



TP Western Odisha Distribution Limited

Open Access Charges

Application

for

FY 2025-26

November - 2024

CORPORATE OFFICE:

Burla, Sambalpur, Odisha, Pin-768017

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BHUBANESWAR**

IN THE MATTER OF

An Application under sections 42, 64 (3) and 86 (a) of the Electricity Act 2003, read with section 1.3 of OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations, 2022 and OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020 & all other enabling provisions for determination of Wheeling Charges & Surcharges applicable to the Distribution System User & Open Access Consumers for use of intra-state transmission/ distribution system and associated facilities for the financial year 2025-26.

AND

IN THE MATTER OF

TP Western Odisha Distribution Ltd.
Head Office Burla, Sambalpur, Odisha-768017.

-----TPWODL

Affidavit verifying the application for approval of determination of Open Access Charges for the year FY 2025-26.

I, Kshirod Chandra Nanda, Son of Late Radhanath Nanda, aged about 55 years, residing at, Burla, Sambalpur, do hereby solemnly affirm and state as follows: -

I am the Sr. General Manager (RA & Strategy) of TP Western Odisha Distribution Ltd. (TPWODL), Corporate Office-Burla, Sambalpur, Odisha-768017.

I am authorized representative of TPWODL, the applicant in the instant case and competent to swear this affidavit for and on behalf of the licensee.

The statements made above along with the annexures annexed to this application are true to the best of my knowledge and the statements made are based on information and records and I believe them to be true.

Place

Date

DEPONENT

Sr. GM (RA & Strategy), TPWODL

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION

BHUBANESWAR

IN THE MATTER OF

An Application under sections 42, 64 (3) and 86 (a) of the Electricity Act 2003, read with section 1.3 of OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations, 2022 and OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020 & all other enabling provisions for determination of Wheeling Charges & Surcharges applicable to the Distribution System User & Open Access Consumers for use of intra-state transmission/ distribution system and associated facilities for the financial year 2025-26.

IN THE MATTER OF

AND

TP Western Odisha Distribution Ltd.

Corporate Office Burla, Sambalpur, Odisha-768017.

-----TPWODL

Humble application of the above-named licensee for determination of Wheeling Charges & Surcharges applicable to the Distribution System User & Open Access Consumers for use of intra-state transmission/ distribution system and associated facilities for the financial year 2025-26.

MOST RESPECTFULLY SHEWETH:

- 1) That, the Applicant Licensee, has taken over the distribution business from erstwhile WESCO Utility w.e.f 01.01.2021 as per terms of the vesting order. TP Western Odisha Distribution Limited (TPWODL) is a joint venture between Tata Power and the Government of Odisha with equity participation of 51% by Tata Power Company Ltd. and 49% by GRIDCO Ltd., on behalf of the State Govt.
- 2) That, the Applicant Licensee is the Distribution Licensee, as per License Condition dated 26.03.2021 of the Hon'ble Commission and engaged in the retail supply and distribution of electricity in western part of Odisha having 09 revenue districts namely Sambalpur, Jharsuguda, Deogarh, Sundergarh, Bargarh, Bolangir, Sonapur, Kalahandi and Nuapada with area of operation of 48373 Sq.Km.
- 3) That, as per the mandate of the Vesting Order, TPWODL is procuring power

from GRIDCO, who is the state-designated entity to procure power for all the 4 DISCOM(s) from different generators like Thermal, Hydel, Renewable etc. At present the approved BST is Rs. 3.80/unit with a BSP surcharge of Rs. 0.35/unit which is payable quarterly apart from transmission charges of Rs. 0.24/unit.

- 4) That, Odisha Power Transmission Corporation Limited the Transmission Licensee. (a deemed Transmission Licensee under Section 14 of Electricity Act, 2003) notified as the State Transmission Utility (STU) by the State Government and discharging the State Load Dispatch functions.

Background:

- 5) That, the Hon'ble Commission had vide its Notification No. 1472-OERC/RA/RST.REGU.-36/2021 dated 20.12.2022 had brought out its New Regulation i.e. Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 superseding the old Regulation of 2014 coming into effect from the date of their publication in the Official Gazette i.e. 23.12.2022
- 6) That, the Hon'ble Commission in its Notification dated 2nd November 2020 had repealed the OERC (Terms and conditions of open access) Regulations, 2005 and OERC (Determination of open access charges) Regulations, 2006 and notified the new Regulations for open access to the intra-state transmission and distribution systems and terms and conditions thereof.
- 1) That, Odisha Renewable Energy Policy, 2022 was notified vide Resolution No. 11757-ENG-HYD-HYDRO-0009/2022/En., dated 30.11.2022 by the Department of Energy, Govt. of Odisha. The Policy aims to achieve the following objectives: -
 - a. To accelerate adoption of clean energy alternatives and decarbonize the energy sector which includes both grid-based electricity consumption and captive consumption of industrial consumers in the State.

- b. To harness the clean energy potential of the State and make best use of the available resources by facilitating development of green energy projects in the State.
 - c. To attract investment in the clean energy sector, create job opportunities and develop the State economy.
- 2) That, accordingly, while determining RST for FY 24-25 by the Hon'ble Commission through public hearing has notified as follows:-

Exemption under Odisha renewable Energy Policy 2022:

(1) Fifty percent (50%) of Cross-subsidy surcharge are payable by the Open Access consumers, on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years.

(2) No Cross-subsidy surcharge are payable by the Industries in the State availing Renewable power from GRIDCO (with GRIDCO acting as a demand aggregator).

(3) 25% wheeling charge is payable by the Captive/ Open Access consumer drawing power from Renewable projects commissioned in the State during the during the RE Policy period for Fifteen (15) years.

(4) OPTCL shall provide exemption of twenty (20) paise per unit on STU (Transmission) charges to captive/open access consumers on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years. This exemption shall be allowed for five (5) more years in case of projects commissioned before 31.03.2026.

- 7) That, the Ministry of Power, Govt. of India, vide their notification dated 06.06.2022 notified the rule namely Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022. The first amendment was notified on 27.01.2023 aiming to provide more clarity in the aforesaid rule, particularly in terms of pricing mechanisms and accessibility. wherein it has been mentioned that-

"(1) The charges to be levied on Green Energy Open Access consumers shall be as follows, namely: -

- (a) transmission charges;*
- (b) wheeling charges;*
- (c) cross subsidy Surcharge;*
- (d) standby charges wherever applicable;*

(e) banking Charge; and

(f) other fees and charges such as Load Despatch Centre fees and scheduling charges, deviation settlement charges as per the relevant regulations of the Commission.”

8) That, the aforesaid rule will allow consumers, such as businesses or individuals, to directly purchase green energy from renewable power generators, like solar or wind farms, or any other through Open Access Mechanism. Any entity who has contracted demand or sanctioned load of 100 kW or more whether obligated or not may elect to generate, purchase and consume renewable energy as per their requirements by the following methods:-

- a. Own Generation from renewable energy sources
- b. By procuring Renewable Energy through Open Access from any Developer either directly or through a trading licensee or through power markets.
- c. By requisition from distribution licensee
- d. By consuming green energy from captive power plant
- e. By purchasing of renewable energy certificates

9) That, in line with the above the Hon’ble Commission has notified Odisha Electricity Regulatory Commission (Promotion of Renewable Energy through Green Energy Open Access) Regulations, 2023 on 27.12.2023 vide no DIR (T)-419/2023/1907.

10) That, the Hon’ble Commission pleased enough to introduce Energy Banking Mechanism across the state through the aforementioned Regulation. As regard to the banking of energy, it means Surplus Green Energy of a Green Energy Generator / Consumer injected into the Grid and is credited with distribution Licensee (s)/ GRIDCO and shall be drawn later with banking charges as per the regulation by Green Energy Open Access Consumer. Further, the charges for Banking means charges levied upon the Green Energy Generator/ Green Energy Open Access Consumer and paid to GRIDCO/DISCOM for availing banking facility as determined by the State Commission under the aforementioned Regulations.

- 11) That, in accordance with OERC (Terms and Conditions of Intra-State Open Access) Regulation 2020, SLDC prepared draft Guidelines and Procedure for Reservation of Transmission /Distribution Capacity for Short-Term Open Access Customers. The applicant furnished its comments/views/suggestions on the draft Guidelines and Procedure for STOA vide its letter TPWODL/RA&S/2023/88 dated 21.07.2023 for the kind consideration of the Hon'ble Commission. Applicability of the same shall be subject to the approval of the Hon'ble Commission.
- 12) That, the Hon'ble Commission vide letter dated 06.11.2023 has exempted the Renewable Power under regulation 43 of OERC (Open Access) Regulation 2020 and clarified that the transmission charges for Renewable Energy shall be calculated on basis of paise per unit or Rs/MWh irrespective of LTOA, MTOA & STOA as mentioned in the tariff order of the respective year for the Renewable Energy Open Access transaction from the beginning of the RE Policy 2022.
- 13) That, the Hon'ble Commission has issued clarification on 01.05.2024 vide letter no. OERC/DIR/(T)-332/08/480 regarding computation of Transmission Charges & losses w.r.t OERC (Promotion of Renewable Energy through Green Energy Open Access) Regulations, 2023. It has been clarified that, the applicable losses shall be borne by the Green Energy Open Access Consumer in kind through additional injection in case of RE generation inside the state, and similarly for RE generation outside the state the transmission losses need to be borne by the Green Energy Open Access Consumer as per applicable regulation. It has been also clarified that the transmission loss is part of the consumption of energy and made up through additional injection. Further, for RE generation inside the state, the transmission charges shall be computed Rs./kWh for LTOA, MTOA & STOA based on the actual energy consumption. Similarly, for the use of intra state transmission system under Inter State transactions of Renewable Energy shall be based on the energy which will be derived from their schedule as available with SLDC & charges to be paid for such transactions on the basis of Rs./kWh.

Regulatory Framework for filing this Application:

- 14) That, according to the provision of the New Regulation i.e. Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022, the Hon'ble Commission determines the tariff for Wheeling Business and Retail Supply Business annually based on an application received from the Licensees in accordance with the procedure contained in OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations, 2022 or suo-moto as per the provisions of the Electricity Act 2003.
- 15) That, the Licensee is required to file the application before the Hon'ble Commission and the Hon'ble Commission shall determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be.
- 16) That, where open access has been permitted under section 42, the State Commission shall determine the wheeling charges and surcharge thereon, if any, for the said category of consumers as outlined under section 86 of the Act. Accordingly, this application has been filed along with ARR and tariff application for FY 2025-26.
- 17) In view of the above the Licensee submits as under:
 - a) That, the license is required to provide non-discriminatory open access to the consumers as per section 42(3) of the Electricity Act 2003 within this period as stipulated by the Commission in accordance with the provisions of para 9 (4) under Chapter-3 of the OERC (Terms and Conditions of Intra State Open Access) Regulations 2020.
 - b) That, the licensee is required to get compensation for the loss of cross-subsidy element from the consumers or category of consumers who have opted for Open Access to take supply from a person other than the licensee in accordance with the provisions of para 23 under Chapter-5 of the OERC (Terms and Conditions of Intra State Open Access) Regulations 2020.

- c) That, the licensee is required to get additional surcharge to meet the fixed cost arising out of his obligation to supply to the consumers or category of consumers who have opted for Open Access in accordance with para 24 under Chapter-5 of the OERC (Terms and Conditions of Intra State Open Access) Regulations 2020.
- d) That, the licensee submits before the Commission that at present no consumer is permitted by the utility to opt for Open access for getting compensation towards additional surcharge to meet the fixed cost. The utility reserves the right to file before the Commission with the relevant short fall of fixed cost as and when the issue comes in future in line with para 24(3) of under Chapter-5 of the OERC (Terms and Conditions of Intra State Open Access) Regulations 2020.
- e) That, the licensee, in accordance with regulations framed by the Hon'ble Commission under the provision of Electricity Act 2003, is required to file the wheeling charges, cross-subsidy surcharge, additional surcharge, and stand-by charges before the Commission for approval.
- f) That, the present application is presented before the Hon'ble Commission for the approval of wheeling charges and Surcharges applicable to the Distribution System User and Open Access Consumers for use of intra-state transmission/ distribution system and associated facilities for the financial year 2025-26.

Calculation of open access charges

- 18) That, The Hon'ble Commission is required to determine the following charges to be paid by the Open Access consumers:
- a) Wheeling charges;
 - b) Cross-subsidy surcharge;
 - c) Additional surcharge.
 - d) Stand by charges
 - e) Delayed Payment Surcharge and
 - f) other charges (if any)

a) Transmission/Wheeling Charges -

- (i) Wheeling charges payable to distribution licensee, by long-term or medium-term open access customer for usage of its system shall be as determined as under:

$$\text{Wheeling Charges} = (\text{Wheeling Cost}) / (\text{ALS}_D \times 365) \text{ (in INR/MW-day)}$$

Where,

Wheeling Cost= Cost towards wheeling business as approved in the Tariff Order of the distribution licensee in the concerned year.

ALS_D= Total Average load projected to be served by the concerned distribution system in the concerned year.

Provided that Wheeling charges for short-term open access consumers shall be payable as determined by the Commission for the relevant financial year on the basis of scheduled load/ energy in the Tariff Order. For Open Access for a part of a day, the wheeling charges shall be payable on pro-rata basis;

Provided further that where a dedicated distribution system used for open access has been constructed for exclusive use of an open access customer, the wheeling charges for such dedicated system shall be worked out by distribution licensee for their respective systems and got approved by the Commission and shall be borne entirely by such open access customer till such time the surplus capacity is allotted and used for by other persons or purposes;

- (ii) Accordingly, wheeling charges for FY 25-26 as calculated by TPWODL is annexed as **Annexure-A**.

Table showing wheeling charge:

Description	EHT	HT
Wheeling charges (Paise per unit)	Not Applicable	166

b) Cross Subsidy-Surcharge –

- (i) If open access facility is availed of by a subsidizing consumer of a distribution licensee of the State, then such consumer, in addition to transmission and/or wheeling charges, shall pay cross subsidy surcharge determined by the Commission. Cross subsidy surcharge determined on Per Unit basis shall be payable, on monthly basis, by the open access consumers based on the actual energy drawn during the month through open access. The amount of surcharge shall be paid to the distribution licensee of the area of supply from whom the consumer was availing supply before seeking open access.

Provided also that such cross-subsidy surcharge shall not be levied in case distribution access is provided to a person who has established a captive generation plant for carrying the electricity to the destination of his own use.

- (ii) Further submitted that the methodology prescribed by Hon'ble Commission in line with NTP is as under:

Surcharge formula: $S = T - [C / (1 - L/100) + D + R]$

Where,

S is the surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C is the per unit bulk supply tariff as determined by OERC for sale of power from GRIDCO to distribution licensees.

D is the aggregate of transmission, SLDC and wheeling charge applicable to the relevant voltage level.

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level.

R is the per unit cost of carrying regulatory assets.

Provided that cross-subsidy surcharge shall be progressively reduced to reflect 20% of the tariff applicable to the category of the consumers seeking open access.

Accordingly, the Licensee has computed the cross-subsidy surcharge for FY 25-26 which is mentioned in the following table. The statement of detail computation is annexed as **Annexure- B**.

Table showing Cross Subsidy Surcharge

Surcharge (P/KWH)EHT	Surcharge (P/KWH) HT
248	26

The above cross subsidy surcharge has been calculated considering the average EHT Tariff derived from proposed EHT sale in MU and Billing value for FY 2025-26.

For HT category of consumers Wheeling charge @ 166 paise per unit and System loss at HT supply has been considered at 8%. The Cross-subsidy surcharge has been calculated considering the average HT tariff derived from proposed HT sales in MU and Billing value for FY 2025-26.

The Power Purchase cost is the combination of Bulk Supply price of 380 paise per unit, Transmission charge 24 paise per unit, SLDC charge 0.0019 paise per unit as per prevailing tariff w.e.f. 01.04.2024 for transmission and SLDC charges & BST has been considered.

c) Additional Surcharge -

- (i) An Open Access consumer, receiving supply of electricity from a person other than the distribution licensee of his area of supply, shall pay to the distribution licensee an additional surcharge on the charges of wheeling, in addition to wheeling charges and cross-subsidy surcharge, to meet out the fixed cost of such distribution licensee arising out of his obligation to supply as provided under sub-section (4) of section 42 of the Act.
- (ii) This additional surcharge shall become applicable only if the

obligation of the licensee in terms of power purchase commitments has been and continues to be stranded or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract.

Note: Fixed costs related to network assets would be recovered through wheeling charges.

(iii) The distribution licensee shall submit to the Commission on six-monthly basis, a detailed calculation statement of fixed cost, which the licensee is incurring towards his obligation to supply.

(iv) The Commission shall scrutinize the statement of calculation of fixed cost submitted by the distribution licensee and obtain objections, if any, and determine the amount of additional surcharge; Provided that any additional surcharge so determined by the Commission shall be applicable on all open access customers.

(v) Additional surcharge determined on Per Unit basis shall be payable, on monthly basis, by the open access consumers based on the actual energy drawn during the month through open access;

19) That, in line with above the licensee submits that the utility reserves the right to file before the Commission with the relevant short fall of fixed cost as and when the issue comes in future.

d) Standby charges for drawal of power by open access customer from distribution licensee –

(i) In cases of outages of generator supplying to open access customer under open access, standby arrangements should be provided by the distribution licensee for a maximum period of 42 days in a year, subject to the load shedding as is applicable to the embedded consumer of the licensee and the licensee shall be entitled to collect tariff under Temporary rate of charge for that category of consumer in the prevailing rate schedule subject to the condition that such tariff

shall not exceed the highest consumer retail tariff in the prevailing rate schedule:

Provided that in cases where temporary rate of charge is not available for that consumer category, the standby arrangements shall be provided by the distribution licensee for a maximum of 42 days in a year and on payment of fixed charges of 42 days and energy charges for that category of consumer in the prevailing rate schedule:

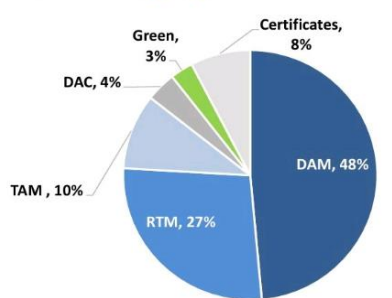
Provided also that open access customers would have the option to arrange stand- by power from any other source.

20) That, in line with above the licensee submits that the following issues are required to be addressed in particular while determining open access charges of the licensee for the ensuing year FY 2025-26:

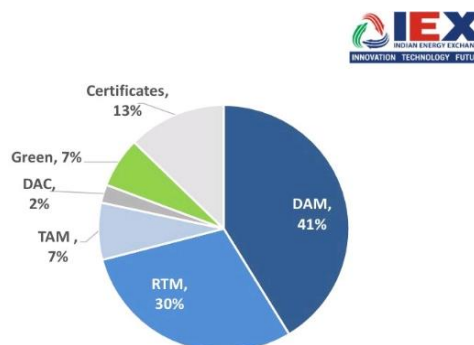
a) Cross subsidy surcharge during peak, Solar and Normal hour -

With the present scenario, across the country Solar power is plenty available which plays an important role in Energy Transition. The market is also changing its product mix substantially based on the demand of consumers. The Green Power traded in the market, which was around 3 % last year (FY-24) has increased to 7% in FY 25 (H1).

IEX Changing Product Mix



Total Volume: FY'24: 110.1 BU



Total Volume: H1 FY'25: 67.0 BU

This is mainly because of adoption of Solar Energy. MoP has also brought Guidelines for implementation of ToD tariff to promote Generation & Consumption of RE Energy. Accordingly, the Hon'ble commission has already implemented the ToD benefit considering the state's Power Consumption scenario. As per the same Consumer is getting ToD benefit

and pays surcharge for drawal during peak Hr.

The RE power is substantially available in the market at cheaper rate for which consumers preferring Power through Open Access in such scenario, the committed power of the DISCOM remain stranded and hence to GRIDCO also who is forced to trade the surplus power in the market with distress. In future there might be a chance of adverse impact on Bulk /Retail supply Tariff and ultimately to the cross subsidized consumers.

Presently there is a single Cross Subsidy Surcharge on Open Access drawal. Therefore, to maintain parity consumers those who will be availed power during solar Hr. through Open Access shall require to pay 150% of the approved cross subsidy.

b) There should be an annual plan for open access drawl -

Industries those who intend to draw power under open access should at least give their annual tentative plan to the DISCOMs/GRIDCO or to SLDC for proper planning of input requirement of the Utility so that procurement of costly power would be avoided which will contribute towards reduction in BSP.

c) Drawl of open access more than the contract Demand -

The licensee has reserved the Network corridor for a consumer basing upon its CD. For which they are paying Fixed Charges. So, if Open access is permitted beyond CD, the licensee may not be able to accommodate/serve other Bonafide consumers who are connected with the same system. To avoid such difficulties of the DISCOMs open access should not be permitted for the consumer who intends to draw more than its contract demand (CD).

d) Disbursal of Wheeling Charges to the Distribution Licensee -

Wheeling charges are payable to the Distribution Licensee by Long-Term, Medium-Term, and Short-Term Open Access (STOA) consumers for the usage of the distribution system and associated facilities. The regulations

specify that Short-Term Open Access consumers are required to pay these charges based on scheduled load or energy. As per Regulation 32(1)(ii): For Inter-State Transactions, Short-Term Open Access customers connected to the distribution system must remit the charges directly to the Distribution Licensee within three (3) days of the STOA grant by the Nodal Agency.

For Intra-State Transactions, Short-Term Open Access customers must deposit the transmission and operating charges with the SLDC within three (3) working days of the grant of the STOA. These charges are then disbursed to the Distribution Licensee within Seven (7) days.

However, the current regulations lack clarity on the process for transferring Wheeling Charges collected through SLDC to the Distribution Licensee. **This has led to significant challenges, including discrepancies during audits.**

To address these issues, it is requested that the Hon'ble Commission issue a suitable direction in the upcoming tariff order, regarding the process of disbursement of Wheeling Charges to the Distribution Licensee. Such clarity will help mitigate audit observations and streamline financial reconciliation processes.

e) Wheeling of power by industries having CGP -

CGP are allowed to carry their own power to the destination without levy of CSS. However, they are supposed to pay wheeling charges to the respective licensees. But, most of the industries are trying to avoid the same as because they have drawn the line of their own. As per EA, 2003 a consumer is not permissible to operate a distribution system without having a distribution licensee and hence the line so drawn is part of the distribution system and levy of wheeling charges is inevitable. Necessary direction in this regard may kindly be given while approving open access charges for the ensuing year for the licensee.

f) Sale of Energy by CGP/Generators under Open Access connected at 33kV level or Below:

As per the extant regulation, the system losses for the distribution system shall be determined by the Commission for various voltage levels in their tariff orders for the applicable year and shall be payable in kind by the open access customers.

Further, Regulation 11(1) (b) under “Transmission Charges” of the OERC (Promotion of Renewable Energy through Green Energy Open Access) Regulation, 2023 specifies that:

“ For use of InSTS: As determined by the commission in the ARR & Tariff Order for the relevant year. It shall be Rs./MW-Day for Long Term Access (LTA) and Medium Term Open Access (MTOA) where as it shall be Rs./kWh for Short Term Open Access (STOA):

*Provided that for RE Generation inside the state, the transmission charges shall be computed Rs./kWh for Long, Medium and Short Term open access. **The Applicable Normative Loss shall be borne by the Green Energy Open Access Consumer in kind through additional injection;**”*

(Emphasise Supplied)

Currently, entities/consumer connected with distribution system at 33 kV level selling power through the Open Access mechanism and using the distribution network are subject to an 8% normative Transmission and Distribution (T&D) loss as stipulated under the regulations. However, there are no such guidelines or directions on the accountability and settlement of this energy loss among stakeholders.

This lack of clarity has created significant challenges for DISCOMs, particularly in terms of energy accounting and reconciliation for such transactions. To address these difficulties, it is proposed that the Hon’ble Commission may consider issuing appropriate directions to streamline the settlement process. This 8% energy loss may be properly accounted for by deducting the normative quantum from the total energy transacted at respective BSP point and corresponding benefit to be passed on to the DISCOM through BSP billing.

g) Recovery of Regulatory Assets -

Recovery of Regulatory Asset should also be a part of CSS or may be recovered through additional surcharge. As because the consumer who is opting for open access was a part of the distribution system when Regulatory Asset were created due to under recovery of tariff.

h) Recovery of Stranded cost -

- When an Open Access Consumer's drawl quantum is more Licensee are unable to recover the approved Cost which in turn affects it's BSP.
 - The CSS is being determined & recovered based on the ECR, limiting to a capping of (+/-) 20% (as per NTP). However, it is not sufficient to neutralize the cost of power being incurred on account of long term PPAs with generators, to whom fixed cost shall have to be paid irrespective of drawl of power in real time.
 - Therefore, Additional Surcharge is inevitable in the context of recovery of stranded fixed cost from the Open Access Customers.
 - Many States like Gujrat, Maharashtra, Rajasthan, Punjab & Delhi have implemented levy of Additional Surcharge, Standby Charge, Regulatory Surcharges for Open Access Customers.
- 1) Modification suggested to incorporate in Regulation & Open access charges order.

Pursuance to amended open access regulation 2020, SLDC has made certain SOP and shared with Hon'ble Commission for approval. In response to that TPWODL also suggested certain modifications in the SOP as well as amendment required in the regulation. The suggestions submitted by licensee are appended below which may kindly be considered.

i. Processing & Approval of application

As per extant Regulation of 6th June 2005, the nodal agency for arranging Long- term open access (LTOA) shall be the STU if the transmission system is used, otherwise the nodal agency shall be the respective distribution Licensee within whose area and/or the network the point of drawl is situated.

Now, there is no such clause/para in the draft Regulations and there is no provision in the SOP to include the LTOA customers which are connected to the Distribution system. However, SLDC has suggested that generating station seeking open access in short term needs to apply to DISCOMs directly with appropriate fee and DISCOM shall be responsible for facilitating such short-term open access. Presently, in TPWODL licensee area there are 13 LTOA customers & generators who are drawing/carrying power under LTOA arrangement.

In view of the above, TPWODL suggests including such LTOA & STOA customers under the proposed mechanism, which is an accepted industry practice with a legacy of over 15 years, and surely augurs well for remaining customer base of TPWODL consumers due to the softening impact it would potentially bring on ARR due to proceeds coming from LTOA and STOA Customers. Accordingly, it is requested that the appropriate provisions may please be restored in the new Regulations as well as in the SOP, in the larger public interest.

ii. Open Access Charges

In the new Regulations (chapter-5) para "22" describes wheeling Charges where in the following clause has been incorporated.

"Provided further that Wheeling Charges shall not be applicable in case dedicated lines (as defined under Section 2(16) of Electricity Act 2003) constructed by generator are being utilized for supply to the open access customer."

TPWODL request Hon'ble Commission to modify the same in the following manner,

"Provided further that Wheeling Charges shall not be applicable in case

dedicated lines (as defined under Section 2(16) of Electricity Act 2003) constructed by generator (If the generator is not grid connected) are being utilized for supply to the open access customer.”

It may please be noted that in all circumstances, other than where network of Open Access customer is directly connected with the Generator, the last mile network of Open Access customer shall be integrated with the larger distribution network, thereby becoming liable to pay wheeling charges to TPWODL.

Further, the reasons for above suggestion are as follows:-

- a) When the generator fails or in case of low generation then power supply will flow to the load centre from transmission/ distribution system in case of grid connected generators.
- b) A generator/ consumer can not own a distribution system unless having Distribution Licensee (As per Section 2(19) of Electricity Act 2003). Further, as per the provision of the Hon’ble Commission’s Regulations, network assets created by a generator/consumer are deemed Distribution assets.
- c) Hon’ble Commission has already passed orders to the effect that DISCOM is eligible for wheeling charges in case of OCL & OISL vide case no. 139 of 2009 dated 26th Aug 2010 which was subsequently upheld by Hon’ble ATE in case no. 171 of 2010 & 187 of 2010 and 137 of 2012.

Hon’ble ATE while upholding the decision of the Hon’ble Commission has also emphasized on Section 2(76) of Electricity Act 2003 where in “wheeling” means the operation whereby the distribution system and associated facilities on a transmission licensee or distribution licensee, as the case may be are used by another person for conveyance on electricity on payment on charges to be determined under Section-62.

Therefore, Hon’ble Commission may kindly look into it for ensuring that there is no contradiction to the above cited provision of the Electricity Act, 2003 and amend /modify the clause suitably, for ensuring harmony.

iii. Surcharge & Standby Charges

It has been suggested by SLDC that raising of CSS bill may be done at DISCOM end. It is pertinent to mention here that, since July-23, upon sharing of meter reading data SLDC advises to raise the CSS bill by DISCOMs. Accordingly, TPWODL has raised the monthly CSS bill since July-23. Upon sharing meter reading particulars with SLDC, in turn, SLDC verifies and communicates to DISCOMs. By this process, consumers are getting the bill at the end of the billing month.

Since, the consumer billing (EC & CSS bill) is to be done basing upon the Consumption/ Meter data by the Distribution Licensee, in the above communication process, considerable time is being taken to realize the CSS amount. CSS charges being realized at the end of the subsequent month. Therefore, it is our suggestion/ request to permit DISCOM to bill the CSS at its end upon receipt of the Open Access schedule data and deriving actual drawl from meter data with a copy to SLDC. Deviation found if any upon verification by SLDC shall be considered/factored in the next bill. In this process, the CSS bill can be raised in the 1st week itself and the realization of the same would be well within time.

Further, SLDC has suggested that “Cross subsidy surcharge determined on Per Unit basis shall be payable, on monthly basis, by the open access consumers based on the **actual energy drawn** during the month through open access.”

In this regard, it is to submit that Hon’ble Commission while reviewing performance of OPTCL for the period Apr-13 to Sept-13 of FY13-14 in the record note of review meeting dt.18th Feb-2013 communicated vide letter no. OERC-Engg-21/2005(Vol- III)/1544 dt.31-12-2013 where in it has been directed that SLDC should bill cross subsidy surcharge to the open access customer **on the total amount of energy they have drawn from the outside source irrespective of their Contract Demand**. Since then SLDC is raising CSS bills on actual energy consumed by Open Access Customers. For which every 15 minutes time block data is being perused and actual energy consumed out of open access quantum is derived for billing purposes, which is a cumbersome activity.

TPWODL is of the view that the Open Access Customers are purchasing power from outside for which SLDC is scheduling and the consumer is paying the transmission charges/ wheeling charges on the entire power scheduled as well as must be paying upfront to the seller on the entire power scheduled. So, SLDC or DISCOM should raise the CSS bill on the entire quantum of power sourced from outside on the basis of scheduled energy. Hon'ble Commission earlier direction also in line with the same. The system is well established, transparent and easily manageable from billing perspective.

iv. Treatment on under drawl by Open Access Customers who is a customer of Distribution Licensee

The procedure suggested by SLDC has not been mentioned in the new Regulations, so this should not be incorporated. Further, the distribution licensee is no way responsible for loss of open access power as the Open Access Customers of DISCOM connected in 132 KV & above which is clearly the domain of OPTCL, so fault would be at OPTCL end or at customer end. DISCOM has no role in such an arrangement. Therefore, there is no reason for DISCOM to compensate for power loss which is never delivered in DISCOM boundary. As regards consumers connected in 33 KV & 11 KV supply and availing power through Open Access are well aware about the system availability and they are taking an evaluated business risk. Further, such customers are drawing power under Open Access beyond their Contract Demand so why DISCOM should compensate such customers when they directly schedule power beyond Contract Demand.

Other proposal:

As per OERC (Terms and Conditions of Intra state Open Access) Regulation, 2020 vide para 35, in case of long-term access and medium-term open access, the applicant for open access will open an irrevocable revolving Letter of Credit in favor of the agency responsible for collection of various charges for the estimated amount of various charges for a period of two (2) months.

However, there is no such security mechanism for consumers availing power under short term open access with the licensee. Therefore, necessary directions may kindly be given in this regard.

It is submitted that Hon'ble Commission has pronounced the open access charges applicable from 01.04.2024 vide order dated 13.02.2024 in case no. Case Nos. 116, 117, 118 of 2023.

The wheeling charges and surcharge as applicable for HT & EHT industries for TPWODL effective from 01.04.2024 are as follows: -

For HT Industries:-

Wheeling charges =97.30 paise per unit.

Cross Subsidy Surcharge=29.69 paise per unit.

For EHT Industries:-

Cross Subsidy Surcharge=117.50 paise per unit.

It is submitted that the open access to existing consumer should be allowed within limited Transmission / Distribution capacity. A limit should be fixed by the Hon'ble commission so that the distribution licensee may be allowed to reserve adequate transmission/ Distribution corridor for new consumer, to safe guard the interest of the new consumers in the state.

It is submitted that the industries opting for open access may also be required to provide their tentative schedule for the year in advance so that the distribution licensee would schedule it's intake from GRIDCO.

Levy of Open Access Charges on Development of Solar Project under RESCO mode within the premises of Industrial Consumers

The Hon'ble Commission vide letter No. OERC/DIR(T)-330/2023/1622 dated 04/11/2023 has suggested for levy of CSS on solar projects developed through RESCO model as per following operational guidelines:

The following operational points to be followed while implementation of Solar Projects under RESCO mode:

1. Cross Subsidy Surcharge is liable to be levied according to OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020 and tariff order of

the respective year in view of the judgement of Hon'ble Supreme Court in Civil Appeal No. 5479 of 2013 wherein Hon'ble Court has stated as under:

*“28. Therefore, in the aforesaid circumstances though CSS is payable by the Consumer to the Distribution Licensee of the area in question when it decides not to take supply from that company but to avail it from another distribution licensee. In nutshell, **CSS is a compensation to the distribution licensee irrespective of the fact whether its line is used or not**, in view of the fact that, but for the open access the consumer would pay tariff applicable for supply which would include an element of cross subsidy surcharge on certain other categories of consumers. What is important is that a consumer situated in an area is bound to contribute to subsidizing a low and consumer if he falls in the category of subsidizing consumer. Once a cross subsidy surcharge is fixed for an area it is liable to be paid and such payment will be used for meeting the current levels of cross subsidy within the area.”*

2. Interface/feeding point between developer and the consumer is to be metered and sealed for calculation of injected energy & Cross Subsidy Surcharge.
3. The Scheduling of power through SLDC will not be required if the power is not injected into distributing/transmission network.

Prayer

In the aforesaid facts and circumstances, the utility requests that the Hon'ble Commission may be pleased to:

- 1) Consider the proposal of TPWODL in this application for determination of Wheeling Charges and Cross Subsidy Surcharge on record.
- 2) Approve the Wheeling charges and Cross Subsidy Surcharge as prayed for FY 2025-26.
- 3) Fixation of Additional Surcharge in addition to CSS and Wheeling towards recovery of stranded FC, Recovery of Regulatory Assets.
- 4) Approval of CSS for Peak and Off-peak hour.
- 5) Fixation of limitation for drawl of open access charges beyond CD.
- 6) Direction regarding the process of disbursement of Wheeling Charges to the Distribution Licensee.
- 7) Direction to pay wheeling charges by CGPs who are carrying own power through own Line or Network Assets created by them.

- 8) Appropriate directions to the Generators and stakeholders for streamlining the settlement process of T&D loss at 11/33kV level through BSP Billing.
- 9) Submissions of annual plan by open access consumers with the licensee or before State Commission as the case may be.
- 10) Continuity of Levy of cross subsidy surcharge and wheeling charges on RE power drawn outside the state.
- 11) Any other relief, order or direction which the Hon'ble Commission deems fit to be also issued.

By the Applicant
Through Sr. GM (RA & Strategy)

Place:

Date:

Annexure – A

TPWODL

Annexure-A

Allocation of wheeling cost and Retail supply cost

Rs. Lakh

Sl No.	Cost/Income Component	ARR for FY 2025-26	Assumption Ratio for consideration in Wheeling Business	Assumption Ratio for consideration in Retail Supply Business	Wheeling cost for FY 2025-26	Retail supply Cost for FY 2025-26
1	Cost of Power	438472.50	0%	100%	23184.00	415288.50
2	Transmission Charges	27684.00	0%	100%	1803.20	25880.80
3	SLDC Charges	233.52	0%	100%	233.52	0.00
	Total power purchase cost *	466390.02			25220.72	441169.30
	O&M					
4	Employee Cost	56094.05	60%	40%	33656.43	22437.62
5	Repair & Maintenance Cost	32679.42	90%	10%	29411.48	3267.94
6	Administrative & General Expenses	23298.96	50%	50%	11649.48	11649.48
7	Bad & Doubtful Debt including Rebate	5891.35	0%	100%	0.00	5891.35
8	Depreciation	15544.51	90%	10%	13990.06	1554.45
	Interest on Loans					
9	For Term Loan CAPEX	7472.76	90%	10%	6725.48	747.28
10	for Working capital	2083.96	10%	90%	208.40	1875.56
11	Interest on Security Deposits	8531.55	0%	100%	0.00	8531.55
12	Return on Equity	16146.32	90%	10%	14531.69	1614.63
13	Tax on ROE	5431.01	90%	10%	4887.91	543.10
14	Carrying cost on Regulatory Assets/Liabilities	0.00	10%	90%	0.00	0.00
	Special Appropriation					
13	Amortization of Regulator Assets	0.00	25%	75%	0.00	0.00
14	True Up of Current year & previous year	-11844.00	25%	75%	-2961.00	-8883.00
15	Carrying cost on ASL	977.14	10%	90%	97.71	879.43
	Grand Total	628697.05			137418.36	491278.69
	Miscellaneous Receipt					
16	Non-Tariff Income	39562.48	10%	90%	3956.25	35606.23
	Wheeling cost per kwh				166	
*Allocation of power purchase cost towards wheeling has been made considering 8% loss on input after effecting EHT sale						
		EHT	HT	LT	Total	
	Total Sale (MU)-proposed for FY 25-26	3500	2600	3712	9812	
	Input (MU)-Proposed for FY 25-26	3500	3244	4806	11550	
	Loss (MU)	0	644	1094	1738	
	Input received in the system(MU)	11550	8050	4806		

Annexure-B

Annexure-B

Calculation of Surcharge for EHT category of Consumers

Total EHT Sales proposed for FY 2025-26 in MU	Proposed ARR for EHT Category Rs in Crore	Average Tariff (P/KWH) (T)*	Cost of power Purchase (P/KWH) (C)	Wheeling Charge (P/KWH)(D)	System Loss (%) (L)	Regulatory Asset (P/KWH)	Surcharge (P/KWH) (T - (C/ (1-L/100))+D+R))
3500.00	2361.43	651.93	404.00	0	0	0	248

* Average Tariff has been calculated on the basis of KVAh quantum as KVAh billing has been started from 04.04.2021.

Calculation of Surcharge for HT category of Consumers

Total HT Sales proposed for FY 2025-26 in MU	Proposed ARR for HT Category Rs in Crore	Average Tariff (P/KWH) (T)	Cost of power Purchase (P/KWH) (C)	Wheeling Charge (P/KWH)(D)	System Loss (%) (L)	Regulatory Asset (P/KWH)	Surcharge (P/KWH) (T - (C/ (1-L/100))+D+R))
2600.00	1680.75	630.52	404.00	166	8	0	26

* Average Tariff has been calculated on the basis of KVAh quantum as KVAh billing has been started from 04.04.2021.