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S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>In the matter of parallel operation charges, in the draft ARR the state utilities have taken reliance on the ‘Honorable CSERC Discussion paper on PoC determination dt.01.06.2008’. It is pertinent to mention here that: the same was proposed to be determined and applied on CPPs based on firm power sources like coal, gas, biomass, bagasse etc. and not on infirm power sources like wind and solar.</p>	<p>The Captive Power Plants continue to get connected to the licensee network system and operate their plant in synchronism with the grid due to certain benefits which cannot be physically measurable. Thus the grid acts as the supporting system for the CPPs for its successful operation in terms of electrical performances. However, the grid support being an ancillary service extended by the licensee to the consumers, it has to be charged to the consumers who utilize the grid support.</p>
2	<p>Here the consumer was though connected to the utilities grid but has neither availed any contract demand nor was in the ambit of regime of contract demand charges from the utility and the load was catered by the CPP. Further any surplus power was exported and billed to the state utility and in case of any startup / ramp-up power required by the CPP or power required by the consumers load during the shutdown or breakdown of the CPP was drawn from the utility paying temporary charges of power.</p>	<p>The grid support charges are not for drawl of power from the Distribution Licensee, but for utilization of parallel operation benefits by captive generators. As per the proposed grid charges conditions, the grid support charges will not be levied on the entire capacity of CPP and it will be levied only on differential capacity between CPP capacity and CMD with Distribution Licensee.</p>
3	<p>In case, even if the consumer takes the contract demand from utility, it was either minimal or to the tune of difference between his total load / Contract Demand requirement and the Capacity of the CPP.</p>	<p>No comments</p>
4	<p>Whereas in the case of Renewable Energy Generating Station from Solar and Wind the client in always under the ambit of the Contract Demand regime to the tune of its connected load duly paying the contract demand charges and the load. This Contract Demand availed from the utility is equal or more than the total connected load / demand of the consumer. It is never the case when the consumer has the option / liberty to reduce its Contract Demand below its</p>	<p>The advantages of parallel operation with the grid are benefited by the CPPs in addition to other facilities of other industries. In view of the additional benefits than the normal other industries or others, the CPPs who intend to use and benefit from parallel operation need to compensate through Grid Support charges.</p>

	connected load to the tune of the CPP from such renewable energy source of wind and solar.	
5	Thus, the consumer cannot draw power over and above the contract demand maintained from the utility at any given point of time and in the event the contract demand exceeds for a moment above the availed contract extra fixed and temporary charges are applicable as per the provisions of the regulations.	
6	In the event of Captive Rooftop Solar PV Power Plant in the premises of the consumer the capacity of the solar power plant is governed by the capacity restriction as provided by the regulations which is upto a maximum of 80% of the contract demand availed from utility by the consumer.	If the Captive Plant Capacity is less than or equal to contracted maximum demand with licensee, such captive power plant capacity will not attract grid support charges.
7	<p>Thus, in the case of renewable energy if we go by the formula proposed in the petition which states that:</p> <p>“Persons Operating Captive Power Plants (CPPs) in parallel with the T.S. Grid have to pay ‘Grid Support Charges’ for FY 2022-23 on the difference between the capacity of CPP in KVA and the contracted maximum demand in kVA with licensee and all other sources of supply, at a rate equal to 50% of the prevailing demand charge for HT consumers. In case of CPPS exporting firm power to TSTRANSCO, the capacity, which is dedicated to such export, will also be additionally subtracted from the CPP capacity.”</p> <p>Suppose:</p> <p>1.(A) Total capacity of CPP from solar resource is 800 KVA.</p> <p>2.(B) The total load / Contracted maximum demand of the consumer is 1000 KVA.</p> <p>3.Further the solar / wind does not give FIRM power.</p> <p>Then as per the formula the Charges will be</p> <p>{(A) – (B)} x demand Charges x 50% which will go in negative.</p>	Hence, the proposed grid support charges in the ARR for FY 2022-23 will not applicable to solar rooftop services as its solar plant capacity is less than or equal to contracted maximum demand with licensee.

Thus, as per our understanding the proposed grid support charges for CPPs in parallel operations from renewable energy sources from Solar / Wind cannot be applied.

It is also pertinent to mention that the Renewable Energy Generating plants installed in the state were installed as per the terms and conditions and charges as applicable at that particular point of time and any new charges to be imposed on these older installation will be violation of the law. It's an established principle of retrospective application of law the honourable APEX Court of India going against the retrospectivity also says that: The broad general principle is that a "vested right cannot be taken away by a retrospective law".

The SC has stressed on doctrine of fairness and how it would be unfair to fasten an obligation based on an amendment in law in the future. It unequivocally also provides that a legislation which impose new obligations should be treated as prospective, but the same which confers a benefit, could be construed as retrospective considering the intent of the lawmakers.

Any retrospective introduction of the superseding / amendment of the regulations thus will contradict the Doctrine of Legitimate Expectations, Principles of Promissory Estoppel in the present case.

These charges if imposed on the renewable energy generating plants from solar and wind will deter the development and growth of renewable energy in the state and will be violation of the Objectives behind the enactment of The Electricity Act, 2003.

Further imposition of such arbitrary charges on the rooftop solar (renewable energy generation) will create hurdle in the achievement of the sustainability goals of the consumers in the state which are committed to contribute towards the fight for the global warming. Further imposition of such regulatory charges to discourage consumption of renewable energy from own resources and forcing them to buy RE from the state utilities shall be avoided.

The apex court in their landmark judgement stated that: If de-licensing of the

TS Discoms want to state that they have never intended to obstruct the development and growth of Renewable Energy in the state by application of Grid Support charges. However, application of such charges is equally important to manage the grid stability which is the ultimate aim to get good quality and reliable power.

TS Discoms understands the environmental benefits of promoting the RE and have always actively participated in promoting green energy.

However, the proposed grid support charges in the ARR for FY 2022-23 will not applicable to solar rooftop services as its solar plant capacity is less than or equal to contracted maximum demand with licensee.

generation is the prime object of the Act, the courts while interpreting the provisions of the statute must guard itself from doing so in such a manner which would defeat the purpose thereof. It must bear in mind that licensing provisions are not brought back through the side door of Regulations.

Further it is submitted that:

1.Honorable Rajasthan DISCOMS in their petition to the honorable State commission has categorically stated that the said charges shall not be applicable on renewable energy sources. Some other states like Maharashtra has also not imposed the same on RE.

2.Almost all of the states in the country have not imposed any such charge on the RE generation and consumption.

Solar Rooftop Target Vs. Achievement:

It is important to refer the following data on the total achievement versus the target of rooftop in the state of Telangana (as per the records from MNRE).

Target of Rooftop Solar till 2021-22	2000	MW
Achievement of Rooftop Solar till 31st Dec 2021	205.69	MW
Percentage Achievement	10.28%	

Benefits derived by the DISCOMs from the Rooftop Solar PV Power Projects: Solar Renewable Power Purchase Obligation (SRPPO) and CDM Benefits – The regulations of the honorable commissions allows the state utilities to account the generation from these rooftop solar PV Power plant installed in the state of Telangana for their complimentary Solar RPO for which other wise the state utilities would have to incur financial burden. In the similar manner the regulations also permit the sharing of the complimentary CDM benefits for the solar power generated from such plants in the state of Telangana thus providing direct financial saving to the state utilities from such

It is very clear that the Captive Plant's Capacity is less than or equal to contracted maximum demand with licensee, such captive power plant will not attract grid support charges. In case CPP capacity is more than the CMD with Discom, the proposed grid support charge will applicable.

However, the proposed grid support charges will not applicable to solar rooftop services as its solar plant capacity is less than or equal to contracted maximum demand with licensee.

renewable energy generating plants in the premises of the consumer.

SUBMISSION

1.Thus, to remove ambiguity and any future difficulty being faced by the consumer / CPP from renewable energy sources from infirm power sources of solar and wind the honorable commission is requested to clarify and confirm that no such parallel operation charges / grid Support charges will be applicable from power consumed from infirm Renewable Energy Sources from Wind and Solar.

2.In case the honorable commission so decides to impose such charges on the CPPs from infirm renewable energy sources of solar / wind / hybrid the projects and generation from the plants installed on or before the date of notification / imposition of these charges shall be exempted from these charges for the life of these projects.