

# ***M/s. Solapur Bioenergy Systems Pvt. Ltd***

[Regd. Office: 501, Centrium, Plot No. 267,

Sector-15, CBD Belapur, Navi Mumbai.]

Website: [www.organicrecycling.co.in](http://www.organicrecycling.co.in)

## **PUBLIC NOTICE**

### **Suggestions and objections on SBSPL Petition for determination of tariff for Power generated from Municipal Solid Waste (2.83 MW)**

**(Case No 65 of 2009)**

1. The Solapur Bioenergy Systems Pvt. Ltd. (SBSPL) has filed a Petition on affidavit before the Maharashtra Electricity Regulatory Commission (MERC), for determination of tariff for supply of electricity from Municipal Solid Waste Power Project (2.83 MW) to Maharashtra State Electricity Distribution Company Ltd. (MSEDCL). The MERC has taken the above Petition on record and has directed SBSPL to publish a Public Notice under Section 64 (2) of the Electricity Act, 2003 for inviting suggestions and objections from the Public through this Notice.
2. The Petitioner has prayed as under:
  - a. *“Accept this petition for determination of tariff for supply of electricity from proposed Municipal Solid Waste Power project at Solapur to Distribution licensee in Maharashtra (MSEDCL). It is further requested that Hon’ble Commission may specify the levellised tariff for proposed MSW power plant for 20 year tariff period which is useful life of plant.(CERC has recommended tariff period of 25years for SPV and solar Thermal projects in RE tariff notification dated September,2009). The Hon’ble Commission may direct the distribution licensee to execute PPA with the petitioner for the specified tariff period.*
  - b. ***Approve the levellised tariff of Rs 6.84/ kWh for sale of electricity generated from proposed MSW power project to distribution licensees.***
  - c. *Issue an interim order at an early date to enable the petitioner to avail the loan from the lender. The actual loan disbursement will take place after producing the PPA executed with DISCOM specifying the tariff approved by Hon’ble Commission.*
  - d. *Direct the distribution licensee to bear the cost of power transmission line beyond the switchyard point for evacuation of power. The necessary funding for the same may be made available from the Green Energy Fund as per Government of Maharashtra Policy.*
  - e. *To grant an opportunity in person before Hon’ble Commission during the hearing on the above matter.*
  - f. *Condone any inadvertent omissions/errors/shortcomings and permit the petitioner to add/ change/ modify/ alter this filing and make future submissions as may be required at a future date.”*

3. Salient features of the Petition is provided below :

**Table 1 : Parameter Assumption**

Sr. No.	Assumption Head	Sub-Head	Sub-Head (2)	Unit	Assumptions
1	Power Generation	Capacity	Installed Power Generation Capacity	MW	2.83
			Auxillary Consumption during stabilisation	%	17%
			Auxillary Consumption after stabilisation	%	17%
			PLF(Stablization for 6 months)	%	78.90%
			PLF(during first year after Stablization)	%	78.90%
			PLF(second year onwards)	%	78.90%
			Commercial Operation Date	mm/yy	Jan-11
Useful Life	Years	20			
2	Project Cost	Capital Cost/MW	Normative Capital Cost	Rs. Lakh/MW	1357
			Capital Cost	Rs. Lakh	3841
			Capital Subsidy,if any	Rs. Lakh	NA
			New Capital Cost	Rs. Lakh/MW	13.57
3	Financial Assumptions	Debt: Equity	Tariff Period	yrs	20
			Debt	%	70%
			Equity	%	30%
			Total Debt Amount	Rs Lacs	2688.70
			Total Equity Amount	Rs Lacs	1152.30
			Debt Component	Loan Amount	Rs Lacs
		Moratorium Period		years	1
		Repayment Period(incld Moratorium)		years	10
		Interest Rate		%	14.29%
		Equity Component	Equity amount	Rs Lacs	1152.30
			Return on Equity for first 10 years	% p.a	19.00%
			Return on Equity 11th year onwards	% p.a	24.00
			Discount Rate (equiv. to WACC)	%	16.45
		Depreciation	Depreciation Rate for first 10 yrs	%	7%
Depreciation Rate 11th year onwards	%		2%		
Incentives	Generation Based Incentive if any	Rs. L.p.a	NA		
	Period for GBI	yrs	NA		
4	Operation & Maintenance	Normative O & M expenses O & M expenses per annum Escalation factor for O & M Expenses	Rs. Lakh/MW	97.72	
			Rs. Lakh	276.55	
			%	5.72%	
5	Working Capital	For Fixed Charges O&M Charges Maintenance Spar (% of O&M exepenses) Receivables For Variable Charges MSW Stock Interest On Working Capital	Months	1	
			%	15%	
			Months	2	
			Months	NA	
			% p.a	13.79%	
6	Fuel Related Assumptions	Heat Rate	During Stablization Period	Kcal/kwh	NA
			After Stablization Period	Kcal/kwh	NA
		MSW	GCV - Biogas(produced during process)	Kcal/m3	5000
			Base Price(FY10-11)	Rs/T	NA
			MSW Price Escalation Factor	% p.a	NA

**Table 2 : Determination of Tariff Component**

Units Generation	Unit	Year-->	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Installed Capacity	MW		2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83
Net Generation	MU		16.23	16.23	16.23	16.23	16.23	16.23	16.23	16.23	16.23	16.23	16.23	16.23	16.23	16.23	16.23	16.23	16.23	16.23	16.23	16.23

Tariff Components (Fixed Charge)	Unit	Year-->	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
O&M Expenses	Rs Lakh		276.55	292.37	309.09	326.77	345.47	365.23	386.12	408.20	431.55	456.24	482.33	509.92	539.09	569.93	602.53	636.99	673.43	711.95	752.67	795.72
Depreciation	Rs Lakh		268.87	268.87	268.87	268.87	268.87	268.87	268.87	268.87	268.87	268.87	268.87	268.87	268.87	268.87	268.87	268.87	268.87	268.87	268.87	268.87
Interest on term loan	Rs Lakh		384.22	384.22	341.52	298.83	256.14	213.45	170.76	128.07	85.38	42.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on working Capital	Rs Lakh		36.13	37.02	36.96	36.95	37.00	37.12	37.29	37.53	37.85	38.24	35.54	37.10	38.75	40.49	42.33	44.28	46.33	48.51	50.81	53.24
Return on Equity	Rs Lakh		218.94	218.94	218.94	218.94	218.94	218.94	218.94	218.94	218.94	218.94	276.55	276.55	276.55	276.55	276.55	276.55	276.55	276.55	276.55	276.55
<b>Total Fixed Cost</b>	<b>Rs Lakh</b>		<b>1184.70</b>	<b>1201.41</b>	<b>1175.39</b>	<b>1150.37</b>	<b>1126.42</b>	<b>1103.60</b>	<b>1081.98</b>	<b>1061.62</b>	<b>1042.59</b>	<b>1024.97</b>	<b>871.25</b>	<b>900.40</b>	<b>931.21</b>	<b>963.79</b>	<b>998.23</b>	<b>1034.64</b>	<b>1073.13</b>	<b>1113.83</b>	<b>1156.85</b>	<b>1202.33</b>

Tariff Components (Variable Charge)	Unit	Year-->	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
<b>Total Fuel Cost</b>	<b>Rs Lakh</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Levllised tariff corresponding to Useful life**

Per Unit Tariff Components	Unit	Year -->	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
PU O&M expn	Rs/kWh		1.70	1.80	1.90	2.01	2.13	2.25	2.38	2.52	2.66	2.81	2.97	3.14	3.32	3.51	3.71	3.92	4.15	4.39	4.64	4.90
PU Depreciation	Rs/kWh		1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47
PU Int. on term loan	Rs/kWh		2.37	2.37	2.10	1.84	1.58	1.32	1.05	0.79	0.53	0.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PU Int. on working capital	Rs/kWh		0.22	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.24	0.22	0.23	0.24	0.25	0.26	0.27	0.29	0.30	0.31	0.33
PU Retrun on Equity	Rs/kWh		1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
<b>PU Tariff Components (Fixed)</b>	<b>Rs/kWh</b>		<b>7.30</b>	<b>7.40</b>	<b>7.24</b>	<b>7.09</b>	<b>6.94</b>	<b>6.80</b>	<b>6.67</b>	<b>6.54</b>	<b>6.42</b>	<b>6.32</b>	<b>5.37</b>	<b>5.55</b>	<b>5.74</b>	<b>5.94</b>	<b>6.15</b>	<b>6.37</b>	<b>6.61</b>	<b>6.86</b>	<b>7.13</b>	<b>7.41</b>
<b>PU Tariff Components (Variable)</b>	<b>Rs/kWh</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PU Tariff Components (Total)</b>	<b>Rs/kWh</b>		<b>7.30</b>	<b>7.40</b>	<b>7.24</b>	<b>7.09</b>	<b>6.94</b>	<b>6.80</b>	<b>6.67</b>	<b>6.54</b>	<b>6.42</b>	<b>6.32</b>	<b>5.37</b>	<b>5.55</b>	<b>5.74</b>	<b>5.94</b>	<b>6.15</b>	<b>6.37</b>	<b>6.61</b>	<b>6.86</b>	<b>7.13</b>	<b>7.41</b>

Levllised Tariff	Unit	Year -->	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Discount Factor			16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%
Discounted Tariff Components (Fixed)	Rs/kWh																					
Discounted Tariff Components (Variable)	Rs/kWh																					
Discounted Tariff Components (Total)	Rs/kWh																					
<b>Levllised Tariff (Fixed)</b>	<b>Rs/kWh</b>		<b>6.85</b>																			
<b>Levllised Tariff (Variable)</b>	<b>Rs/kWh</b>		<b>0</b>																			
<b>Levllised Tariff (Total)</b>	<b>Rs/kWh</b>		<b>6.85</b>																			

4. Copies of the above Petition alongwith the Annexures can be obtained on written request from SBSPL's Office (on payment of Rupees 50/- only):  
**Regd. Office :**  
**501, Centrium, Plot No. 267,**  
**Sector-15, CBD Belapur,**  
**Navi Mumbai.**
5. The Commission has directed SBSPL to invite suggestions and objections from the public on the above Petition through this Notice. Suggestions and objections may be sent to the Secretary, Maharashtra Electricity Regulatory Commission, 13<sup>th</sup> Floor, Centre No. 1, World Trade Centre, Cuffe Parade, Mumbai – 400 005 [Fax : 22163976 : E-mail - [mercindia@mercindia.org.in](mailto:mercindia@mercindia.org.in)] by **Tuesday, July 13, 2010**, along with proof of service on the Applicant M/s SBSPL.
6. Every person who intends to file suggestions and objections can submit the same in English or in Marathi, in six copies, and should mention the full name, postal address and e-mail address, if any, of the sender, by **Tuesday, July 13, 2010**. It should be indicated whether the objection is being filed on behalf of any organization or category of consumers. It should also be mentioned if the sender wants to be heard in person, in which case opportunity would be given by the Commission at the Public Hearing to be held at **Maharashtra Electricity Regulatory Commission, 13<sup>th</sup> Floor, Centre No. 1, World Trade Centre, Cuffe Parade, Mumbai – 400 005** on **Monday, 19<sup>th</sup> July, 2010** at **11.00 hours**, for which no separate notice will be given.
7. SBSPL shall reply to each of the suggestions and objections received within three days of the receipt of the same but not later than **Friday, July 16, 2010** for all the suggestions and objections received till **Tuesday, July 13, 2010**. The stakeholders can submit their rejoinders on replies provided by SBSPL either during the public hearing or latest by, **Monday, July 26, 2010**.
8. The detailed Petition document and the executive summary are available on SBSPL's website [www.organicrecycling.co.in](http://www.organicrecycling.co.in) (free of cost).

Signature : Sd/-  
Name : Sunil Mayabhate  
Designation : Head Business Compliances  
(SBSPL)