DELHI ELECTRICITY REGULATORY COMMISSION

STATEMENT OF REASONS

DERC (BUSINESS PLAN) REGULATIONS, 2023

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A. Background

(1) Regulation 3 of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* notified on 31/01/2017, had specified that:

"The Commission shall notify Business Plan Regulations for each Control Period based on the Business Plan submitted by the Utility which shall be read as part of these Regulations."

(2) Accordingly, in exercise of the powers vested under Sections 61 and 181 (2) of the *Electricity Act, 2003* (hereinafter referred to as "Act") and all other enabling powers and in compliance of the requirement under Section 181 (3) of the Act, the Commission had uploaded the draft of *DERC (Business Plan) Regulations, 2023 along with Explanatory Memorandum, Draft DERC (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2023 and Draft DERC REC-RPO (First Amendment) Regulations, 2023* on its website http://derc.gov.in.

(3) The Commission had uploaded the Public Notice for inviting comments/suggestions on the Draft Regulations on the Commission's website http://derc.gov.in/. The last date for submission of comments from stakeholders on the said Regulations was till 14/02/2023 which on the request of stakeholders was extended firstly till 28/02/2023 and later on till 06/03/2023.

(4) In order to ensure wide coverage of Public Notice, the Commission apart from uploading on DERC website, published the Public Notice in the leading newspapers of various languages like Hindi, English, Urdu and Punjabi for enabling consumer to provide their comments/ suggestions. The details of the same is as follows:

Public Notice Issued	Date of Public Notice published in Newspapers	List of Newspaper in which Public Notice published
First Public Notice issued on	19/01/2023	1. Hindustan Times

Public Notice Issued	Date of Public Notice published in Newspapers	List of Newspaper in which Public Notice published
13/01/2023 with last date of comment on 14/02/2023		2. The Times of India 3. Indian Express 4. Navbharat Times 5. Punjab Kesari 6. Sahafat 7. Educator
Second Public Notice issued on 14/02/2023 with last date of comment on 28/02/2023 ***Date Extended based on stakeholder's suggestions.***	17/02/2023	1. Hindustan Times 2. The Times of India 3. Indian Express 4. Navbharat Times 5. Punjab Kesari 6. Sahafat 7. Educator
Third Public Notice issued on 28/02/2023 with last date of comment on 3/03/2023. ***Date Extended based on stakeholder's suggestions.***	03/03/2023	1. Hindustan Times 2. The Times of India 3. Indian Express 4. Navbharat Times 5. Punjab Kesari 6. Sahafat 7. Educator

Copies of such newspapers pages are attached as Annexure-I.

(5) Further, the Commission also conducted State Advisory Committee (SAC) meeting on 10/03/2023 (virtually) and Comments / Suggestions on *Draft DERC (Business Plan) Regulations, 2023; Draft DERC (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2023 and Draft DERC (Renewable Purchase Obligation & Renewable Energy Certificate Framework Implementation) (First Amendment) Regulations, 2023* were discussed with SAC members. (Copy of the SAC minutes is attached as Annexure-II)

(6) After considering the comments of all stakeholders, the Commission notified *DERC (Business Plan) Regulations, 2023* on 6/04/2023.

(7) This Statement of Reasons (SOR) is being issued with the intent of explaining the rationale and objective behind finalization of *DERC (Business Plan) Regulations, 2023* after considering the stakeholders' Comments. However, in case of any deviation/discrepancy in the SOR with respect to *DERC (Business Plan) Regulations, 2023*, the provisions of *DERC (Business Plan) Regulations,*

2023 shall be applicable.

(8) The Officers of the Commission have been relied upon for carrying out the research/due diligence on the available information for preparation of SOR on *DERC (Business Plan) Regulations, 2023*.

(9) In line to the Regulation 93 of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017,* Commission has derived the Operation and Maintenance Expenses for the Control Period on the basis of audited Operation and Maintenance Expenses for the last five Financial years. However, in case of Generating Companies, Commission has considered the expenses of FY 2015-16 to FY 2019-20 to determine the Operation and Maintenance Expenses for the Control Period as Audited Accounts as well as Cost Audit Reports are not available for the FY 2020-21 and FY 2021-22. For other parameters like Distribution Loss, Inflationary Growth Rate, Return on Equity, etc. suitable/required information has been derived by considering the FY 2020-21 and FY 2021-22 also.

(10) The Stakeholders' comments along-with the Commission's views on various Regulations of the *DERC (Business Plan) Regulations, 2023* are detailed out further in this document.

PART I – COMMON ISSUES

B. Regulation 3, 12 & 20 - Rate of Return on Equity

*"**Regulation 3 - Rate of Return on Equity***

Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for Generating Entity shall be computed at the Base Rate of 13.00% on post tax basis:

Provided that the Equity for the purpose of Return on Equity shall be lower of the Normative Equity determined as per Regulation 63 of the DERC (Terms And Conditions For Determination of Tariff) Regulations, 2017 or Equity available as per Audited Financial Statement of the relevant year.

Regulation 12- Rate of Return on Equity

Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for Transmission Licensee shall be computed at the Base Rate of 13.00% on post tax basis:

Provided that the Equity for the purpose of Return on Equity shall be lower of the Normative Equity determined as per Regulation 63 of the DERC (Terms And Conditions For Determination of Tariff) Regulations, 2017 or Equity available as per Audited Financial Statement of the relevant year

Regulation 20- Rate of Return on Equity

(1) Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at the Base Rate of 14.00% on post tax basis for Wheeling and Retail Business as a whole.

Provided that the Commission shall determine Return on Equity separately for Wheeling and Retail business when such activities will be performed by different entities.

(2) Carrying Cost: Return on Equity in terms of Regulation 2(16) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall

be considered at Base Rate of Return on Equity minus One (1.00%) percent i.e., 13.00% on pre-tax basis for computation of Weighted Average Rate of Interest for funding of Regulatory Asset/Accumulated Revenue Gap through 70% Debt and 30% Equity.

(3) The Equity for the purpose of Return on Equity for Wheeling and Retail Business shall be lower of the Normative Equity determined as per Regulation 63 of the DERC (Terms And Conditions For Determination of Tariff) Regulations, 2017 or Equity available as per Audited Financial Statement of the relevant year:

Provided that balance Equity after funding requirement of capitalisation as per Audited Financial Statement shall be first utilised towards funding of accumulated Revenue Gap and thereafter investments, if any."

STAKEHOLDERS' COMMENTS/SUGGESTIONS

IPGCL & PPCL

a) The Rate on Equity (RoE) determined @ 10% on post tax basis is on lower side and is not commensurate with the prevailing financial stress in the Power Sector.

b) CERC in its Tariff Regulations 2019 has allowed RoE @ 15.5 % post tax. Comparing with other SERCs e.g. HERC, PSERC, RERC, MERC etc. they have considered wherein in the range of 14% to 15.5 % post tax.

c) The Commission is requested to consider allowance of RoE @ 15.5% post tax in line with CERC and other SERCs.

DTL

d) The RoE have drastically reduced from 14% to 10% per annum based on CAPM model. Such reduction will have a major impact on the profitability of DTL and will de-incentivize the investors/DTL to remain invested in the Transmission business which will giving return in parity with the Debt Market. With the reduced RoE and no direction on recovery of dues (such as wheeling charges & Late Payment Surcharge) payable to DTL, it will become practically impossible for DTL to continue to run as a going concern.

e) There is no plausible justification given in the Explanatory Memorandum for significant reduction of 4% in RoE whereas CERC provides for a RoE of 15.5% for the transmission system as per their Tariff Regulations, 2019.

f) DERC's reliance on CAPM is misplaced as it based on a mere assumption of data (such as market return data) and not actuals. Additionally, DERC while calculating the market Beta has taken into consideration only a certain set of Companies like NTPC, NHPC etc. Further, the Commission has arbitrarily taken a different timeframe ascertaining the market return i.e. from April 2012 till March 2022 (10 years) and for Risk free return from FY 2019-20 to FY 2021-22 (3 years). DTL submits that BSE Sensex is subjected to lot of volatility due to recent outbreak of Covid pandemic and various political and geo political events. Further, the Commission has not considered the companies namely, Adani Power, Adani Transmission, Reliance Infra while calculating the Beta for CAPM which are having more Capitalization share.

NDMC

g) The reduction in RoE will impact DISCOMs health and will ultimately hurt the consumers in NDMC area by hitting maintenance of Distribution System. Further, DISCOMs have to face unforeseen expenses also which can't be claimed in any.

BRPL & BYPL

h) The Commission has considered the RoE for all three business i.e. Generation, Transmission and Distribution at the same level of 10% without appreciating the nature of the businesses and the associated risks & challenges.

i) The Commission in line with Clause 5.11(a) of Tariff Policy, 2016 is bound to follow the rate determined by the Hon'ble CERC, with appropriate modifications for the distribution business that may be necessary, keeping in mind the risks involved therein. Further, Section 61 (a) of the Electricity Act, 2003 requires that the Commission to be guided by the principles and methodologies specified by CERC for determination of tariff applicable to generating companies and transmission licensees.

j) The SBI MCLR rate and G-Sec rates which were on declining trend from March 2019 to March 2022 have now increased and continue to show a rising trend which was the reason for re-visiting the rate of RoE as specified by the Commission in Explanatory Memorandum. The reduction in these two basic parameters for CAPM model was due to COVID-19 pandemic and consequent lockdowns and were not business as usual conditions & declared as force majeure period by this Commission.

k) The stakeholders have also submitted to consider the data from July, 2002 to FY 2022 (excluding the COVID-19 years) for Market Return (Rm) and Risk Free Return (Rf) to be considered in CAPM Model. Further, for Beta, the Commission has considered the Generating, Transmission & Distribution Companies combined and requested to consider the Beta of Distribution Companies for RoE for Distribution Licensees.

<u>TPDDL</u>

l) The Commission has revised the RoE considering that the overall interest rate has shown a declining trend namely the RBI Repo Rate, Interbank Rate and SBI Base Rate/MCLR Rate during the past period. However, there is an upward trend in these rates.

m) TPDDL have submitted that for Risk free rate (Rf), ideally the period to be considered for computing the same in line with the period considered for computing the Market returns (Rm). Accordingly, requested to consider the data for Rm & Rf for the past 20 years (2003 – 2023).

n) The Commission has utilized the levered Beta while computing the average Beta for the computation of RoE instead of unlevered Beta which indicates the systematic risk of the business while excluding the risk pertaining to financial leverage. Further, the Commission has considered the Beta for government (NTPC, NHPC and PGCIL) as well which is not in consistency with the Delhi Distribution Licensees as their market capitalization among the peers considered for CAPM is more. Accordingly, TPDDL have requested to consider un-levered Beta of entities having presence in Distribution Sector for computation of RoE comprising of Adani, Reliance Infra, Tata Power, Torrent Power, CESC.

o) It is further submitted that the proposed RoE of 10% along with change in funding of RA through 100% debt will lead to breach of various debt covenants for the existing loan portfolio and may result in lenders recalling their debts along with the applicable interest penalties.

p) TPDDL have further requested to follow the consistent approach during the entire license period of 25 years as reduction in RoE may lead capital flight to alternate usage in other sectors generating higher returns thereby reducing lesser investments in network maintenance/expansion now. Needless to mention, such an approach may lead to exponentially high investments later thereby increasing consumer tariffs after license renewal. In addition, it is further submitted that the Hon'ble Commission is governed by the provisions of the Act and the National Tariff Policy, 2016. As per Section 61 of the Act, Hon'ble Commission, while specifying the terms and conditions of tariff, is to be guided by the principles as enumerated in Section 61(a) to (i).

q) TPDDL have further compared the provision of RoE in CERC & other SERCs wherein the RoE is in the range of 15.5% to 16% and other infrastructure sectors in India like Aviation Sector, Natural Gas Transmission.

r) Accordingly, TPDDL have requested to approve RoE @ 16% on post tax basis for Wheeling and Retail Business.

SAC MEMBERS

s) Dr. G. C. Datta Roy (DESL) – As per the CAPM method, ROE can be reduced with a logical approach. For Power Utilities, RoE in the range of 10 – 11% is a reasonable return.

t) Dr. Anoop Singh (CER) – CAPM is the standard model which is used for determining the cost of Equity. 500 BSE companies from period 1990 to 2022 were analyzed by CER, IIT Kanpur and results for RoE under CAPM model was highlighted as under:

- ROE for Conventional Generation Company – 11 %
- ROE for Renewable Companies - 12.5 %
- ROE for Distribution Companies – 12 %

u) This analysis was shared with CERC & other SERC's. In-principle the method followed by the Commission seems correct. Since Repo rate & G-sec rates are changing hence, the CAPM model may be modified appropriately.

OTHER CONSUMERS/STAKEHOLDERS COMMENTS

v) The proposed 10% on base rate is acceptable.

w) The period considered by the Commission is a COVID period (FY 2019-22) for Rf during when the Indian economy as well global economy had witnessed the down trends. Rm should be considered as per NIFTY Index rather than on BSE Index. Further, Beta should be considered as unlevered beta rather than levered beta as considered by the Commission.

x) Restricting the RoE @ 10% would severely hamper the financial viability of the existing thermal projects and future investments in thermal power sector.

y) The reduction of base rate of RoE as proposed by DERC in draft BPR Regulations is entirely in dissonance with the provisions of Clause 5.3 of Tariff Policy 2006 & 5.11 of Tariff Policy 2016.

COMMISSION'S VIEW

a) With reference to the stakeholder's comments/suggestion regarding increasing trend of SBI MCLR rate, Repo Rate and G-Sec rates, the Commission has judiciously revisited the data for CAPM model considered in draft DERC (Business Plan) Regulations, 2023.

b) The SBI MCLR rates, though were remaining down till 15/03/2022 as considered in draft Business Plan Regulations, started to increase from 15/03/2022 gradually as follows:

SBI MCLR RATE FROM 15/03/2022 TO 15/03/2023

Date	Rate (%)
15.03.2022	7.00
15.04.2022	7.10
15.05.2022	7.20
15.06.2022	7.40
15.07.2022	7.50
15.08.2022	7.70
15.09.2022	7.70
15.10.2022	7.95
15.11.2022	8.05
15.12.2022	8.30
15.01.2023	8.40
15.02.2023	8.50
15.03.2023	8.50

c) The G-Sec Rates which were in a downward trend till 2019-20, started to increase during the subsequent period and remained so until March 2023 as considered in draft Business Plan Regulations.

G-Sec RATE FROM FY 2019-20 to FY 2022-23

Date	Rate (%)
02-04-2019	7.273
01-07-2019	6.88
01-10-2019	6.664
01-01-2020	6.505
03-04-2020	6.305

Date	Rate (%)
01-07-2020	5.839
01-01-2021	5.875
05-04-2021	6.121
01-07-2021	6.039
01-10-2021	6.246
03-01-2022	6.4603
04-04-2022	6.8983
01-07-2022	7.4241
03-10-2022	7.4683
02-01-2023	7.3398
01-02-2023	7.2774
01-03-2023	7.418
23-03-2023	7.348

d) Accordingly, keeping in view the increasing trend of SBI MCLR rate, G-Sec rates and also the current Market scenario, the data till 23/03/2023 has been considered by the Commission for arriving out Rf, Rm and Beta component of CAPM Model.

e) Further, the Commission considering the comment of DTL has also included Adani Power for value of market capitalisation and for computation of Beta component for arriving out RoE. Accordingly, the parameters for CAPM is as follows:

(i) **RISK FREE RATE (RF)** based on 10-year govt. bond yields from FY 2019-20 till 23/03/2023. The average Risk free rate (Rf) based on 10-year Indian government bond (from FY 2019-20 till 23/03/2023 works out to be 6.55%.

(ii) **HISTORICAL MARKET RETURNS (RM)** by considering the market returns for the past 10 years (April 2012 – March 2022) based on BSE Sensex data to determine the Expected rate of return (Rm). The market returns for a period from FY 2012-13 to FY 2021-22 work out to around 13.81% as follows:

BSE SENSEX RETURN

Financial Year	Open	High	Low	Close	Returns

Financial Year	Open	High	Low	Close	Returns
2012	15534.67	19612.18	15358.02	19426.71	25.70%
2013	19513.45	21483.74	17448.71	21170.68	8.98%
2014	21222.19	28822.37	19963.12	27499.42	29.89%
2015	27485.77	30024.74	24833.54	26117.54	-5.03%
2016	26101.5	29077.28	22494.61	26626.46	1.95%
2017	26711.15	34137.97	26447.06	34056.83	27.91%
2018	34059.99	38989.65	32483.84	36068.33	5.91%
2019	36161.8	41809.96	35287.16	41253.74	14.38%
2020	41349.36	47896.97	25638.9	47751.33	15.75%
2021	47785.28	62245.43	46160.46	58253.82	21.99%
2022	58310.09	63583.07	50921.22	60840.74	4.44%
					13.81%

Source: https://www.bseindia.com/Indices/IndexArchiveData.html

(iii) **STEP 3 - BETA** for various Power Sector Companies (based on daily returns) has been considered for the period FY 2012-13 till 23/03/2023 and Composite Beta is calculated on the basis of Market capitalisation of various Power Sector Companies on 23/03/23, which is tabulated below.

BSE MARKET CAPITALISATION AS ON 23/03/2023

Sr.No.	Scrip_Code	Company Name	Market Cap (Rs Cr.)
1.	532898	POWER GRID CORPORATION OF INDI	1,56,319.90
2.	532555	NTPC LTD.	1,69,061.37
3.	500400	TATA POWER CO.LTD.	64,210.35
4.	533096	ADANI POWER LTD.	78,700.84
5.	533148	JSW ENERGY LTD	41,297.81
6.	533098	NHPC LTD.	40,481.49
7.	532779	TORRENT POWER LTD.	24,845.48
8.	533206	SJVN LTD	12,162.72
9.	500084	CESC LTD.	9,093.41
10.	513683	NLC India Limited	10,690.97
11.	532627	JAIPRAKASH POWER VENTURES LIMI	4,009.27
12.	532939	RELIANCE POWER LTD.	3,847.26
13.	533122	RATTANINDIA POWER LTD.	1,718.43
14.	517300	GUJARAT INDUSTRIES POWER CO.LT	1,120.01

Source: https://www.bseindia.com/static/about/downloads.aspx

(iv) Accordingly, the required (expected) return is shown in the following Table:

Return on Equity- Regulated Companies

Sr. No.	Regulated Companies	Daily Beta	Market Cap (Rs. cr)	Daily beta x Market Cap	Composite Beta (Daily)	ROE_ Daily Beta based
1	NTPC	0.6972	1,69,061	1,17,864.93	0.64	11.18
2	NHPC	0.6533	40,481	26,446.66		
3	Power Grid	0.5819	1,56,320	90,961.07		
4	NLC	0.6872	10,691	7,346.48		
5	SJVN	0.4270	12,163	5,193.68		
6	GIPCL	0.6766	1,120	757.84		
	TOTAL		**3,89,836**	**2,48,571**		

Return on Equity-Independent Power Producers (IPPs)

Sr. No.	IPPs-Unregulated Companies	Daily Beta	Market Cap (Rs. cr)	Daily beta x Market Cap	Composite Beta (Daily)	ROE_ Daily Beta based
7	TATA POWER	1.0591	64,210	68,005.18	1.12	14.65
8	ADANI POWER	1.3347	78,701	1,05,038.40		
9	REL. POWER	0.9635	3,847	3,706.76		
10	TORRENT POWER	0.7635	24,845	18,968.39		
11	CESC	0.8335	9,093	7,578.93		
12	JSW ENERGY	1.1026	41,298	45,533.43		
13	RATTAN INDIA POWER	0.8682	1,718	1,492.01		
14	JPVL	0.9696	4,009	3,887.33		
	TOTAL		**2,27,723**	**2,54,210.44**		

Return on Equity -Regulated Companies and IPPs

Sr. No.	Regulated and IPPs Companies	Daily Beta	Market Cap (Rs. cr)	Daily beta x Market Cap	Composite Beta (Daily)	ROE_ Daily Beta based
1	NTPC	0.6972	1,69,061	1,17,864.93	0.81	**12.50**
2	NHPC	0.6533	40,481	26,446.66		
3	Power Grid	0.5819	1,56,320	90,961.07		
4	NLC	0.6872	10,691	7,346.48		
5	SJVN	0.4270	12,163	5,193.68		
6	GIPCL	0.6766	1,120	757.84		
7	TATA	1.0591	64,210	68,005.18		
8	ADANI	1.3347	78,701	1,05,038.40		
9	Reliance Power	0.9635	3,847	3,706.76		
10	TORRENT power	0.7635	24,845	18,968.39		
11	CESC	0.8335	9,093	7,578.93		
12	JSW	1.1026	41,298	45,533.43		

Sr. No.	Regulated and IPPs Companies	Daily Beta	Market Cap (Rs. cr)	Daily beta x Market Cap	Composite Beta (Daily)	ROE_ Daily Beta based
13	Rattan India Power	0.8682	1,718	1,492.01		
14	JPVL	0.9696	4,009	3,887.33		
	TOTAL		**6,17,559**	**5,02,781**		

(v) Base rate of Return on Equity approved by Forum of Regulators (FOR), other State Electricity Regulatory Commissions (SERCs) - GERC and HERC have RoE @ 14% as follows:

(i) Forum of Regulators (FOR) in its Model Regulations issued on February 2023 for Multi Year Distribution tariff allows 14% post tax return on equity.

(ii) Ceiling of 14% for Generating Companies, including hydro stations, Transmission Licensee, SLDC and Distribution provided in *Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2021*.

(iii) Ceiling of 14% for Distribution/Transmission provided in *HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019*.

(vi) In view of above, RoE working out as 12.50% by considering the Daily Composite Beta of Regulated Companies and IPPs has been judiciously considered as 13% for Generating Entities and Transmission Licensee.

(vii) With regard to RoE for Distribution Licensees, the Commission has considered an additional 1% for risk associated with the Distribution Business and allowed RoE @ 14% (for Wheeling and Retail Business together) for the Control Period. Further Commission may determine Return on Equity separately for Wheeling and Retail business when such activities will be performed by different entities.

C. Regulation 20(2) - Carrying Cost Rate

*"**Carrying Cost**: Return on Equity in terms of Regulation 2(16) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be considered at Base Rate of Return on Equity minus One (1.00%) percent i.e., 13.00% on pre-tax basis for computation of Weighted Average Rate of Interest for funding of Regulatory Asset/Accumulated Revenue Gap through 70% Debt and 30% Equity.*

STAKEHOLDER'S COMMENTS:

IPGCL/PPCL, DTL & NDMC

a) No comment

BRPL & BYPL

b) Stakeholders have submitted that the Hon'ble Supreme Court by its Order dated 15/12/2022 read with Judgment dated 1/12/2021 confirmed the rate of Carrying Cost on Regulatory Assets as well as rate of Working Capital. The Judgment provides that the Regulatory Asset should be funded in Debt:Equity Ratio of 70:30.

c) The draft BPR, 2023 has been prepared with a view to defeat the said Orders/Judgement of Hon'ble Supreme Court and accordingly, requested to kindly consider the funding of Regulatory Asset as per Hon'ble Supreme Court Orders

TPDDL

d) Recognized and unrecognized Regulatory Assets has a factor of uncertainty in terms of its recovery. Financial Institutions are hesitant in providing funding for 100% approved Regulatory Assets and are not at all ready to fund any part of the unrecognized Regulatory Assets. With unavailability of any funding for RA, utilities will be forced to invest equity to fund RA, diverting the amount that can be utilized to invest in the essential infrastructure to maintain the T&D losses at the existing levels.

e) The increased leverage from 70% to 100% will substantially increase the cost of borrowings. Further, TPDDL has submitted Judgments of Hon'ble APTEL (Appeal No. 14 of 2012) and Hon'ble Supreme Court (MA 633-634 of 2022 in Civil Appeals Nos. 9003-9004 of 2011) wherein funding of Carrying Cost is to be allowed in Debt:Equity ratio of 70:30.

f) The proposed change in funding of RA through 100% debt along with the proposed RoE of 10% will lead to breach of various debt covenants for the existing loan portfolio and may result in lenders recalling their debts along with the applicable interest penalties.

g) Apart from covenant issue, if the equity is removed for RA funding, then it will require immediate loan raising of 500 Cr (on 1763 Cr approved RA) which may not be sustainable if BPR norms are not relaxed. Thus practically it is not possible to withdraw already deployed equity on RA hence modification can't be applied on opening equity.

h) Accordingly, TPDDL have requested to maintain the existing funding structure of 70:30 Debt and Equity for the funding of RA to ensure the financial viability of DISCOMs. Further, consider Weighted Average Rate of Loans related to the funding of RA only for computing the carrying cost related to Debt portion to assure the actual recovery of the expenses.

SAC MEMBERS

i) Dr. G. C. Datta Roy (DESL) – RoE and Debt issues are interlinked. If RoE if reduced to 10%, then there will not be significant difference between Equity and Debt.

j) Dr. Anoop Singh (CER) – Actual cost of Loan should be considered. Since it is financing of the Revenue Gap, therefore, it should be financed from Debt.

COMMISSION'S VIEW

a) With reference to the stakeholder's comments/suggestion regarding fixing of Carrying Cost considering the rate of Debt only and overlooking the Return on Equity as approved in Supreme Court Order/Judgement, the Commission was of the view that the rate of Carrying Cost on Regulatory Assets is to be allowed based on the rate of Debt in line with other SERCs.

b) However, based on the submissions of the stakeholders, the Commission has retained the existing provision of consideration of Carrying Cost rate based on the funding in Debt: Equity of 70:30 in line with Hon'ble Supreme Court Judgment dated 15/12/2022, quoted as follows:

"9. It is evident from the compliance affidavit/report dated 23.03.2022 that DERC has not applied the Debt-Equity ratio of 70:30. We are of the view that DERC ought to have allowed funding of regulatory asset/revenue gap on a normative Debt-Equity ratio of 70:30. There is no question of recomputing the carrying cost rate based on purported equity on the basis of net worth from the audited books and balancing figure as debt. Therefore, we direct DERC to allow funding of regulatory asset/revenue gap on a normative Debt-Equity ratio of 70:30."

c) The base rate of Return on Equity for Carrying Cost is to be considered as 13% *(14%* minus *1%)* as allowed to Generating and Transmission Utilities as computed through CAPM Model.

D. <u>Regulation 4, 13 & 21 - Tax on Return on Equity</u>

"***<u>Regulation 4: Tax on Return on Equity</u>***

The Base rate of Return on Equity as allowed by the Commission under Regulation 3 of these Regulations, shall be grossed up with the Minimum Alternate Tax or Effective Tax Rate of the respective Financial Year in terms of Regulation 72 and 73 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as per the following formula:

Rate of Return on Equity= 13.00[(100-Tax Rate)/100]

where, Tax Rate is Minimum Alternate Tax (MAT) or Effective Tax Rate, as the case may be.

Provided that Effective Tax Rate of each Financial Year shall be derived from the respective Income Tax returns.

Regulation 13: Tax on Return on Equity

The Base rate of Return on Equity as allowed by the Commission under Regulation 12 of these Regulations shall be grossed up with the Minimum Alternate Tax or Effective Tax Rate of the respective Financial Year in terms of Regulation 72 and 73 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as per the following formula:

Rate of Return on Equity= 13.00[(100-Tax Rate)/100]

where, Tax Rate is Minimum Alternate Tax (MAT) or Effective Tax Rate, as the case may be.

Provided that Effective Tax Rate of each Financial Year shall be derived from the respective Income Tax returns.

Regulation 21: Tax on Return on Equity

The Base Rate of Return on Equity as allowed by the Commission under Regulation 20 (1) of these Regulations shall be grossed up with the Minimum Alternate Tax or Effective Tax Rate of the respective financial year in terms of Regulation 72 and 73 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as per the following formula:

Rate of Return on Equity= 14.00[(100-Tax Rate)/100]

where, Tax Rate is Minimum Alternate Tax (MAT) or Effective Tax Rate, as the case may be.

Provided that Effective Tax Rate of each Financial Year shall be derived from the respective Income Tax returns."

STAKEHOLDER'S COMMENTS

BRPL & BYPL

a) The base rate of return on equity should be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate should be considered on the basis of actual tax paid in respect of the financial year and in line with the provisions of the relevant Finance Acts by the concerned Distribution licensee. Further, Income Tax assessment has to be made on stand-alone basis for the licensed business so that consumers are fully insulated and protected from the Income Tax payable from other businesses. Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

TPDDL

b) The Hon'ble Commission, *vide* the proposed Regulation, has sought to derive the Effective Tax Rate of each Financial Year from the respective Income Tax Returns. This is in deviance from the BPR 2019 wherein no such provision was present, and the Effective Tax Rate was derived from the Book Profit and Income Tax actually paid by the TPDDL. Further, the Hon'ble Commission has not assigned any reason, in the Explanatory Memorandum, as to why the Effective Tax Rate is being derived from Income Tax Return.

c) It is submitted that the proposed proviso will create an anomalous situation as the Hon'ble Commission has not considered the following:

(i) The Method of computation of depreciation under Income Tax Act viz.-a-viz. Companies Act is same however due to difference in applicable depreciation rates for various class of assets, there is timing difference in the tax outflow over the useful life of asset due to the corresponding impact of differential annual depreciation considered. Since the books are maintained on accrual basis, the variation in tax outflow due to such differential depreciation is recognised as deferred tax to mitigate the impact of tax outflow on profit. From the below example, it is evident that during initial years of the useful life of an asset, the tax payable under Income Tax Act is lower due to comparatively higher depreciation benefit allowed under Income Tax Act (20%) which will be offset by higher tax outflow during later years of useful life of the same asset.

(ii) In case of TPDDL, presently the tax outflow is lower due to higher depreciation benefit allowed under income tax Act however since we are maintaining the books on accrual basis therefore we have recognised deferred tax liability, which will be reversed once the tax outflow increases in future. It is pertinent to mention that TPDDL has already passed on the benefit of lower tax to consumers due to lower payment of tax however in future the tax rate is likely to go up due to offsetting of higher depreciation benefit claimed during initial years.

DTL

d) The said Regulations is contrary to judgment dated 01.02.2016 passed by the Hon'ble Appellate Tribunal for Electricity in Appeal No. 255 of 2013, wherein the Tribunal had categorically directed DERC to consider income tax actually paid by the transmission licensee with due verification and include the same in the tariff computation (for it to be able to be passed on to the beneficiaries). The relevant portion of the judgment is reproduced here in below:

"45.4 In our opinion the Commission has to consider the income tax actually paid by the Appellant with due verification and the same has to be included in the tariff computation and shall be passed on to the beneficiaries. Further, tax on any income other than that through its licensed business shall not be passed through, and it shall be payable by of the Appellant."

e) In view of the foregoing and in-line with the APTEL's decision (as mentioned hereinabove), we suggest that DERC modify the concerned regulation in as much as it must consider the income tax actually paid by DTL.

COMMISSION'S VIEW

a) While arriving at the effective Income Tax rate, the basis for arriving at the same is only from the Income Tax Return filed by the Assessee and Acknowledgment on there.

b) As per Regulation 72 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*, "The effective tax rate shall be considered on the basis of actual tax paid vis-à-vis total income of the utility in the relevant financial year in line with the provisions of the relevant Finance

Acts. The actual Tax on other income stream shall not be considered for the calculation of effective tax rate.” Here as mentioned in the Regulations the effective rates will be arrived by considering the actual total tax paid vis-à-vis total income of the utility as derived from the respective Income Tax Return. No separate impact for actual tax on other income stream will be considered.

c) There are no two different Income Tax Returns for the licensed or main business and non-licensed or other business. The Income Tax Return is Assessee specific and the rate as derived considering the actual total tax paid vis-à-vis total income of the utility is the same for both the businesses.

d) There may be instances, where the utility has paid less tax than as provided in the books, by way of providing deferred tax liability. The deferred tax liability is provided when the depreciation amount as per the Income Tax Act is more than the one as allowed in the Tariff Regulations and consequently, the profit and the Tax as per the Income Tax Act is low. Here, the income tax for the purpose of Tax on return on equity will be allowed based on the actual tax rate as per the Income Tax Return.

e) In the subsequent years, when the profit as per the Income Tax act is more in consequent to less depreciation amount, the adjustments from deferred tax liability takes place. When so, the tax as per the books will be less than the tax worked out based on the Income Tax Return. Here, in such an event, the Commission at the time of truing up, will call for the following details of various previous years as well as the year under true up and allow the due amount of tax.

“Tax provided in books, Tax paid, Deferred tax liability created, Deferred tax adjusted and Tax allowed by the Commission.”

E. **Inflationary Growth Rate**

“Commission has considered the Inflationary Growth Rate of 4.66% for the next Control Period (FY 2023-24 to FY 2025-26).”

STAKEHOLDER'S COMMENTS

IPGCL & PPCL

a) CERC in its Regulation 2019 has applied escalation factor of 3.39% to estimate O&M expenses for the period from FY 2019-20 to FY 2023-24.

DTL

b) The Commission has only considered the values average of percentage growth of WPI & CPI for FY 2016-17 to FY 2017-18 and not that of FY 2021-22 into the computation of Inflationary Growth Rate. The Inflationary Growth Rate of atleast 4.66% considering the actual data of WPI & CPI of last 5 years i.e., from FY 2017-28 to FY 2021-22.

BRPL & BYPL

c) The Commission considered inflationary trends from FY2015-16 to FY2020-21 ignoring FY22 which is contrary to Regulation 93 of Tariff Regulations, 2017 which provides that Commission has to consider data for past 5 years.
d) The 60:40 weightage to WPI:CPI is not appropriate for Distribution Business as majority of the O&M expenses of Distribution Business are linked to CPI and not WPI. Hence, for computing the inflationary growth rate for Distribution Business, higher weightage should be given to CPI and not to WPI.
e) The Commission is requested to consider growth rate of 12.72%

TPDDL

f) The Commission has excluded FY 2021-22 figures from the workings, owing to unprecedented high WPI figures. However, it may be noted that the figures for WPI in the two consecutive years preceding to FY 2021-22 were quite low at 1.67% and 1.31% in FY 2019-20 and FY 2020-21 respectively, due to the Covid pandemic, etc. WPI index are cyclic in nature, and the purpose to consider a long duration data (5 years) is to include all cyclic trend in the escalation factor. Therefore, it is not correct to exclude FY 2021-22 from the computation.

COMMISSION'S VIEW

a) The Commission has computed the Inflationary Growth rate by considering 60% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index for All Commodities as per the Office of Economic Advisor of Government of India and 40% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for All Commodities as per the Labour Bureau, Government of India. Considering the comments/suggestions of the stakeholders Inflationary Growth Rate has been considered at 4.66% by considering the period from FY 2017-18 to FY 2021-22. The same has been adopted in case of Generating Companies, Transmission Licensee and Distribution Licensees. The detailed computation of Inflationary Growth Rate computation is as follows:

Inflationary Growth Rate Computation

Year	WPI for all commodities	Percentage Growth	CPI for all commodities	Percentage Growth
2016-17	111.60		130.33	
2017-18	114.90	2.96%	135.00	3.59%
2018-19	119.80	4.26%	139.61	3.41%
2019-20	121.80	1.67%	146.27	4.77%
2020-21	123.40	1.31%	155.28	6.16%
2021-22	139.40	12.97%	163.83	5.51%
	Average	**4.63%**		**4.69%**
Inflationary Growth Rate = (4.63%*60%+4.69%*40%)= 4.66%				

Source: MOSPI & Office of Economic Advisor

b) The comparative statement of Inflationary Growth Rate / Escalation Rate considered by other SERCs is as follows:

Sr. No.	State Electricity Regulatory Commission	Inflationary Growth Rate / Escalation Rate considered in the Regulation	Valid till
1	Gujarat	5.72% as per GERC (Multi-Year Tariff) Regulations, 2016	Valid till date
2	Haryana	4% as per HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework)	Valid till 31/03/2025

Sr. No.	State Electricity Regulatory Commission	Inflationary Growth Rate / Escalation Rate considered in the Regulation	Valid till
		Regulations, 2019)	
3	Rajasthan	Generation, Transmission & SLDC- 3.51% Distribution- 3.63% as per HERC (Terms and Conditions for Determination of Tariff) Regulations, 2019	Valid till 31/03/2024
4	Chhattisgarh	3.50% as per CSERC (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2021)	Valid till 31/03/2025

F. **Regulation 6(5), 15(5) & 23(11)- EFFICIENCY FACTOR**

"Regulation 6(5)

The Generating Companies are expected to be Efficient in their Operations and reduce the normative O&M Expenses. The savings, if any in such O&M expenses shall be adjusted towards Revenue side. The saving in such O&M expenses upto 1% shall be passed towards the Beneficiaries and any savings in normative O&M expenses above 1% shall be shared between the Generating Company and Beneficiaries equally.

Regulation 15(5)

The Transmission Licensee is expected to be Efficient in its Operations and reduce the normative O&M Expenses. The savings, if any in such O&M expenses shall be adjusted towards Revenue side. The saving in such O&M expenses upto 1% shall be passed towards the Beneficiaries and any savings in normative O&M expenses above 1% shall be shared between the Transmission Licensee and Beneficiaries equally

Regulation 23(11)

The Distribution Licensee is to expected to be Efficient in its Operations and reduce the normative O&M Expenses. The savings, if any in such O&M

expenses shall be adjusted towards Revenue side. The savings upto 1% shall be passed towards the Consumers and any savings in normative O&M expenses above 1% shall be shared between the Distribution Licensee and Consumers equally."

STAKEHOLDER'S COMMENTS

IPGCL & PPCL

a) The Commission has considered an efficiency factor of 2%, bringing the effective escalation at nought. The consideration of actual parameters for previous years already takes care of the efficiency factor.

DTL

b) The Commission has mentioned that DTL has already taken steps such as Establishment of GIS substations, HTLS Re-conductoring of Transmission Lines, Installation of Reactors etc.

NDMC

c) The Commission has considered 2.00% efficiency factor without providing any calculation and just linked it to the Smart Meter installation. Further any impact if any is already covered under the past O&M Expenses as all Smart Meters has been installed.

BRPL & BYPL

d) The Commission has arbitrarily picked the percentage by giving the rationale that collection would increase due to technological advancement like smart metering and IT schemes.
e) A large section of Distribution Infrastructure of the Distribution Licensee are more than 70% loaded and are eligible for augmentation as per the Commission norms, augmentation of Distribution Infrastructure requires a higher capex and O&M expenses. As the technical losses may increase due to system overloading, there is no scope left for the efficiency factor and stringent loss trajectory.

TPDDL

f) The Commission has considered 2.00% efficiency factor for the entire control period without providing any rationale and computation for arriving at the same. It has merely stated that due to technological advancement like smart metering and IT schemes, efficiency in O&M expenses will be attained due to reduction in expenses related to meter reading, bill despatch, etc.

g) In this regard, it is submitted that technological advancement like smart metering and IT schemes will not result in overnight efficiency improvement in terms of O&M Expense's reduction.

h) TPDDL further requested to not consider the year-on-year efficiency factor of 2% while specifying the norms for O&M Expenses

COMMISSION'S VIEW

a) The Commission in its Explanatory Memorandum mentioned that 2% Efficiency Factor was considered in the O&M Expenses and Hon'ble APTEL in its judgement dated 31/05/2011 in Appeal No. 52 of 2008 has upheld the concept of Efficiency Factor in O&M expenses in the case of TPDDL, as follows:

> ***"60. The last issue is erroneous computation of efficiency factor.***
>
> *..*
>
> *64. Since O&M expenses of the Appellant were compared with the similar urban distribution companies in other States, the Commission found the expenses of the Appellant were on the higher side and therefore MYT Regulations were framed to bring the requisite efficiency in the system. According to the Commission, the Commission is of the opinion that O &M expenses trajectory for the Control Period shall be decided on the basis of annual efficiency improvement factor and as such O&M cost of the Appellant is on the higher side….*
>
> *65. In view of the above reasoning's, the State Commission was constrained from allowing them to continue to operate in such a manner and pass on the higher costs to the consumers.* ***The increase in the O&M cost is supplemented by the increase in***

the efficiency level and cost of saving/cost of reductions/other economies being available to the Appellant. Therefore, there is no merit in this contention raised by the Appellant.

66. The Learned Counsel for the Appellant has relied on the findings of the Tribunal in its judgment dated 29.9.2010 in Appeal No. 28 of 2008 in the matter of Delhi Transco Ltd. vs. DERC and Others wherein in paragraph 25 of the judgment the Tribunal set aside the order of the State Commission in respect of efficiency factor for Delhi Transco decided by the State Commission on ad-hoc basis without any benchmarking or any analysis and identification of area of efficiency. ***However, in the present case the State Commission has compared the O&M expenses of the Appellant with other utilities and given a reasoned order. Thus the findings of the Tribunal in Appeal No. 28 of 2008 will not apply to the present case. Accordingly, this issue is answered as against the Appellant."***

b) Now, considering the comments and suggestions of the stakeholders, the Commission introduces the Efficiency gain on same principles as that of Distribution Loss, in O&M Expenses. Any reduction in O&M Expenses up to 1% will be passed on to the Consumers while any reduction in O&M Expenses above 1% of the normative O&M Expenses, shall be shared equally between the beneficiaries and the Power Utility.

c) Illustration:

Power Utility			XYZ
O&M Norms as per BPR 2023	Rs. Cr	A	100
Actual O&M Expense as per Audited Accounts	Rs. Cr	B	95
Difference in Normative O&M Expense and Actual O&M	Rs. Cr	C= A-B	100-95 = 5
Reduction to be passed on to the Beneficiary @ 1% of Normative O&M Expenses as per BPR 2023	Rs. Cr	D= 1% of A	1% of 100 = 1
Total Incentive to be shared between Beneficiary and Power Utility equally	Rs. Cr	E= A-D-C	100-1-95= 4
Incentive passed to Power Utility	Rs. Cr	F= E/2	4/2= 2
Incentive passed to Beneficiary	Rs. Cr	G= E/2+D	4/2 + 1 = 3

PART II - GENERATING ENTITY

G. Regulation 6 - OPERATION AND MAINTENANCE EXPENSES

"(1) Normative Operation and Maintenance Expenses for the Control Period, after considering Inflationary Growth Rate of 4.66%, for the Generating Entities shall be as follows:

Table 1: O&M Expenses (Rs. Crore)

GENCO	FY 24	FY 25	FY 26
GTPS *	33.11	34.65	36.27
PPS-I	77.80	81.42	85.21

*Note: * For 90 MW (As per Commission's Order dated 24/03/2021)*

(2) The impact of actual implementation of Seventh Pay Revision and Interim Relief has been considered in above tabulated normative O&M Expenses.

(3) The O&M expenses shall be allowed during True-up after considering the actual O&M expenses subject to Prudence Check which will be lower of Actual or above tabulated Normative O&M expenses.

Provided that Actual O&M Expenses shall be allowed for 120 MW of GTPS operating in Synchronous Condenser Mode, as mandated in Order dated 24/03/2021.

(4) The expenses towards Additional Repair & Maintenance expenses on account of Dry Low NOx (DLN) burners and Sewage Treatment Plant (STP) have not been considered in above tabulated Normative O&M expenses and the same if any, shall be allowed on actual basis during the Control Period after Prudence Check at the time of True-Up on submission of Documentary Evidence.

(5) The Generating Companies are expected to be Efficient in their Operations and reduce the normative O&M Expenses. The savings, if any in such O&M expenses shall be adjusted towards Revenue side. The saving in such O&M expenses upto 1% shall be passed towards the Beneficiaries and any savings in normative O&M expenses above 1% shall be shared between the Generating Company and Beneficiaries equally."

STAKEHOLDER'S COMMENTS/SUGGESTIONS

IPGCL & PPCL

a) Employee Expenses is fixed for the Plant and will not reduce in a proportionate basis for 90 MW capacity. Reduction of O&M expenses to such a lower value will render the operation of the station unviable.

b) Data for 3 years i.e. FY 2017-18 to FY 2019-20 should be considered for computing normative expenses as there is significant impact of GST, minimum labor wage rate by the Central and State Governments and implementation of 7th Pay commission in this period.

c) Escalation factor of 3.23% and an efficiency factor of 2%, bringing the effective escalation at nought.

d) Hon'ble Commission is requested to allow the O&M expenses for Gas Turbine Power Station and PPS-I from FY 2023-24 to FY 2025-26, as under: -

O&M expenses (Rs. Crore)

Station	FY 2023-24	FY 2024-25	FY 2025-26
GTPS*	75.94	78.39	80.92
PPS-I	79.80	82.37	85.04

***** *For 210 MW (90MW + 120 MW synchronous condenser mode) capacity*

COMMISSION'S VIEW

a) The Commission observes that the norms of Operation and Maintenance (O&M) Expenses of the Generating Plants have been determined on the basis of actual expenses of both the Generating entities in last 5 years in line with Clause 93 of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* based on the Cost Audit Reports for the period of FY 2015-16 to FY 2019-20. The Annual Audited Accounts of the companies as well as Cost Audit Reports for the Plants for the years FY 2020-21 and FY 2021-22 are not available as the same are not finalized. The Commission recently also vide its email dated 22/03/2023 sought the Balance Sheet and Cost Audit Report for FY 2020-21 and FY 2021-22 from the Generating companies and in reply to the same Generating Companies submitted that Balance Sheet of FY 2020-21 has been finalized and Cost Audit Report is under finalization and Balance Sheet of FY 2021-22 is under finalization.

b) With regard to the stakeholder submission that the norms for O&M Expenses of GTPS & PPS-1 are low as compared to O&M Expenses of similar Plants by CERC in Tariff Regulations 2019, the Commission observes that the norm for Generating Plants has been determined based on the actual expenses incurred by them in the past.

H. Regulation 7 - CAPITAL INVESTMENT PLAN

"(1) The tentative Capital Investment plan for the Generation Entities for FY 2023-24 to FY 2025-26 is as follows:

Table 2: Capital Investment plan (Rs. Crore)

Sr. No.	Plant	FY 2023-24	FY 2024-25	FY 2025-26
1.	Gas Turbine Power Station (GTPS)	25	5	0
2.	Pragati Power Station (PPS-I)	36	2	0

(2) The Capital investment and the respective scheduled date of Commissioning, submitted by the Generating Entity in the Annual Tariff Petition, shall form the basis for computation of Annual Fixed Cost in terms of Regulation 99 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017:

Provided that any improvement in operational parameters resulting from commissioning of the scheme due to any Additional Capital Investment in existing generating stations shall form the basis for computing the Energy Charge Rate, from the scheduled date of commissioning of the respective schemes, in terms of Regulation 103 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(3) Capital cost shall be trued up annually and financial impact on account of variation in projected capital cost in the Tariff Order vis-a-vis Actual Capital Cost and Scheduled Date of Commissioning vis-a-vis actual

date of commissioning shall be dealt as per the provisions of Regulations 61, 62 and 150 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017."

STAKEHOLDER'S COMMENTS/SUGGESTIONS

IPGCL

a) IPGCL has requested the Commission to consider the Capital Investment Plan for GTPS for the control period FY 2023-24 to FY 2025-26 while finalizing the Business Plan Regulation, 2023 as under:

CAPEX Schemes for GTPS for FY 23-24 to FY 27-28 (Rs in Cr)

Sr. No	Scheme	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
A	Replacing the Starting Diesel Engine in the GT#1 & GT#2	2.05	2.05	-	-	-	4.10
B	Procurement and commissioning of exhaust plenum for GT # 1	-	1.81	-	-	-	1.81
C	Procurement and Installation of DVR in GT#2	5.00	-	-	-	-	5.00
D	Procurement and Installation of MARK VIe TMR Control Panel	8.00	-	-	-	-	8.00
E	Replacement of old DDC Pro-control system of Module #1 WHRU	8.00	-	-	-	-	8.00
F	Replacement of Super-heater tubes HRSG 1 &2	1.47	1.47	-	-	-	2.95
G	Replacement of 06 nos. of 66 kV sf6 circuit breakers at GTPS	0.30	0.30	-	-	-	0.60
	Total						**30.46**

b) IPGCL has submitted that as per para 73 of DERC Order dated 24.03.2021, the capex of Rs 90.81 Cr with escalation up to 15 % has been allowed for retrofitting of 90 MW GTPS plant. IPGCL has not incurred any expenditure till date against the capex allowed by the Commission in its Order dated 24.03.2021.

c) IPGCL has further submitted that the scheme at Sl.no. A to F of the above table are part of the Renovation & Modernization of GTPS allowed by Hon'ble Commission in its Order dated 24.03.2021.

PPCL

d) The Hon'ble Commission has considered the spill over capital expenditure schemes for procurement of GT compressor rotor with IGV under Capex. The scheme was already approved by the Hon'ble Commission in Business Plan Regulations, 2019 for Rs 30.00 Cr. However, due to less scheduling by SLDC/system and on account of COVID pandemic the requisite running hours of the machine could not be completed. In the meantime, the cost of the scheme has been revised to Rs 36.00 Cr which is to be undertaken during FY 2023-24 and FY 2024-25. However, the cost of the scheme has been shown as Rs 3.00 Cr in Draft Business Plan Regulation 2023 inadvertently. Therefore, it is requested that the capital investment on this spill over scheme may be corrected to Rs 36.00 Cr.

e) Further, the Hon'ble Commission has not considered the capital investment plan of Rs 1.0 Cr for FY 25-26 regarding RLA study of Steam turbine internals for the station as submitted by PPS-I vide letter dt 30.09.2022 and also not giving the reason of not considering the Capex for FY 2025-26 in its Explanatory Memorandum for Draft DERC Business Plan Regulations, 2023. Therefore, it is once again requested to consider the Capex of Rs 1.0 Cr for FY 2025-26, on account of this scheme as RLA study will be required to access status of steam turbine internals to ensure reliable operation of machines.

f) It is further submitted that PPCL vide its letter dated 30.09.2022 in the business plan of Pragati Power Station-I has requested to consider the implementation of following projects as approved by Board of Directors of PPCL.

   (i) Setting up of 400MW Solar projects in other states as per MoP, GoI guideline dated 12.04.2022 for flexibility in generation and scheduling of Thermal/Hydro power stations through bundling with Renewable Energy and storage power.

g) Accordingly, it is requested that while finalising the Business Plan Regulations 2023 the capital expenditure of Rs 39.10 Cr may be allowed in addition to in-principle approval for implementation of above said scheme.

COMMISSION'S VIEW

a) The Commission has considered the comment of IPGCL and allowed Capex of Rs 30 Cr. as IPGCL has not incurred any expenditure against the Capex allowed by the Commission in its order dated 24/03/2021 for retrofitting of 90 MW GTPS plant.

b) The Commission has considered the spill over capital expenditure schemes for procurement of GT compressor rotor with IGV for Pragati Power Station-1 under Capex as it was already approved in Business Plan Regulations, 2019 for Rs 36.00 Cr.

c) Accordingly, the tentative Capital Investment plan for the Generation Entities for FY 2023-24 to FY 2025-26 is as follows:

Capital Investment plan (Rs. Crore)

Sr. No.	Plant	FY 2023-24	FY 2024-25	FY 2025-26
1.	Gas Turbine Power Station (GTPS)	25	5	0
2.	Pragati Power Station (PPS-I)	36	2	0

I. **Regulation 8 - NORMS OF OPERATION FOR GENERATING STATIONS**

"(1) Normative Annual Plant Availability Factor and Normative Annual Plant Load Factor for existing generating stations of Delhi shall be as follows:

Table 3: Normative Availability and Load Factor

Generating Station	*Normative Annual Plant Availability Factor (NAPAF)*	*Normative Annual Plant Load Factor (NAPLF)*
Gas Turbine Power Station (GTPS)	*85%*	*85%*
Pragati Power Station (PPS-I)	*90%*	*85%*

(2) Gross Station Heat Rate for existing generating stations in Delhi shall be as follow:

Table 4: Gross Station Heat Rate (GHR) (kCal/kWh)

Sr. No	**Generating Station**	**Combined Cycle**	**Open Cycle**
		(kCal/ kWh)	
1	*Gas Turbine Power Station (GTPS)*	*2450*	*3125*
2	*Pragati Power Station (PPS-I)*	*1975*	*2900*

(3) Auxiliary Energy Consumption for existing Gas based Generating Stations of Delhi shall be as follows:

Table 5: Auxiliary Energy Consumption (%)

Sr. No.	**Mode of operation**	**Gas Turbine Power Station (GTPS)**	**Pragati Power Station (PPS-I)**
1	*Combined Cycle*	*2.75%*	*2.30%*
2	*Open Cycle*	*1.00%*	*1.00%*

”

STAKEHOLDER’S COMMENTS/SUGGESTIONS

IPGCL & PPCL

a) NAPAF for PPS-I station to 90% leads to a situation of under recoveries of Fixed Cost since the plant is very old.

b) CERC in its Tariff Regulations has considered the availability of the station to recover the fixed charges at 85%, even though average availability for most of the station of NTPC was above 90%.

c) Normative Availability shall be calculated on yearly basis @ 80% considering the fact that the machines are 20 years old and running on around 50% capacity due to less scheduling

d) Reducing the Heat rate to unachievable value leads to loss for PPS-I.

e) CERC in its Tariff Regulations, 2019 has fixed the operating norms of Station Heat Rate for similar projects on higher level.

f) Norms for GHSR for GTPS and PPS-I may be considered as under:

(kCal/kWh)

GENCO	**Combined Cycle**	**Open Cycle**
GTPS	2600	3575
PPS-I	2030	3150

g) Auxiliary Power Consumption targets proposed by the Hon'ble Commission may not be achievable, considering the vintage of the stations.

h) Requested to fix the Auxiliary Energy Consumption of the station as under:

GENCO	GTPS	PPS-I
Combined Cycle	3.50%	3.00%
Open Cycle	1.00%	1.00%

COMMISSION'S VIEW

a) With regard to the Normative Annual Plant Availability Factor (NAPAF) of the Generating Plants, the Commission has noticed the comments of the stakeholder and the Commission is of the view that the NAPAF of PPS-I and GTPS shall be based on Actual Availability of the Plant during FY 2017-18 and FY 2021-22. Accordingly, the Commission considered that no change is required in Final Regulation. The detailed reasons have been provided in the Explanatory Memorandum as follows:

"(55) PPCL & IPGCL has submitted that the actual Availability of the stations in the last 5 years is as follows:

Table 11: Plant-wise Availability

Generating Station	*FY 2017-18*	*FY 2018-19*	*FY 2019-20*	*FY 2020-21*	*FY 2021-22*
Pragati Power Station I (PPS-I)	*92.64%*	*88.36%*	*96.95%*	*92.03%*	*93.83%*
Gas Turbine Power Station (GTPS)	*83.07%*	*81.29%*	*86.46%*	*87.21%*	*52.52%*

....

(57) Based on the actual availability in the last 5 years as per the above table, it is clear that PPS-I has NAPAF more than the norms prescribed by the Commission, while GTPS is unable to meet the norms. In view of the above, the Commission has considered NAPAF as 85% for

GTPS and 90% for PPS-I for the next Control Period (FY 2023-24 to FY 2025-26)."

b) With regard to the Gross Station Heat Rate (GHR) of PPS-I, the Commission has noticed the comments of the stakeholder and the Commission is of the view that the GHR was based on actual GHR of the Plants during FY 2017-18 and FY 2021-22. Accordingly, the Commission has considered no change in Final Regulation. The detailed reasons have been provided in the Explanatory Memorandum as follows:

"(61) PPCL has submitted that the actual Heat Rate of PPS-I in the last 5 years is as follows:

Particulars	***FY 2017-18***	***FY 2018-19***	***FY 2019-20***	***FY 2020-21***	***FY 2021-22***
Combined Cycle Mode	*1969*	*1974*	*1976*	*1976*	*1974*
Open Cycle Mode	*3176*	*3138*	*3083*	*3102*	*3100*

…

(64) It can be seen from the above table that the Station Heat Rate in Combined cycle mode is on the lower side than the approved norms, considering the performance of the Plant, Commission has considered Station Heat Rate in Combined cycle mode as 1950 kCal/kWh for the next Control Period (FY 2023-24 to FY 2025-26).

…

(66) The Commission has considered the Station Heat Rate in Open cycle mode as 2900 kCal/kWh for the next Control Period (FY 2023-24 to FY 2025-26)."

c) With regard to the Gross Station Heat Rate (GHR) of GTPS, the Commission has already explained in the Explanatory Memorandum for Draft Business Plan Regulations 2023, Station Heat Rate of GTPS is on higher side due to frequent starts/stops and backing down of Plant by SLDC, resulting in partial operation of the units. However, in order to bring efficiency Commission has considered to continue the existing

Station Heat Rate i.e., 2450 kCal/kWh in Combined cycle mode and 2900 kCal/kWh in Open cycle mode for the next Control Period.

d) With regard to the Auxiliary Energy Consumption of PPS-I, the Commission has noticed the comments of the stakeholder and the Commission is of the view that the Auxiliary Energy Consumption was based on actual Auxiliary Energy Consumption of the Plants during FY 2017-18 and FY 2021-22. Accordingly, the Commission has considered no change in Final Regulation. The detailed reasons have been provided in the Explanatory Memorandum as follows:

"(73) The actual Auxiliary Energy Consumption for PPS-I in the last 5 years is as follows:

Year	***Actual Auxiliary Energy Consumption***
FY 2017-18	*2.38%*
FY 2018-19	*2.39%*
FY 2019-20	*2.31%*
FY 2020-21	*2.26%*
FY 2021-22	*2.24%*

(74) It can be seen from the above table that average Auxiliary Energy Consumption is only 2.32% which is far below the targets set for the Plant by the Commission and shows a reducing trend on yearly basis.

(75) In view of the above, the Commission has considered the Auxiliary Energy Consumption of PPS-I at Combined cycle mode- 2.30% and Open cycle mode-1% for the next Control Period (FY 2023-24 to FY 2025-26). …"

e) With regard to the Auxiliary Energy Consumption of GTPS, the Commission has already explained in the Explanatory Memorandum for Draft Business Plan Regulations 2023, Auxiliary Energy Consumption of GTPS was on higher side than the targets set for the Plant by the Commission. However, in order to bring efficiency Commission has considered to continue the existing Auxiliary Energy Consumption of GTPS at Combined cycle mode- 2.75% and Open cycle mode-1% for the next Control Period.

f) The Commission has, therefore, decided not to modify this provision of the draft Business Plan Regulations, 2023.

PART III - TRANSMISION LICENSEE

J. Regulation 15 - OPERATION AND MAINTENANCE EXPENSES

"(1) The Normative Operation and Maintenance Expenses of a Transmission Licensee for the Control Period, after considering Inflationary Growth Rate of 4.66%, shall be as follows:

Table 6: Operation and Maintenance Expenses (Rs. Crore)

O&M Expenses	FY 2023-24	FY 2024-25	FY 2025-26
Annual O&M Expenses	353.60	370.07	387.30

(2) The impact of actual implementation of Seventh Pay Revision and Interim Relief has been considered in above tabulated Normative O&M Expenses.

(3) The O&M expenses shall be allowed during True-up after considering the Actual O&M expenses subject to Prudence Check which will be lower of Actual or above tabulated Normative O&M expenses.

(4) The Transmission Licensee shall be allowed Land Licence Fee and Security Expenses separately on actual basis at the time of truing-up of ARR for the relevant Financial Year subject to Prudence Check since the said expenses have not been considered in above tabulated Normative O&M Expenses.

(5) The Transmission Licensee is expected to be Efficient in its Operations and reduce the normative O&M Expenses. The savings, if any in such O&M expenses shall be adjusted towards Revenue side. The saving in such O&M expenses upto 1% shall be passed towards the Beneficiaries and any savings in normative O&M expenses above 1% shall be shared between the Transmission Licensee and Beneficiaries equally."

STAKEHOLDER'S COMMENTS/SUGGESTIONS

DTL

a) The existing methodology of cost allowance used to encourage the company to increase its Bays and Circuit causing development of power infrastructure. Hence, the ceiling imposed on O&M Expenses are not justifiable.

b) Due to space constraints and increasing power demand, DTL is being forced to enhance / augment its transformation capacity of sub-stations, for which no additional O&M expenses were allowed by Commission earlier. It is requested to allow O&M Expenses on MVA Capacity basis also, in addition to existing Bay-wise/Ckt. Km-wise norms in line with the CERC Tariff Regulations, 2019.

c) Escalation Factor of at least 4.66% (considering the actual data of WPI and CPI of last 5 years i.e. from FY 2017-18 to FY 2021-22) should be considered for escalating O&M Expenses.

d) More weightage in the Escalation Factor should be given to the values of the CPI (at least 70%) against WPI, in order to give a clear picture of escalation in O&M Expenses.

e) No judicial reason before Commission for applying efficiency on adhoc basis in O&M Expenses for the Transmission Utility.

f) DERC, in the Draft Business Plan Regulations 2023, after providing for escalation in O&M Expenses by 3.23% due to inflation, has again reduced the O&M Expenses by applying efficiency factor of 2%, thereby nullifying any fruitful increment in the O&M Expenses for the improvement of the transmission system to meet the peak load.

COMMISSION'S VIEW

a) The Commission observes that the norm of Operation and Maintenance (O&M) Expenses of the Transmission Licensee has been determined on the basis of actual expenses of Transmission Licensee in last 5 years i.e., FY 2017-18 to FY 2021-22, in line with Clause 93 of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*.

K. Regulation 16 - CAPITAL INVESTMENT PLAN

"(1) The tentative Capital Investment Plan for the Transmission Licensee for FY 2023-24 to FY 2025-26 is as follows:

Table 7: Capital Investment Plan (Rs. Crore)

Particulars	*FY 2023-24*	*FY 2024-25*	*FY 2025-26*
Capitalization	*493*	*1183*	*1006*

Provided that above tabulated Capitalisation may undergo revision subject to Tariff based Competitive Bidding in the Intra-State Transmission Network.

(2) Employee Expenses and A&G Expenses shall be allowed to be capitalized equivalent to lower of 30% of (total Employee Expenses and A&G Expenses) or actuals in construction of projects in a particular financial year.

(3) The Capital investment and the respective Scheduled Date of Commissioning, submitted by the Transmission Licensee in the Annual Tariff Petition, shall form the basis for computation of Annual Fixed Cost in terms of Regulation 111 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(4) Capital cost shall be trued up annually and financial impact on account of variation in projected capital cost in the Tariff Order vis-à-vis Actual Capital Cost and Scheduled Date of Commissioning vis-a-vis Actual Date of Commissioning shall be dealt as per the provisions of Regulations 61, 62 and 150 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017."

STAKEHOLDER'S COMMENTS/SUGGESTIONS

DTL

a) The Commission has unilaterally deducted the planned capitalisation of DTL without any justification.

b) DTL in its 14th Business Plan of Delhi State Power Transmission, has optimally prepared the capital project schemes as per recommendation of Central Electricity Authority (CEA) load growth envisaged in 19th Electric Power Survey (EPS) and load growth projected by Delhi DISCOMs.

c) DTL in its Business Plan has submitted that during July, 2019 Delhi's maximum demand to 7409 MW as compared to projected demand of 6997 MW as per 19th EPS for 2019-20 but due to the impact of Covid-19/ lockdown restriction in summer of year 2020 & 2021, the peak demand was not pace-up as natural load growth. During these years, Peak Demand met was well below the 19th EPS forecast. However, these figures cannot be taken as reference for future planning. Thus. 4.5 % growth of power demand is considered for optimal sourcing and Transmission System Planning. Also, the Peak Demand observed in current and last two years of Delhi has been assumed as highly to grow with a factor of 5 % (approx.) annually, based on average growth of various DISCOM load growth projections.

TPDDL

d) TBCB has been already implemented by various SERC's in States like Assam, Haryana, Punjab, Rajasthan and UP.

e) The Hon'ble Commission has mentioned about Tariff based Competitive Bidding in the Intra-State Transmission Network in proviso to Regulation 16(1) of the Draft BPR, 2023. In this regard, the Hon'ble Commission had also published a Consultation Paper for Development of Intra-State Transmission System through Tariff Based Competitive Bidding process in the FY 2021-22. TPDDL wishes to congratulate the Commission which has taken the initiative towards determining a threshold limit for development of Intra-State Transmission System through Tariff Based Competitive Bidding process. It is suggested that the Commission may consider keeping Rs. 50.00 Crore as the threshold limit, beyond which the transmission scheme should compulsorily be implemented under Tariff Based Competitive Bidding process.

f) Apart from deciding the threshold limit for TBCB, the Hon'ble Commission may also need to consider the recent Hon'ble Supreme Court's Judgement dated 23.11.2022, in Civil Appeal No. 1933 of 2022, wherein it has directed all the SERC's to frame or amend the existing Regulations, within 3 months, to include provisions on the criteria for choosing the modalities to determine the tariff under Section 62 (cost-plus) or Section 63 (competitive bidding) of the Act. Accordingly, the Hon'ble Commission is also suggested to introduce the criteria for choosing the modalities, including constitution of a technical committee consisting of all long-term transmission users, to allow a transmission scheme under Section 62 (cost-plus) or Section 63 (competitive bidding) of the Act.

COMMISSION'S VIEW

a) The Commission observed that the average capitalisation of DTL in the last five years amounts to Rs 319.04 Cr, and in the last ten years, it amounts to Rs 418.67 Cr. The maximum capitalisation of DTL in the last five years was Rs 538.3 Cr. Considering the DTL proposed capitalization for FY 2023-24, the Commission has taken the same as the base and has allowed for an annual escalation of 4.03% (The 20th EPS survey of India has projected the CAGR of 4.03% for peak demand of Delhi from FY 2023-24 to FY 2027-28). Furthermore, the Commission has noted that, due to COVID-19 restrictions, DTL has been unable to complete a project previously approved by the Commission. In light of this, the Commission has allowed for the commissioning of 1000 Cr of spill over projects during the BPR period, with 600 Cr being allowed in FY 2024-25 and 400 Cr being allowed in FY 2025-26. The planned capitalisation approved in BPR are as follows: -

Capitalisation for DTL (Rs. Cr)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Capitalization	493	1183	1006

b) Further, TBCB is under consideration.

L. Regulation 17 - NORMS OF OPERATION FOR TRANSMISSION BUSINESS

"(1) Normative Annual Transmission System Availability Factor (NATAF) for recovery of Annual Fixed Charges for AC System shall be considered at 98.50%.

(2) Transmission System Availability shall be computed as per the Formulae and Methodology specified in Appendices-I, II and III of these Regulations."

STAKEHOLDER'S COMMENTS/SUGGESTIONS

DTL

a) There is no valid reason for the increment of NATAF and it must be retain at 98.00% (or below) only.

COMMISSION'S VIEW

a) The Commission has noticed the comments of the stakeholder and the Commission is of the view that NATAF was set based on the actual Transmission Availability Factor (TAF) of last 6 years i.e., FY 2016-17 and FY 2021-22 whose average is 98.96%. Accordingly, the Commission has considered no change in Final Regulation. The detailed reasons have been provided in the Explanatory Memorandum as follows:

"(96) DTL has submitted the Annual Transmission Availability for FY 2016-17 to FY 2021-22 as follows:

Table 15: Annual Transmission Availability (in %)

Particulars	*FY 2016-17*	*FY 2017-18*	*FY 2018-19*	*FY 2019-20*	*FY 2020-21*	*FY 2021-22*
Annual Transmission Availability	*98.009*	*99.348*	*99.106*	*98.953*	*99.305*	*99.037*

(97) It can be seen from the above table that average Annual Transmission Availability is approx. <u>98.96%</u> which is above the targets set for by the Commission.

(98) In view of past performance and technological advancement, the Commission has considered to increase the Annual Transmission Availability to 98.50% for the next Control Period (FY 2023-24 to FY 2025-26)."

M. <u>Regulation 18 - TRANSMISSION CHARGES FOR TRANSMISSION LICENSEE</u>

"The Transmission Charges (inclusive of incentive) for AC system to be billed, in terms of Regulation 112 to 115 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, for a calendar month for Transmission System or part thereof shall be computed as follows:

a)	*For TAFM ≤ 98.50%*	*AFC x (NDM/NDY) x (TAFM/98.50%)*
b)	*For 98.50% < TAFM ≤ 99.00%*	*AFC x (NDM/NDY) X 1*
c)	*For 99.00% < TAFM ≤ 99.75%*	*AFC x (NDM/NDY) x (TAFM/98.50%)*
d)	*For TAFM > 99.75 %*	*AFC x (NDM/NDY) x (99.75%/98.50%)*

Where,

AFC = Annual Fixed Cost specified for the year in Rupees

NATAF = Normative Annual Transmission availability factor, in per cent

NDM = Number of days in the month

NDY = Number of days in the year

TAFM = Transmission System availability factor for the month"

STAKEHOLDER'S COMMENTS/SUGGESTIONS

DTL

a) 1% band (100%-99%) is very less considering the fact that DTL is required to do preventive maintenance, regular overhauling work for keeping the transmission system healthy.

b) The targets should be such that it encourages any utility to perform at its best along with the justified incentives, rather that setting up of very high standard of targets.

COMMISSION'S VIEW

a) The Commission has noticed the comments of the stakeholder and the Commission is of the view that NATAF was set based on the actual Transmission Availability Factor (TAF) of last 6 years i.e., FY 2016-17 and FY 2021-22 whose average is 98.96%. Accordingly, the Commission has considered no change in Final Regulation and allowed Transmission Charges for Transmission Licensee and the methodology is also same as adopted by the CERC in *CERC (Tariff Regulations), 2019*.

PART IV – DISTRIBUTION LICENSEE

N. Regulation 23 - OPERATION AND MAINTENANCE EXPENSES:

"(1) Normative Operation and Maintenance expenses are being determined in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(2) The Distribution Licensee shall be allowed own (Auxiliary) consumption including E-Vehicle Charging Stations installed at Distribution Licensee offices and sub-stations, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales excluding own consumption to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year.

(3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales excluding own consumption to its Retail consumers for the relevant Financial Year, shall be billed at Non Domestic Tariff of respective year's Tariff Schedule and shall form part of Revenue Billed and Collected for the same year.

(4) The Distribution Licensee shall be allowed O&M expenses for a particular Financial Year of the Control Period by multiplying the normative rate per unit defined herewith of that particular year with the Trued-up sales during the relevant Financial Year.

Provided that, under no circumstances, Distribution Licensees shall be allowed O&M Expenses more than the Actual O&M Expenses as per Audited Books of Accounts during True-up of relevant Financial Year.

(5) The Employee benefits pertaining to Employees transferred under the Tripartite Agreement are considered uncontrollable in nature, therefore not forming part of Normative O&M Expenses as tabulated below, accordingly, shall be Trued up for relevant Financial year subject to prudence check:

Provided that the Distribution Licensee shall submit the above details of Employee Expenses within thirty (30) days from the end of finalization of audited accounts of the relevant year.

(6) Expenses on account of Statutory Levies towards Property Tax/ Land Licence Fee to GoNCTD, Licence Fee paid to DERC shall be Trued up for relevant Financial year subject to prudence check:

Provided that the Distribution Licensee shall submit the above details of O&M expenses within thirty (30) days from the end of finalization of audited accounts of the relevant year;

Provided also that any expense in the nature of statutory levies already forming part of the actual O&M expenses and considered in the O&M Expense norms of the Distribution Licensee shall not be allowed separately.

(7) The Legal Expenses including that on account of cases filed against the Orders or Regulations of the Commission before any Court and the legal claims (compensation/penalty) paid to the consumer, if any, shall not be allowed in the Aggregate Revenue Requirement (ARR).

(8) The Performance Related Incentives forming part of Employees Salary and not out of Profit of Company shall be allowed subject to Prudence Check.

(9) The expenses on account of Corporate Social Responsibility of the Licensee shall not be allowed in the ARR.

(10) The Normative Operation and Maintenance Expenses of a Distribution Licensees for the Control Period, after considering Inflationary Growth Rate of 4.66%, shall be as follows:

Table 8: Norms of O&M Expenses for DISCOMs for the Control Period [Rate / Unit of sale (Paise)]

Distribution Licensees	FY 2023-24	FY 2024-25	FY 2025-26
BRPL	54.72	54.92	55.13
BYPL	64.15	64.40	64.64
TPDDL	61.46	62.09	62.73
NDMC	54.72	54.92	55.13

(11) The Distribution Licensee is to expected to be Efficient in its Operations and reduce the normative O&M Expenses. The savings, if any in such O&M expenses shall be adjusted towards Revenue side. The savings upto 1% shall be

passed towards the Consumers and any savings in normative O&M expenses above 1% shall be shared between the Distribution Licensee and Consumers equally."

STAKEHOLDER'S COMMENTS/SUGGESTIONS

BRPL & BYPL

a) Computing O&M expenses on:
   (i) Network capacity rather than per unit sales basis.
   (ii) Basis of capacity of assets installed at site i.e., per circuit kilometer of line and per MVA capacity of transformation at various voltage levels in line with the approach adopted in the Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2017 and 2019.
   (iii) Other miscellaneous expenses, statutory levies and taxes (except corporate income tax) to be allowed on actual basis.

b) Data of past five years i.e., FY2017-18 to FY2021-22 for deriving the base O&M cost for FY2022-23, whereas, data from FY2017-18 to FY2019-20 is considered for deriving the base sales for FY2022-23. Such differential approach of Hon'ble Commission is contrary to Regulation 93 of Tariff Regulations, 2017 which provides that Commission has to consider data for past 5 years. Hon'ble Commission has considered FY2020-21 and FY2021-22 as COVID-19 years while estimating Base Sales for FY2022-23, whereas, it is not the case in deriving Base O&M cost. During FY2020-21, COVID -19 had significantly hit sales by 11% and O&M expenses by only around 5%.

c) Legal Expenses are not allowed as part of ARR. Legal Expenses are spent solely and exclusively for the purpose of the licensed business of DISCOMs i.e., Distribution and retail supply of electricity, for risk mitigation, reducing financial exposure and enforcement of their legal rights.

d) Requested to include water charges in the normative O&M expenses and shall not be trued up separately.

e) In case due to uncontrollable reason if the actual sales are lower than projected sales by the Hon'ble Commission, overall O&M expenses as per norms will reduce substantially. However, in actual scenario

Licensee will have to incur O&M expenses which are mostly fixed in nature. Moreover, the Discom has to maintain the distribution network to serve the open access consumers too. For example, if 50% of the total sales shifts to Open Access, normative O&M expenses will reduce by 50%.

TPDDL

f) Changed the norms for computing the O&M Expenses for DISCOMs and has linked the norms to unit sale of power. Will impede the ability of TPDDL to carry out the operation and maintenance of its distribution network as it cannot, with certainty, assess the Unit sale as opposed to assessing the network capacity. Sales is an uncontrollable Parameter.

g) The expenses of FY 2020-21 and FY 2021-22 cannot be considered while computing the average expenses for determination of normative expenses as it will cause undue hardship to the Discom which is caused by exceptional COVID situation. Hon'ble Commission should consider the base data of FY 2019-20 for setting the norms.

h) Inconsistency in choosing the years for analysis. while for O&M Expenses head, the Covid-19 pandemic impacted years FY 2020-21 and FY 2021-22 has been considered, however for computing Escalation Factor for FY 2021-22 not considered.

i) 10% Capitalisation Amount should be adjusted between FRSR and Non FRSR heads appropriately.

j) Professional & Consultancy Fees and Legal Fees has not been considered.

COMMISSION'S VIEW

a) *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* stipulate the Regulations for determining the O&M Expenses for various Power Utilities under Regulation 87, 88, 89, 90, 91, 92 & 93. Of these, Distribution Licensees are governed under Regulation 87, 88, 92 & 93.

b) The DISCOMs filed their Business Plan for the next 5 years based on the actual financial position for the last 7 years indicating the salary expenses, A&G expenses and R&M expenses for each year.

c) Regulation 93 states that the normative O&M Expense of a Distribution Licensee for the control period shall be derived on the base of audited O&M Expenses for the last 5 completed financial years vis-à-vis normative O&M Expense allowed by the Commission during the corresponding period based on the various parameters. Going by the Regulation, the information has been limited to audited O&M Expenses of the DISCOMs for last 5 completed financial years i.e., FY 2017-18 to FY 2021-22.

d) Based on the submission of DISCOMs and recent finding of Hon'ble Supreme Court of India in its judgment dated 18/10/2022, the FRSR employee cost is being treated as an uncontrollable expense. The benchmark has been carried out on the basis of the actual O&M Expenses as reported in its Audited Financial Statements for the last five Financial years excluding the costs as discussed hereunder. Employee Cost relating to FRSR Employees governed under Tripartite Agreement. The FRSR employee cost has been considered as uncontrollable and not included in the normative O&M Expenses of the DISCOMs. The DISCOMs have opined for replacement cost for retirement of such FRSR employees in their normative Non FRSR Costs. In this regard, it is informed that the employees retiring from the business are generally replaced with fresh talent. Further, such replacement has been a continuous process as the FRSR employee count has declined over a period of time and has been replaced in due course of time. The same is done by way of replacement at same level and also supplemented by induction at junior level. The Commission will map suitably the replacement cost of FRSR employees with non-FRSR employees and, after prudence check, will allow such replacement cost.

e) Rates & Taxes - Levy such as land license fee to GoNCTD, license fee to DERC is also being treated as uncontrollable and not considered in the normative O&M Expenses. All statutory levies, if not indicated separately from the cost head, for example GST paid on service contract, professional charges etc. are not being considered separately as the same are forming part of the normative O&M expenses.

f) Corporate Social Responsibility, or CSR, refers to the belief that businesses have an obligation to society beyond their commitments to their stockholders or investors. As per Companies Act 2013, all companies with net worth above Rs. 500 Cr., turnover over Rs. 1,000 Cr., or net profit over Rs. 5 Cr are required to spend at least 2 per cent of their annual profits (averaged over 3 years). Section 135 of the Act which mandates the CSR & also asks companies to establish a CSR committee to oversee the spending. Such obligation on account of CSR spending which is not a business expense cannot not be passed onto the consumers and therefore excluded from the O&M Expenses of the DISCOMs.

g) Based on the representation of the DISCOMs, the Performance Related Incentives forming part of Employees Salary and not out of Profit of Company shall be allowed subject to Prudence Check.

h) Bank charges as cheque book issuance, demand draft charges, LC Charges etc. that are attributable to day to day business and not directly linked to any particular loan may be included in the A&G Expenses. All charges that are directly attributable to particular loan to be included in the interest on such loan under relevant Regulations of DERC (Terms and Conditions for determination of Tariff) Regulations, 2017.

i) Based on the financial representation of the expenses, Water charges have been included in the normative O&M expenses and shall not be trued up separately.

j) The average cost for last 5 years is multiplied by an inflation rate as determined to arrive at the cost for the base year FY 2022-23. The Commission has considered an inflationary growth on the O&M cost for the Base year FY 2022-23 to arrive at the base cost for the period FY 2023-24 to FY 2025-26.

k) The Commission has projected the estimated sales for FY 2022-23 considering the CAGR growth from FY 2017-18 to FY 2019-20. FY 2020-21 and FY 2021-22 have not been considered due to imposition of Covid-19 lockdown.

l) The rate per unit of cost is thereafter derived by dividing the total Controllable O&M cost by the estimated sales.

m) Uncontrollable expenses such as FRSR expenses, Rates & Taxes shall be allowed in the ARR equally to last available actual FRSR expenses which shall be trued-up. All expenses as indicated 'common' for FRSR and Non FRSR employees have been considered under the Controllable O&M expenses as they are not incurred under tripartite agreement.

n) Accordingly, the controllable O&M expenses have been arrived at as follows:

in Rs. Cr

BRPL	Audited FY 2017-18	Audited FY 2018-19	Audited FY 2019-20	Audited FY 2020-21	Audited FY 2021-22	Estimated FY 2022-23	FY 2023-24	Projected FY 2024-25	FY 2025-26
Employee Exps (NET of capitalisation)									
FRSR	293.55	255.83	245.12	326.17	271.42	257.85	244.95	232.71	221.07
Non FRSR	240.40	265.86	276.24	237.38	271.19	296.02	309.82	324.25	339.36
A&G Expenses	197.16	212.79	233.37	224.15	235.94	252.99	264.78	277.12	290.04
Vehicle Hire & Running Expenses	35.21	38.67	39.43	35.64	37.50	42.75	44.74	46.83	49.01
Travelling, Conveyance, Boarding & Lodging	6.88	7.12	7.63	5.82	5.71	7.60	7.96	8.33	8.72
Insurance	2.42	3.33	4.11	6.82	6.25	5.26	5.50	5.76	6.03
Bill Collection Charges	9.78	8.21	7.51	5.99	7.09	8.85	9.26	9.69	10.14
Communication Expenses	7.01	7.82	9.09	7.91	7.77	9.08	9.50	9.95	10.41
Printing and Stationery	8.37	7.04	5.27	6.76	7.55	8.02	8.40	8.79	9.20
Meter Reading & Bill Distribution Expenses	42.13	43.46	48.68	46.80	50.07	53.00	55.47	58.05	60.76
Call Centre Expenses	14.18	15.35	16.58	17.57	16.55	18.40	19.25	20.15	21.09
House Keeping Charges	13.80	14.69	15.40	16.28	16.24	17.52	18.34	19.19	20.08
Security Expenses	22.45	24.34	26.73	27.13	27.97	29.49	30.86	32.30	33.81
Advertisement Expenses	2.17	2.13	2.38	1.49	1.81	2.29	2.39	2.51	2.62
Professional Consultancy Charges (Adjusted by 15 cr each in FY 2017-18 & FY 2018-19 on account of legal expenses)	24.07	19.99	18.83	16.79	18.90	22.60	23.66	24.76	25.91
Enforcement Expenses - CISF	-	-	-0.00	-	-	-0.00	-0.00	-0.00	-0.00
Miscellaneous Support Service (SLA)	-	-	21.50	22.48	24.29	15.65	16.38	17.15	17.95
Remuneration to Auditors	0.48	0.45	0.53	0.43	0.68	0.59	0.62	0.65	0.68
Directors' Sitting Fees	0.21	0.23	0.17	0.22	0.21	0.24	0.25	0.26	0.27
Bank Charges	0.83	0.65	0.45	0.21	0.24	0.55	0.57	0.60	0.63
Miscellaneous Expenses	7.17	19.31	9.08	5.81	7.11	11.12	11.63	12.18	12.74
R&M Expenses	178.23	203.63	193.49	205.17	195.51	223.79	234.22	245.13	256.55
- machinery	129.22	140.12	140.80	143.76	143.57	159.92	167.37	175.17	183.33
- Buildings	4.33	2.82	2.70	14.51	5.47	6.84	7.16	7.49	7.84
- Others	8.94	14.20	13.98	16.56	14.37	15.60	16.33	17.09	17.89
- Stores and Spares consumed (Net of recoveries)	35.74	46.49	36.01	30.34	32.10	41.43	43.36	45.38	47.49

									in Rs. Cr.
BYPL	**Audited FY 2017-18**	**Audited FY 2018-19**	**Audited FY 2019-20**	**Audited FY 2020-21**	**Audited FY 2021-22**	**Estimated FY 2022-23**	**FY 2023-24**	**Projected FY 2024-25**	**FY 2025-26**
Employee Exps (NET of capitalisation)									
FRSR	256.76	226.45	221.70	295.61	251.77	239.18	227.22	215.86	205.07
Non FRSR	107.80	123.93	126.15	97.72	105.36	128.62	134.61	140.89	147.45
A&G Expenses	171.23	179.15	174.71	179.19	191.84	205.47	215.04	225.06	235.55
Vehicle Hire and Running Expenses	18.95	20.82	22.98	22.83	25.15	25.39	26.57	27.81	29.11
Travelling, Conveyance, Boarding and Lodging	2.30	2.26	1.97	1.11	1.32	2.05	2.15	2.25	2.35
Insurance	1.79	2.44	2.79	4.41	4.55	3.67	3.84	4.02	4.20
Bill Collection Charges	17.74	16.39	12.31	13.64	14.84	17.18	17.98	18.81	19.69
Communication Expenses	8.12	6.88	8.01	9.20	8.33	9.29	9.73	10.18	10.65
Printing and Stationery	3.87	3.40	3.26	3.14	5.26	4.34	4.54	4.76	4.98
Meter Reading and Bill Distribution Expenses	32.19	33.01	32.78	29.76	35.63	37.46	39.20	41.03	42.94
Call Centre Expenses	4.29	4.26	5.26	5.90	7.42	6.22	6.51	6.81	7.13
House Keeping Charges	7.91	7.99	8.58	9.44	9.56	9.97	10.43	10.92	11.43
Security Expenses	16.45	16.79	16.69	17.57	18.49	19.72	20.64	21.60	22.60
Advertisement Expenses	0.87	0.77	0.69	0.72	0.89	0.90	0.95	0.99	1.04
Professional Consultancy Charges (normalized to exclude legal expenses for FY 2017-18 by 6 Cr and FY 18-19 by 10 Cr)	10.33	10.54	10.29	10.47	10.35	11.92	12.47	13.06	13.66
Door Step Service Expenses	5.47	5.31	6.34	6.09	-	5.32	5.57	5.83	6.10
Misc Support Service (SLA)	35.49	38.08	36.94	36.25	43.32	43.58	45.61	47.74	49.96
Expenditure on Corporate Social Responsibility									
Remuneration to Auditors	0.45	0.43	0.47	0.42	0.64	0.55	0.58	0.61	0.63
Directors' Sitting Fees	0.20	0.26	0.17	0.22	0.21	0.24	0.25	0.26	0.28
Bank Charges	1.24	0.76	0.47	0.55	0.34	0.77	0.80	0.84	0.88
Miscellaneous Expenses	3.59	8.76	4.72	7.47	5.53	6.90	7.22	7.55	7.90
R&M Expenses	119.32	134.11	128.81	129.75	133.82	148.07	154.97	162.19	169.75
- Machinery	82.15	90.09	90.96	95.35	100.19	105.18	110.08	115.21	120.58
- Buildings	3.89	3.84	5.52	2.98	2.97	4.40	4.61	4.82	5.04
- Others	6.98	8.27	9.57	9.93	9.39	10.12	10.59	11.09	11.60
- Stores and Spares consumed (Net of recoveries)	26.26	31.91	22.76	21.48	21.27	28.36	29.68	31.06	32.51
- Stores and Spares written off	0.03	-	-	-	-	0.01	0.01	0.01	0.01

									in Rs. Cr
TPDDL	**Audited FY 2017-18**	**Audited FY 2018-19**	**Audited FY 2019-20**	**Audited FY 2020-21**	**Audited FY 2021-22**	**Estimated FY 2022-23**	**FY 2023-24**	**Projected FY 2024-25**	**FY 2025-26**
Employee Exps (NET of capitalisation)									
FRSR	223.87	198.87	201.72	272.51	228.57	245.97	233.67	221.98	210.89
Non FRSR	249.69	270.83	303.18	284.62	287.15	319.96	334.87	350.47	366.81
A&G Expenses	127.13	135.28	132.62	117.18	122.84	145.60	152.39	159.49	166.92
Communication expenses	2.33	2.58	2.40	2.40	2.37	2.77	2.90	3.03	3.17
Printing and stationery	2.96	3.22	3.27	1.68	2.40	3.10	3.25	3.40	3.56
Legal and professional charges	5.50	7.73	7.91	4.58	4.93	7.03	7.36	7.70	8.06
Travelling and conveyance	6.83	9.04	8.20	3.19	4.62	7.31	7.65	8.01	8.38
Insurance	5.06	5.14	6.31	7.96	8.22	7.49	7.84	8.21	8.59
Advertisement, publicity and business promotion	7.14	3.01	2.39	1.98	1.71	3.72	3.89	4.08	4.27
Rent and hire charges	2.50	2.56	1.29	1.15	0.90	1.93	2.02	2.11	2.21
Freight, handling and packing expenses	0.44	0.62	0.53	0.44	0.56	0.59	0.62	0.65	0.68
Bill collection and distribution expenses	12.00	11.43	11.22	7.04	8.15	11.43	11.96	12.52	13.10
Postage and courier charges	0.34	0.32	0.39	0.18	0.19	0.33	0.34	0.36	0.38
EDP expenses	11.31	8.89	12.41	12.29	13.71	13.44	14.06	14.72	15.40
Housekeeping expenses	8.93	9.20	9.83	10.19	10.65	11.19	11.71	12.26	12.83
Miscellaneous expenses	9.55	10.29	9.42	11.68	9.80	11.63	12.18	12.74	13.34
Transferred from R&M Expenses	52.22	61.25	57.07	52.42	54.61	63.64	66.61	69.71	72.96
R&M Expenses	112.18	113.63	127.94	141.58	154.04	148.89	155.83	163.09	170.69
Stores and spares consumed (net of recoveries)	28.90	30.69	40.47	43.28	51.93	44.77	46.85	49.04	51.32
(i) Building	5.07	4.52	5.22	5.23	5.41	5.84	6.11	6.39	6.69
(ii) Plant and equipment	78.21	78.42	82.25	93.07	96.71	98.28	102.87	107.66	112.68

Note: The FRSR employee cost as shown above is subject to True-up based on the actuals and is only indicative for the purpose of ARR.

o) The summary of O&M Expenses are as follows:

Controllable O&M expenses	UoM	Base year FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
BRPL					
Employee - Non FRSR	Rs. Cr.	296.02	309.82	324.25	339.36
A&G	Rs. Cr.	252.99	264.78	277.12	290.04
R&M	Rs. Cr.	223.79	234.22	245.13	256.55

Controllable O&M expenses	UoM	Base year FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total	**Rs. Cr.**	**772.80**	**808.82**	**846.51**	**885.95**
Estimated Sales	MU	14,175	14,781	15,412	16,071
Rate/ unit	**Paise**		**54.72**	**54.92**	**55.13**
BYPL					
Employee - Non FRSR	Rs. Cr.	128.62	134.61	140.89	147.45
A&G	Rs. Cr.	205.47	215.04	225.06	235.55
R&M	Rs. Cr.	148.07	154.97	162.19	169.75
Total	**Rs. Cr.**	**482.16**	**504.63**	**528.14**	**552.75**
Estimated Sales	MU	7,545	7,867	8,201	8,551
Rate/ unit	**Paise**		**64.15**	**64.40**	**64.64**
TPDDL					
Employee - Non FRSR	Rs. Cr.	319.96	334.87	350.47	366.81
A&G	Rs. Cr.	145.60	152.39	159.49	166.92
R&M	Rs. Cr.	148.89	155.83	163.09	170.69
Total		**614.45**	**643.08**	**673.05**	**704.42**
Estimated Sales	MU	10,101	10,464	10,840	11,229
Rate/ unit	**Paise**		**61.46**	**62.09**	**62.73**

p) As NDMC doesn't have separate books of Accounts for its electricity business, the Commission has considered normative O&M Expenses of NDMC equal to that of BRPL and will additionally consider Govt. Employees' cost of NDMC as per actuals in line with FRSR principle of other DISCOMs. The Total O&M cost shall be trued up subject to actuals and prudence check.

O. Regulation 24 - CAPITAL INVESTMENT PLAN

"(1) The tentative Capital Investment plan in terms of Regulation 4(4) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee shall be as follows:

Table 9: Capitalisation for BRPL for the Control Period (in Rs. Cr.)

Particulars	*FY 2023-24*	*FY 2024-25*	*FY 2025-26*	*Total*
Capitalization	*658*	*681*	*706*	*2045*
Smart Meter	*200*	*200*	*200*	*600*
Less: Deposit Work	*100*	*100*	*100*	*300*
Total	***758***	***781***	***806***	***2345***

Table 10: Capitalisation for BYPL for the Control Period (in Rs. Cr.)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	Total
Capitalization	359	372	385	1116
Smart Meter	150	150	150	450
Less: Deposit Work	72	76	80	228
Total	**437**	**446**	**455**	**1338**

Table 11: Capitalisation for TPDDL for the Control Period (in Rs. Cr.)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	Total
Capitalization	388	414	431	1233
Smart Meter	66	66	66	197
Less: Deposit Work	50	50	50	150
Total	**404**	**430**	**446**	**1280**

Table 12: Capitalisation for NDMC for the Control Period (in Rs. Cr.)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	Total
Capitalization	138	148	139	425

(2) The Distribution Licensee shall take approval for Capital Investment Schemes as per the provisions of Capital Investment Guidelines issued by the Commission from time to time.

(3) Employee Expenses and A&G Expenses shall be allowed to be capitalized equivalent to lower of 10% of (total Employee Expenses and A&G Expenses) or actuals in construction of projects in a particular Financial Year.

(4) The Licensee shall submit the quarterly Capital investment plan along with scheduled date of Commissioning in the Annual Tariff Petition for the relevant year, which shall form the basis for computing the Fixed Cost in terms of Regulation 130 (c) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(5) The Distribution Licensee shall submit an application including details of actual Capitalisation on quarterly basis for physical verification and true up of capital cost within 1 (one) month of the completion of the relevant quarter.

(6) The quarterly Capital Cost submitted by the Distribution Licensee as per aforesaid sub- Regulation (3) shall be trued up by the Commission and financial impact on account of variation in Projected Capital Cost in the Tariff Order vis-a-

vis actual capital cost shall be dealt under the Annual true up of relevant financial year as follows:

(a) Any excess tariff recovered on account of variation in projected capitalization in the tariff order vis-a-vis trued up capitalization by more than 10% during the year, shall be adjusted in the Revenue Gap/Surplus of the relevant year along with interest rate at 1.20 times of applicable Weighted Average Cost of Capital (WACC) of respective year:

Provided that any excess tariff recovered on account of variation in projected capitalization in the tariff order vis-a-vis trued up capitalization due to reasons beyond the control of the Distribution Licensee, subject to prudence check, shall be adjusted in the Revenue Gap/Surplus of the relevant year along with interest rate equal to applicable Weighted Average Cost of Capital (WACC) of respective year.

(b) Any shortfall in tariff recovered on account of variation in projected capitalization in the tariff order vis-a-vis trued up capitalization by more than 10% during the year, shall be adjusted in the Revenue Gap/Surplus of the relevant year along with interest rate at 0.80 times of applicable Weighted Average Cost of Capital (WACC) of respective year."

STAKEHOLDER'S COMMENTS/SUGGESTIONS

BRPL & BYPL

a) The Commission has used an average of the actual capitalization of the last 10 years to arrive at the projected capitalization for the upcoming fiscal year, and has also escalated it by 3.54%. It appears that the Commission may have cherry picked the data of relevant years to arrive at these figures, without any rational nexus.

b) Majority of the Capex requirement is based on the relief required to reduce existing network constraints and overloading, which may not necessarily be reflected in the past 10 years of capitalization data.

c) The Commission has not considered the escalation in cost, particularly in the material costs for various equipment and components required for system improvements. There has been significant increase in the cost of PTR, EHV cable, HT cable, DT, and RMU over the past 10 years.

d) The Commission has considered a growth rate of 3.54% in the base capitalization for FY2022-23, but BSES DISCOMs are unable to verify this figure from 20th EPS survey data. The Commission has projected the growth rate for Transmission Business-Capex on the basis of Delhi peak demand, but BRPL & BYPL suggests that the capex growth rate for Distribution Business should be considered based on Delhi peak demand as the majority of the capital expenditure is required to address Load Growth requirement and towards improving system reliability as well as reducing distribution loss.

e) Further, Commission has proposed reduction in distribution loss, but has been conservative in approving capex, which may make it difficult for DISCOMs to achieve its goals.

f) As required by a Ministry of Power (MoP) notification dated 23.05.2022 to install smart meters in a phased manner. Additional capex will be required for the installation of these smart meters. Therefore, the Commission shall allow additional capex for the installation of smart meters as it is a statutory obligation.

g) 2nd amendment of GNM/VNM guidelines mandates that network augmentation cost of projects under GNM-VNM is to be borne by DISCOMS up to a specific capacity. Therefore, the Commission shall allow additional capex for augmentation cost of projects under GNM-VNM.

<u>OTHER STAKEHOLDER'S COMMENTS</u>

h) Target for capitalisation as proposed in the draft is adequate and acceptable.

i) The proposed Capital Investment for smart meter is very high and needs to be scaled down as given below.

Rs Cr

DISCOM	2023-24	2024-25	2025-26
BRPL	100	100	100
BYPL	75	75	75
TPDDL	50	50	50

j) The Licensee shall furnish reason for not fixing Smart Meter since 2013 as per Ministry of Power, Government of India direction and also for all new connections. Licensee shall provide due credit towards residual life of the Meter being replaced in case these are changed prematurely prior to their full life.

COMMISSION'S VIEW

a) The Commission observed that the distribution licensees (BRPL, BYPL & TPDDL) have projected a compound annual growth rate (CAGR) in the range of 1.71% to 3.06% for the Sanctioned loads and sales forecast in the next control period.

b) In view of the DISCOMs' requirements for load growth, system reliability, reduction in distribution losses, and reduced capitalization due to Covid-19, the Commission has considered the maximum capitalization done by DISCOMs in the last 5 years as the base year.

c) Based on the 20th EPS survey data, the energy requirement for Delhi is projected to grow at a CAGR of 3.54% in the next 5 years from FY 2023-24 to FY 2027-28. Accordingly, the capitalization of the distribution licensees (BRPL, BYPL & TPDDL) is projected with the same CAGR rate for the next control period of the BPR.

d) Further, BRPL and BYPL has planned capitalisation of 2178 Cr and 1413 Cr for the Smart Meters in the next 3 years. Commission has already approved 262.4 Cr and 191.3 Cr for Smart meters in 2016. However, BRPL and BYPL has installed approx. 11000 Smart Meters till date. Accordingly, the projected capitalisation of BRPL & BYPL for Smart Meters in the control period seems unrealistic. In view of above, Commission has approved the 200 Cr for BRPL, 150 Cr for BYPL and 66 Cr for TPDDL for Capitalisation for Smart Meters in each year of control period.

P. Regulation 25 - TARGET FOR DISTRIBUTION LOSS

"(1) The Distribution Loss target in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution licensees shall be as follows:

Table 13: Target for Distribution Loss for the Control Period

Sr.	Distribution Licensee	2023-24	2024-25	2025-26
1	BSES Rajdhani Power Ltd.	7.30%	7.14%	6.96%
2	BSES Yamuna Power Ltd.	7.72%	7.54%	7.33%
3	Tata Power Delhi Distribution Ltd.	6.91%	6.83%	6.74%
4	New Delhi Municipal Council	7.72%	7.54%	7.33%

(2) The amount for Overachievement/Underachievement on account of Distribution Loss target shall be computed as per the formula specified in the Regulation 159 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.

(3) Any financial impact due to Underachievement on account of Distribution Loss target by the Distribution Licensee for the relevant year, (i.e. Actual Loss > Loss target), shall be to the account of Distribution Licensee as specified in Regulation 161 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(4) Any financial impact due to Overachievement on account of Distribution Loss target by the Distribution Licensee for the relevant year shall be shared between the Distribution Licensee and Consumers as follows:

- *i. in case actual Distribution Loss is between the loss target and loss target minus [50%*(Previous Year Target-Current Year Target)] for the relevant year shall be shared in the ratio of $2/3^{rd}$ to Consumers and $1/3^{rd}$ to the Distribution Licensee;*
- *ii. in case actual Distribution Loss is less than loss target minus [50%*(Previous Year Target-Current Year Target)] for the relevant year shall be shared in the ratio of $1/3^{rd}$ to Consumers and $2/3^{rd}$ to the Distribution Licensee.*

Explanation -

Previous Year Distribution Loss

Target - PYT Current Year

Distribution Loss Target - CYT

CASE 1: If Actual Loss > CYT, 100% of the distribution loss is to Distribution Licensee

CASE 2: If CYT > Actual > [CYT-50%(PYT-CYT)], $1/3^{rd}$ of the incentive is to Distribution Licensee and $2/3^{rd}$ of the incentive is to Consumers.*

CASE 3: If Actual < [CYT-50%(PYT-CYT)], incentive upto [CYT-50%*(PYT-CYT)] is to be shared as $1/3^{rd}$ to the Distribution Licensee and $2/3^{rd}$ to the Consumers. Remaining incentive is to be shared as $2/3^{rd}$ to the Distribution Licensee and 1/3rd to the Consumers."*

<u>STAKEHOLDER'S COMMENTS/ SUGGESTIONS</u>

<u>TPDDL</u>

a) The loss target specified for the upcoming Control period (FY 2023-24 to FY 2025-26) is ex-facie contrary to the principles of the Tariff Regulations 2017 and are unrealistic and unachievable.

b) The trajectory for the previous control period i.e., FY 2020-21 to FY 2022-23 was worked out by gradually lowering the Distribution Loss levels of FY 2019-20 by 0.10% for every succeeding year, with an aggregate reduction of Distribution Loss by 0.30% in the entire control period of FY 2020-21 to FY 2022-23. The Distribution Loss target in the transition year between the two control period i.e., FY 2022-23 to FY 2023-24 is 1.48% which is unachievable in one Financial Year.

c) Utilities operating in India and globally, who had once achieved the lower Distribution losses were not able to sustain them in future. Several utilities which had achieved Distribution losses in the range of 8% to 30% but were unable to sustain it in the upcoming Financial Years

Table: Utilities achieving lower losses in FY 2018 but not able to sustain in FY 019 and FY 2020

DISCOMs	FY 17-18	FY 18-19	FY 19-20

PSPCL	11.06	11.28	12.02
NPCL	7.99	8.15	8.26
Goa PD	10.90	11.26	12.00
Lakshadweep ED	5.20	8.87	14.13
Mizoram PD	16.16	16.20	20.66

Table: Utilities achieving lower losses in FY 2018 but not able to achieve the similar level in FY 2019 sustain in FY 2019 and FY 2020

DISCOMs	FY 17-18	FY 18-19	FY 19-20
Andaman & Nicobar PD	19.14	23.20	22.60
APDCL	17.64	19.70	19.06
HPSEBL	11.08	12.46	11.68
JBVNL	19.48	22.89	22.46
JDVVNL	19.33	23.12	19.38
APEPDCL	5.12	6.68	6.64
TSECL	22.25	31.68	30.04

d) Other private DISCOMs such as Torrent Power - Surat and TPCL - Mumbai are compared for Distribution Losses but these companies are Distributing Power through completely underground network and hence not comparable with TPDDL. Amongst other private DISCOMs - Adani Electricity Mumbai Limited (AEML), Noida Power Corporation Limited (NPCL), CESC limited has Distribution Loss levels higher than the Distribution Loss levels of TPDDL. Further, Distribution Loss reduction for these DISCOMs in recent years were either minimal (0.05% for AEML in FY 2019-20) or increased (from 7.99% to 9.23% for NPCL). Considering this setting target for Distribution Loss reduction from 7.11% to 6.00% (1.11% in 4 years - approx. 15.6% of 7.11%) and a steep drop from 7.11% in FY 2021-22 to 6.22% in FY 23-24 is not justifiable and beyond any logic.

Table: Distribution loss trajectory during last 4 years for various private entities

Particulars	2017-18	2018-19	2019-20	2020-21
Adani Electricity Mumbai Limited	8.16%	7.85%	7.80%	-
Noida Power Company Ltd.	7.99%	9.23%	9%	8.8%
CESC	9.65%	8.96%	8.86%	8.35%
TPDDL	8.18%	7.90%	6.78%	7.15%

e) The Commission has specified the Distribution Loss target for the upcoming control period by considering the Zonal/Divisional bifurcation of the region being served by the Distribution License to decide the Distribution Loss for TPDDL. This amounts to micro-management of the Utility, which is contrary to the principle settled by Hon'ble APTEL various Judgements. The Zones/districts are created by the Distribution license for administrative convenience and for internal management of operations. The same cannot become a basis for the Commission to reduce the Distribution Loss in an arbitrary manner.

f) % share of Industrial consumers in the total consumption mix shows decreasing trend and has reduced from 30% to 25% in last 7 years, whereas the % share of Domestic Consumers shows increasing trend and increased from 44% to 54% in the overall consumption mix. Since all consumption of Domestic Consumers occurs at LT level thereby increasing the Technical Losses. Losses due to theft etc. are more associated with Domestic Consumers which would adversely impact the Distribution loss level.

g) Open Access is only available for Consumer with Contract Demand 1 MW and above. 20-30% of High End consumers will move out from the normal billing scenario in coming years. The annual billed units of Industrial and Commercial consumer with load between 100 KW and 1 MW is about 1010 MUs. The high end consumers moving under Open Access are having "Negligible" Distribution Loss with "100%" Collection Efficiency. They help in creating balance in AT&C Loss levels with High Loss Low Tension Consumers. Such migration of consumers shall impact our Distribution losses for future year.

h) The reduced capital expenditure has resulted in the increased loading of the network, which has led to increase in Technical Losses. TPDDL in its area of operation has reached at such a level where there is limited scope of reduction in AT&C Loss Level. Majority portion of the remaining Distribution Losses are technical in nature and will require significant network upgradation.

i) There are certain areas where there is a Law-and-Order issue which is more than the simple Electricity Theft issues as the enforcement teams get mishandled in these areas (like Bawana/ Kirari/ Badli etc.). The reduction in the Distribution Losses in districts with large rural area, large network DT Capacity and Bare Conductors etc is next to impossible. Even it is not possible for DISCOMs to do Enforcement Activities in some of these areas due to Consumer resistance and without Police Support.

j) TPDDL has restructured its District boundaries with effect from 01.02.2021. Therefore, the Division wise losses for FY 2020-21 are not correct. On considering, correct district wise distribution losses for FY 2021-22 and applying the methodology considered by the Hon'ble Commission, the distribution loss target at the end of Control Period comes to 6.68% vis-a-vis 6% derived by the Commission. Further, the Feeder Switching or Back Feeding is normal phenomenon is distribution Utility to ensure reliability to consumers, hence the Division-wise Losses are not correct to high level. Therefore, it is requested to re-visit the distribution loss target as specified in the Draft BPR 2023.

Table: Revised workings for the Distribution Loss at the end of the Control period

Name of District	Energy Input (MU)	Energy Billed (MU)	Distribution Losses (%) in FY 21-22	Revised Billed Units	Distribution Losses (%) in FY 25-26
Badli	621.60	553.61	10.94%	565.66	9.00%
Bawana	1300.02	1171.22	9.91%	1183.02	9.00%
Civil Lines	773.43	750.61	2.95%	750.63	2.95%
Keshav Puram	803.95	754.21	6.19%	754.25	6.18%
Mangolpuri	618.99	576.76	6.82%	576.80	6.81%
Model Town	667.51	626.38	6.16%	626.42	6.16%
Moti Nagar	752.93	711.74	5.47%	711.78	5.47%
Narela	1088.77	994.04	8.70%	994.13	8.69%
Pitam Pura	612.37	573.77	6.30%	573.81	6.30%
Rohini	1034.25	984.75	4.79%	984.80	4.78%
Kirari	394.40	342.65	13.12%	358.90	9.00%
Shalimar Bagh	753.83	712.46	5.49%	712.50	5.48%
Total	**9422.05**	**8752.21**		**8792.69**	**6.68%**

k) Overall, Distribution Loss for TPDDL may be kept as 7.14% from FY 2022-24 to FY 2027-28.

l) For such a low Distribution Loss levels, the Distribution Licensee should be allowed either to keep 100% of the overachievement (in line with 100% loss being borne by the Distribution Licensee in case of under-achievement) or sharing mechanism should be at least 50:50 between the Distribution Licensee and Consumer. For sharing mechanism, it is requested to consider the following:
   (i) Approve distribution loss trajectory as submitted by the Distribution Licensee.
   (ii) Allow Distribution Licensee to retain 2/3rd of the gain on account of achievement of Distribution Loss level better than target prescribed;
   (iii) Allow Distribution Licensee to recover 1/3rd of loss on account of underachievement of Distribution Loss level as prescribed in Tariffs Policy.

BRPL & BYPL

m) BRPL & BYPL proposed Distribution Loss trajectory as 7.90% & 8.50% respectively for the full Control Period, since the reduction of losses from the current levels would require substantial CAPEX which would ultimately burden the consumers.

n) Division-wise bifurcation is contrary to all settled principles of Tariff determination and the past practice of the Commission. Therefore, to fix losses on the basis of individual divisions is not only unfair but is against settled law that the Commission is not permitted to micromanage the affairs of a Licensee. The Commission cannot adopt the role of a "Controller" instead of being a "Regulator".

o) The overloading of Distribution System beyond 70% would increase the failure rate of the equipment. To reduce the further losses, significant amount is required to put in CAPEX for augmentation of Transformers/Equipment to reduce I2R losses. The divisions in the loss level of 3% to 5% have only Technical Losses for further reduction of 0.09% would require huge amount of CAPEX. The two are contra indicated, i.e., if Distribution Losses has to be reduced then CAPEX has to be increased.

p) As per IS 16444 (for smart meter) Clause No. 6.10.1, the internal Max Power consumption for a Smart Meter is 5W. However, for existing normal Static Meter, as per IS 13779 clause no 9.1.1, internal Max Power consumption is 1.5 W only, which is being considered by BYPL as part of its Technical Losses. Accordingly, with installation of Smart Meters there would be an increase in the Auxiliary Consumption of approximately 0.72%. This would have a substantial impact on Technical Loss trajectory for FY 2023-24 onwards for which the present Business Plan is being filed.

q) The year on year reduction of other States' private utilities are also not so steep as proposed by the Commission. In case of BYPL CAPEX to a very low level of Rs. 331 Cr. for FY 2023-24 is given to reduce the losses by a huge margin of 1.37%. Similarly, for FY2024-25 & FY2025-26 CAPEX to the level of Rs. 336 Cr. & Rs. 341 Cr. has been given to reduce the losses by 0.18% and 0.19% respectively.

r) Based on the above submission, it is requested to fixed the Distribution Losses of 7.90 % & 8.50% for BRPL & BYPL respectively in each year of the control period.

NDMC

s) The trajectory for reduction in Distribution Losses is being tightened on year to year basis. It may be fixed reasonably considering the DISCOMs Distribution Network.

SAC MEMBER

t) Dr. Anoop Singh (CER) –For those divisions where losses are high, CAPEX may be increased. Auxiliary circuit consumption of smart meters is up to 1 to 1.5 Watt and maximum up to 5 Watt, if the smart meter is manufactured badly. 0.72% impact on Distribution Loss due to Aux. consumption of Smart Meters seems to be a higher number.

u) Dr. G. C. Datta Roy (DESL) –Though AT&C losses have been significantly reduced, there are still some high-loss islands. DISCOMs may be asked to furnish the outcome and recommendations on the Energy Audit conducted by DERC in pre-Covid period.

v) Ms. Mallika Gope (NABL) –The impact of auxiliary circuit consumption of smart meters, indicated as approx. 0.72% on technical loss trajectory, seems to be on higher side. A realistic data for the Smart meters may be considered.

OTHER STAKEHOLDERS

w) The Target set for Distribution Loss in Draft Regulations shall not be changed as enhancement of target by over 1% over AT&C loss achievement 2022-23 is attainable and desirable.

x) Distribution Loss shall include Self-consumption of DISCOMs also.

COMMISSION'S VIEW

a) The Commission notes that Distribution Licensees have expressed their concern related to stringent Distribution Loss targets proposed in the *Draft DERC (Business Plan) Regulations*, 2023. They have also expressed their concern related to Law and Order issue in certain areas which hampers their Enforcement Activities and leads to high Distribution Loss in these zones. TPDDL has submitted Law and Order issue in various such zones as Bawana, Narela and Mangolpuri which is more than the simple Electricity Theft. The Enforcement teams get mishandled in these areas. BSES DISCOMs have submitted that as per IS 13779, the internal max. Power Consumption for a Smart Meter is 5 Watt. Further, it has also been mentioned that installation of Smart Meters would lead to 0.72% increase in Auxiliary Consumption which would tantamount to increase in Losses. DISCOMs have suggested that if Distribution Losses has to be reduced, CAPEX may be increased. SAC member submitted that Auxiliary circuit consumption of smart meters varies in the rage of 1 watt to 1.5 Watt. 0.72% impact on Distribution Loss due to Aux. consumption of Smart Meters seems to be a higher number.

b) The Commission takes note of the above comments/suggestions of the SAC Members and DISCOMs.

c) Since the benefit of reduction in Distribution Loss has Long Term advantage and it leads to reduction in Power Purchase requirement which is currently at a high rate on account of Blending of Imported Coal, therefore, CAPEX has been increased for Distribution Licensees. It is stated that Distribution Licensees should focus on Loss Reduction Schemes in High/ Medium Loss Prone Zone areas and should bring down the Distribution Losses in these zones. Considering Power Purchase requirement of 30,000 MU, a reduction in 0.5% of Distribution Loss at APPC of Rs. 6/kWh translates to reduction of Rs. 90 Crore/year in Power Purchase Cost. The benefit of such reduction in Power Purchase Cost on yearly basis will benefit the end Consumers. Therefore, the Commission is of the view to increase the CAPEX, as explained above, will lead to reduction in Power Purchase Cost on yearly basis. Increase in expenses with respect to CAPEX i.e. Depreciation and Return on Equity will be quite less as compared to the benefit obtained through reduction in Power Purchase Cost on the account of reduction in Distribution Loss.

d) TPDDL submitted that they have restructured their boundaries w.e.f. 1/02/2021 which was informed to the Commission vide letter dated 15/01/2021 & email dated 11/04/2022. Accordingly, the Distribution Loss for DISCOMs were re-computed by considering Division Wise Distribution Loss of FY 2021-22 so as to factor-in the impact of restructured boundaries.

e) The Commission observed an inadvertent error in computation of Distribution Losses of FY 2021-22 since 50.24 MU of TOWMCL Open Access Source was not accounted in Energy Input & Energy Sales for TPDDL.

f) Division wise Actual Distribution Loss were modified to make them realistic and split up into High Loss prone Zones (>20%) and Medium Loss prone Zones (9.5% < DL < 20%) except for Jaffarpur and Daryaganj division.

g) The Commission notes the concern of Distribution Licensee related to sudden drop in Distribution loss and has considered grading of

Distribution Loss in the ratio of 25%, 35% & 40% each year so that Delta (Δ) in Distribution Loss rises gradually in Control period keeping the End target same.

The following table depicts division-wise the Distribution Loss levels for Delhi DISCOMs:

Sl. No.	Particulars	Distribution Loss - TPDDL							
		FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Rate of increase/ decrease (-) YoY	Energy Input (MU)	Energy Billed to the Consumers (MU)
1	**Badli**	**7.19%**	**7.21%**	**5.91%**	**11.59%**	**10.94%**	4.40%	621.60	562.55
2	**Bawana**	**13.67%**	**12.73%**	**10.12%**	**13.33%**	**9.91%**	-0.34%	1300.02	1176.52
3	Civil Lines	5.58%	6.05%	4.47%	2.73%	2.95%		773.43	751.31
4	Keshav Puram	5.64%	5.66%	4.57%	5.61%	6.19%		803.95	754.91
5	Mangolpuri	9.06%	8.78%	8.03%	5.42%	6.82%		618.99	577.33
6	Model Town	7.30%	4.95%	4.89%	4.99%	6.16%		667.51	626.99
7	Moti Nagar	6.08%	6.06%	4.08%	5.00%	5.47%		752.93	712.42
8	**Narela**	**11.27%**	**10.16%**	**9.44%**	**11.21%**	**8.70%**	-0.06%	1088.77	995.03
9	Pitam Pura	6.23%	6.22%	5.63%	4.34%	6.30%		612.37	574.34
10	Rohini	4.20%	5.53%	5.81%	3.18%	4.79%		1034.25	985.64
11	**Kirari**	**6.33%**	**6.25%**	**5.61%**	**10.43%**	**13.12%**	4.09%	394.40	356.93
12	Shalimar Bagh	8.89%	8.46%	7.45%	5.22%	5.49%		753.83	713.12
	Total	**8.20%**	**7.93%**	**6.83%**	**7.15%**	**7.11%**		**9422.1**	**8787.1**

HIGH LOSS PRONE ZONES	20%	MEDIUM LOSS PRONE ZONES	9.5%
considering Other Zones			
Reduction during control period			0.09%
further reduced by			
Distribution Loss Target			6.74%

BRPL Distribution Loss								
S.No.	Division Name	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Power Purchase	Energy Billed
		%	%	%	%		MU	MU
1	Alaknanda	8.42%	8.16%	7.43%	6.29%	6.89%	592	552
2	Khanpur	9.30%	9.30%	8.15%	7.03%	6.55%	586	548
3	Saket	9.79%	7.76%	6.85%	5.87%	6.49%	1010	945
4	Vasant Kunj	7.15%	6.47%	5.31%	6.05%	6.21%	835	784
5	Nehru Place	4.52%	4.27%	3.19%	1.00%	4.32%	526	504
6	Nizamuddin	6.77%	6.06%	5.87%	5.03%	5.36%	597	566
7	Sarita Vihar	11.57%	10.96%	9.80%	5.96%	6.50%	492	460
8	**New Friends Colony**	**11.57%**	**10.96%**	**9.80%**	**11.55%**	12.28%	560	507
9	RK Puram	6.73%	4.41%	2.76%	4.18%	4.11%	439	421
10	Hauz Khas	3.57%	3.41%	4.19%	3.03%	4.11%	548	526
11	Janak Puri	3.38%	4.59%	3.39%	3.52%	4.54%	834	797
12	**Najafgarh**	**32.69%**	**33.59%**	**22.72%**	**19.72%**	17.33%	579	492
13	**Jaffarpur**	**54.00%**	**82.73%**	**42.19%**	**38.32%**	34.39%	205	139
14	Nangloi	6.72%	7.99%	8.05%	7.62%	6.84%	668	623
15	**Mundka**	**20.22%**	**19.84%**	**15.44%**	**14.36%**	14.03%	436	395
16	Punjabi Bagh	7.81%	7.69%	7.35%	5.17%	5.65%	476	450
17	**Tagore Garden**	**12.38%**	**10.27%**	**11.02%**	**10.02%**	10.10%	607	549
18	Vikas Puri	12.38%	7.65%	8.62%	5.05%	5.66%	418	395
19	Uttam Nagar	12.38%	7.65%	7.90%	4.35%	6.12%	280	263
20	Mohan Garden	12.38%	7.65%	4.05%	6.41%	6.28%	296	278
21	Palam	7.83%	5.64%	7.21%	4.44%	5.61%	717	677
22	Dwarka	4.84%	8.99%	4.68%	3.51%	4.90%	715	681
	Total	**9.94%**		**8.00%**	**7.17%**	7.50%	**12416**	**11551**

HIGH LOSS PRONE ZONES	20%	MEDIUM LOSS PRONE ZONES	9.5%

0.09%

considering Other Zones Reduction during CP further redu

6.96%

BYPL Distribution Loss

Distribution Loss (%) Actual

	Division Name	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY2021-22	Distribution Loss Power Purchase	 Energy Billed
1	**Chandni Chowk**	16.83%	13.65%	11.32%	14.80%	**13.04%**	233.35	211.18
2	**Darya Ganj**	18.21%	18.43%	14.52%	16.79%	**15.36%**	480.49	427.64
3	**Pahar Ganj**	13.20%	10.21%	8.17%	10.00%	**9.79%**	305.31	276.31
4	Shankar Road	5.62%	4.36%	3.41%	3.71%	4.96%	310.80	295.66
5	Patel Nagar	6.67%	5.05%	3.74%	5.26%	5.44%	400.05	378.66
6	Jhilmil	5.93%	3.95%	3.88%	4.46%	4.49%	414.46	396.23
7	Dilshad Garden	5.82%	4.98%	4.02%	4.69%	6.28%	602.87	565.54
8	Krishna Nagar	10.10%	8.27%	7.01%	7.52%	7.10%	622.25	578.61
9	Laxmi Nagar	6.47%	6.07%	4.95%	5.70%	6.20%	751.90	705.94
10	Mayur Vihar	10.19%	8.72%	6.75%	6.90%	7.27%	397.06	368.55
11	Mayur Vihar - III	11.52%	8.96%	7.02%	6.39%	7.79%	252.50	233.07
12	**Yamuna Vihar**	19.55%	17.78%	13.13%	12.47%	**11.20%**	687.89	622.54
13	Karawal Nagar	9.42%	8.03%	6.39%	7.51%	6.96%	687.54	640.32
14	Nandnagri	11.29%	9.85%	7.66%	7.66%	8.24%	534.52	490.95
Total		**10.77%**	**9.31%**	**7.31%**	**7.98%**	8.02%	**6681**	**6191**

HIGH LOSS PRONE ZONES	20%	MEDIUM LOSS PRONE ZONES	9.5%

considering Other Zones Reduction during CP further reduced by

0.09%

7.33%

i) Based on above, the Commission has revised the Distribution Loss target from the *Draft DERC (Business Plan) Regulations, 2023* as follows:

Target for Distribution Loss for the Control Period

Sr. No.	Distribution Licensee	2023-24	2024-25	2025-26
1	BSES Rajdhani Power Ltd.	7.30%	7.14%	6.96%
2	BSES Yamuna Power Ltd.	7.72%	7.54%	7.33%
3	Tata Power Delhi Distribution Ltd.	6.91%	6.83%	6.74%
4	New Delhi Municipal Council	7.72%	7.54%	7.33%

Q. Regulation 26- TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY 2023-24 to FY 2025-26 of the Distribution Licensee shall be 99.80%.

(2) The financial impact on account of Collection Efficiency target shall be computed as per the formula specified in Regulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 as amended from time to time for the Distribution Licensee.

(3) The financial impact on account of over-achievement in terms of Regulation 164 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 as amended from time to time, for the Distribution Licensee, from the target of 99.80% to 100% shall be shared equally between Consumers and the Distribution Licensees.

Provided that there shall be no penalty for Collection Efficiency if the same is in range of 99.50% to 99.80%.

STAKEHOLDER'S COMMENTS:

IPGCL/PPCL, DTL and NDMC

a) No comment.

BRPL AND BYPL

b) Stakeholders have submitted that the Collection Efficiency target is to be fixed at 99% and the remaining 1% to be considered as bad & doubtful debt in line with other States.

c) The difference between the range of 99% to 99.8% is so slim and unpredictable that there ought not to be any penalty within that brand. The present proposal is contrary to Section 61 (c) of Electricity Act as it does not encourage efficiency.

d) There should be no sharing with the consumers over 100% Collection Efficiency as provided in the Principle Tariff Regulations, 2017.

TPDDL

e) Stakeholder have submitted that the target for Collection Efficiency to 99.80% from 99.50% is increased in arbitrary manner by the Commission.

f) The amount of collection considered by the Commission at the time of Truing-up includes the recovery of arrears, rolling impact of debtors. Due to this, collection efficiency may increase from the level of 100% of billed amount but same is due to under achievement of collection efficiency target in previous years.

g) The Commission has not approved any provision on bad and doubtful debts, however, the minimum bad and doubtful debts approved by other SERCs (JERC, OERC, MERC, MPERC, UPERC, RERC etc.) is in the range of 0.25% - 2% of receivables/ARR.

h) Further, TPDDL has requested the Commission to approve a range of Collection Efficiency 99.50% - 99.80% wherein no penalty or incentive will be provided and DISCOMs to retain the entire gain beyond 100% as the same is due to under achievement of DISCOMs in previous year where DISCOMs have already been penalized.

SAC Member

i) Dr. Anoop Singh (CER) – Target on collection considered by the Commission, based on past year's performance of DISCOMs, seems fine.

Commission's View

a) With reference to the stakeholder's comments/suggestion regarding arbitrary high Collection Efficiency Target of 99.80%, the

Commission observes that the said Target of 99.80% is considered by the Commission based on the performance of DISCOMs over the years mentioned in draft of the Regulations.

b) Based on the submissions of the stakeholders, the Commission has approved the range for Collection Efficiency Targets i.e. 99.50% to 99.80% wherein no incentive or penalty shall be levied on DISCOMs considering Bad-Debts and doubtful debts provisions as also established by other SERCs.

c) Further, the Commission has retained the existing provision of retaining the entire incentives on account of over-achievement of Collection Efficiency Target beyond 100% in line with earlier Business Plan Regulations, 2017 & 2019.

R. Regulation 27 - Target for Renewable Purchase Obligation

"(1) The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2023-24 to FY 2025-26 shall be computed as a percentage of Total Sale of Power to its Retail Consumers in its Area of Supply.

(2) The target for RPO shall be met through purchase of Power from various Renewable Energy Sources or purchase of Renewable Energy Certificates ("REC") or purchase of Hydro Energy Certificates ("HEC") or combination of these and shall be as follows:

Table 14: Targets for Renewable Purchase Obligation

Sr. No.	RPO Targets for Distribution Licensee	FY 2023-24	FY 2024-25	FY 2025-26
1	Wind RPO	1.60%	2.46%	3.36%
2	Other RPO	24.81%	26.37%	28.17%
3	HPO Target	0.66%	1.08%	1.48%
4	**Total RPO Target**	**27.07%**	**29.91%**	**33.01%**

(3) Wind RPO shall be met by Energy produced from Wind Power Projects (WPPs) commissioned after 31st March 2022 and the Wind Energy consumed over and above 7% from WPPs commissioned till 31st March 2022.

(4) HPO shall be met by Energy produced from Hydro Power Projects [including Large Hydro Projects (LHPs), Pumped Storage Projects & Small Hydro Projects (SHPs)] commissioned after 8th March 2019.

(5) Other RPO shall be met by Energy produced from any Renewable Energy Power Project not mentioned in 27 (3) & 27 (4) above and shall include Hydro Power Projects [including Large Hydro Projects (LHPs), Pumped Storage Projects & Small Hydro Projects (SHPs)] commissioned before 8th March 2019.

(6) Any shortfall remaining in achievement of 'Other RPO' category in a particular year shall be met with either the excess energy consumed from WPPs, commissioned after 31st March 2022 beyond 'Wind RPO' for that year or with excess energy consumed from eligible LHPs [including Large Hydro Projects (LHPs), Pumped Storage Projects & Small Hydro Projects (SHPs)], commissioned after 8th March 2019 beyond 'HPO' for that year or partly from both. Further, any shortfall in achievement of 'Wind RPO' in a particular year shall be met with excess energy consumed from Hydro Power Plants, which is in excess of `HPO' for that year and vice versa.

(7) Renewable Energy Certificates shall be considered as per Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 as amended from time to time, for computation of further shortfall in RPO, if any, which shall be Trued-up.

(8) Renewable Energy Generation recorded through Renewable Energy meters installed in the premises of Net Metering Consumers shall be deemed to be part of RPO of the Distribution Licensee as specified in DERC (Net Metering for Renewable Energy) Regulations, 2014, for the relevant year:

Provided that in case the Annual Generation from Solar Generation system recorded through Renewable Energy meters exceeds the Capacity Utilisation Factor (CUF) of 19%, the Distribution Licensee shall get the Renewable Energy meters tested by Independent third party, National Accreditation Board for Testing and Calibration Laboratories (NABL) Accredited Meter Testing Lab.

(9) The cost of Renewable Energy purchased by the Distribution Licensee through Power Purchase Agreement approved by the Commission and the total power injected into the grid through Net Metering arrangement, in excess of RPO target shall be part of Power Purchase Cost of the Distribution Licensee for the relevant year.

(10) Hydro power imported from outside India shall not be considered for meeting HPO and the HPO Trajectory shall be trued up on an Annual Basis depending on the Revised Commissioning schedule of Hydro projects. Further to facilitate compliance of HPO, Hydro Energy Certificate mechanism, as available, may be utilized by Distribution Licensees.

(11) Non-compliance of RPO targets by Distribution Licensees shall attract penalty at the time of True-up of relevant Financial Year.

Provided that penalty for quantum of shortfall in RPO shall be 10% of weighted average REC price discovered at Power Exchange (IEX) for the Trued-up Year.

(12) The amount of penalty imposed on the Distribution Licensee due to non-compliance of the RPO targets shall be reduced from the ARR during True up of the relevant Financial Year in terms of the Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017."

STAKEHOLDER'S COMMENTS

TPDDL

a) The Commission may modify draft Regulation 27 (6) and 27 (7) and impose penalty only in case if the achievement is below 85% of the RPO trajectory approved by the Commission. Further, once the penalty is levied, any shortfall on which penalty is levied should not be carried forward for future years. The same results into double jeopardy which is legally not tenable. Further, the shortfall over the achievement of 85% of the trajectory may be allowed to be carried forward for compliance for the next year.

b) As per the amendment issued by CERC, Hon'ble CERC is no longer required to approve Floor or Forbearance Price for REC and the same is getting determined at exchange. The Commission may make suitable change in the ensuing BPR accordingly.

c) The gestation period for the development of wind or solar plant is 2 years as per the Standard Bidding Guidelines and it may take 9 - 12 months for the Tendering Process to culminate into execution of the PPA (post Tariff adoption) and start of the construction activities. Therefore, it is requested to allow Moratorium Period for the achievement of the incremental RPO trajectory during which no penalty be levied for the underachievement of RPO trajectory and that a longer term RPO trajectory be specified so that appropriate Planning may be undertaken by the Obligated Entities.

d) In view thereof, the it is requested to consider the following:

(i) Implementation of Renewable Purchase Obligation in line with Ministry of Power Notification dated 22/07/2022;

(ii) Allowing Moratorium Period of 3 years for the achievement of the incremental RPO trajectory during which no penalty will be levied for the underachievement of RPO trajectory;

(iii) Longer term RPO trajectory for next 8 years to be specified so that appropriate planning may be undertaken by the Obligated Entities;

(iv) No requirement for carrying forward past RPO compliance shortfall in case penalty has been imposed on Distribution Licensee;

(v) Include the Hydro Power procured by the Distribution licensee (which is not coming under HPO) towards Other RPO trajectory compliance;

(vi) Appropriately determine the penalty amount for RPO non-compliance as CERC no longer determines the floor and forbearance price of RECs;

BRPL & BYPL

e) The wind RPO target is unrealistically high and does not take into account the ground realities, since Delhi has low potential for such Wind Power and is entirely dependent upon other States for such procurement.

f) It is suggested to define RPO targets based on total Energy sales to retail consumers and include Hydro power from HPPs commissioned prior to 8th March 2019 in 'Other RPO' in line with MoP methodology.

g) Kindly relax the Wind RPO targets, may align the Wind RPO targets and adopt the methodology in accordance to MoP Wind RPO trajectory. Further, WTE plants may also be included in the wind category, so that no additional burden on the Delhi consumer to meet RPO target.

h) The imposition of conditional compliance to be able to utilize excess of any other RPO type on achieving 85% may be relaxed and adopted as per the provisions of MoP order.

i) Waiver may be granted in RPO penalty for shortfall in procurement of RE power on account of extension in SCoD and delay in commissioning on account of Force Majeure / Govt. delays (for reasons not attributable to Discoms). Accordingly, Generation Loss due to extension of SCOD of RE projects may be treated as deemed compliance. Also, Obligated Entities shall be incentivize on meeting RPO compliance thereof.

j) Respective SERCs have proposed the lower wind RPO in their Regulations which clearly demonstrates the arbitrariness of the Commission’s proposal. A tabular representation of the targets for States with higher wind power potential, is as under:

Table: Wind RPO Targets proposed by Other SERCs

States	Wind RPO (%)	Reference
Delhi	* has proposed Wind RPO of 10.75% in FY 2023-24 to 11.25% in FY 2024-25	Draft Business Plan Regulations, 2022
Haryana	* has proposed same targets as notified by MoP Order dated	HERC (Terms and Conditions for determination of Tariff from

States	Wind RPO (%)	Reference
	22/07/2022.	Renewable Energy Sources, Renewable Purchase Obligation and Renewable Energy Certificate) Regulations, 2021, (2nd Amendment) 2022
Himachal Pradesh	* proposed same as MoP, GoI notification dated 22-Jul-2022 regarding RPO trajectory * has proposed Wind RPO of 1.60% in FY 2023-24 to 3.36% in FY 2024-25. Such Wind RPO limited to Wind Power Projects commissioned after 31/03/2022 and wind energy procured over & above 7% from WPPs commissioned till 31/03/2022	Draft HPERC (Renewable Power Purchase Obligation and its Compliance) Regulations, 2022
Andhra Pradesh	* has proposed for Non-Solar RPO (incl. Wind) of 11% and above * No separate wind RPO proposed.	draft APERC Renewable Power Purchase Obligation (Compliance by purchase of Renewable Energy/Renewable Energy Certificates) Regulations, 2022
Tamil Nadu	* has the RPO target of 10.50% Non solar RPO (incl. Wind)	TNERC (Renewable Purchase Obligation) Regulations, 2010 and amendments
Gujarat	* RPO proposed at 8.45% for FY 2023-24	Draft GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022
Rajasthan	* Proposed Wind RPO of 9.40% in FY 2023-24	RERC (Renewable Energy Obligation) (Seventh Amendment) Regulations, 2021
Madhya Pradesh	* Proposed Wind RPO of 1.60% in FY 2023-24 to 3.36% in FY 2025-26. Such Wind RPO limited to Wind Power Projects commissioned after 31/03/2022 and wind energy procured over & above 7% from WPPs commissioned till 31/03/2022 * Remaining wind power included in other RPO.	MPERC (Co Generation and Generation of Electricity from Renewable Sources of Energy) (Revision-II) Regulations, 2021 (First Amendment)

k) Any change in RE schedule cannot be adjusted by DISCOMs by sending revision in other ISGS plants/Real time Market. The variation specially in wind plants goes as low as “0%” to as high as “80%”, this drastic increase/decrease of wind power results to plight of any DISCOM resulting in exposure to DSM and will lead to violations of the grid code due to factors which are beyond the control of the DISCOM. In case, the wind power PPAs increases and so does variability increases in supplying reliable power to the consumer of Delhi.

l) Keeping in view the low wind potential and technical constraints in Wind Energy Generation and difficulty in scheduling of wind power, it is requested to consider lower wind RPO target for Delhi during the Control Period from FY 2023-24 to FY 2025-26.

m) Further, it is requested to remove "to the extent of 85% and above" in sub-Clause 2, as Delhi-DISCOMs are entirely dependent upon procurement from other states for meeting HPO and WPO.

n) In view of the extensions granted by SECI to the RE Generators, the Ministry of Power (MoP) vide its letter dated 9/03/2021 to the various State Regulatory Commissions including this Commission has requested that no penalty be imposed on the DISCOMs such as the Petitioner for such shortfall in RE procurement due extension in SCOD of RE capacity tied up by the DISCOMs.

o) Accordingly, the Commission is requested to adjust the surplus in RE procurement in RE RPO shortfall of previous/future years.

NDMC

p) No comments.

IEX

q) The Commission is requested to define the RPO categories and plants eligible for fulfilling respective RPO in line with MoP Order dated 22/07/2022.

r) In order to avoid any ambiguity, it is is requested to align the proposed draft Regulation 4 (2) (a) related to Hydro Power Eligibility for HPO, with the afore mentioned MoP Order.

s) CERC (Terms and Conditions for REC for Renewable Energy Generation) Regulations, 2022 have introduced the concept of single REC with technology-based multiplier, under which the Hydro Power is to be issued 1.5 RECs for every MWh of energy injected. It is understood that the to enable hydro power off-take, the States can provide the same technology-based multiplier for procurement of RECs by the obligated entity for HPO fulfilment w.e.f. 5/12/2022.

t) It is requested to provide alternative to Distribution Licensee to fulfill shortfall in any category of RPO by purchasing certificates related to other categories of RPOs by suitably applying such Certificate multiplier.

u) The Commission has inadvertently proposed to deduct consumption met from Hydro Sources from the Total Consumption for the computation of RPO. The Commission is therefore requested to align the RPO computation with the MoP Order.

v) MoP has modified its RPO framework vide dated 22/07/2022 and Corrigendum dated 19/09/2022 wherein there is no limit prescribed for purchase of REC for compliance of RPO. Therefore, any shortfall in RPO can be met from purchase of RECs. Accordingly, it is requested not to restrict the purchase of RECs merely for balance 15% shortfall of RPO.

w) Since market instruments are now available at Power Exchange for fulfillment of RPO therefore, it is requested to include Power Exchange based Green contracts as an eligible instrument for fulfillment of RPO.

x) CERC REC Regulations 2022 have done away with the Floor or Forbearance Price of RECs. The aforesaid Regulations have introduced the concept of single REC with technology-based multiplier. Since the Solar/Non-Solar classification itself doesn’t exist, the penalty may be computed on the market price of REC.

y) Further, as the Distribution Licensee are mandated to procure Power through competitive bidding for the benefit of the end consumer, it is requested to include proviso directing Distribution Licensee to procure RECs through competitive bidding route.

SAC MEMBER

z) Sh. Jogendra Behera (IEX)- As per CERC Regulation, there is single REC and fully fungible. Considering the fungibility, REC should be able to fulfill the RPO targets across all categories i.e.- Wind, Solar, Large Hydro and Small Hydro.

aa) Dr. Anoop Singh (CER)- 100% REC's or Renewable Energy may be allowed to meet Targets of Wind RPO, Hydro RPO & Other RPO.

OTHER STAKEHOLDERS

bb) The Proposed RPO target is reasonable and adequate.

cc) The cost of RPO Certificate to be borne by the Licensee and shall not be treated as expenditure because cost of Renewable Power/Wind Power is very low and consumers shall be benefitted if the Renewable Power is procured.

Commission's View

a) The Commission notes that various Stakeholders have suggested to implement Renewable Purchase Obligation trajectory in line with Ministry of Power Notification dated 22/07/2022 and Corrigendum dated 19/09/2022. Distribution Licensees & IEX have requested for Moratorium Period of 3 years for the achievement of the incremental RPO trajectory, no requirement of carrying forward past RPO compliance shortfall, appropriately determine the penalty amount for RPO non-compliance as *CERC REC Regulations 2022* have done away with the Floor or Forbearance Price of RECs and considering the fungibility of RECs to fulfill the RPO targets across all categories. SAC member submitted that 100% RECs may be allowed to meet Wind RPO, Hydro RPO & Other RPO.

b) The Commission takes note of the above comments/suggestions of the SAC Members and DISCOMs and accepts the proposal to align RPO Trajectory and definitions with that in line with MoP Order dated 22/07/2022 & Corrigendum dated 19/09/2022.

c) Renewable Energy certificates & REC multiplier shall be considered as per *Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022* as amended from time to time. The Commission noted Stakeholder suggestion that Hon'ble CERC no longer approves Floor or Forbearance Price for REC and the same is getting determined at exchange, accordingly, it is prudent to determine the penalty for Non-compliance of the RPO targets at the rate of 10% of weighted average REC price discovered at Power Exchange (IEX) for the relevant year for the quantum of shortfall in RPO.

d) With regard to the Battery Energy Storage System (BESS), the Commission vide its letter dated 17/03/2022 to TPDDL and letter dated 29/03/2022 to BRPL, observes that

   (i) 10 MW BESS system which was installed by TPDDL could not demonstrate its utility on Cost-Benefit Analysis, therefore, the proposal for additional CAPEX of Rs. 51 Crore for taking over from AES Mitsubishi was not acceded by the Commission. Further,

   (ii) BRPL's Proposal for additional CAPEX for taking over existing 20 MW/ 40 MWh Battery Energy Storage System (BESS) was not acceded to by the Commission due to unreasonable cost-benefit analysis, nascent technology with no benchmarking available for the Country and non-encouraging results of BESS installed in Delhi.

e) Based on experience of above mentioned BESS projects, since BESS is a nascent technology and due to unreasonable cost-benefit analysis, Energy Storage has not been considered as separate category for RPO compliance.

f) In view of above, the Commission has endorsed the RPO trajectory as notified by Ministry of Power vide Order dated 22/07/2022 & Corrigendum dated 19/09/2022 in its DERC (Business Plan)

Regulations, 2023 and accordingly proposed the RPO target for FY 2023-24 to FY 2025-26 for Delhi Distribution Licensees.

S. <u>Regulation 28 - Contingency Limit for sale of Power through Deviation Settlement Mechanism (Unscheduled Interchange Charges)</u>

"(1) The Contingency Limit for disposing -off of Power through Deviation Settlement Mechanism in terms of the Regulation 152 (c) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2023-24 to FY 2025-26 of the Distribution Licensees shall be 5% of Net Power Procured by the Distribution Licensee for the relevant month.

(2) In case the Distribution Licensee disposes off more than 5% of the Net Power procured by the Licensee for the relevant month through Deviation Settlement Mechanism (Unscheduled Interchange Charges) than the rate of realisation through UI shall be considered at the Average Rate of Power Sale through Indian Energy Exchange (IEX) during same month for Delhi region."

<u>STAKEHOLDER'S COMMENTS</u>

<u>TPDDL</u>

a) MoP, GoI have proposed a steep trajectory for the RPO over the control period. As generation from these Renewable Energy Plants are variable and dependent on the External Factors such as Wind and Sun, an accurate projection of Generation from these sources is difficult. Further it needs to be noted that there are certain factors related to Renewable Generation which are not under the control of the buyers/seller.

b) Hon'ble CERC has also recognized the variability in Renewable Energy Generation and accordingly, has proposed a larger band of variation for Renewable Energy Generation, where DSM charges will not be applicable.

c) Thus both scheduling procedure for RE generator and Utilities are contradictory to each other for at least 2 time blocks which results into deviation between Schedule and Drawl which further leads to ADSM Penalty to DISCOM. Moreover, sometimes due to schedule revision by Renewable Energy Generators in 4th Time slots, DISCOM's are forced to sell/purchase power through RTM only irrespective of RTM Rate due to Gate closure in Generation.

d) Electricity generation from Renewable Energy Sources is intermittent in nature. it is impossible to forecast with accuracy, especially at the individual project level, what the resource would be in each 15-minute interval as required by DSM.

e) While Renewable Energy Sources are being added at a fast pace, forecasting the availability of electricity from such sources with accuracy is not possible.

f) In view thereof, Contingency Limit for sale of power through Deviation Settlement Mechanism may be increased to 10%.

NDMC, BRPL & BYPL

g) No comments.

COMMISSION'S VIEW

a) With regards to the methodology of fixation of contingency limit for Sale of Power through Deviation Settlement Mechanism, the Commission has already detailed in its Explanatory Memorandum to DERC Business Plan Regulations, 2017 as follows:

"(98) It was brought to the notice of the Commission by the stakeholders that sale under UI is dependent on the efforts of Distribution licensee to forecast the demand in a scientific manner and margin of error may be minimised.

(99) The Commission has also observed from the Press Information Bureau Government of India Ministry of Earth Science dtd. 05/09/2012 that level of operational acceptability of error of margin is 5% for the forecasts of all India seasonal monsoon rainfall. The relevant extract is as follows:

"India Meteorological Department (IMD) has been issuing forecast for the arrival of the monsoon (onset over Kerala) successfully since 2005 with an error of ± 4 days. The operational forecasts

issued during all the last three years (2010 to 2012) are presented below: .....

Monsoon projections of IMD for the last three years and for current Monsoon2012 so far are presented in Annexure. The present level of operational acceptability of error margin is of 5% for the forecasts of all India seasonal monsoon rainfall. The forecast verification of last 3years suggests that only during 2009 the error margin was higher than 5% due to persistence of warmer sea surface temperature anomaly over equatorial Pacific Ocean (El Nino) beyond the expected duration as envisaged at the time (April 2009) of finalizing Monsoon2009 seasonal rainfall forecast."

(100) Therefore, the Contingency Limit for Sale of Power through Deviation Settlement Mechanism in terms of the Regulation 152 (c) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees has been considered as 5% as an error in predicting monsoon by India Meteorological Department indicated above.

(101) In case the Distribution Licensee sell power in Deviation Settlement Mechanism (Unscheduled Interchange Charges) more than 5% of Gross Power procured by the Distribution Licensee for the relevant month such sale rate shall be restricted to the average rate of power purchase/sale through exchange during same month for Delhi region."

b) Accordingly, the Commission has retained the provision related to fixation of contingency limit for Sale of Power through Deviation Settlement Mechanism as provided in *draft DERC (Business Plan) Regulations, 2023.*

T. Regulation 29 - Incentive Sharing Mechanism for Sale Rate of Surplus Power

"(1) The computation of incentive for Sale Rate of Surplus Power in terms of

the Regulation 165 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2023-24 to FY 2025-26 of the Distribution Licensees shall be as follows:

i. The Variable Cost of the generating station for which power is surplus and required to be sold through Power Exchanges shall be considered as the previous month's billed Variable Cost of such generating station.

ii. The Variable Cost of the generating station for which power is surplus and required to be sold through Bilateral arrangements shall be considered as the previous month's billed Variable Cost of such generating station prevalent at the date of entering into such contracts.

iii. The incentive shall be the product of rate difference (Actual Sale Rate- Variable Cost) and Quantum of Power actually sold during the month.

(2) The incentive computed under sub-clause (1) above shall be shared between the Consumers and the Distribution Licensee in the following prescribed manner: -

i. The incentive realisation upto 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the Commission in the relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 2/3rd to the Consumers and 1/3rd to the Distribution Licensee.

ii. The incentive realisation above 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the Commission in the relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 1/3rd to the Consumers and 2/3rd to the Distribution Licensee.

…

(3) The normative cost of Banking transactions, while Truing-up the Power Purchase Cost, shall be Weighted Average Rate of Variable Cost of all long term sources for the Financial Year under True-up."

STAKEHOLDER'S COMMENTS

TPDDL

a) In order to sell its surplus power under the Bilateral route, the DISCOMs follow the MoP guidelines on Short Term Sale of Power which mandate opening of CPG/ LC/ Bank Guarantees as Payment security mechanisms which involve costs and efforts on a utility's part.

b) Practically, it cannot be ascertained that out of the slot-wise surplus power available with TPDDL, Power from which station is being sold in exchange on a slot wise basis due to frequent demand variations. Hence, determination of the specific plant from which power is sold in a slot cannot be ascertained.

c) To simplify the power incentive calculation mechanism, a "Base Sale Rate" may be determined for all Generating Stations having Long Term Arrangement with the Distribution Utility for the month based on MOD notified by SLDC for that month. Sale rate achieved over and above the predetermined "Base Sale Rate" for each time slot should be used for the purpose of calculation of incentive for each time slot considering the actual sale volume achieved by the utility for each month and then, consolidated for the year.

d) There are a number of Generating Stations contracted by Distribution Utility which have Must Run Status and hence, have to be scheduled necessarily even though there may not be any demand for a time slot for such power. On such instances such necessarily scheduled power for each time slot is also being bid for sale on exchange to avoid any DSM penalty on account of underdrawl. Such a scenario occurs majorly during off peak hours for a few months of the year mostly during the winter season & the surplus power so accumulated is a "must sale" kind of power.

e) In such a scenario power has to be sold at a rate lower than Base Sale Rate also to avoid extensive underdrawal which can result in grid instability and consequential ADSM penalty. Such sales are beyond the control of Distribution Utility and is being made to ensure Grid Stability and hence efforts should be made to ensure that the Distribution Utility do not suffer any disincentive on account of the same.

f) In view of the foregoing, while framing the final Regulation for incentive on sale of surplus power, may consider:
   (a) A "Base Sale Rate" may be determined for all generating stations having long term arrangement with the distribution utility applicable for the month on basis of MOD notified by SLDC for that month.
   (b) Sale rate for each time slot achieved over and above the predetermined "Base Sale Rate" shall be used for the purpose of calculation of incentive for each time slot considering the actual sale volume achieved by the utility for each month.
   (c) Such computation should not include power sale undertaken by the distribution utility due to (a) forced scheduling of high cost generators due to their must run status and/or (b) the power sale undertaken to offload power sourced due to generating stations that cannot be run below their respective Minimum Technical Load (MTL).

NDMC, BRPL & BYPL

g) No comments.

COMMISSION'S VIEW

a) The formula for Incentive Sharing Mechanism for Sale Rate of Surplus Power has been reviewed and the Commission observes it to be reasonable. Accordingly, the Commission has retained such formula as provided in the draft DERC (Business Plan) Regulations, 2023.

U. Regulation 30(4) - Mechanism for Recovery of Power Purchase Cost Adjustment Charges

"(3) The PPAC computation of any quarter shall be equally spread and

adjusted over subsequent quarter only:

Provided that the Commission may allow to carry forward PPAC to more than one quarter in order to avoid any tariff shock to consumers in terms of Regulation 136 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(4) The treatment of PPAC computation as per the specified formula shall be as follows:

a) *in case PPAC does not exceed 5% for any quarter, the Distribution Licensee may levy PPAC at 90% of computed PPAC with prior intimation to the Commission without going through the regulatory proceedings.*
b) *in case PPAC exceeds 5% but does not exceed 10% for any quarter, the Distribution Licensee may levy PPAC of 5% and 75% of balance PPAC (Actual PPAC% - 5%) with prior intimation to the Commission without going through the regulatory proceedings.*
c) *in case PPAC exceeds 10% for any quarter, the Distribution Licensee may levy PPAC as per sub-regulation (a) and (b) as above without going through the regulatory proceedings and shall file an application for prior approval of the Commission for the differential PPAC claim (Actual PPAC% – 8.75%).*
d) *The Distribution Licensee shall file Petition only for their claim of PPAC."*

STAKEHOLDER'S COMMENTS

TPDDL

a) The current PPAC mechanism allows pass through of costs linked to the Power Procurement/sale from Long term sources excluding variations, if any, related to any Short Term Power Purchase/ sale and/or any uncontrollable costs like consequential impact of decisions of higher courts or Tribunals or Review Orders passed by the Appropriate Commission.

b) A simple analysis of power purchase approved and actually utilized from Long term & Short term sources for a number of years show a huge variance as depicted in below table:

Table: Power Purchase approved and actually utilized from long term & short term sources

Financial Year	Particulars	ARR	Actual	Variation
FY 2018-19	Long Term Purchase MUs	10,558	10,980	4%
	Short Term Purchase Mus	0	1,095	100%
	Short Term Sale MUs	645	2,086	223%
FY 2019-20	Long Term Purchase MUs	10,430	8,179	-22%
	Short Term Purchase Mus	262	2,354	798%
	Short Term Sale MUs	119	504.06	324%
FY 2020-21	Long Term Purchase MUs	7,563	8,521	13%
	Short Term Purchase Mus	1,663	1,565	-6%
	Short Term Sale MUs	0	811	100%
FY 2021-22	Long Term Purchase MUs	9663	9,841	2%
	Short Term Purchase Mus	572.39	999	75%
	Short Term Sale MUs	0	981	100%

c) While the Long Term Power Purchase transactions have been almost similar to that approved by the Commission while approving the ARR, the Short-term transactions have increased exponentially thereby necessitating the need for adjustment to the existing PPAC mechanism.

d) BPR, 2019 allows suo-moto levy of PPAC by distribution licensee limited to 8.75% only on a quarterly basis. A petition is required to be filed and approved by the Commission for the recovery of balance power purchase cost variation. Needless to mention, such delays increase the carrying cost impact on the consumers and consequently, may increase the applicable tariff to the consumers. The actual PPAC applicable and the suo-moto PPAC levied by TPDDL are summarized as follows:

Table: Actual PPAC applicable and the suo-moto PPAC levied by TPDDL

S.No.	PPAC for the Quarter	Actual PPAC to be applicable (%)	Suo-Moto PPAC levied (%)	Differential PPAC – filed through Petition (%)	Differential PPAC approved later (%)

S.No.	PPAC for the Quarter	Actual PPAC to be applicable (%)	Suo-Moto PPAC levied (%)	Differential PPAC – filed through Petition (%)	Differential PPAC approved later (%)
1	Q1 FY 2019-20	11.55	4.5	7.05	7.05%
2	Q2 FY 2019-20	8.02	4.5	3.52	3.52% subsumed in Tariff Order
3	Q3 FY 2019-20	39.55	4.5	35.05	8.50%
4	Q4 FY 2019-20	14.86	4.5	10.36	
5	Q1 FY 2020-21	2.13	1.92	0.21	Subsumed in Tariff Order
6	Q2 FY 2020-21	1.23	1.11	0.12	
7	Q3 FY 2020-21	8.35	7.51	0.84	
8	Q4 FY 2020-21	-	-	-	-
9	Q1 FY 2021-22	1.27	1.14	0.13	Subsumed in Tariff Order-
10	Q2 FY 2021-22	1.82	1.64	0.18	0.53%
11	Q3 FY 2021-22	11.85	6.76	5.09	4.80%
12	Q4 FY 2021-22	9.80 (9.70% revised by DERC)	8.52	1.18	1.28%
13	Q1 FY 2022-23	14.37	8.75	5.62	5.68% (2.84% levied; 284% to be subsumed in ensuing Tariff Order
14	Q2 FY 2022-23	21.42	-	21.42	Petition Filed
15	Q3 FY 2022-23	27.46	-	27.46	Petition filed

e) Power Purchase cost approved in the Tariff Order and the Actual Power Purchase cost incurred have been compared for the last four years and it is found that there is substantial under recovery in each of the four years as tabulated below:

Table: Power Purchase as approved in Tariff Order and as per actuals

FY	Power Purchase as per Tariff Order			Tata Power – DDL Actuals			Variance		
	Units	Amount	Cost /kWh	Units	Amount	Cost /kWh	Units	Amount	Cost /kWh

FY 18-	9661	5119	5.30	9631	5910	6.14	-30	793	0.84
FY 19-	10321	5710	5.53	9752	6358	6.52	-569	648	0.99
FY 20-	9030	4893	5.42	8950	5367	6.00	-80	475	0.58
FY 21-	9983	5634	5.64	9425	6037	6.41	-559	403	0.76

f) As evident, there is large variation in the Power Purchase Amount approved in Tariff Order to Actual Power Purchase Cost incurred leading to increase in Regulatory Assets of DISCOMs. The major reasons for such gap in recovery of power purchase cost through PPAC mechanism is mainly due to:

(i) Non-inclusion of cost variation In Power Purchase from Short term Sources

(ii) Non-inclusion of cost variation in Power Sale through Short term.

(iii) Non-inclusion of cost variation towards meeting the RPO requirement.

(iv) Cap on automatic levy of PPAC without going through Regulatory Proceedings, and, Non-inclusion of any uncontrollable costs related to power purchase like consequential impact of decisions of higher courts or Tribunals or Review Orders passed by the Appropriate Commission.

(v) PPAC computation on quarterly basis instead of on monthly basis.

g) TPDDL has reviewed mechanisms, similar to applicable PPAC mechanism, of few other states and found that entire Power Purchase cost including Short Term Power Purchase/sale is allowed to be recovered in PPAC formula in Maharashtra, Gujarat, Haryana, Goa & UTs- Daman & Diu, Chandigarh, Puducherry and Dadra & Nagar Haveli.

h) Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 ("LPS Rules") has been issued by the MoP. Clause 7 of the LPS Rules provides for Regulation of access to the power exchanges for sale and purchase of electricity by the defaulting distribution licensees for non-payment of dues.

i) During peak summers and winters, exchange rates are rising continuously and have also resulted into partial clearing of buy bids. Further, with the onset of summer season, the situation is likely to aggravate further. Considering the fact that Gas stations in the portfolio of Delhi DISCOMs have an incremental generation cost of around Rs. 15/- to 20/- per unit, dependency on exchange purchase has increased further. Such unprecedented increase in exchange rates poses serious threat towards sufficient power availability and also puts unnecessary financial burden on the end consumers in the form of increased power purchase cost.

j) Accordingly, is it requested to include the following in PPAC mechanism to ensure early recovery of power purchase cost:

(i) In the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 as below:

"134, The Distribution Licensee shall be allowed to recover the incremental Power Procurement Cost on monthly basis, over and above, the Power Procurement Cost approved in the Tariff Order of the relevant year, incurred due to the following:

(a) Variation in Price of Fuel from all sources of Generation;

(b) Variation in Fixed Cost and/or Energy Cost on account of Regulatory Orders from all sources of Generation;

(c) Variation in Transmission Charges;

(d) Variation in all costs towards meeting the RPO;

(e) Variation in all costs for DSM

(f) Bulk power sale considered from all sources.

Provided that such monthly recovery shall be True-up on annual basis and for any financial Year it shall be completed by 30% June of the next financial year;"

(ii) The delay in recovery of revenue by virtue of PPAC mechanism by the Distribution Licensee shall be trued up along-with the Power Purchase Cost of the relevant year and associated Carrying Cost shall be allowed due to under-recovery of revenue for the same year;

(iii) The treatment of PPAC computation as per the specified formula shall be as follows:

(a) in case PPAC is upto 5% for any month, the Distribution Licensee may levy PPAC at 100% of computed PPAC with prior intimation to the Commission without going through Regulatory proceedings.

(b) incase PPAC exceeds 5% for any month, the Distribution Licensee may levy PPAC of 5% and 90% of balance PPAC (Actual PPAC% - 5%) with prior intimation to the Commission without going through the regulatory proceedings and shall file an application for prior approval of the Commission for the differential PPAC claim

(iv) Time bound disposal of differential PPAC petitions filed with the Commission within one month of filing the Petition. Else, DISCOMs be allowed to levy the balance PPAC without waiting for the order along with carrying cost.

(v) PPAC should be calculated and levied on monthly basis e.g. PPAC for nth Month should be levied from start of n+2 month.

(vi) In case, PPAC is negative (credit) for a particular month, it will be carried forward to the next month and adjusted with PPAC for that month till the cumulative PPAC is positive (debit) and thereafter the treatment of PPAC will be as per point "C" mentioned above.

(vii) In case of carry forward of PPAC by the Commission, carrying cost should also be included in PPAC to be levied.

<u>BYPL & BRPL</u>

k) The formula for recovery of PPAC be appropriately modified to allow recovery of variation in total Power Purchase Costs on a monthly basis without any ceiling limit, or in the alternative, with a ceiling limit of 20% of the APPC.

l) The said formula must also ensure that Short Term Purchases are also included in computation of PPAC. However, the Commission has proposed for recovery of PPAC on quarter basis same as available in DERC Business Plan Regulations, 2019.

m) There is a clear conflict between the proposal of the Commission and Rule 14 of the Electricity Amendment Rules, 2022.

n) The Commission may modify its proposal on PPAC to ensure the same is consistent with the Electricity Act, 2003 and Rule 14 along with Fuel and Power Purchase Adjustment Methodology stipulated in Schedule-II Electricity Amendment Rules, 2022.

SAC MEMBER

o) Dr. Anoop Singh (CER)- It is proposed to include the Short-Term Power Purchase in PPAC computation / PPAC format of DERC.

COMMISSION'S VIEW

a) The Commission notes that Distribution Licensees have expressed their concern related to gap in recovery of Power Purchase Cost through PPAC mechanism due to non-inclusion of Power Cost towards Short Term Purchases and REC's in existing PPAC formulae. The DISCOMs have requested for levy of monthly PPAC and increasing the ceiling limit to 20% of PPAC, levy of PPAC through automatic route without going through Regulatory proceedings. SAC member submitted to include short Term Power Purchase in PPAC formula.

b) The Commission takes note of the above comments/suggestions of the SAC Members and DISCOMs.

c) The provisions of various Acts, viz. Section 62(4) of Electricity Act, 2003; Clause 8.2.1(7) of the Tariff Policy (28/01/2016), and APTEL Judgment in OP 1 of 2011 empowers the Commission to devise, adopt and implement a Power Purchase/fuel price adjustment mechanism on either quarterly or monthly basis for recovery of all prudent costs of the licensees. The Commission is of the view that any delayed recovery in Power Purchase Cost of the Distribution Licensee due to delay in allowing PPAC has a direct bearing on the consumer's Tariff due to Carrying Cost on such under recovered

Power Purchase Cost at the time of true up of ARR. Therefore, the Commission, as per past practice, has allowed a part of PPAC to be recovered without regulatory proceedings so as to minimize Carrying Cost on this delayed recovery in Power Purchase Cost which in the overall public interest and avoids Tariff shock to end consumer with adequate recovery of Power Purchase Cost for DISCOMs.

d) The PPAC concept has also been endorsed by Hon'ble APTEL in its Judgment dated order in OP 1 of 2011 dated 11/11/2011 and its introduction made mandatory for all SERCs. Further also, in the said Judgment Hon'ble APTEL has indicated that PPAC should be levied for duration not exceeding a quarter, as follows:

> *"65.....*
>
> *(vi) Fuel and Power Purchase cost is a major expense of the distribution Company which is uncontrollable. Every State Commission must have in place a mechanism for Fuel and Power Purchase cost in terms of Section 62 (4) of the Act. The Fuel and Power Purchase cost adjustment should preferably be on monthly basis on the lines of the Central Commission's Regulations for the generating companies but in no case exceeding a quarter. Any State Commission which does not already have such formula/mechanism in place must within 6 months of the date of this order must put in place such formula/ mechanism."*

e) Section 62(4) of Electricity Act, 2003 states that No tariff or part of any tariff may ordinarily be amended more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified. As there is no fuel variation involved in case of Renewable Energy Certificate/ Hydro Energy Certificate, hence the same cannot be considered under PPAC and shall considered during True-up of ARR along with Carrying Cost.

f) The comparative statement of State-wise levy of PPAC is as follows:

Table: Comparative Statement of State-wise Levy of PPAC

S.No.	Particulars	Delhi	Haryana	UP	Punjab	Rajasthan
1	Regulation	DERC Tariff Regulations, 2017 and Regulation 30 of BPR, 2023	Regulation 66 of HERC Tariff Regulations, 2019	UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2019	PSERC MYT Regulations, 2019	RERC (Terms and Conditions for Determination of Tariff) Regulations, 2019
2	Frequency	Quarterly Basis	Quarterly Basis	Quarterly Basis	Quarterly Basis	Quarterly Basis

S.No.	Particulars	Gujarat	Chhattisgarh	Karnataka	Kerala
1	Regulation	GERC Tariff Regulations, 2016 and Order dated 29/10/2013	CSERC Tariff Regulations, 2021	KERC (Fuel Cost Adjustment Charges) Regulations, 2022	KSERC Tariff Regulations, 2021
2	Frequency	Quarterly Basis	Bi-monthly Basis	Quarterly Basis	Quarterly Basis

g) The Commission observes that Delhi Distribution Licensees recover differential cost from consumers on quarterly basis which results in adequate cash flow, though Trued-up at last along-with Carrying Cost, as mandated under Tariff Regulations, 2017 as follows:

"Power Purchase Cost Adjustment Charges

134. The Distribution Licensee shall be allowed to recover the incremental Power Procurement Cost on quarterly basis, over and above the Power Procurement Cost approved in the Tariff Order of the relevant year, incurred due to the following:

(a) Variation in Price of Fuel from long term sources of Generation;

(b) Variation in Fixed Cost on account of Regulatory Orders from long term sources of Generation;

(c) Variation in Transmission Charges.

135. The Commission shall specify the detailed formula and procedure for recovery of such incremental Power Procurement Cost as Power Purchase Cost Adjustment Charges (PPAC) formula in the Tariff Order;

136. To avoid the tariff shock for consumers, the Commission may carry forward PPAC of one quarter into more than one quarter on provisional basis;"

h) As far as the comments of DISCOMs related to consideration of Short Term Power Purchase Cost in PPAC formula is concerned, it is noted that Hon'ble APTEL vide its judgement dated 2/03/2015 in Appeal No.177 and 178 of 2012 has ruled that Short Term Power Purchase Cost should not be considered in the PPAC formula since it requires prudence check for the need of such procurement and verification of price. Therefore, as per past practice, Short Term Power Purchase is not considered in the PPAC formula.

i) In view of above, the Commission retains the provisions mentioned in the Draft Regulations. However, with reference to the comments of the DISCOMs related to monthly PPAC, the Commission notes that the PPAC mechanism followed by other Regulatory Commission i.e. Haryana, Uttar Pradesh, Punjab, Rajasthan, Kerala and observes that methodology of such Regulatory Commissions follows quarterly basis. Therefore, the Commission retains its earlier provisions.

j) Accordingly, the Commission has retained the provision related to Mechanism for Recovery of Power Purchase Cost Adjustment Charges as provided in *draft DERC (Business Plan) Regulations, 2023*

Annexure- I

DELHI ELECTRICITY REGULATORY COMMISSION
Viniyamak Bhawan, C-Block, Shivalik, Malviya Nagar,
New Delhi-110 017
Website: www.derc.gov.in
Telefax:+91-11-26673608, +91-11-41080417

PUBLIC NOTICE

In exercise of powers conferred under Section 181 read with Section 61 and Section 86(1) of the Electricity Act, 2003 (Act 36 of 2003) and all other powers enabling it in this behalf, the Delhi Electricity Regulatory Commission (DERC) has prepared the following Regulations:

a) *Draft DERC (Business Plan) Regulations, 2023.*
b) *Draft DERC (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2023.*
c) *Draft DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) (First Amendment) Regulations, 2023.*
d) *Explanatory Memorandum for Draft DERC (Business Plan) Regulations, 2023*

The said Draft Regulations are available on the website of the Commission http://derc.gov.in/

The stakeholders are requested to forward their comments/ suggestions on the said Draft Regulations to the Commission, **latest by 05:00 PM till 14/02/2023.** The comments/suggestions may be forwarded to Secretary, DERC either by post or through e-mail to secyderc@nic.in

Dated: 13/01/2023

Sd/-
Rajesh Dangi
(Secretary)
Delhi Electricity Regulatory Commission

DIP/Shabdarth/0564/22-23

Hindustan Times 19/1/23

DELHI ELECTRICITY REGULATORY COMMISSION
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Dated: 13.01.2023

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Delhi Electricity Regulatory Commission

DIP/Shabdarth/0564/22-23

दिल्ली विद्युत विनियामक आयोग
विनियामक भवन, सी- ब्लॉक, शिवालिक,
मालवीय नगर, नई दिल्ली-110017
वेबसाइट www.derc.gov.in
टेलीफैक्स: +91-11-26673608, 41080417

19/1/23 - पंजाब केसरी **सार्वजनिक सूचना**

1) एतदद्वारा दिल्ली विद्युत विनियामक आयोग ने विद्युत अधिनियम, 2003 (2003 का अधिनियम 36) के साथ पठित धारा 61 एवं धारा 86 (1) और विद्युत अधिनियम की धारा 181 के अंतर्गत प्रदत्त शक्तियों का प्रयोग करते हुए दिल्ली विद्युत विनियामक आयोग (डीईआरसी) ने निम्नलिखित विनियम तैयार किये हैं :
   (क) डीईआरसी (बिजनिस प्लान) विनियम, 2023 का मसौदा
   (ख) डीईआरसी (टैरिफ निर्धारण के लिए नियम एवं शर्तें) (प्रथम संशोधन) विनियम, 2023 का मसौदा
   (ग) डीईआरसी (नवीकरणीय खरीद दायित्व और नवीकरणीय ऊर्जा प्रमाण पत्र फ्रेमवर्क कार्यान्वियन) (प्रथम संशोधन) विनियम, 2023 का मसौदा
   (घ) डीईआरसी (बिजनिस प्लान) विनियम, 2023 के मसौदे के लिए व्याख्यात्मक ज्ञापन
2) उक्त मसौदा विनियम आयोग की वेबसाइट http://derc.gov.in पर उपलब्ध है।
3) हितधारकों से अनुरोध है कि उक्त मसौदा विनियमों अपने सुझाव/टिप्पणियां आयोग को दिनांक 14.02.2023 को सायं 5:00 बजे तक अग्रेषित करें। सुझाव/टिप्पणियां को सचिव, डीईआरसी को डाक या ईमेल secyderc@nic.in द्वारा प्रेषित किया जा सकता है।

दिनांक 13-01-2023

हस्ताक्षरित राजेश दाँगी,
सचिव, डीईआरसी

DIP/SHABDARTH/0564/22-23

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the Indian Express
19/1/23 -

DELHI ELECTRICITY REGULATORY COMMISSION
Viniyamak Bhawan, C-Block, Shivalik,
Malviya Nagar, New Delhi-110017
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Dated: 13/01/2023

Sd/-
Rajesh Dangi (Secretary)
Delhi Electricity Regulatory Commission

DIP/SHABDARTH/0564/22-23

ਟਰ, ਨਵੀਂ ਦਿੱਲੀ (ਵੀਰਵਾਰ, 19 ਜਨਵਰੀ 2023) 4 Daily Educator New Delhi (Thursday, 19 January 2023)

ਹਰਿਆਣਾ ਖਬਰਸਾਰ

ਆਧਾਰ ਕਾਰਡ ਦੀ ਪ੍ਰਮਾਣਿਕਤਾ ਦੀ ਜਾਂਚ ਲਈ ਦਿੱਤੀ ਜਾਵੇਗੀ ਸਿਖਲਾਈ

23 ਜਨਵਰੀ ਤਕ ਸਾਰੇ ਜ਼ਿਲ੍ਹਿਆਂ ਵਿਚ ਪ੍ਰਬੰਧਿਤ ਹੋਵੇਗੀ ਆਨਲਾਈਨ ਵਰਕਸ਼ਾਪ - ਸੰਜੀਵ ਕੌਸ਼ਲ

ਕਲੱਬ ਰਿਵਰ ... ਲੋੜਵੰਦਾਂ ਨੂੰ ਵੰਡੇ ਕੰਬਲ

ਨਸ਼ਾ ਮੁਕਤੀ ਅਭਿਆਨ ਵਿਚ ਵਧੀਆ ਕੰਮ ਕਰਨ ਵਾਲਿਆਂ ਨੂੰ ਮਿਲੇਗਾ ਪੁਰਸਕਾਰ

ਯਮੁਨਾਨਗਰ, 16 ਜਨਵਰੀ (ਦਿਨੇਸ਼ ਕੁਮਾਰ): ਰਾਜ ਵਿੱਚ ਨਸ਼ਾ ਛੁਡਾਊ ਮੁਹਿੰਮ ਵਿੱਚ ਵਧੀਆ ਕੰਮ ਕਰਨ ਵਾਲਿਆਂ ਨੂੰ ਸਮਾਜਿਕ ਨਿਆਂ ਅਤੇ ਅਧਿਕਾਰਤਾ ਵਿਭਾਗ ਵੱਲੋਂ ਸਟੇਟ ਐਵਾਰਡ ਦਿੱਤੇ ਜਾਣਗੇ। ਇਸ ਦੇ ਲਈ ਨਸ਼ਾ ਛੁਡਾਊ ਦਾ ਖੇਤਰ ਆਨਲਾਈਨ ... ਹਰਿਆਣਾ ਦੇ ਸਮਾਜਿਕ ਨਿਆਂ ਅਤੇ ਅਧਿਕਾਰਤਾ ਵਿਭਾਗ ਨੇ ਸਾਲ 2022-23 ਲਈ ਰਾਜ ਪੁਰਸਕਾਰ ਨਾਲ ਸਨਮਾਨਤ ਕਰਨ ਲਈ ਸਰਵੋਤਮ ਵਿਅਕਤੀ, ਸੰਸਥਾ, ਨਸ਼ਾ ਛੁਡਾਊ ਕੇਂਦਰ ਨੂੰ ਸਲਾਘਾਯੋਗ ਕੰਮ ਕਰਨ ਲਈ ਅਰਜ਼ੀਆਂ ਮੰਗੀਆਂ ਹਨ। ... ਡਾਜੀਓਵੀਡਾਟਆਈਐਨ ਪੋਰਟਲ 'ਤੇ ਆਵੇਦਨ ਕੀਤੇ ਜਾ ਸਕਦੇ ਹਨ। ਸਭ ਯੋਗ ਸੰਸਥਾਵਾਂ, ਵਿਅਕਤੀਆਂ ਆਦਿ ਦੇ ਸਿਰਫ ਵਿਭਾਗੀ ਵੈਬਸਾਈਟ ਦੇ ਰਾਹੀਂ ਆਨਲਾਈ ਆਵੇਦਨ ਹੀ ਮਨਜ਼ੂਰ ਕੀਤੇ ਜਾਣਗੇ, ਜਿਆਦਾ ਜਾਣਕਾਰੀ ਦੇ ਲਈ ਵਿਭਾਗੀ ਵੈਬਸਾਈਟ ਦਾ ਪ੍ਰਯੋਗ ਹੈ।

ਕੁਰੂਕਸ਼ੇਤਰ ਹਵੇਲੀ ਤੋਂ ਜੁਗਨੂੰ ਦੇ ਦੋਵੇਂ ਹੱਥ ਵੱਢਣ ਵਾਲੇ ਦੋ ਹੋਰ ਮੁਲਜ਼ਮ ਗ੍ਰਿਫ਼ਤਾਰ

... ਸਚਿਨ ਰਾਣਾ ... ਪਿੰਡ ਵਿਚ ... ਇਆ ਸਫਾਈ ਅਭਿਆਨ

...ਦਬਦਰੀ ਸਰਸਵਤੀ ਕੁੰਡ ਵਿਚ 21 ਕੁੰਡੀ ਹਵਨ ਯਗ ਦੇ ਮੰਤਰ ਉਚਾਰਨ ... ਹੋਵੇਗਾ ਸਰਸਵਤੀ ਮਹਾਂ ਉਤਸਵ 2023 ਦਾ ਆਗਾਜ਼ : ਧੁੰਮਨ

ਉਤਸਵ ਦਾ ਆਯੋਜਨ ਕੀਤਾ ਜਾ ਰਿਹਾ ਹੈ। ਇਹ ਤਿਉਹਾਰ ਬਸੰਤ ਪੰਚਮੀ 'ਤੇ ਆਯੋਜਿਤ ਕੀਤਾ ਜਾਂਦਾ ਹੈ। ਇਸ ਤਿਉਹਾਰ ਦੀ ਸ਼ੁਰੂਆਤ ਆਦਿਬਦਰੀ ਸਰਸਵਤੀ ਮੂਲ ਸਥਾਨ ਤੋਂ ਕੀਤੀ ਜਾਵੇਗੀ। ਇਸ ਸਮਾਪਤੀ ਸਮਾਰੋਹ ਵਿੱਚ ਸੱਭਿਆਚਾਰਕ ਪ੍ਰੋਗਰਾਮਾਂ ਦੇ ਨਾਲ-ਨਾਲ ਸਰਸਵਤੀ ਆਰਤੀ ਕੀਤੀ ਜਾਵੇਗੀ। ਇਸ ਤਿਉਹਾਰ ਨੂੰ ਯਾਦਗਾਰੀ ਬਣਾਉਣ ਲਈ ਹਰ ਸੰਭਵ ਯਤਨ ਕੀਤਾ ਜਾਵੇਗਾ।

DERC

ਦਿੱਲੀ ਇਲੈਕਟ੍ਰੀਸਿਟੀ ਰੈਗੂਲੇਟਰੀ ਕਮਿਸ਼ਨ
ਰੈਗੂਲੇਟਰੀ ਬਿਲਡਿੰਗ, ਸੀ ਬਲਾਕ, ਸ਼ਿਵਾਲਿਕ, ਮਾਲਵੀਯ ਨਗਰ
ਨਵੀਂ ਦਿੱਲੀ-110017
ਵੈਬਸਾਈਟ : www.derc.gov.in
ਟੈਲੀ ਫੈਕਸ : +91-11-26673068, 41080417

ਪਬਲਿਕ ਨੋਟਿਸ

1. ਨਿਮਨ ਹਸਤਾਖਰੀ ਵੱਲੋਂ ਦਿੱਲੀ ਇਲੈਕਟ੍ਰੀਸਿਟੀ ਰੈਗੂਲੇਟਰੀ ਕਮਿਸ਼ਨ ਨੇ ਇਲੈਕਟ੍ਰੀਸਿਟੀ ਐਕਟ (2003 ਦਾ ਐਕਟ 36) ਦੇ ਨਾਲ ਪੜ੍ਹੀ ਜਾਣ ਵਾਲੀ ਧਾਰਾ 61 ਅਤੇ ਧਾਰਾ 86 (1) ਅਤੇ ਇਲੈਕਟ੍ਰੀਸਿਟੀ ਐਕਟ ਦੀ ਧਾਰਾ 181 ਦੇ ਅਧੀਨ ਪ੍ਰਦੱਤ ਸ਼ਕਤੀਆਂ ਦਾ ਪ੍ਰਯੋਗ ਕਰਦੇ ਹੋਏ ਦਿੱਲੀ ਇਲੈਕਟ੍ਰੀਸਿਟੀ ਰੈਗੂਲੇਟਰੀ ਕਮਿਸਨ (ਡੀਈਆਰਸੀ) ਨੇ ਹੇਠ ਲਿਖੇ ਵਿਨਿਯਮ ਤਿਆਰ ਕੀਤੇ ਹਨ।
ੳ. ਡੀਈਆਰਸੀ (ਬਿਜ਼ਨਸ ਪਲਾਨ) ਵਿਨਿਯਮ 2023 ਦਾ ਡ੍ਰਾਫਟ
ਅ. ਡੀਈਆਰਸੀ (ਟੈਰਿਫ ਨਿਰਧਾਰਤ ਕਰਨ ਵਾਸਤੇ ਨਿਯਮ ਅਤੇ ਸ਼ਰਤਾਂ) (ਪਹਿਲੀ ਸੋਧ) ਵਿਨਿਯਮ 2023 ਦਾ ਡ੍ਰਾਫਟ
ੲ. ਡੀਈਆਰਸੀ (ਨਵੀਨੀਕਰਨ ਖਰੀਦ ਜ਼ਿੰਮੇਵਾਰੀ ਅਤੇ ਨਵੀਨੀਕਰਨ ਊਰਜਾ ਪ੍ਰਮਾਣ ਪੱਤਰ ਫਰੇਮ ਵਰਕ ਲਾਗੂ ਕਰਨਾ) ਪਹਿਲੀ ਸੋਧ) ਵਿਨਿਯਮ 2023 ਦਾ ਡ੍ਰਾਫਟ
ਸ. ਡੀਈਆਰਸੀ (ਬਿਜ਼ਨਸ ਪਲਾਨ) ਵਿਨਿਯਮ 2023 ਦੇ ਡ੍ਰਾਫਟ ਵਾਸਤੇ ਵਿਆਖਿਆਤਮਕ ਮੈਮੋਰੈਂਡਮ
2. ਉਕਤ ਡ੍ਰਾਫਟ ਵੀਨਿਯਮ ਕਮਿਸਨ ਦੀ ਵੈਬਸਾਈਟ http://derc.gov.in 'ਤੇ ਉਪਲਬਧ ਹੈ।
3. ਲਾਭਪਾਤਰਾਂ ਨੂੰ ਬਿਨੇ ਕੀਤੀ ਜਾਂਦੀ ਹੈ ਕਿ ਉਕਤ ਡਰਾਫਟ ਵੀਨਿਯਮ ਸਬੰਧੀ ਆਪਣੇ ਸੁਝਾਅ/ਟਿਪਣੀਆਂ ਕਮਿਸਨ ਨੂੰ ਮਿਤੀ 14.02.2023 ਨੂੰ ਸ਼ਾਮੀ 5 ਵਜੇ ਤੱਕ ਭੇਜ ਦੇਣ ਸੁਝਾਅ/ਟਿਪਣੀਆਂ ਨੂੰ ਸਕੱਤਰ, ਡੀਈਆਰਸੀ ਨੂੰ ਡਾਕ ਜਾਂ ਈਮੇਲ secyderc@nic.in ਰਾਹੀਂ ਭੇਜਿਆ ਜਾ ਸਕਦਾ ਹੈ।

ਸਹੀ/
ਰਾਜੇਸ਼ ਦਾਂਗੀ
ਸਕੱਤਰ, ਡੀਈਆਰਸੀ

ਮਿਤੀ 13.01.2023
DIP/S/0564/2223

صحافت 3

SAHAFAT

19-01-2023

متفرقات

www.sahafat.in

ہندوستان سے باہر پہلا آئی آئی ٹی ادارہ تنزانیہ میں قائم

دونوں ممالک کے درمیان روایتی اور دوستانہ تعلقات ہیں: لوک سبھا اسپیکر

کانگریس لیڈر کے باغی لیڈروں کے خلاف نازیبا بیان

اقدام قتل میں ایک شخص کو 10 سال کی قید

محفل مدح اہلبیتؑ میں مداح اہلبیتؑ ممتاز دانش کی قدردانی

میر فراست علی باقری نے حاضرین محفل سے اظہار تشکر کیا

یوم جمہوریہ پر ہفتہ بھر مختلف پروگراموں کا اہتمام

Happy Republic Day

سڑک پر سائڈ نہ دینے پر کسان کو ماری گولی

طالبات کے ساتھ چھیڑ چھاڑ کے الزام میں دو فوجی اہلکار گرفتار

ڈبرو گڑھ سے نئی دہلی جانے والی راجدھانی ایکسپریس میں پیش آیا واقعہ

ماں کو گولی مار کر قتل

بھارت جوڑو یاترا قومی وحدت اور ہم آہنگی کا پیغام

مرکزی حکومت اپنی تمام پالیسیاں صرف چند صنعتکار دوستوں کو خوش کرنے کے لیے بنا رہی ہے: راہل گاندھی

مشرا نے مودی کی کتاب ایگزام واریئرز کا اجرا کیا

جونپور میں بدمعاش نے صحافی کو ماری گولی

دہلی الیکٹرسٹی ریگولیٹری کمیشن

نئی دہلی 110017

www.derc.gov.in

پبلک نوٹس

دستخط

راجیش نیگی

سیکریٹری، ڈی ای آر سی

Punjab Kesari 17/2/23

दिल्ली विद्युत विनियामक आयोग

विनियामक भवन, सी-ब्लॉक, शिवालिक, मालवीय नगर
नई दिल्ली-110017
वेबसाइट : www.derc.gov.in
टेलीफैक्स : +91-11-26673608,41080417

सार्वजनिक सूचना

1) एतद द्वारा दिल्ली विद्युत विनियामक आयोग ने विद्युत अधिनियम, 2003 (2003 का अधिनियम 36) के साथ पठित धारा 61 एवं धारा 86(1) और विद्युत अधिनियम की धारा 181 के अंतर्गत प्रदत्त शक्तियों का प्रयोग करते हुए दिल्ली विद्युत विनियामक आयोग (डीईआरसी) ने निम्नलिखित विनियम तैयार किये थे :

(क) डीईआरसी (बिज़निस प्लान) विनियम, 2023 का मसौदा

(ख) डीईआरसी (टैरिफ निर्धारण के लिए नियम एवं शर्तें) (प्रथम संशोधन) विनियम, 2023 का मसौदा

(ग) डीईआरसी (नवीकरणीय खरीद दायित्व और नवीकरणीय ऊर्जा प्रमाणपत्र फ्रेमवर्क कार्यान्वयन) (प्रथम संशोधन) विनियम, 2023 का मसौदा

(2) उक्त मसौदा विनियमों पर अपने सुझाव / टिप्पणियां आयोग की अंतिम तिथि 14/02/2023 थी।

3) हितधारकों के अनुरोध के आधार पर सुझाव/टिप्पणियों अग्रेषित करने की अंतिम तिथि 28/02/2023 को सायं 5.00 बजे तक बढ़ा दी गई है।

हस्ता./-
राजेश दांगी, सचिव

DIP/shabdarth/0611/22-23

DELHI ELECTRICITY REGULATORY COMMISSION

Viniyamak Bhawan, C-Block, Shivalik,
Malviya Nagar, New Delhi-110017
Website: www.derc.gov.in
Telefax: +91-11-26673608, +91-11-41080417

17/2/23 Indian Exp.

PUBLIC NOTICE

1) In exercise of powers conferred under Section 181 read with Section 61 and 86(1) of The Electricity Act, 2003 (Act 36 of 2003) and all other powers enabling it in this behalf, the Delhi Electricity Regulation Commission (DERC) had prepared the following Regulations:

a) Draft DERC (Business Plan) Regulations, 2023.

b) Draft DERC (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2023.

c) Draft DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) (First Amendment) Regulations, 2023.

2) The last date of submission of comments/suggestions on the above mentioned draft Regulations was 14/02/2023

3) Based on the request of stakeholders, the last date of submission of comments/suggestions has now been extended upto 28/02/2023 till 5:00 PM.

Dated: 14/02/2023

Sd/-
Rajesh Dangi (Secretary)

DIP-SHABDARTH-0611-22-23

NBT 17/2/23

दिल्ली विद्युत विनियाम...
विनियामक भवन, सी-ब्लॉक, शिवालिक...
नई दिल्ली-110017
वेबसाइट: www.derc.gov.in
टेलीफैक्स: +91-11-26673608, 41080...

सार्वजनिक सूचना

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2) उक्त मसौदा विनियमों पर अपने सुझाव / टिप्पणियां आयोग की अंतिम तिथि 14/02/2023 थी।

3) हितधारकों के अनुरोध के आधार पर सुझाव / टिप्पणियों अग्रेषित करने की अंतिम तिथि 28/02/2023 को सायं 5.00 बजे तक बढ़ा दी गई है।

दिनांक 14/02/2023

राजेश दाँगी, सचिव

DIP/Shabdarth/0611/22-23

HT. 17/02/23

DELHI ELECTRICITY REGULATORY COMMISSION
Vinyamak Bhawan, C-Block, Shivalik, Malviya Nagar
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3) Based on the request of stakeholders, the last date of submission of comments/suggestions has now been extended upto **28.02.2023 till 5.00 PM.**

Dated: 14.02.2023

DIP/Shabdarth/0611/22-23

Rajesh Dangi, Secretary

DIP No.DIP/U 15/29/22

10/11/23

DELHI ELECTRICITY REGULATORY COMMISSION
Viniyamak Bhawan, C-Block, Shivalik, Malviya Nagar,
New Delhi-110 017
Website: www.derc.gov.in
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3) Based on the request of stakeholders, the last date of submission of comments/suggestions has now been extended upto 28/02/2023 till 5:00 PM.

Dated: 14/02/2023 **Rajesh Dangi, Secretary**

DIP/Shabdarth/0611/22-23

Shafat 17/2/2023

دھلی الیکٹرسٹی ریگولیٹری کمیشن
ونیامک بھون، سی بلاک، شیوالک، مالویہ نگر،
نئی دھلی-110017
ویب سائٹ: www.derc.gov.in
ٹیلی فیکس+91-11-26673608,41080417

پبلک نوٹس

1) اس کے ذریعہ دہلی الیکٹرسٹی ریگولیٹری کمیشن نے الیکٹرسٹی ایکٹ، 2003 (2003 کا ایکٹ 36) کے ساتھ منظور شدہ دفعہ 61 اور دفعہ 86 (1) اور الیکٹرسٹی ایکٹ کی دفعہ 181 کے تحت حاصل اختیارات کا استعمال کرتے ہوئے دہلی الیکٹرسٹی ریگولیٹری کمیشن (ڈی ای آرسی) نے مندرجہ ذیل ریگولیشن تیار کیے تھے:

(اے) ڈی ای آرسی (بزنس پلان) ریگولیشن، 2023 کا مسودہ

(بی) ڈی ای آرسی (ٹیرف تعین کے لئے ضابطہ اور شرائط) (پہلی ترمیم) ریگولیشن، 2023 کا مسودہ

(سی) ڈی ای آرسی (قابل تجدید خرید ذمہ داری اور قابل تجدید توانائی سرٹفکیٹ فریم ورک عملدرآمد) (پہلی ترمیم) ریگولیشن، 2023 کا مسودہ

2) مذکورہ مسودہ ریگولیشنس پر اپنی تجاویز/تبصرے کمیشن کی آخری تاریخ 14/02/2023 تھی۔

3) متعلقین سے گزارش کی بنیاد پر تجاویز/تبصرے پیش کرنے کی آخری تاریخ 28/02/2023 کو شام 5.00 بجے تک بڑھا دی گئی ہے۔

مورخہ: **14/02/2023**

دستخط
راجیش دانگی، سکریٹری

DIP/Shabdarth/0611/22-23

ਰੋਜ਼ਾਨਾ ਐਜੂਕੇਟਰ, ਨਵੀਂ ਦਿੱਲੀ (ਸ਼ੁੱਕਰਵਾਰ, 17 ਫਰਵਰੀ 2023) (3) Daily Educator, New Delhi (Friday, 17 February 2023)

ਪੰਜਾਬੀਆਂ ਨੇ ਜ਼ਿਆਦਾਤਰ ਡੌਲਿਆਂ ਦੀ ਤਾਕਤ ਦਾ ਹੀ ਇਸਤੇਮਾਲ ਕੀਤਾ

ਖਾਣੇ ਦੇ ਮੇਜ਼ਾਂ ਦੁਆਲੇ ਸਾਡੇ ਪਹੁੰਚਣ ਤੋਂ ਪਹਿਲਾਂ ਹੀ ਚੋਖੀ ਭੀੜ ਹੋ ਗਈ

ਦਿੱਲੀ ਬਿਜਲੀ ਰੈਗੂਲੇਟਰੀ ਕਮਿਸ਼ਨ

ਵਿਨਿਆਮਕ ਭਵਨ, ਸੀ-ਬਲਾਕ, ਸ਼ਿਵਾਲਿਕ, ਮਾਲਵੀਆ ਨਗਰ, ਨਵੀਂ ਦਿੱਲੀ-110017

ਵੈਬਸਾਈਟ: www.derc.gov.in

ਟੈਲੀਫੋਨ: +91-11-26673608, 41080417

ਜਨਤਕ ਸੂਚਨਾ

1) ਇਸ ਦੁਆਰਾ ਦਿੱਲੀ ਬਿਜਲੀ ਰੈਗੂਲੇਟਰੀ ਕਮਿਸ਼ਨ ਨੇ ਬਿਜਲੀ ਕਾਨੂੰਨ, 2003 (2003 ਦਾ ਐਕਟ 36) ਦੇ ਨਾਲ ਪੜ੍ਹੀ ਜਾਣ ਵਾਲੀ ਧਾਰਾ 61 ਅਤੇ ਧਾਰਾ 86 (1) ਅਤੇ ਬਿਜਲੀ ਕਾਨੂੰਨ ਦੀ ਧਾਰਾ 181 ਦੇ ਤਹਿਤ ਪ੍ਰਦੱਤ ਸ਼ਕਤੀਆ ਦੀ ਵਰਤੋਂ ਕਰਦੇ ਹੋਏ ਦਿੱਲੀ ਬਿਜਲੀ ਰੈਗੂਲੇਟਰੀ ਕਮਿਸ਼ਨ (ਡੀਈਆਰਸੀ) ਨੇ ਨਿਮਨਲਿਖਤ ਨਿਯਮਾਂਵਲੀ ਤਿਆਰ ਕੀਤੀ ਸੀ

(ੳ) ਡੀਈਆਰਸੀ (ਬਿਜ਼ਨਸ ਪਲਾਨ) ਨਿਯਮਾਂਵਲੀ, 2023 ਦਾ ਮਸੌਦਾ

(ਅ) ਡੀਈਆਰਸੀ (ਟੈਰਿਫ ਨਿਰਧਾਰਣ ਦ ਲਈ ਨਿਯਮ ਅਤੇ ਸ਼ਰਤਾਂ) (ਪਹਿਲੀ ਸੋਧ) ਨਿਯਮਾਂਵਲੀ, 2023 ਦਾ ਮਸੌਦਾ

(ੲ) ਡੀਈਆਰਸੀ (ਨਵਿਆਉਣਯੋਗ ਖਰੀਦ ਜੁਆਬਦੇਹੀ ਅਤੇ ਨਵਿਆਉਣਯੋਗ ਊਰਜਾ ਪ੍ਰਮਾਣ ਪੱਤਰ ਫਰੇਮਵਰਕ ਲਾਗੂਕਰਨ) (ਪਹਿਲੀ ਸੋਧ) ਨਿਯਮਾਂਵਲੀ, 2023 ਦਾ ਮਸੌਦਾ

2) ਉਕਤ ਮਸੌਦਾ ਨਿਯਮਾਂਵਲੀਆਂ 'ਤੇ ਆਪਣੇ ਸੁਝਾਅ/ਟਿੱਪਣੀਆਂ ਕਮਿਸ਼ਨ ਦੀ ਆਖਰੀ ਮਿਤੀ 14.02.2023 ਸੀ।

3) ਹਿੱਤ ਧਾਰਕਾਂ ਦੀ ਅਪੀਲ ਦੇ ਆਧਾਰ 'ਤੇ ਸੁਝਾਅ/ਟਿੱਪਣੀਆਂ ਭੇਜਣ ਦੀ ਆਖਰੀ ਮਿਤੀ 28.02.2023 ਨੂੰ ਸ਼ਾਮ 5.00 ਵਜੇ ਤੱਕ ਵਧਾ ਦਿੱਤੀ ਗਈ ਹੈ।

ਮਿਤੀ : 14.02.2023

ਰਾਜੇਸ਼ ਦਾਂਗੀ, ਸਕੱਤਰ

DIP/SHABDARTH/0611/22-23

ਸੂਚਨਾ ਨਿਵਿਦਾ ਮੰਗ (ਔਨਲਾਈਨ)

दिल्ली विद्युत विनियामक आयोग
विनियामक भवन, सी-ब्लॉक, शिवालिक,
मालवीय नगर, नई दिल्ली-110017
वेबसाइट: www.derc.gov.in
टेलीफैक्स: +91-11-26673608, 41080417

सार्वजनिक सूचना

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2) उक्त मसौदा विनियमों पर सुझाव / टिप्पणियां आयोग अग्रेपित करने की अंतिम तिथि 14/02/2023 थी जिसे विभिन्न हितधारकों के अनुरोध पर 28/02/ 2023 तक बढ़ा दी गई थी ।

3) कुछ हितधारकों के अनुरोध के आधार पर सुझाव / टिप्पणियों को अग्रेषित करने की अंतिम तिथि अब 06/03/2023 को सायं 5.00 बजे तक बढा दी गई है। विस्तार के लिए आगे किसी भी अनुरोध पर विचार नहीं किया जाएगा।

दिनांक 28/02/2023

हस्ताक्षरित

DIP/Shabdarth/0636/22-23 सचिव (डीईआरसी)

DELHI ELECTRICITY REGULATORY COMMISSION
Viniyamak Bhawan, C-Block, Shivalik,
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2) The last date of submission of comments/suggestions on the above mentioned draft Regulations was 14/02/2023 which on the request of various stakeholders was extended till 28/02/2023.

3) Based on the request of certain stakeholders, the last date of submission of comments/suggestions has now been extended upto 6/03/2023 till 5:00 PM. No further request for extension shall be entertained.

Dated: 28/02/2023 Sd/-

DIP/SHABDARTH/0636/22-23 Secretary (DERC)

दिल्ली विद्युत विनियामक आयोग
विनियामक भवन, सी-ब्लॉक, शिवालिक, मालवीय नगर
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टेलीफैक्स: +91-11-26673608, 41080417

सार्वजनिक सूचना

1) एतद्द्वारा दिल्ली विद्युत विनियामक आयोग ने विद्युत अधिनियम, 2003 (2003 का अधिनियम 36) के साथ पठित धारा 61 एवं धारा 86(1) और विद्युत अधिनियम की धारा 181 के अन्तर्गत प्रदत्त शक्तियों का प्रयोग करते हुए दिल्ली विद्युत विनियामक आयोग (डीईआरसी) ने निम्नलिखित विनियम तैयार किए थे :

(क) डीईआरसी (बिजनिस प्लान) विनियम, 2023 का मसौदा

(ख) डीईआरसी (टैरिफ निर्धारण के लिए नियम एवं शर्ते) (प्रथम संशोधन) विनियम, 2023 का मसौदा

(ग) डीईआरसी (नवीकरणीय खरीद दायित्व और नवीकरणीय ऊर्जा प्रमाणपत्र फ्रेमवर्क कार्यान्वयन) (प्रथम संशोधन) विनियम, 2023 का मसौदा

2) उक्त मसौदा विनियमों पर सुझाव/टिप्पणियां आयोग अग्रेषित करने की अंतिम तिथि 14/02/2023 थी जिसे विभिन्न हितधारकों के अनुरोध पर 28/02/2023 तक बढ़ा दी गई थी।

3) कुछ हितधारकों के अनुरोध के आधार पर सुझाव/टिप्पणियों को अग्रेषित करने की अंतिम तिथि अब 06/03/2023 को सायं 5.00 बजे तक बढ़ा दी गई है। विस्तार के लिए आगे किसी भी अनुरोध पर विचार नहीं किया जाएगा।

दिनांक 28/02/2023 हस्ताक्षरित

सचिव (डीईआरसी)

DIP/Shabdarth/0636/22-23

TOI 3/3/23

DELHI ELECTRICITY REGULATORY COMMISSION
Viniyamak Bhawan, C-Block, Shivalik,
Malviya Nagar, New Delhi-110 017
Website: www.derc.gov.in
Telefax: +91-11-26673608, +91-11-41080417

PUBLIC NOTICE

1) In exercise of powers conferred under Section 181 read with Section 61 and Section 86(1) of the Electricity Act, 2003 (Act 36 of 2003) and all other powers enabling it in this behalf, the Delhi Electricity Regulatory Commission (DERC) has prepared the following Regulations:

a) Draft DERC (Business Plan) Regulations, 2023.

b) Draft DERC (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations,2023.

c) Draft DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) (First Amendment) Regulations, 2023

2) The last date of submission of comments/suggestions on the above mentioned draft Regulations was 14/02/2023 which on the request of various stakeholders was extended till 28/02/2023.

3) Based on the request of certain stakeholders, the last date of submission of comments/suggestions has now been extended upto 6/03/2023 till 5:00 PM. No further request for extension shall be entertained.

Dated: 28/02/2023 Sd/-

DIP/Shabdarth/0636/22-23 Secretary (DERC)

DELHI ELECTRICITY REGULATORY COMMISSION

Viniyamak Bhawan, C-Block, Shivalik, Malviya Nagar,
New Delhi-110017
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Dated: 28.02.2023

Sd/-
DIP/Shabdarth/0636/22-23 **Secretary (DERC)**

صحافت 3
DAILY SAHAFAT DELHI
10 شعبان المعظم 1444ھ
03-03-2023
متفرقات
www.sahafat.in

جی 20 اجلاس مشترکہ مؤقف تک پہنچنے میں ناکام

گلوبل ساؤتھ کے ترقی پذیر ممالک پر تنازعہ کے اقتصادی ضمنی اثرات اور ان کے حل کی ضرورت پر اتفاق

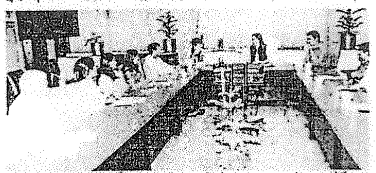
ساگردیگھی اور تری پورہ میں شکست سے ممتا مایوس

کانگریس اور بائیں محاذ پر برہمی کا اظہار

پرموٹیواری نے سپریم کورٹ کے فیصلے کا خیر مقدم کیا

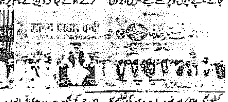
ایم سی ڈی میں کیجریوال حکومت کے قیام کے بعد میئر ڈاکٹر شیلی اوبرائے مشن موڈ میں

زمینی صورتحال کا جائزہ لینے کیلئے میونسپل کارپوریشن کے مختلف علاقوں کا دورہ کریں گی شیلی اوبرائے



اپنی نسلوں کی حفاظت کیلئے مدارس کی بھرپور مدد کی جائے: مولانا طلحہ قاسمی

حفاظت دین کی خاطر دی گئی قربانیوں کا تسلسل ہے مدرسہ: مولانا امین الحق عبداللہ قاسمی



پنجاب میں امن وقانون کے معاملے میں مرکز اور ریاست مل کر کام کریں گے

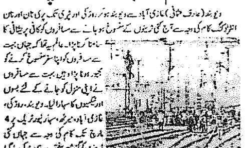
لڑکیوں کو خواتین کے حقوق کے لیے حساس ہونا چاہیے: ایرانی

جموں و کشمیر امن کی راہ پر گامزن، سرحدوں پر جنگ بندی معاہدہ برقرار

ہندوستانی فوج ایل او سی، ایل اے سی پر کسی بھی چیلنج سے نمٹنے کیلئے ہمیشہ تیار: جنرل اپیندر دویدی

ڈی یو انتظامیہ کے خلاف عام آدمی پارٹی کی ٹیچرس ونگ کی بھوک ہڑتال

دیوبند روڈ کی ریل لائن پر انٹرلوکنگ کام کی وجہ سے مسافر پریشان



گیس کی قیمتوں میں اضافہ ہونے پر کانگریس برہم، سلنڈر کے ساتھ کیا احتجاج

اضافی قیمتوں کو واپس لیے جانے کا کیا مطالبہ، صدر جمہوریہ ہند کو مکتوب بھیجا

ਟੱਬਰ ਤਾਂ ਮੁਹੱਲੇ ਦਾ ਗਹਿਣਾ ਹੁੰਦੇ ਭਾਈ ਸਾਹਿਬ

ਘਰ ਦੀ ਕਬੀਲਦਾਰੀ ਨੂੰ ਸੰਭਾਲਣ ਵਾਲੀ ਹਲੀਮਾ

ਸਾਂਵਲ ਧਾਮੀ ਵੱਡੇ ਇਤਿਹਾਸਕ ਕਾਰਜ ਨੂੰ ਸਮਰਪਿਤ

Annexure- II

Minutes of the 21st State Advisory Committee Meeting

Held on 10.03.2023 at 14.30 hrs

As per provisions contained in Section 87 of the Electricity Act, 2003, the Delhi Electricity Regulatory Commission had re-constituted the "State Advisory Committee" and notified the same vide Gazette Notification No.F.7(37)/DERC/DS/2016-19/C.F.No. 5624/253 dated 23rd July 2020.

A Meeting of 21st State Advisory Committee (SAC) was held (virtually) on 10/03/2023 at 14:30 Hrs. witnessing participation of the following;

Commission

Dr. A.K. Ambasht - Chairperson

Other Members of SAC (incl. their nominees):

1. Sh. Naveen Mendiratta, Asst. Commissioner, Dept of Food Supplies & Consumer Affairs, GoNCTD
2. Sh. Rajeev Sharma, Sc. F & DDG (Standardization-I), BIS
3. Sh. Sundeep Kumar Sharma, Chief Engineer, MCD
4. Dr. Chandan Banerjee, Deputy Director General, National Institute of Solar Energy
5. Dr. G. C. Datta Roy, Ex- Advisor, Development Environergy Services Ltd. (DESL)
6. Sh. Pardeep Jindal, Chief Engineer, Regulatory Affairs, CEA
7. Ms. Mallika Gope, Director, NABL
8. Sh. Jogendra Behera, Vice President Market Design & Eco, IEX
9. Sh. K. Ramanathan, Distinguished Fellow, TERI
10. Dr. Bhaskar Natarajan, Senior Policy Advisor, AEEE
11. Dr. Pradeep Kumar, Chairman, Examining Body, for Para Medical Training for Bhatatiya Chikitsa, Department of Health & Family Welfare, GoNCTD.
12. Dr. Anoop Singh, Coordinator, Center for Energy Regulation (CER), IIT-Kanpur.
13. Sh. Jogender Singh Lather, Labour Department, GoNCTD.

Officers of the Commission

1. Sh. Rajesh Dangi, Secretary
2. Sh. A. K. Singhal, Principal Advisor (Tariff)
3. Ms. Divya Tandon, Executive Director (Law)
4. Sh. Anil Jain, Executive Director (Eng)
5. Sh. V. B. Nagappan, Advisor (Finance)
6. Sh. Himanshu Chawla, Joint Director (Tariff - Engg)
7. Sh. S. Kalyana Venkatesan, Joint Director (Tariff - Finance)
8. Sh. Neeraj Singh Gautam, Joint Director (Engg)
9. Sh. Chandra Kant Roy, Joint Secretary
10. Sh. Rohit Gururani, Deputy Director (Tariff - Eco)
11. Sh. Himanshu Bhardwaj, Deputy Director (Tariff - Engg)
12. Sh. Mrinal Aggarwal, Deputy Director (Tariff - Engg)
13. Sh. Sanjay Kumar Singh, Executive Assistant

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The Chairperson welcomed all Members of State Advisory Committee, suggestion / observations of the members of the committee on the issues discussed during the meeting are given below :-

Item No. 1:- Approval of Minutes of 18th SAC Meeting held on 29/06/2022.

The Committee considered and approved the minutes of the State Advisory Committee Meeting held on 29/06/2022 at 11:30 Hrs.

Item No. 2:- Review of "Action Taken Report (ATR)" on issues discussed in the previous meetings.

The Committee was informed that the Tariff Orders for True-up of FY 2020-21 and ARR for 2022-2023 for Delhi Power Utilities i.e., IPGCL, PPCL, DTL, NDMC, BRPL, BYPL and TPDDL have not been issued on account of constraints in implementation of issues in various cases pending before Higher Courts.

Item No. 3:- Comments / Suggestions on *Draft DERC (Business Plan) Regulations, 2023; Draft DERC (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2023* and *Draft DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) (First Amendment) Regulations, 2023*.

1) The Tariff Division delivered a presentation on Draft Regulations i.e., *Draft DERC (Business Plan) Regulations, 2023*; *Draft DERC (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2023* and *Draft DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) (First Amendment) Regulations, 2023.*

2) The presentation was delivered by JD (TE) and JD (TF) highlighting existing provisions of *DERC (Business Plan) Regulations, 2019* along with comments submitted by Delhi Power Utilities, i.e. IPGCL, PPCL, DTL, NDMC, BRPL, BYPL, TPDDL and various other Stakeholders.

3) It was informed that aforesaid draft Regulations were uploaded on the Commission's website. The last date for submission of the comments/ suggestions was 14/02/2023 and based on request from various stakeholders, the last date for submission of comments/ suggestions was extended till 28/02/2023 and further extended till 6/03/2023.

4) Major changes in the proposed Draft Regulations were informed to members of SAC as follows:

    a) Base Rate of Return on Equity for GENCOs and TRANSCO is proposed as 10% which was 14% in earlier control period. For Distribution Licensee (Wheeling and Retail Business), the Base Rate of Return on Equity is proposed as 10% which was 16% in earlier control period, based on Capital Asset Pricing Model (CAPM) on Post-Tax basis.

    b) Carrying Cost is considered to be allowed as 100% Debt funded which was earlier in the ratio of 70:30 :: Debt : Equity.

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c) O&M Expenses are de-linked from CAPEX, as follows :-

- Distribution Licensee - Linked with Sales / kWh
- Transmission & GENCOs - Absolute Number
- Inflationary Growth 3.23 % and Efficiency Factor of 2%

d) Targets for Distribution Losses are considered based on Actual Division wise Losses, as follows:

- Reduction of Losses to 18% till FY 2025-26 for High Loss prone Zones
- Reduction of Losses to 9% till FY 2025-26 for Medium Loss prone Zones
- Reduction of 0.09% for other Divisions

e) RPO targets are considered based on the actual achievement of Delhi DISCOMs with minor increments from Previous Years' RPO Targets.

5) The Pointwise comments/ suggestions of SAC members along with DERC response on various provisions of *Draft DERC (Business Plan) Regulations, 2023* are as follows:-

1. DELHI DISCOMs

a) **Rate of Return on Equity (RoE)**

i) **Dr. G. C. Datta Roy (DESL)**:- As per the CAPM method, ROE can be reduced with a logicial approach. For Power Utilities, RoE in the range of 10 – 11% is a reasonable return.

ii) **Dr. Anoop Singh (CER)**:- CAPM is the standard model which is used for determining the cost of Equity. 500 BSE companies from period 1990 to 2022 were analyzed by CER, IIT Kanpur and results for RoE under CAPM model was highlighted as under :-

- ROE for Conventional Generation Company – 11 %
- ROE for Renewable Companies - 12.5 %
- ROE for Distribution Companies – 12 %

This analysis was shared with CERC & other SERC's. In-principle the method followed by the Commission seems correct. Since Repo rate & G-sec rates are changing hence, the CAPM model may be modifed appropriately.

iii) **DERC response**: The input data of CAPM model is based on data up to 31st March 2022. SBI MCLR as on 15/03/2022 was 7% and currently the same has increased to 8.50% in Feb'23. Accordingly, the CAPM Model shall be reviewed suitably by the Commission

b) **Margin for Rate of Interest on Loan**:-

i) **Dr. G. C. Datta Roy (DESL) :**- In order to bring more competitiveness in the market or bringing more effectiveness in raising loans, the same delta in margin may be considered.

c) **Rate of Carrying Cost** :-

i) **Dr. G. C. Datta Roy (DESL) :**- RoE and Debt issues are interlinked. If RoE if reduced to 10%, then there will not be significant difference between Equity and Debt.

ii) **Dr. Anoop Singh (CER)** :- Dr. Anoop Singh remarked that Actual cost of Loan should be considered. Since it is financing of the Revenue Gap, therefore, it should be financed from Debt.

iii) **DERC response**: In Judgement dated 15/12/2022, Hon'ble Supreme Court has directed DERC not to consider actual Equity portion while funding of Regulatory Assets and rather consider normative Debt:Equity ratio i.e., 70:30. The same is being examined for this Control Period.

d) **Target for Collection Efficiency**:-

i) **Dr. Anoop Singh (CER)** :- Target on collection considered by the Commission, based on past year's performance of DISCOMs, seems fine.

e) **Target for Distribution Loss**:-

i) **Dr. Anoop Singh (CER)** :- For those divisions where losses are high, CAPEX may be increased. The apprehension of BRPL and BYPL that smart meters have very high auxiliary consumptions was clarified by stating that, auxiliary consumption of smart meters is up to 1 to 1.5 Watt and maximum up to 5 Watt, if the smart meter is manufactured badly. 0.72% impact on Distribution Loss due to auxiliary consumption of Smart Meters seems to be a higher number.

ii) **Dr. G. C. Datta Roy (DESL)** :- Though AT&C losses have been significantly reduced, there are still some high-loss islands. DISCOMs may be asked to furnish the outcome and recommendations on the Energy Audit conducted by DERC in pre-Covid period.

iii) **Ms. Mallika Gope (NABL)**:- The impact of auxiliary circuit consumption of smart meters, indicated as approx. 0.72% on technical loss trajectory, seems to be on higher side. A realistic data for the Smart meters may be considered.

f) **Target for Renewable Purchase Obligations (RPO) :-**

i) **Sh. Jogendra Behera (IEX) :-** As per CERC Regulation, there is single REC and fully fungible. Considering the fungibility, REC should be able to fulfill the RPO targets across all categories i.e.- Wind, Solar, Large Hydro and Small Hydro.

ii) **Dr. Anoop Singh (CER) :-** 100% REC's or Renewable Energy may be allowed to meet Targets of Wind RPO, Hydro RPO & Other RPO.

g) **Mechanism for Recovery of PPAC :-**

i) **Dr. Anoop Singh (CER):-** It is proposed to include the Short-Term Power Purchase in PPAC computation / PPAC format of DERC.

h) **Capital Investment Plan for Distribution Licensees:-**

No comments.

i) **Operation and Maintenance Expenses:-**

ii) **Dr. Anoop Singh (CER):-** O&M should be linked with the performance of the DISCOMs. the There should be incentives and penalties too. SERCs are linking the O&M with the part performance for the network itself. Part O&M can be linked with CAPEX on account of R&M Expenses and Part O&M can be linked with Sales.

iii) **DERC response**: For the past 6 years our O&M is linked with Network i.e. CAPEX.

2. GENCOs (IPGCL & PPCL) & TRANSCO (DTL):-

i) **Dr. Anoop Singh (CER) :-** 65 paisa / kWh Incentive for ex-bus scheduled Energy during peak hours and 50 paisa /kWh in off peak hour is not justifiable for GENCOS.

3. General Comments:-

i) **Dr. Bhaskar Natarajan (AEEE) :-** Ujala LED programme was a success for Delhi. BLDC Fans scheme should also be considered for consumers in Delhi. AEEE will work with the Commission and Utilities to ensure that existing Fans are replaced, within a span 3 to 5 years, similar to the LED programme.

ii) **Ms. Malika Gope (NABL) :-** Surveillance activities should be increased by the DISCOMs to catch those consumers who indulge in power thefts. NABL accredited laboratories to be utilized for testing activities of DERC. All labs under DISCOMs shall obtain NABL accreditation.

iii) **DERC response**: DERC already has programme for BLDC fan and approx. 50,000 fans have been replaced under the program. Also, 25,000 old & in-efficient ACs have been replaced with 5 star rated ACs in an environmental friendly way. Further, DERC has already approved various NABL accredited laboratories for testing.

6) The Chairperson thanked members of SAC for giving their suggestions on various aspects of the *Draft DERC (Business Plan) Regulations, 2023*. DERC has tried to be realistic & ensured consumers interest in setting the targets for Control period FY 2023-24 to FY 2025-26. DERC is hopeful of notifying *DERC (Business Plan) Regulations, 2023* as early as possible. The DISCOMs should come up to the expectations of the consumers, although they are already doing so, further there is always scope for improvement.

7) SAC members were requested to submit their written comments, if any, by 15/03/2023.

The Meeting ended with vote of thanks.