
Fwd: Comments of WBSEDCL regarding Staff Paper on the "Blending of imported coal with domestic coal to mitigate the domestic coal shortage"

From : Harpreet Singh Pruthi <secy@cercind.gov.in> Mon, Jun 13, 2022 06:14 PM
Subject : Fwd: Comments of WBSEDCL regarding Staff Paper on the "Blending of imported coal with domestic coal to mitigate the domestic coal shortage" 1 attachment
To : Awdhesh Kumar Yadav <awdhesh@nic.in>

From: cereg@wbasedcl.in
To: "Harpreet Singh Pruthi" <secy@cercind.gov.in>
Cc: ceptp@wbasedcl.in, "Ajay Pandey" <Ajay.Pandey@wbasedcl.in>
Sent: Monday, June 13, 2022 3:34:53 PM
Subject: Comments of WBSEDCL regarding Staff Paper on the "Blending of imported coal with domestic coal to mitigate the domestic coal shortage"

Sir,

Comments of WBSEDCL regarding Staff Paper on the "Blending of imported coal with domestic coal to mitigate the domestic coal shortage" is being sent herewith.

WITH REGARDS

SUDIPTA MUKHOPADHYAY
Chief Engineer, Regulation Cell

WBSEDCL

Vidyut Bhavan (4th floor, Block -C),
DJ Block, Sec-II, Salt Lake
Kolkata- 700 091
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 **2022.06.13 Comments of WBSEDCL.pdf**
1 MB



West Bengal State Electricity Distribution Company Limited
(A Government of West Bengal Enterprise)

Vidyut Bhavan (7th floor) DJ Block, Sec-II Salt Lake, Kolkata- 700 091

CIN: U40109WB2007SGC113473, Web: www.wbsedcl.in,

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Regulation Cell

Memo No-REG/Legal/CERC/ 174

Dated: 13/06/2022

To
The Secretary,
Central Electricity Regulatory Commission,
3rd & 4th Floor, Chanderlok Building,
36, Janpath, New Delhi-110001.

Sub: Comments on the Staff Paper on the "Blending of imported coal with domestic coal to mitigate the domestic coal shortage" issued by CERC on 02.06.2022.

Respected Sir,

With reference to the above, comments/ suggestions of WBSEDCL are enclosed herewith for your consideration, please.

Enclo: As above

Yours faithfully,

(S. Mukhopadhyay)
Chief Engineer (Reg)

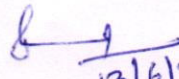
Comments of WBSEDCL regarding Staff Paper on the “Blending of imported coal with domestic coal to mitigate the domestic coal shortage”.

Ref: Public notice dated 02.06.2022 of CERC

CERC Tariff Regulation, 2019 framed considering the interest of the consumers in line with the spirit of the Electricity Act, 2003 and accordingly Sub-Regulation 3 of Regulation. 43 of the said Regulation has following proviso:

“Provided also that where the energy charge rate based on weighted average price of fuel upon use of alternative source of fuel supply exceeds 30% of base energy charge rate as approved by the Commission for that year or exceeds 20% of energy charge rate for the previous month, whichever is lower shall be considered and in that event, prior consultation with beneficiary shall be made at least three days in advance.”

Energy Charge Rate (ECR) of power from thermal power plant with 100% domestic coal has been considered by CERC in this Staff Paper as Rs. 1.269 per Kwh which is on very much lower side. For example, in case of NTPC, such base ECR is Rs. 2.554 per Kwh, Rs. 2.578 per Kwh and Rs. 2.286 per Kwh i.r.o FSTPS-I&II, FSTPS-III and Kahalhaon Stage-I respectively as per Tariff Petition filed by NTPC for 2019-24 (order not passed). The ECR of FSTPS-I&II, FSTPS-III and Kahalhaon Stage-I without any blending of imported coal in Feb, 2022 was Rs. 2.734 per Kwh, Rs. 2.685 per Kwh and Rs. 2.696 per Kwh respectively. Thus, this ECR is already on the higher side compared to the base energy rate considered by CERC for such power plants. NTPC has started blending of imported coal without any consent from WBSEDCL and the ECR of FSTPS-I&II, FSTPS-III and Kahalhaon Stage-I of NTPC in May'2022 has come to the tune of Rs. 4.161 per Kwh (with 16% imported coal blending), Rs. 4.084 per Kwh (with 16% imported coal blending), Rs. 3.798 per Kwh (with 9.94% imported coal blending) i.e. it has gone up by nearly 80% of the base ECR.


13/6/2022


Chief Engineer (Regulation)
Regulation Department
WBSEDCL

The Power purchase & Transmission cost of Distribution Licensee is continuously increasing in last few years. At this stage further increase of power cost due to any amount of blending of high cost import coal is not acceptable as such increased cost will ultimately be passed on to the consumers, large section of whom are economically affected in last years for restriction imposed due to COVID 19. Considering above aspect, State Generators are trying to reduce / restrict ECR by utilizing coal of captive mines.

Further to mention that the indicative ECR that has been shown in the Staff Paper with blending of coal in the ratio 70:30 (Domestic Coal: Imported Coal) will actually be much on the higher side. In the Staff Paper it has been shown that even blending of 10% imported coal ECR will rise 116% (Rs 1.47/ Unit) to 227% (Rs 2.88 / unit) for variation of coal price from \$140 per MT to \$275 per MT and such increase of ECR is not sustainable considering the additional burden of consumers. Coal price in international market has also gone beyond \$275 per MT and thus blending of imported coal beyond the limit provided in Tariff Regulation, 2019 is not at all sustainable.

Accordingly, comments of WBSEDCL are being given below:

The 3rd proviso of the Sub-Regulation (3) of Regulation. 43 of the Tariff Regulation, 2019 has already set up the bar for use of alternative source of fuel supply at high level and thus the limit of use of alternative source of fuel supply should be reduced and in no case it may be increased.


13/6/2022

Chief Engineer (Regulation)
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