

**GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

Draft GERC (Multi Year Tariff) (First Amendment) Regulations, 2015

Notification No. of 2015

Gujarat Electricity Regulatory Commission In exercise of the powers conferred by sub-section (2) of Section 181 read with Section 36, Section 39, Section 40, Section 41, Section 51, Section 61, Section 62, Section 63, Section 64, Section 65 and Section 86 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling in that behalf, and under Section 32 of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 (Gujarat Act No. 24 of 2003) and all powers enabling in that behalf, the Gujarat Electricity Regulatory Commission (GERC) hereby proposes to make the following regulations to amend Gujarat Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011 as amended from time to time (hereinafter referred to as “The Principal Regulations”):

1. Short Title, Extent and Commencement

These regulations may be called the Gujarat Electricity Regulatory Commission (Multi Year Tariff) (First Amendment) Regulations, 2015.

These Regulations extend to the whole of the State of Gujarat.

These shall come into force on the date of their publication in the Official Gazette.

2. Amendment to Regulation under Clause 74, 75 and 77 of the Principal Regulations:

The following words shall be added after Clauses of 74.1.2, 75.1 and 77.1 of Regulation 74, 75 and 77 of the Principal Regulations;

“74.1.2

.....

No transmission tariff (Rs./MW/day) for the use of Intra-State transmission System network shall be charged for transmitting energy generated from the gas based generating capacity benefitted under the GoI Scheme promulgated vide Office Memorandum No. 4/2/2015-Th-I dated 27th March, 2015 for the years 2015-16 and 2016-17.

75.1

.....

Provided that Annual Transmission Charges (ATC) determined by the Commission shall be reduced to the extent of reduced recovery on account of waiver off transmission charge for the gas based generation capacity benefitted under the GoI Scheme promulgated vide Office Memorandum No. 4/2/2015-Th-I dated 27th March, 2015 for the years 2015-16 and 2016-17.

77.1

.....

Provided that no energy losses in the transmission system of the Transmission Licensee, shall be borne by the Transmission System Users for the usage of Intra-State transmission System network for transmitting energy generated from the gas based generating capacity benefitted under the GoI Scheme promulgated vide Office Memorandum No. 4/2/2015-Th-I dated 27th March, 2015 for the years 2015-16 and 2016-17.”

-Sd-

(Roopwant Singh, IAS)

Secretary

Gujarat Electricity Regulatory Commission

Gandhinagar

Place: Gandhinagar

Date: 18/12/2015

Note: The Principal Regulations were published on 22.03.2011 in the Gazette of Gujarat as Notification No. 1 of 2011.

GUJARAT ELECTRICITY REGULATORY COMMISSION

GANDHINAGAR

Explanatory Memorandum for Draft GERC (Multi Year Tariff) (First Amendment) Regulations, 2015

(1) Government of India, Ministry of Power promulgated the Scheme for utilization of gas based power generation capacity vide O.M. No. 4/2/2015-Th. I dated 27th March, 2015. Salient features of the scheme are as under:

(a) **Scope:** The scheme envisages supply of imported spot RLNG “e-bid RLNG” to the Stranded gas based plants as well as the Plants receiving domestic gas, upto the target PLF selected through a reverse e-bidding process.

(b) **Funding:** The outlay for the support from PSDF has been fixed at Rs. 3500 Cr. and Rs. 4000 Cr. for FY 2015-16 and FY 2016-17 respectively. Further, PSDF support has been apportioned between the two groups i.e. stranded plants and plants receiving domestic gas.

(c) **Eligible Utilities:** The eligible Gas based power plants under this scheme shall be the Stranded gas based plants and those Plants receiving domestic gas whose actual average PLF achieved during April-January 2014-15 was below the target PLF. The list of the eligible gas based plants which can participate in the bidding shall be declared prior to bidding based on the target PLF as decided by Empowered Pool Management Committee (EPMC).

The following gas based plants of Gujarat (in the case of GUVNL) which come under Domestic category user and Stranded category users are covered under above mentioned scheme;

Sr. No.	Domestic category users		Stranded category users	
	Power Plant	Capacity(MW)	Power Plant	Capacity(MW)
1	Dhuvaran -I	106.42	Dhuvaran -II	112.45
2	Utran-I	135	Utran-II	374.571
3	GIPCL, Vadodara	165	Dhuvaran -III	376.3
4	GSEG-Hazira	156.1	GSEG-Hazira (Extn.)	351.43

5	CLP-Paguthan	654.726	GPPC Pipavav	702.86
6			Essar Power Ltd. (GUVNL's share)	300

The following gas based plants of Gujarat (in the case of TPL-D) which come under Domestic category user and Stranded category users are covered under above mentioned scheme;

Sr. No.	Domestic category users		Stranded category users	
	Power Plant	Capacity(MW)	Power Plant	Capacity(MW)
1	SUGEN	1147.5	UNOSUGEN	382.5
2			DGEN	1200

(d) **Contribution by Different Stakeholder:** The scheme requires intervention/sacrifices by different stakeholders.

2. Paras 5 (x) & (xi) of the Scheme provides for exemption from transmission charges and losses and support from PSDF. The said paras are extracted as under:

"5. Contribution by different stakeholders:

.....

(x)Exemption from transmission charges and losses for stranded gas based power projects on lines of solar power on generation from the e-bid RLNG Transmission charges and transmission losses of the CTU and/or STU as the case may be, for the incremental gas based power so produced by the e-bid RLNG are waived off, on the lines of solar power.

3. In order to implement the above said Govt. of India Scheme , Hon'ble State Government of Gujarat under Section 108 of the EA, 2003, has directed the Gujarat Electricity Regulatory Commission (GERC) to issue appropriate Orders/Regulations and/or Guidelines . Copy of the Ministry of Power(MoP), Govt. of India Scheme promulgated vide Office Memorandum No. 4/2/2015-Th-I dated 27th March,2015 for the years 2015-16 and 2016-17and direction received

from the State Government of Gujarat vide letter no. ELA-13-2015-GoI-108-K dated 17th Nov. 2015 is kept herewith as Annexure-A and B.

4. To give effect to the direction received from Hon'ble State Government of Gujarat and in exercise of the powers conferred by sub-section (2) of Section 181 read with Section 36, Section 39, Section 40, Section 41, Section 51, Section 61, Section 62, Section 63, Section 64, Section 65 and Section 86 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling in that behalf, and under Section 32 of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 (Gujarat Act No. 24 of 2003) and all powers enabling in that behalf, the Gujarat Electricity Regulatory Commission (GERC) hereby proposes to make the following amendments in the Principal Regulations Gujarat Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011 as under;

4. The following three clauses are proposed to be added after Clauses of 74.1.2, 75.2 and 77.1 of Regulation 74, 75 and 77 GERC (Multi Year Tariff) Regulations, 2011 to waive off transmission charges and losses for use of Intra-State transmission System by projects under the MoP Scheme;

“74.1.2

.....

No transmission tariff (Rs./MW/day) for the use of Intra-State transmission System network shall be charged for transmitting energy generated from the gas based generating capacity benefitted under the GoI Scheme promulgated vide Office Memorandum No. 4/2/2015-Th-I dated 27th March,2015 for the years 2015-16 and 2016-17.

75.1

.....

Provided that Annual Transmission Charges (ATC) determined by the Commission shall be reduced to the extent of reduced recovery on account of waiver off transmission charge for the gas based generation capacity benefitted under the GoI Scheme promulgated vide Office Memorandum No. 4/2/2015-Th-I dated 27th March,2015 for the years 2015-16 and 2016-17.

77.1

.....

Provided that no energy losses in the transmission system of the Transmission Licensee, shall be borne by the Transmission System Users for the usage of Intra-State transmission System network for transmitting energy generated from the gas based generating capacity benefitted under the GoI Scheme promulgated vide Office Memorandum No. 4/2/2015-Th-I dated 27th March, 2015 for the years 2015-16 and 2016-17.”

-Sd-

(Roopwant Singh, IAS)

Secretary

Gujarat Electricity Regulatory Commission

Gandhinagar

Place: Gandhinagar

Date: 18/12/2015

Note: The Principal Regulations were published on 22.03.2011 in the Gazette of Gujarat as Notification No. 1 of 2011.



सत्यमेव जयते

Government of India
No. 4/2/2015-Th-I
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg
New Delhi Dated 27th March, 2015

OFFICE MEMORANDUM

Subject: Scheme for utilisation of Gas based power generation capacity

Sanction of the President of India is hereby conveyed for implementation of the scheme for Utilisation of Gas based power generation capacity for the years 2015-16 and 2016-17. The present gas based capacity, commissioned as well as ready for commissioning in the country is 27,123 MW. Of this, during the current financial year (April 2014 to Jan 2015), the gas grid connected plants with the capacity of 9,845 MW received some limited available domestic gas and operated at an average PLF of 32.2% during this period and are classified as 'Plants receiving domestic gas'. Further, 14,305 MW capacity had no supply of domestic gas and is classified as 'Stranded gas based plants'. The list of Stranded gas based plants and Plants receiving domestic gas is given in **Annexure I** and **Annexure II** respectively.

1. **Scope :** The scheme envisages supply of imported spot RLNG "e-bid RLNG" to the Stranded gas based plants as well as the Plants receiving domestic gas, upto

the target PLF (as defined in para 7 below) selected through a reverse e-bidding process (as explained at para 9 below). The scheme also envisages sacrifices to be made collectively by all stakeholders and support from the PSDF (as detailed in para 5 below).

2. **Funding:** The outlay for the support from PSDF has been fixed at Rs. 3500 Cr. and Rs. 4000 Cr. for FY 2015-16 and FY 2016-17 respectively. Further, PSDF support is apportioned between the two groups as Stranded plants:- Rs. 3000 Cr, Plants receiving domestic gas:- Rs. 500 Cr for FY 2015-16 and Stranded plants:- Rs. 3500 Cr, Plants receiving domestic gas:- Rs. 500 Cr for FY 2016-17.

3. **Empowered Pool Management Committee (EPMC):** An Empowered Pool Management Committee (EPMC) is constituted under the chairmanship of Special Secretary (MoP) / Additional Secretary (MoP) with following members: JS, Department of Revenue, JS (MoP&NG) in charge of gas allocation, JS (Thermal) MoP, JS & FA MoP, Member (Thermal), CEA, Director (Marketing), GAIL, Director (Marketing), GSPCL . This Committee shall meet at appropriate intervals to oversee the implementation of this scheme. The EPMC is fully empowered to resolve the operational issues as may arise from time to time to ensure smooth functioning of the scheme. Thermal Division of Ministry of Power will provide secretarial assistance to the EPMC. Accordingly, JS (Thermal), MoP will act as the Member-Secretary of the EPMC.

4. **Eligible Utilities:** The eligible Gas based power plants under this scheme shall be the Stranded gas based plants and those Plants receiving domestic gas



whose actual average PLF achieved during April – January 2014-15 was below the target PLF. The list of the eligible gas based plants which can participate in the bidding shall be declared prior to bidding based on the target PLF as decided by the EPMC.

5. **Contribution by different stakeholders:** In order to achieve the target price of power (as explained at para 6 below), the following interventions/sacrifices have been approved to be made by the Central Government, State Governments, power developers and gas transporters collectively:-

- i. Customs duty waiver on imported LNG: GOI has already exempted Customs duty on imported LNG used for power generation. The procedure for availing this benefit has been simplified further for which Department of Revenue, Ministry of Finance, will issue appropriate notification. The revised procedure is placed at **Annexure-III**.
- ii. Waiver of Value Added Tax (VAT) on the e-bid RLNG: The concerned State Governments are required to waive VAT on the e-bid RLNG consumed in power generation, based on the invoicing done by the gas supplier.
- iii. Waiver of Central Sales Tax (CST), Octroi and Entry Tax on the e-bid RLNG: Central Sales Tax (CST), Octroi and Entry Tax shall be exempted by the concerned States on the e-bid RLNG. Further, in case of CST sale of RLNG, the Entry tax being levied by States shall be exempted by the respective States on the e-bid RLNG.
- iv. Waiver of Service Tax on regasification and transportation of the e-bid RLNG: The Service Tax on regasification and on transportation of e-bid RLNG has



been waived off, for which Department of Revenue, Ministry of Finance will issue appropriate notification

- v. Reduction in pipeline tariff charges by GAIL / transporters on the e-bid RLNG:
GAIL / other transporters (RGTEL and GSPCL) shall reduce the pipeline tariff by 50% on e-bid RLNG. It may be noted that for the reduction in pipeline tariff, the concurrence of PNGRB may be required which would be facilitated by MOP&NG.
- vi. Reduction in Regasification charges by Regasification agencies on the e-bid RLNG: The Regasification agencies shall reduce the regasification charges by 50% on the e-bid RLNG.
- vii. Reduction in marketing margin by GAIL / GSPCL on the e-bid RLNG: GAIL / GSPCL shall reduce marketing margin by 75% on sell of e-bid RLNG.
- viii. Capping of fixed cost to be recovered by the stranded developers: For the stranded gas based plants, the developers shall completely forego the return on their equity as detailed in para 10 below. Accordingly, the fixed cost recovery shall be limited to meet only the obligation towards debt servicing and Operation & Maintenance (O&M) cost.
- ix. Provision for co-mingling and swapping of gas: The procedure for co-mingling and swapping of gas has been simplified further as given in **Annexure-IV**, for which Department of Revenue, Ministry of Finance will issue appropriate notification
- x. Exemption from transmission charges and losses for stranded gas based power projects on lines of solar power on generation from the e-bid RLNG:
Transmission charges and transmission losses of the CTU and/or STU as the



case may be, for the incremental gas based power so produced by the e-bid RLNG are waived off, on the lines of solar power.

- xi. Support from Power System Development Fund (PSDF): PSDF support by the Government of India shall be made available to the Discoms through a transparent reverse e-bidding process as explained at para 9 and 10 below. Further, the support from PSDF will be made available only for the incremental PLF above the base PLF achieved by the gas based plant during April-Jan, 2014-2015 and upto the target PLF. The incremental generation will be as defined by EPMC.
- xii. In addition to above, the stranded power plants may also require financial relief from Banks/ Financial Institutions (FIs) so that they are able to meet their debt service obligations. The individual gas based power plants may approach the lead bank in the consortium or banks (in case of multiple banking arrangements) who may consider their proposal in terms of RBI guidelines.

The benefits under this proposal will be available to only those gas plants where the host State governments agree to the waiver of VAT, CST, Entry Tax / Octroi etc. as proposed above.

6. **Target PLF and Target price:** The EPMC will fix the target PLF and the target price for the power. The indicative target PLF is as below:-

Indicative target PLF (%)				
	FY 16		FY 17	
	5 Monsoon months	7 Non-Monsoon months	5 Monsoon months	7 Non-Monsoon months
Stranded Plants	25%	30%	30%	30%
Plants receiving domestic gas	25%	30%	30%	30%

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The indicative "Target price" which is the net purchase price for the Discoms, will be Rs. 5.50/unit for the stranded gas based plants, and Rs. 4.19/unit for Plants receiving domestic gas for incremental generation upto target PLF. The EPMC may alter the indicative target PLF and/or the indicative target price depending upon the response during reverse e-bidding, while ensuring that the support required from PSDF does not exceed the approved amount for 2015-16 and 2016-17.

7. **e-bid RLNG Operator:** GAIL is appointed as the 'e-bid RLNG Operator' for the gas based plants outside Gujarat and GSPCL will be 'e-bid RLNG Operator' for the gas based plants within Gujarat. Further, it is clarified that GAIL will be the only agency for the procurement of e-bid RLNG under the proposed mechanism.

8. **Reverse e-bidding for PSDF support and Operational mechanism:** The broad mechanism for the reverse e-bidding shall be as given in **Annexure-IV**, while the detailed procedure for the reverse e-bidding process will be finalized by EPMC.

9. **Release of PSDF support by Gol:**

PSDF support will be released as broadly given below and as further firmed up by EPMC:

- a) Support from PSDF will be given to the Discoms purchasing the e-bid RLNG based power periodically upon receiving the following documents:
 - (i) Certification by CEA for each participating gas based plant regarding the quantum of electricity to be generated per unit of gas based on the technical parameters of that plant;



- (ii) Certification by GAIL regarding quantity of e-bid RLNG gas supplied during the relevant period;
- (iii) Self-Certification by the participating gas based plant regarding the quantity of e-bid RLNG gas actually utilized during the relevant period for generation of electricity, and Discom-wise supply of such electricity;
- (iv) Certification by participating Discoms regarding the quantum of e-bid RLNG based electricity purchased during the relevant period from participating gas based plants;
- (v) In case of plants receiving domestic gas (Annexure-II), PSDF support will be available only for incremental generation of electricity during the relevant period over and above the PLF achieved during April-January 2014-15. Thus, for example, if the PLF actually achieved during April-January 2014-15 is 20%, and if during the relevant period the PLF achieved is 25% from all sources including that from e-bid RLNG, then PSDF support will be made available for the electricity corresponding to $25 - 20 = 5\%$ PLF, but limited to the actual generation from e-bid RLNG during that relevant period.
- (vi) EPMC will be authorized to lay down further guidelines in this regard, including appropriate modification in the requirement of above documentation, in the interest of ease of operation, subject to the overall condition that PSDF support will be available only for incremental generation of electricity from e-bid RLNG. The modalities for the disbursal of the PSDF support will be worked out separately.



- b) The EPMC will authorize the release of PSDF support to the Discom.
- c) Discom will in turn pay the gross value of the purchased power (i.e the amount including the support from PSDF) to the power producer.
- d) All receipts and payments relating to e-bid RLNG based power generation will be necessarily routed through a single designated Trust & Retention account (TRA) controlled by the Lead Bank for the power producer..
- e) In case of the stranded gas based plants, the Lead Banker will ensure that all receipts of money would be utilized only for payments towards the variable cost of generation plus O&M expenses as per the CERC/concerned regulator guidelines in force and debt servicing after capping the fixed cost and ensure that no payments are made towards any return on equity to the sponsors of the project.
- f) In case of the Plants receiving Domestic gas, the Lead Banker / EPMC will ensure that all receipts of money would be utilized only for payments towards the variable cost of generation.
- g) The Lead Bank will certify to the EPMC on a quarterly basis that the receipts of money have been utilized solely for the intended purposes.

10. **Execution period:** The scheme shall be applicable for 2 years i.e. for FY 2015-16 and FY2016-17 and will be reviewed thereafter.

11. **Bid Process Management:** GAIL will appoint MSTC Ltd on nomination basis as the service agent for the bid process management. Further, GAIL may also appoint a



transaction advisor, if required. The costs towards MSTC and transaction advisor shall be borne by PSDF.

12. This issues with the concurrence of Finance Branch of the Ministry of Power vide their Dy No. 615/DS/(F)/ dated 27.03.2015.



(A. K. Singh)

Joint Secretary to Government of India

Tel: 23714842

To:

1. Secretary, Department of Revenue, Government of India , New Delhi
2. Secretary, Ministry of Finance, Department of Expenditure, New Delhi.
3. Secretary, Ministry of Finance, Department of Economic Affairs, New Delhi
4. Secretary, Department of Financial Services, Government of India, New Delhi.
5. Secretary, Ministry of Petroleum & Natural Gas, Government of India, New Delhi.
6. Secretary, Department of Fertilizer, Government of India, New Delhi.
7. Chief Secretaries of All States.
8. Chairperson, Central Electricity Authority, R.K. Puram, New Delhi.
9. Secretary, CERC, New Delhi.
10. Secretary, PNGRB
11. CEO, POSOCO
12. Energy/Power Secretaries of all State Governments
13. Chairman of State Electricity Boards/CMDs of State Power Utilities
14. Chairman and Managing Director, GAIL.

Copy forwarded to:

1. CEO, Niti Ayog, New Delhi.
2. Director, Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
3. Finance/Budget Section, Ministry of Power, New Delhi.
4. Controller of Accounts, Ministry of Power, New Delhi.
5. Principal Director of Audits, Economic and Services Ministries, AGCR Building, IP Estate, New Delhi.
6. Department of Programme Implementation, Sardar Pael Bhawan, New Delhi.



Copy to:

1. PS to Minister of State for Power (Independent Charge)/ PS to Minister of State for Petroleum and Natural Gas (Independent Charge)
2. PPS to Secretary (Power)/ Secretary MoPNG
3. PPS to SS(RNC)/Sr PPS to SS(DC)
4. PS to JS(Th)/Joint Secretary & FA/All JS in Ministry of Power.



LIST OF STRANDED GAS BASED CAPACITY

(Average PLF during April,14-January,15)

S. No	Name of Power Station	Installed Capacity (MW)	Name of the State	PLF (%) (April-Jan, 2014-15)
CENTRAL SECTOR				
1	RATNAGIRI (RGPPL-DHABHOL)	1967	MAHARASHTRA	0.0
	Total (CS)	1967		0.0
STATE SECTOR				
2	PRAGATI CCGT-III	750	DELHI	0.0
3	DHUVARAN CCPP(GSECL)	112	GUJARAT	0.0
4	UTRAN CCPP(GSECL)	374	GUJARAT	0.0
5	PIPAVAV CCPP	702	GUJARAT	0.0
6	DHUVARAN CCPP(GSECL)	376.3	GUJARAT	0.0
7	HAZIRA CCPP EXT	351	GUJARAT	0.0
	Total (SS)	2665.3		0.0
	TOTAL(PUBLIC)	4632.3		0.0
PRIVATE SECTOR				
1	VATWA CCPP (TORRENT)	100	GUJARAT	0.0
2	RITHALA CCPP (NDPL)	108	DELHI	0.0
3	ESSAR CCPP **	300	GUJARAT	0.0
4	UNOSUGEN CCPP	382.5	GUJARAT	0.0
5	DGEN Mega CCPP	1200	GUJARAT	0.0
6	GAUTAMI CCPP	464	ANDHRA PRADESH	0.0
7	GMR - KAKINADA (Tanirvavi)	220	ANDHRA PRADESH	0.0
8	JEGURUPADU CCPP (GVK)	220.5	ANDHRA PRADESH	0.0
9	KONASEEMA CCPP	445	ANDHRA PRADESH	0.0
10	KONDAPALLI EXTN CCPP	366	ANDHRA PRADESH	0.0
11	VEMAGIRI CCPP	370	ANDHRA PRADESH	0.0
12	SRIBA INDUSTRIES	30	ANDHRA PRADESH	0.0

S. No	Name of Power Station	Installed Capacity (MW)	Name of the State	PLF (%) (April-Jan, 2014-15)
13	RVK ENERGY	28	ANDHRA PRADESH	0.0
14	SILK ROAD SUGAR	35	ANDHRA PRADESH	0.0
15	LVS POWER	55	ANDHRA PRADESH	0.0
16	GMR Vemagiri Exp	768	ANDHRA PRADESH	N/A
17	Kondapalli Exp St-III	742	ANDHRA PRADESH	N/A
18	Samalkot Exp	2400	ANDHRA PRADESH	N/A
19	CCGT by Panduranga	116	ANDHRA PRADESH	N/A
20	Gas Engine by Astha	35	TELENGANA	N/A
21	Kashipur Sravanthi St-I&II	450	UTTARKHAND	N/A
22	Beta Infratech CCGT	225	UTTARKHAND	N/A
23	Gama Infraprop CCGT	225	UTTARKHAND	N/A
24	CCGT by Pioneer Gas Power Ltd	388	MAHARASHTRA	N/A
	Total (PVT)	9673		0.0
	Total	14305.3		0.0

- Note that out of total 515 MW capacity, 300 MW electricity is being supplied to grid & balance 215 MW is used as captive generation.

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LIST OF PLANTS RECEIVING DOMESTIC GAS

(Average PLF during April,14-January,15)

S. No	Name of Power Station	Installed Capacity (MW)	Name of the State	PLF (%) (April-Jan, 2014-15)
CENTRAL SECTOR				
1	NTPC, FARIDABAD CCPP	431.59	HARYANA	42.3
2	NTPC, ANTA CCPP	419.33	RAJASTHAN	47.9
3	NTPC, AURAIYA CCPP	663.36	UTTAR PRADESH	28.5
4	NTPC, DADRI CCPP	829.78	UTTAR PRADESH	34.6
5	NTPC, GANDHAR (JHANORE)	657.39	GUJARAT	31.0
6	NTPC, KAWAS CCPP	656.2	GUJARAT	31.8
	TOTAL (CS)	3657.65		34.8
STATE SECTOR				
7	I.P.CCPP	270	DELHI	41.2
8	PRAGATI CCGT-III	750	DELHI	33.5
9	PRAGATI CCPP	330.4	DELHI	66.2
10	DHOLPUR CCPP	330	RAJASTHAN	31.2
11	DHUVRAN CCPP(GSECL)	106.42	GUJARAT	17.1
12	HAZIRA CCPP(GSEG)	156.1	GUJARAT	16.0
13	UTRAN CCPP(GSECL)	144	GUJARAT	10.4
14	URAN CCPP (MAHAGENCO)	672	MAHARASHTRA	60.0
	TOTAL (SS)	2758.92		41.5
	TOTAL(PUBLIC)	6416.57		37.7
PRIVATE SECTOR				
1	TROMBAY CCPP (TPC)	180	MAHARASHTRA	78.5
2	BARODA CCPP (GIPCL)	160	GUJARAT	3.1
3	GODAVARI (SPECTRUM)	208	ANDHRA PRADESH	28.4
4	JEGURUPADU CCPP (GVK)	235.4	ANDHRA PRADESH	25.4
5	KONDAPALLI CCPP (LANCO)	350	ANDHRA PRADESH	19.8
6	PEDDAPURAM (BSES)	220	ANDHRA PRADESH	11.6
7	VIJESWARAN CCPP	272	ANDHRA	24.8

S. No	Name of Power Station	Installed Capacity (MW)	Name of the State	PLF (%) (April-Jan, 2014-15)
			PRADESH	
8	PEGUTHAN CCPP (GTEC)	655	GUJARAT	5.4
9	SUGEN CCPP (TORRENT)	1147.5	GUJARAT	25.6
	TOTAL (PVT)	3427.9		22.0
	GRAND TOTAL	9844.47		32.2

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ANNEXURE-III

Revised procedure for availing Custom Duty waiver on imported LNG

- (a) The importer furnishes a self-declaration in the first instance indicating the quantity of LNG being imported for supply as RLNG to generating companies as defined in Section 2(28) of the Electricity Act 2003;
- (b) The importer produces the invoice for sale of RLNG to the generating companies within a period of three months from the date of import, or such extended period not exceeding a further period of six months as the Commissioner of Customs may allow;
- (c) The importer also produces utilisation certificates from the generating companies to the effect that the RLNG has been utilised for generating and supplying electrical energy by the said generating companies, and such utilisation certificate should be produced within a period of three months from the date of import, or such extended period not exceeding a further period of six months as the Commissioner of Customs may allow;
- (d) The importer furnishes an undertaking to pay, on demand, in the event of his failure to comply with any of the aforesaid conditions, an amount equal to the difference between the Customs duty leviable on such goods but for the exemption contained therein and the duty levied at the time of import, along with the applicable interest thereon;
- (e) Where the importer has furnished the invoices and utilisation certificates for a quantity greater than the quantity indicated in self-declaration furnished under (a) above, then the importer shall be allowed to adjust the duty paid on such additional quantity in the subsequent imports for which duty is otherwise payable.
- (f) For the spot LNG to be imported for the purpose, GAIL will give a corporate guarantee backed by Board resolution. In turn, GAIL may, if it so desires, enter into appropriate back-to-back guarantee with gas based plants to whom such e-bid RLNG will be supplied.

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Simplification in procedure for gas swapping and co-mingling

In order to supply e-bid RLNG adequate provision of swapping of gas would be essential. Under the gas swap, KG D6 gas will be diverted to IPPs in AP and in lieu of the same, the existing off-takers of KG-D6 gas will be supplied e-bid RLNG. In order to ensure the transaction to be revenue neutral to the existing fertilizer customers of KG D6 and also for the pipeline transporters concerned, the beneficiary IPPs in AP need to bear additional costs incurred in this transaction towards AP State VAT and reverse flow transportation tariff under the PNGRB regulations. This will also lead to a payment of ship-or-pay charges up to 90% of the contractual transportation volumes by the fertilizer units to the transporter (RGTEL). Accordingly, Ministry of Finance shall allow the Ministry of Fertilizer to issue suitable modifications in the subsidy reimbursement norms to address this anomaly. Similarly for gas swapping for the States of Gujarat with Maharashtra/Goa/Karnataka customers will be required as e-bid RLNG cannot be transported from Dabhol terminal to Gujarat along GAIL's pipeline network. Accordingly, following clarification by the Department of Revenue, Ministry of Finance will be issued :

"Where the goods sold or purchased are transported through a common transport/distribution system (such as a common carrier pipeline), wherein the goods may be comingled and fungible with the goods of other parties, so long as an equivalent quantity of the goods introduced into the system in one state is taken out of the system in other State (as evidenced through commercial documentation) such contractual movement of goods is considered to be occasioned from one State to another and only applicable tax shall be CST and states should have no ability to levy VAT on such transactions"



Reverse e-bidding for PSDF Support and Operational Mechanism

- a) The eligible gas based plants will be required to indicate within the target PLF the additional power that would be generated (in MUs) and the support required per unit of generation (in Rs. per unit) from PSDF with a commitment that the net price to Discoms is not more than the target price or as decided by the EPMC. Thus, while the gas based plants are free to sell their power below the target price, but the support from PSDF will, however, be restricted to the target price.
- b) The total quantity of support from PSDF for each year has been decided as mentioned at para 2 of the OM. Similarly, the total quantum of e-bid RLNG which can be imported during monsoon and non-monsoon months will be indicated by GAIL. This will in turn translate into an indicative maximum quantity (in Million Units) of electricity that can be generated using this e-bid RLNG.
- c) The bidding for the Stranded gas based plants and the Plants receiving domestic gas will be conducted separately.
- d) The EPMC will fix the upper ceiling of per unit support required from PSDF, below which the reverse e-bidding will take place. The upper ceiling will be the indicative average per unit support of PSDF as given below in order to allow bidding space for maximizing competition:

PSDF Support Ceiling Price (Rs/per unit)		
	FY 16	FY 17
Stranded Plants	0.94	0.95
Plants receiving domestic gas	1.26	1.28

EPMC will have the power to modify this ceiling price for the successful conduct of reverse e-bidding.

- e) The eligible bidders, while participating in the reverse e-auction, will be required to indicate during the online bidding process, the total incremental electricity which they will generate using the e-bid RLNG, as well as the per unit PSDF support (in Rs. per unit) which they will require in order to ensure that the net purchase price for the Discoms is not more than the target price as decided by the EPMC, without exceeding the target PLF.
- f) The process will be carried out online through reverse e-bidding during a declared bidding window period. It will be the responsibility of the bidder to take into account various factors, such as, the benefits of the interventions available (as discussed at para 6 of the OM, Contribution by different stakeholders), PPAs if any entered into or likely to be entered into by the bidder, availability of transmission corridors and all other conditions likely to impact the generation and sale of power.
- g) GAIL will indicate the likely price of the e-bid RLNG (in US\$/mmbtu) and the total available quantity, prior to the e-bidding process. The actual



payment of PSDF support, however, will be based on the prevailing exchange rate and the then prevailing gas prices for which an appropriate linkage formula between the actual gas price and per unit PSDF support will be prescribed by EPMC prior to bidding. Any increase or decrease in the spot RLNG price or forex rate will be a pass through to PSDF, but only upto the annual limit of the total PSDF support available.

- h) Total PSDF support and total e-bid RLNG will be fixed and the bidder can sell the power at a net purchase price to the Discoms of not more than target price and operate not exceeding the target PLF. These are the boundary conditions within which the bidding will take place. The bidder will bid on per unit PSDF support required and incremental generation (MUs) from the e-bid RLNG. These figures would then be ranked based on per unit support from PSDF in ascending order. The cut off will be the point when either of the two boundary conditions i.e. total PSDF support or total e-bid RLNG quantity is exhausted.
- i) If there is a surplus at the cut off level, EPMC will have the flexibility to either reduce further the target price of power and/or to increase the target PLF without exceeding the total amount of PSDF support and the entire bidding process will be repeated again. The EPMC will also have the freedom to decide the period covered under the bidding. EPMC will be authorized to appropriately design the bidding process and finalize the same.
- j) CEA will vet the gas requirement for electricity to be generated by each winning bidder and communicate the same to GAIL. GAIL will be responsible for procuring LNG in accordance with its procurement procedures and it will communicate the actual price of the e-bid RLNG to EPMC and to the successful bidders on a periodical basis.
- k) Post award, the winning gas based plants will be allowed a limited time frame (as decided by EPMC) during which the various stakeholders will have to fulfill the required conditions/ formalities as mentioned at para 6 of the OM including entering into Take or Pay (ToP) contractual arrangement for the e-bid RLNG with the e-bid RLNG operator.
- l) The scheme shall also not prejudice the current contracts and ongoing cases in the court of law between GAIL/GSPCL and several other parties on related matters. MoP&NG will also facilitate requisite co-ordination with PNGRB for implementing the proposed mechanism.
- m) The outcome of bidding process will be communicated to CERC and the SERCs so that the concerned regulator may take further appropriate action so as to ensure that the net price of power to the Discoms does not exceed the target price after factoring in the support from PSDF.
- n) Further, it may be noted that the gas based plants will work in combined cycle mode (i.e. both gas turbine and steam turbine in operation) only. With less availability of pooled gas, the individual gas based plant has to optimize the operation of the number of modules/ gas turbines at higher loading factor in order to have viable and efficient operation. Further, options like diversion / rostering of gas between plants of the same bidder will be permitted.



- o) It is clarified that the gas based plants will be free to generate additional power by separately procuring additional RLNG from the market on their own and to sell such additional power so generated at market rates.



Confidential

L. Chuaungo, IAS
Principal Secretary



2.12.15

File A

No.ELA-13-2015-GoI-108-K

Energy & Petrochemicals Department
Government of Gujarat

7 NOV 2015

To,
The Secretary,
Gujarat Electricity Regulatory Commission,
GIFT City,
Gandhinagar.

Sub : Direction to the State Electricity Regulatory Commission, U/S 108 of the Electricity Act, 2003, for implementation of the Scheme for Utilization of Gas based Power Generation Capacity reg.

Sir,

The GoI, Ministry of Power, has accorded approval to the Scheme for "Utilization of Gas based Power Generation Capacity" to revive the "Stranded Gas based Plants in the Country. The Scheme envisages Supply of Imported Spot RLNG (e-bid RLNG) to the Stranded Gas Based Plants as well as to the Plants receiving some Domestic Gas, upto the target PLF, selected through a reverse e-bidding process. The Scheme also envisages sacrifices to be made collectively by various Stakeholders and Support from the Power Sector Development Fund (PSDF).

2. MoP, GoI, has issued an Office Memorandum on 27.3.2015 for the implementation of the Scheme in the public interest for the Gas Grid Connected Plants of 9,845 MW receiving limited Domestic Gas and 14,305 MW stranded gas based plants. A copy of the approved scheme inter-alia specifying the objective implementation mechanism, is enclosed.

3. The Scheme of GoI, MoP, is under implementation and following Power Generating Companies in the State, are successful bidders and receiving the required quantum of e-bid RLNG, for Generation of Power.

(1) Gujarat State Electricity Corporation Ltd.

- (i) Utran
- (ii) Dhuvaran

(2) M/s. CLP (India) Pvt. Ltd. (GPEC)

(i) UNO SUGEN, Surat.

(ii) M/s. Torrent Energy Ltd, Dahej (Surat).

4. As mentioned above, the implementation of the Scheme requires interventions of the Appropriate Governments, Financial Institutions, Power Developers, Gas Transporters and Regasification Terminals, to make Power Generation affordable from such Gas based Power Plants. The Electricity Act, 2003, ("the Act") empowered the Gujarat Electricity Regulatory Commission (GERC) to regulate the Tariff of the Generating Companies owned or controlled by the State Govt and the Generating Companies supplying Power to the State Power Distribution Licensees, to determine the Tariff for State Transmission and also regulate the State Transmission of Electricity.

5. In order to give effect to the above Policy decision in the public interest for the Gas based generating Companies availing the supply of e-bid RLNG, under the aforesaid Scheme for the benefit of the general consumers, the State Govt hereby directs the Hon. GERC u/s 108 of the Electricity Act, 2003, to issue appropriate Orders, Regulation and/ or Guidelines, for the following :-

(a) No Transmission Charges and Losses, shall be levied for the transmission of incremental gas based power, so produced from the e-bid RLNG by the Gas based Power Projects.

(b) The Scheme envisages that all receipts and payments of the e-bid RLNG based power producer under this Scheme, will be necessarily routed through a single designated Trust & Retention Account (TRA) controlled by the Lead Bank for the Power Producer, subject to the following :

(i) In case of the stranded gas based plants, the Lead Banker will ensure that all receipts and money would be utilized only for payments towards the variable cost of generation, O&M expenses and Interest Payments, as per the Regulations, Orders and/ or Guidelines of Hon.GERC, after capping the fixed cost and ensure that no payments are made towards any return on equity to the sponsors of the project.

- (ii) In case of the Plants receiving some domestic gas, the Lead Banker will ensure that all receipts and Money are utilized only for payments towards the variable cost of generation.
- (c) The net price of this incremental Electricity sold by Generating Plants regulated by Hon.GERC and purchased by the distribution licensee under this Scheme should not exceed the target Price specified in the Scheme. The details of corresponding target price for different periods will be communicated separately.

6. Hon. GERC shall consider appropriate action, as mentioned above, which may include changes in the relevant Regulations/ Orders issued by the Hon. Commission, with a view to ensuring that the Scheme is implemented, as per Law and in the public interest.

7. These directions have been issued u/s 108 of the Act with the approval of the Competent Authority. I am, therefore, to request you to apprise of the Hon. Commission on this, for appropriation compliance of these directions and updating the Govt, for the same.

Yours faithfully,



(L. Chuaungo)

Enclosure : As above.



सत्यमेव जयते
Government of India
No. 4/2/2015-Th-I
Government of India
Ministry of Power

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Shram Shakti Bhawan, Rafi Marg
New Delhi Dated 27th March, 2015

OFFICE MEMORANDUM

Subject: Scheme for utilisation of Gas based power generation capacity

Sanction of the President of India is hereby conveyed for implementation of the scheme for Utilisation of Gas based power generation capacity for the years 2015-16 and 2016-17. The present gas based capacity, commissioned as well as ready for commissioning in the country is 27,123 MW. Of this, during the current financial year (April 2014 to Jan 2015), the gas grid connected plants with the capacity of 9,845 MW received some limited available domestic gas and operated at an average PLF of 32.2% during this period and are classified as 'Plants receiving domestic gas'. Further, 14,305 MW capacity had no supply of domestic gas and is classified as 'Stranded gas based plants'. The list of Stranded gas based plants and Plants receiving domestic gas is given in **Annexure I** and **Annexure II** respectively.

1. **Scope :** The scheme envisages supply of imported spot RLNG "e-bid RLNG" to the Stranded gas based plants as well as the Plants receiving domestic gas, upto—

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the target PLF (as defined in para 7 below) selected through a reverse e-bidding process (as explained at para 9 below). The scheme also envisages sacrifices to be made collectively by all stakeholders and support from the PSDF (as detailed in para 5 below).

2. **Funding:** The outlay for the support from PSDF has been fixed at Rs. 3500 Cr. and Rs. 4000 Cr. for FY 2015-16 and FY 2016-17 respectively. Further, PSDF support is apportioned between the two groups as Stranded plants:- Rs. 3000 Cr, Plants receiving domestic gas:- Rs. 500 Cr for FY 2015-16 and Stranded plants:- Rs. 3500 Cr, Plants receiving domestic gas:- Rs. 500 Cr for FY 2016-17.

3. **Empowered Pool Management Committee (EPMC):** An Empowered Pool Management Committee (EPMC) is constituted under the chairmanship of Special Secretary (MoP) / Additional Secretary (MoP) with following members: JS, Department of Revenue, JS (MoP&NG) in charge of gas allocation, JS (Thermal) MoP, JS & FA MoP, Member (Thermal), CEA, Director (Marketing), GAIL, Director (Marketing), GSPCL. This Committee shall meet at appropriate intervals to oversee the implementation of this scheme. The EPMC is fully empowered to resolve the operational issues as may arise from time to time to ensure smooth functioning of the scheme. Thermal Division of Ministry of Power will provide secretarial assistance to the EPMC. Accordingly, JS (Thermal), MoP will act as the Member-Secretary of the EPMC.

4. **Eligible Utilities:** The eligible Gas based power plants under this scheme shall be the Stranded gas based plants and those Plants receiving domestic gas

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whose actual average PLF achieved during April – January 2014-15 was below the target PLF. The list of the eligible gas based plants which can participate in the bidding shall be declared prior to bidding based on the target PLF as decided by the EPMC.

5. **Contribution by different stakeholders:** In order to achieve the target price of power (as explained at para 6 below), the following interventions/sacrifices have been approved to be made by the Central Government, State Governments, power developers and gas transporters collectively:-

- i. Customs duty waiver on imported LNG: GOI has already exempted Customs duty on imported LNG used for power generation. The procedure for availing this benefit has been simplified further for which Department of Revenue, Ministry of Finance, will issue appropriate notification. The revised procedure is placed at **Annexure-III**.
- ii. Waiver of Value Added Tax (VAT) on the e-bid RLNG: The concerned State Governments are required to waive VAT on the e-bid RLNG consumed in power generation, based on the invoicing done by the gas supplier.
- iii. Waiver of Central Sales Tax (CST), Octroi and Entry Tax on the e-bid RLNG: Central Sales Tax (CST), Octroi and Entry Tax shall be exempted by the concerned States on the e-bid RLNG. Further, in case of CST sale of RLNG, the Entry tax being levied by States shall be exempted by the respective States on the e-bid RLNG.
- iv. Waiver of Service Tax on regasification and transportation of the e-bid RLNG: The Service Tax on regasification and on transportation of e-bid RLNG has

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- been waived off, for which Department of Revenue, Ministry of Finance will issue appropriate notification
- v. Reduction in pipeline tariff charges by GAIL / transporters on the e-bid RLNG:
GAIL / other transporters (RGTIL and GSPCL) shall reduce the pipeline tariff by 50% on e-bid RLNG. It may be noted that for the reduction in pipeline tariff, the concurrence of PNGRB may be required which would be facilitated by MOP&NG.
 - vi. Reduction in Regasification charges by Regasification agencies on the e-bid RLNG: The Regasification agencies shall reduce the regasification charges by 50% on the e-bid RLNG.
 - vii. Reduction in marketing margin by GAIL / GSPCL on the e-bid RLNG: GAIL / GSPCL shall reduce marketing margin by 75% on sell of e-bid RLNG.
 - viii. Capping of fixed cost to be recovered by the stranded developers: For the stranded gas based plants, the developers shall completely forego the return on their equity as detailed in para 10 below. Accordingly, the fixed cost recovery shall be limited to meet only the obligation towards debt servicing and Operation & Maintenance (O&M) cost.
 - ix. Provision for co-mingling and swapping of gas: The procedure for co-mingling and swapping of gas has been simplified further as given in **Annexure-IV**, for which Department of Revenue, Ministry of Finance will issue appropriate notification
 - x. Exemption from transmission charges and losses for stranded gas based power projects on lines of solar power on generation from the e-bid RLNG:
Transmission charges and transmission losses of the CTU and/or STU as the

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case may be, for the incremental gas based power so produced by the e-bid RLNG are waived off, on the lines of solar power.

- xi. Support from Power System Development Fund (PSDF): PSDF support by the Government of India shall be made available to the Discoms through a transparent reverse e-bidding process as explained at para 9 and 10 below. Further, the support from PSDF will be made available only for the incremental PLF above the base PLF achieved by the gas based plant during April-Jan, 2014-2015 and upto the target PLF. The incremental generation will be as defined by EPMC.
- xii. In addition to above, the stranded power plants may also require financial relief from Banks/ Financial Institutions (FIs) so that they are able to meet their debt service obligations. The individual gas based power plants may approach the lead bank in the consortium or banks (in case of multiple banking arrangements) who may consider their proposal in terms of RBI guidelines.

The benefits under this proposal will be available to only those gas plants where the host State governments agree to the waiver of VAT, CST, Entry Tax / Octroi etc. as proposed above.

6. **Target PLF and Target price:** The EPMC will fix the target PLF and the target price for the power. The indicative target PLF is as below:-

Indicative target PLF (%)				
	FY 16		FY 17	
	5 Monsoon months	7 Non-Monsoon months	5 Monsoon months	7 Non-Monsoon months
Stranded Plants	25%	30%	30%	30%
Plants receiving domestic gas	25%	30%	30%	30%

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The indicative "Target price" which is the net purchase price for the Discoms, will be Rs. 5.50/unit for the stranded gas based plants, and Rs. 4.19/unit for Plants receiving domestic gas for incremental generation upto target PLF. The EPMC may alter the indicative target PLF and/or the indicative target price depending upon the response during reverse e-bidding, while ensuring that the support required from PSDF does not exceed the approved amount for 2015-16 and 2016-17.

7. **e-bid RLNG Operator:** GAIL is appointed as the 'e-bid RLNG Operator' for the gas based plants outside Gujarat and GSPCL will be 'e-bid RLNG Operator' for the gas based plants within Gujarat. Further, it is clarified that GAIL will be the only agency for the procurement of e-bid RLNG under the proposed mechanism.

8. **Reverse e-bidding for PSDF support and Operational mechanism:** The broad mechanism for the reverse e-bidding shall be as given in Annexure-IV, while the detailed procedure for the reverse e-bidding process will be finalized by EPMC.

9. **Release of PSDF support by Govt: —**

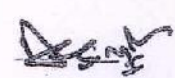
PSDF support will be released as broadly given below and as further firmed up by EPMC:

- a) Support from PSDF will be given to the Discoms purchasing the e-bid RLNG based power periodically upon receiving the following documents:
 - (i) Certification by CEA for each participating gas based plant regarding the quantum of electricity to be generated per unit of gas based on the technical parameters of that plant;



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- (ii) Certification by GAIL regarding quantity of e-bid RLNG gas supplied during the relevant period;
- (iii) Self-Certification by the participating gas based plant regarding the quantity of e-bid RLNG gas actually utilized during the relevant period for generation of electricity, and Discom-wise supply of such electricity;
- (iv) Certification by participating Discoms regarding the quantum of e-bid RLNG based electricity purchased during the relevant period from participating gas based plants;
- (v) In case of plants receiving domestic gas (Annexure-II), PSDF support will be available only for incremental generation of electricity during the relevant period over and above the PLF achieved during April-January 2014-15. Thus, for example, if the PLF actually achieved during April-January 2014-15 is 20%, and if during the relevant period the PLF achieved is 25% from all sources including that from e-bid RLNG, then PSDF support will be made available for the electricity corresponding to $25 - 20 = 5\%$ PLF, but limited to the actual generation from e-bid RLNG during that relevant period.
- (vi) EPMC will be authorized to lay down further guidelines in this regard, including appropriate modification in the requirement of above documentation, in the interest of ease of operation, subject to the overall condition that PSDF support will be available only for incremental generation of electricity from e-bid RLNG. The modalities for the disbursal of the PSDF support will be worked out separately.



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- b) The EPMC will authorize the release of PSDF support to the Discom.
- c) Discom will in turn pay the gross value of the purchased power (i.e the amount including the support from PSDF) to the power producer.
- d) All receipts and payments relating to e-bid RLNG based power generation will be necessarily routed through a single designated Trust & Retention account (TRA) controlled by the Lead Bank for the power producer..
- e) In case of the stranded gas based plants, the Lead Banker will ensure that all receipts of money would be utilized only for payments towards the variable cost of generation plus O&M expenses as per the CERC/concerned regulator guidelines in force and debt servicing after capping the fixed cost and ensure that no payments are made towards any return on equity to the sponsors of the project.
- f) In case of the Plants receiving Domestic gas, the Lead Banker / EPMC will ensure that all receipts of money would be utilized only for payments towards the variable cost of generation.
- g) The Lead Bank will certify to the EPMC on a quarterly basis that the receipts of money have been utilized solely for the intended purposes.

10. **Execution period:** The scheme shall be applicable for 2 years i.e. for FY 2015-16 and FY2016-17 and will be reviewed thereafter.


11. **Bid Process Management:** GAIL will appoint MSTC Ltd on nomination basis as the service agent for the bid process management. Further, GAIL may also appoint a

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transaction advisor, if required. The costs towards MSTC and transaction advisor shall be borne by PSDF.

12. This issues with the concurrence of Finance Branch of the Ministry of Power vide their Dy No. 615/DSI(F)/ dated 27.03.2015.


(A. K. Singh)

Joint Secretary to Government of India

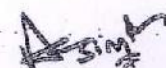
Tel: 23714842

To:

1. Secretary, Department of Revenue, Government of India, New Delhi
2. Secretary, Ministry of Finance, Department of Expenditure, New Delhi.
3. Secretary, Ministry of Finance, Department of Economic Affairs, New Delhi
4. Secretary, Department of Financial Services, Government of India, New Delhi.
5. Secretary, Ministry of Petroleum & Natural Gas, Government of India, New Delhi.
6. Secretary, Department of Fertilizer, Government of India, New Delhi.
7. Chief Secretaries of All States. —
8. Chairperson, Central Electricity Authority, R.K. Puram, New Delhi.
9. Secretary, CERC, New Delhi.
10. Secretary, PNGRB
11. CEO, POSOCO
12. Energy/Power Secretaries of all State Governments
13. Chairman of State Electricity Boards/CMDs of State Power Utilities
14. Chairman and Managing Director, GAIL.

Copy forwarded to:

1. CEO, Niti Ayog, New Delhi.
2. Director, Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
3. Finance/Budget Section, Ministry of Power, New Delhi.
4. Controller of Accounts, Ministry of Power, New Delhi.
5. Principal Director of Audits, Economic and Services Ministries, AGCR Building, IP Estate, New Delhi.
6. Department of Programme Implementation, Sardar Patel Bhawan, New Delhi.



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Copy to:

1. PS to Minister of State for Power (~~Independent~~ Charge)/ PS to Minister of State for Petroleum and Natural Gas (Independent Charge)
2. PPS to Secretary (Power)/ Secretary MoPNG
3. PPS to SS(RNC)/Sr PPS to SS(DC)
4. PS to JS(Th)/Joint Secretary & FA/All JS in Ministry of Power.

[Signature]

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Annexure-I

LIST OF STRANDED GAS BASED CAPACITY

(Average PLF during April,14-January,15)

S. No	Name of Power Station	Installed Capacity (MW)	Name of the State	PLF (%) (April-Jan, 2014-15)
CENTRAL SECTOR				
1	RATNAGIRI (RGPPL-DHABHOL)	1967	MAHARASHTRA	0.0
	Total (CS)	1967		0.0
STATE SECTOR				
2	PRAGATI CCGT-III	750	DELHI	0.0
3	DHUVARAN CCPP(GSECL)	112	GUJARAT	0.0
4	UTRAN CCPP(GSECL)	374	GUJARAT	0.0
5	PIPAVAV CCPP	702	GUJARAT	0.0
6	DHUVARAN CCPP(GSECL)	376.3	GUJARAT	0.0
7	HAZIRA CCPP EXT	351	GUJARAT	0.0
	Total (SS)	2665.3		0.0
	TOTAL(PUBLIC)	4632.3		0.0
PRIVATE SECTOR				
1	VATWA CCPP (TORRENT)	100	GUJARAT	0.0
2	RITHALA CCPP (NDPL)	108	DELHI	0.0
3	ESSAR CCPP **	300	GUJARAT	0.0
4	UNOSUGEN CCPP	382.5	GUJARAT	0.0
5	DGEN Mega CCPP	1200	GUJARAT	0.0
6	GAUTAMI CCPP	464	ANDHRA PRADESH	0.0
7	GMR - KAKINADA (Tanirvavi)	220	ANDHRA PRADESH	0.0
8	JEGURUPADU CCPP (GVK)	220.5	ANDHRA PRADESH	0.0
9	KONASEEMA CCPP	445	ANDHRA PRADESH	0.0
10	KONDAPALLI EXTN CCPP	366	ANDHRA PRADESH	0.0
11	VEMAGIRI CCPP	370	ANDHRA PRADESH	0.0
12	SRIBA INDUSTRIES	30	ANDHRA PRADESH	0.0

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S. No	Name of Power Station	Installed Capacity (MW)	Name of the State	PLF (%) (April-Jan, 2014-15)
13	RVK ENERGY	28	ANDHRA PRADESH	0.0
14	SILK ROAD SUGAR	35	ANDHRA PRADESH	0.0
15	LVS POWER	55	ANDHRA PRADESH	0.0
16	GMR Vemagiri Exp	768	ANDHRA PRADESH	N/A
17	Kondapalli Exp St-III	742	ANDHRA PRADESH	N/A
18	Samalkot Exp	2400	ANDHRA PRADESH	N/A
19	CCGT by Panduranga	116	ANDHRA PRADESH	N/A
20	Gas Engine by Astha	35	TELENGANA	N/A
21	Kashipur Sravanthi St-I&II	450	UTTARKHAND	N/A
22	Beta Infratech CCGT	225	UTTARKHAND	N/A
23	Gama Infraprop CCGT	225	UTTARKHAND	N/A
24	CCGT by Pioneer Gas Power Ltd	388	MAHARASHTRA	N/A
	Total (PVT)	9673		0.0
	Total	14305.3		0.0

- Note that out of total 515 MW capacity, 300 MW electricity is being supplied to grid & balance 215 MW is used as captive generation.

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LIST OF PLANTS RECEIVING DOMESTIC GAS

(Average PLF during April,14-January,15)

S. No	Name of Power Station	Installed Capacity (MW)	Name of the State	PLF (%) (April-Jan, 2014-15)
CENTRAL SECTOR				
1	NTPC, FARIDABAD CCPP	431.59	HARYANA	42.3
2	NTPC, ANTA CCPP	419.33	RAJASTHAN	47.9
3	NTPC, AURAIYA CCPP	663.36	UTTAR PRADESH	28.5
4	NTPC, DADRI CCPP	829.78	UTTAR PRADESH	34.6
5	NTPC, GANDHAR (JHANORE)	657.39	GUJARAT	31.0
6	NTPC, KAWAS CCPP	656.2	GUJARAT	31.8
	TOTAL (CS)	3657.65		34.8
STATE SECTOR				
7	I.P. CCPP	270	DELHI	41.2
8	PRAGATI CCGT-III	750	DELHI	33.5
9	PRAGATI CCPP	330.4	DELHI	66.2
10	DHOLPUR CCPP	330	RAJASTHAN	31.2
11	DHUVARAN — CCPP(GSECL)	106.42	GUJARAT	17.1
12	HAZIRA CCPP(GSEG)	156.1	GUJARAT	16.0
13	UTRAN CCPP(GSECL)	144	GUJARAT	10.4
14	URAN CCPP (MAHAGENCO)	672	MAHARASHTRA	60.0
	TOTAL (SS)	2758.92		41.5
	TOTAL(PUBLIC)	6416.57		37.7
PRIVATE SECTOR				
1	TROMBAY CCPP (TPC)	180	MAHARASHTRA	78.5
2	BARODA CCPP (GIPCL)	160	GUJARAT	3.1
3	GODAVARI (SPECTRUM)	208	ANDHRA PRADESH	28.4
4	JEGURUPADU CCPP (GVK)	235.4	ANDHRA PRADESH	25.4
5	KONDAPALLI CCPP (LANCO)	350	ANDHRA PRADESH	19.8
6	PEDDAPURAM (BSES)	220	ANDHRA PRADESH	11.6
7	VIJESWARAN CCPP	272	ANDHRA	24.8

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S. No	Name of Power Station	Installed Capacity (MW)	Name of the State	PLF (%) (April-Jan, 2014-15)
			PRADESH	
8	PEGUTHAN CCPP (GTEC)	655	GUJARAT	5.4
9	SUGEN CCPP (TORRENT)	1147.5	GUJARAT	25.6
	TOTAL (PVT)	3427.9		22.0
	GRAND TOTAL	9844.47		32.2

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ANNEXURE-III

Revised procedure for availing Custom Duty waiver on imported LNG

- (a) The importer furnishes a self-declaration in the first instance indicating the quantity of LNG being imported for supply as RLNG to generating companies as defined in Section 2(28) of the Electricity Act 2003;
- (b) The importer produces the invoice for sale of RLNG to the generating companies within a period of three months from the date of import, or such extended period not exceeding a further period of six months as the Commissioner of Customs may allow;
- (c) The importer also produces utilisation certificates from the generating companies to the effect that the RLNG has been utilised for generating and supplying electrical energy by the said generating companies, and such utilisation certificate should be produced within a period of three months from the date of import, or such extended period not exceeding a further period of six months as the Commissioner of Customs may allow;
- (d) The importer furnishes an undertaking to pay, on demand, in the event of his failure to comply with any of the aforesaid conditions, an amount equal to the difference between the Customs duty leviable on such goods but for the exemption contained therein and the duty levied at the time of import, along with the applicable interest thereon;
- (e) Where the importer has furnished the invoices and utilisation certificates for a quantity greater than the quantity indicated in self-declaration furnished under (a) above, then the importer shall be allowed to adjust the duty paid on such additional quantity in the subsequent imports for which duty is otherwise payable.
- (f) For the spot LNG to be imported for the purpose, GAIL will give a corporate guarantee backed by Board resolution. In turn, GAIL may, if it so desires, enter into appropriate back-to-back guarantee with gas based plants to whom such e-bid RLNG will be supplied.

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Annexure IV

Simplification in procedure for gas swapping and co-mingling

In order to supply e-bid RLNG adequate provision of swapping of gas would be essential. Under the gas swap, KG D6 gas will be diverted to IPPs in AP and in lieu of the same, the existing off-takers of KG-D6 gas will be supplied e-bid RLNG. In order to ensure the transaction to be revenue neutral to the existing fertilizer customers of KG D6 and also for the pipeline transporters concerned, the beneficiary IPPs in AP need to bear additional costs incurred in this transaction towards AP State VAT and reverse flow transportation tariff under the PNGRB regulations. This will also lead to a payment of ship-or-pay charges up to 90% of the contractual transportation volumes by the fertilizer units to the transporter (RGTL). Accordingly, Ministry of Finance shall allow the Ministry of Fertilizer to issue suitable modifications in the subsidy reimbursement norms to address this anomaly. Similarly for gas swapping for the States of Gujarat with Maharashtra/Goa/Karnataka customers will be required as e-bid RLNG cannot be transported from Dabhol terminal to Gujarat along GAIL's pipeline network. Accordingly, following clarification by the Department of Revenue, Ministry of Finance will be issued :

"Where the goods sold or purchased are transported through a common transport/distribution system (such as a common carrier pipeline), wherein the goods may be comingled and fungible with the goods of other parties, so long as an equivalent quantity of the goods introduced into the system in one state is taken out of the system in other State (as evidenced through commercial documentation) such contractual movement of goods is considered to be occasioned from one State to another and only applicable tax shall be CST and states should have no ability to levy VAT on such transactions"

As per

Annexure-V

Reverse e-bidding for PSDF Support and Operational Mechanism

- a) The eligible gas based plants will be required to indicate within the target PLF the additional power that would be generated (in MUs) and the support required per unit of generation (in Rs. per unit) from PSDF with a commitment that the net price to Discoms is not more than the target price or as decided by the EPMC. Thus, while the gas based plants are free to sell their power below the target price, but the support from PSDF will, however, be restricted to the target price.
- b) The total quantity of support from PSDF for each year has been decided as mentioned at para 2 of the OM. Similarly, the total quantum of e-bid RLNG which can be imported during monsoon and non-monsoon months will be indicated by GAIL. This will in turn translate into an indicative maximum quantity (in Million Units) of electricity that can be generated using this e-bid RLNG.
- c) The bidding for the Stranded gas based plants and the Plants receiving domestic gas will be conducted separately.
- d) The EPMC will fix the upper ceiling of per unit support required from PSDF, below which the reverse e-bidding will take place. The upper ceiling will be the indicative average per unit support of PSDF as given below in order to allow bidding space for maximizing competition:

PSDF Support Ceiling Price (Rs/per unit)		
	FY 16	FY 17
Stranded Plants	0.94	0.95
Plants receiving domestic gas	1.26	1.28

EPMC will have the power to modify this ceiling price for the successful conduct of reverse e-bidding.

- e) The eligible bidders, while participating in the reverse e-auction, will be required to indicate during the online bidding process, the total incremental electricity which they will generate using the e-bid RLNG, as well as the per unit PSDF support (in Rs. per unit) which they will require in order to ensure that the net purchase price for the Discoms is not more than the target price as decided by the EPMC, without exceeding the target PLF.
- f) The process will be carried out online through reverse e-bidding during a declared bidding window period. It will be the responsibility of the bidder to take into account various factors, such as, the benefits of the interventions available (as discussed at para 6 of the OM, Contribution by different stakeholders), PPAs if any entered into or likely to be entered into by the bidder, availability of transmission corridors and all other conditions likely to impact the generation and sale of power.
- g) GAIL will indicate the likely price of the e-bid RLNG (in US\$/mmbtu) and the total available quantity, prior to the e-bidding process. The actual

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payment of PSDF support, however, will be based on the prevailing exchange rate and the then prevailing gas prices for which an appropriate linkage formula between the actual gas price and per unit PSDF support will be prescribed by EPMC prior to bidding. Any increase or decrease in the spot RLNG price or forex rate will be a pass through to PSDF, but only upto the annual limit of the total PSDF support available.

- h) Total PSDF support and total e-bid RLNG will be fixed and the bidder can sell the power at a net purchase price to the Discoms of not more than target price and operate not exceeding the target PLF. These are the boundary conditions within which the bidding will take place. The bidder will bid on per unit PSDF support required and incremental generation (MUs) from the e-bid RLNG. These figures would then be ranked based on per unit support from PSDF in ascending order. The cut off will be the point when either of the two boundary conditions i.e. total PSDF support or total e-bid RLNG quantity is exhausted.
- i) If there is a surplus at the cut off level, EPMC will have the flexibility to either reduce further the target price of power and/or to increase the target PLF without exceeding the total amount of PSDF support and the entire bidding process will be repeated again. The EPMC will also have the freedom to decide the period covered under the bidding. EPMC will be authorized to appropriately design the bidding process and finalize the same.
- j) CEA will vet the gas requirement for electricity to be generated by each winning bidder and communicate the same to GAIL. GAIL will be responsible for procuring LNG in accordance with its procurement procedures and it will communicate the actual price of the e-bid RLNG to EPMC and to the successful bidders on a periodical basis.
- k) Post award, the winning gas based plants will be allowed a limited time frame (as decided by EPMC) during which the various stakeholders will have to fulfill the required conditions/ formalities as mentioned at para 6 of the OM including entering into Take or Pay (ToP) contractual arrangement for the e-bid RLNG with the e-bid RLNG operator.
- l) The scheme shall also not prejudice the current contracts and ongoing cases in the court of law between GAIL/GSPCL and several other parties on related matters. MoP&NG will also facilitate requisite co-ordination with PNGRB for implementing the proposed mechanism.
- m) The outcome of bidding process will be communicated to CERC and the SERCs so that the concerned regulator may take further appropriate action so as to ensure that the net price of power to the Discoms does not exceed the target price after factoring in the support from PSDF.
- n) Further, it may be noted that the gas based plants will work in combined cycle mode (i.e. both gas turbine and steam turbine in operation) only. With less availability of pooled gas, the individual gas based plant has to optimize the operation of the number of modules/ gas turbines at higher loading factor in order to have viable and efficient operation. Further, options like diversion / rostering of gas between plants of the same bidder will be permitted.



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- o) It is clarified that the gas based plants will be free to generate additional power by separately procuring additional RLNG from the market on their own and to sell such additional power so generated at market rates. —

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