# Summary of the comments and suggestions received on Approach Paper on Terms and Conditions of Tariff Regulations for the tariff period 1.4.2014 to 31.3.2019

( Ref No. 20/2013/Fin(Vol-I)/Tariff Reg/CERC Date: 25th June'2013)

## 5.2.2 Secondary Oil Consumption

***Stakeholders are requested to share their experiences with the supporting data to assess if there is a scope for revision of the existing norms of secondary fuel oil consumption.***

*Comments/Suggestions*

| Sr. No. | Name of organization / stakeholder | Comments/ Suggestions |
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| **A) Autonomous Bodies (JERCs/SERCs/Other Commissions)** | | |
| A.1 | Rajasthan Electricity Regulatory Commission | In consideration of prevailing fuel shortage, which is likely to increase in future there by requiring more shut downs and part load operations, it is likely that normative secondary oil consumption may take care of both factors and with normative value of secondary oil consumption number of startups included thereon may be specified with additional secondary oil consumptions to be considered for each startups in access of specified number not due to fault of generating company. |
| A.2 | Chhattisgarh State Electricity Regulatory Commission (CSERC) | Barring exceptions for lower capacity old units, on the basis of data available with state commission, sp. Oil consumption may be considered at lower level (say 0.75 ml/kWh). |
| A.3 | Uttar Pradesh Electricity Regulatory Commission (UPERC) | There is no need for revision in the existing norms. |
| **B) Government Departments** | | |
| B.1 | Govt of Odisha | (A) The specific fuel oil consumption should be considered as per the actual achieved during the first four years of the last Control Period.<br>(B) No relaxation should be allowed in case of TTPS. |
| B.2 | Government of Punjab, Dept. of Power | These norms need to be revisited based on actual data with certain operating margin with the condition that saving in cost due to better performance than norms should be shared with the beneficiaries. This has been adopted by the Commission in respect of secondary oil consumption in Tariff Regulations 2009. This will give way to the Performance Based Regulations (PBR). |
| **C) Central Sector (Generators/Transmission Cos./ NLDCs/RLDCs)** | | |
| C.1 | National Thermal Power Corporation (NTPC) | The present regulations provide for 1.0 ml/kWh for coal based stations with a provision for sharing of savings with the beneficiaries. Given the fuel shortage scenario, which is likely to continue in the next tariff period also, and erratic |

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| | | load pattern of most beneficiaries, conditions of partial loading and backing down would require oil support for safe boiler operations. Therefore, the existing norms may be continued. Whereas, some of the NTPC stations like Farakka and Badarpur are already operating above the stipulated norms and therefore, further relaxation of 0.5ml /KWh may be provided for such stations. |
| C.2 | Neyveli Lignite Corporation | The existing norms may be continued in respect of NLC power stations. Moreover, the savings in oil is already shared with the beneficiaries and accordingly further reduction is considered not necessary. |
| C.3 | Power Trading Corporation | In variable load situation, it may be necessary to shut down few generation units so that remaining units operate at the near full load. This will entail more fuel oil for shut down and start up, which cannot be met from the present norms of fuel oil consumption. Norms for quantity of fuel oil requirement for different type of startups should be included to reduce coal consumption |
| **D) State Sector (Generators /Transmission Cos./Distribution Cos./SEBs/SLDCs)** | | |
| D.1 | Madhya Pradesh Power Generation Co Ltd | Under the prevailing regulations the cost of Secondary Fuel oil consumption is made as part of the Annual Fixed Charge whereas norms are defined as ml/kWh. As such it is function of the energy generated therefore SFO consumption should be linked to energy generation and made as a part of Variable cost |
| D.2 | Rajasthan Discom Power Procurement | These norms need to be revised on actual basis.<br>Our proposal is to be specifying these norms based on actual data with certain operating margins with the condition that saving in cost due to better performance then norms should be equally shared with the beneficiaries. In a way moving towards performance based regulation. This has been adopted by the commission in respect of secondary oil consumption in Tariff Regulation 2009. |
| D.3 | Uttar Pradesh Power Corporation Ltd. (UPPCL) | Comments can be offered only once the actual data of consumption is made available. |
| D.4 | GRIDCO | The specific fuel oil consumption should be considered as per the actual achieved during the first four years of the last Control Period.<br>No relaxation should be allowed in case of TTPS. |
| D.4 | Orissa Power Generation Corporation Ltd. | • Existing norms may be continued. |
| D.5 | MP Power Management Company Ltd. | In existing regulations, very relaxed norms in comparison to the actual consumption have been prescribed. It should be reviewed on urgent basis. Further comments can be offered only once the actual data of consumption is made available. |
| D.6 | Maharashtra State | The specific secondary fuel oil consumption may be reduced |

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| | Power Generation Co. Ltd. | to 0.75 ml/kWh for lignite based CFBC technology and 0.5 ml/kWh for coal based project with the provisions of sharing of savings with the beneficiaries on 50:50 basis. |
| D.7 | Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) | Commission may decide strengthened Specific F.O. consumption norms based on the actual past trend. |
| D.8 | Tamil Nadu Generation and Distribution corporation limited (TANGEDCO) | The existing level of 1.0 ml/kWh in respect of coal fired thermal power stations and 2.0 ml/kWh in respect of lignite fired thermal power stations may be continued. |
| **E) Private Sector (Generators/Transcos./Distribution Cos)** | | |
| E.1 | Calcutta Electric Supply Corporation Limited (CESC Ltd.) | Specific Secondary Fuel Oil Consumption norm may also be revisited on account of significant part load operation in coming years. |
| E.2 | BSES Yamuna Power Limited | Comments shall be offered once actual data is available. |
| E.3 | Association of Power Producers (APP) | • During the stabilization period, the secondary fuel oil consumption is higher due to frequent start-ups. The Commission may suitably provide for relaxed secondary fuel oil consumption in the forthcoming Tariff Regulations 2014-19 as provided for in Tariff Regulations 2004-09 for the Stabilization Period (2ml/kWh).<br>• Excess consumption of Secondary Oil, beyond the control of the Generator, and in order to maintain grid security start ups after shut down taken due to special requests from the procurers should be compensated at actuals. |
| E.4 | Rudraksh Energy | Norms for secondary fuel oil consumption, Auxiliary consumption, plant availability etc. should be based on the actual figures for the last five years. However, saving in cost due to better performance should be shared with beneficiary. |
| **F) Other Organizations/Institutions/Banks/Investors** | | |
| F.1 | Federation of Indian Chambers of Commerce and Industry (FICCI) | Excess consumption of Secondary Oil, beyond the control of Generator, should be compensated at actuals. |
| **G) Individual /Public Group/Any others** | | |
| G.1 | Shri R. B. Sharma | The existing provision for Specific secondary fuel oil consumption is very much on the higher side and the same is required to be reduced drastically. The Specific secondary fuel oil consumption may be reduced to 0.75 ml/kWh for lignite based CFBC technology and 0.5 ml/kWh for coal based project with the provision of sharing of savings with |

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| | | the beneficiaries on 50:50 basis. |
| G.2 | Shri Arun Kumar Dutta | No comments. |
| G.3 | Shri Shanti Prasad | In consideration of prevailing fuel shortage, which is likely to increase in future and thereby requiring more shut downs and part load operations, it is likely that normative secondary oil consumption may take care of both factors. Further, with normative value of secondary oil consumption number of startups included thereon may be specified with additional secondary oil consumptions to be considered for each startups in access of specified number not due to fault of generating company. |