 55/2015 and IA No. 75/2015 have pronounced that in absence of any DSM Regulations for the State, the deviation energy may be settled amicably between GRIDCO, DISCOMs & SLDC and paid at BSP rate for the period from 17.02.2014 onwards till Intra-State DSM Regulations comes into effect. Now, OERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2025 has already notified by the Commission on 18.12.2025 and published in the Odisha Gazette vide Notification No.638 dated 12.02.2026. As per the provisions of the said Regulations, a detailed energy accounting procedure shall be prepared by SLDC within 30 (thirty) days of notification of these Regulations in official Gazette. Further, a mock exercise of the deviation accounting and settlement shall be carried out by SLDC after the Commission's approval of the aforesaid procedure for a period not less than 3 (three) months and not exceeding 6 (six) months. There shall be no financial transactions during the mock exercise. In view of the above, till effective implementation of OERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2025 in the State with regard to energy accounting, the quantum of overdrawl of energy by DISCOMs shall be billed by GRIDCO at the applicable BSP determined by the Commission. Thereafter, the issue

of overdrawl / underdrawl of energy shall be accounted for as per the provisions of OERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2025.

### **Rebate**

412. GRIDCO has proposed for approval of following rebate policy towards payment of BSP dues by DISCOMs for FY 2026-27:
- For crediting the BSP bill of the DISCOM(s) to GRIDCO's designated current bank account through Letter of Credit (LC) on presentation or through NEFT/RTGS within a period of five (5) working days, a rebate of 1.5 % shall be allowed.
  - Where the amount is credited on any day after five (5) working days and within a period of twenty-five (25) days of presentation of bill, a rebate of 1% shall be allowed.
  - For eligibility of rebate, total current BSP dues needs to be settled by the DISCOM(s) within 25<sup>th</sup> day of presentation of BSP bill.
413. After analysing the above proposal of GRIDCO for revision of rebate policy and the views of other stakeholders, the Commission decided the following rebate provisions on prompt payment of BSP dues by DISCOMs to GRIDCO. For payment of BSP bills by the DISCOM(s) to GRIDCO through Letter of Credit (LC) / RTGS / NEFT or by cash within a period of five (5) working days (excluding holidays under the N.I. Act., 1881), a rebate of 1.5% shall be allowed on current dues. If the payments are made after five working days, but within a period of thirty (30) days of presentation of bills, a rebate of 1% shall be allowed.

### **Delayed Payment Surcharge (DPS)**

414. GRIDCO has proposed to levy DPS @1.50% per month, if payment BSP bills are made by the DISCOMs after 30 days from the date of submission of bills. However, the Commission decides to continue with the existing provision for levy of DPS on late payment of BSP dues by the DISCOMs. Accordingly, in case payment of BSP bills by the distribution licensees is delayed beyond a period of thirty (30) days from the date of presentation of bill, a late payment surcharge at the rate of 1.25% per month shall be levied by GRIDCO Ltd. on the unpaid amount.

### **Duty and Taxes**

415. The Commission approves that the statutory duty/tax/cess/toll etc. imposed under any law from time to time shall be charged over and above the Bulk Supply Price fixed by the Commission.
416. The Bulk Supply Price in respect of GRIDCO as indicated below will become effective from **1<sup>st</sup> April, 2026** and shall continue until further orders.

**Table -83**

<b>Name of the DISCOMs</b>	<b>Paise/ kWh</b>
TPCODL	331.00
TPNODL	344.00
TPWODL	379.00
TPSODL	190.00

**COMPLIANCE REPORT TO THE DIRECTIVES OF HON'BLE OERC IN THE ARR & BSP ORDER OF GRIDCO FOR FY 2025-26 VIDE ORDER DATED 24.03.2025 IN CASE NO.94 OF 2024**

417. As per direction of the Commission in the ARR&BSP Order dated 24.03.2025 for FY: 2025-26, GRIDCO has complied as under:

**a) GRIDCO is directed to provide the following information for last five (5) years.**

**- Approved Vs. Actual availability of energy (in MU) from various sources i.e. thermal, hydro, wind, solar etc. separately including IPPs.**

**- Approved Vs. Actual quantum of power purchase (in MU)**

**-Approved Vs. Actual power purchase cost.**

**- Approved Vs. Actual quantum of surplus power (in MU)**

**-Surplus energy sold in energy market / to other consumers other than DISCOMs.**

**- Approved Vs. Actual energy Requirement (in MU) for each DISCOM and for the State**

**-Approved Vs. Actual peak demand (in MW) for each DISCOM and for the State.**

The above information provided by GRIDCO.

**(b) GRIDCO is to furnish the revenue earned during the FY 2024-25 from the incentive schemes approved for the industries with and without CGP including Steel & Aluminum industries by selling of surplus power through TPA. For the FY 2025-26, additional incentive schemes have been approved for the industries including rebate for drawal of power during solar hours for all category of consumers to increase the overall sales and revenue of GRIDCO as well as distribution licensees and hence, GRIDCO shall coordinate with the DISCOMs for achieving the objective.**

GRIDCO has replied that, the details of revenue earned from the special scheme approved by Hon'ble for sale of power to CGP based industry having CD>20 MW, with minimum offtake of 80% CD, under Tripartite Arrangement (TPA) involving GRIDCO, concerned DISCOM and the CGP based industry are submitted as follows:

Particulars	FY 2024-25		FY 2025-26 (upto 31 <sup>st</sup> August)	
	Energy (MU)	Revenue (Rs. Cr.)	Energy (MU)	Revenue (Rs. Cr.)

TPA Sale	664.04	305.31 (Rate 459.78 P/U)	135.35	59.04 (Rate 436.19 P/U)
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It is to bring to the kind notice of the Hon'ble Commission that, as per the enabling provisions under Para 289 of the Bulk Supply Tariff (BST) Order and Para 293 of the Retail Supply Tariff (RST) Order for FY 2025-26, industries were not keen to avail power under the aforesaid scheme through the Tri-Partite Agreement (TPA) mechanism. Their un-willingness appears to stem from the following factors:

- a) 80% guarantee power during TPA period;
- b) Intermittent nature of power supply in the TPA scheme;
- c) Availability of cheaper power in the power market during solar hours;
- d) Constraint in meeting RPO obligation, if power is purchased from DISCOM;

Therefore, industries are increasingly aligning themselves with the power market in place of availing power from the DISCOMs. To remove the above difficulties, GRIDCO and the four DISCOMs with joint consensus had filed petition under Case No.54 of 2025 to revisit of para 289 of BSP Order for FY 2025-26 dt.24.03.2025 & associated para 293 of RST order for FY 2025-26 dt.24.03.2025 towards (i) with minimum offtake of 60% instead of 80% during TPA period for industries having CGP having CD >20 MW ; and (ii) sale of power during solar hours (8.00 AM to 4.00 PM) to interested Consumers/ industries having CD 1MW and above irrespective of CGP or Non CGP @ Rs.4.30 per kVAh with assured consumption of 80% of CD during solar hours.

Basing upon the above joint petition, Hon'ble Commission vide order 22.07.2025 have approved the special scheme as follows:

**Quote:**

9. Anticipating industrial eco system in the State in advance is somewhat dicey, it is premature to comment whatever criteria GRIDCO is suggesting now in terms of eligibility and concession will work properly. Response of industries will be known, once the scheme is launched. Therefore, as an interim arrangement, we agree to the proposal of GRIDCO as follows:
  - a) Minimum offtake of 60% of CD instead 80% CD during TPA period in the Tripartite Arrangement approved in the BSP/RST order for FY 2025- 26 for industries having CGP  $\geq$  20 MW.
  - b) Sale of power during solar hours (8.00 AM to 4.00 PM) to the interested consumers/ industries having CD 1 MW and above irrespective of CGP or Non-CGP @ Rs.4.30 per kVAh with assured consumption of 80% of CD during solar hours.

The revenue sharing shall be as follows:

- i. Out of the above proposed energy rate of Rs.4.30/kVAh, GRIDCO's share shall be the BSP of the respective DISCOM.
- ii. OPTCL share shall be Rs.0.255/kVAh towards transmission charges.
- iii. Balance share shall be retained by the respective DISCOM.

The above scheme shall be effective from the date of issuance of this order. GRIDCO will file a report with the Commission on the efficacy of the above revised scheme after two months hence. This revised order will be valid for the current financial year only. If necessary, the Commission may revisit the scheme depending on its efficacy at the ground level after two months.

The Commission has also directed to make review of the scheme on 14.10.2025. In compliance to the above directives of the Hon'ble Commission, GRIDCO has executed Agreement with TPWODL and M/s Vedanta Ltd. on 24.07.2025 for sale of power through TPA. Meanwhile, around 30.14 MU and 105.21 MU of power have been sold during Jul'25 and Aug'25 respectively. As regards to special scheme regarding sale of power during the solar hours, the following industries under different DISCOMs have executed agreement to avail power under the said arrangement. As a result, the BSP bill of Aug-25 has increased by around 9% (8.7%) as compared to Aug-24. (Aug-24 3019.86MU & Aug-25 3282.50 MU).

- Under **TPWODL area**
  - a) M/S TRL Krosaki CD 8.2 MVA
  - b) M/S Suraj Product CD 3.8 MVA
  - c) M/S Eastern Alloys Pvt. Ltd. CD 6 MVA
- **Under TPNODL**
  - a) M/S Balasore Alloys CD 56 MVA
  - b) M/S B.C. Mohanty & Co CD 12 MVA
- **Under TPCODL**

Around 07 no. of industries have shown interest to avail power under this scheme and signing of agreement is under process.
- **Under TPSODL**

As per information available, no consumer has availed this benefit.

(c) ***GRIDCO is directed to provide details of (i) additional expenditure due to Fuel and Power Purchase Adjustment Surcharge (FPPAS) for the FY 2024-25 (ii) expenditure made towards Ash Transportation and handling of Ash of various thermal generators as per the notification of MOFECC, Government of India.***

GRIDCO has complied that, the Fuel and Power Purchase Adjustment Surcharge (FPPAS) for FY 2024-25 has been determined for the FY: 2024-25. The actual cumulative/ monthly power purchase cost (Rs./kWh) for FY:2024-25 has been determined considering the power procurement cost and associated finance cost, and the actual FPPAS so computed for FY:2024-25 on monthly basis does not exceed 3% of the approved average power purchase cost per Unit (320.95P/U) as per the ARR Order of GRIDCO. Therefore, no claim has been raised on DISCOMs towards differential power purchase cost.

- (i) Expenses incurred towards Ash Transportation Charges incurred by various generators during FY: 2024-25 are as follows:
- a) OPGC (Unit 1 & 2): Rs.5.47 Cr; OPGC (Unit 3 & 4): Rs.14.87 Cr;
  - b) Claim made by Vedanta: Rs.168.65 Cr. (incl. legacy & bottom Ash) for the period from Nov. 23 to Mar. 25. Amount provisionally accepted by GRIDCO as per OERC Order dated 05.06.24 is Rs.49.95 Cr. (Nov. 23 to Feb. 25). Balance claim against Legacy Ash and Bottom Ash is pending before OERC vide Case No. 106/2024.
  - c) NTPC & GMR: Claims not submitted for FY: 2024-25;
- (d) ***GRIDCO, being the nodal agency for development of RE sources in the State, is directed to intimate about status of development of (i) solar power including floating solar power plant (ii) wind power (iii) Battery Energy Storage System (BESS) within the State and (iv) difficulty / constraint in implementation of banking of RE power and providing additional RE power to the developers of Green Hydrogen and Green Ammonia Plants within the State.***

GRIDCO replied that the nodal agency for development of RE sources in the State are taking proactive measures as follows:

Floating Solar:

- In alignment with OREP 2022 and the Utkarsh Odisha 2025 initiative, the Government of Odisha through the State level Reservoir Committee comprising of multiple departments have streamlined the identification and allocation of water bodies for development of Floating Solar Photovoltaic (FSPV) projects. The State has already published an operating policy cum guideline for allocation of water surface bodies to develop FSPV projects. To allocate water surface areas, a premium-based competitive bidding process has been prepared.
- GRIDCO as the nodal agency on behalf of the State Government, in collaboration with the International Finance Corporation (IFC), has conducted preliminary feasibility assessments for floating solar projects across 8 major reservoirs. Additionally, GRIDCO through their empaneled consultants has conducted preliminary assessments in 51 medium reservoirs.
- Based on the technical and site assessment, the Upper Indravati Reservoir—a major water body—has been finalized for the development of a 225 MW floating solar project (Phase-I), comprising three units of 75 MW each. Approval from the Hon'ble Commission is currently awaited for deviation from the Standard Solar Bidding Guidelines, following which the tender will be floated. The draft RFP has been approved by Empowered Committee of Infrastructure (ECI), and the No Objection Certificate (NOC) has been obtained from DOWR. The project is targeted for commissioning before FY 2027–28. An additional 775 MW capacity is planned for development in subsequent phases across other major reservoirs.
- For 51 medium reservoirs, empaneled consultants have completed initial evaluations across two packages. Detailed studies have been completed for Bhanjanagar and Salia reservoirs, while assessments are currently underway at Hariharjore, Kansbahal, Lower Indra, and Bankbahal. Completion of these studies is targeted by October 2025. These reservoirs are being considered for the development of a 1,500 MW

Floating Solar Photovoltaic (FSPV) project integrated with Battery Energy Storage Systems (BESS).

- The No Objection Certificate (NOC) from DOWR has been obtained for initiating Premium-Based Competitive Bidding (PBCB) for water surface allocation at Rengali Reservoir. This bidding process, aimed at facilitating captive-use FSPV development, is scheduled to be floated by October 2025.
- FSPV project with RE Experience Centre is being planned to be developed at Hirakud reservoir.

**Wind Power:**

- As per provision of OREP-22, first 500 MW capacity to be allocated to the developers on first come first serve basis. Till date, 9 no. of proposal has been approved by Single Window Committee (SWC) for the cumulative capacity of 490.2 MW including 345 MW of projects to be developed by CPSUs namely MCL, ONGC Tripura Power Company Limited and HPCL.
- GRIDCO has planned to install 12 Wind Resource Assessment (WRA) masts at different locations in Odisha in phased manner.
- The Letter of Award (LOA) has been issued for Wind Resource Assessment (WRA) at 6 locations– Ganjam (Chikiti, Konishi), Puri (Marine Drive, Brahmagiri), Khurda (Begunia) and Nabarangpur (Tentulikhunti).
- Permissive Possession of the land for installation of WRA mast has been obtained for Sonapur & Gopalpur (Ganjam). Similarly, the possession for Begunia & Tentulikhunti Tehsil is expected by September 2025.
- Material inspection of WRA mast has been completed.
- Tender for another 6 Nos WRA mast will be floated by October 2025 (Balasore: 2 Nos, Kendrapara: 2 Nos, Puri: 1 No & Jagatsinghpur: 1 No.) for which joint visit with National Institute of Wind Energy (NIWE) has been completed.
- Hon'ble OERC has approved the request for project specific tariff for CPSU Wind projects on case to case basis.
- Development of Wind Power Projects under Wind Park mode and capacity enhancement from 500 MW to 1000 MW towards development under Generic Tariff mode is in advance stage of approval from Cabinet.
- Facilitation for land allocation is underway for a number of upcoming wind power projects.

**Battery Energy Storage System (BESS):**

- In order to meet the intermittency in the RE generation, Energy Storage System (ESS) plays a crucial role in large scale for RE Integration in the Grids. Due to large scale integration of RE power in the power portfolio, GRIDCO is experiencing huge surplus power during the day time which is being planned to be utilized for BESS and can be used to meet the deficit power during the off-solar hours.
- Based on the above requirement, earlier GRIDCO had floated a Technology-agnostic Tender on TBCB mode for 2500 MWh (500 MW x 5 hrs.) Power from ESS, however, the same was cancelled due to non-participation by the bidders.
- Subsequently, the status of development of BESS project in Odisha is as follows:-

1. The proposal of MoP for implementation of 500 MWh BESS in the state of Odisha has been forwarded by DoE in its letter dated 08.04.2025. In response to the said proposal, GRIDCO, being the nodal agency for RE procurement, has submitted its willingness to MoP in letter dated 11.04.2025, for availing the said VGF.
2. Later on MoP in its letter dated 09.06.2025 has issued the guidelines for procurement of BESS with VGF from PSDF in which Odisha has been allotted 500 MWh BESS with VGF of 18 Lakhs/MWh.
3. Based on the pre-feasibility study, five nos. of grid substations has been identified by OPTCL for installation of 500 MWh BESS under intimation to GRIDCO.
4. As per timeline mandated in the BESS guideline, GRIDCO has submitted its initial proposal in requisite formats A1 to A6 to NLDC (Grid-India) on 07.07.2025.
5. In this regard, a meeting was held with OPTCL, GRIDCO and SLDC on 04.08.2025 for finalization of the substations and BESS quantum. The list of the six identified Grid substations are as under:-
  - Narendrapur GSS – 25 MW x 4 Hrs
  - Tentulikhunti GSS - 20 MW x 4 Hrs
  - New Bolangir GSS - 20 MW x 4 Hrs
  - Padampur GSS - 20 MW x 4 Hrs
  - Bhatli GSS - 20 MW x 4 Hrs
  - Basta GSS - 20 MW x 4 Hrs
6. Based on the recommendation by OPTCL, GRIDCO has submitted a fresh proposal along with Detailed Project Report (DPR) to CEA on 08.08.2025, as mandated in the Guidelines.
7. Secretary (Power), MoP in the meeting dated 13.08.2025, requested all the states to expedite the BESS Tendering process so as to complete the signing of the PPA in the scheduled timeline as mandated in the Guidelines for BESS i.e. by March, 2026 & project commissioning by Sept 2027.
8. DoE, GoO has approved the land rent for the land allotted inside OPTCL Grid Substations as Re. 1 per location for entire period of the project i.e. 15 years.
9. At present, GRIDCO is in the process of preparation of Tender Documents for procurement of 500 MWh BESS with applicable VGF from PSDF with SECI as a Bid Processing Coordinator (BPC).

**RE Power Banking:**

Further, with regard to RE Power Banking, GRIDCO received applications from 2 nos. of GH/GA consumers and 2nos. of other GEOA consumers for availing RE Power Banking. After scrutinization of the submitted applications by Interdepartmental committee constituted by DoE, GoO, GRIDCO allotted RE Power for banking purposes to two applicants under GH/GA category aggregating to 350 MW and to two applicants in other GEOA category aggregating to 11.25 MW.

However, GRIDCO has received request from prospective GH/GA developers for RE power Banking to the tune of additional 550 MW over & above the allowed quantum of 350 MW by Hon'ble commission, which is already exhausted.

- (e) GRIDCO may discuss with CGPs to explore possibilities for optimum utilization of surplus power available with them, particularly during peak hours.***

GRIDCO has replied that all pro-active measures to avail surplus power from the CGPs. GRIDCO has also pursued extensively with the industries having CGPs operating inside the State towards procurement of their surplus power, subject to availability and willingness to supply power to cater the power crisis situations during the ensuing summer months.

Further, GRIDCO had invited bids for procurement of power during the summer months of April to July' 2025. It is submitted that the bids were non-responsive in the initial phase. It was quite difficult to avail surplus power from the CGPs in the state through bidding process. Moreover, the industries were apprised to supply their surplus power to the State as the state was facing problems at times in meeting the peak demand in exigencies conditions. It may be apprised that some of the CGPs are still selling power in the Power Exchange and through Open access. Further, the CGPs were requested to supply their surplus power to the state at the prevailing market price (with 50:50 sharing in the savings) at Power exchange on day ahead basis as per requirement. While some of the CGPs agreed to the proposal and given consent for supplying power to GRIDCO on requirement basis, while most of CGPs are not cooperating and in turn selling power in the Exchange as well as through bilateral arrangement in view of higher market price and as per the agreements made with parties. No power has been availed from the CGPs during April, 2025 to July, 2025.

- (f) In the interest of the consumers of the State, GRIDCO should coordinate with M/s. Vedanta for availing more quantum of linkage coal from MCL in order to maximize the State share of low cost power from M/s. Vedanta. The objective of OERC's order dated 22.06.2020 in Case No.68 of 2018 is to provide share of power of State to GRIDCO in letter and spirit, but not to pay compensation in respect of non / short supply to GRIDCO for compliance of order. The compensation is to be paid in case the situation / circumstance is beyond the control of M/s. Vedanta Ltd***

GRIDCO has replied that all kinds of unconditional cooperation to M/s. Vedanta Ltd in respect of procurement of Linkage coal from time to time. Though consent was given by GRIDCO to Vedanta to procure commercially cheaper coal for supply of full entitlement of power to the State and keep the total per unit cost within a specified limit, the IPP did not procure commercially cheaper coal for supply of full entitlement of power to the State. Now, Vedanta no more cites shortage of Linkage Coal as the reason of non-supply of full entitlement of power to GRIDCO and instead cites difficulty in Ash Disposal as a major issue, which requires proper scrutiny through a Technical Committee of experts in thermal generation. Recently Hon'ble APTEL vide judgment dated 09.09.2025 in Appeal Nos. 107 of 2022 and 312 of 2022 has dismissed the compensation mechanism adopted as per order dated 22.06.2020 of Hon'ble Commission in Case No. 68 of 2018 and remanded back.

- (g) GRIDCO has to take steps to address the peak deficit scenario of the State. Moreover, GRIDCO has tied up with RE generators, primarily solar generator for meeting RPO. It is expected that there would be surplus RE power during solar hours for***

***which number of tariff rationalization measures have been taken to increase solar power consumption during solar hours by giving incentive to all consumers in general and industrial consumers in particular. Considering such surplus RE power during day time and deficit in peak demand of the State, there is need for Energy Storage System (ESS), which can store surplus RE power during solar hours and can provide support during peak hours. GRIDCO being the nodal agency of State for development of RE power in the State, need to fast track the development of PSP projects of OHPC associated with existing HEPs, which are in the pipeline and such PSP projects will benefit the State in the long-run in addressing issue of large-scale integration of RE power and meeting peak demand of the State. Further, GRIDCO should explore the possibility of installation of Battery Energy Storage System (BESS) suitable for meeting peak demand for about 2 to 4 hours, so that pumping of water to the upper reservoir or charging of battery can be done during solar hours utilizing the surplus solar power available during day time and utilize the PSP/BESS to meet peak demand.***

GRIDCO has replied that as sole State Designated Entity it is taking all out efforts to meet the Long-Term State demand through comprehensive Resource Adequacy Planning by executing PPAs with prospective CPSUs/ SPSUs/ Developers for availing power from various commercially competitive sources. Preliminary meetings have been convened with M/s LANTOU Group for development of Resource Adequacy Planning for the State. Detailed workshop with DISCOMs and GRIDCO was held in the 2nd week of August, 2025.

The 600 MW Upper Indravati Pumped Storage Project by OHPC, has received Techno-Economic Clearance from CEA along with approval from the High-Level Clearance Authority of Odisha. WAPCOS has been appointed as the Project Management Consultant. Environmental and socio-economic studies are completed, and forest clearance proposals are under review by MoEF&CC. Land demarcation and acquisition processes are under progress across forest, private, government, and Water Resource lands. A sub-committee formed by the District Collector, Kalahandi is overseeing land-related progress. ICB floated on 01-08-2025. The project is expected to be commissioned by FY 2030-31.

GRIDCO has taken vital steps towards exploring Battery Energy Storage System (BESS) in Odisha by implementing 125 MW/500 MWh Battery Energy Storage System at 6 number of grid sub-stations as mentioned above at para (d). For these 500 MWh BESS, a VGF at Rs.18 Lakh/MWh (totaling to Rs.90 Crore) will be availed from PSDF through MoP for which Tariff Based Competitive Bidding (TBCB) process will be adopted for selection of Developer. SECI has been taken on board as Bid Processing Coordinator (BPC) in the above BESS project which will be in Build-Own-Operate (BOO) model for 15 years. As mandated in the Operational Guidelines of MoP, PPA to be signed by Mar' 2026 (9 months from issue of the guidelines) & the Project commissioning to be completed by Sep 2027 (18 months from PPA). Moreover GRIDCO has also obtained Administrative approval from Department of Energy, Govt. of Odisha for the 500 MWh BESS project vide their letter dated 11.09.2025.

- (h) ***GRIDCO is not able to achieve its RPO target during past years. It is observed from the submissions of GRIDCO that some RE generator tied up with SECI, from which power was allotted to GRIDCO, have backed up from execution of their projects. Therefore, the Commission directs GRIDCO to make its plan carefully & judiciously so as to meet its RPO target.***

GRIDCO has replied that the RPO Compliance status of GRIDCO in the last three years (FY 22-23 to FY 24-25) in line with the MoP trajectory is as follows:

SI No	Particulars	FY 22-23	FY 23-24	FY 24-25
A	Total Consumption (MU)	31754	33707	35104
B	Total Consumption from Non-fossil sources (MU)	9657.93	9916.51	9884.38
C	Target as per MoP (%)	24.6	27.08	29.9
D	Target Achieved (%)	30.42	29.42	28.2

From the above table, it can be observed that during the FY 22-23 & FY 23-24, GRIDCO has surpassed the MoP notified RPO target with more than 100% compliance. However, due to delay in commissioning of some of the central Wind and Solar Projects and complete washout of the Teesta-V Hydro Project, GRIDCO could meet the RPO of 28% in FY 24-25 against the target of 29.91%.

It is further submitted that all sorts of planning and necessary steps are being taken by GRIDCO for procurement of required quantum of Renewable Power to meet its specified RPO targets in the upcoming years, while keeping the Aggregate Tariff in control so that Consumers are not overburdened.

The Hon'ble Commission may kindly take note that GRIDCO is procuring power from the G-DAM as and when available from the short term market against the surrendered thermal power keeping in view the Variable Cost of Thermal Power, Minimum Turndown Level of the Thermal Power Plant.

GRIDCO is taking all necessary steps to meet its future RE requirements by harnessing available RE potential in the State.

- (i) ***There are number of proposed SHEPs within the State for which DPR has been prepared and some of them are allotted to private developers, but have not been implemented till date. GRIDCO is advised to appraise the Government of Odisha for allotment of such SHEPs to OHPC for implementation.***

GRIDCO has replied that the EIC (Electricity)-cum-PCEI has handed over a list of 182 Nos. of Small Hydro Electric Projects (SHEPs), along with the available Pre-Feasibility Report, to GRIDCO. Additionally, 3 more SHEP projects were transferred to GRIDCO. With due approval from the Single Window Committee (SWC), a total of 185 SHEP projects have been declared as State Identified Projects.

Out of the 185 identified SHEPs, 51 projects were submitted to the Water Resources Department in a phased manner for hydro interference checks after evaluating levelized tariffs and verifying dam and powerhouse coordinates. Out of which, 10 SHEPs of cumulative capacity of 93.95 MW was found feasible with no interference. GRIDCO is now planning to initiate the tender process under Tariff Based Competitive Bidding (TBCB) for power procurement from those 93.95 MW SHEPs.

As per Clause 15 of the Operational Guidelines of OREP-2022, previously allotted SHEP projects approved before the notification of the OREP-2022 that are under construction or for which execution contracts have been signed by developers, will be reviewed and monitored by the EIC (Electricity).

418. The above clarifications made by GRIDCO in respect of the direction of the Commission in ARR & BSP order for the FY 2025-26 taken on record.

#### **Action to be taken by GRIDCO**

419. GRIDCO, being the Single Buyer entity has the responsibility of Resource Adequacy Planning (RAP) and load forecasting for bulk purchase of electricity for sale to DISCOM of the State and hence has a major role in optimizing Power Purchase Cost. In addition GRIDCO is responsible for development of RE power in the State as nodal agency and meeting RCO compliance. In view of above, the Commission directs GRIDCO to comply following observations within three months:

**a. Information regarding Availability of Power & Surplus Power for sale etc:**

GRIDCO is directed to provide following details of last five (5) years to the Commission within a period of three months:

- Approved Vs. Actual availability of energy (in MU) from various sources i.e. thermal, hydro, wind, solar etc. separately including IPPs.
- Approved Vs. Actual quantum of power purchase (in MU)
- Approved Vs. Actual power purchase cost.
- Approved Vs. Actual quantum of surplus power (in MU)
- Surplus energy sold in energy market/to other consumers other than DISCOMs.
- Approved Vs. Actual energy Requirement (in MU) for each DISCOM and for the State.
- Approved Vs. Actual peak demand (in MW) for each DISCOM and for the State.

**b. Execution PPA without prior approval of Commission:** The practice for execution of PPA by GRIDCO with generator(s) without the prior approval of the Commission shall not be entertained in future.

**c. Resource Adequacy Planning (RAP):** RAP (on long term basis) for availing power from various sources of Generation (ISGS & Intra-state Generating Stations) has to be

done based on the study carried out by CEA for the State of Odisha and keeping in view RCO and optimisation of power purchase cost. The early commissioning Unit #5 & 6 of OPGC may help GRIDCO to avoid execution of long-term PPA with ISGS in future and GRIDCO can plan for PPA for shorter time frame (may be 3 to 7 years) till thermal generating Units #5&6 of OPGC are commissioned.

- d. **Meeting Secondary Reserve Requirement of State to avoid Penalty:** The state of Odisha has to keep about 700MW of generation capacity as Secondary Reserve for safe, secure and reliable operation of the single Synchronous National Grid, otherwise GRIDCO is liable to pay penalty as per CERC Ancillary Regulations. The Resource Adequacy Planning (RAP) has to be done accordingly to avoid such penalty. Possibility of utilising the share from Central Sector thermal generating stations, which are not covered under Merit Order Dispatch (MOD) of the state due to high variable cost, may be considered by GRIDCO to meet the Secondary Reserve requirement of the state.
- e. **Development of RE Projects, PSP, BESS:** If ISTS charges waiver is not extended, the RE power availed from other State would become expensive. GRIDCO being the nodal agency for development of RE power in the State is required to take steps for promotion of RE (Ground mounted solar, floating solar, wind & small HEP) and Energy Storage project (BESS & PSP) within the State through private investment for State's energy security. GRIDCO is directed to intimate about status of development of projects along with installed capacity, location and expected time line for completion of projects: (i) Ground mounted Solar project including projects under Kusum A Scheme and floating solar projects in existing pondage area of hydro projects (ii) wind power projects (iii) Battery Energy Storage System (BESS) within the State (iv) Pumped Storage Plants (PSP) and (v) Green Hydrogen and Green Ammonia Plants within the State.
- f. **BESS for meeting Peak Demand of State:** GRIDCO should explore the possibility of installation of Battery Energy Storage System (BESS) and PSP as early as possible to support requirement of power during peak hours and charging of battery and pumping of water to the upper reservoir in case of PSP can be done during solar hours utilizing the surplus power available during day time.
- g. **Sale of Surplus Power:** Sale of surplus power available with GRIDCO during day time utilising various platform available in the market need to be explored for earning maximum return/revenue.
- h. **Expenditure toward Ash Transportation & Handling of Ash of Power Plants:** GRIDCO is directed to provide details of expenditure made towards Ash Transportation

and handling of Ash of various thermal generators as per the notification of MOFECC, Government of India.

- i. **Achievement of RCO target:** GRIDCO is not able to achieve its RCO target during past years. It is observed from the submissions of GRIDCO that some RE generator tied up with SECI, where from power was allotted to GRIDCO, have delayed/postponed the execution of their projects. Therefore, the Commission directs GRIDCO to make its plan carefully & judiciously so as to meet its RCO target and consider procurement of REC & execution of virtual Power Purchase Agreement (VPPA) to avoid any penalty.
  - j. **Impact of compliance of RCO on PPC:** GRIDCO has to carry out a study to evaluate impact on overall PPC for compliance of RCO due to purchase of solar/wind power through SECI/from Developers etc.
  - k. **Availability of full entitlement/share of State from IPPs:** Actual quantum of availability of power from IPPs against the State's entitlement/share of power as per PPA is the matter of concern and adversely affect the availability of power with GRIDCO to meet the power demand of the State, as a result of which GRIDCO is compelled to rely on high-cost energy sources to meet the State Demand leading to increase in Power Purchase Cost & tariff burden on the consumer of the State. Therefore, GRIDCO is advised to take up the matter with Govt. of Odisha to maximise the availability of power (i.e. total share of State) from various IPPs like M/s Vedanta and M/s JIPTL to reduce (a) overall power purchase cost (b) impact of tariff burden on the consumers of the State and (c) BSP burden on DISCOMs.
420. The ARR & BSP Application for the FY 2026-27 in Case No.122 of 2025 and Revised Truing-up Application for the FY 2023-24 & Truing-up Application for the FY 2024-25 in Case No.123 of 2025 of GRIDCO are disposed of accordingly.

Sd/-  
**(B. Mohanty)**  
Member

Sd/-  
**(S. K. Ray Mohapatra)**  
Member

Sd/-  
**(P. K. Jena)**  
Chairperson