

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LTD.

&

NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LTD.



RESPONSES TO OBJECTIONS / SUGGESTIONS

On

Levy of GRID SUPPORT CHARGES proposals by TS DISCOMs

For

F.Y.2023-24

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1.	M/s PERITUS CORPORATION PRIVATE LIMITED 601, Cyber Heights, Plot # 13, Road No. 2, Banjara Hills, Hyderabad -500 034, Ph: 040-40131803, www.peritussoft.com	4
2.	M/s ITC LIMITED Paper boards & speciality papers division, ITC Bhadrachalam house, Sardar Patel road, Secunderabad, 500 003, Telangana	6
3.	M/s NAVA LIMITED M/s NAVA BHARAT ENERGY INDIA LIMITED Nava Bharath Chambers , 6-3-1109/1, 3 rd floor, Raj Bhavan Road, Somajiguda, Hyderabad, 500082, Telangana	10
4.	M/s ANJANI PORTLAND CEMENT LIMITED Gudimalkapuram post, Chintalapalem Village & Mandal, Suryapet district, Telangana state, Pin: 508246	25
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6.	M/s TELANGANA SPINNING & TEXTILE MILLS ASSOCIATION Surya Towers, 1 st Floor, Sardar Patel Road, Secunderabad – 500003 Telangana Stat, Mobile 9100999986	30
7.	M/s SRINIVASA GREEN ENERGIES PRIVATE LIMITED Flat No. G1, 6-117/A 178/A, people Nest, 100 feet Main Road, Pragathi Nagar, Bachupally (M), medchalMalkajgiri (Dist) Hyderabad -500090	31
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9.	M/s TELANGANASOLAR OPEN ACCESS DEVELOPERS' ASSOCIATION #8-3-224/4/A, Pt no. 11&12, sy no.1, room no. 412, Madhura nagar, Yousufguda, Hyderabad -500038	35
10.	M/s ARHYAMA SOLAR PRIVATE LIMITED Margi Building, Room No. 201 & 202, 8-3-224/4/A/11&12, F/4, Yousufguda main Road, Madhuranagar, Hyderabad -500038	37
11.	M/s Nippo & M/s INDO NATIONAL LIMITED Pottipati Plaza, 3 rd Floor, 77, Nungambakkam High Road, Chennai 600034	39
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1. Response to M/s Peritus Corporation

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1	<p>We respectfully submit that the original proposal for Grid Support Charges (GSC) only intended to impose these charges on co-located captive generating stations. The rationale behind this was that these stations benefit from the grid's support in the form of backup power in the event of failure of their captive generating station.</p> <p>However, the GCC, led by a majority of utility officers, has expanded the scope of this levy on all generating stations without sufficient justification, disregarding the opinions of the majority of industry members.</p> <p>The solar plants meet their auxiliary power requirement through a separate HT connection.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
2	<p>We respectfully submit that the issue of the applicability and imposition of GSC has been addressed by the Honorable APTEL in its Judgment dated 14.12.2023 in Appeal No. 228 of 2022 & IA No. 1962 of 2023, IA No. 722 of 2022, IA No. 1014 of 2023 And Appeal No. 391 of 2023 & IA No. 1323 of 2022, IA No. 1025 of 2023 (Rain CII Carbon (Vizag) Ltd VS APERC, APSPDCL, APEPDCL & APTRANSCO).</p> <p>Key findings of the above mentioned APTEL Judgment are summarized below:</p> <p>1. Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying Grid Support Charges even for the capacity which is sold to 3rd parties (Para 10)</p>	<p>The power generator enters into the connection agreement with the licensee for operating the generation unit by connecting to the grid. As the total capacity of the generator is connected to the grid at the same point of the generator, there is no separate connection agreement for these generators (for connection to the grid) to the extent of capacity sold to the third parties.</p> <p>As per the APTEL order if GSC is not to be levied to the extent of capacity sold to third parties, Discoms are left with no other choice but to delink such additional capacity of the generator, from the grid.</p> <p>The Discoms are not collecting the GSC charges separately on the capacity sold to the third parties and the generator is solely responsible for the payment of</p>

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		<p>GSC to the extent of capacity connected to the grid. The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with committee members representing various generators.</p>
4	<p>2. There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support charges on non-captive power plants (Para 26),</p> <p>3. It is important to note here that this Tribunal has rendered the findings limited to CPPs, further, the various supports as categorized by this Tribunal including the fluctuations in the load of CPP, absorption of harmonics, negative phase sequence current generation by unbalance loads, higher fault level support, stability to the load during start of heavy loads like HT motors also, variation in the voltage and frequency, impact created by sudden load throw off, generation of transient surges are the characteristics of loads and are created by such loads, the generating stations which are not self-consuming the power, i.e. not having the captive loads, cannot be said to be drawing such a support from the grid [Para 66].</p>	<p>There is no differentiation between the captive and non-captive generation as far as the grid connectivity is concerned.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p>
6	<p>APTEL through this Judgment, also settled the following position of law:</p> <ol style="list-style-type: none"> 1. Co-Generation Plant, operating parallel to the grid, can be levied with Grid Support Charges only when it is a Captive Power Plant and consuming more than 51% of the energy produced by such plant [Paras 78 and 80]. 2. State Commission has powers to determine and impose Grid Support Charges on Captive Power Plants [Paras 62 and 70]. 3. No reason has been provided by APERC in excluding the generators from the paying Grid Support Charges who have signed PPAs with Discoms [Para 73]. 	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
9	<p>The summary of the Judgment is Levy of Grid Support Charges on non-captive power plant shall be limited to only the power consumed by the co-located load and it is not applicable on all other modes of operation of power plants</p>	

2. Response to M/s ITC Limited

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	Pursuant to the proposals of the Discoms to levy Grid Support Charges on colocated Captive Power plants in the ARR and Tariff Proposals for FY 2022-23 and the public hearing, ITC had submitted elaborate objections and submissions against the proposed charges. Copies of the initial written objections/submissions and additional written submissions are attached as Annexure A and Annexure B, respectively, for ready reference. Significantly, on the basis of the objections of ITC, this Hon'ble Commission decided to refer the matter to Grid Co-ordination Committee for a detailed study on the issue of parallel operation of CPPs and consequent levy of GSC.	No comments
2	No report of the Grid Co-ordination Committee was made available to the affected parties even at the time of the public hearing for the tariff of the succeeding year	The detailed report of the GCC, including the technical study and the minutes of the meetings organized by GCC are available in the website of Hon'ble TSERC.
3	Pursuant to the proposals for levy of Grid Support Charges on the captive generating plants, co-generation plants, third party generation units, merchant power plants, rooftop solar power plants who do not have PPAs with the licensees in the ARR and Tariff Proposals for FY 2023-24, ITC had again made detailed objections and submissions before the Hon'ble Commission at the public hearing referring to the earlier submissions for FY 2022-23. Copies of the initial written objections/submissions and additional written submissions for FY 2023-24 are attached as Annexure C and Annexure D, respectively, for ready reference. The Discoms had stated that the study of the GCC had been initiated but not finalised. No report of the GCC was made available. It was submitted that principles of natural justice require that the GCC give opportunity to affected parties to make submissions and that the report be made available for objections and comments. The matter was deferred for the final report of the GCC.	GCC has organized multiple meetings with committee members representing various generators where the views/ objections were received, and the TS Discoms have timely addressed such views/ objections orally during the meetings and also through written submissions to GCC for further response to the participants. TS Discoms have also addressed the views/ objections of consumers regarding the levy of GSC during the public hearings conducted on the ARR filings of Discoms.
4	It is not known whether the extensive submissions of the Objector herein were communicated to the GCC by the Office of the Hon'ble Commission at or after the reference to the GCC. In any case, the Discoms, whose representative were members of the GCC, were fully aware of the substantial and extensive objections of the Objector herein. It appears that the Discoms too have deliberately suppressed the issues raised by the Objector herein and the entire proceedings of the GCC are grossly vitiated by non-advertence and nonapplication of mind to the relevant and important issues raised by the Objector herein. The GCC never gave any intimation or opportunity to the Objector	

2. Response to M/s ITC Limited

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	herein to raise relevant and crucial issues. The report of the GCC is vitiated by gross violation of the principles of natural justice apart from other incurable vices as hereinafter submitted.	
5	According to the letter dated 07.10.2023 addressed by the Chairperson of the GCC to the Commission Secretary, the GCC "submitted final report after detailed analysis, on Levy of Grid Support Charges (GSC) for FY 2022-23" under cover of letter dated 27.12.2022. On the other hand, para 7.5.4 of the Tariff Order for FY 2023-24 mentions that the GCC submitted its report on 05.08.2022. It is all contradictory and the whole matter is in a haze of high opacity. Neither report is made available to us even to this day. The present so-called Final Report of October 2023 refers to conclusions in the report dated 27.12.2022 with no indication of the material contents thereof and without appending that report to the present report. Proceedings cannot be initiated and carried on with such gross opacity and hidden documents.	The detailed report of the GCC, including the technical study and the minutes of the meetings organized by GCC are available in the website of Hon'ble TSERC.
6	The present final report of October 2023 is a perfunctory pretence of so-called technical study bereft of any proper or rational application of mind. It is a farce of a document without any consistency, technical competence, rationality or reasoning.	GCC has organized multiple meetings with committee members representing various generators where the views/ objections were received, and the TS Discoms have timely addressed such views/ objections orally during the meetings and also through written submissions to GCC for further response to the participants. Based on the submissions from multiple stakeholders a technical support analysis for grid support was carried out by GCC and confirmed the technical support during faults and arrived at the conclusion that the generator receives benefits due to the larger grid. TS Discoms have also addressed the views/ objections of consumers regarding the levy of GSC during the public hearings conducted on the ARR filings of Discoms.
7	There is no reference, discussion or application of mind to any of the objections previously raised by the Objector herein. It appears that there is a deliberate intention and design not to consider and deal with the specific technical issues and objections raised by the Objector herein with regard to the scope, justification and applicability of grid support charges as originally proposed and thereafter irrationally extended to all generation. The approach of the GCC is clearly to manifest a pre-determined outcome to the desire and whim of the Discoms. There has been no fair and unbiased consideration of the issues involved. Clearly the excessive dominance of the State Utilities in the Committee and the indifference and incompetence of other members of the GCC has resulted in this biased, incoherent, technically incompetent and irrational report	
8.	The recommendation of the GCC is for the levy of grid support charges on an irrational and even basis to co-located CPPs, third party generating units availing Open Access, solar power plants, wind power plants and renewable energy power plants. The	GCC has organized multiple meetings with committee members representing various generators where the views/ objections were received, and the TS

2. Response to M/s ITC Limited

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	<p>interaction of each of these different categories with the grid is distinct and different. They cannot all be painted with the same brush.</p> <p>It is trite law that unequals cannot be treated as equals. It is constitutionally impermissible. The approach is indicative of the GCC being unable to, or deliberately unwilling to, differentiate the chaff from the grain and/or the wood from the trees.</p>	<p>Discoms have timely addressed such views/ objections orally during the meetings and also through written submissions to GCC for further response to the participants.</p> <p>Based on the submissions from multiple stakeholders a technical support analysis for grid support was carried out by GCC and confirmed the technical support during faults and arrived at the conclusion that the generator receives benefits due to the larger grid.</p>
	<p>Since there is nothing in the present report specifically dealing with co-located thermal CPPs, and any other purported report is not disclosed so far, the specific case of ITC is not considered at all together with the specific and extensive submissions of ITC. We are disabled from an effective response in a manner contrary to law, justice and good conscience. However, we submit as follows on what is contained in the report if only to show how ill-conceived and pretentious it is.</p>	<p>TS Discoms understand the variation in different generation modes (conventional, renewable, rooftop solar generation), and hence proposed multiple GSC rates for each generation mode and the same was recommended by GCC.</p>
9.	<p>Pages 6 to 10 of the report deal with solar power to tenuously contend that solar power should be subject to grid support charges in the same way and to the same extent as other generators. The graphs and illustrations on pages 6 to 10 are incomprehensible. The inferences sought to be drawn from them are perverse. It is incomprehensible as to how the graphs on page 10 lead to a so-called adverse conclusion that grid tied inverters of solar power plants need a voltage reference for injection of active power and that this is a grid support. Voltage reference is taken from the grid as a safety measure to ensure that there is no power flowing into the grid from the inverter when the grid connection is isolated; otherwise any person working on the isolated element of the grid is subject to threat to life. The voltage parameters of the grid are those specified by the Grid Code and/or CEA Regulations. Since the A.C. output from inverters are to be synchronised with the grid, the inverters together with any interconnecting transformers are designed to be at the same voltage as that at the interconnecting point on the grid. The approach of the GCC is clearly perverse. The purported conclusion in para 3.2 of the report that the power angle of the bus is "getting diverged" with the outage of grid connection is by itself meaningless and incomprehensible. It is stated, perhaps correctly, that solar power plants draw reactive energy while injecting active energy into the grid. That may make out a case for reactive energy charges on the actually measured quantum of rective energy drawn; but there cannot be a case for imposing grid support charges as with other generators. The report itself speaks of a reactive charge of 5paise/KVArh in line with the IEGC as considered by the CERC. In fact, reactive energy charges are already collected for wind and hydel power projects.</p>	<p>Grid voltage reference is mandatory to inject power from the inverter to the grid and there cannot be injection of power during the times of different voltage levels of the inverter with the grid. This kind of technical support from grid at large is required for the solar power plants throughout the year as the solar power plants are delinked and linked during the non-generation and generation modes regularly.</p> <p>It is a proven condition of the power angle of the bus getting diverged with the outage of the grid connection and thereby affecting the grid security.</p> <p>Levy of Grid support charges for power plants are not only meant for reactive power drawal from the grid but also for the other technical support as stated in the above responses.</p>

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10	With reference to para 5 on page 17, there is a mention of technical analysis and study. No technical analysis or study is evident from the report. The words are used as a cover up for no material or objective consideration at all.	GCC has conducted the technical analysis and substantiated the same through its report.
11.	The measure of grid support charges as recommended is arbitrary, devoid of any reason or rationality, More particularly, no such method can reasonably be applied to all the different cases in one stroke.	In case of a generator supplying power under open access (selling power other than the consumers in the state) the transmission/ wheeling charges are being collected by supporting the required network and such charges are payable by the generators.
12	The measure of charges appears to have no foundation at all except for an unmindful aping of the irrational and arbitrary determination of GSC by the APERC. To illustrate -Take the case of a generator supplying energy under open access. The R&M charges are already included in the transmission/wheeling charges for the capacity contracted under open access. There is therefore an irrational and unreasonable double charging on the same account. Take the case of a renewable energy generator supplying under open access. Because of the infirm nature of renewable energy, every consumer of such a generator would invariably have a CMD with the licensee for the whole of the demand of the load. The Demand charges paid by the consumer would include for the R&M charges. Again, the transmission/wheeling charges are paid for the OA contracted capacity which includes for the R&M charges. Now, if so-called grid support charges are levied at a rate based on the R&M charges, there is a triple charging on the same account.	In case of a generator supplying power under open access and supplying infirm power to the grid and the consumer tied up with such generator who is having a CMD with the licensee, the transmission/ wheeling charges are being collected in addition to the demand charges as per the supply agreement. These demand charges doesnot reflect the entire fixed cost commitments of the licensees with the generating companies, transmission (ISTS and InSTS) and distribution network. Hence, they are liable to pay the Grid Support Charges for the exclusive technical support of said plants taken from the grid. Hence as contended the double or triple charging due to levy of Grid Support Charges doesn't arise.
13	There is therefore no merit whatsoever in the recommendations of the GCC which are arbitrary, bereft of diligent enquiry and study and proper application of mind. It is most appropriate that the GCC report be duly binned.	Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.
14	The Hon'ble Commission may hear and consider the extensive submissions hitherto made by the Objector herein and to determine the criteria for levy of grid support charges and the measure thereof, if any, as applicable to each class / category of cases in a manner that is reasonable and rational and in accordance with law.	No comments
15	The Objector herein seeks leave of the Hon'ble Commission to be heard at length and in detail on the various submissions made herein and the submissions made earlier in the tariff proceedings.	
16	The Objector seeks to be heard in person and/or through Sri K. Gopal Choudary, Advocate.	

3. Response to M/s NAVA Ltd & M/s NAVA BHARAT ENERGY INDIA LTD

S.No	Summary of Objections / Suggestions	Response of the Licensee
1	<p>While filing the Tariff Proposals (ARR) for FY 2023-24, the Distribution Licensees in Telangana have proposed, inter alia, a levy of Grid Support Charges ("GSC") on all the power generating plants in Telangana for parallel operation with the Grid. This Hon'ble Commission vide its Order dt.24.03.2023 in O.P.Nos.80 and 81 of 2023 was pleased to refer the matter to the 'Grid Coordination Committee' for undertaking a detailed analysis on the issue. The Grid Coordination Committee has also submitted its report dated 07.10.2023 recommending the levy of GSC for all generators. The Objector has gone through the proposal of the DISCOMs and the report of the Grid Coordination Committee. In the above Inatter, this Hon'ble Commission has invited the stakeholders to file their comments/suggestions/objection, if any, on or before 27.12.2023.The Objector runs a 114 MW Captive Power generating plant (50 xl and 32x2) with two WHRS in its premises at Paloncha, Bhadradri-Kothagudem District. Excess power generated over and above the Objector's requirement is exported to grid. The Objector comes with the territorial jurisdiction of TSNPDCL</p>	No comments
2	<p>Grid Support Charges (GSC) were initially levied by the erstwhile Hon 'ble APERC vide Order in O.P.No. 1 of 1999 dated 08.02.2002 in the context of the AP Electricity Reform Act, 1998. The GSC order was implemented vide Tariff Order FY 2002-03 from 01.04.2002. The same was challenged before the Hon'ble High Court for the erstwhile State of A.P which was decided in favour of the generators/Captive Power Producers (CPPs) and the levy of grid support charges was set aside. An Appeal was filed by APTransco (Civil Appeal No. 4569 of 2003) in the Hon'ble Supreme Court. The Hon'ble Supreme Court, vide its judgement dated 29.11.2019 affirmed the orders ofthe erstwhile Commission.</p>	No Comments
3	<p>It is pertinent to note that the prevailing conditions during 2002 and the present are totally different. When the Act is not in existence, there was no concept of Open Access, Transmission and Wheeling. The same were allowed by means of mutually agreed agreements at that time.</p>	No Comments
4	<p>It is also pertinent to note that the erstwhile APERC was constituted under the AP Electricity Reform Act, 1998, and passed the order in O.P.No.1 of 1999 in exercise of its</p>	No Comments

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	<p>powers under the said Act. The Order in O.P.No.1 of 1999 levied GSC on sole basis that in the event captive power plants were to fail, there would be a momentary transfer of the load to the Grid, which would result in stress on the Grid and corresponding wear and tear of machinery, and it was this wear and tear that was sought to be compensated by way of GSC.</p>	
5	<p>II. THE IMPACT OF THE ELECTRICITY ACT, 2003:</p> <p>In 2003, the Electricity Act, 2003 ("Act") came into force. The Act brought in substantial changes to the previous regime, including the establishment of State Commissions, delicensing of Generation, unbundling of transmission and distribution, specification of tariffs and charges, crystallized the scheme of Open Access, brought in procedures and standards to enforce discipline, etc, However, it left the Commissions established by States under earlier State enactments (such as the AP Electricity Reform Act, 1998) untouched and treated them to be Commissions established under the Act, essentially conferring them with powers under both Acts, in as much as the State enactments were not in derogation to the Act.</p>	No Comments
6	<p>Open Access was introduced under Section 42 of the Act, in pursuance to which APERC Regulation Nos.2 of 2005 and 2 of 2006 were also promulgated by the erstwhile Commission.</p> <p>No jurisdiction to Propose or Levy GSC:</p> <p>Under the provisions of the Act, separate entities, being the SLDC/RLDC/NLDC were created to take care of the Grid. SLDC/RLDC is responsible for maintainin grid security, Load forecasting, scheduling and dispatching and balancing of generation and demand (load). The ARR of SLDC was already approved in the MYT Tariff 2021-23. The DISCOMs have no role in maintaining Grid security and have to comply with the directions issued by SLDC/RLDC. Hence, in the present scenario, there is no need to</p>	<p>The grid support charges are being proposed by the Distribution Licensees on generators who are having parallel operation of Power generation with grid. Typically, any direct or indirect impact on transmission system due to faults at Generator units running in parallel with grid will be loaded on to the Distribution Licensees and are required to compensate the Transmission system and SLDC.</p> <p>The advantages of parallel operation with the grid are benefited by the generators in addition to other facilities of other consumers. In view of the additional benefits than the normal other consumers, the generators who intended to use and benefit from parallel operation need to compensate through</p>

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	propose GSC by DISCOMs and the DISCOMs have no role in seeking GSC at all	Grid Support charges.
7	The Applicant DISCOMs are responsible for their distribution business only and can at most levy wheeling charges, and nothing more. Any GSC as sought to be levied would have to be proposed and substantiated by TSSLDC, being the entity tasked with grid security under the Act. Therefore, DISCOMs have nothing to do with GSC. The ARR of the Applicant DISCOMs Distribution Business is recovered through wheeling charges as approved in the relevant MYT orders. As such, the Applicant DISCOMs have no role in proposing GSC, and certainly not at 132 KV voltage.	The said Grid Support charges are not part of Retail Supply Tariffs and these charges are proposed to levy on the generators who intended to use and benefit from parallel operation. Hence the proposal of Grid Support charges for FY 2023-24 are well within the provisions of Act. However, the full Bench of Tribunal in Appeal No. 120 of 2009 relating to Parallel Operation Charges(Grid Support Charges) in Chhathisgarh by Order dated 18.02.2011 stated that <i>the State Commission is empowered to deal with the question as to whether the levy of parallel operation charges is permissible or not. This aspect has been dealt with by this Tribunal in judgment dated 12.9.2006 in Appeal No.99 of 2006. In the said judgment, this Tribunal upheld the levy of parallel operation charges by the State Commission.</i> Further, the Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges.
8.	It is also pertinent to note that this Hon'ble Commission is constituted under the Act, and thus the earlier AP Electricity Reform Act, 1998 under which GSC were earlier determined is neither applicable nor relevant in the present day. The Act, 2003 specifically lays down the charges and tariffs to be collected, and no charges beyond what is prescribed can be levied. Admittedly, there is no charge such as GSC mentioned in the Act or the regulations, let alone under S .62 under which the present petitions are filed, and as such, any such proposal to levy GSC is without jurisdiction.	
9.	It is thus submitted that the scope of present ARR for Retail Supply Business for FY2023-24 should be strictly confined in terms of Section 62 of the Act r/w Regulation 4 of 2005 as adopted under Regulation I of 2014, and Section 42 of the Act for the purpose of determination of CSS and any proposal of the Applicant DISCOMs to levy GSC is itself misconceived and patently without jurisdiction.	By virtue of above judgements, the TS Discoms are entitled to levy GSC on the generators who have established power plants,who intended to use and benefit from parallel operation.
10	Strangely, the Grid Coordination Committee does not consider the competence or the jurisdiction of the Discoms in proposing a levy of GSC, which is ultra-vires the provisions of the electricity Act, 2003 ("Act").	
11	At the outset, it is submitted that there has been no proper consultation with the stakeholders, domain experts, representatives of various industries, particularly	GCC has organized multiple meetings with committee members representing

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	generators using power for captive use, co-generators or partly for selfconsumption and remaining for export, and those generators who exclusively sell power.	various generators where the views/ objections were received, and the TS Discoms have timely addressed such views/ objections orally during the meetings and also through written submissions to GCC for further response to the participants.
12	Majority of GCC members are non-related and non-affected parties in terms of grid support charges, as such, the matter cannot be decided based on their recommendation.	Based on the submissions from multiple stakeholders a technical support analysis for grid support was carried out by GCC and confirmed the technical support during faults and arrived at the conclusion that the generator receives benefits due to the larger grid.
13	One of the GCC member and generator, 'Nava Bharat' had categorically opposed and disagreed the proposed GSC, which it seems that the Committee had ignored the recommendations of the member/ generator.	TS Discoms have also addressed the views/ objections of consumers regarding the levy of GSC during the public hearings conducted on the ARR filings of Discoms. After considering the submission/ comments of various stakeholders during the meetings from the members representing various generators and a technical study is conducted and the report by GCC was released in October 2023 after taking into consideration all the views/ objections of all the stakeholders.
14	Further, there has been no notice wherein parties who would be affected by the proposal for levy of GSC have been informed of the proceedings before the GCC, rather, it appears that the GCC has arbitrarily appointed "representatives" of various categories by itself without any basis.	The GCC has invited members representing various generators and after consideration of comments/ objections has finalized the report which is evident from the report.
15	The Report of the GCC ("Report") primarily proceeds on the input give by the Discoms and there is neither an endeavor nor any effort made to inspect and analyze the power plants with reference to the various factors in the Report which allege to support the Grid.	GCC has independently conducted detailed analysis and study on various types of power plants (thermal and renewable) and organized meetings with committee members representing various generators where the detailed justification and analysis of TS Discoms are presented. The Views/ objections from the stakeholders are also addressed during these meetings.
16	The report appears to be prepared based on short-term data relating to a single unnamed solar generator, which cannot be said to be a proper standard of analysis.	GCC has released a detailed report in October 2023 after taking into consideration their own study and the submissions by multiple stakeholders.
17	The assignment given to the GCC was to was to go into the technicalities of the matter	

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	<p>while analyzing what kind of service is rendered by the operator of the Grid and as to who benefits from such service, and as to what contributes to grid stabilization and under what circumstances there is a dependency on the Grid and the matters incidental thereto. However, the Report instead attempts to focus on the Justifying the rate of charges to be collected which is the function of this Hon'ble Commission.</p>	
18	<p>The Report is does not place any cogent justification and is inconclusive without any basis and in the absence of proper consultation with the stakeholders, the same cannot be considered.</p>	
19	<p>The Report heavily relies on and refers to the GSC determined by the Hon 'ble APERC, which is now the subject matter of challenge before the Hon 'ble APTEL and at present, there is a stay on the collection of GSC including by way of interim orders dated 20.05.2022 in DFR No. 186/2022 and 01.07.2022 in DFR Nos.240/2022, 241/2022 and 271/2022.</p>	
20	<p>B. Determination of GSC by the Hon'ble APERC:</p> <p>The Hon'ble APERC determined GSC in the Retail Supply Tariff Order for FY . 2022-23 and FY 2023-24 which is referred to by the Report of the GCC. The said orders have been challenged by various generators as follows:</p> <ol style="list-style-type: none"> a. Appeal Nos.228 of 2022 and 391 of 2023: Rain Cll Carbon (Vizag) Ltd. vs APERC and Ors. b. Appeal No.388 of 2023 and batch: Ultratech Cements Ltd. vs APERC and Ors. c. Appeal Nos.330 of 2023 and batch: AP Textile Mills Association and Ors. vs APERC and Ors. 	<p>The Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges and the same are liable for payment by the generators who are having parallel operations with the grid.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants. By the virtue of the Apex court order all the generators are liable for payment of GSC.</p>
21	<p>The Hon'ble APTEL had earlier stayed the collection of GSC by way of an interim order in Appeal No.228 of 2022, and consequently the determination of GSC on generators who operate co-generation plants and who export power has been held to be illegal and the appeals were allowed by way of Judgement dated 14.12.2023. In the said judgement,</p>	

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	<p>it was categorically held that there cannot be any GSC on IPPs and even with respect to co-generation plants which do not meet the status of captive power plants, such power plants cannot be made liable to pay GSC. Further it was also held that co-location of generation and consumption units is sine qua non for imposition of GSC. The relevant extracts of the said judgement are as follows:</p> <p>"79. Every Co-generation Plant cannot be termed to be a CPP, the Supreme Court in the case of SC Judgment has considered only CPPs to be liable for payment of GSC, therefore, in case a power plant is not a CPP. such power plants cannot be made liable to pay GSC.</p> <p>80. Even the case of Shree Renuka Sagars (Supra) does not considered the aspect where a Co-generation plant does not qualify as a CPP, in order to be liable for payment of GSC, an IPP must be co-located with the grid and should be categorized as CPP, these two conditions are necessary for imposition of GSC and absence of any one of them will exempt a plant from payment of GSC.</p> <p>81. As seen from above, the State Commission passed the Impugned Order relying upon the SC Judgment and the Tribunal Judgments which are rendered in respect of CPPs having captive loads, however, extended the same by including the IPPs and noncaptive Cogeneration Plants, further, excluded the IPPs which have signed PPAs with the distribution licensees, without having any statistical data or study carried out and without providing reasons and justification."</p>	
22	<p>In the said judgment, since the Hon'ble APTEL had set aside the imposition of GSC based on the status of the plant, it had not gone into the merits of determination of GSC. However, the factors and merits relating to determination of GSC have been canvassed in Appeal Nos.330 and 388 of 2023. Appeal No.388 of 2023 and batch have been heard and are reserved for orders, whereas Appeal No.330 of 2023 and batch have been heard in part and are pending consideration before the Hon 'ble APTEL.</p>	
23	<p>The judgments in Appeal No.228 of 2022 and batch, as well as those to be rendered in</p>	

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	<p>the other pending appeals would have a direct bearing on the levy of GSC as well as the method and manner in which it would have to be determined. Therefore, propriety may require that the exercise of determination of GSC or otherwise be delinked with the exercise of determination of ARR and initiate separate proceedings to carry out the ongoing exercise.</p>	
24	<p>C. On Levy of GSC</p> <p>The Report of the GCC has proposed Grid Support Charges for all generators, including captive, cogeneration, merchant power plants/IPPs, rooftop power plants etc., which is completely against the reasoning of GSC in the first place. Co-location of the generator and the corresponding load is a sine-qua-non for imposition of GSC.</p> <p>There has been no study conducted as to how many or what type of generators exist in the State of Telangana, and as to how many of them are captive plants, the method of operation, whether they entirely or partly consume power for themselves, or the nature of their fuel/operation etc., and as to the impact which they would cause to the Grid, if any. Without such basic parameters even being looked into, the GCC's action in recommending levy of GSC is completely irrational and ought not to be countenanced.</p>	<p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p>
25	<p>There has been no study conducted on the differences between the situation in 1998 when the first proposal of GSC was made and the situation prevailing today. There is nothing in the GCC's Report on whether with newer safety equipment over the past 25 years, any load at all gets transferred to the Grid or not when the generator fails or trips for any reason.</p>	<p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p>
26	<p>The levy of GSC in 1999 was proposed when the generation shortfall was prevailing, and the TSDISCOMS were going through occasional R&C periods and frequency fluctuations, etc. when the Regulator considered that the proposed levy had merits. However, the TS Grid has since improved / made many strides in Grid size, availability of power and attained stability and is one of the few Grids in the country being engaged</p>	

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	in export of power on a steady basis. Aggregate capacity of the CPPs/generators now is relatively marginal compared to the Grid Size and no real forbearance could be possible warranting such huge and arbitrary levy.	Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.
27	Generators have repeatedly expressed their willingness to provide additional protections in their facilities as desired by the grid to see that no untoward load throwbacks or fault currents or reactive power surges happen.	
28	There is also no study on whether or how many times such a situation of tripping has occurred in the State of Telangana, and what the immediate impact on the Grid was. Without such foundational aspects being addressed, the GCC's recommendation cannot be looked into.	
29	In many cases, the CPP installed capacities are much higher when compared to our captive load to ensure higher availability for captive use. Since the installed operating capacity of captive load is much lower than installed Capacity of Captive Power plant, it is required to connected with grid for export of surplus power through open access.	
30	When there exist regulations such as the TSERC (State Electricity Grid Code) Regulations, 2018, the TSERC (Forecasting, Scheduling, Deviation Settlement and Related Matters for Solar and Wind Generation Sources) Regulations, 2018, the TSERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2021 etc., as well as the Central Electricity Authority (Technical Standards for Connectivity to the Grid), Regulations, 2007 which already deal with the aspect of reactive power and deviation from scheduling, and injection of harmonics, as well as imposition of ToD tariffs to control demand, there is no requirement for imposing another levy relating to the same issues when the same issues stand covered by the aforesaid regulations. In fact, the SRLDC had proposed a more rational approach of billing reactive power in line with the Indian Electricity Grid Code, 2023, however, the same was not considered by the GCC at all for reasons best known to it.	

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31	The finding/conclusion of the GCC of the meeting on 05.08.2023 is patently incorrect as no one but the Discoms, CESS and TSGENCO had agreed that GSC needs to be levied. Further, the conclusion that the GCC may initially support the proposal of the Discoms and then request for changes in the future based on experience is completely irrational and shows the abdication of duty of the GCC, which was formed to discuss as to whether there is a need for GSC at all.	The detailed analysis of technical support to the generators operating parallel to the grid are detailed in the GCC meetings. The technical support from the grid was accepted by the generators and requested for levy of reasonable charges for such support extended to the generators. The same is available from the minutes of the GCC meetings available in the GCC report released in October 2023.
32	The failure of the GCC to understand its function and role as assigned by this Hon 'ble Commission is also made clear by the fact that the views of a representative of an open access consumer were sought, when open access consumers have no relation to GSC at all, and such a charge can only be levied on generators.	
33	The proposed levy of GSC aims to stifle the consuming industries by this arbitrary levy, which in turn erodes the viability of the principal industry to a point that it must perform cease operations.	The generators are benefited from the technical support of the grid for parallel operation with the grid (Stability, Reactive Power Management, Fault level support). Thus the GSC is not to be compared with the demand and capacity charges.
34	Grid Support Charges cannot be a substitute for Demand or Capacity Charges which are determined on a wider basis by the regulator. So the proposed levy of Grid Support Charges based on its entire installed capacity is arbitrary, excessive and results in undue enrichment of the TSDISCOMs at the expense of CPPs/generators.	The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms. TS Discoms have taken into consideration all the views/ objections from multiple stakeholders and have proposed the modified methodology for levy of GSC for FY 2023-24
35	D. On Rate of GSC There is no justification at all for how rates of GSC have been arrived at. The proposed levy has no basis and is grossly excessive, arbitrary, and thus requires to be rejected. As stated above, the GCC has merely adopted the methodology used in other states, particularly in Andhra Pradesh, which is now the subject matter of appeal before the	In case of a generator supplying power under open access (selling power other than the consumers in the state) the transmission/ wheeling charges are being collected by supporting the required network and such charges are payable by the generators. In case of a generator supplying power under open access and supplying infirm

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	<p>Hon 'ble APTEL.</p> <p>The methodology of using the R&M expenses and Artisans employee cost is grossly unjust and irrational as the same have already been factored into the Distribution Business of the Discoms and wheeling charges are already being levied on the basis of such approved costs in terms of this Hon'ble Commission's order in O.P.Nos.9 and 10 of2020 . Further, even the cost ofTSTRANCO's R&M expenses and Artisans employee cost has also been added, which is once again wholly unreasonable and TSTRANSCO's expenses and costs have nothing to do with the Discoms, and such expenses are already being recovered by way of transmission charges in terms of O.P.No.3 of 2019. As such, the proposed levy is nothing but double-levy for the very same costs. Any further levy of GSC amounts to illegal and unjust enrichment of the Applicant Discoms at the cost of generating companies.</p> <p>In effect, the entire R&M expenses and Artisans employee costs are sought to be recovered from generators alone by completely omitting the fact that consumers are also users of the Grid and equally impact the operations of the Grid, which cannot be countenanced.</p> <p>Without prejudice to the above, any export of power by the generator ought to be excluded from the installed capacity and not only PPA capacities with the Discoms, as at the point of export, there is no difference if the power is exported to the Discoms or to third parties.</p>	<p>power to the grid and the consumer tied up with such generator who is having a CMD with the licensee, the transmission/ wheeling charges are being collected in addition to the demand charges as per the supply agreement.</p> <p>These demand charges doesnot reflect the entire fixed cost commitments of the licensees with the generating companies, transmission (ISTS and InSTS) and distribution network. Hence, they are liable to pay the Grid Support Charges for the exclusive technical support of said plants taken from the grid. Hence as contended the double or triple charging due to levy of Grid Support Charges doesn't arise.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
36	E. Further submissions in relation to Captive Power Plants:	The facility of connecting the power plants to the grid have been extended as per the provisions in the Electricity Act 2003. However, the GSC are applicable

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	<p>Captive Power Generation is delicensed under the Electricity Act so as to lessen the burden on the Grid in meeting the distributed loads. The provision in Para 5.2.26 of National Electricity Policy, 2005 notified by Govt of India laid emphasis on grid connectivity of captive generators even under open access regime which is reproduced below:</p> <p>"Under the Act, captive generators have access to licensees and would get access to consumers who are allowed open access. Grid inter-connection for captive generators shall be facilitated as per Section 30 of the Act. This should be done on priority basis to enable captive generation to become available as distributed generation along with the grid.."</p> <p>In the spirit of this legislation and rules framed thereunder, determination of Grid Support or Parallel Operation Charge should follow the principles of transparency, actual forbearance and fair computation based on time tested methodology. The proposed levy does not meet any of these criteria and is arbitrary.</p> <p>In the case of CPPs availing Open Access for transmission and wheeling of power from the generation point to the consumption point, charges are levied as determined by the regulator from time to time. Even in these cases there is an established mechanism of UI charges which essentially address the so-called grid support or parallel operation. The proposed levy by the GCC is therefore quite arbitrary, excessive and is not supported by quantifiable data.</p>	<p>for the technical support from the grid at large to the power plants and are liable for payment as per the judgement as given by the Apex court.</p> <p>The Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges and the same are liable for payment by the generators who are having parallel operations with the grid.</p>
37	<p>The Transmission system of the Transco/Discom should be so designed that it should take care of fluctuating load of the consumer as it is the duty of the transmission licensee under Section 40 of Electricity Act, 2003. In relation to CPPs it is also submitted as follows:</p> <p>CPPs absorb some amount of harmonics whereas a consumer without CPP inject full</p>	<p>The support extended from the grid to the power plants in the event of the fault at the generator end is much higher than the support received by the grid in the event of faults occurred at the grid level.</p>

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	<p>quantum of harmonics generated to the grid.</p> <p>The unbalanced voltage of the grid is a source of negative phase sequence current which is absorbed by the generators of CPP.</p> <p>Fault level depends upon the generation capacity connected to the grid. The parallel operation of CPPs with the grid is infact beneficial with some degree of voltage support that the CPPs extend to the Grid.</p> <p>As per Regulations of Supply Code, Industries having CPPs can draw emergency power up to the capacity of largest generating unit by paying required tariff. CPP's drawl of power is limited to "start-up power" that too when there is total loss of generation of the CPP. The drawl of power for production purposes, is limited to the CMD as per the Power Supply Agreement with the DISCOM. Otherwise, penalty is attracted. Overdrawl is prevented by proper setting of the relays at the Grid Sub-station.</p> <p>It is wrong to state that active and reactive power demand due to sudden and fluctuating load are not recorded in the meter. Billing is done for all consumers by integration over 15 minutes period and this is also applicable for CPPs and so it does not result in any undue advantage.</p> <p>Due to injection of power by CPPs the load on the transformers in the grid reduces resulting in less transformer loss.</p> <p>The CPP are acting as distributed generator at the load center for which the transmission and distribution loss has been reduced to great extent.</p>	<p>Injection of power by the CPPs into the grid and withdrawal of power at its destination will also aide the transmission and distribution losses. Majority of the captive plants having captive loads have not tied-up the CMDs with Discoms to the extent of entire CPP loads and thereby the Discoms are not gaining any benefit out of it.</p>
38	<p>As per Section 7 of the Electricity Act, 2003 any generating company may establish operate and maintain a generating station if it complies with State Grid Code and standards of grid connectivity as referred in Section 73 (b) of the Act. Both Tariff Policy and National Electricity Policy emphasizes the need for unhindered connectivity of CPPs</p>	<p>The Grid Support charges are proposed to levy on the generators who intended to use and benefit from parallel operation. Hence the proposal of Grid Support charges for FY 2023-24 are well within the provisions of Act. However, the full Bench of Tribunal in Appeal No. 120 of 2009 relating to</p>

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	<p>to the grid. The proposed and arbitrary quantum of Grid Support Charge makes the captive powergeneration unviable and the spirit of the act and the rules framed thereunder are thus vitiated.</p> <p>There is no provision in the statute that empowers the DISCOMS to levy Grid Support Charges on the CPPs. They, on the other hand are benefited as CPPs absorb some amount of harmonics. On the contrary consumer without CPPs transmit full quantum of harmonics to the grid. The DISCOMs/TRANSCO is not taking any step to install suitable equipment to filter the harmonics and injecting those pollutants to the grid for which the CPPs are forced to suffer. The grid voltage is always unbalanced due to various categories of consumers and hence is a source of negative phase sequence current which cause stress on the generators of CPPs.</p>	<p>Parallel Operation Charges(Grid Support Charges) in Chhathisgarh by Order dated 18.02.2011 stated that the State Commission is empowered to deal with the question as to whether the levy of parallel operation charges is permissible or not. This aspect has been dealt with by this Tribunal in judgment dated 12.9.2006 in Appeal No.99 of 2006. In the said judgment, this Tribunal upheld the levy of parallel operation charges by the State Commission.</p> <p>Further, the Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges.</p>
39	<p>It is relevant to mention the observation and comments of The Hon'ble Orissa Electricity Regulatory Commission in a similar matter, in its Order dated 31.03.2014 in Case No. 46/2012, the excerpt of which is as follows:</p> <p>Para-16 of Order:</p> <p>"After going through the submission of various stake holders of the grid system we conclude that the behaviourofindustries having CGPs and also without CGPs varies case to case basis. There are ample provisions in the Odisha Grid Code to regulate the behaviour of entities connected to the OPTCL system. Hence, a generic method of calculation of Grid Support Charges for all industries may not be proper. The Petitioner has failed to Silbmlt a State-wide study bejore us on which a decision could have been taken. One solution fits all can 't be applicable here. So implementation of a model ofanother State in our State will not be proper."</p> <p>Para- 17 of Order:</p> <p>"There are enough provisions in Odisha Grid Code, 2006 to maintain quality supply in</p>	

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	<p>the grid system. Regulation 4.7 of Odisha Grid Code discuss elaborately the ideal behaviour of constituent of the Grid. OPTCL should play the role of watchdog and analyze the pollutant injected by various constituents of the grid system. CGPs and industries injecting pollution should be directed to take up remedial measures like installation of capacitors, filters for harmonics, etc. so that grid pollution will be minimized. The non-compliance by any industry or industry having CGP of the Grid Code should be dealt as per Regulation 1.18 of OGC, 2006. Therefore, the prayer of OPTCL for levy of Grid Support Charges is not acceptable.</p>	
40	<p>For the various reasons cited above, the Grid situation requires to be thoroughly reviewed with reference to the fact whether the Grid suffers any forbearance in providing parallel operations of CPPs, and in the absence of such a thorough and proper review, the present proposal of levy of GSC ought not to be accepted.</p>	<p>As per the analysis and technical study conducted by the GCC, the power plants operating in parallel to the grid are taking the support from the larger grid in the event of faults and other parameters which are affecting the grid and concluded that the GSC are to be levied.</p>
41	<p>Prayer That, in view of the above, we pray that the Hon 'ble Commission may be graciously pleased to</p> <ol style="list-style-type: none"> a. reject the proposal levy of Grid Support Charges as there is no such provision in the Statute/Electricity Act, whereas the STU /Transmission and Distribution Licensees are duty bound under Section 39 and 40 of the Electricity Act, 2003 and the National Electricity Policy, 2005 to provide connectivity to the CPPs like any generating station; b. Reject the proposal for levy of Grid support charges on IPPs and Merchant power plants. c. In the event the Hon'ble Commission holds the proposal of GSC is valid, within the powers and jurisdiction and are leviable, it is prayed to engage an independent reputed third party to conduct a thorough system study and technical issues concerning power load throwbacks by CPPS/consuming industries, power harmonics in parallel operation of CPPs, size of the CPPs and judiciously arrive at a reasonable charge as has been done by other state Commissions/governments TS DISCOMS also should pursue this best practice to obtain an arm's length analysis and fair rates for 	<p>Responses to the individual objections are provided in the above sections.</p>

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	<p>all constituents;</p> <p>d. To hold the levy till the third-party analysis is completed to the satisfaction of the Hon'ble TSERC;</p> <p>e. Consider our foregoing objections, grant us a personal hearing and grant leave to adduce further evidential data in our support at the time Of hearing;</p> <p>f. It is also requested to permit us to submit further submission, if any, during the course of public hearing either by our representative or legal counsel.</p>	

4. Response to M/s Anjani Portland Cement

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>Anjani Cement having 16 MW Captive power plant and it is always running in Island mode except the following conditions.</p> <p>a) Synchronizing with EB for utilizing Monthly minimum units.</p> <p>b) For CPP start up and Break down condition.</p> <p>c) CPP synchronized with EB for exporting power through shot term open access with approval of 7.84 MW.</p>	No Comments
2	<p>There is no jurisdiction to levy GSC</p>	<p>The grid support charges are being proposed by the Distribution Licensees on generators who are having parallel operation of Power generation with grid. Typically, any direct or indirect impact on transmission system due to faults at Generator units running in parallel with grid will be loaded on to the Distribution Licensees and are required to compensate the Transmission system and SLDC.</p> <p>The advantages of parallel operation with the grid are benefited by the generators in addition to other facilities of other consumers. In view of the additional benefits than the normal other consumers, the generators who intended to use and benefit from parallel operation need to compensate through Grid Support charges.</p> <p>The said Grid Support charges are not part of Retail Supply Tariffs and these charges are proposed to levy on the generators who intended to use and benefit from parallel operation. Hence the proposal of Grid Support charges for FY 2023-24 are well within the provisions of Act.</p> <p>However, the full Bench of Tribunal in Appeal No. 120 of 2009 relating to Parallel Operation Charges(Grid Support Charges) in Chhathisgarh by Order dated 18.02.2011 stated that <i>the State Commission is empowered to deal with the question as to whether the levy of parallel operation charges is permissible or not. This aspect has been dealt with by this Tribunal in judgment dated 12.9.2006 in Appeal No.99 of 2006. In the said judgment, this Tribunal upheld the levy of parallel operation charges by the State Commission.</i> Further, the Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges.</p>

4. Response to M/s Anjani Portland Cement

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		By virtue of above judgements, the TS Discoms are entitled to levy GSC on the generators who have established power plants, who intended to use and benefit from parallel operation.
3	There has been improper analysis and lack of consultation by the GCC	The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.
4	No study conducted on basic parameters on which GSC is to be levied and whether any actual forbearance to the Grid is established	<p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
5	The rate of GSC merely mirrors that of the State of AP, which is under stay and adjudication by the Hon'ble APTEL	In case of a generator supplying power under open access (selling power other than the consumers in the state) the transmission/ wheeling charges are being collected by supporting the required network and such charges are payable by the generators.
6	There costs sought to be recovered is already part of wheeling tariffs and the proposed levy is nothing more than double levy against the same costs.	<p>In case of a generator supplying power under open access and supplying infirm power to the grid and the consumer tied up with such generator who is having a CMD with the licensee, the transmission/ wheeling charges are being collected in addition to the demand charges as per the supply agreement.</p> <p>These demand charges doesnot reflect the entire fixed cost commitments of the licensees with the generating companies, transmission (ISTS and InSTS) and distribution network. Hence, they are liable to pay the Grid Support Charges for the exclusive technical support of said plants taken from the grid. Hence as contended</p>

4. Response to M/s Anjani Portland Cement

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		the double or triple charging due to levy of Grid Support Charges doesn't arise.
7	CPPs are beneficial to the operation of the Grid and the proposed levy heavily disincentivises CPPs and generation as a whole	<p>The support extended from the grid to the power plants in the event of the fault at the generator end is much higher than the support received by the grid in the event of faults occurred at the grid level.</p> <p>As per the analysis and technical study conducted by the GCC, the power plants operating in parallel to the grid are taking the support from the larger grid in the event of faults and other parameters which are affecting the grid and concluded that the GSC are to be levied.</p>

5. Response to M/s Sarvotham Care

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	We respectfully submit our comments and suggestions regarding the proposed Grid Support Charges (GSC) for FY 2023-24, as outlined in the report of the Grid Coordination Committee (GCC). Our concern lies in the expansion of the scope of the levy to all generating stations, a departure from the original intention to impose charges solely on co-located captive generating stations.	The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.
2	The initial rationale for applying GSC to co-located captive generating stations was the benefit derived from grid support in the form of backup power during the failure of their captive generating stations. However, we observe that the GCC, primarily comprising utility officers, has broadened the scope without adequate justification, overlooking the opinions of the majority of industry members.	<p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
3	It is crucial to note that solar plants meet their auxiliary power requirements through a separate HT connection. The GCCs recommendations on Parallel Operating Charges/Grid supporting charges for FY 2023-24 refer to the APERC order dated 8th February 2002 and the subsequent Hon'ble Supreme Court Judgement dated 29th November 2019 (Civil Appeal No.4569 of 2003) between The AP TRANSCO (Appellant) & M/s.Rain Calcining Industries & other Respondents.	GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC is proposed to be levied on power plants with or without captive loads.

5. Response to M/s Sarvotham Care

S.No.	Summary of Objections / Suggestions	Response of the Licensee
4	<p>Our concern is specifically related to M/s.Sarvotham Care CPP, whose capacity is only 3000KVA as per the LTOA agreement with TSSPDCL. In this CPP capacity, we are allocated 51.67%, i.e., 1550KVA to our Captive consumer M/s.Sarvotham Care, BJH 1015. This allocation is significantly less compared to the Connected Maximum Demand (CMD) of M/s.Sarvotham Care (BJH1015), which is 2500KVA.</p> <p>The evident disparity in CPP capacity and CMD with TSSPDCL restricts our ability to utilize the maximum demand from our CPP. Additionally, our captive consumer is already paying 80% of the Demand Charges and minimum energy charges.</p>	<p>Power plants whether consume auxiliary power consumption from the grid or not, the Grid support charges are levied for the other technical support as stated in the above responses.</p> <p>The Captive Consumers are also liable for payment of min. demand charges and energy charges as the DISCOMs have tied up Power purchase contracts and transmission contracted capacities & Distribution capacities for supply of power as per the CMDs of Consumers having entered Supply agreement with DISCOMs.</p>
5	<p>In light of these considerations, we kindly request the exemption of CPPs generating power from renewable energy sources like solar from the proposed "Parallel Operating /Grid supporting charges" outlined by the Grid Coordination Committee for FY 2023-24.</p>	<p>The technical grid support is required equally for all types of power plants.</p>
6	<p>We believe that such an exemption is justified based on the unique characteristics and operational requirements of renewable energy CPPs. Your understanding and consideration of our concerns will contribute to a fair and equitable regulatory framework for the upcoming fiscal year.</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>

6. Response to M/s Telangana Spinning & Textile Mills Association

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	Comments and suggestions on Draft Telangana State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023	TS Discoms submit that the current proceedings are related to comments and suggestions on the report prepared by Grid Coordination Committee (GCC) on the issue of Levy of Grid Support Charges (GSC) for FY 2023-24.

7.Response to M/s SRINIVASA GREEN ENERGIES

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>We respectfully submit that the original proposal for Grid Support Charges (GSC) only intended to impose these charges on co-located captive generating stations. The rationale behind this was that these stations benefit from the grid's support in the form of backup power in the event of failure of their captive generating station. However, the GCC, led by a majority of utility officers, has expanded the scope of this levy on all generating stations without sufficient justification, disregarding the opinions of the majority of industry members.</p> <p>The solar plants meet their auxiliary power requirement through a separate HT connection.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
2	<p>We respectfully submit that the issue of the applicability and imposition of GSC has been addressed by the Honorable APTEL in its Judgment dated 14.12.2023 in Appeal No. 228 of 2022 & IA No. 1962 of 2023, IA No. 722 of 2022, IA No. 1014 of 2023 And Appeal No. 391 of 2023 & IA No. 1323 of 2022, IA No. 1025 of 2023 (Rain CII Carbon (Vizag) Ltd VS APERC, APSPDCL, APEPDCL & APTRANSCO).</p> <p>Key findings of the above mentioned APTEL Judgment are summarized below:</p> <p>1. Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying Grid Support Charges even for the capacity which is sold to 3rd parties (Para 10)</p>	<p>The power generators enter into the connection agreement with the licensee for operating the generation unit by connecting to the grid. As the total capacity of the generator is connected to the grid at the same point of the generator, there is no separate connection agreement for these generators (for connection to the grid) to the extent of capacity sold to the third parties. Moreover, the technical support taken by the generation unit from Grid is as per its capacity connected to the Grid.</p> <p>As per the APTEL order if GSC is not to be levied to the extent of capacity sold to third parties, Discoms are left with no other choice but to delink such additional capacity of the generator, from the grid.</p>

7. Response to M/s SRINIVASA GREEN ENERGIES

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p>The Discoms are not collecting the GSC charges separately on the capacity sold to the third parties and the generator is solely responsible for the payment of GSC to the extent of capacity connected to the grid.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with committee members representing various generators.</p>
4	<p>2. There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support charges on non-captive power plants (Para 26),</p> <p>3. It is important to note here that this Tribunal has rendered the findings limited to CPPs, further, the various supports as categorized by this Tribunal including the fluctuations in the load of CPP, absorption of harmonics, negative phase sequence current generation by unbalance loads, higher fault level support, stability to the load during start of heavy loads like HT motors also, variation in the voltage and frequency, impact created by sudden load throw off, generation of transient surges are the characteristics of loads and are created by such loads, the generating stations which are not self-consuming the power, i.e. not having the captive loads, cannot be said to be drawing such a support from the grid [Para 66].</p>	<p>There is no differentiation between the captive and non-captive generation units as far as the grid connectivity is concerned.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p>
6	<p>APTEL through this Judgment, also settled the following position of law:</p> <p>7. Co-Generation Plant, operating parallel to the grid, can be levied with Grid Support Charges only when it is a Captive Power Plant and consuming more than 51% of the energy produced by such plant [Paras 78 and 80].</p> <p>8. State Commission has powers to determine and impose Grid Support Charges on Captive Power Plants [Paras 62 and 70].</p> <p>9. No reason has been provided by APERC in excluding the generators from the paying Grid Support Charges who have signed PPAs with Discoms [Para 73].</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
9	<p>The summary of the Judgment is Levy of Grid Support Charges on non-captive power plant shall be limited to only the power consumed by the co-located load and it is not applicable on all other modes of operation of power plants</p>	

8. Response to M/s SAI ADITHYA GREEN ENERGY Pvt Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>We respectfully submit that the original proposal for Grid Support Charges (GSC) only intended to impose these charges on co-located captive generating stations. The rationale behind this was that these stations benefit from the grid's support in the form of backup power in the event of failure of their captive generating station. However, the GCC, led by a majority of utility officers, has expanded the scope of this levy on all generating stations without sufficient justification, disregarding the opinions of the majority of industry members.</p> <p>The solar plants meet their auxiliary power requirement through a separate HT connection.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
2	<p>We respectfully submit that the issue of the applicability and imposition of GSC has been addressed by the Honorable APTEL in its Judgment dated 14.12.2023 in Appeal No. 228 of 2022 & IA No. 1962 of 2023, IA No. 722 of 2022, IA No. 1014 of 2023 And Appeal No. 391 of 2023 & IA No. 1323 of 2022, IA No. 1025 of 2023 (Rain CII Carbon (Vizag) Ltd VS APERC, APSPDCL, APEPDCL & APTRANSCO).</p> <p>Key findings of the above mentioned APTEL Judgment are summarized below:</p> <p>1. Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying Grid Support Charges even for the capacity which is sold to 3rd parties (Para 10)</p>	<p>The power generators enter into the connection agreement with the licensee for operating the generation unit by connecting to the grid. As the total capacity of the generator is connected to the grid at the same point of the generator, there is no separate connection agreement for these generators (for connection to the grid) to the extent of capacity sold to the third parties. Moreover, the technical support taken by the generation unit from Grid is as per its capacity connected to the Grid.</p> <p>As per the APTEL order if GSC is not to be levied to the extent of capacity sold to third parties, Discoms are left with no other choice but to delink such additional capacity of the generator, from the grid.</p>

7. Response to M/s SRINIVASA GREEN ENERGIES

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p>The Discoms are not collecting the GSC charges separately on the capacity sold to the third parties and the generator is solely responsible for the payment of GSC to the extent of capacity connected to the grid.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with committee members representing various generators.</p>
4	<p>2. There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support charges on non-captive power plants (Para 26),</p> <p>3. It is important to note here that this Tribunal has rendered the findings limited to CPPs, further, the various supports as categorized by this Tribunal including the fluctuations in the load of CPP, absorption of harmonics, negative phase sequence current generation by unbalance loads, higher fault level support, stability to the load during start of heavy loads like HT motors also, variation in the voltage and frequency, impact created by sudden load throw off, generation of transient surges are the characteristics of loads and are created by such loads, the generating stations which are not self-consuming the power, i.e. not having the captive loads, cannot be said to be drawing such a support from the grid [Para 66].</p>	<p>There is no differentiation between the captive and non-captive generation unit as far as the grid connectivity is concerned.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p>
6	<p>APTEL through this Judgment, also settled the following position of law:</p> <p>10. Co-Generation Plant, operating parallel to the grid, can be levied with Grid Support Charges only when it is a Captive Power Plant and consuming more than 51% of the energy produced by such plant [Paras 78 and 80].</p> <p>11. State Commission has powers to determine and impose Grid Support Charges on Captive Power Plants [Paras 62 and 70].</p> <p>12. No reason has been provided by APERC in excluding the generators from the paying Grid Support Charges who have signed PPAs with Discoms [Para 73].</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
9	<p>The summary of the Judgment is Levy of Grid Support Charges on non-captive power plant shall be limited to only the power consumed by the co-located load and it is not applicable on all other modes of operation of power plants</p>	

9. Response to M/s TELANGANA SOLAR OPEN ACCESS DEVELOPERS' ASSOCIATION

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>We respectfully submit that the original proposal for Grid Support Charges (GSC) only intended to impose these charges on co-located captive generating stations. The rationale behind this was that these stations benefit from the grid's support in the form of backup power in the event of failure of their captive generating station. However, the GCC, led by a majority of utility officers, has expanded the scope of this levy on all generating stations without sufficient justification, disregarding the opinions of the majority of industry members.</p> <p>The solar plants meet their auxiliary power requirement through a separate HT connection.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
2	<p>We respectfully submit that the issue of the applicability and imposition of GSC has been addressed by the Honorable APTEL in its Judgment dated 14.12.2023 in Appeal No. 228 of 2022 & IA No. 1962 of 2023, IA No. 722 of 2022, IA No. 1014 of 2023 And Appeal No. 391 of 2023 & IA No. 1323 of 2022, IA No. 1025 of 2023 (Rain CII Carbon (Vizag) Ltd VS APERC, APSPDCL, APEPDCL & APTRANSCO).</p> <p>Key findings of the above mentioned APTEL Judgment are summarized below:</p> <p>1. Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying Grid Support Charges even for the capacity which is sold to 3rd parties (Para 10)</p>	<p>The power generators enter into the connection agreement with the licensee for operating the generation unit by connecting to the grid. As the total capacity of the generator is connected to the grid at the same point of the generator, there is no separate connection agreement for these generators (for connection to the grid) to the extent of capacity sold to the third parties. Moreover, the technical support taken by the generation unit from Grid is as per its capacity connected to the Grid.</p> <p>As per the APTEL order if GSC is not to be levied to the extent of capacity sold to third parties, Discoms are left with no other choice but to delink such additional capacity of the generator, from the grid.</p>

9. Response to M/s TELANGANA SOLAR OPEN ACCESS DEVELOPERS' ASSOCIATION

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p>The Discoms are not collecting the GSC charges separately on the capacity sold to the third parties and the generator is solely responsible for the payment of GSC to the extent of capacity connected to the grid.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with committee members representing various generators.</p>
4	<p>2. There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support charges on non-captive power plants (Para 26),</p> <p>3. It is important to note here that this Tribunal has rendered the findings limited to CPPs, further, the various supports as categorized by this Tribunal including the fluctuations in the load of CPP, absorption of harmonics, negative phase sequence current generation by unbalance loads, higher fault level support, stability to the load during start of heavy loads like HT motors also, variation in the voltage and frequency, impact created by sudden load throw off, generation of transient surges are the characteristics of loads and are created by such loads, the generating stations which are not self-consuming the power, i.e. not having the captive loads, cannot be said to be drawing such a support from the grid [Para 66].</p>	<p>There is no differentiation between the captive and non-captive generation unit as far as the grid connectivity is concerned.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p>
6	<p>APTEL through this Judgment, also settled the following position of law:</p> <p>13. Co-Generation Plant, operating parallel to the grid, can be levied with Grid Support Charges only when it is a Captive Power Plant and consuming more than 51% of the energy produced by such plant [Paras 78 and 80].</p> <p>14. State Commission has powers to determine and impose Grid Support Charges on Captive Power Plants [Paras 62 and 70].</p> <p>15. No reason has been provided by APERC in excluding the generators from the paying Grid Support Charges who have signed PPAs with Discoms [Para 73].</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
9	<p>The summary of the Judgment is Levy of Grid Support Charges on non-captive power plant shall be limited to only the power consumed by the co-located load and it is not applicable on all other modes of operation of power plants</p>	

10. Response to M/s ARHYAMA SOLAR Pvt Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>We respectfully submit that the original proposal for Grid Support Charges (GSC) only intended to impose these charges on co-located captive generating stations. The rationale behind this was that these stations benefit from the grid's support in the form of backup power in the event of failure of their captive generating station. However, the GCC, led by a majority of utility officers, has expanded the scope of this levy on all generating stations without sufficient justification, disregarding the opinions of the majority of industry members.</p> <p>The solar plants meet their auxiliary power requirement through a separate HT connection.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
2	<p>We respectfully submit that the issue of the applicability and imposition of GSC has been addressed by the Honorable APTEL in its Judgment dated 14.12.2023 in Appeal No. 228 of 2022 & IA No. 1962 of 2023, IA No. 722 of 2022, IA No. 1014 of 2023 And Appeal No. 391 of 2023 & IA No. 1323 of 2022, IA No. 1025 of 2023 (Rain CII Carbon (Vizag) Ltd VS APERC, APSPDCL, APEPDCL & APTRANSCO).</p> <p>Key findings of the above mentioned APTEL Judgment are summarized below:</p> <p>1. Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying Grid Support Charges even for the capacity which is sold to 3rd parties (Para 10)</p>	<p>The power generators enter into the connection agreement with the licensee for operating the generation unit by connecting to the grid. As the total capacity of the generator is connected to the grid at the same point of the generator, there is no separate connection agreement for these generators (for connection to the grid) to the extent of capacity sold to the third parties. Moreover, the technical support taken by the generation unit from Grid is as per its capacity connected to the Grid.</p> <p>As per the APTEL order if GSC is not to be levied to the extent of capacity sold to third parties, Discoms are left with no other choice but to delink such additional capacity of the generator, from the grid.</p>

10. Response to M/s ARHYAMA SOLAR Pvt Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p>The Discoms are not collecting the GSC charges separately on the capacity sold to the third parties and the generator is solely responsible for the payment of GSC to the extent of capacity connected to the grid.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with committee members representing various generators.</p>
4	<p>2. There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support charges on non-captive power plants (Para 26),</p> <p>3. It is important to note here that this Tribunal has rendered the findings limited to CPPs, further, the various supports as categorized by this Tribunal including the fluctuations in the load of CPP, absorption of harmonics, negative phase sequence current generation by unbalance loads, higher fault level support, stability to the load during start of heavy loads like HT motors also, variation in the voltage and frequency, impact created by sudden load throw off, generation of transient surges are the characteristics of loads and are created by such loads, the generating stations which are not self-consuming the power, i.e. not having the captive loads, cannot be said to be drawing such a support from the grid [Para 66].</p>	<p>There is no differentiation between the captive and non-captive generation units as far as the grid connectivity is concerned.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p>
6	<p>APTEL through this Judgment, also settled the following position of law:</p> <p>16. Co-Generation Plant, operating parallel to the grid, can be levied with Grid Support Charges only when it is a Captive Power Plant and consuming more than 51% of the energy produced by such plant [Paras 78 and 80].</p> <p>17. State Commission has powers to determine and impose Grid Support Charges on Captive Power Plants [Paras 62 and 70].</p> <p>18. No reason has been provided by APERC in excluding the generators from the paying Grid Support Charges who have signed PPAs with Discoms [Para 73].</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
9	<p>The summary of the Judgment is Levy of Grid Support Charges on non-captive power plant shall be limited to only the power consumed by the co-located load and it is not applicable on all other modes of operation of power plants</p>	

11. Response to M/s Nippo and M/s INDO NATIONAL Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>We respectfully submit that the original proposal for Grid Support Charges (GSC) only intended to impose these charges on co-located captive generating stations. The rationale behind this was that these stations benefit from the grid's support in the form of backup power in the event of failure of their captive generating station. However, the GCC, led by a majority of utility officers, has expanded the scope of this levy on all generating stations without sufficient justification, disregarding the opinions of the majority of industry members.</p> <p>The solar plants meet their auxiliary power requirement through a separate HT connection.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
2	<p>We respectfully submit that the issue of the applicability and imposition of GSC has been addressed by the Honorable APTEL in its Judgment dated 14.12.2023 in Appeal No. 228 of 2022 & IA No. 1962 of 2023, IA No. 722 of 2022, IA No. 1014 of 2023 And Appeal No. 391 of 2023 & IA No. 1323 of 2022, IA No. 1025 of 2023 (Rain CII Carbon (Vizag) Ltd VS APERC, APSPDCL, APEPDCL & APTRANSCO).</p> <p>Key findings of the above mentioned APTEL Judgment are summarized below:</p> <p>1. Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying Grid Support Charges even for the capacity which is sold to 3rd parties (Para 10)</p>	<p>The power generators enter into the connection agreement with the licensee for operating the generation unit by connecting to the grid. As the total capacity of the generator is connected to the grid at the same point of the generator, there is no separate connection agreement for these generators (for connection to the grid) to the extent of capacity sold to the third parties. Moreover, the technical support taken by the generation unit from Grid is as per its capacity connected to the Grid.</p> <p>As per the APTEL order if GSC is not to be levied to the extent of capacity sold to third parties, Discoms are left with no other choice but to delink such additional capacity of the generator, from the grid.</p>

11. Response to M/s Nippo and M/s INDO NATIONAL Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p>The Discoms are not collecting the GSC charges separately on the capacity sold to the third parties and the generator is solely responsible for the payment of GSC to the extent of capacity connected to the grid.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with committee members representing various generators.</p>
4	<p>2. There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support charges on non-captive power plants (Para 26),</p> <p>3. It is important to note here that this Tribunal has rendered the findings limited to CPPs, further, the various supports as categorized by this Tribunal including the fluctuations in the load of CPP, absorption of harmonics, negative phase sequence current generation by unbalance loads, higher fault level support, stability to the load during start of heavy loads like HT motors also, variation in the voltage and frequency, impact created by sudden load throw off, generation of transient surges are the characteristics of loads and are created by such loads, the generating stations which are not self-consuming the power, i.e. not having the captive loads, cannot be said to be drawing such a support from the grid [Para 66].</p>	<p>There is no differentiation between the captive and non-captive generation as far as the grid connectivity is concerned.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p>
6	<p>APTEL through this Judgment, also settled the following position of law:</p> <p>19. Co-Generation Plant, operating parallel to the grid, can be levied with Grid Support Charges only when it is a Captive Power Plant and consuming more than 51% of the energy produced by such plant [Paras 78 and 80].</p> <p>20. State Commission has powers to determine and impose Grid Support Charges on Captive Power Plants [Paras 62 and 70].</p> <p>21. No reason has been provided by APERC in excluding the generators from the paying Grid Support Charges who have signed PPAs with Discoms [Para 73].</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
9	<p>The summary of the Judgment is Levy of Grid Support Charges on non-captive power plant shall be limited to only the power consumed by the co-located load and it is not applicable on all other modes of operation of power plants</p>	

12. Response to M/s ORIENT CEMENT LTD

S.No	Summary of Objections / Suggestions	Response of the Licensee
1	<p>While filing the Tariff Proposals (ARR) for FY 2023-24, the Distribution Licensees in Telangana have proposed, inter alia, a levy of Grid Support Charges ("GSC") on all the power generating plants in Telangana for parallel operation with the Grid. This Hon'ble Commission vide its Order dt.24.03.2023 in O.P.Nos.80 and 81 of 2023 was pleased to refer the matter to the 'Grid Coordination Committee' for undertaking a detailed analysis on the issue. The Grid Coordination Committee has also submitted its report dated 07.10.2023 recommending the levy of GSC for all generators. The Objector has gone through the proposal of the DISCOMs and the report of the Grid Coordination Committee. In the above Inatter, this Hon'ble Commission has invited the stakeholders to file their comments/suggestions/objection, if any, on or before 27.12.2023. The Objector runs a 50 MW Captive Power generating plant.</p>	No comments
2	<p>Grid Support Charges (GSC) were initially levied by the erstwhile Hon 'ble APERC vide Order in O.P.No. 1 of 1999 dated 08.02.2002 in the context of the AP Electricity Reform Act, 1998. The GSC order was implemented vide Tariff Order FY 2002-03 from 01.04.2002. The same was challenged before the Hon'ble High Court for the erstwhile State of A.P which was decided in favour of the generators/Captive Power Producers (CPPs) and the levy of grid support charges was set aside. An Appeal was filed by APTransco (Civil Appeal No. 4569 of 2003) in the Hon'ble Supreme Court. The Hon'ble Supreme Court, vide its judgement dated 29.11.2019 affirmed the orders ofthe erstwhile Commission.</p>	No Comments
3	<p>It is pertinent to note that the prevailing conditions during 2002 and the present are totally different. When the Act is not in existence, there was no concept of Open Access, Transmission and Wheeling. The same were allowed by means of mutually agreed agreements at that time.</p>	No Comments
4	<p>It is also pertinent to note that the erstwhile APERC was constituted under the AP Electricity Reform Act, 1998, and passed the order in O.P.No.1 of 1999 in exercise of its powers under the said Act. The Order in O.P.No.1 of 1999 levied GSC on sole basis that in the event captive power plants were to fail, there would be a momentary transfer of the load to the Grid, which would result in stress on the Grid and corresponding wear and tear of machinery, and it was this wear and tear that was sought to be compensated by way of GSC.</p>	No Comments
5	<p>II. THE IMPACT OF THE ELECTRICITY ACT, 2003: In 2003, the Electricity Act, 2003 ("Act") came into force. The Act brought in substantial changes to the previous regime, including the establishment of State</p>	No Comments

12. Response to M/s ORIENT CEMENT LTD

S.No	Summary of Objections / Suggestions	Response of the Licensee
	<p>Commissions, delicensing of Generation, unbundling of transmission and distribution, specification of tariffs and charges, crystallized the scheme of Open Access, brought in procedures and standards to enforce discipline, etc, However, it left the Commissions established by States under earlier State enactments (such as the AP Electricity Reform Act, 1998) untouched and treated them to be Commissions established under the Act, essentially conferring them with powers under both Acts, in as much as the State enactments were not in derogation to the Act.</p>	
6	<p>Open Access was introduced under Section 42 of the Act, in pursuance to which APERC Regulation Nos.2 of 2005 and 2 of 2006 were also promulgated by the erstwhile Commission.</p> <p>No jurisdiction to Propose or Levy GSC:</p> <p>Under the provisions of the Act, separate entities, being the SLDC/RLDC/NLDC were created to take care of the Grid. SLDC/RLDC is responsible for maintainin grid security, Load forecasting, scheduling and dispatching and balancing of generation and demand (load). The ARR of SLDC was already approved in the MYT Tariff 2021-23. The DISCOMs have no role in maintaining Grid security and have to comply with the directions issued by SLDC/RLDC. Hence, in the present scenario, there is no need to propose GSC by DISCOMs and the DISCOMs have no role in seeking GSC at all</p>	<p>The grid support charges are being proposed by the Distribution Licensees on generators who are having parallel operation of Power generation with grid. Typically, any direct or indirect impact on transmission system due to faults at Generator units running in parallel with grid will be loaded on to the Distribution Licensees and are required to compensate the Transmission system and SLDC.</p> <p>The advantages of parallel operation with the grid are benefited by the generators in addition to other facilities of other consumers. In view of the additional benefits than the normal other consumers, the generators who intended to use and benefit from parallel operation need to compensate through Grid Support charges.</p>
7	<p>The Applicant DISCOMs are responsible for their distribution business only and can at most levy wheeling charges, and nothing more. Any GSC as sought to be levied would have to be proposed and substantiated by TSSLDC, being the entity tasked with grid security under the Act. Therefore, DISCOMs have nothing to do with GSC. The ARR of the Applicant DISCOMs Distribution Business is recovered through wheeling charges as approved in the relevant MYT orders. As such, the Applicant DISCOMs have no role in proposing GSC, and certainly not at 132 KV voltage.</p>	<p>The said Grid Support charges are not part of Retail Supply Tariffs and these charges are proposed to levy on the generators who intended to use and benefit from parallel operation. Hence the proposal of Grid Support charges for FY 2023-24 are well within the provisions of Act.</p>
8.	<p>It is also pertinent to note that this Hon'ble Commission is constituted under the Act, and thus the earlier AP Electricity Reform Act, 1998 under which GSC were earlier determined is neither applicable nor relevant in the present day. The Act, 2003 specifically lays down the charges and tariffs to be collected, and no charges beyond what is prescribed can be levied. Admittedly, there is no charge such as GSC mentioned</p>	<p>However, the full Bench of Tribunal in Appeal No. 120 of 2009 relating to Parallel Operation Charges(Grid Support Charges) in Chhathigarh by Order dated 18.02.2011 stated that <i>the State Commission is empowered to deal with the question as to whether the levy of parallel operation charges is permissible</i></p>

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	in the Act or the regulations, let alone under S .62 under which the present petitions are filed, and as such, any such proposal to levy GSC is without jurisdiction.	<i>or not. This aspect has been dealt with by this Tribunal in judgment dated 12.9.2006 in Appeal No.99 of 2006. In the said judgment, this Tribunal upheld the levy of parallel operation charges by the State Commission. Further, the Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges.</i>
9.	It is thus submitted that the scope of present ARR for Retail Supply Business for FY2023-24 should be strictly confined in terms of Section 62 of the Act r/w Regulation 4 of 2005 as adopted under Regulation I of 2014, and Section 42 of the Act for the purpose of determination of CSS and any proposal of the Applicant DISCOMs to levy GSC is itself misconceived and patently without jurisdiction.	
10	Strangely, the Grid Coordination Committee does not consider the competence or the jurisdiction of the Discoms in proposing a levy of GSC, which is ultra-vires the provisions of the electricity Act, 2003 ("Act").	By virtue of above judgements, the TS Discoms are entitled to levy GSC on the generators who have established power plants,who intended to use and benefit from parallel operation.
11	At the outset, it is submitted that there has been no proper consultation with the stakeholders, domain experts, representatives of various industries, particularly generators using power for captive use, co-generators or partly for selfconsumption and remaining for export, and those generators who exclusively sell power.	GCC has organized multiple meetings with committee members representing various generators where the views/ objections were received, and the TS Discoms have timely addressed such views/ objections orally during the meetings and also through written submissions to GCC for further response to the participants.
12	Majority of GCC members are non-related and non-affected parties in terms of grid support charges, as such, the matter cannot be decided based on their recommendation.	Based on the submissions from multiple stakeholders a technical support analysis for grid support was carried out by GCC and confirmed the technical support during faults and arrived at the conclusion that the generator receives benefits due to the larger grid.
13	One of the GCC member and generator, 'Nava Bharat' had categorically opposed and disagreed the proposed GSC, which it seems that the Committee had ignored the recommendations of the member/ generator.	<p>TS Discoms have also addressed the views/ objections of consumers regarding the levy of GSC during the public hearings conducted on the ARR filings of Discoms.</p> <p>After considering the submission/ comments of various stakeholders during the meetings from the members representing various generators and a technical study is conducted and the report by GCC was released in October 2023 after taking into consideration all the views/ objections of all the stakeholders.</p>

12. Response to M/s ORIENT CEMENT LTD

S.No	Summary of Objections / Suggestions	Response of the Licensee
14	Further, there has been no notice wherein parties who would be affected by the proposal for levy of GSC have been informed of the proceedings before the GCC, rather, it appears that the GCC has arbitrarily appointed "representatives" of various categories by itself without any basis.	The GCC has invited members representing various generators and after consideration of comments/ objections has finalized the report which is evident from the report.
15	The Report of the GCC ("Report") primarily proceeds on the input give by the Discoms and there is neither an endeavor nor any effort made to inspect and analyze the power plants with reference to the various factors in the Report which allege to support the Grid.	GCC has independently conducted detailed analysis and study on various types of power plants (thermal and renewable) and organized meetings with committee members representing various generators where the detailed justification and analysis of TS Discoms are presented. The Views/ objections from the stakeholders are also addressed during these meetings. GCC has released a detailed report in October 2023 after taking into consideration their own study and the submissions by multiple stakeholders.
16	The report appears to be prepared based on short-term data relating to a single unnamed solar generator, which cannot be said to be a proper standard of analysis.	
17	The assignment given to the GCC was to go into the technicalities of the matter while analyzing what kind of service is rendered by the operator of the Grid and as to who benefits from such service, and as to what contributes to grid stabilization and under what circumstances there is a dependency on the Grid and the matters incidental thereto. However, the Report instead attempts to focus on the Justifying the rate of charges to be collected which is the function of this Hon'ble Commission.	
18	The Report is does not place any cogent justificationand is inconclusive without any basis and in the absence of proper consultation with the stakeholders, the same cannot be considered.	
19	The Report heavily relies on and refers to the GSC determined by the Hon 'ble APERC, which is now the subject matter of challenge before the Hon 'ble APTEL and at present, there is a stay on the collection of GSC including by way of interim orders dated 20.05.2022 in DFR No. 186/2022 and 01.07.2022 in DFR Nos.240/2022, 241/2022 and 271/2022.	
20	<p>B. Determination of GSC by the Hon'ble APERC: The Hon'ble APERC determined GSC in the Retail Supply Tariff Order for FY . 2022-23 and FY 2023-24 which is referred to by the Report of the GCC. The said orders have been challenged by various generators as follows:</p> <ul style="list-style-type: none"> a. Appeal Nos.228 of 2022 and 391 of 2023: Rain Cll Carbon (Vizag) Ltd. vs APERC and Ors. b. Appeal No.388 of 2023 and batch: Ultratech Cements Ltd. vs APERC and Ors. 	<p>The Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges and the same are liable for payment by the generators who are having parallel operations with the grid.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and</p>

12. Response to M/s ORIENT CEMENT LTD

S.No	Summary of Objections / Suggestions	Response of the Licensee
	<p align="center">c. Appeal Nos.330 of 2023 and batch: AP Textile Mills Association and Ors. vs APERC and Ors.</p>	<p>Non-CPP are considered as technical grid support is required equally for all types of power plants. By the virtue of the Apex court order all the generators are liable for payment of GSC.</p>
21	<p>The Hon'ble APTEL had earlier stayed the collection of GSC by way of an interim order in Appeal No.228 of 2022, and consequently the determination of GSC on generators who operate co-generation plants and who export power has been held to be illegal and the appeals were allowed by way of Judgement dated 14.12.2023. In the said judgement, it was categorically held that there cannot be any GSC on IPPs and even with respect to co-generation plants which do not meet the status of captive power plants, such power plants cannot be made liable to pay GSC. Further it was also held that co-location of generation and consumption units is sine qua non for imposition of GSC. The relevant extracts of the said judgement are as follows:</p> <p>"79. Every Co-generation Plant cannot be termed to be a CPP, the Supreme Court in the case of SC Judgment has considered only CPPs to be liable for payment of GSC, therefore, in case a power plant is not a CPP. such power plants cannot be made liable to pay GSC.</p> <p>80. Even the case of Shree Renuka Sagar (Supra) does not considered the aspect where a Co-generation plant does not qualify as a CPP, in order to be liable for payment of GSC, an IPP must be co-located with the grid and should be categorized as CPP, these two conditions are necessary for imposition of GSC and absence of any one of them will exempt a plant from payment of GSC.</p> <p>81. As seen from above, the State Commission passed the Impugned Order relying upon the SC Judgment and the Tribunal Judgments which are rendered in respect of CPPs having captive loads, however, extended the same by including the IPPs and non-captive Cogeneration Plants, further, excluded the IPPs which have signed PPAs with the distribution licensees, without having any statistical data or study carried out and without providing reasons and justification."</p>	
22	<p>In the said judgment, since the Hon'ble APTEL had set aside the imposition of GSC based on the status of the plant, it had not gone into the merits of determination of GSC. However, the factors and merits relating to determination of GSC have been canvassed in Appeal Nos.330 and 388 of 2023. Appeal No.388 of 2023 and batch have been heard and are reserved for orders, whereas Appeal No.330 of 2023 and batch have been heard in part and are pending consideration before the Hon 'ble APTEL.</p>	

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S.No	Summary of Objections / Suggestions	Response of the Licensee
23	<p>The judgments in Appeal No.228 of 2022 and batch, as well as those to be rendered in the other pending appeals would have a direct bearing on the levy of GSC as well as the method and manner in which it would have to be determined. Therefore, propriety may require that the exercise of determination of GSC or otherwise be delinked with the exercise of determination of ARR and initiate separate proceedings to carry out the ongoing exercise.</p>	
24	<p>C. On Levy of GSC The Report of the GCC has proposed Grid Support Charges for all generators, including captive, cogeneration, merchant power plants/IPP, rooftop power plants etc., which is completely against the reasoning of GSC in the first place. Co-location of the generator and the corresponding load is a sine-qua-non for imposition of GSC. There has been no study conducted as to how many or what type of generators exist in the State of Telangana, and as to how many of them are captive plants, the method of operation, whether they entirely or partly consume power for themselves, or the nature of their fuel/operation etc., and as to the impact which they would cause to the Grid, if any. Without such basic parameters even being looked into, the GCC's action in recommending levy of GSC is completely irrational and ought not to be countenanced.</p>	<p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants. The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p>
25	<p>There has been no study conducted on the differences between the situation in 1998 when the first proposal of GSC was made and the situation prevailing today. There is nothing in the GCC's Report on whether with newer safety equipment over the past 25 years, any load at all gets transferred to the Grid or not when the generator fails or trips for any reason.</p>	<p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p>
26	<p>The levy of GSC in 1999 was proposed when the generation shortfall was prevailing, and the TSDISCOMS were going through occasional R&C periods and frequency fluctuations, etc. when the Regulator considered that the proposed levy had merits. However, the TS Grid has since improved / made many strides in Grid size, availability of power and attained stability and is one of the few Grids in the country being engaged in export of power on a steady basis. Aggregate capacity of the CPPs/generators now is relatively marginal compared to the Grid Size and no real forbearance could be possible warranting such huge and arbitrary levy.</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
27	<p>Generators have repeatedly expressed their willingness to provide additional protections</p>	

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	in their facilities as desired by the grid to see that no untoward load throwbacks or fault currents or reactive power surges happen.	
28	There is also no study on whether or how many times such a situation of tripping has occurred in the State of Telangana, and what the immediate impact on the Grid was. Without such foundational aspects being addressed, the GCC's recommendation cannot be looked into.	
29	In many cases, the CPP installed capacities are much higher when compared to our captive load to ensure higher availability for captive use. Since the installed operating capacity of captive load is much lower than installed Capacity of Captive Power plant, it is required to connected with grid for export of surplus power through open access.	
30	When there exist regulations such as the TSERC (State Electricity Grid Code) Regulations, 2018, the TSERC (Forecasting, Scheduling, Deviation Settlement and Related Matters for Solar and Wind Generation Sources) Regulations, 2018, the TSERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2021 etc., as well as the Central Electricity Authority (Technical Standards for Connectivity to the Grid), Regulations, 2007 which already deal with the aspect of reactive power and deviation from scheduling, and injection of harmonics, as well as imposition of ToD tariffs to control demand, there is no requirement for imposing another levy relating to the same issues when the same issues stand covered by the aforesaid regulations. In fact, the SRLDC had proposed a more rational approach of billing reactive power in line with the Indian Electricity Grid Code, 2023, however, the same was not considered by the GCC at all for reasons best known to it.	Levy of Grid support charges for power plants are not only meant for reactive power drawal from the grid or deviations but also for the other technical support as stated in the above responses.
31	The finding/conclusion of the GCC of the meeting on 05.08.2023 is patently incorrect as no one but the Discoms, CESS and TSGENCO had agreed that GSC needs to be levied. Further, the conclusion that the GCC may initially support the proposal of the Discoms and then request for changes in the future based on experience is completely irrational and shows the abdication of duty of the GCC, which was formed to discuss as to whether there is a need for GSC at all.	The detailed analysis of technical support to the generators operating parallel to the grid are detailed in the GCC meetings. The technical support from the grid was accepted by the generators and requested for levy of reasonable charges for such support extended to the generators. The same is available from the minutes of the GCC meetings available in the GCC report released in October 2023.
32	The failure of the GCC to understand its function and role as assigned by this Hon 'ble Commission is also made clear by the fact that the views of a representative of an open access consumer were sought, when open access consumers have no relation to GSC at	

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	all, and such a charge can only be levied on generators.	
33	The proposed levy of GSC aims to stifle the consuming industries by this arbitrary levy, which in turn erodes the viability of the principal industry to a point that it must perform cease operations.	The generators are benefited from the technical support of the grid for parallel operation with the grid (Stability, Reactive Power Management, Fault level support). Thus the GSC is not to be compared with the demand and capacity charges.
34	Grid Support Charges cannot be a substitute for Demand or Capacity Charges which are determined on a wider basis by the regulator. So the proposed levy of Grid Support Charges based on its entire installed capacity is arbitrary, excessive and results in undue enrichment of the TSDISCOMs at the expense of CPPs/generators.	The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms. TS Discoms have taken into consideration all the views/ objections from multiple stakeholders and have proposed the modified the methodology for levy of GSC for FY 2023-24
35	<p>D. On Rate of GSC</p> <p>There is no justification at all for how rates of GSC have been arrived at. The proposed levy has no basis and is grossly excessive, arbitrary, and thus requires to be rejected. As stated above, the GCC has merely adopted the methodology used in other states, particularly in Andhra Pradesh, which is now the subject matter of appeal before the Hon 'ble APTEL.</p> <p>The methodology of using the R&M expenses and Artisans employee cost is grossly unjust and irrational as the same have already been factored into the Distribution Business of the Discoms and wheeling charges are already being levied on the basis of such approved costs in terms of this Hon'ble Commission's order in O.P.Nos.9 and 10 of 2020 . Further, even the cost of TSTRANCO's R&M expenses and Artisans employee cost has also been added, which is once again wholly unreasonable and TSTRANSCO's expenses and costs have nothing to do with the Discoms, and such expenses are already being recovered by way of transmission charges in terms of O.P.No.3 of 2019. As such, the proposed levy is nothing but double-levy for the very same costs. Any further levy of GSC amounts to illegal and unjust enrichment of the Applicant Discoms at the cost of</p>	<p>In case of a generator supplying power under open access (selling power other than the consumers in the state) the transmission/ wheeling charges are being collected by supporting the required network and such charges are payable by the generators.</p> <p>In case of a generator supplying power under open access and supplying infirm power to the grid and the consumer tied up with such generator who is having a CMD with the licensee, the transmission/ wheeling charges are being collected in addition to the demand charges as per the supply agreement.</p> <p>These demand charges doesnot reflect the entire fixed cost commitments of the licensees with the generating companies, transmission (ISTS and InSTS) and distribution network. Hence, they are liable to pay the Grid Support Charges for the exclusive technical support of said plants taken from the grid. Hence as contended the double or triple charging due to levy of Grid Support Charges doesn't arise.</p>

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S.No	Summary of Objections / Suggestions	Response of the Licensee
	<p>generating companies. In effect, the entire R&M expenses and Artisans employee costs are sought to be recovered from generators alone by completely omitting the fact that consumers are also users of the Grid and equally impact the operations of the Grid, which cannot be countenanced. Without prejudice to the above, any export of power by the generator ought to be excluded from the installed capacity and not only PPA capacities with the Discoms, as at the point of export, there is no difference if the power is exported to the Discoms or to third parties.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
36	<p>E. Further submissions in relation to Captive Power Plants: Captive Power Generation is delicensed under the Electricity Act so as to lessen the burden on the Grid in meeting the distributed loads. The provision in Para 5.2.26 of National Electricity Policy, 2005 notified by Govt of India laid emphasis on grid connectivity of captive generators even under open access regime which is reproduced below: "Under the Act, captive generators have access to licensees and would get access to consumers who are allowed open access. Grid inter-connection for captive generators shall be facilitated as per Section 30 of the Act. This should be done on priority basis to enable captive generation to become available as distributed generation along with the grid." In the spirit of this legislation and rules framed thereunder, determination of Grid Support or Parallel Operation Charge should follow the principles of transparency,</p>	<p>The facility of connecting the power plants to the grid have been extended as per the provisions in the Electricity Act 2003. However, the GSC are applicable for the technical support from the grid at large to the power plants and are liable for payment as per the judgement as given by the Apex court.</p> <p>The Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges and the same are liable for payment by the generators who are having parallel operations with the grid.</p>

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S.No	Summary of Objections / Suggestions	Response of the Licensee
	<p>actual forbearance and fair computation based on time tested methodology. The proposed levy does not meet any of these criteria and is arbitrary.</p> <p>In the case of CPPs availing Open Access for transmission and wheeling of power from the generation point to the consumption point, charges are levied as determined by the regulator from time to time. Even in these cases there is an established mechanism of UI charges which essentially address the so-called grid support or parallel operation. The proposed levy by the GCC is therefore quite arbitrary, excessive and is not supported by quantifiable data.</p>	
37	<p>The Transmission system of the Transco/Discom should be so designed that it should take care of fluctuating load of the consumer as it is the duty of the transmission licensee under Section 40 of Electricity Act, 2003. In relation to CPPs it is also submitted as follows:</p> <p>CPPs absorb some amount of harmonics whereas a consumer without CPP inject full quantum of harmonics generated to the grid.</p> <p>The unbalanced voltage of the grid is a source of negative phase sequence current which is absorbed by the generators of CPP.</p> <p>Fault level depends upon the generation capacity connected to the grid. The parallel operation of CPPs with the grid is infact beneficial with some degree of voltage support that the CPPs extend to the Grid.</p> <p>As per Regulations of Supply Code, Industries having CPPs can draw emergency power up to the capacity of largest generating unit by paying required tariff. CPP's drawl of power is limited to "start-up power" that too when there is total loss of generation of the CPP. The drawl of power for production purposes, is limited to the CMD as per the Power Supply Agreement with the DISCOM. Otherwise, penalty is attracted. Overdrawl is prevented by proper setting of the relays at the Grid Sub-station.</p> <p>It is wrong to state that active and reactive power demand due to sudden and fluctuating load are not recorded in the meter. Billing is done for all consumers by integration over 15 minutes period and this is also applicable for CPPs and so it does not result in any undue advantage.</p> <p>Due to injection of power by CPPs the load on the transformers in the grid reduces resulting in less transformer loss.</p>	<p>The support extended from the grid to the power plants in the event of the fault at the generator end is much higher than the support received by the grid in the event of faults occurred at the grid level.</p>

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S.No	Summary of Objections / Suggestions	Response of the Licensee
	<p>The CPP are acting as distributed generator at the load center for which the transmission and distribution loss has been reduced to great extent.</p>	<p>Injection of power by the CPPs into the grid and withdrawal of power at its destination will also aid the transmission and distribution losses. Majority of the captive plants having captive loads have not tied-up the CMDs with Discoms to the extent of entire CPP loads and thereby the Discoms are not gaining any benefit out of it.</p>
38	<p>As per Section 7 of the Electricity Act, 2003 any generating company may establish operate and maintain a generating station if it complies with State Grid Code and standards of grid connectivity as referred in Section 73 (b) of the Act. Both Tariff Policy and National Electricity Policy emphasizes the need for unhindered connectivity of CPPs to the grid. The proposed and arbitrary quantum of Grid Support Charge makes the captive power generation unviable and the spirit of the act and the rules framed thereunder are thus vitiated.</p> <p>There is no provision in the statute that empowers the DISCOMS to levy Grid Support Charges on the CPPs. They, on the other hand are benefited as CPPs absorb some amount of harmonics. On the contrary consumer without CPPs transmit full quantum of harmonics to the grid. The DISCOMs/TRANSCO is not taking any step to install suitable equipment to filter the harmonics and injecting those pollutants to the grid for which the CPPs are forced to suffer. The grid voltage is always unbalanced due to various categories of consumers and hence is a source of negative phase sequence current which cause stress on the generators of CPPs.</p>	<p>The Grid Support charges are proposed to levy on the generators who intended to use and benefit from parallel operation. Hence the proposal of Grid Support charges for FY 2023-24 are well within the provisions of Act.</p> <p>However, the full Bench of Tribunal in Appeal No. 120 of 2009 relating to Parallel Operation Charges(Grid Support Charges) in Chhathisgarh by Order dated 18.02.2011 held that the State Commission is empowered to deal with the question as to whether the levy of parallel operation charges is permissible or not. This aspect has been dealt with by this Tribunal in judgment dated 12.9.2006 in Appeal No.99 of 2006. In the said judgment, this Tribunal upheld the levy of parallel operation charges by the State Commission.</p> <p>Further, the Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges.</p>
39	<p>It is relevant to mention the observation and comments of The Hon'ble Orissa Electricity Regulatory Commission in a similar matter, in its Order dated 31.03.2014 in Case No. 46/2012, the excerpt of which is as follows:</p> <p>Para-16 of Order:</p> <p>"After going through the submission of various stake holders of the grid system we conclude that the behaviour of industries having CGPs and also without CGPs varies case to case basis. There are ample provisions in the Odisha Grid Code to regulate the</p>	

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S.No	Summary of Objections / Suggestions	Response of the Licensee
	<p>behaviour of entities connected to the OPTCL system. Hence, a generic method of calculation of Grid Support Charges for all industries may not be proper. The Petitioner has failed to Silbmlt a State-wide study before us on which a decision could have been taken. One solution fits all can 't be applicable here. So implementation of a model of another State in our State will not be proper.»</p> <p>Para- 17 of Order:</p> <p>"There are enough provisions in Odisha Grid Code, 2006 to maintain quality supply in the grid system. Regulation 4.7 of Odisha Grid Code discuss elaborately the ideal behaviour of constituent of the Grid. OPTCL should play the role of watchdog and analyze the pollutant injected by various constituents of the grid system. CGPs and industries injecting pollution should be directed to take up remedial measures like installation of capacitors, filters for harmonics, etc. so that grid pollution will be minimized. The non-compliance by any industry or industry having CGP of the Grid Code should be dealt as per Regulation 1.18 of OGC, 2006. Therefore, the prayer of OPTCL for levy of Grid Support Charges is not acceptable.</p>	
40	<p>For the various reasons cited above, the Grid situation requires to be thoroughly reviewed with reference to the fact whether the Grid suffers any forbearance in providing parallel operations of CPPs, and in the absence of such a thorough and proper review, the present proposal of levy of GSC ought not to be accepted.</p>	<p>As per the analysis and technical study conducted by the GCC, the power plants operating in parallel to the grid are taking the support from the larger grid in the event of faults and other parameters which are affecting the grid and concluded that the GSC are to be levied.</p>
41	<p>Prayer</p> <p>That, in view of the above, we pray that the Hon 'ble Commission may be graciously pleased to</p> <p>a. reject the proposal levy of Grid Support Charges as there is no such provision in the Statute/Electricity Act, whereas the STU /Transmission and Distribution Licensees are duty bound under Section 39 and 40 of the Electricity Act, 2003 and the National Electricity Policy, 2005 to provide connectivity to the CPPs like any generating station;</p> <p>b. In the event the Hon'ble Commission holds the proposal of GSC is valid, within the powers and jurisdiction and are leviable, it is prayed to engage an independent reputed third party to conduct a thorough system study and technical issues concerning power load throwbacks by CPPS/consuming industries, power harmonics</p>	<p>Responses to the individual objections are provided in the above sections.</p>

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S.No	Summary of Objections / Suggestions	Response of the Licensee
	<p>in parallel operation of CPPs, size of the CPPs and judiciously arrive at a reasonable charge as has been done by other state Commissions/governments TS DISCOMS also should pursue this best practice to obtain an arm's length analysis and fair rates for all constituents;</p> <p>c. To hold the levy till the third-party analysis is completed to the satisfaction of the Hon'ble TSERC;</p> <p>d. Consider our foregoing objections, grant us a personal hearing and grant leave to adduce further evidential data in our support at the time Of hearing;</p> <p>e. It is also requested to permit us to submit further submission, if any, during the course of public hearing either by our representative or legal counsel.</p>	

13. Response to M/s SRI SURYANARAYANA SWAMY SOLAR POWER Pvt Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>We respectfully submit that the original proposal for Grid Support Charges (GSC) only intended to impose these charges on co-located captive generating stations. The rationale behind this was that these stations benefit from the grid's support in the form of backup power in the event of failure of their captive generating station. However, the GCC, led by a majority of utility officers, has expanded the scope of this levy on all generating stations without sufficient justification, disregarding the opinions of the majority of industry members.</p> <p>The solar plants meet their auxiliary power requirement through a separate HT connection.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
2	<p>We respectfully submit that the issue of the applicability and imposition of GSC has been addressed by the Honorable APTEL in its Judgment dated 14.12.2023 in Appeal No. 228 of 2022 & IA No. 1962 of 2023, IA No. 722 of 2022, IA No. 1014 of 2023 And Appeal No. 391 of 2023 & IA No. 1323 of 2022, IA No. 1025 of 2023 (Rain CII Carbon (Vizag) Ltd VS APERC, APSPDCL, APEPDCL & APTRANSCO).</p> <p>Key findings of the above mentioned APTEL Judgment are summarized below:</p> <p>1. Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying Grid Support Charges even for the capacity which is sold to 3rd parties (Para 10)</p>	<p>The power generators enter into the connection agreement with the licensee for operating the generation unit by connecting to the grid. As the total capacity of the generator is connected to the grid at the same point of the generator, there is no separate connection agreement for these generators (for connection to the grid) to the extent of capacity sold to the third parties.</p> <p>Moreover, the technical support taken by the generation unit from Grid is as per its capacity connected to the Grid.</p> <p>As per the APTEL order if GSC is not to be levied to the extent of capacity sold to third parties, Discoms are left with no other choice but to delink such additional capacity of the generator, from the grid.</p>

13. Response to M/s SRI SURYANARAYANA SWAMY SOLAR POWER Pvt Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p>The Discoms are not collecting the GSC charges separately on the capacity sold to the third parties and the generator is solely responsible for the payment of GSC to the extent of capacity connected to the grid.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with committee members representing various generators.</p>
4	<p>2. There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support charges on non-captive power plants (Para 26),</p> <p>3. It is important to note here that this Tribunal has rendered the findings limited to CPPs, further, the various supports as categorized by this Tribunal including the fluctuations in the load of CPP, absorption of harmonics, negative phase sequence current generation by unbalance loads, higher fault level support, stability to the load during start of heavy loads like HT motors also, variation in the voltage and frequency, impact created by sudden load throw off, generation of transient surges are the characteristics of loads and are created by such loads, the generating stations which are not self-consuming the power, i.e. not having the captive loads, cannot be said to be drawing such a support from the grid [Para 66].</p>	<p>There is no differentiation between the captive and non-captive generation as far as the grid connectivity is concerned.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p>
6	<p>APTEL through this Judgment, also settled the following position of law:</p> <p>22. Co-Generation Plant, operating parallel to the grid, can be levied with Grid Support Charges only when it is a Captive Power Plant and consuming more than 51% of the energy produced by such plant [Paras 78 and 80].</p> <p>23. State Commission has powers to determine and impose Grid Support Charges on Captive Power Plants [Paras 62 and 70].</p> <p>24. No reason has been provided by APERC in excluding the generators from the paying Grid Support Charges who have signed PPAs with Discoms [Para 73].</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
9	<p>The summary of the Judgment is Levy of Grid Support Charges on non-captive power plant shall be limited to only the power consumed by the co-located load and it is not applicable on all other modes of operation of power plants</p>	

14. Response to M/s MY HOME INDUSTRIES Pvt LTD

S.No	Summary of Objections / Suggestions	Response of the Licensee
1	<p>While filing the Tariff Proposals (ARR) for FY 2023-24, the Distribution Licensees in Telangana have proposed, inter alia, a levy of Grid Support Charges ("GSC") on all the power generating plants in Telangana for parallel operation with the Grid. This Hon'ble Commission vide its Order dt.24.03.2023 in O.P.Nos.80 and 81 of 2023 was pleased to refer the matter to the 'Grid Coordination Committee' for undertaking a detailed analysis on the issue. The Grid Coordination Committee has also submitted its report dated 07.10.2023 recommending the levy of GSC for all generators. The Objector has gone through the proposal of the DISCOMs and the report of the Grid Coordination Committee. In the above Inatter, this Hon'ble Commission has invited the stakeholders to file their comments/suggestions/objection, if any, on or before 27.12.2023.</p>	No comments
2	<p>Grid Support Charges (GSC) were initially levied by the erstwhile Hon 'ble APERC vide Order in O.P.No. 1 of 1999 dated 08.02.2002 in the context of the AP Electricity Reform Act, 1998. The GSC order was implemented vide Tariff Order FY 2002-03 from 01.04.2002. The same was challenged before the Hon'ble High Court for the erstwhile State of A.P which was decided in favour of the generators/Captive Power Producers (CPPs) and the levy of grid support charges was set aside. An Appeal was filed by APTransco (Civil Appeal No. 4569 of 2003) in the Hon'ble Supreme Court. The Hon'ble Supreme Court, vide its judgement dated 29.11.2019 affirmed the orders ofthe erstwhile Commission.</p>	No Comments
3	<p>It is pertinent to note that the prevailing conditions during 2002 and the present are totally different. When the Act is not in existence, there was no concept of Open Access, Transmission and Wheeling. The same were allowed by means of mutually agreed agreements at that time.</p>	No Comments
4	<p>It is also pertinent to note that the erstwhile APERC was constituted under the AP Electricity Reform Act, 1998, and passed the order in O.P.No.1 of 1999 in exercise of its powers under the said Act. The Order in O.P.No.1 of 1999 levied GSC on sole basis that in the event captive power plants were to fail, there would be a momentary transfer of the load to the Grid, which would result in stress on the Grid and corresponding wear and tear of machinery, and it was this wear and tear that was sought to be compensated by way of GSC.</p>	No Comments
5	<p>II. THE IMPACT OF THE ELECTRICITY ACT, 2003: In 2003, the Electricity Act, 2003 ("Act") came into force. The Act brought in substantial changes to the previous regime, including the establishment of State Commissions, delicensing of Generation, unbundling of transmission and distribution,</p>	No Comments

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S.No	Summary of Objections / Suggestions	Response of the Licensee
	<p>specification of tariffs and charges, crystallized the scheme of Open Access, brought in procedures and standards to enforce discipline, etc, However, it left the Commissions established by States under earlier State enactments (such as the AP Electricity Reform Act, 1998) untouched and treated them to be Commissions established under the Act, essentially conferring them with powers under both Acts, in as much as the State enactments were not in derogation to the Act.</p>	
6	<p>Open Access was introduced under Section 42 of the Act, in pursuance to which APERC Regulation Nos.2 of 2005 and 2 of 2006 were also promulgated by the erstwhile Commission.</p> <p>No jurisdiction to Propose or Levy GSC:</p> <p>Under the provisions of the Act, separate entities, being the SLDC/RLDC/NLDC were created to take care of the Grid. SLDC/RLDC is responsible for maintainin grid security, Load forecasting, scheduling and dispatching and balancing of generation and demand (load). The ARR of SLDC was already approved in the MYT Tariff 2021-23. The DISCOMs have no role in maintaining Grid security and have to comply with the directions issued by SLDC/RLDC. Hence, in the present scenario, there is no need to propose GSC by DISCOMs and the DISCOMs have no role in seeking GSC at all</p>	<p>The grid support charges are being proposed by the Distribution Licensees on generators who are having parallel operation of Power generation with grid. Typically, any direct or indirect impact on transmission system due to faults at Generator units running in parallel with grid will be loaded on to the Distribution Licensees and are required to compensate the Transmission system and SLDC.</p> <p>The advantages of parallel operation with the grid are benefited by the generators in addition to other facilities of other consumers. In view of the additional benefits than the normal other consumers, the generators who intended to use and benefit from parallel operation need to compensate through Grid Support charges.</p>
7	<p>The Applicant DISCOMs are responsible for their distribution business only and can at most levy wheeling charges, and nothing more. Any GSC as sought to be levied would have to be proposed and substantiated by TSSLDC, being the entity tasked with grid security under the Act. Therefore, DISCOMs have nothing to do with GSC. The ARR of the Applicant DISCOMs Distribution Business is recovered through wheeling charges as approved in the relevant MYT orders. As such, the Applicant DISCOMs have no role in proposing GSC, and certainly not at 132 KV voltage.</p>	<p>The said Grid Support charges are not part of Retail Supply Tariffs and these charges are proposed to levy on the generators who intended to use and benefit from parallel operation. Hence the proposal of Grid Support charges for FY 2023-24 are well within the provisions of Act.</p>
8.	<p>It is also pertinent to note that this Hon'ble Commission is constituted under the Act, and thus the earlier AP Electricity Reform Act, 1998 under which GSC were earlier determined is neither applicable nor relevant in the present day. The Act, 2003 specifically lays down the charges and tariffs to be collected, and no charges beyond what is prescribed can be levied. Admittedly, there is no charge such as GSC mentioned in the Act or the regulations, let alone under S .62 under which the present petitions are</p>	<p>However, the full Bench of Tribunal in Appeal No. 120 of 2009 relating to Parallel Operation Charges(Grid Support Charges) in Chhathisgarh by Order dated 18.02.2011 stated that <i>the State Commission is empowered to deal with the question as to whether the levy of parallel operation charges is permissible or not. This aspect has been dealt with by this Tribunal in judgment dated</i></p>

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S.No	Summary of Objections / Suggestions	Response of the Licensee
	filed, and as such, any such proposal to levy GSC is without jurisdiction.	<i>12.9.2006 in Appeal No.99 of 2006. In the said judgment, this Tribunal upheld</i>
9.	It is thus submitted that the scope of present ARR for Retail Supply Business for FY2023-24 should be strictly confined in terms of Section 62 of the Act r/w Regulation 4 of 2005 as adopted under Regulation I of 2014, and Section 42 of the Act for the purpose of determination of CSS and any proposal of the Applicant DISCOMs to levy GSC is itself misconceived and patently without jurisdiction.	<i>the levy of parallel operation charges by the State Commission. Further, the Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges.</i>
10	Strangely, the Grid Coordination Committee does not consider the competence or the jurisdiction of the Discoms in proposing a levy of GSC, which is ultra-vires the provisions of the electricity Act, 2003 ("Act").	By virtue of above judgements, the TS Discoms are entitled to levy GSC on the generators who have established power plants,who intended to use and benefit from parallel operation.
11	At the outset, it is submitted that there has been no proper consultation with the stakeholders, domain experts, representatives of various industries, particularly generators using power for captive use, co-generators or partly for selfconsumption and remaining for export, and those generators who exclusively sell power.	GCC has organized multiple meetings with committee members representing various generators where the views/ objections were received, and the TS Discoms have timely addressed such views/ objections orally during the meetings and also through written submissions to GCC for further response to the participants.
12	Majority of GCC members are non-related and non-affected parties in terms of grid support charges, as such, the matter cannot be decided based on their recommendation.	Based on the submissions from multiple stakeholders a technical support analysis for grid support was carried out by GCC and confirmed the technical support during faults and arrived at the conclusion that the generator receives benefits due to the larger grid.
13	One of the GCC member and generator, 'Nava Bharat' had categorically opposed and disagreed the proposed GSC, which it seems that the Committee had ignored the recommendations of the member/ generator.	TS Discoms have also addressed the views/ objections of consumers regarding the levy of GSC during the public hearings conducted on the ARR filings of Discoms.
		After considering the submission/ comments of various stakeholders during the meetings from the members representing various generators and a technical study is conducted and the report by GCC was released in October 2023 after taking into consideration all the views/ objections of all the stakeholders.
14	Further, there has been no notice wherein parties who would be affected by the proposal for levy of GSC have been informed of the proceedings before the GCC, rather, it	The GCC has invited members representing various generators and after consideration of comments/ objections has finalized the report which is evident

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S.No	Summary of Objections / Suggestions	Response of the Licensee
	appears that the GCC has arbitrarily appointed "representatives" of various categories by itself without any basis.	from the report.
15	The Report of the GCC ("Report") primarily proceeds on the input give by the Discoms and there is neither an endeavor nor any effort made to inspect and analyze the power plants with reference to the various factors in the Report which allege to support the Grid.	GCC has independently conducted detailed analysis and study on various types of power plants (thermal and renewable) and organized meetings with committee members representing various generators where the detailed justification and analysis of TS Discoms are presented. The Views/ objections from the stakeholders are also addressed during these meetings. GCC has released a detailed report in October 2023 after taking into consideration their own study and the submissions by multiple stakeholders.
16	The report appears to be prepared based on short-term data relating to a single unnamed solar generator, which cannot be said to be a proper standard of analysis.	
17	The assignment given to the GCC was to was to go into the technicalities of the matter while analyzing what kind of service is rendered by the operator of the Grid and as to who benefits from such service, and as to what contributes to grid stabilization and under what circumstances there is a dependency on the Grid and the matters incidental thereto. However, the Report instead attempts to focus on the Justifying the rate of charges to be collected which is the function of this Hon'ble Commission.	
18	The Report is does not place any cogent justificationand is inconclusive without any basis and in the absence of proper consultation with the stakeholders, the same cannot be considered.	
19	The Report heavily relies on and refers to the GSC determined by the Hon 'ble APERC, which is now the subject matter of challenge before the Hon 'ble APTEL and at present, there is a stay on the collection of GSC including by way of interim orders dated 20.05.2022 in DFR No. 186/2022 and 01.07.2022 in DFR Nos.240/2022, 241/2022 and 271/2022.	
20	<p>B. Determination of GSC by the Hon'ble APERC: The Hon'ble APERC determined GSC in the Retail Supply Tariff Order for FY . 2022-23 and FY 2023-24 which is referred to by the Report of the GCC. The said orders have been challenged by various generators as follows:</p> <ul style="list-style-type: none"> a. Appeal Nos.228 of 2022 and 391 of 2023: Rain CII Carbon (Vizag) Ltd. vs APERC and Ors. b. Appeal No.388 of 2023 and batch: Ultratech Cements Ltd. vs APERC and Ors. c. Appeal Nos.330 of 2023 and batch: AP Textile Mills Association and Ors. vs APERC and Ors. 	<p>The Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges and the same are liable for payment by the generators who are having parallel operations with the grid.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants. By the virtue of the Apex court order all the generators</p>

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21	<p>The Hon'ble APTEL had earlier stayed the collection of GSC by way of an interim order in Appeal No.228 of 2022, and consequently the determination of GSC on generators who operate co-generation plants and who export power has been held to be illegal and the appeals were allowed by way of Judgement dated 14.12.2023. In the said judgement, it was categorically held that there cannot be any GSC on IPPs and even with respect to co-generation plants which do not meet the status of captive power plants, such power plants cannot be made liable to pay GSC. Further it was also held that co-location of generation and consumption units is sine qua non for imposition of GSC. The relevant extracts of the said judgement are as follows:</p> <p>"79. Every Co-generation Plant cannot be termed to be a CPP, the Supreme Court in the case of SC Judgment has considered only CPPs to be liable for payment of GSC, therefore, in case a power plant is not a CPP. such power plants cannot be made liable to pay GSC.</p> <p>80. Even the case of Shree Renuka Sagars (Supra) does not considered the aspect where a Co-generation plant does not qualify as a CPP, in order to be liable for payment of GSC, an IPP must be co-located with the grid and should be categorized as CPP, these two conditions are necessary for imposition of GSC and absence of any one of them will exempt a plant from payment of GSC.</p> <p>81. As seen from above, the State Commission passed the Impugned Order relying upon the SC Judgment and the Tribunal Judgments which are rendered in respect of CPPs having captive loads, however, extended the same by including the IPPs and noncaptive Cogeneration Plants, further, excluded the IPPs which have signed PPAs with the distribution licensees, without having any statistical data or study carried out and without providing reasons and justification."</p>	<p>are liable for payment of GSC.</p>
22	<p>In the said judgment, since the Hon'ble APTEL had set aside the imposition of GSC based on the status of the plant, it had not gone into the merits of determination of GSC. However, the factors and merits relating to determination of GSC have been canvassed in Appeal Nos.330 and 388 of 2023. Appeal No.388 of 2023 and batch have been heard and are reserved for orders, whereas Appeal No.330 of 2023 and batch have been heard in part and are pending consideration before the Hon 'ble APTEL.</p>	
23	<p>The judgments in Appeal No.228 of 2022 and batch, as well as those to be rendered in the other pending appeals would have a direct bearing on the levy of GSC as well as the</p>	

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	<p>method and manner in which it would have to be determined. Therefore, propriety may require that the exercise of determination of GSC or otherwise be delinked with the exercise of determination of ARR and initiate separate proceedings to carry out the ongoing exercise.</p>	
24	<p>C. On Levy of GSC The Report of the GCC has proposed Grid Support Charges for all generators, including captive, cogeneration, merchant power plants/IPPs, rooftop power plants etc., which is completely against the reasoning of GSC in the first place. Co-location of the generator and the corresponding load is a sine-qua-non for imposition of GSC. There has been no study conducted as to how many or what type of generators exist in the State of Telangana, and as to how many of them are captive plants, the method of operation, whether they entirely or partly consume power for themselves, or the nature of their fuel/operation etc., and as to the impact which they would cause to the Grid, if any. Without such basic parameters even being looked into, the GCC's action in recommending levy of GSC is completely irrational and ought not to be countenanced.</p>	<p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants. The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p>
25	<p>There has been no study conducted on the differences between the situation in 1998 when the first proposal of GSC was made and the situation prevailing today. There is nothing in the GCC's Report on whether with newer safety equipment over the past 25 years, any load at all gets transferred to the Grid or not when the generator fails or trips for any reason.</p>	<p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p>
26	<p>The levy of GSC in 1999 was proposed when the generation shortfall was prevailing, and the TSDISCOMS were going through occasional R&C periods and frequency fluctuations, etc. when the Regulator considered that the proposed levy had merits. However, the TS Grid has since improved / made many strides in Grid size, availability of power and attained stability and is one of the few Grids in the country being engaged in export of power on a steady basis. Aggregate capacity of the CPPs/generators now is relatively marginal compared to the Grid Size and no real forbearance could be possible warranting such huge and arbitrary levy.</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
27	<p>Generators have repeatedly expressed their willingness to provide additional protections in their facilities as desired by the grid to see that no untoward load throwbacks or fault currents or reactive power surges happen.</p>	

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28	There is also no study on whether or how many times such a situation of tripping has occurred in the State of Telangana, and what the immediate impact on the Grid was. Without such foundational aspects being addressed, the GCC's recommendation cannot be looked into.	
29	In many cases, the CPP installed capacities are much higher when compared to our captive load to ensure higher availability for captive use. Since the installed operating capacity of captive load is much lower than installed Capacity of Captive Power plant, it is required to connected with grid for export of surplus power through open access.	
30	When there exist regulations such as the TSERC (State Electricity Grid Code) Regulations, 2018, the TSERC (Forecasting, Scheduling, Deviation Settlement and Related Matters for Solar and Wind Generation Sources) Regulations, 2018, the TSERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2021 etc., as well as the Central Electricity Authority (Technical Standards for Connectivity to the Grid), Regulations, 2007 which already deal with the aspect of reactive power and deviation from scheduling, and injection of harmonics, as well as imposition of ToD tariffs to control demand, there is no requirement for imposing another levy relating to the same issues when the same issues stand covered by the aforesaid regulations. In fact, the SRLDC had proposed a more rational approach of billing reactive power in line with the Indian Electricity Grid Code, 2023, however, the same was not considered by the GCC at all for reasons best known to it.	Levy of Grid support charges for power plants are not only meant for reactive power drawal from the grid or deviations but also for the other technical support as stated in the above responses.
31	The finding/conclusion of the GCC of the meeting on 05.08.2023 is patently incorrect as no one but the Discoms, CESS and TSGENCO had agreed that GSC needs to be levied. Further, the conclusion that the GCC may initially support the proposal of the Discoms and then request for changes in the future based on experience is completely irrational and shows the abdication of duty of the GCC, which was formed to discuss as to whether there is a need for GSC at all.	The detailed analysis of technical support to the generators operating parallel to the grid are detailed in the GCC meetings. The technical support from the grid was accepted by the generators and requested for levy of reasonable charges for such support extended to the generators. The same is available from the minutes of the GCC meetings available in the GCC report released in October 2023.
32	The failure of the GCC to understand its function and role as assigned by this Hon 'ble Commission is also made clear by the fact that the views of a representative of an open access consumer were sought, when open access consumers have no relation to GSC at all, and such a charge can only be levied on generators.	
33	The proposed levy of GSC aims to stifle the consuming industries by this arbitrary levy,	The generators are benefited from the technical support of the grid for parallel

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	<p>which in turn erodes the viability of the principal industry to a point that it must perform cease operations.</p>	<p>operation with the grid (Stability, Reactive Power Management, Fault level support). Thus the GSC is not to be compared with the demand and capacity charges.</p>
34	<p>Grid Support Charges cannot be a substitute for Demand or Capacity Charges which are determined on a wider basis by the regulator. So the proposed levy of Grid Support Charges based on its entire installed capacity is arbitrary, excessive and results in undue enrichment of the TSDISCOMs at the expense of CPPs/generators.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms. TS Discoms have taken into consideration all the views/ objections from multiple stakeholders and have proposed the modified the methodology for levy of GSC for FY 2023-24</p>
35	<p>D. On Rate of GSC There is no justification at all for how rates of GSC have been arrived at. The proposed levy has no basis and is grossly excessive, arbitrary, and thus requires to be rejected. As stated above, the GCC has merely adopted the methodology used in other states, particularly in Andhra Pradesh, which is now the subject matter of appeal before the Hon 'ble APTEL. The methodology of using the R&M expenses and Artisans employee cost is grossly unjust and irrational as the same have already been factored into the Distribution Business of the Discoms and wheeling charges are already being levied on the basis of such approved costs in terms of this Hon'ble Commission's order in O.P.Nos.9 and 10 of 2020 . Further, even the cost of TSTRANCO's R&M expenses and Artisans employee cost has also been added, which is once again wholly unreasonable and TSTRANSCO's expenses and costs have nothing to do with the Discoms, and such expenses are already being recovered by way of transmission charges in terms of O.P.No.3 of 2019. As such, the proposed levy is nothing but double-levy for the very same costs. Any further levy of GSC amounts to illegal and unjust enrichment of the Applicant Discoms at the cost of generating companies. In effect, the entire R&M expenses and Artisans employee costs are sought to be recovered from generators alone by completely omitting the fact that consumers are</p>	<p>In case of a generator supplying power under open access (selling power other than the consumers in the state) the transmission/ wheeling charges are being collected by supporting the required network and such charges are payable by the generators.</p> <p>In case of a generator supplying power under open access and supplying infirm power to the grid and the consumer tied up with such generator who is having a CMD with the licensee, the transmission/ wheeling charges are being collected in addition to the demand charges as per the supply agreement.</p> <p>These demand charges doesnot reflect the entire fixed cost commitments of the licensees with the generating companies, transmission (ISTS and InSTS) and distribution network. Hence, they are liable to pay the Grid Support Charges for the exclusive technical support of said plants taken from the grid. Hence as contended the double or triple charging due to levy of Grid Support Charges doesn't arise.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders</p>

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	<p>also users of the Grid and equally impact the operations of the Grid, which cannot be countenanced.</p> <p>Without prejudice to the above, any export of power by the generator ought to be excluded from the installed capacity and not only PPA capacities with the Discoms, as at the point of export, there is no difference if the power is exported to the Discoms or to third parties.</p>	<p>during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
36	<p>E. Further submissions in relation to Captive Power Plants:</p> <p>Captive Power Generation is delicensed under the Electricity Act so as to lessen the burden on the Grid in meeting the distributed loads. The provision in Para 5.2.26 of National Electricity Policy, 2005 notified by Govt of India laid emphasis on grid connectivity of captive generators even under open access regime which is reproduced below:</p> <p>"Under the Act, captive generators have access to licensees and would get access to consumers who are allowed open access. Grid inter-connection for captive generators shall be facilitated as per Section 30 of the Act. This should be done on priority basis to enable captive generation to become available as distributed generation along with the grid."</p> <p>In the spirit of this legislation and rules framed thereunder, determination of Grid Support or Parallel Operation Charge should follow the principles of transparency, actual forbearance and fair computation based on time tested methodology. The proposed levy does not meet any of these criteria and is arbitrary.</p> <p>In the case of CPPs availing Open Access for transmission and wheeling of power from</p>	<p>The facility of connecting the power plants to the grid have been extended as per the provisions in the Electricity Act 2003. However, the GSC are applicable for the technical support from the grid at large to the power plants and are liable for payment as per the judgement as given by the Apex court.</p> <p>The Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges and the same are liable for payment by the generators who are having parallel operations with the grid.</p>

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	<p>the generation point to the consumption point, charges are levied as determined by the regulator from to time. Even in these cases there is an established mechanism of UI charges which essentially address the so-called grid support or parallel operation. The proposed levy by the GCC is therefore quite arbitrary, excessive and is not supported by quantifiable data.</p>	
37	<p>The Transmission system of the Transco/Discom should be so designed that it should take care of fluctuating load of the consumer as it is the duty of the transmission licensee under Section 40 of Electricity Act, 2003. In relation to CPPs it is also submitted as follows:</p> <p>CPPs absorb some amount of harmonics whereas a consumer without CPP inject full quantum of harmonics generated to the grid.</p> <p>The unbalanced voltage of the grid is a source of negative phase sequence current which is absorbed by the generators of CPP.</p> <p>Fault level depends upon the generation capacity connected to the grid. The parallel operation of CPPs with the grid is infact beneficial with some degree of voltage support that the CPPs extend to the Grid.</p> <p>As per Regulations of Supply Code, Industries having CPPs can draw emergency power up to the capacity of largest generating unit by paying required tariff. CPP's drawl of power is limited to "start-up power" that too when there is total loss of generation of the CPP. The drawl of power for production purposes, is limited to the CMD as per the Power Supply Agreement with the DISCOM. Otherwise, penalty is attracted. Overdrawl is prevented by proper setting of the relays at the Grid Sub-station.</p> <p>It is wrong to state that active and reactive power demand due to sudden and fluctuating load are not recorded in the meter. Billing is done for all consumers by integration over 15 minutes period and this is also applicable for CPPs and so it does not result in any undue advantage.</p> <p>Due to injection of power by CPPs the load on the transformers in the grid reduces resulting in less transformer loss.</p> <p>The CPP are acting as distributed generator at the load center for which the transmission and distribution loss has been reduced to great extent.</p>	<p>The support extended from the grid to the power plants in the event of the fault at the generator end is much higher than the support received by the grid in the event of faults occurred at the grid level.</p>

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		<p>Injection of power by the CPPs into the grid and withdrawal of power at its destination will also aide the transmission and distribution losses. Majority of the captive plants having captive loads have not tied-up the CMDs with Discoms to the extent of entire CPP loads and thereby the Discoms are not gaining any benefit out of it.</p>
38	<p>As per Section 7 of the Electricity Act, 2003 any generating company may establish operate and maintain a generating station if it complies with State Grid Code and standards of grid connectivity as referred in Section 73 (b) of the Act. Both Tariff Policy and National Electricity Policy emphasizes the need for unhindered connectivity of CPPs to the grid. The proposed and arbitrary quantum of Grid Support Charge makes the captive powergeneration unviable and the spirit of the act and the rules framed thereunder are thus vitiated.</p> <p>There is no provision in the statute that empowers the DISCOMS to levy Grid Support Charges on the CPPs. They, on the other hand are benefited as CPPs absorb some amount of harmonics. On the contrary consumer without CPPs transmit full quantum of harmonics to the grid. The DISCOMS/TRANSCO is not taking any step to install suitable equipment to filter the harmonics and injecting those pollutants to the grid for which the CPPs are forced to suffer. The grid voltage is always unbalanced due to various categories of consumers and hence is a source of negative phase sequence current which cause stress on the generators of CPPs.</p>	<p>The Grid Support charges are proposed to levy on the generators who intended to use and benefit from parallel operation. Hence the proposal of Grid Support charges for FY 2023-24 are well within the provisions of Act.</p> <p>However, the full Bench of Tribunal in Appeal No. 120 of 2009 relating to Parallel Operation Charges(Grid Support Charges) in Chhathisgarh by Order dated 18.02.2011 stated that the State Commission is empowered to deal with the question as to whether the levy of parallel operation charges is permissible or not. This aspect has been dealt with by this Tribunal in judgment dated 12.9.2006 in Appeal No.99 of 2006. In the said judgment, this Tribunal upheld the levy of parallel operation charges by the State Commission.</p> <p>Further, the Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges.</p>
39	<p>It is relevant to mention the observation and comments of The Hon'ble Orissa Electricity Regulatory Commission in a similar matter, in its Order dated 31.03.2014 in Case No. 46/2012, the excerpt of which is as follows:</p> <p>Para-16 of Order:</p> <p>"After going through the submission of various stake holders of the grid system we conclude that the behaviourofindustries having CGPs and also without CGPs varies case to case basis. There are ample provisions in the Odisha Grid Code to regulate the behaviour of entities connected to the OPTCL system. Hence, a generic method of calculation of Grid Support Charges for all industries may not be proper. The Petitioner has failed to Silbmlt a State-wide study bejore us on which a decision could have been</p>	

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	<p>taken. One solution fits all can 't be applicable here. So implementation of a model of another State in our State will not be proper..”</p> <p>Para- 17 of Order:</p> <p>"There are enough provisions in Odisha Grid Code, 2006 to maintain quality supply in the grid system. Regulation 4.7 of Odisha Grid Code discuss elaborately the ideal behaviour of constituents of the Grid. OPTCL should play the role of watchdog and analyze the pollutant injected by various constituents of the grid system. CGPs and industries injecting pollution should be directed to take up remedial measures like installation of capacitors, filters for harmonics, etc. so that grid pollution will be minimized. The non-compliance by any industry or industry having CGP of the Grid Code should be dealt as per Regulation 1.18 of OGC, 2006. Therefore, the prayer of OPTCL for levy of Grid Support Charges is not acceptable.</p>	
40	<p>For the various reasons cited above, the Grid situation requires to be thoroughly reviewed with reference to the fact whether the Grid suffers any forbearance in providing parallel operations of CPPs, and in the absence of such a thorough and proper review, the present proposal of levy of GSC ought not to be accepted.</p>	<p>As per the analysis and technical study conducted by the GCC, the power plants operating in parallel to the grid are taking the support from the larger grid in the event of faults and other parameters which are affecting the grid and concluded that the GSC are to be levied.</p>
41	<p>Prayer</p> <p>That, in view of the above, we pray that the Hon 'ble Commission may be graciously pleased to</p> <ol style="list-style-type: none"> a. reject the proposal levy of Grid Support Charges as there is no such provision in the Statute/Electricity Act, whereas the STU /Transmission and Distribution Licensees are duty bound under Section 39 and 40 of the Electricity Act, 2003 and the National Electricity Policy, 2005 to provide connectivity to the CPPs like any generating station; b. In the event the Hon'ble Commission holds the proposal of GSC is valid, within the powers and jurisdiction and are leviable, it is prayed to engage an independent reputed third party to conduct a thorough system study and technical issues concerning power load throwbacks by CPPs/consuming industries, power harmonics in parallel operation of CPPs, size of the CPPs and judiciously arrive at a reasonable charge as has been done by other state Commissions/governments TS DISCOMS also should pursue this best practice to 	<p>Responses to the individual objections are provided in the above sections.</p>

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	<p>obtain an arm's length analysis and fair rates for all constituents;</p> <p>c. To hold the levy till the third-party analysis is completed to the satisfaction of the Hon'ble TSERC;</p> <p>d. Consider our foregoing objections, grant us a personal hearing and grant leave to adduce further evidential data in our support at the time Of hearing;</p> <p>e. It is also requested to permit us to submit further submission, if any, during the course of public hearing either by our representative or legal counsel.</p>	

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1	<p>While filing the Tariff Proposals (ARR) for FY 2023-24, the Distribution Licensees in Telangana have proposed, inter alia, a levy of Grid Support Charges ("GSC") on all the power generating plants in Telangana for parallel operation with the Grid. This Hon'ble Commission vide its Order dt.24.03.2023 in O.P.Nos.80 and 81 of 2023 was pleased to refer the matter to the 'Grid Coordination Committee' for undertaking a detailed analysis on the issue. The Grid Coordination Committee has also submitted its report dated 07.10.2023 recommending the levy of GSC for all generators. The Objector has gone through the proposal of the DISCOMs and the report of the Grid Coordination Committee. In the above Inatter, this Hon'ble Commission has invited the stakeholders to file their comments/suggestions/objection, if any, on or before 27.12.2023.</p>	No comments
2	<p>Grid Support Charges (GSC) were initially levied by the erstwhile Hon 'ble APERC vide Order in O.P.No. 1 of 1999 dated 08.02.2002 in the context of the AP Electricity Reform Act, 1998. The GSC order was implemented vide Tariff Order FY 2002-03 from 01.04.2002. The same was challenged before the Hon'ble High Court for the erstwhile State of A.P which was decided in favour of the generators/Captive Power Producers (CPPs) and the levy of grid support charges was set aside. An Appeal was filed by APTransco (Civil Appeal No. 4569 of 2003) in the Hon'ble Supreme Court. The Hon'ble Supreme Court, vide its judgement dated 29.11.2019 affirmed the orders ofthe erstwhile Commission.</p>	No Comments
3	<p>It is pertinent to note that the prevailing conditions during 2002 and the present are totally different. When the Act is not in existence, there was no concept of Open Access, Transmission and Wheeling. The same were allowed by means of mutually agreed agreements at that time.</p>	No Comments
4	<p>It is also pertinent to note that the erstwhile APERC was constituted under the AP Electricity Reform Act, 1998, and passed the order in O.P.No.1 of 1999 in exercise of its powers under the said Act. The Order in O.P.No.1 of 1999 levied GSC on sole basis that in the event captive power plants were to fail, there would be a momentary transfer of the load to the Grid, which would result in stress on the Grid and corresponding wear and tear of machinery, and it was this wear and tear that was sought to be compensated by way of GSC.</p>	No Comments
5	<p>II. THE IMPACT OF THE ELECTRICITY ACT, 2003: In 2003, the Electricity Act, 2003 ("Act") came into force. The Act brought in substantial changes to the previous regime, including the establishment of State Commissions, delicensing of Generation, unbundling of transmission and distribution, specification of tariffs and charges, crystallized the scheme of Open Access, brought in</p>	No Comments

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	<p>procedures and standards to enforce discipline, etc, However, it left the Commissions established by States under earlier State enactments (such as the AP Electricity Reform Act, 1998) untouched and treated them to be Commissions established under the Act, essentially conferring them with powers under both Acts, in as much as the State enactments were not in derogation to the Act.</p>	
6	<p>Open Access was introduced under Section 42 of the Act, in pursuance to which APERC Regulation Nos.2 of 2005 and 2 of 2006 were also promulgated by the erstwhile Commission. No jurisdiction to Propose or Levy GSC: Under the provisions of the Act, separate entities, being the SLDC/RLDC/NLDC were created to take care of the Grid. SLDC/RLDC is responsible for maintainin grid security, Load forecasting, scheduling and dispatching and balancing of generation and demand (load). The ARR of SLDC was already approved in the MYT Tariff 2021-23. The DISCOMs have no role in maintaining Grid security and have to comply with the directions issued by SLDC/RLDC. Hence, in the present scenario, there is no need to propose GSC by DISCOMs and the DISCOMs have no role in seeking GSC at all</p>	<p>The grid support charges are being proposed by the Distribution Licensees on generators who are having parallel operation of Power generation with grid. Typically, any direct or indirect impact on transmission system due to faults at Generator units running in parallel with grid will be loaded on to the Distribution Licensees and are required to compensate the Transmission system and SLDC.</p> <p>The advantages of parallel operation with the grid are benefited by the generators in addition to other facilities of other consumers. In view of the additional benefits than the normal other consumers, the generators who intended to use and benefit from parallel operation need to compensate through Grid Support charges.</p>
7	<p>The Applicant DISCOMs are responsible for their distribution business only and can at most levy wheeling charges, and nothing more. Any GSC as sought to be levied would have to be proposed and substantiated by TSSLDC, being the entity tasked with grid security under the Act. Therefore, DISCOMs have nothing to do with GSC. The ARR of the Applicant DISCOMs Distribution Business is recovered through wheeling charges as approved in the relevant MYT orders. As such, the Applicant DISCOMs have no role in proposing GSC, and certainly not at 132 KV voltage.</p>	<p>The said Grid Support charges are not part of Retail Supply Tariffs and these charges are proposed to levy on the generators who intended to use and benefit from parallel operation. Hence the proposal of Grid Support charges for FY 2023-24 are well within the provisions of Act.</p>
8.	<p>It is also pertinent to note that this Hon'ble Commission is constituted under the Act, and thus the earlier AP Electricity Reform Act, 1998 under which GSC were earlier determined is neither applicable nor relevant in the present day. The Act, 2003 specifically lays down the charges and tariffs to be collected, and no charges beyond what is prescribed can be levied. Admittedly, there is no charge such as GSC mentioned in the Act or the regulations, let alone under S .62 under which the present petitions are filed, and as such, any such proposal to levy GSC is without jurisdiction.</p>	<p>However, the full Bench of Tribunal in Appeal No. 120 of 2009 relating to Parallel Operation Charges(Grid Support Charges) in Chhathisgarh by Order dated 18.02.2011 stated that <i>the State Commission is empowered to deal with the question as to whether the levy of parallel operation charges is permissible or not. This aspect has been dealt with by this Tribunal in judgment dated 12.9.2006 in Appeal No.99 of 2006. In the said judgment, this Tribunal upheld</i></p>

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S.No	Summary of Objections / Suggestions	Response of the Licensee
9.	It is thus submitted that the scope of present ARR for Retail Supply Business for FY2023-24 should be strictly confined in terms of Section 62 of the Act r/w Regulation 4 of 2005 as adopted under Regulation I of 2014, and Section 42 of the Act for the purpose of determination of CSS and any proposal of the Applicant DISCOMs to levy GSC is itself misconceived and patently without jurisdiction.	<i>the levy of parallel operation charges by the State Commission.</i> Further, the Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges.
10	Strangely, the Grid Coordination Committee does not consider the competence or the jurisdiction of the Discoms in proposing a levy of GSC, which is ultra-vires the provisions of the electricity Act, 2003 ("Act").	By virtue of above judgements, the TS Discoms are entitled to levy GSC on the generators who have established power plants, who intended to use and benefit from parallel operation.
11	At the outset, it is submitted that there has been no proper consultation with the stakeholders, domain experts, representatives of various industries, particularly generators using power for captive use, co-generators or partly for selfconsumption and remaining for export, and those generators who exclusively sell power.	GCC has organized multiple meetings with committee members representing various generators where the views/ objections were received, and the TS Discoms have timely addressed such views/ objections orally during the meetings and also through written submissions to GCC for further response to the participants.
12	Majority of GCC members are non-related and non-affected parties in terms of grid support charges, as such, the matter cannot be decided based on their recommendation.	Based on the submissions from multiple stakeholders a technical support analysis for grid support was carried out by GCC and confirmed the technical support during faults and arrived at the conclusion that the generator receives benefits due to the larger grid.
13	One of the GCC member and generator, 'Nava Bharat' had categorically opposed and disagreed the proposed GSC, which it seems that the Committee had ignored the recommendations of the member/ generator.	<p>TS Discoms have also addressed the views/ objections of consumers regarding the levy of GSC during the public hearings conducted on the ARR filings of Discoms.</p> <p>After considering the submission/ comments of various stakeholders during the meetings from the members representing various generators and a technical study is conducted and the report by GCC was released in October 2023 after taking into consideration all the views/ objections of all the stakeholders.</p>
14	Further, there has been no notice wherein parties who would be affected by the proposal for levy of GSC have been informed of the proceedings before the GCC, rather, it appears that the GCC has arbitrarily appointed "representatives" of various categories	The GCC has invited members representing various generators and after consideration of comments/ objections has finalized the report which is evident from the report.

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	by itself without any basis.	
15	The Report of the GCC ("Report") primarily proceeds on the input give by the Discoms and there is neither an endeavor nor any effort made to inspect and analyze the power plants with reference to the various factors in the Report which allege to support the Grid.	GCC has independently conducted detailed analysis and study on various types of power plants (thermal and renewable) and organized meetings with committee members representing various generators where the detailed justification and analysis of TS Discoms are presented. The Views/ objections from the stakeholders are also addressed during these meetings. GCC has released a detailed report in October 2023 after taking into consideration their own study and the submissions by multiple stakeholders.
16	The report appears to be prepared based on short-term data relating to a single unnamed solar generator, which cannot be said to be a proper standard of analysis.	
17	The assignment given to the GCC was to go into the technicalities of the matter while analyzing what kind of service is rendered by the operator of the Grid and as to who benefits from such service, and as to what contributes to grid stabilization and under what circumstances there is a dependency on the Grid and the matters incidental thereto. However, the Report instead attempts to focus on the Justifying the rate of charges to be collected which is the function of this Hon'ble Commission.	
18	The Report is does not place any cogent justificationand is inconclusive without any basis and in the absence of proper consultation with the stakeholders, the same cannot be considered.	
19	The Report heavily relies on and refers to the GSC determined by the Hon 'ble APERC, which is now the subject matter of challenge before the Hon 'ble APTEL and at present, there is a stay on the collection of GSC including by way of interim orders dated 20.05.2022 in DFR No. 186/2022 and 01.07.2022 in DFR Nos.240/2022, 241/2022 and 271/2022.	
20	<p>B. Determination of GSC by the Hon'ble APERC: The Hon'ble APERC determined GSC in the Retail Supply Tariff Order for FY . 2022-23 and FY 2023-24 which is referred to by the Report of the GCC. The said orders have been challenged by various generators as follows:</p> <p>a. Appeal Nos.228 of 2022 and 391 of 2023: Rain CII Carbon (Vizag) Ltd. vs APERC and Ors.</p> <p>b. Appeal No.388 of 2023 and batch: Ultratech Cements Ltd. vs APERC and Ors.</p> <p>c. Appeal Nos.330 of 2023 and batch: AP Textile Mills Association and Ors. vs APERC and Ors.</p>	<p>The Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges and the same are liable for payment by the generators who are having parallel operations with the grid.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants. By the virtue of the Apex court order all the generators</p>

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21	<p>The Hon'ble APTEL had earlier stayed the collection of GSC by way of an interim order in Appeal No.228 of 2022, and consequently the determination of GSC on generators who operate co-generation plants and who export power has been held to be illegal and the appeals were allowed by way of Judgement dated 14.12.2023. In the said judgement, it was categorically held that there cannot be any GSC on IPPs and even with respect to co-generation plants which do not meet the status of captive power plants, such power plants cannot be made liable to pay GSC. Further it was also held that co-location of generation and consumption units is sine qua non for imposition of GSC. The relevant extracts of the said judgement are as follows:</p> <p>"79. Every Co-generation Plant cannot be termed to be a CPP, the Supreme Court in the case of SC Judgment has considered only CPPs to be liable for payment of GSC, therefore, in case a power plant is not a CPP. such power plants cannot be made liable to pay GSC.</p> <p>80. Even the case of Shree Renuka Sagar (Supra) does not consider the aspect where a Co-generation plant does not qualify as a CPP, in order to be liable for payment of GSC, an IPP must be co-located with the grid and should be categorized as CPP, these two conditions are necessary for imposition of GSC and absence of any one of them will exempt a plant from payment of GSC.</p> <p>81. As seen from above, the State Commission passed the Impugned Order relying upon the SC Judgment and the Tribunal Judgments which are rendered in respect of CPPs having captive loads, however, extended the same by including the IPPs and non-captive Cogeneration Plants, further, excluded the IPPs which have signed PPAs with the distribution licensees, without having any statistical data or study carried out and without providing reasons and justification."</p>	<p>are liable for payment of GSC.</p>
22	<p>In the said judgment, since the Hon'ble APTEL had set aside the imposition of GSC based on the status of the plant, it had not gone into the merits of determination of GSC. However, the factors and merits relating to determination of GSC have been canvassed in Appeal Nos.330 and 388 of 2023. Appeal No.388 of 2023 and batch have been heard and are reserved for orders, whereas Appeal No.330 of 2023 and batch have been heard in part and are pending consideration before the Hon 'ble APTEL.</p>	
23	<p>The judgments in Appeal No.228 of 2022 and batch, as well as those to be rendered in the other pending appeals would have a direct bearing on the levy of GSC as well as the</p>	

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	<p>method and manner in which it would have to be determined. Therefore, propriety may require that the exercise of determination of GSC or otherwise be delinked with the exercise of determination of ARR and initiate separate proceedings to carry out the ongoing exercise.</p>	
24	<p>C. On Levy of GSC The Report of the GCC has proposed Grid Support Charges for all generators, including captive, cogeneration, merchant power plants/IPPs, rooftop power plants etc., which is completely against the reasoning of GSC in the first place. Co-location of the generator and the corresponding load is a sine-qua-non for imposition of GSC. There has been no study conducted as to how many or what type of generators exist in the State of Telangana, and as to how many of them are captive plants, the method of operation, whether they entirely or partly consume power for themselves, or the nature of their fuel/operation etc., and as to the impact which they would cause to the Grid, if any. Without such basic parameters even being looked into, the GCC's action in recommending levy of GSC is completely irrational and ought not to be countenanced.</p>	<p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants. The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p>
25	<p>There has been no study conducted on the differences between the situation in 1998 when the first proposal of GSC was made and the situation prevailing today. There is nothing in the GCC's Report on whether with newer safety equipment over the past 25 years, any load at all gets transferred to the Grid or not when the generator fails or trips for any reason.</p>	<p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p>
26	<p>The levy of GSC in 1999 was proposed when the generation shortfall was prevailing, and the TSDISCOMS were going through occasional R&C periods and frequency fluctuations, etc. when the Regulator considered that the proposed levy had merits. However, the TS Grid has since improved / made many strides in Grid size, availability of power and attained stability and is one of the few Grids in the country being engaged in export of power on a steady basis. Aggregate capacity of the CPPs/generators now is relatively marginal compared to the Grid Size and no real forbearance could be possible warranting such huge and arbitrary levy.</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
27	<p>Generators have repeatedly expressed their willingness to provide additional protections in their facilities as desired by the grid to see that no untoward load throwbacks or fault currents or reactive power surges happen.</p>	

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28	There is also no study on whether or how many times such a situation of tripping has occurred in the State of Telangana, and what the immediate impact on the Grid was. Without such foundational aspects being addressed, the GCC's recommendation cannot be looked into.	
29	In many cases, the CPP installed capacities are much higher when compared to our captive load to ensure higher availability for captive use. Since the installed operating capacity of captive load is much lower than installed Capacity of Captive Power plant, it is required to connected with grid for export of surplus power through open access.	
30	When there exist regulations such as the TSERC (State Electricity Grid Code) Regulations, 2018, the TSERC (Forecasting, Scheduling, Deviation Settlement and Related Matters for Solar and Wind Generation Sources) Regulations, 2018, the TSERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2021 etc., as well as the Central Electricity Authority (Technical Standards for Connectivity to the Grid), Regulations, 2007 which already deal with the aspect of reactive power and deviation from scheduling, and injection of harmonics, as well as imposition of ToD tariffs to control demand, there is no requirement for imposing another levy relating to the same issues when the same issues stand covered by the aforesaid regulations. In fact, the SRLDC had proposed a more rational approach of billing reactive power in line with the Indian Electricity Grid Code, 2023, however, the same was not considered by the GCC at all for reasons best known to it.	Levy of Grid support charges for power plants are not only meant for reactive power drawal from the grid or deviations but also for the other technical support as stated in the above responses.
31	The finding/conclusion of the GCC of the meeting on 05.08.2023 is patently incorrect as no one but the Discoms, CESS and TSGENCO had agreed that GSC needs to be levied. Further, the conclusion that the GCC may initially support the proposal of the Discoms and then request for changes in the future based on experience is completely irrational and shows the abdication of duty of the GCC, which was formed to discuss as to whether there is a need for GSC at all.	The detailed analysis of technical support to the generators operating parallel to the grid are detailed in the GCC meetings. The technical support from the grid was accepted by the generators and requested for levy of reasonable charges for such support extended to the generators. The same is available from the minutes of the GCC meetings available in the GCC report released in October 2023.
32	The failure of the GCC to understand its function and role as assigned by this Hon 'ble Commission is also made clear by the fact that the views of a representative of an open access consumer were sought, when open access consumers have no relation to GSC at all, and such a charge can only be levied on generators.	
33	The proposed levy of GSC aims to stifle the consuming industries by this arbitrary levy,	The generators are benefited from the technical support of the grid for parallel

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34	<p>which in turn erodes the viability of the principal industry to a point that it must perform cease operations.</p> <p>Grid Support Charges cannot be a substitute for Demand or Capacity Charges which are determined on a wider basis by the regulator. So the proposed levy of Grid Support Charges based on its entire installed capacity is arbitrary, excessive and results in undue enrichment of the TSDISCOMs at the expense of CPPs/generators.</p>	<p>operation with the grid (Stability, Reactive Power Management, Fault level support). Thus the GSC is not to be compared with the demand and capacity charges.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms. TS Discoms have taken into consideration all the views/ objections from multiple stakeholders and have proposed the modified the methodology for levy of GSC for FY 2023-24</p>
35	<p>D. On Rate of GSC</p> <p>There is no justification at all for how rates of GSC have been arrived at. The proposed levy has no basis and is grossly excessive, arbitrary, and thus requires to be rejected. As stated above, the GCC has merely adopted the methodology used in other states, particularly in Andhra Pradesh, which is now the subject matter of appeal before the Hon 'ble APTEL.</p> <p>The methodology of using the R&M expenses and Artisans employee cost is grossly unjust and irrational as the same have already been factored into the Distribution Business of the Discoms and wheeling charges are already being levied on the basis of such approved costs in terms of this Hon'ble Commission's order in O.P.Nos.9 and 10 of 2020 . Further, even the cost of TSTRANCO's R&M expenses and Artisans employee cost has also been added, which is once again wholly unreasonable and TSTRANSCO's expenses and costs have nothing to do with the Discoms, and such expenses are already being recovered by way of transmission charges in terms of O.P.No.3 of 2019. As such, the proposed levy is nothing but double-levy for the very same costs. Any further levy of GSC amounts to illegal and unjust enrichment of the Applicant Discoms at the cost of generating companies.</p> <p>In effect, the entire R&M expenses and Artisans employee costs are sought to be</p>	<p>In case of a generator supplying power under open access (selling power other than the consumers in the state) the transmission/ wheeling charges are being collected by supporting the required network and such charges are payable by the generators.</p> <p>In case of a generator supplying power under open access and supplying infirm power to the grid and the consumer tied up with such generator who is having a CMD with the licensee, the transmission/ wheeling charges are being collected in addition to the demand charges as per the supply agreement.</p> <p>These demand charges doesnot reflect the entire fixed cost commitments of the licensees with the generating companies, transmission (ISTS and InSTS) and distribution network. Hence, they are liable to pay the Grid Support Charges for the exclusive technical support of said plants taken from the grid. Hence as contended the double or triple charging due to levy of Grid Support Charges doesn't arise.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and</p>

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	<p>recovered from generators alone by completely omitting the fact that consumers are also users of the Grid and equally impact the operations of the Grid, which cannot be countenanced.</p> <p>Without prejudice to the above, any export of power by the generator ought to be excluded from the installed capacity and not only PPA capacities with the Discoms, as at the point of export, there is no difference if the power is exported to the Discoms or to third parties.</p>	<p>TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
36	<p>E. Further submissions in relation to Captive Power Plants:</p> <p>Captive Power Generation is delicensed under the Electricity Act so as to lessen the burden on the Grid in meeting the distributed loads. The provision in Para 5.2.26 of National Electricity Policy, 2005 notified by Govt of India laid emphasis on grid connectivity of captive generators even under open access regime which is reproduced below:</p> <p>"Under the Act, captive generators have access to licensees and would get access to consumers who are allowed open access. Grid inter-connection for captive generators shall be facilitated as per Section 30 of the Act. This should be done on priority basis to enable captive generation to become available as distributed generation along with the grid.,"</p> <p>In the spirit of this legislation and rules framed thereunder, determination of Grid Support or Parallel Operation Charge should follow the principles of transparency, actual forbearance and fair computation based on time tested methodology. The proposed levy does not meet any of these criteria and is arbitrary.</p>	<p>The facility of connecting the power plants to the grid have been extended as per the provisions in the Electricity Act 2003. However, the GSC are applicable for the technical support from the grid at large to the power plants and are liable for payment as per the judgement as given by the Apex court.</p> <p>The Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges and the same are liable for payment by the generators who are having parallel operations with the grid.</p>

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	<p>In the case of CPPs availing Open Access for transmission and wheeling of power from the generation point to the consumption point, charges are levied as determined by the regulator from to time. Even in these cases there is an established mechanism of UI charges which essentially address the so-called grid support or parallel operation. The proposed levy by the GCC is therefore quite arbitrary, excessive and is not supported by quantifiable data.</p>	
37	<p>The Transmission system of the Transco/Discom should be so designed that it should take care of fluctuating load of the consumer as it is the duty of the transmission licensee under Section 40 of Electricity Act, 2003. In relation to CPPs it is also submitted as follows:</p> <p>CPPs absorb some amount of harmonics whereas a consumer without CPP inject full quantum of harmonics generated to the grid.</p> <p>The unbalanced voltage of the grid is a source of negative phase sequence current which is absorbed by the generators of CPP.</p> <p>Fault level depends upon the generation capacity connected to the grid. The parallel operation of CPPs with the grid is infact beneficial with some degree of voltage support that the CPPs extend to the Grid.</p> <p>As per Regulations of Supply Code, Industries having CPPs can draw emergency power up to the capacity of largest generating unit by paying required tariff. CPP's drawl of power is limited to "start-up power" that too when there is total loss of generation of the CPP. The drawl of power for production purposes, is limited to the CMD as per the Power Supply Agreement with the DISCOM. Otherwise, penalty is attracted. Overdrawl is prevented by proper setting of the relays at the Grid Sub-station.</p> <p>It is wrong to state that active and reactive power demand due to sudden and fluctuating load are not recorded in the meter. Billing is done for all consumers by integration over 15 minutes period and this is also applicable for CPPs and so it does not result in any undue advantage.</p> <p>Due to injection of power by CPPs the load on the transformers in the grid reduces resulting in less transformer loss.</p> <p>The CPP are acting as distributed generator at the load center for which the transmission and distribution loss has been reduced to great extent.</p>	<p>The support extended from the grid to the power plants in the event of the fault at the generator end is much higher than the support received by the grid in the event of faults occurred at the grid level.</p>

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		<p>Injection of power by the CPPs into the grid and withdrawal of power at its destination will also aide the transmission and distribution losses. Majority of the captive plants having captive loads have not tied-up the CMDs with Discoms to the extent of entire CPP loads and thereby the Discoms are not gaining any benefit out of it.</p>
38	<p>As per Section 7 of the Electricity Act, 2003 any generating company may establish operate and maintain a generating station if it complies with State Grid Code and standards of grid connectivity as referred in Section 73 (b) of the Act. Both Tariff Policy and National Electricity Policy emphasizes the need for unhindered connectivity of CPPs to the grid. The proposed and arbitrary quantum of Grid Support Charge makes the captive power generation unviable and the spirit of the act and the rules framed thereunder are thus vitiated.</p> <p>There is no provision in the statute that empowers the DISCOMS to levy Grid Support Charges on the CPPs. They, on the other hand are benefited as CPPs absorb some amount of harmonics. On the contrary consumer without CPPs transmit full quantum of harmonics to the grid. The DISCOMS/TRANSCO is not taking any step to install suitable equipment to filter the harmonics and injecting those pollutants to the grid for which the CPPs are forced to suffer. The grid voltage is always unbalanced due to various categories of consumers and hence is a source of negative phase sequence current which cause stress on the generators of CPPs.</p>	<p>The Grid Support charges are proposed to levy on the generators who intended to use and benefit from parallel operation. Hence the proposal of Grid Support charges for FY 2023-24 are well within the provisions of Act.</p> <p>However, the full Bench of Tribunal in Appeal No. 120 of 2009 relating to Parallel Operation Charges(Grid Support Charges) in Chhathisgarh by Order dated 18.02.2011 stated that the State Commission is empowered to deal with the question as to whether the levy of parallel operation charges is permissible or not. This aspect has been dealt with by this Tribunal in judgment dated 12.9.2006 in Appeal No.99 of 2006. In the said judgment, this Tribunal upheld the levy of parallel operation charges by the State Commission.</p> <p>Further, the Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges.</p>
39	<p>It is relevant to mention the observation and comments of The Hon'ble Orissa Electricity Regulatory Commission in a similar matter, in its Order dated 31.03.2014 in Case No. 46/2012, the excerpt of which is as follows:</p> <p>Para-16 of Order:</p> <p>"After going through the submission of various stake holders of the grid system we conclude that the behaviour of industries having CGPs and also without CGPs varies case to case basis. There are ample provisions in the Odisha Grid Code to regulate the behaviour of entities connected to the OPTCL system. Hence, a generic method of calculation of Grid Support Charges for all industries may not be proper. The Petitioner</p>	

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	<p>has failed to Silbmlt a State-wide study before us on which a decision could have been taken. One solution fits all can 't be applicable here. So implementation of a model of another State in our State will not be proper.»</p> <p>Para- 17 of Order:</p> <p>"There are enough provisions in Odisha Grid Code, 2006 to maintain quality supply in the grid system. Regulation 4.7 of Odisha Grid Code discuss elaborately the ideal behaviour of constituent of the Grid. OPTCL should play the role of watchdog and analyze the pollutant injected by various constituents of the grid system. CGPs and industries injecting pollution should be directed to take up remedial measures like installation of capacitors, filters for harmonics, etc. so that grid pollution will be minimized. The non-compliance by any industry or industry having CGP of the Grid Code should be dealt as per Regulation 1.18 of OGC, 2006. Therefore, the prayer of OPTCL for levy of Grid Support Charges is not acceptable.</p>	
40	<p>For the various reasons cited above, the Grid situation requires to be thoroughly reviewed with reference to the fact whether the Grid suffers any forbearance in providing parallel operations of CPPs, and in the absence of such a thorough and proper review, the present proposal of levy of GSC ought not to be accepted.</p>	<p>As per the analysis and technical study conducted by the GCC, the power plants operating in parallel to the grid are taking the support from the larger grid in the event of faults and other parameters which are affecting the grid and concluded that the GSC are to be levied.</p>
41	<p>Prayer</p> <p>That, in view of the above, we pray that the Hon 'ble Commission may be graciously pleased to</p> <ol style="list-style-type: none"> a. reject the proposal levy of Grid Support Charges as there is no such provision in the Statute/Electricity Act, whereas the STU /Transmission and Distribution Licensees are duty bound under Section 39 and 40 of the Electricity Act, 2003 and the National Electricity Policy, 2005 to provide connectivity to the CPPs like any generating station; b. In the event the Hon'ble Commission holds the proposal of GSC is valid, within the powers and jurisdiction and are leviable, it is prayed to engage an independent reputed third party to conduct a thorough system study and technical issues concerning power load throwbacks by CPPs/consuming industries, power harmonics in parallel operation of CPPs, size of the CPPs and judiciously arrive at a reasonable charge as has been done by other state Commissions/governments TS DISCOMS also 	<p>Responses to the individual objections are provided in the above sections.</p>

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	<p>should pursue this best practice to obtain an arm's length analysis and fair rates for all constituents;</p> <p>c. To hold the levy till the third-party analysis is completed to the satisfaction of the Hon'ble TSERC;</p> <p>d. Consider our foregoing objections, grant us a personal hearing and grant leave to adduce further evidential data in our support at the time Of hearing;</p> <p>e. It is also requested to permit us to submit further submission, if any, during the course of public hearing either by our representative or legal counsel.</p>	

16. Response to M/s ENERSOL INFRA Pvt Ltd

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1	<p>We respectfully submit that the original proposal for Grid Support Charges (GSC) only intended to impose these charges on co-located captive generating stations. The rationale behind this was that these stations benefit from the grid's support in the form of backup power in the event of failure of their captive generating station.</p> <p>However, the GCC, led by a majority of utility officers, has expanded the scope of this levy on all generating stations without sufficient justification, disregarding the opinions of the majority of industry members.</p> <p>The solar plants meet their auxiliary power requirement through a separate HT connection.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
2	<p>We respectfully submit that the issue of the applicability and imposition of GSC has been addressed by the Honorable APTEL in its Judgment dated 14.12.2023 in Appeal No. 228 of 2022 & IA No. 1962 of 2023, IA No. 722 of 2022, IA No. 1014 of 2023 And Appeal No. 391 of 2023 & IA No. 1323 of 2022, IA No. 1025 of 2023 (Rain CII Carbon (Vizag) Ltd VS APERC, APSPDCL, APEPDCL & APTRANSCO).</p> <p>Key findings of the above mentioned APTEL Judgment are summarized below:</p> <p>1. Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying Grid Support Charges even for the capacity which is sold to 3rd parties (Para 10)</p>	<p>The power generators enter into the connection agreement with the licensee for operating the generation unit by connecting to the grid. As the total capacity of the generator is connected to the grid at the same point of the generator, there is no separate connection agreement for these generators (for connection to the grid) to the extent of capacity sold to the third parties.</p> <p>Moreover, the technical support taken by the generation unit from Grid is as per its capacity connected to the Grid.</p> <p>As per the APTEL order if GSC is not to be levied to the extent of capacity sold to third parties, Discoms are left with no other choice but to delink such additional capacity of the generator, from the grid.</p>

16. Response to M/s ENERSOL INFRA Pvt Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p>The Discoms are not collecting the GSC charges separately on the capacity sold to the third parties and the generator is solely responsible for the payment of GSC to the extent of capacity connected to the grid.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with committee members representing various generators.</p>
4	<p>2. There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support charges on non-captive power plants (Para 26),</p> <p>3. It is important to note here that this Tribunal has rendered the findings limited to CPPs, further, the various supports as categorized by this Tribunal including the fluctuations in the load of CPP, absorption of harmonics, negative phase sequence current generation by unbalance loads, higher fault level support, stability to the load during start of heavy loads like HT motors also, variation in the voltage and frequency, impact created by sudden load throw off, generation of transient surges are the characteristics of loads and are created by such loads, the generating stations which are not self-consuming the power, i.e. not having the captive loads, cannot be said to be drawing such a support from the grid [Para 66].</p>	<p>There is no differentiation between the captive and non-captive generation as far as the grid connectivity is concerned.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p>
6	<p>APTEL through this Judgment, also settled the following position of law:</p> <p>25. Co-Generation Plant, operating parallel to the grid, can be levied with Grid Support Charges only when it is a Captive Power Plant and consuming more than 51% of the energy produced by such plant [Paras 78 and 80].</p> <p>26. State Commission has powers to determine and impose Grid Support Charges on Captive Power Plants [Paras 62 and 70].</p> <p>27. No reason has been provided by APERC in excluding the generators from the paying Grid Support Charges who have signed PPAs with Discoms [Para 73].</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
9	<p>The summary of the Judgment is Levy of Grid Support Charges on non-captive power plant shall be limited to only the power consumed by the co-located load and it is not applicable on all other modes of operation of power plants</p>	

17.Response to M/s FTCCI

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>FTCCI would like to submit that it is a settled case that parallel operation or grid support charges are levied on the generators connected to the grid, however, its limited to conventional generators and captive generators (in proportion to the capacity injected in the grid)</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p>
2	<p>In a recent case, APTEL, in its Judgment dated 14.12.2023 in the matter of Rain CII Carbon (Vizag) Ltd vs AP Discoms & AP Tranco, Hon`ble APTEL held that a noncaptive Co-Generation Plant is not liable to pay Grid Support Charges and the levy shall be limited to only the power consumed by the co-located load, if any.</p>	<p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon`ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
3	<p>Four issues were framed and adjudicated: – 1. Whether the State Commission is empowered to levy Grid Support Charges on non-Captive Co-generation plants?</p>	<p>The said Grid Support charges are not part of Retail Supply Tariffs and these charges are proposed to levy on the generators who intended to use and benefit from parallel operation. Hence the proposal of Grid Support charges for FY 2023-24 are well within the provisions of Act.</p> <p>However, the full Bench of Tribunal in Appeal No. 120 of 2009 relating to Parallel Operation Charges(Grid Support Charges) in Chhathisgarh by Order dated 18.02.2011 stated that <i>the State Commission is empowered to deal with the question as to whether the levy of parallel operation charges is permissible or not. This aspect has been dealt with by this Tribunal in judgment dated</i></p>

17.Response to M/s FTCCI

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p><i>12.9.2006 in Appeal No.99 of 2006. In the said judgment, this Tribunal upheld the levy of parallel operation charges by the State Commission. Further, the Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges.</i></p> <p>The GSC is proposed by TS Discoms on the generators who have established power plants in their respective jurisdictions.</p>
4	2. Whether Grid Support Charges should be levied on total installed capacity of the plant?	<p>The power generators enter into the connection agreement with the licensee for operating the generation unit by connecting to the grid. As the total capacity of the generator is connected to the grid at the same point of the generator, the benefit from the larger grid is availed on the total capacity of the generator.</p>
5	3. Whether the reasoning for levy of Grid Support Charges is justified?	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>

17. Response to M/s FTCCI

S.No.	Summary of Objections / Suggestions	Response of the Licensee
6	<p>4. Whether imposition of Grid Support Charges leads to double levy on the Appellant?</p>	<p>In case of a generator supplying power under open access (selling power other than the consumers in the state) the transmission/ wheeling charges are being collected by supporting the required network and such charges are payable by the generators.</p> <p>In case of a generator supplying power under open access and supplying infirm power to the grid and the consumer tied up with such generator who is having a CMD with the licensee, the transmission/ wheeling charges are being collected in addition to the demand charges as per the supply agreement.</p> <p>These demand charges doesnot reflect the entire fixed cost commitments of the licensees with the generating companies, transmission (ISTS and InSTS) and distribution network. Hence, they are liable to pay the Grid Support Charges for the exclusive technical support of said plants taken from the grid. Hence as contended the double or triple charging due to levy of Grid Support Charges doesn't arise.</p>
7	<p>Key findings of the APTEL are summarized below (Order attached as annexure): –</p> <ol style="list-style-type: none"> 1. Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying Grid Support Charges even for the capacity that is sold to 3rd parties [Para 10]. 2. Generators that are not self-consuming the power, i.e., not having the captive loads, cannot be said to be drawing support from the grid, and thus cannot be asked to pay Grid Support Charges [Para 66]. 3. There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support Charges on non- Captive Power Plants [Para 26]. 4. Levy of Grid Support Charges on the non-captive power plant shall be limited to only the power consumed by the co-located load [Summary of Judgment]. 	<p>The power generators enter into the connection agreement with the licensee for operating the generation unit by connecting to the grid. As the total capacity of the generator is connected to the grid at the same point of the generator, there is no separate connection agreement for these generators (for connection to the grid) to the extent of capacity sold to the third parties.</p> <p>As per the APTEL order if GSC is not to be levied to the extent of capacity sold to third parties, Discoms are left with no other choice but to delink such additional capacity of the generator, from the grid.</p> <p>The Discoms are not collecting the GSC charges separately on the capacity sold to the third parties and the generator is solely responsible for the payment of GSC to the extent of capacity connected to the grid.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with committee members representing various</p>

17.Response to M/s FTCCI

S.No.	Summary of Objections / Suggestions	Response of the Licensee
8	<p>APTEL in its Judgment, also settled the following position of law: –</p> <ol style="list-style-type: none"> 1. Co-Generation Plant, operating parallel to the grid, can be levied with Grid Support Charges only when it is a Captive Power Plant and consuming more than 51% of the energy produced by such plant [Paras 78 and 80]. 2. State Commission has powers to determine and impose Grid Support Charges on Captive Power Plants [Paras 62 and 70]. 3. No reason has been provided by APERC in excluding the generators from the paying Grid Support Charges who have signed PPAs with Discoms [Para 73]. 	<p>generators.</p> <p>There is no differentiation between the captive and non-captive generation as far as the grid connectivity is concerned.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon’ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p> <p>Hence, TS Discoms request Hon’ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
9	<p>Given the above judgment, FTCCI submits that parallel operation or grid support charges should not be levied on the co-generation plants connected to the grid.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p>
10	<p>Further, as far as Renewable generating plants are concerned, only gridconnectedplants with captive or third-party purposes should be levied with the parallel operation or grid support charges and not the cogenerating plants.</p>	<p>TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p>
11	<p>Further, Rooftop solar plants under net metering/gross metering, as per the ‘Regulation for connectivity with the Grid and sale of electricity from the roof-top solar photovoltaic system’ are already limited to 50% load of the distribution transformer capacities for LT and 50% load of 11kV or 33kV feeder for HT connections. Hence, there is no need for them to pay grid support charges as they are already limited by the grid</p>	<p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical</p>

17.Response to M/s FTCCI

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p>support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>

18.Response to M/s Ushodaya Enterprises Pvt. Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	We, Ushodaya Enterprises Private Limited, had established a 10 MW Solar power plant at Midjil, near Mahaboobnagar in 2012-13, under group captive use as per the then Solar Policy of Andhra Pradesh of 2012	No Comments
2	We had entered into Long Term Open Access Agreement with Telangana State Southern Power Distribution Company Limited (TSSPDCL) on 10-02-2014 which has been duly renewed on 25-01-2023.	
3	The Discoms proposes to levy Grid Support Charges for FY 2023-24 on all the generators (Captive Generating Plants, Cogeneration Plants, Thirty Party Generation units, Merchant Power Generation units, Rooftop Power Plants etc.) who are not having PPA / having PPA for partial capacity with the licensees as follows: (i)The parallel operation / grid support charges are to be applied to the total installed capacity of the generators connected to the Grid. (ii)Renewable energy plants including waste heat recovery plants, the plants based on municipal solid waste, and the co-gen plants shall pay Rs.25 per KW per month	The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms. GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.
4	We humbly submit that the proposals of Discom to levy Grid Support Charges (GSC) goes against the very concept of Open Access and amount to alteration and dilution of the process to the detriment of generators / consumers by levying additional charges in the garb of Grid Support Charges, which in our view, is nothing but arbitrary exercise for raising resources, and to fund the losses of Discoms on account of supply of free / subsidised power and to cover defaults / delas of the State Government to release the subsidy amounts	There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.
5	We would like to submit that the original proposal for Grid Support Charges only intended to impose on co-located captive generating stations. The rationale is that these stations are getting benefit from grid's support in the form of backup power in the event of failure of their captive generating station	Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.
6	However, the Grid Coordination Committee, led by majority of utility officials, has expanded the scope of this levy on all generating stations without sufficient justification, disregarding the opinions of the majority of the Industry members.	
7	No reason has been provided by the Disocms for excluding the generators who have signed PPAs from paying Grid Support Charges. This is arbitrary and discriminatory.	The detailed analysis and reasons for levy of Grid Support Charges by TS

18.Response to M/s Ushodaya Enterprises Pvt. Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
8	The solar power plants meet their auxiliary power requirement through a separate HT connection.	<p>Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
9	Even after establishment of captive power plants, we have not reduced CMD and paying all demand charges to the Discoms	<p>In case of a generator supplying power under open access (selling power other than the consumers in the state) the transmission/ wheeling charges are being collected by supporting the required network and such charges are payable by the generators.</p>
10	Due to the very nature of the source of renewable energy, i.e., sunlight and keeping in view the seasonality, generated units from Solar Plant are getting lost or goes to banking since there is no affordable storage system available as of now	<p>In case of a generator supplying power under open access and supplying infirm power to the grid and the consumer tied up with such generator who is having a CMD with the licensee, the transmission/ wheeling charges are being collected in addition to the demand charges as per the supply agreement.</p> <p>These demand charges doesnot reflect the entire fixed cost commitments of the licensees with the generating companies, transmission (ISTS and InSTS) and distribution network. Hence, they are liable to pay the Grid Support Charges for</p>

18.Response to M/s Ushodaya Enterprises Pvt. Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
11	<p>Open access consumers are following rules and regulations mentioned in the Grid Code. According to the Electricity Act,2003, SLDC/RLDC is the nodal agency to maintain Grid discipline and optimum scheduling and despatch of electricity under Section 28 and 32 of the EA 2003. Licensees and Generating companies and other persons connected with the operation of the power system shall have to comply with the directions issued by RLDC (Subsection 1 of Section 29) and SLDC (Subsection 1 of Section 33) as per Regulations prescribed by the appropriate Commission. TS Transco and DISCOMs have the responsibility in Transmission and Wheeling business only and they have nothing to do with the Levy of GSC which is under the purview of SLDC. As grid security is being maintained by SLDC/RLDC/NLDC, the DISCOMs are not entitled to levy Grid Support Charges on CPPs/Co-generation plants. The DISCOMs are not providing Grid support. For example, if the system demand increases/decreases due to consumer requirement, the nearby generators will respond as per the system requirement. All generators are paying demand charges as prescribed by the Commission</p>	<p>the exclusive technical support of said plants taken from the grid.</p> <p>The grid support charges are being proposed by the Licensee on generators who are having parallel operation of Power generation with grid. The Distribution Licensee’s 132kV & above level HT consumers are not paying Transmission charges & SLDC charges to respective entities even though connected to 132kV & above level. These consumers are paying retail supply Tariffs as approved by the Hon’ble State Commission from time to time which is inclusive of all costs (Incl SLDC & Transmission Charges). These are paid by the licensee to the respective entities.</p> <p>The advantages of parallel operation with the grid are benefited by the generators in addition to other facilities of other consumers. In view of the additional benefits than the normal other consumers, the generators who intended to use and benefit from parallel operation need to compensate through Grid Support charges.</p> <p>The said Grid Support charges are not part of Retail Supply Tariffs and these charges are proposed to levy on the generators who intended to use and benefit from parallel operation. Hence the proposal of Grid Support charges for FY 2023-24 are well within the provisions of Act.</p> <p>However, the full Bench of Tribunal in Appeal No. 120 of 2009 relating to Parallel Operation Charges(Grid Support Charges) in Chhathisgarh by Order dated 18.02.2011 stated that <i>the State Commission is empowered to deal with the question as to whether the levy of parallel operation charges is permissible or not. This aspect has been dealt with by this Tribunal in judgment dated 12.9.2006 in Appeal No.99 of 2006. In the said judgment, this Tribunal upheld the levy of parallel operation charges by the State Commission.</i> Further, the Apex Court of India by its judgment dated 29.11.2019 in Civil Appeal No 8969</p>

18.Response to M/s Ushodaya Enterprises Pvt. Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p>of 2003 (Grid Support Charges Batch matters) held that the State Electricity Regulatory Commission is vested with the power to determine the grid support charges.</p> <p>The GSC is proposed by TS Discoms on the generators who have established power plants in their respective jurisdictions.</p>
12	<p>Penal charges are being levied for deviations from schedules as per the CERC (Deviation Settlement Mechanism and related matters) Regulations, 2014. Hence, the levy of GSC on CPPs and Co-generation power plants is redundant as Generators are going to pay Deviation Charges</p>	<p>Levy of Grid support charges for power plants are not only meant for reactive power drawal from the grid or deviations but also for the other technical support as stated in the above responses.</p>
13	<p>Renewable energy generators are already paying huge amount of Wheeling Charges, transmission charges, cross subsidy charges, additional surcharge etc and they are unable to recover all these costs from their consumers. The levy of proposed Grid Support Charges will only increase the burden for the green energy generators</p>	<p>In case of a generator supplying power under open access (selling power other than the consumers in the state) the transmission/ wheeling charges are being collected by supporting the required network and such charges are payable by the generators.</p>
14	<p>All the infrastructure for setting up solar power plant including the transmission lines to the pooling substation, installation of ABT Meters, SCADA and other maintenance facilities at the location, are set up at a huge cost by ourselves, by borrowing loans from Banks.</p>	<p>In case of a generator supplying power under open access and supplying infirm power to the grid and the consumer tied up with such generator who is having a CMD with the licensee, the transmission/ wheeling charges are being collected in addition to the demand charges as per the supply agreement.</p> <p>These demand charges doesnot reflect the entire fixed cost commitments of the licensees with the generating companies, transmission (ISTS and InSTS) and distribution network. Hence, they are liable to pay the Grid Support Charges for the exclusive technical support of said plants taken from the grid.</p>
15	<p>It may also please be noted that we are already paying monthly SLDC charges separately</p>	<p>The proposed Grid Support Charges are levied for the technical support of the generator benefited due to their connection to the larger grid. This is not included in the SLDC chargers paid by the objector.</p>
16	<p>For a captive power plant, such as ours, the Wheeling demand is always much less than our capacity / CMD. Though our plant capacity is 10000 KW (DC), we can wheel the solar power for demand of 2700 Kva only, as per LTOA agreement. So at any given point of time, our captive consumers are unable to use our full capacity</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public</p>
17	<p>We submit that the Grid Support Charges should not to be levied on the capacities</p>	

18.Response to M/s Ushodaya Enterprises Pvt. Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	which are sold to third parties and unutilised capacity, if any, shall be eliminated for consideration of levy of Grid Support Charges	hearings organized by TSERC regarding the ARR filings of TS Discoms.
18	We therefore request your goodselves to kindly consider our submissions and exempt renewable energy generators who have set up captive power plants, from the levy of Grid Support Charges	<p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>

19. Response to M/s BHAGYANAGAR INDIA LIMITED

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>We respectfully submit that the original proposal for Grid Support Charges (GSC) only intended to impose these charges on co-located captive generating stations. The rationale behind this was that these stations benefit from the grid's support in the form of backup power in the event of failure of their captive generating station. However, the GCC, led by a majority of utility officers, has expanded the scope of this levy on all generating stations without sufficient justification, disregarding the opinions of the majority of industry members.</p> <p>The solar plants meet their auxiliary power requirement through a separate HT connection.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
2	<p>We respectfully submit that the issue of the applicability and imposition of GSC has been addressed by the Honorable APTEL in its Judgment dated 14.12.2023 in Appeal No. 228 of 2022 & IA No. 1962 of 2023, IA No. 722 of 2022, IA No. 1014 of 2023 And Appeal No. 391 of 2023 & IA No. 1323 of 2022, IA No. 1025 of 2023 (Rain CII Carbon (Vizag) Ltd VS APERC, APSPDCL, APEPDCL & APTRANSCO).</p> <p>Key findings of the above mentioned APTEL Judgment are summarized below:</p> <p>1. Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying Grid Support Charges even for the capacity which is sold to 3rd parties (Para 10)</p>	<p>The power generators enter into the connection agreement with the licensee for operating the generation unit by connecting to the grid. As the total capacity of the generator is connected to the grid at the same point of the generator, there is no separate connection agreement for these generators (for connection to the grid) to the extent of capacity sold to the third parties.</p> <p>Moreover, the technical support taken by the generation unit from Grid is as per its capacity connected to the Grid.</p> <p>As per the APTEL order if GSC is not to be levied to the extent of capacity sold to third parties, Discoms are left with no other choice but to delink such additional capacity of the generator, from the grid.</p>

19. Response to M/s BHAGYANAGAR INDIA LIMITED

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p>The Discoms are not collecting the GSC charges separately on the capacity sold to the third parties and the generator is solely responsible for the payment of GSC to the extent of capacity connected to the grid.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with committee members representing various generators.</p>
4	<p>2. There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support charges on non-captive power plants (Para 26),</p> <p>3. It is important to note here that this Tribunal has rendered the findings limited to CPPs, further, the various supports as categorized by this Tribunal including the fluctuations in the load of CPP, absorption of harmonics, negative phase sequence current generation by unbalance loads, higher fault level support, stability to the load during start of heavy loads like HT motors also, variation in the voltage and frequency, impact created by sudden load throw off, generation of transient surges are the characteristics of loads and are created by such loads, the generating stations which are not self-consuming the power, i.e. not having the captive loads, cannot be said to be drawing such a support from the grid [Para 66].</p>	<p>There is no differentiation between the captive and non-captive generation as far as the grid connectivity is concerned.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p>
6	<p>APTEL through this Judgment, also settled the following position of law:</p> <p>28. Co-Generation Plant, operating parallel to the grid, can be levied with Grid Support Charges only when it is a Captive Power Plant and consuming more than 51% of the energy produced by such plant [Paras 78 and 80].</p> <p>29. State Commission has powers to determine and impose Grid Support Charges on Captive Power Plants [Paras 62 and 70].</p> <p>30. No reason has been provided by APERC in excluding the generators from the paying Grid Support Charges who have signed PPAs with Discoms [Para 73].</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
9	<p>The summary of the Judgment is Levy of Grid Support Charges on non-captive power plant shall be limited to only the power consumed by the co-located load and it is not applicable on all other modes of operation of power plants</p>	

20. Response to M/s SURANA SOLAR SYSTEMS

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>We respectfully submit that the original proposal for Grid Support Charges (GSC) only intended to impose these charges on co-located captive generating stations. The rationale behind this was that these stations benefit from the grid's support in the form of backup power in the event of failure of their captive generating station. However, the GCC, led by a majority of utility officers, has expanded the scope of this levy on all generating stations without sufficient justification, disregarding the opinions of the majority of industry members.</p> <p>The solar plants meet their auxiliary power requirement through a separate HT connection.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
2	<p>We respectfully submit that the issue of the applicability and imposition of GSC has been addressed by the Honorable APTEL in its Judgment dated 14.12.2023 in Appeal No. 228 of 2022 & IA No. 1962 of 2023, IA No. 722 of 2022, IA No. 1014 of 2023 And Appeal No. 391 of 2023 & IA No. 1323 of 2022, IA No. 1025 of 2023 (Rain CII Carbon (Vizag) Ltd VS APERC, APSPDCL, APEPDCL & APTRANSCO).</p> <p>Key findings of the above mentioned APTEL Judgment are summarized below:</p> <p>1. Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying Grid Support Charges even for the capacity which is sold to 3rd parties (Para 10)</p>	<p>The power generators enter into the connection agreement with the licensee for operating the generation unit by connecting to the grid. As the total capacity of the generator is connected to the grid at the same point of the generator, there is no separate connection agreement for these generators (for connection to the grid) to the extent of capacity sold to the third parties.</p> <p>Moreover, the technical support taken by the generation unit from Grid is as per its capacity connected to the Grid.</p> <p>As per the APTEL order if GSC is not to be levied to the extent of capacity sold to third parties, Discoms are left with no other choice but to delink such additional capacity of the generator, from the grid.</p>

20. Response to M/s SURANA SOLAR SYSTEMS

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p>The Discoms are not collecting the GSC charges separately on the capacity sold to the third parties and the generator is solely responsible for the payment of GSC to the extent of capacity connected to the grid.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with committee members representing various generators.</p>
4	<p>2. There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support charges on non-captive power plants (Para 26),</p> <p>3. It is important to note here that this Tribunal has rendered the findings limited to CPPs, further, the various supports as categorized by this Tribunal including the fluctuations in the load of CPP, absorption of harmonics, negative phase sequence current generation by unbalance loads, higher fault level support, stability to the load during start of heavy loads like HT motors also, variation in the voltage and frequency, impact created by sudden load throw off, generation of transient surges are the characteristics of loads and are created by such loads, the generating stations which are not self-consuming the power, i.e. not having the captive loads, cannot be said to be drawing such a support from the grid [Para 66].</p>	<p>There is no differentiation between the captive and non-captive generation as far as the grid connectivity is concerned.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p>
6	<p>APTEL through this Judgment, also settled the following position of law:</p> <p>31. Co-Generation Plant, operating parallel to the grid, can be levied with Grid Support Charges only when it is a Captive Power Plant and consuming more than 51% of the energy produced by such plant [Paras 78 and 80].</p> <p>32. State Commission has powers to determine and impose Grid Support Charges on Captive Power Plants [Paras 62 and 70].</p> <p>33. No reason has been provided by APERC in excluding the generators from the paying Grid Support Charges who have signed PPAs with Discoms [Para 73].</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
9	<p>The summary of the Judgment is Levy of Grid Support Charges on non-captive power plant shall be limited to only the power consumed by the co-located load and it is not applicable on all other modes of operation of power plants</p>	

21. Response to M/s BHAVANA POWER Pvt Ltd

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>We respectfully submit that the original proposal for Grid Support Charges (GSC) only intended to impose these charges on co-located captive generating stations. The rationale behind this was that these stations benefit from the grid's support in the form of backup power in the event of failure of their captive generating station. However, the GCC, led by a majority of utility officers, has expanded the scope of this levy on all generating stations without sufficient justification, disregarding the opinions of the majority of industry members.</p> <p>The solar plants meet their auxiliary power requirement through a separate HT connection.</p>	<p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC after considering the views/suggestions of all the participants in the GCC meetings, released a report in October 2023, where they have stated that after the Technical Analysis and study, it was agreed that the generators (conventional, renewable and rooftop solar generators) receive technical support of Grid for Parallel Operation keeping in view of Stability, Reactive Power Management, Fault level support and the levy of Grid Support Charges is agreed by the majority of the GCC members.</p> <p>There is no differentiation of connectivity to the grid as far as IPP, CPP and Non-CPP are considered as technical grid support is required equally for all types of power plants.</p> <p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
2	<p>We respectfully submit that the issue of the applicability and imposition of GSC has been addressed by the Honorable APTEL in its Judgment dated 14.12.2023 in Appeal No. 228 of 2022 & IA No. 1962 of 2023, IA No. 722 of 2022, IA No. 1014 of 2023 And Appeal No. 391 of 2023 & IA No. 1323 of 2022, IA No. 1025 of 2023 (Rain CII Carbon (Vizag) Ltd VS APERC, APSPDCL, APEPDCL & APTRANSCO).</p> <p>Key findings of the above mentioned APTEL Judgment are summarized below:</p> <p>1. Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying Grid Support Charges even for the capacity which is sold to 3rd parties (Para 10)</p>	<p>The power generators enter into the connection agreement with the licensee for operating the generation unit by connecting to the grid. As the total capacity of the generator is connected to the grid at the same point of the generator, there is no separate connection agreement for these generators (for connection to the grid) to the extent of capacity sold to the third parties.</p> <p>Moreover, the technical support taken by the generation unit from Grid is as per its capacity connected to the Grid.</p> <p>As per the APTEL order if GSC is not to be levied to the extent of capacity sold to third parties, Discoms are left with no other choice but to delink such additional capacity of the generator, from the grid.</p>

21. Response to M/s BHAVANA POWER Pvt Ltd

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		<p>The Discoms are not collecting the GSC charges separately on the capacity sold to the third parties and the generator is solely responsible for the payment of GSC to the extent of capacity connected to the grid.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with committee members representing various generators.</p>
4	<p>2. There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support charges on non-captive power plants (Para 26),</p> <p>3. It is important to note here that this Tribunal has rendered the findings limited to CPPs, further, the various supports as categorized by this Tribunal including the fluctuations in the load of CPP, absorption of harmonics, negative phase sequence current generation by unbalance loads, higher fault level support, stability to the load during start of heavy loads like HT motors also, variation in the voltage and frequency, impact created by sudden load throw off, generation of transient surges are the characteristics of loads and are created by such loads, the generating stations which are not self-consuming the power, i.e. not having the captive loads, cannot be said to be drawing such a support from the grid [Para 66].</p>	<p>There is no differentiation between the captive and non-captive generation as far as the grid connectivity is concerned.</p> <p>The detailed analysis and reasons for levy of Grid Support Charges by TS Discoms is already submitted to the Grid Co-Ordination Committee (GCC) and TS Discoms have presented their views and analysis to all the stakeholders during the past GCC meetings with the stakeholders and also during the public hearings organized by TSERC regarding the ARR filings of TS Discoms.</p> <p>GCC has studied the technical fault analysis at generator end and the grid support availed by such generator for restoration in the fault instances. From this study it was confirmed that the power plant requires technical support from the grid, which was included in the report submitted by GCC to Hon'ble TSERC. Hence, the GSC shall be levied on power plants with or without captive loads.</p>
6	<p>APTEL through this Judgment, also settled the following position of law:</p> <p>34. Co-Generation Plant, operating parallel to the grid, can be levied with Grid Support Charges only when it is a Captive Power Plant and consuming more than 51% of the energy produced by such plant [Paras 78 and 80].</p> <p>35. State Commission has powers to determine and impose Grid Support Charges on Captive Power Plants [Paras 62 and 70].</p> <p>36. No reason has been provided by APERC in excluding the generators from the paying Grid Support Charges who have signed PPAs with Discoms [Para 73].</p>	<p>Hence, TS Discoms request Hon'ble Commission to consider the same and approve the levy of Grid Support Charges to all the generators who are benefitting from the support of grid.</p>
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