



HINDUJA NATIONAL POWER CORPORATION LIMITED

Corporate Office : Hinduja House, 171 Dr. Annie Besant Road, Worli, Mumbai - 400 018

www.hindujagroup.com, Office Tel : +91-22-61360407, Fax : +91-22-2497 4208

Plant Office : Palavalasa Village, T.Devada Post, Steel Plant (Sub Office), Pedagantyada Mandal, Visakhapatnam-530 031. A.P. India.

CIN : U40109TG1994PLC017199

Without prejudice

Ref: **HNPCL/VPP/APERC/12/2024**

Date:5-12-2023

To

Chief General Manager (PPA, RA & Solar Energy),
Easter Power Distribution Company of A.P. Ltd. (APEPDCL)
P&T Colony, Seethammadhara,
Visakhapatnam -530013

Chief General Manager (RAC & IPC),
Sothorn Power Distribution Company of A.P. Ltd (APSPDCL)
D.NO:19-13-65/A
Vidyut Nilayam, Srinivasapuram,
Tirupathi – 517503

Chief General Manager (Projects),
Andhra Pradesh Central Power Distribution Company of A.P. Ltd. (APCPDCL)
Beside Govt. Polytechnic college, ITI Road,
Vijaywada -520008

Dear Sir,

Sub: Hinduja National Power Corporation Limited 1040 MW Thermal Power Project Visakhapatnam – Objection on Annual Revenue Requirement by APDiscoms for H2 fy 23-24 and Fy 24-25 - as filed with APERC for approval - reg

Ref:

- 1 ARR submitted in APERC by APEPDCL, APSPDCL and APCPDCL for FY:2024-25 dated 30.11.2023
- 2 HNPCL submission of Data for ARR Letter Ref: No. HNPCL/VPP/APPCC/52/2023 dated 03.11.2023
- 3 Hon'ble APERC order dated 01.08.2022
- 4 Consolidated PPA t dated 17.02.2023
- 5 Ltr from APDiscoms LrNo.APPCC/CGM-F/GM-PP&S/SAD/AO/D.No 129/23 dated 06.03.2023

GM/Rac
EE/Rac
DEE/Rac
2/11
EE/Rac
my
2/11
2/11
2/11
Sidhantha Das



HINDUJA



**HINDUJA NATIONAL POWER CORPORATION LIMITED**

This has reference to HNPCL letter (ref#2) wherein HNPCL has submitted the data to be considered by APEPDCL, APSPDCL and APCPDCL (jointly called as AP Discoms) for the Annual Revenue Requirement and Tariff Proposal for Retail Supply Business for H2 FY:2023-24 and FY:2024-25 with Hon'ble APERC for approval. HNPCL has provided details pertaining to Availability and Tariff (fixed cost and variable cost) for H2 of FY 2023-25 and FY 2024-25 addressed to AP Discoms.

APDiscoms have proposed the ARR as follows

“3.5 ENERGY AVAILABILITY.

The energy availability of all Thermal Stations except CGS have been considered based on their past three year performances. This is inline with the methodology adopted by the Hon'ble Commission in the current year (FY 2023-24) retail supply tariff order. The fixed costs as approved in the respective MYT orders / discovered in bidding process and incorporated in the PPAs are also scaled down in accordance with the PLFs adopted..

Station name	Energy Generation Oct-20 to Sep-23-MU	Plant Load Factor (PLF%)	PLF % considered
Dr. NTPPS	22052.66	73.19	80
Dr.NTPPS IV	9317.18	76.66	80
Dr. NTPPS-V	New Project		80
RTPP Stage-I	4655.50	46.35	55
RTPP Stage-II	5935.69	59.10	60
RTPP Stage-III	2839.65	56.54	60
RTPP Stage-IV	9927.19	66.80	65
APPDCL Stage-I	18728.35	47.64	55
APPDCL Stage-II	1399.85	37.73	55
HNPCL	7497.82	54.95	60
SEIL P1(625 MW)	New Project		90

We find that the data submitted by Discoms in the above table pertains to past three (3) year period Oct 2020 to September 2023 and the average PLF considered is 60% basis the data relied upon by Discoms.

We would like to bring to your attention that choosing the basis of 2020-2023 will not be the correct reflection of HNPCL's generating capacity, as during 2020-2022 Discoms had suspended the power offtake from HNPCL plant despite the directions from the Hon'ble Supreme Court, during the pendency of the Civil Appeal filed by Discoms against the APTEL order of 7-1-2020.

Sidhartha Das





HINDUJA NATIONAL POWER CORPORATION LIMITED

The Hon'ble Supreme Court had given its interim order of 21-8-2020 had modified its interim stay by clarifying / directing that there is no stay on the Interim Order dated 16-3-2018 passed by Hon'ble APTEL which mandated Discoms to procure power from HNPCL. After passing of the said order by the Hon'ble Supreme Court, it was expected that s APDiscoms would schedule power from HNPCL till the pendency of the case. However, APDiscoms choose not to schedule power from HNPCL till the Hon'ble Supreme Court final order. During this period from 02.02.2020 till 17.02.2022, HNPCL plant remained under reserved shutdown even though there was enough coal for generation on the basis of day ahead scheduling. Subsequently APDiscoms recognized the same and made the payments for fixed charge for the same (ref # 5). With this even if the plant remained shutdown for reasons not attributable to HNPCL, it was technically available. It would be grossly incorrect to consider the PLF for this shutdown period for estimating the actual PLF for purpose of ARR Fy 24-25, in respect of HNPCL. The period of 2020-2022 grossly vitiates the actual generating capacity of HNPCL plant due to reasons stated above.

Kindly refer to the ARR submitted by HNPCL vide letter dated 03.11.2023, in which HNPCL has declared its availability of 85% for the Fy 24-25 (ref# 2). HNPCL is poised to achieve this PLF in Fy 24-25 subject to approval of alternate coal in the event of shortfall of domestic coal in line with clause 2.9 of the consolidated PPA dated 17.02.2023 (ref# 4) signed in line with the Hon'ble APERC order dated 01.08.2022. We thus request APDiscom to consider PLF of 85% for the Fy 24-25 accordingly.

APDiscoms have considered HNPCL Fixed charge as Rs1.43/unit. Kindly appreciate that APERC has not yet determined the Tariff for the control period Fy 24-25. Meanwhile HNPCL has appealed against the Hon'ble APERC review order dated 21.06.2023 in Hon'ble APTEL and the matter is pending for hearing. With this even though HNPCL has put up the ARR application on the basis of Rs 1.43/ unit for fixed charge, it is subject to approval from APERC and is subject to outcome of the appeal pending before Hon'ble APTEL.

We request the AP Discoms to acknowledge our objections and submit the revised ARR to the Hon'ble Commission. We request the Hon'ble APERC to give us an opportunity of being heard in the ARR proceedings in the public hearing. Annexure A as per APERC format is annexed. HNPCL pleads appropriate directions form this Hon'ble Commission to APEPDCL, APSPDCL and APCPDCL to consider, accommodate the data of ARR 2024-25 as filed by us..

We remain at your disposal for any further clarifications.

Thanking you,
Yours faithfully

Sidhartha Das

Sidhartha Das
Vice President- Commercial



Copy to:

1. Secretary, APERC, 4th Floor, Singareni Bhawan, Red Hills, Hyderabad -500004
2. The Chief Engineer, Commercial, APPCC, Vidyut Soudha, Gunadala, Vijayawada - 520004

Annexure –A

Name & full address of the Objector with contact no	Brief details of the view(s)/Objection (s)/suggestion(s)	Objections against proposal of APEPDCL, APSPDCL & APCPDCL	Whether copy of objection and proof of delivery at Licensee's office enclosed (yes or no)	Whether Objector wants to be heard in person through video conference (Yes/No), if Yes mention the DE/EE Office from where he would like to make the oral submission.
<p>Sidhartha Das, VP Commercial, Hinduja National Power Corporation Limited, Palavalsa Village, T devada Post, Steel Plant (sub Office), Pedaganta]yada Mandal, Vishakhapatnam – 530031 Andhra Pradesh</p> <p>Mobile- +91 9004350595 Email – sidharthadas.hnp@hindujagroup.com</p>	<p>APDiscoms (APEPDCL, APSPDCL & APCPDCL) has not considered full availability of HNPCL.</p>	<ul style="list-style-type: none"> HNPCL has declared the plant availability for FY 24-25 as 85% on the basis of the domestic coal availability and alternate coal availability. Whereas APDiscoms have taken actual PLF from Fy 20 till 23 in which APDiscoms didn't schedule power even though plant was available with coal on a day ahead basis for through out the period. With this considering availability only for 60% as against the projection by HNPCL for 85% is grossly incorrect and injustice. 	<p align="center">Yes</p>	<p>Objector will represent through video conference by self or through its representative to make the oral submission</p>

HINDUJA NATIONAL POWER CORPORATION LIMITED



Sidhartha Das

