

## **MAHARASHTRA STATE POWER GENERATION CO. LTD.**

### **Reasons for deviations in actual Fuel Utilization vis-à-vis approved Fuel Utilization plan in compliance to Regulation 40.6 under MERC MYT Regulations, 2019**

- MSPGCL is regularly displaying the data related to monthly Fuel Adjustment Charge bills ( like copies of the FAC bills and details of parameters of GCV and price of fuel, details of blending ratio of the imported coal with domestic coal, proportion of e-auction coal month-wise etc. ) on the official website since FY 2020-21.
- Through these shared details , consumer can get information of the coal prices, GCV and coal mix considered for the monthly billing.
- Complete fuel utilization related data for the FY 2020-21 & FY 2021-22 was submitted to Hon'ble Commission as part of Mid Term Review petition and same is made available on MSPGCL's website.
- The reasons for the deviations in current actual Fuel Utilisation Plan vis-à-vis the approved Fuel Utilisation plan are as below
  1. It is to state that, the Fuel Utilization Plan is prepared on the basis of previous 3 year's actual station-wise coal receipt from various mines/collieries. However, due to time bound Govt. policies and variations in availability of coal, re-declaration of coal grades of mines, start of new cost plus mines and change in coal prices, as well imported coal blending directives, implementation of alternative options for coal transportations etc. there will be always variations in actual Fuel Utilization vis-à-vis approved Fuel Utilization plan.
  2. As such, it will be prudent to specify the general reasons for variation in Fuel Utilization plan on basis of type of coal. The details are as under.
    - a) **Imported Coal:-**
      - (i) Generally, Ministry of Power (MoP), assigns and mandate Mahagenco level imported coal blending directive by weight and accordingly imported coal procurement is carried out by Mahagenco.
      - (ii) It is crucial to note that while the MoP stipulates Mahagenco-level blending (by weight); however, Mahagenco do not utilize imported coal at Koradi, Paras, and Parli TPSs. As such, blending ratios at BTPS, NTPS, CSTPS and KPKD are higher in order to achieve Mahagenco level blending targets, taking into consideration the impact on tariff/MOD and unit scheduling.
      - (iii) Further, imported coal price is index based and vary on either side as per index variation. As such, there is a substantial variation in imported coal price considered in Approved FUP and Actual FUP.

- (iv) The price parameter for GCV ARB in terms of contract is only 4600 Kcal/Kg. However, the actual GCV may vary on either side.

**b) RSR:-**

- (i) In order to ease out the logistics pressure on Railways/ promote coastal coal movement, MoP, GoI conveyed their planning to transport available coal from MCL region through RSR mode to TPPs located in Northern & Western parts of the country. Accordingly MoP has directed to source 10 to 15 % of the requirement through RSR mode.
- (ii) Further, MoP has informed that any slackness in implementing RSR plan would result in regulation of ARR/ RCR rates by Sub-Group subsequently.
- (iii) As per directives of MoP and MoC, Mahagenco transporting the MCL coal through RSR to Bhusawal and Nashik TPSs of Mahagenco to source additional coal in order to ensure fuel security and coal stock building thereof.
- (iv) Due to multimodal transportation and involvement of multiple level coal handling, landed cost of MCL coal through RSR is substantially higher than the coal cost through All Rail Route.
- (v) Considering the coal stock position at TPSs, The supply of MCL coal through RSR fluctuating. As such, there is variation in raw coal price in Approved FUP and Actual FUP.

**c) Washed Coal:-**

- (i) Mahagenco initially planned wash coal supply to all TPSs of Mahagenco. However, considering availability of washed coal and cost effectiveness, washed coal is mainly used at Koradi TPS.
- (ii) On basis of coal stock position, marginal washed coal quantity is supplied to Chandrapur and Khaperkheda TPSs. As such, variation is observed in the Approved FUP and Actual FUP.

**d) Domestic Coal:-**

- (i) Deviation in receipt of coal GCV (2-3 grades) over the declared GCV of the mines.
- (ii) Unexpected variation in supply of coal from coal companies over the order booking program of Mahagenco.
- (iii) Unplanned diversion of rakes to other plants due to various railways issues and coal stock position at TPSs.
- (iv) Cost plus coal prices of WCL are Index based which varies every six Month.