



MEGHALAYA POWER GENERATION CORPORATION LIMITED

Office of the Company Secretary

Corporate Identification Number: U40101ML2009SGC008392

Registered Office: Lumjingshai, Short Round Road, Shillong-793001

Telephone No: 0364-2591074; Fax no: 0364-2590355; Website address: www.meecl.nic.in

MePGCL

RELEVANT EXTRACT OF MINUTES OF THE 125TH MEETING OF THE BOARD OF DIRECTORS OF THE MEGHALAYA POWER GENERATION CORPORATION LIMITED HELD ON WEDNESDAY THE 20TH DECEMBER, 2023 AT 04:00 P.M. AND CONTINUED TILL 04:30 P.M. IN THE CONFERENCE ROOM, LUMJINGSHAI, SHILLONG -793001

Resolution No.6

AGENDA NOTE ON "PETITION FOR DETERMINATION OF GENERATION TARIFF FOR GANOL SMALL HYDRO PROJECT (3X7.5MW) FOR FY 2024-25"

The Director (Generation) placed the above agendum before the Board along with following annexures:

- I. Power Purchase Agreement for Ganol SHP (3x7.5MW)
- II. Auditor's Certificate for the Cost/expenditure incurred till 30th June 2023 for Ganol SHP
- III. Tariff Model for Determination of Generation Tariff of Ganol Small Hydro Project (3x7.5 MW) for FY 2024-25

The Ganol Small Hydro Project with an installed capacity of 22.5 MW is one of the project in Garo Hills District. It is a run off the river scheme with 3 (three) units. The commissioning date of operation is 1st August, 2023. The Power Purchase Agreement for 25 (twenty five) years from Ganol SHP between MePGCL and MePDCL has been signed in September, 2022.

MePGCL had file the Provisional tariff on 22nd November, 2022, but the Hon'ble Commission did not accept the petition and mentioned that the petition shall be submitted as per the MSERC (Terms and Conditions for determination of tariff from renewable energy sources) Regulations, 2014. The Hon'ble Commission vide letter dated. 6.04.2022, requested MePGCL to re-submit the petition as per MSERC (Terms and Conditions for determination of tariff from renewable energy sources) Regulations, 2014 along with the Audit certificate issued by the Statutory Auditors having certified the completion cost of the project as on the date of filing the petition.

It may be mentioned, that the approved revised cost of the project is Rs. 507.71 crore. However, the expected cost to completion of the project is Rs, 600 Cr. MePGCL is preparing a Generation Tariff for FY 2024-25 based on the **Normative cost** as per the MSERC (Terms and Condition of Tariff for Generation from Renewable Energy Sources) Regulations, 2014. The Auditor's Certificate for the Cost/expenditure incurred till 30th June 2023 for Ganol SHP is Rs. 535.34 crore.

The project was planned to be funded by loan from PFC and State Government, Grant and Equity. However, the entire amount of loan and equity as envisaged has not been availed yet. The summary of capital funding availed and to be availed is as shown below:



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Approved Funding pattern of Ganol SHP

	Loan	Grant	Equity	Total
Capital funding planned	223.11	229.98	54.62	507.71

However, based on the projected cost to completion the funding pattern of the Project is changed.

The projected Funding Pattern is as follows:

Particular	Loan from Financial Institution	Equity	Grants
Capital Funding	173.00	54.00	373.00

Summary of Fixed cost of Ganol Small Hydro Electric Plant

Based on the submissions as per the Tariff Model, the summary of the tariff of Ganol SHP is provided in the table below:

Assumptions	Legend	Value	Remarks
Project Capacity	MW	22.5	
Project Cost			
Normative Project Cost	Rs Lakh/MW	1200	
Normative Project Cost	Rs. Cr	270	
Debt (%)	%	70%	
Equity (%)	%	30%	
Debt Amount	Rs. Cr	189	
Equity Amount	Rs. Cr	81	
Useful Life	Years	40	
Rate of Interest	%	9.50%	Base Rate for First 6 months of 2022-23
Loan Tenure	Years	12	
Depreciation	%	5.83%	
Return on Equity	%	16%	
WACC	%	9.13%	
CUF	%	45%	Regulation 32
Aux Consumption	%	1%	Regulation 33
O&M Expenses	Rs. Lakh/MW	34.47	Regulation 34 (amended)
O&M Escalation	%	6%	
Hours for Operation	Nos	8760	
O&M Expenses for WC	Months	2	
Receivables	Months	2	
Maintenance Spares	%	15%	
Interest on Working Capital	%	9%	

MePGCL requests the board to grant approval for filing the Petition for Ganol Project under the Provisions of the RE Tariff Regulations of MSERC.



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The tariff for sale of energy from renewable energy technologies shall be single part tariff (Rs./ Kwh) and ex-bus consisting of the following fixed cost components:

- Interest on loan capital:
- Depreciation:
- Return on Equity:
- Interest on working capital:
- Operation and maintenance expenses:

Therefore, based on the tariff model calculation, MePGCL submits the Fixed Cost for approval of the Hon'ble Commission as shown in the table below:

Tariff Charges for Ganol SHP

Particulars	FY 2024-25
Fixed Cost for the FY 2024-25	54.65
Generation (@45% NAPAF)	88.70
Less: Auxiliary Consumption @ 1% (MU)	1.00%
Net Energy (MU)	87.81
Tariff rate (Rs/kwh)	6.23
Levellized Tariff (Rs/kwh)	5.42

The proposal was Place before the Board of Directors for consideration and approval of the following:-

- Approval of the Petition For Determination of Generation Tariff of Ganol Small Hydro Project (3x7.5 MW) for FY 2024-25*
- Approval of petition fee of Rs. 1,87,500/- (Rupees one lakh eighty seven thousand five hundred) only for payment to MSERC.*
- Authorizing Smti. M. Lyngdoh, Superintending Engineer (P&RM), O/o the Director (Generation) To file the petition and affidavit before MSERC and to submit documents, replies, etc. to the Commission including making changes in the petition if required, etc.*

The Board after discussion passed the following resolution:

Resolved that the Board approves the petition For Determination of Generation Tariff of Ganol Small Hydro Project (3x7.5 MW) for financial year 2024-25



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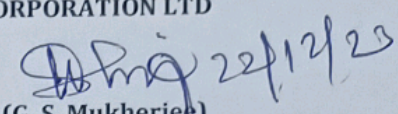
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Resolved further that the Board approves the amount of Rs. 1,87,500/- (Rupees one lakh eighty seven thousand five hundred) only as petition fee for payment to the MSERC.

Resolved further that Smt. M. Lyngdoh, Superintending Engineer (P&RM), O/o the Director (Generation) be and is hereby authorised by the Board to file the petition and affidavit before MSERC and to submit documents, replies, etc. to the Commission including making changes in the petition if required, etc.

CERTIFIED TO BE TRUE COPY
FOR, MEGHALAYA POWER GENERATION CORPORATION LTD


(G. S. Mukherjee)
Company Secretary