

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.-4, CHUNOKOLI, SHAILASHREE VIHAR
BHUBANESWAR - 751 021

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

Case No. 101/2022

M/s. Romco Aluminates Pvt. Ltd.	Petitioner
Vrs.		
TPWODL	Respondent

In the matter of: **Application for extension of additional load factor incentive in Retail Supply Tariff as provided to Steel Industries as per Para 204 of the RST order dated 24.03.2022 passed in Case No.109 of 2021 in the matter of approval of ARR & RST for FY 2022-23.**

For Petitioner: Shri Bibhu Charan Swain, the Authorized Representative.

For Respondent: Shri K. C. Nanda, G.M. (Finance)

ORDER

Date of Hearing: 09.05.2023

Date of Order: 09.05.2023

The Petitioner-M/s. Romco Aluminates Pvt. Ltd. (Shortly M/s. Romco) has filed the instant application with the prayer to extend the additional load factor incentive to its Aluminum Melting Unit on achieving the load factor as stipulated at Para 204 of the RST order dated 24.03.2022 passed by the Commission for FY 2022-23 in Case No.109 of 2021, as applicable to the Steel industries.

2. The Petitioner-M/s. Romco has submitted that:

- a) It is having an alumina melting unit manufacturing White Fused Alumina (WFA) in electric arc furnace and presently having grid connectivity with TPWODL network at 33 kV level and is availing power from TPWODL with contract demand of 4000 kVA.
- b) The process of manufacturing of WFA (a form of aluminum oxide utilized for various ranges of application primarily in steel and metallurgical industries and manufacturing of refractories, ceramics, abrasives etc.) by way of electrical fusion

in an electric arc furnace is a very power intensive process and power consumption per metric ton is around 1500 units. Electricity is the measure raw material for its industry which is around 25% of the total production cost. M/s. Romco faces stiff competition from outside producers who are availing power as much cheaper rate.

- c) The Commission in its RST order for the FY 2022-23 (at Para-203-206) has provided load factor based incentive exclusively to power intensive Steel Industries having induction furnaces. The production process of steel in induction furnace is similar to melting of alumina in electric arc furnace to manufacture WFA, which is also a power intensive product. In the neighboring States like Chhatisgarh, West Bengal, Andhra Pradesh, the electricity tariff of metallurgical industries like Steel and Aluminum is very low compared to Odisha and load factor incentives is extended to similarly placed Steel and Aluminum industries. Since both are power intensive industries, the Commission should extend the similar relief in electricity tariff to the alumina melting industry having electric arc furnace which will aid long term growth of this industry in the State of Odisha.
- d) The Petitioner had submitted a proposal to TPWODL for extension of additional load factor incentive to aluminum melting units as provided to the steel industries. The Management of TPWODL had assured to take up the matter with the Commission and support the prayer of the Petitioner.
- e) As per the classification of the consumers in OERC (Conditions of Supply) Code, 2019, the Petitioner's industry comes under large industry category connected at 33 kV level and having contract demand more than 1 MVA and operating at higher load factor. However, since it is an aluminum melting industry, it is being deprived of additional load factor incentive as provided (in RST order of the Commission) to the steel industries of similar consumer category operating at similar load factor.
- f) Section 62 (3) of the Electricity Act, 2003 provides that, *"the Appropriate Commission shall not, while determining the tariff under this Act., show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required."*
- g) In view of the above provision of the statute, irrespective of nature of industry, if both steel melting industry and aluminum melting industry are operating at similar load factor, then both industries should be extended with same additional load

factor incentive. Limiting such incentive only to the steel industry will defeat the purpose of intent and spirit of above provision of the Electricity Act, 2003.

- h) In view of the above, the petitioner has submitted that manufacturing plant of WFA in which alumina is melted in the Electric Arc Furnace is a very energy incentive process similar to steel industries having electric arc furnace and has prayed to extend the additional load factor incentive as provided to the steel industries in accordance with the RST order dated 24.03.2022 passed by the Commission for FY 2022-23.
3. The Respondent-TPWODL has not filed any written note of submission. However, during the hearing, the representative of TPWODL submitted that the Petitioner had raised the same issue during the Retail Supply Tariff proceeding for the FY 2023-24 as reflected in the RST order, which indicates that the Commission has taken note of the proposal of the present Petitioner and allowed power factor incentives only to the steel industries. However, in the present petition, the Petitioner has prayed for the load factor incentive for its industry for the FY 2022-23. Since the financial year 2022-23 has already been elapsed, the prayer in the present petition has become infructuous.
4. Heard the parties through hybrid mode, both physical and virtual. We observe that the RST order dated 24.03.2022 for the FY 2022-23 passed by the Commission in Case No.109 of 2021 has attained finality inasmuch as the said order has not been challenged before any Forum. Now the application for extension of additional load factor incentive has been filed by the Petitioner after about nine months of pronouncement of the said RST order without any reasonable explanation of delay. The RST order for the FY 2022-23 had come into force with effect from 01.04.2022 and said financial year has already been passed. The prayer of the Petitioner in the present application is almost akin for reviewing aforesaid RST order. It is presumable that this Commission while passing the RST order for FY 2022-23, found the contentions of the present petitioner as unsustainable and as such, no special mention of the submissions of the petitioner was recorded in the said RST order. The grounds raised by the petitioner, in the present application, do not appear to be legally forceful for revisiting the said RST order.
5. The petition lacks merit and thus stands rejected.

Sd/-
(S. K. Ray Mohapatra)
Member

Sd/-
(G. Mohapatra)
Member

Sd/-
(S. C. Mahapatra)
Chairperson