

Date: 28th Jan, 2019
Ref: SEPL/CERC/01/2019



To
Sanoj Kumar Jha (Secretary, CERC)
CENTRAL ELECTRICITY REGULATORY COMMISSION
3rd & 4th Floor, Chanderlok Building, 36
Janpath, New Delhi -110 001

Sub: Comments on Draft Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for the tariff period from 1.4.2019 to 31.3.2024. by Sravanthi Energy Private Limited (SEPL).

Ref: CERC Ref Letter No. L-1/236/2018/CERC dt. 07.01.2019 on Draft Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for the tariff period from 1.4.2019 to 31.3.2024.

Dear Sir,

With reference to the above captioned subject, we are enclosing our comments for your kind review and perusal.

1. 35. Operation and Maintenance Expenses
(3). Open Cycle Gas Turbine/Combined Cycle Generating Stations

(in Rs Lakh/MW)

Year	Gas Turbine/ Combined Cycle generating stations other than small gas turbine power generating stations	Small gas turbine power generating stations	Agartala GPS	Advance F Class Machines
FY 2019-20	16.24	34.38	41.00	25.00
FY 2020-21	16.76	35.48	42.31	25.80
FY 2021-22	17.30	36.62	43.66	26.63
FY 2022-23	17.85	37.79	45.06	27.48
FY 2023-24	18.42	39.00	46.50	28.35

SEPL COMMENT: It has been noted that the O&M expenses have been reduced from the Tariff regulations of 2014/15-2018/19. We hereby state that based on the present escalation of Foreign exchange and the price index on Material /Labour/ Energy this should have been increased to run the Gas Based Combined Cycle Power Plants which is eco friendly, being a clean fuel. Further these are all advanced Gas Turbines, having very advanced emission controls/ technology it needs OEM experts and Long term Servicing / parts supply agreement again increasing the O&M expenses year by year.

Again to note that being LNG fuel landed cost also is linked with international and again in US\$, running of these plants are not being allowed on base load throughout the year. Due to load restrictions by State Electricity Board, we are losing further on heat rate as well as degradation of the Gas turbine, increases thus the O&M expenses specifically the Maintenance cost.

Even Hot gas path components in Gas turbines are all exposed to very high temperatures and needs refurbishment / repairing as well. They further need replacement as its life affected due to high temperature creep and also due to often start up on thermal shock / Low cycle fatigue etc reasons. Again these major parts repairing will be done only at OEM workshops as there are no such repairing facilities



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available in India and also replacement parts too are to be imported due no such manufacturers available in India.

In view of the above reason we request the Hon Tariff committee to consider the same Percentage (%) increase in Tariff as considered in the previous control period. The final proposed O&M Expenses for the period 1.4.2019 to 31.3.2024 are as below:-

Year	Advance F Class Machines(Lakh/MW)
FY 2019-20	36.92
FY 2020-21	39.43
FY 2021-22	42.12
FY 2022-23	44.99
FY 2023-24	48.06

2. (C) : Gross Station Heat Rate

c. For Gas-based / Liquid-based thermal generating unit(s)/ block(s) having COD on or after 1.4.2009:

For Natural Gas = $1.050 \times \text{Design Heat Rate of the unit/block (kCal/kWh)}$

For RLNG = $1.071 \times \text{Design Heat Rate of the unit/block for Liquid Fuel (kCal/kWh)}$

Where the Design Heat Rate of a unit shall mean the guaranteed heat rate for a unit at 100% MCR and at site ambient conditions; and the Design Heat Rate of a block shall mean the guaranteed heat rate for a block at 100% MCR, site ambient conditions, zero percent make up, design cooling water temperature/back pressure.

SEPL COMMENT : Gross Station Heat Rate for Gas-based thermal generating unit(s) :-

= $1.08 \times \text{design heat rate of the unit for natural gas and RLNG (Kcal/Kwh)}$.

Various factors affecting heat rate are:

1. Degradation of machines – 2.0 %
 2. Site temperature Variation, filter DP due to dust, Vacuum of ACC – 2.5%
 3. Frequent Start-up and shutdown, State Utility / SLDC Restrictions - 3.5%
- Total= 8.0%

It is requested that Hon'ble Commission may review the same in every control period.

We trust you would accede to our request.

Yours Sincerely,

On behalf of Sravanthi Energy Private Ltd


Authorized Signatory