

No. 23/2/2022-R&R  
Government of India  
Ministry of Power  
\*\*\*

Shram Shakti Bhawan, Rafi Marg,  
New Delhi, 15<sup>th</sup> September, 2022

To

1. Secretary, MNRE, New Delhi
2. Chairperson, Central Electricity Authority, Sewa Bhavan, R.K. Puram, New Delhi
3. Secretary, Central Electricity Regulatory Commission (CERC), New Delhi
4. Principal Secretaries/Secretaries (Power/Energy) of all State Governments/UTs
5. Secretaries of All State Electricity Regulatory Commissions/JERCs.
6. Chairman/CMDs of all PSUs under administrative control of Ministry of Power
7. CMDs/MDs of Discoms/Gencos of all State Governments
8. DG, Association of Power Producers, New Delhi.
9. President, FICCI, House No. 1, Tansen Marg New Delhi
10. President, CII, New Delhi
11. President, PHDCCI, New Delhi
12. ASSOCHAM, Chanakyapuri, New Delhi
13. DG, Electric Power Transmission Association (EPTA), New Delhi
14. Chairman Indian Wind Power Association, New Delhi
15. Chairman, Indian Wind Turbine Manufacturers Association, New Delhi
16. Director General, National Solar Energy Federation of India (NSEFI), New Delhi.

**Subject: Draft Electricity (Amendment) Rules, 2022- Reg.**

Sir/Madam,

I am directed to refer to this Ministry's letter of even number dated 12<sup>th</sup> August, 2022 seeking comments on the draft Electricity (Amendment) Rules, 2022 (copy enclosed) by 11<sup>th</sup> September, 2022.

2. Based on the request of some stakeholders it has been decided to extend the last date for submitting comments on these draft Rules for 10 days i.e. till 21<sup>st</sup> September, 2022. It is, therefore, requested that comments on these draft Rules may please be furnished to this Ministry latest by 21st September, 2022. The comments may also be emailed at [pk.sinha1966@gov.in](mailto:pk.sinha1966@gov.in).

3. This issues with the approval of Competent Authority.

**Encl:** as above

Yours faithfully,



(Dr. P.K. Sinha)

Deputy Secretary to the Govt. of India  
Ph: 011-2373 6275

**Copy for information to:** PS to Hon'ble Minister for Power and NRE, APS to MoSP, Sr. PPS to Secy (P), PSO to CE (R&R), Ministry of Power.

**Copy to:** Technical Director, NIC Cell for uploading on MOP's website under "Current Notices" with the heading of "**Seeking comments on draft Electricity (Amendment) Rules, 2022.**"

No. 23/2/2022-R&R  
Government of India  
Ministry of Power

\*\*\*

Shram Shakti Bhawan, Rafi Marg,  
New Delhi, 12<sup>th</sup> August, 2022

To

1. Secretary, MNRE, New Delhi
2. Chairperson, Central Electricity Authority, Sewa Bhawan, R.K. Puram, New Delhi
3. Secretary, Central Electricity Regulatory Commission (CERC), New Delhi
4. Principal Secretaries/Secretaries (Power/Energy) of all State Governments/UTs
5. Secretaries of All State Electricity Regulatory Commissions/JERCs.
6. Chairman/CMDs of all PSUs under administrative control of Ministry of Power
7. CMD, SECI, New Delhi
8. CMDs/MDs of Discoms/Gencos of all State Governments
9. CMD, IEX LTD New Delhi & MD/CEO, PXIL, Mumbai
10. DG, Association of Power Producers, New Delhi.
11. President, FICCI, House No. 1, Tansen Marg New Delhi
12. President, CII, New Delhi
13. President, PHDCCI, New Delhi
14. ASSOCHAM, Chanakyapuri, New Delhi
15. Member, PRAYAS Energy Group, Pune
16. DG, Electric Power Transmission Association (EPTA), New Delhi
17. Chairman Indian Wind Power Association, New Delhi
18. Chairman, Indian Wind Turbine Manufacturers Association, New Delhi
19. Director General, National Solar Energy Federation of India (NSEFI), New Delhi.

**Subject: Draft Electricity (Amendment) Rules, 2022- Reg.**

Sir/Madam,

I am directed to forward herewith the draft Electricity (Amendment) Rules, 2022, with request to provide your comments, if any, to this Ministry within 30 days from the date of this letter, i.e. by 11<sup>th</sup> September, 2022. The comments may also be emailed at [pk.sinha1966@gov.in](mailto:pk.sinha1966@gov.in).

2. This issues with the approval of Competent Authority.

Encl: as above

Yours faithfully,



(D. Chattopadhyay)  
Deputy Secretary to the Govt. of India  
Ph: 011- 2371 5250

**Copy for information to:** PS to Hon'ble Minister for Power and NRE, APS to MoSP, Sr. PPS to Secy (P), PSO to CE (R&R), Ministry of Power.

**Copy to:** Technical Director, NIC Cell for uploading on MOP's website under "Current Notices" with the heading of "Seeking comments on draft Electricity (Amendment) Rules, 2022."

[Published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i)]

(DRAFT)

GOVERNMENT OF INDIA

MINISTRY OF POWER

New Delhi, the ..... August, 2022

**NOTIFICATION**

G.S.R. .... (E).- In exercise of the powers conferred by Section 176 of the Electricity Act, 2003 (Act 36 of 2003), the Central Government hereby makes the following rules, further to amend the Electricity Rules, 2005, namely:-

**1. Short title and commencement.-**

- (1) These rules may be called the Electricity (Amendment) Rules, 2022.
- (2) They shall come into force on the date of their publication in the Official Gazette.

**2. In the Electricity Rules, 2005, in rule 2 shall be replaced by following:**

**(1) Definitions:**

- (a) "Act" means the Electricity Act, 2003 (36 of 2003);
- (b) "**central pool**" means pool of category specific power from ISTS connected renewable energy sources being procured by the authorized Intermediary Procurers under Section 63 of the Act and as per provisions of Bidding Guidelines notified by the Central Government, from time to time for supply to the End Procurers of more than one State so that such power from renewable energy sources can be supplied to all End Procurers from the concerned Pool at Uniform tariff under the Rules.



- (c) “**end procurer**” means the persons to whom a license to undertake distribution and retail supply of electricity has been granted under Section 15 of the Act;
- 
- (d) “**implementing agency**” means the Central Agency as notified by the Central Government from time to time for the implementation of “Uniform Renewable Energy Tariff for Central Pool” under these Rules
- (e) “**intermediary procurer**” means company, *designated* by an order made by the Central Government under these Rules as an intermediary between the End Procurer and the generating company to purchase electricity from generating companies and resell it to the End Procurer by aggregating the purchases or otherwise under Guidelines issued by the Central Government from time to time;
- (f) “**renewable energy**” means the electricity generated from Renewable Energy Sources;
- (g) “**renewable energy sources**” means the hydro, wind, solar, bio-mass, bio-fuel, bio-gas, waste including municipal and solid waste, geothermal, tidal, forms of oceanic energy, and such other sources as may be notified by the Central Government from time to time;
- (h) “**uniform RE tariff**” means the tariff, computed by Implementing Agency on a monthly basis separately for each category of Central Pool (viz. Solar Power Central Pool, Wind Power Central Pool etc.), at which the Intermediary Procurer(s) shall sell power from renewable energy from that Central Pool to all the End Procurers under these Rules;
- (2) The words and expressions used and not defined herein but defined under the Act shall have the meaning respectively assigned to them in the Act.

3. In the Electricity Rules, 2005, after Rule 12, the following shall be added:

13. **Surcharge payable by Consumers seeking Open Access:** The surcharge determined by the State Commission under sub-section (1) (a) of Section 86 of the Electricity Act, 2003 shall not exceed 20% of the Average Cost of Supply.

14. **Timely recovery of power purchase costs by Distribution Licensee:** The Appropriate Commission shall within ninety days of publication of these Rules, specify a price adjustment formula for recovery of the costs, arising on account of the variation in the price of fuel, or power purchase costs. The impact in the cost due to such variation shall be automatically passed through in the consumer tariff, on a monthly basis, using this formula. Such monthly automatic adjustment shall be tried up on annual basis by the Appropriate Commission. The price adjustment shall be in accordance with the methodology enclosed at Annexure.

Provided that till such formula is specified by the Appropriate Commission, the formula given in the methodology shall be applicable.

15. **Subsidy Accounting:** Accounting of due subsidy for the purpose of Section 65 of the Act, shall be done by distribution licensee, in accordance with the Standard Operating Procedure issued by the Central Government, in this regard.

16. **Resource Adequacy:** (1) A Guideline for assessment of Resource Adequacy during the generation planning stage (one year and beyond) as well as during the operational planning stage (up to one year) shall be issued by the Central Government in consultation with the Authority, within six months from the date of notification of these Rules.

(2) The State Commission shall frame regulations on Resource Adequacy, in accordance with the Guidelines issued by the Central Government and the model Regulations framed by Forum of Regulators, if any. The distribution

licensees shall formulate the Resource Adequacy plan in accordance with these Regulations and seek approval of the Commission.

- (3) The State Commission shall review the resource adequacy, every 6 months, for each of the distribution licensees. The State Commission may specify non-compliance charges for failure to comply with the Resource Adequacy target approved by the Commission.
- (4) The National Load Dispatch Centre (NLDC) and the Regional Load Dispatch Centres (RLDCs) shall carry out assessments of Resource Adequacy, for operational planning, at the national and regional levels, respectively, on an annual basis, in accordance with the Guidelines issued by the Central Government.
- (5) The State Load Dispatch Centre (SLDC) shall carry out assessments of Resource Adequacy, for operational planning, at the state level, in consultation with the distribution licensees on an annual basis, in accordance with the Guidelines issued by the Central Government and the direction of the State Commission. Further, the SLDC shall review the operational resource adequacy on a daily, monthly and quarterly basis.

**17. Development of Hydro Power:** 1)The Authority shall decide the cases for grant of concurrence to hydro- electric generation scheme, in accordance with Section 8 of the Act, within 150 days from the date of submission of the scheme, complete in all respect.

(2) The Authority shall decide the cases for grant of concurrence to off-the river Pumped Storage Plant Scheme, within 90 days from the date of submission of the scheme, complete in all respect.

**18. Energy Storage System (ESS):** (1) Energy Storage Systems shall be considered as a part of the power system, defined under sub-section (50) of Section 2 of the Act.



(2) The ESS shall be utilised either as standalone system or as a grid element or network asset or in complementary with generation, transmission and distribution.

(3) The ESS shall be accorded status based on its application area i.e. generation, transmission and distribution.

(4) The ESS can be developed, owned, leased and/or operated by a generating company or a transmission licensee or a distribution licensee or a system operator or a standalone energy storage service provider. When an ESS is owned and operated by and co-located with a generating station or a transmission licensee or a distribution licensee, it shall have the same legal status as that of the owner.

Provided that if such an ESS is not co-located with, but owned and operated by, the generating station or distribution licensee, the legal status shall still be that of the owner but for the purpose of scheduling and dispatch and other matters it shall be treated at par with a standalone ESS.

(5) The developer/owner of the ESS shall have an option to sell/lease/ rent out the storage space in whole or in part to any utility engaged in generation or transmission or distribution; or to a Load Despatch Centre.

Provided that the owner of the ESS may use part/whole of the storage space himself to buy and store electricity and sell the stored electricity at a later time/date.

(6) The standalone ESS shall be a delicensed activity at par with a generating company.

Provided that if the owner/developer seek to operate the ESS on a standalone basis it shall be registered with the Authority for the capacity, verified by the Authority. It shall comply the Regulations notified by the Authority.

19. **Implementation of Uniform RE Tariff for Central Pool.**—(1) a) There shall be a different Central Pool for each of the sectors like Solar, Wind, Hybrid, Hydro, Small Hydro Power and Power from any other renewable energy resource including storage or their combination thereof as may be notified by an order by the Central Government.

Provided that such Central Pool shall be for five years, for every five years, a new Central Pool shall be formed.

b) The implementing Agency shall compute the Uniform Renewable energy tariff for selling of electricity to End Procurer(s) by Intermediary Procurer(s), on a monthly basis, as per the methodology given at Schedule-I of these Rules. The implementing Agency shall also issue the monthly account statements for adjustment of any surplus or deficit among the Intermediary Procurers. Intermediary Procurer(s) shall within 15 days make the payment as per the monthly account statements to the other intermediary procurer(s), if the payment is due to it.

c) The Contractual Obligations between Power Generators & Intermediary Procurer and Intermediary Procurer & End Procurer such as liquidated damages, penalties, extension charges, dispute resolutions shall be governed by respective bidding document including Power Purchase Agreements, Power Sale Agreements and will have no bearing on Uniform Renewable Energy Tariff.

d) The impact on the tariff due to Change in Law shall be in accordance with the Bidding Documents and shall be reflected in the pooled tariff computed in accordance with these Rules.

e) Uniform Renewable Energy Tariff shall be applicable only to power procured by the End Procurers and shall not in any manner have any implication on the Renewable energy tariff discovered under the respective tariff based competitive bid process and payable to Renewable energy Generators by Intermediary Procurer as per the Power Purchase Agreement.



f) The trading margin, as notified by the Appropriate Commission / Central Government (or in the absence of such notification, as mutually agreed between the Intermediary Procurer and the End Procurer), shall be payable by the End Procurer to the Intermediary Procurer.

g) The Appropriate Commission, on an application made by the Intermediary Procurer(s) or End Procurers, as the case may be, shall adopt the tariff discovered through competitive bidding process carried out by Intermediary Procurers under Section 63 of the Act and as per provisions of Bidding Guidelines notified by the Government from time to time. Adopted tariff of one category of Renewable energy power shall be part of the respective category of the Central Pool.

h) The End Procurer(s) shall obtain the approval of the concerned State Commission for the procurement of the electricity from a pool at Uniform Renewable Energy Tariff computed under these Rules from time to time.

i) Bilateral scheduling from the Renewable energy generators shall be done directly to the end procurers as per the Power Supply Agreement.

j) Scheduling, Accounting, Deviation Settlement Mechanism (DSM) shall be as per extant regulation of Appropriate Commission.

k) The Intermediary Procurer shall raise the bill on a monthly basis as per the Uniform Renewable Energy Tariff computed by the Implementing Agency for the relevant month and in accordance with the terms of the respective Power Sale Agreement.

l) The Implementing Agency shall make public the relevant details including the monthly accounts statements, on its website and shall have no liability except for computing Tariff on a monthly basis for sale of power from the Central Pool as per these Rules and shall be kept indemnified.

m) Procedures for implementation of these Rules shall be issued by the Implementing Agency with the approval of the Central Government.

2. Uniform Renewable Energy Tariff under these Rules shall be applicable only to the Renewable energy generators for their contracted capacity which forms part of Central Pool under these Rules.

4. In the Electricity Rules, 2005, for Rule 10, the following shall be substituted namely;

10. (1) The Appropriate Commission, shall pass a final order, for resolution of dispute under Sections 79(f) and 86(f), within One Hundred and Twenty days from the date of receipt of the petition in the Commission, which may be extended by thirty days for reasons to be recorded in writing.

Provided that if a final order cannot be issued, due to any reason, to be recorded in writing, then an interim order shall be issued by the Appropriate Commission, within the time line prescribed in Rule (1).

(2) If the final order has not been passed by the appropriate Commission, within Ninety days or One Hundred Eighty days, as the case may be, the affected party may approach the Appellate Tribunal for Electricity for appropriate relief.

[File No. 23/2/2022-R&R]

()

The Principal Rules were published 2005 in the Gazette of India vide notification number G.S.R 379 (E), dated the 8<sup>th</sup> June, 2005 and subsequent amendments vide notification number G.S.R 667 (E), dated the 26<sup>th</sup> October, 2006 and notification number G.S.R. 817 (E) dated 31<sup>st</sup> December, 2020.



Schedule-I

[See rule 3(iii) (a)]

**Methodology for calculation of tariff for the Month**

Tariff for a particular Month is calculated based on actual energy supplied to End Procurer (EP) from the Pool (e.g. Solar Power Central Pool, Wind Power Central Pool etc) by the Intermediary Procurer (IP) and actual amount to be payable for such supply of power as illustrated below:

| Scheme       | Capacity    | Tariff-PPA | Tariff-PSA         | Schedule Energy supplied during the Month | Amount to be paid to Project developers by IP under PPA | Amount to be paid to IP by EP under PSA |
|--------------|-------------|------------|--------------------|---|---|---|
|              | (MW)        | (INR/kWh)  | (INR/kWh)          | (MU)                                      | (Rs in Million)   | (Rs in Million)                         |
|              |             | A          | (B=A+ Rs 0.07/kWh) | C   | (D=A x C)   | (E= B x C)                              |
| T-I          | 2000        | 2.502      | 2.572              | 415.95                                    | 1040.70   | 1069.81                                 |
| T-II         | 600         | 2.440      | 2.510              | 131.49                                    | 320.84  | 330.04                                  |
| T-III        | 1200        | 2.585      | 2.655              | 248.34                                    | 641.96  | 659.34                                  |
| T-IV         | 1150        | 2.540      | 2.610              | 234.63                                    | 595.97  | 612.39                                  |
| T-V          | 480         | 2.613      | 2.683              | 95.97                                     | 250.72  | 257.44                                  |
| T-VI         | 900         | 2.710      | 2.780              | 174.22                                    | 472.15  | 484.34                                  |
| T-VIII       | 1200        | 2.502      | 2.572              | 258.60                                    | 646.92  | 665.03                                  |
| T-IX         | 2000        | 2.372      | 2.442              | 438.30                                    | 1039.65   | 1070.33                                 |
| <b>Total</b> | <b>9530</b> |            |                    | <b>1997.50</b>                            | <b>5008.90</b>  | <b>5148.73</b>                          |



$$\text{Tariff of the Month (INR/kWh)} = \frac{\sum_i^n E}{\sum_i^n C} = \frac{\sum_1^9 E}{\sum_1^9 C} = \frac{5148.73}{1997.50} = 2.578$$

i.e. (Sum total amount to be paid under PSA for that particular month /sum total electricity supplied during that particular month)

T-I to T-IX are projects commissioned after Electricity (Uniform Renewable Energy Tariff for Central Pool) Rules, 2022 comes into force

#### Continued Operation of Pool:

Let us say above scenario is in the Month M-4. In the beginning of M-5, additional capacity of 250 MW (T-X) is getting commissioned and to be included as a part of Pool. Accordingly considering generation during month M-5, tariff for the month M-5 will be calculated considering actual generation during the Month M-5 as per following:

| Scheme | Capacity<br>(MW) | Tariff-PPA<br>(INR/kWh) | Tariff-PSA<br>(INR/kWh) | Schedule Energy supplied during the Month<br>(MU) | Amount to be paid to Project developers by IP under PPA<br>(Rs in Million) | Amount to be paid to IP by EP under PSA<br>(Rs in Million) |
|--------|------------------|-------------------------|-------------------------|---|--|--|
|        |                  | A                       | (B=A+ Rs 0.07/kWh)      | C   | (D=A x C)  | (E= B x C)   |
| T-I    | 2000             | 2.502                   | 2.572                   | 415.95  | 1040.70  | 1069.81  |
| T-II   | 600              | 2.440                   | 2.510                   | 131.49  | 320.84   | 330.04   |
| T-III  | 1200             | 2.585                   | 2.655                   | 248.34  | 641.96   | 659.34   |
| T-IV   | 1150             | 2.540                   | 2.610                   | 234.63  | 595.97   | 612.39   |
| T-V    | 480              | 2.613                   | 2.683                   | 95.97   | 250.72   | 257.44   |
| T-VI   | 900              | 2.710                   | 2.780                   | 174.22  | 472.15   | 484.34   |
| T-VIII | 1200             | 2.502                   | 2.572                   | 258.60  | 646.92   | 665.03   |

|              |             |       |       |                |                |                |
|--------------|-------------|-------|-------|----------------|----------------|----------------|
| T-IX         | 2000        | 2.372 | 2.442 | 438.30         | 1039.65        | 1070.33        |
| T- X*        | 250         | 2.17  | 2.24  | 56.61          | 122.85         | 126.81         |
| <b>Total</b> | <b>9780</b> |       |       | <b>2054.12</b> | <b>5131.76</b> | <b>5275.54</b> |

\*New addition to the pool in the Month M-5

$$\text{Tariff of the Month (INR/kWh)} = \frac{\sum_1^9 E + E_{10}}{\sum_1^9 C + C_{10}} = \frac{5148.73 + 126.81}{1997.50 + 56.61} = \frac{5275.54}{2054.12} = 2.568$$

i.e. (Sum total of amount to be paid under PSA for that particular month /sum total electricity supplied during that particular month)

T-I to T-X are projects commissioned after Electricity (Uniform Renewable Energy Tariff for Central Pool) Rules, 2022 comes into force.

❖ IP- Intermediary Procurer, EP- End Procurer



Fuel and Power Purchase Adjustment Methodology

**1. Computation of Fuel and Power Purchase Adjustment Surcharge:**

(1) For these Rules "Fuel and Power Purchase Adjustment Surcharge" (FPPAS) means the increase in cost of power, supplied to consumers, due to change in Fuel cost, power purchase cost and transmission charges with reference to cost of supply approved by the State Commission

(2) FPPAS shall be calculated and billed to consumers, automatically, without going through regulatory approval process, on monthly basis, according to the formula, prescribed by the respective State Commission, subject to true up on annual basis as decided by the State Commission.

Provided that the automatic pass through shall be adjusted for monthly billing in accordance with these Rules.

(3) FPPAS shall be computed and charged by the Distribution licensee, in  $(n+2)^{th}$  month, on the basis of actual variation, in cost of fuel and power purchase and Inter-State Transmission Charges for the power procured during the  $n^{th}$  month. For example, the FPPAS on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year.

Provided that in case the distribution licensee fails to compute and charge FPPAS within this time line, except in case of any force majeure condition, its right for recovery of costs on account of FPPAS shall be forfeited. In such cases, the right to recovery the FPPAS determined during true-up shall also be forfeited.

(4) The Distribution licensee may decide, FPPAS or part thereof, to be carried forward to the subsequent month in order to avoid any tariff shock to consumers, but the carry forward of FPPAS shall not exceed a maximum duration of two months. Such carry forward shall only be applicable, if the total FPPAS for a Billing Month, including any carry forward of FPPAS over the previous month(s) exceeds 20% of variable component of approved tariff. The carry forward shall be recovered in the same financial year. The



money recovered through FPPAS shall first be accounted towards the oldest carry forward portion of the FPPAS followed by the subsequent month(s).

- (5) In case of carry forward of FPPAS, carrying cost at the rate of State Bank of India Marginal cost of Funds-based lending Rate (SBIMCLR) plus one hundred and fifty basis points shall be allowed till the same is recovered through tariff. This carrying cost shall be trued up in the year under consideration.
- (6) Depending upon quantum of FPPAS, automatic pass through shall be adjusted such that,
  - (i) If  $FPPAS \leq 5\%$ , 95 % cost recoverable of computed FPPAS by distribution licensee shall be levied automatically using the formula.
  - (ii) If  $5\% < FPPAS \leq 10\%$ , 5% FPPAS recoverable by distribution licensee shall be levied onto the consumers, and the balance shall be recoverable up to 90% automatically using the formula.
  - (iii) If  $FPPAS > 10\%$ , 10% FPPAS recoverable by distribution licensee may be levied onto the consumers automatically using the formula, and the differential claim shall be recoverable after approval by the State Commission during true up.
- (7) The revenue recovered on account of pass through FPPAS by the distribution licensee, shall be trued up later for the year under consideration. The true up for any financial Year shall be completed by 30<sup>th</sup> June of the next financial year.
- (8) In case of excess revenue recovered for the year against the FPPAS, the same shall be recovered from the licensee at the time of trued up along with its carrying cost to be charged at 1.20 times of the carrying cost rate approved by the State Commission. The under recovery of FPPAS shall be allowed during true up, to be billed along with the automatic FPPAS amount. For example in the month of July, the automatic pass through component for the power supplied in May and additional FPPAS, if any, recoverable after true up for the month of April in previous financial year, shall be billed.
- (9) The Distribution Licensee shall submit such details, in the stipulated formats, of the variation between expenses incurred and the FPPAS recovered, and the detailed computations and supporting documents, as required by the State Commission, during true up of the normal tariff.

- (10) To ensure smooth implementation of the FPPAS mechanism and its recovery, distribution licensee shall ensure that the licensee billing system is updated to take this into account. A Unified Billing System shall be implemented to ensure that there is a uniform billing system irrespective of the billing and metering vendor through interoperability or use of open source software as available.
- (11) The licensee shall publish all details including the FPPAS formula, calculation of monthly FPPAS and recovery of FPPAS (separately for automatic and approved portions) on its website and archive the same through a dedicated web address.

## 2. Computation of FPPAS:

- (1) Formula:

$$\text{Monthly PPAC for nth Month (\%)} = \frac{(A-B)*C + (D-E)}{\{Z * (1- \text{Distribution losses in\%/100})\} * \text{ABR}}$$

Where,

N<sup>th</sup> month means the month in which billing of FPPAS component is done.

This FPPAS is due to changes in tariff for the power supplied in (n-2)<sup>th</sup> month

A is Total units procured in (n-2)<sup>th</sup> Month (in kWh) from all Sources (To be taken from the bills of the GENCOs issued to distribution licensees)

B is Proportionate bulk sale of power from all Sources in (n-2)<sup>th</sup> Month. (in kWh) =  $\frac{\{(\text{Total bulk sale in (n-2) th Month}) * A\}}{(\text{Gross Power Purchase including short term power in (n-2)th month (in kWh) (to be taken from provisional accounts to be issued by SLDC by the 10th day of each month)}}$

C is incremental Average Power Purchase Cost= Actual average Power Purchase Cost (PPC) from all Sources in (n-2) month (Rs./ kWh) (computed) - Projected average Power Purchase Cost (PPC) from all Sources (Rs./ kWh)- (from tariff order)

D = Actual Transmission Charges in the (n-2) th Month, (From the bills by Transco to Discom) (in Rs.)

E = Base Cost of Transmission Charges for (n-2)th Month. = (Approved Transmission Charges/12) (in Rs.)

Z = [{{Actual Power purchased from Central Generating Stations having long/Medium/Short term PPA in (n-2) th Month. (in kWh)\* (1 – Inter-state transmission losses in % /100 ) + Power purchased from other GENCOs(in kWh)}\*(1 – Intra state losses in %) – B]/100 in kWh

ABR = Average Billing Rate for the year (to be taken from the Tariff Order in Rs/unit)

Distribution Losses (in %) = Target Distribution Losses (from Tariff Order)

Inter-state transmission Losses (in %) = 100\* Approved Inter-state transmission losses in Tariff Order (kWh)/ Approved long term power purchase from central generating stations having long term PPA in the Tariff Order (kWh)

Intra - State Losses (in %) = As per Tariff Order

- (2) The Power Purchase Cost shall exclude any charges on account of Deviation Settlement Mechanism (DSM).
- (3) Other charges which include Ancillary Services and Security Constrained Economic Despatch (SCED) shall not be included in FPPAS and adjusted though the true-up approved by the State Commission.