**Comments on draft Tariff regulations 2024-29:**

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| Regulation | Comments |
| 3(32)(d) - Definition of Force Majeure | Force Majeure (FM) has been defined in several model Standard bidding documents i.e in Long term Case-I & II and model Transmission service agreements signed under Sec 63 of Electricty act 2003. In all the above documents, it is defined as “*any event or circumstance or combination of events and circumstances including those stated below that wholly or partly prevents or unavoidably delays an Affected Party in the performance of its obligations under this Agreement, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly, of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care or complied with Prudent Utility Practices*”. Further, the FM has been further divided into two types i.e Natural and Non-natural FM events.In any of the above documents, a delay in obtaining “*statutory approval*” has not been mentioned as FM event. However, if CERC defines this as an FM event, there will be a disparity between existing Sec 63 and Sec 62 projects. Further, once this provision is made, developers may no longer take an active interest in getting statutory approvals at the earliest rather they may misuse this provision.In this regard, it is requested that the above provision may please be deleted. |
| 3(32) - Definition of Force Majeure | During the pandemic period, many projects were delayed due to restrictions imposed by government instrumentality. Therefore, the following provision may be added as FM event.“(e) epidemic/ pandemic notified by Indian Governmental Instrumentality” |
| 3(57) - Definition of Reference Rate of Interest | In the explanatory Memorandum, it is mentioned that based on liquidity risk, credit risk and default risk the historical spread has been reduced from 350 basis points to 325 basis points. However, a detailed explanation has not been provided. It is requested that in SOR, it may be explained. |
| 6 - Sale of Infirm power | CERC is requested to clarify whether the Sale of Infirm power for Nuclear generating stations shall be governed by these regulations or not. Since the norms for determining tariffs for Nuclear power stations were notified by the Department of Atomic Energy (DAE). |
| 19(4)(c) - Capital cost inclusions&24(1)(f) - Add Cap within original scope and upto cutoff date | It is proposed that any expenditure towards local infrastructure not exceeding 10 Rs Lakh/MW in the Vicinity of Power Plant is included in Capital Cost.However, the definition of Vicinity is not defined. In many Hydro Stations, the locations of Dam/Barrage and Powerhouse are at different locations. Therefore, the definition of vicinity in terms of area around the project upto 25 km may be defined to protect the interest of consumers. |
| 21 (5) - IDC & IEDC | It is mentioned that the delay is on account of delay in approval of govt statutory authority then maximum condonation is upto 90% of delay associated with obtaining such approvals or clearances.This provision is made with the assumption that the developer has put forth effort to get approval from statutory authorities, however the ways and means to verify the same have not been clearly defined in the provision and subjectivity is allowed. This provision is in the conflict of interest of consumers. Therefore, it is requested that the above provision may be deleted.. |

By

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