

Policy –Round 4 auction (LOI-02.12.2021)

$DA_{Source\ 8}$ Discount Amount for linkage coal received from source 8 (Northern Coalfields Ltd, State : Madhya Pradesh) under SHAKTI Policy –Round 4 auction (LOI-13.12.2021)

The discount amount for Source 1 and other sources (Sources 1 to 4) for a month shall be calculated as per the formula mentioned below:

$$DA_{Source\ n} = \{SE \times (Generation_{Source\ n} / Total\ Scheduled\ Energy)\} \times TDS_{Source\ n}$$

SE Scheduled Energy for the month for TANGEDCO from the Power Station

$TDS_{Source\ n}$ is the discount offered by the Seller for Source n on year on year basis as per the “**Tariff Discount Stream**” applicable for the month.

$Generation_{Source\ n}$ is the ex-bus generation corresponding to the quantity of coal received at power station from Source n and will be calculated as:

$$Generation_{Source\ n} = \frac{Q_{ACT} \times GCV_{ACT}}{SHR_{Gross}} \times (1 - Aux\%)$$

Source_n = 1,2,3 & 4

Where:

Q_{ACT} Quantity of coal received from Source n under the Shakti Policy FSA for the month in MT.

GCV_{ACT} Average of the GCV band of coal received under Shakti Policy FSA from Source n for the month in Kcal / Kg on as per the invoice raised by coal source.

$Aux\%$ As specified in the Central Electricity Regulatory Commission Terms and Conditions of Tariff Regulations as modified and amended from time to time).

SHR_{Gross} As specified in the Central Electricity Regulatory Commission Terms and Conditions of Tariff Regulations as modified and amended from time to time.

Total Scheduled Energy = Sum of Scheduled Energy from the Power Station to all DISCOMs eligible under Shakti Policy for the month

The discount amount for Source 5 for a month shall be calculated as per the formula mentioned below:

$$DA_{Source\ n} = \{SE \times (Generation_{Source\ n} / Total\ Scheduled\ Energy)\} \times TDS_{Source\ n}$$

SE Scheduled Energy for the month for TANGEDCO from the Power Station

$TDS_{Source\ n}$ is the discount offered by the Seller for Source n on year on year basis as per the **Tariff Discount Stream** applicable for the month.

Generation_{Source n} is the ex-bus generation corresponding to the quantity of coal received at Power Station from Source n and will be calculated as:

$$\text{Generation}_{\text{Source } n} = \frac{Q_{\text{ACT}} \times \text{GCV}_{\text{ACT}} \times (1 - \text{Aux}\%)}{\text{SHR}_{\text{Gross}}}$$

Source n = 5

Where:

Q_{ACT} Quantity of coal received from Source n under the Shakti Policy FSA for the month in MT.

GCV_{ACT} Average of the GCV band of coal received under Shakti Policy FSA from Source n for the month in Kcal / Kg on as per the invoice raised by coal source.

Aux% As specified in the Central Electricity Regulatory Commission Terms and Conditions of Tariff Regulations as modified and amended from time to time).

SHR_{Gross} As specified in the Central Electricity Regulatory Commission Terms and Conditions of Tariff Regulations as modified and amended from time to time.

Total Scheduled Energy = Sum of Scheduled Energy from the Power Station to all DISCOMs eligible under Shakti Policy for the month

The discount amount for Source 6 and other sources (Source 6 to 8) for a month shall be calculated as per the formula mentioned below:

$$DA_{\text{Source } n} = \{SE \times (\text{Generation}_{\text{Source } n} / \text{Total Scheduled Energy})\} \times TDS_{\text{Source } n}$$

SE Scheduled Energy for the month for TANGEDCO from the Power Station

TDS_{Source n} is the discount offered by the Seller for Source n on year on year basis as per the **Tariff Discount Stream** applicable for the month.

Generation_{Source n} is the ex-bus generation corresponding to the quantity of coal received at Power Station from Source n and will be calculated as:

$$\text{Generation}_{\text{Source } n} = \frac{Q_{\text{ACT}} \times \text{GCV}_{\text{ACT}} \times (1 - \text{Aux}\%)}{\text{SHR}_{\text{Gross}}}$$

Source n = 6,7 & 8

Where:

Q_{ACT} Quantity of coal received from Source n under the Shakti Policy FSA for the month in MT.

GCV_{ACT} Average of the GCV band of coal received under Shakti Policy FSA from Source n for the month in Kcal / Kg on as per the invoice raised by coal source.

Aux% As specified in the Central Electricity Regulatory Commission Terms and Conditions of Tariff Regulations as modified and amended from time to time).

SHR_{Gross} As specified in the Central Electricity Regulatory Commission Terms and Conditions of Tariff Regulations as modified and amended from time to time.

Total Scheduled Energy = Sum of Scheduled Energy from the Power Station to all DISCOMs eligible under Shakti Policy for the month”

17. Relevant provisions of supplementary PPA with Respondents No. 2 to 5 (DISCOMs) are extracted as under:

“SCHEDULE 4A – TARIFF DISCOUNT

*I. The year on year “Tariff Discount Stream” applicable for each of the allocated Sources under Round 1 Coal Auction (shall be called as Source 1 to 4) for the balance period of the PPA shall be as indicated in the **Annexure-3**.*

*IA. The year on year “Tariff Discount Stream- LOI-10.07.2020” applicable for the allocated source SECL Others Korba and Mand Raigarh under Round-3 coal auction (shall be called as Source 5) for the balance period of the concluded PPA shall be indicated in the **Annexure-4**.*

*IB. The year on year “**Tariff Discount Stream**” applicable for each of the allocated sources under Round-4 coal auction (shall be called as Source 6 to 8) for the balance period of the concluded PPA shall be indicated in the **Annexure-2**.*

II. The gross amount of Monthly Bill shall be as per the terms and conditions of the concluded PPA and the discount applicable for the respective year shall be reduced from the gross amount of each such Monthly Bill.

III. For the actual application of the year on year discount, the first year or Year-1 will be said to have commenced from the date of commencement of coal supply under the Fuel Supply Agreement entered into by KMPCL and the relevant fuel supplier as provided under the Shakti Policy. Any period remaining in the last year of the concluded PPA shall be considered to be one year for the purpose of calculating the levellized discount.

IIIA. For the actual application of the year on year discount, the first year or Year-1 will be said to have commenced from the date of commencement of coal supply under the Fuel Supply Agreement entered into by KMPCL and the relevant fuel supplier of Round-3 Coal auction (as per LOI dated 10.07.2020) as provided under the Shakti Policy. Any Period remaining in the last year of the concluded PPA shall be considered to be one year for the purpose of calculating the levellized discount

IIIB. For the actual application of the year on year discount, the first year or Year-1 will be said to have commenced from the date of commencement of coal supply under the Fuel Supply Agreement entered into by KMPCL and the relevant fuel supplier of Round-4 Coal auction (as per LOIs dated 22.11.2021, 02.12.2021 and 13.12.2021) as provided under the Shakti Policy. Any Period remaining in the last year of the concluded PPA shall be considered to be one year for the purpose of calculating the levellized discount

IV. The amount to be passed on as discount to the Procurer shall be computed with reference to the power generation from the corresponding linkage coal supplied and received under the Shakti Auction (Round-1, Round-3 and Round-4). The same will be calculated for each source separately. The Monthly Energy Bill raised by the Seller on the Procurer will be as per the formula mentioned below:

$$\text{Monthly Energy Bill} = EB_{PPA} - DA_{Total}$$

Where:

EB_{PPA} the amount specified in the Monthly Bill raised by Seller as per schedule 4 of the PPA, without applying the adjustment/ discount as provided for in Schedule 4A.

DA_{Total} Total Discount Amount for all the sources from where linkage coal has been received under the SHAKTI policy. DA_{Total} will be calculated as:

$$DA_{Total} = DA_{Source1} + DA_{Source2} + DA_{Source3} + DA_{Source4} + DA_{Source5} + DA_{Source6} + DA_{Source7} + DA_{Source8} + \dots + DA_{SourceN}$$

$DA_{Source1}$ Discount Amount for linkage coal received from source 1 (MCL IB Valley and Basundhara, State: Odisha) under the SHAKTI Policy

$DA_{Source2}$ Discount Amount for linkage coal received from source 2 (MCL Talcher, State: Odisha) under SHAKTI Policy

$DA_{Source3}$ Discount Amount for linkage coal received from source 3 (SECL Korea Rewa, State: Chhattisgarh) under SHAKTI Policy

$DA_{Source4}$ Discount Amount for linkage coal received from source 4 (SECL Others Korba and Mand Raigarh, State : Chhattisgarh) under SHAKTI Policy

$DA_{Source5}$ Discount Amount for linkage coal received from source 5 (SECL Others Korba and Mand Raigarh, State : Chhattisgarh) under SHAKTI Policy –Round 3 auction (LOI-10.07.2020)

$DA_{Source6}$ Discount Amount for linkage coal received from source 6 (SECL Others Korba and Mand Raigarh, State : Chhattisgarh) under SHAKTI Policy –Round 4 auction (LOI-22.11.2021)

$DA_{Source7}$ Discount Amount for linkage coal received from source 7 (MCL IB (IB Valley & Basundhara, State : Odisha) under SHAKTI Policy –Round 4 auction (LOI-02.12.2021)

$DA_{Source8}$ Discount Amount for linkage coal received from source 8 (Northern Coalfields Ltd, State : Madhya Pradesh) under SHAKTI Policy –Round 4 auction (LOI-13.12.2021)

The discount amount for Source 1 and other sources (Source 1 to 4) for a month shall be calculated as per the formula mentioned below:

$$DA_{Source1} = \{SE \times (Generation_{Source1} / Total Scheduled Energy)\} \times TDS_{Source1}$$

SE Scheduled Energy for the month for U.P. Discoms from the Power Station

TDS_{Source1} is the discount offered by the Seller for Source 1 on year on year basis as per the “**Tariff Discount Stream**” applicable for the month.

Generation_{Source1} is the ex-bus generation corresponding to the quantity of coal received at Power Station from Source 1 and will be calculated as:

$$\text{Generation}_{\text{Source1}} = \frac{Q_{\text{ACT}} \times \text{GCV}_{\text{ACT}}}{\text{Net SHR}}$$

Where:

Q_{ACT} Quantity of coal received from Source 1 under the Shakti Policy FSA for the month in MT

GCV_{ACT} GCV of coal received at the Power Plant under Shakti Policy FSA from Source 1 for the month in Kcal / Kg on as received basis.

Net SHR As specified in RFP submission, format 4.6B (i.e. 2262.51kCal/kWh)

Total Scheduled Energy = Sum of Scheduled Energy from the Power Station to all DISCOMs eligible under Shakti Policy for the month

The discount amount for Source 5 for a month shall be calculated as per the formula mentioned below:

$$DA_{\text{Source5}} = \{SE \times (\text{Generation}_{\text{Source5}} / \text{Total Scheduled Energy})\} \times TDS_{\text{Source5}}$$

SE Scheduled Energy for the month for U.P. Discoms from the Power Station

TDS_{Source5} is the discount offered by the Seller for Source 5 on year on year basis as per the “**Tariff Discount Stream-LOI-10.07.2020**” applicable for the month.

Generation_{Source5} is the ex-bus generation corresponding to the quantity of coal received at Power Station from Source 5 and will be calculated as:

$$\text{Generation}_{\text{Source5}} = \frac{Q_{\text{ACT}} \times \text{GCV}_{\text{ACT}}}{\text{Net SHR}}$$

Where:

Q_{ACT} Quantity of coal received from Source 5 under the Shakti Policy FSA for the month in MT.

GCV_{ACT} GCV of coal received at the Power Plant under Shakti Policy FSA from Source 5 for the month in Kcal / Kg on as received basis.

Net SHR As specified in RFP submission, format 4.6B (i.e. 2262.51kCal/kWh)

Total Scheduled Energy = Sum of Scheduled Energy from the Power Station to all DISCOMs eligible under Shakti Policy for the month

The discount amount for Source 6 and other sources (Source 6 to 8) for a month shall be calculated as per the formula mentioned below:

$$DA_{Source6} = \{SE \times (Generation_{Source6} / Total\ Scheduled\ Energy)\} \times TDS_{Source6}$$

SE Scheduled Energy for the month for U.P. Discoms from the Power Station

TDS_{Source6} is the discount offered by the Seller for Source 6 on year on year basis as per the “**Tariff Discount Stream**” applicable for the month.

Generation_{Source6} is the ex-bus generation corresponding to the quantity of coal received at Power Station from Source 6 and will be calculated as:

$$Generation_{Source6} = \frac{Q_{ACT} \times GCV_{ACT}}{Net\ SHR}$$

Where:

Q_{ACT} Quantity of coal received from Source 6 under the Shakti Policy FSA for the month in MT

GCV_{ACT} GCV of coal received at the Power Plant under Shakti Policy FSA from Source 6 for the month in Kcal / Kg on as received basis.

Net SHR As specified in RFP submission, format 4.6B (i.e. 2262.51kCal/kWh)

Total Scheduled Energy = Sum of Scheduled Energy from the Power Station to all DISCOMs eligible under Shakti Policy for the month”

18. Accordingly, the discount provided by the Petitioner under the SHAKTI policy as per the Letter of Intent dated 22.11.2021 (10 paise / kWh), Letter of Intent dated 02.12.2021 (11 paise / kWh) and Letter of Intent dated 13.12.2021 (11 paise/kWh) for the Respondents No. 1 to 5, is adopted in terms of Section 63 of Act.

19. The Petition No. 117/MP/2022 is disposed of in terms of the above.

**Sd/-
(P.K Singh)
Member**

**Sd/-
(Arun Goyal)
Member**

**Sd/-
(I.S Jha)
Member**