

To,  
The Chief General Manager/RAC,  
TSSPDCL, Corporate Office,  
First Floor, Mint Compound,  
Hyderabad-63.

Date: 26-12-2023

Dear Sir,

**Sub: -Comments and suggestions on report of Grid Coordination Committee (GCC) for analysis on the issue of Levy of Grid Support Charges (GSC) for FY 2023-24 – Reg.**

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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.

The solar plants meet their auxiliary power requirement through a separate HT connection.

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**).

→ Key findings of the above mentioned APTEL Judgment are summarized below: –

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].*
2. *There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support Charges on non- Captive Power Plants [Para 26].*
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,*

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4. *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].*

→ APTEL through this Judgment, also settled the following position of law: –

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].

**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.**

For Arhyama Solar Power Pvt. Ltd,

**Authorized Signatory.**

**Copy Communicated To:**

- (1) The CGM (IPC&RAC)/TSNPDCL
- (2) The Secretary/TSERC
- (3) The Chairman/TSERC