



सत्यमेव जयते

दिल्ली विद्युत विनियामक आयोग Delhi Electricity Regulatory Commission



F.3(659)/Tariff-Engg./DERC/2021-22/7236/489

Dated: 10/06/2022

To

The Chief Executive Officer
M/s BSES Rajdhani Power Ltd.
BSES Bhawan, Nehru Place,
New Delhi-110019

The Chief Executive Officer
M/s BSES Yamuna Power Ltd.
Shakti Kiran Building,
Karkardoma, Delhi-110092

The Chief Executive Officer
Tata Power Delhi Distribution Ltd.
33 kV Grid Sub-station
Hudson Lane, Kingsway Camp,
Delhi-110009

Sub: Impact of Blending of Imported Coal and Increase in Gas Prices.

- Ref: a) BRPL letter No. RA/2022-23/01/A/43 dated 8/06/2022
b) BRPL letter No. RA/2022-23/01/A/96 dated 20/05/2022
c) BRPL letter No. RA/2022-23/01/A/78 dated 12/05/2022
d) BRPL letter No. RA/2022-23/01/A/64 dated 10/05/2022
e) BYPL letter No. RA/BYPL/2022-23/80 dated 8/06/2022
f) BYPL letter No. RA/BYPL/2022-23/57 dated 20/05/2022
g) BYPL letter No. RA/BYPL/2022-23/44 dated 12/05/2022
h) BYPL letter No. RA/BYPL/2022-23/37 dated 10/05/2022
i) TPDDL/CEO/ 2022-23 dated 3/06/2022
j) TPDDL letter No. TPDDL/Regulatory/2022-23/03/144 dated 10/05/2022

Sir,

With reference to above mentioned letters, DISCOMs have expressed unprecedented increase in Energy Charge Rate (ECR) due to blending of Imported Coal & increase in Gas Prices causing high input Power Purchase Cost and Cash Flow crisis. In order to meet the Cash flow requirements and supply of 24X7 Power to consumers, DISCOMs have requested to waive/ relax provisions of existing Regulations and allow 100% pass through of Fuel Cost, Short Term Power Purchase in PPAC & allow additional PPAC @ 17.16% for BYPL, 20.22% for BRPL till Sept '22 and 25% upto Mar'23 for TPDDL.

2) The Commission has analyzed the submissions of DISCOMs and observes that:

- a) The recent sharp increase in Electricity Demand has necessitated that Thermal Generating Stations produce electricity to their maximum feasible level. However, shortage of Domestic Coal is constraining the Generating

"WEAR FACE MASK"

"WASH HANDS REGULARLY"

"MAINTAIN SOCIAL DISTANCING"

Himanshu 10/6/22

Stations to restrict their generation thereby resulting in shortfall in supply of energy. In this context, Ministry of Power (MoP), GoI vide its Order dated 28/04/2022 had directed State Governments and Thermal Generating Stations to ensure upto 10% blending of coal. Further, MoP, GoI vide its Order dated 18/05/2022 directed CERC under Section 107 of Electricity Act, 2003 to immediately allow upto 30% of Blending of imported Coal without Beneficiaries consultation upto 31/03/2023 to maintain resource adequacy and 24x7 supply to consumers.

- b) Subsequently, CERC has issued Staff Paper on *"Blending of imported Coal with domestic coal to mitigate the domestic coal shortage"* indicating that Energy Charge Rate (ECR) will increase by more than 100% with 30% coal Blending.
 - c) Short Term Power Purchase Rates discovered at Power Exchanges in the month of April 2022 soared at capped rate of Rs. 12/kWh tentatively in all 96 slots of each day.
 - d) In order to meet 100% Demand, DISCOMs purchased power from Power Exchanges around 240 MU in the month of Apr'22 & 450 MU in the month May'22 and Delhi successfully met its highest ever Power Demand in the month of May and recorded a demand of 7070 MW on 19th May 2022 @ 23:24:51. This is the first time in May that the Peak Power Demand has crossed the 7000 MW mark.
 - e) BRPL, BYPL & TPDDL have reported cash deficit to the tune of Rs. 168 Cr., Rs. 132 Cr. & Rs. 61 Cr. for the month of Apr'22. Further, BRPL reported cash deficit of Rs. 166 Cr. for May'22 whereas there was cash Surplus of Rs. 38 Cr. for BYPL.
 - f) BYPL has submitted the deferment of Power Purchase Payments of Rs. 163 Cr. pertaining to Apr,22 & May'22 and delayed CAPEX outgo, other Expenses for Rs. 74 Cr. due to cash shortfall. BRPL has submitted that they could not meet their payment obligations fully and deferred Power Purchase payment for Apr'22 & May'22 amounting to Rs. 178 Cr. TPPDL has submitted that they have met Cash shortfall of Rs. 422.92 Cr. through short term loans.
- 3) Actual PPAC for the month of Apr' 22 has been analyzed and it is observed that there is major variation in ECR for Thermal Plants such as Dadri-II and PPCL-III Bawana on account of increased Blending % of Imported Coal and increased Gas prices. The major share of Dadri-II is with BRPL & BYPL and accordingly impacts significantly their PPAC. TPDDL has major procurement in months of Apr &

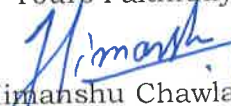
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May'22 from Aravali Jhajjar and Maithon wherein there is minimal impact in ECR from base ECR. As per submissions of TPDDL, these plants may initiate blending in the month of Jun '22.

- 4) The Form-15 of Dadri-II also stipulates increase in LPPF in months of Apr'22 & May'22 vis-à-vis Jan'22/Feb'22. It is observed that for BRPL & BYPL, the major factor for increase in PPAC is due to fluctuation in ECR of NTPC Dadri-II i.e. from Rs. 3.16/kWh as allowed in Tariff Order dated 30/09/2021 vis-a-vis Actual ECR for the month of April, 2022 i.e., Rs. 5.12/kWh. BRPL has procured 328.93 MU (27.27% share in total power procured during April, 2022) and BYPL has procured 111.01 MU (13.83% in total power procured during April, 2022). However, TPDDL has only 0.51% share in total power procured during April, 2022 from Dadri-II. TPDDL has procured majorly from Aravali Jhajjar and Maithon cumulatively around 47% whose April, 2022 ECR has very less variation from the base ECR approved in the Tariff Order dated 30/09/2021.
- 5) Considering the deteriorated Cash-Flow position, non-inclusion of Short Term Power Purchase (STPP) in PPAC formula, increased dependency on STPP in Apr'22 & May'22, Impact of Blending of Imported Coal, increased Gas Prices, I am hereby directed to convey that Commission in accordance with Regulation 172 of DERC (*Terms and Conditions for Determination of Tariff*) Regulations, 2017 and Regulation 37 of DERC (*Business Plan*) Regulations, 2019 provisionally allows additional PPAC of 6%, 4% & 2% to BYPL, BRPL and TPDDL respectively, from the date of issuance of this letter, over and above approved vide Commission letters dated 8/03/2022 (BRPL & BYPL) and 6/05/2022 (TPDDL). Further, the surplus created if any, will reduce the burden of Carrying Cost to end consumer and allow liquidation of Regulatory Asset over and above that liquated through levy of 8% Surcharge.
- 6) This additional PPAC is valid till 31/08/2022 and may be reviewed thereafter. The DISCOMs are directed to maintain 24X7 supply of Power to the Consumers of Delhi with Optimized Power Purchase Cost.

This issues with the approval of the Commission.

Yours Faithfully,


(Himanshu Chawla)
Joint Director (TE) 10/6/22