



18th June, 2020 / 6286

To,
Shri Saurabhbhai Patel
The Hon'ble Minister of Energy,
Government of Gujarat,
Sachivalaya,
Gandhinagar

Sub : Reliefs required in power sector for revival of economy

Respected Sir,

At present, though there are reliefs given in lockdown to start industries, industries are facing huge problems of labour, raw material, sale of final product, transportation, liquidity crunch etc. resulting into severe financial crunch.

Due to various problems, including social distancing, industries are not able to run their unit on full load. This results into payment of very high demand charges for less consumed units ultimately resulting into very high per unit production cost and as such not able to survive in market.

In view of above, we suggest that below stated reliefs / actions would help revive economy without undue burdening industries and in fact very less actual financial impact on DISCOMs.

1) Waiver of fix charges / demand charges for May-20:-

Lockdown is remained effective for 60 days. At present Government of Gujarat has waived fix charges / demand charges for Apr-20. Therefore, it is requested to waive fix charges / demand charges for May-20 also.

As learnt Uttar Pradesh Government has waived fix charges / demand charges for LT-HT industries and traders for 2 months.

2) Reducing minimum demand charges :-

As mentioned above, industries are running on low demand and it may continue to run on low demand for long time. At present

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minimum demand charges payable are 85% of contract demand. It is proposed to change it to 50 % of contract demand for HT connections.

Accordingly fix charges may be reduced for LT connections also.

3) Banking period of solar / wind energy: -

To promote Renewable Energy so many units have installed WindTurbine / Solar plants. As per current policy, one month's banking is granted for generation of wind / solar. Looking to continuous lockdown it is not possible for most of units to consume wind / solar generation in its months of generation i.e. banking allowed of one month. Even after lifting the lockdown units would not be operated on full load for so many days /weeks due to various reasons and as such would not be able to consume full wind / solar generation in the month of its generation. It seems that it may take minimum two to three months to stabilize industries.

This is force majeure, not controllable by industries. Therefore, it is requested to modify banking period of solar / wind generation (for generation during March to May, 2020) to three months instead of one month allowed at present.

4) Rebate in demand charges / energy charges for higher load factor:-

DISCOMs are recovering @ 47% of fix charges through demand charges and balance through energy charges. It means, if any consumer consumes higher units per KVA load than average one, it pays higher fix charges, in short, higher the load factor consumer pays higher fix charges than actually payable by it.

Therefore, it is proposed to allow rebate in demand charges and / or energy charges for load factor of more than 40% (or 50% as deemed fit).

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5) Temporary reduction in contract demand:-

So many industries / units are at present not able to run on full load due to various reasons but have to pay fix / demand charges. Such units shall be allowed to reduce its contract demand / contracted load on temporary basis, allowing it to increase it after predetermined period.

6) Recovery on account of Security Deposit (SD) Revision: -

Every year distribution companies are reviewing SD based on average monthly bill of the year. As it is known, in current scenario it is very difficult, practically not possible, to pay differential SD by consumers. It is therefore requested not to insist for payment of differential SD on account of yearly SD revision.

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We request you to kindly consider above request in current difficult time.

Thanking you.

Yours truly,

Durgesh Buch
President