

**BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

PETITION NO.GT/2026

IN THE MATTER OF : Petition under Section-62 & Section 79(1) (a) of the Electricity Act, 2003 read with read with Chapter-III of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 and Regulation-9 & 29A of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 **for approval of additional capitalization and supplementary tariff w.e.f. anticipated CODess on account of installation of Integrated Battery Energy Storage Systems of 70MW /140 MWh capacity under the VGF scheme, GOI at Simhadri Super Thermal Power Station-II (2X500 MW) for the period from 27.09.2027 (Anticipated CODess) to 31.03.2029.**

AND

IN THE MATTER OF:

Petitioner : NTPC Ltd.
NTPC Bhawan
Core-7, Scope Complex
7, Institutional Area, Lodhi Road
New Delhi – 110003

Versus

Respondents

1. AP Eastern Power Distribution Company Ltd.
(APEPDCL)
Corporate Office
P&T Colony, Seethammadhara,
Visakhapatnam – 530 013 - (AP)
2. AP Southern Power Distribution Company Ltd.
(APSPDCL)
Corporate Office

Back Side Srinivasa Kalyana Mandapam
Tiruchhanur Road, Kesavayana Gunta,
Tirupathi – 517 503 (AP)

3. AP Central Power Distribution Corporation Ltd,
Corporate Office, Beside Polytechnic College ITI
Road, Vijayawada - 520 008
4. Telangana State Northern Power Distribution
Company Ltd. (TSNPDCL)
H.No. 2-5-31/2, Vidyut Bhavan
Nakkalagutta, Hanamkonda
Warangal – 506 001 (AP)
5. Telangana State Southern Power Distribution
Company Ltd. (TSSPDCL)
Mint Compound
Corporate Office
Hyderabad (AP) – 500 063.
6. Tamil Nadu Generation & Distribution Corporation
Ltd. (TANGEDCO) (formerly TNEB)
144, Anna Salai
Chennai – 600 002
7. Bangalore Electricity Supply Company Ltd.
(BESCOM)
Krishna Rajendra Circle
Bangalore - 560 009.
8. Mangalore Electricity Supply Company Ltd
(MESCOM)
MESCOM bhavana, Corporate Office,
Bejai, Kavoor cross road, Mangaluru,
575004, Karnataka
9. CESC (Chamundeshwari Electricity Supply Corp.
Ltd.)
Corporate Office, No. 29,
Vijayanagar, 2nd stage, Hinkal,
Mysore – 570 017.

10. Gulbarga Electricity Supply Company Ltd.
(GESCOM)

Main road, Gulbarga, Karnataka.

Gulbarga – 585 102.

11. Hubli Electricity Supply Company Ltd. (HESCOM)

Corporate office, P.B. Road, Navanagar

Hubli – 580 025.

12. Kerala State Electricity Board Ltd. (KSEBL)

Vaidyuthi Bhavanam, Pattom

Thiruvananthapuram – 695 004.

13. Superintending Engineer-1

Electricity department

Govt. of Puducherry,

137, Netaji Subhash Chandra Bose Salai,

Puducherry- 605001

INDEX

S.NO	DESCRIPTION	PAGE NO
1	General Headings	1-3
2	Index	4
3	Executive Summary of the petition (Summary of Issues)	5-7
4	Detailed Petition (Petition for Approval of Additional capitalisation and Supplementary Tariff for BESS installation at Simhadri Super Thermal Power Station-II (2X500 MW) for the period 2027-29)	8-19
5	Appendix-A (Tariff Forms)-BESS	20-40
6	Annexure-A (Govt of India scheme dated 09.06.2025 for VGF for BESS)	41-47
7	Annexure-B (Investment Approval resolution dated 28.03.2026)	48
8	Form-I: Proof of payment of fees	49-50
9	Declaration & Affidavit	51-53

Petition

Executive Summary of the Petition (Summary of Issues)

Conspectus:

The present petition is being filed under Section 62 and 79 (1) (a) of the Electricity Act, 2003 read with Chapter-III of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 and Chapter-3, Regulation-9 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 read with subsequent Second Amendment for approval of additional capitalisation of BESS (140 MWh) at Simhadri Super Thermal Power Station Stage-II (2x500 MW) (hereinafter referred to as 'Simhadri STPS-II') and its supplementary tariff for the period from anticipated COD i.e. 27.09.2027 to 31.03.2029.

Brief background of the petitioner

- 1) The Petitioner herein NTPC Limited (hereinafter referred to as 'Petitioner' or 'NTPC'), is a company incorporated under provisions of the Company Act, 1956 and a Government Company as defined under Section 2(45) of the Companies Act, 2013. Further, NTPC is a 'Generating Company' as defined under Section 2(28) of the Electricity Act, 2003 and is owned and controlled by the Government of India. In terms of Section 79(1)(a) of the Act, this Hon'ble Commission is vested with exclusive jurisdiction to regulate the tariff of NTPC.

Brief background of the Respondent(s)

- 2) The respondents to the instant petition are the distribution licensee / bulk power procuring utilities and are the beneficiaries of the instant generating station i.e. Simhadri STPS-II.

The power generated from Simhadri STPS-II is being supplied to various discoms as per

MoP allocation including the respondent beneficiaries mentioned in the petition above.

Background of Generating Station/Unit

- 3) The Petitioner is having power stations/ projects at different regions and places in the country. Simhadri STPS-II is one such coal-based thermal generating station located in the State of Andhra Pradesh. It comprises two operational units each of 500 MW capacity.

Brief description of important events relevant to the Petition

- 4) Considering the strategic requirement of Energy Storage in India, on 09.06.2025, Ministry of Power, Government of India ("MoP") has issued Viability Gap Funding Scheme for the development of Battery Energy Storage Systems (BESS) supported through Power System Development Fund (hereinafter referred as "VGF Scheme"). This VGF scheme provides VGF to 15 States and NTPC for development of 30 GWh BESS capacity supported through Power System Development Fund ("PSDF").
- 5) This VGF scheme, inter alia, allocated 5000 MWh (5GWh) of Battery Energy Storage System (BESS) capacity to NTPC for deployment at NTPC thermal power generating stations with Viability Gap Funding @ Rs. 18 Lakh per MWh.
- 6) BESS capacity has been allocated to NTPC for optimum utilization of thermal generation and transmission infrastructure as well as to facilitate meeting non-solar hour electricity demand in a reliable and economic manner. The VGF Scheme further provides that the BESS capacity allocated to NTPC is to be implemented under Section 62 of the Electricity Act, 2003 as per CERC regulations/ orders.
- 7) The CERC (Terms and Condition of Tariff) (Second Amendment) Regulations 2026 has introduced/inserted Regulation 29A in respect of additional capitalization on account of an integrated energy storage system with the generating station.

- 8) The petitioner has awarded the EPC package through competitive bidding route for installation of BESS (70 MW/140 MWh) at Simhadri STPS-II. The scheduled commissioning of BESS has been considered 18 months from the date of award of the package. The detailed submission regarding BESS and indicative supplementary tariff is being provided in the instant tariff petition.
- 9) Accordingly, the Petition is being filed by the Petitioner for approval of installation of BESS at Simhadri STPS-II and supplementary tariff on anticipated COD, as per the provisions of Regulation 9 of Tariff Regulations 2024 read with Second Amendment.

Summary of Claims

In the light of above submission, the petitioner, therefore, prays that the Hon'ble Commission may be pleased to:

- a. Grant approval for additional capitalization for BESS as Integrated Energy Storage System at Simhadri STPS-II.
- b. Approve indicative supplementary tariff from anticipated COD for Integrated BESS at Simhadri STPS-II.
- c. Grant liberty to amend instant petition for approval of supplementary tariff based on actual cost incurred on CODess after implementation of Integrated Energy Storage System as per Regulations 9 (4)(a) and 29 (A)(4) of CERC Tariff Regulations 2024 and amendments thereof.
- d. Allow the petitioner for submission of additional information and facts as may be required.
- e. Pass any other order as it may deem fit in the circumstances mentioned above.

**BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

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AND

IN THE MATTER OF:

Petitioner : NTPC Ltd.
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7, Institutional Area, Lodhi Road
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13. Superintending Engineer-1
Electricity department
Govt. of Puducherry,
137, Netaji Subhash Chandra Bose Salai,
Puducherry- 605001

Detailed Petition

The petitioner humbly states that:

- 1) The Petitioner herein NTPC Ltd., hereinafter called 'NTPC', is a Government of India undertaking and a Company incorporated under the Companies Act, 1956. Further, it is a 'Generating Company' as defined under Section 2(28) of the Electricity Act, 2003.
- 2) The Petitioner is having power stations/projects at different regions and locations in the country. The present petition pertains to Simhadri STPS-II is one such station located in the state of Andhra Pradesh with an installed capacity of 1000 MW. The station supplies electricity to beneficiaries in the Southern Region in terms of allocation made by the Government of India.
- 3) Under Section 79(1)(a) of Electricity Act, 2003, Hon'ble Commission is vested with the jurisdiction to regulate the tariff of the Generating Companies owned or controlled

by the Central Government. Further, in exercise of powers under Section 178 of the Electricity Act, 2003, the Hon'ble Commission has notified the Central Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2024 (hereinafter called Tariff Regulations 2024) and its second amendment regulations.

- 4) Government of India is taking all necessary steps to achieve energy transition from fossil fuel to non-fossil fuel. The incorporation of a significant amount of variable and intermittent Renewable Energy (RE) into the energy mix is imposing a challenge for maintaining grid stability and operation of thermal generating stations. The significant RE integration needs the support of thermal generation in India for demand-supply management & grid stability during solar & non-solar hours. This is causing cyclic scheduling/operation of thermal generating station(s). At many instances, thermal generating stations are getting schedule below technical minimum level during solar hours, whereas full schedule during non-solar hours. Such scheduling below Technical Minimum level is posing problem for keeping thermal generating unit(s) on bar to meet the demand during non-solar hours.

If the coal-based generation resources are to be used as a transition fuel in India, there is a need to keep the coal-based generating units on bar to absorb the variability and intermittency of renewable generation in India. Therefore, the integration of an energy storage system with the coal-based generating stations is required to enhance the grid stability and reliability of the power system by quickly responding to fluctuations in demand and supply through an integrated energy storage system.

- 5) Integration of large-scale variable energy resources necessitates additional measures for grid stability and reliability of the power system to minimize operational risk of the grid, and enable the infusion of other flexible generation resources into the grid to balance the variability of the renewable generation. Increasing share of RE

also necessitates flexible operation of thermal generation plants. The variability of renewable generation requires thermal generators to back down during periods of high RE availability, especially during solar hours. However, during non-solar hours, when solar generation is not available, thermal plants are essential to meet the demand.

- 6) Considering the strategic requirement of Energy Storage in India, on 09.06.2025, Ministry of Power, Government of India (“MoP”) has issued Viability Gap Funding Scheme for the development of Battery Energy Storage Systems (BESS) supported through Power System Development Fund (hereinafter referred as “VGF Scheme”). This VGF scheme provides VGF to 15 States and NTPC @ Rs. 18 Lakhs per MWh for development of 30 GWh BESS capacity supported through “PSDF.
- 7) This VGF scheme, inter alia, allocated 5000 MWh Battery Energy Storage System (BESS) capacity to NTPC for deployment of BESS at NTPC thermal power stations, which are to be developed for optimum utilization of existing thermal generation and transmission infrastructure as well as to facilitate meeting non-solar hour electricity demand in a reliable and economic manner. Accordingly, out of 5000 MWh, BESS of 140 MWh is being implemented by NTPC at Simhadri STPS-II.

The VGF Scheme further provides that the BESS capacity allocated to NTPC is to be implemented under Section 62 of the Electricity Act, 2003 as per CERC regulations/orders.

The copy of the VGF scheme dated 09.06.2025 is attached as **Annexure-A**.

- 8) It is further submitted that on 20.03.2026, Hon’ble Commission has notified the CERC (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2026.

This Second Amendment has introduced Regulation 29A in respect of additional

capitalization on account of an integrated energy storage system with the generating station which provides as below:

Quote

“29A. Additional Capitalization on account of an integrated energy storage system with the generating station:

*(1) A generating company required to incur additional capital expenditure in the existing generating station for an integrated energy storage system shall share its proposal with the beneficiaries for their consideration, and seek response within 30 days. The generating company shall, thereafter, file a petition for in-principle approval of the integrated energy storage system in the planning stage along with the response of the beneficiaries, except those covered under the viability gap funding scheme. **For the integrated energy storage system covered under the viability gap funding scheme, the generating company shall file the petition for approval at the subsequent stage, within six months from the notification of these regulations.***

(2) The proposal under clause (1) above shall contain details of the proposed technology, scope of the work, phasing of expenditure, schedule of completion, estimated completion cost including interest during construction, foreign exchange component, if any, detailed computation of indicative impact on tariff to the beneficiaries, cost-benefit analysis and any other information considered to be relevant by the generating company.

(3) Where the generating company makes an application for approval of additional capital expenditure for installation of integrated energy storage system, the Commission may grant in-principle approval after due consideration of the reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission.

(4) After completion of the implementation of the integrated energy storage system, the generating company shall file a petition for the determination of a supplementary tariff for the integrated energy storage system. Any expenditure incurred or projected to be incurred and admitted by the Commission after a prudence check

based on the reasonableness of the cost shall form the basis of the determination of the tariff.

(5) Un-discharged liability, if any, on account of the integrated energy storage system shall be allowed as additional capital expenditure during the year it is discharged, subject to prudence check.”

Unquote

- 9) In terms of above, the Petitioner is filing the instant petition for seeking approval for additional capitalization and supplementary tariff from anticipated COD of Integrated BESS (70 MW/140 MWh) at Simhadri STPS-II in accordance with the provisions of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 and its subsequent Second Amendment regulations.
- 10) The petitioner has accordingly calculated the indicative tariff for BESS installation at Simhadri STPS-II on anticipated CODess and same is attached as **Appendix-A**.
- 11) It is further submitted that the Board of Directors of NTPC Limited, in its 565th Meeting held on 28.03.2026, has accorded investment approval for the Battery Energy Storage System (BESS) comprising of Total Capacity 4.70 GWh (Lot-1 for 2.33 GWh and Lot-2 for 2.37 GWh-) at a total project cost of ₹5,821.90 Crore including IDC and Financing Charges of ₹220.45 Crore at Q4 FY 2025-26 price level, with an envisaged COD after 18 months from the date of award of the projects. Copy of the Investment Approval is annexed herewith as **Annexure-B**.
- 12) It is submitted that Simhadri STPS-II forms part of the aforesaid Lot-I BESS Project and has been allocated a Battery Energy Storage System (BESS) capacity of 140 MWh. The investment approval dated 28.03.2026 corresponding to 4.7 GW includes project cost of **₹170.58 Crore pertaining to BESS at Simhadri STPS-II**.

- 13) It is further submitted that EPC package for implementation of BESS at Simhadri STPS-II has been awarded through competitive bidding route. Notice of award (NOA) has been issued on 28.03.2026. Further, as per Investment Approval (IA), the schedule completion period for BESS has been envisaged as 18 months from the date of award of the project.
- 14) The BESS capacity/configurations and plant locations have been identified primarily considering the availability of Un-requisitioned Surplus (URS) power, and availability of required land.

The details of BESS (140 MWh) to be set up in Simhadri STPS-II is provided below in subsequent paragraphs:

1	Total Capacity of BESS	70MW /140 MWh
2	Cycles per day	2 cycles of 2 hours each day
3	Technology	Lithium Iron Phosphate (LFP) battery technology
4	Capital Cost (Estimated completion cost including interest during construction)	Rs 170.58 Cr
5	Viability gap funding	18 lakh/MWh at milestones as mentioned in the VGF Scheme
6	Implementation period	18 months from the date of award. Date of award: 28.03.2026
7	scope of the work	The scope includes BESS Implementation at NTPC thermal stations and interconnection with the existing thermal power plant facilities. The BESS shall comprise of Battery System, Battery Management System (BMS), Energy Management System (EMS) and SCADA, Power Conversion System (PCS), Inverter Duty Transformer (IDT), 33 kV pooling switchgear, Protection system, Communication System, HT & LT System, Auxiliary power system,

		Fire Fighting, remote control and monitoring, and all other associated materials and accessories necessary for trouble free operation and maintenance of the BESS system
8	Operating/Financial Parameters Considered as provided in CERC (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2026.	
(i)	Useful life	15 years
(ii)	Round Trip efficiency (RTE _{ess})	85 %
(iii)	Auxiliary Energy Consumption (AEC _{ess})	5% of the BESS Input Energy
(iv)	Annual Degradation factor	2%
(v)	Normative Annual Availability factor (NAPAF _{ess})	90 %
(vi)	Return on Equity (post tax)	14.00 %
(vii)	Interest on WC (based on 01.04.2026 reference rate+325 basis point)	11.95 %
(viii)	O&M Cost (as % of original project cost)	2.00 %
(ix)	Annual escalation in O&M Cost up to 2 year	5.25 %
(x)	Working Capital	
	Receivables (no of days)	45.00
	Maintenance Spares (as % of O&M Cost)	10.00%
	O&M Expenses (no of month)	1.00
(xi)	Debt: Equity	70:30
9	VGF	Rs 18.00 Lakh per MWh
10	Indicative tariff of BESS, on the basis of the capital cost and the operating parameters as mentioned above, is as follows:	
(ii)	Indicative 1st year Annual fixed charges of BESS	Rs 31.12 Cr/Year
	1 st year Supplementary Capacity Charges ESS	Rs 3.32 / kWh
	<i>The total fixed storage charge for BESS shall be borne by its beneficiaries as per their respective percentage share or allocation in the capacity of the generating station where the BESS is installed.</i>	
(iii)	Supplementary Energy charge: As per Regulation 8(5a), Supplementary energy charge of the integrated energy storage system shall be computed based on the energy charge rate of the electricity sourced from the associated generating station or the tariff of the electricity procured for charging the integrated energy storage system based on sources other than the associated generating station, as the case may be, adjusted for the round-trip efficiency and auxiliary energy consumption of the integrated energy storage system.	

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15) It is submitted that installation of BESS at thermal stations will lead to the following benefits:

i. Assured Peak-Hour Supply at Lower Cost Compared to peak Market Rates:

a) Ensures assured availability of power during peak hours, improving system reliability for beneficiaries.

b) During non-solar hours, renewable energy (RE) generation drops significantly, resulting in power shortages and sustained high prices in the Power Exchange (PX), often reaching the ceiling rate of ₹10/kWh. In many instances, the required quantum of power is also not available in the market.

c) In this context, installing BESS offers a reliable and strategic solution. BESS can store Un-Requisitioned Surplus (URS) from thermal power stations during off-peak hours/solar hours and discharge this stored energy during morning and evening peak hours, thereby ensuring dependable supply at competitive rates.

ii. Reduced Cycling of Thermal Units: Minimizing frequent ramping and cycling operations of thermal generating units enhances plant performance, efficiency, and life, ultimately benefiting beneficiaries.

iii. Optimum utilization of existing transmission infrastructure: Optimum utilisation of existing transmission infrastructure has been envisaged for the evacuation of power for BESS.

iv. Transparent and competitive Cost: Capital cost has been discovered through Transparent competitive bidding and tariff determination shall be through the cost-plus regulatory framework.

- 16) Upon completion of implementation of the BESS system, the Petitioner shall file a separate petition/amend the instant petition for determination of supplementary tariff, as directed by Hon'ble Commission, in terms of Regulations 9 (4)(a) and Regulations 29 (A) (4) based on actual expenditure incurred as well as projected expenditure to be incurred, as applicable, and normative operating parameters/ norms as specified by the Hon'ble Commission in Tariff Regulations 2024 and subsequent notification.
- 17) It is submitted that the Petitioner has uploaded the copy of the Petition at CERC site (Saudamini), the access of which is available to all the Respondents mentioned herein above and therefore the petition stands served to all the respondents. Further, the petitioner has also posted the Petition on the company website i.e. www.ntpc.co.in.
- 18) It is further submitted that the Petitioner has already paid the requisite filing fee vide Transaction ID 20ba8a7eb66ff46e1594 on 27.04.2026 for the year 2026-27 for NTPC stations including instant station, the details of the same have been duly furnished to the Hon'ble Commission and paid as per the provisions of the CERC (Payment of Fees) Regulations, 2022 as amended, related Form-I is also attached in petition.

Prayers:

In the light of above submission, the petitioner, therefore, humbly prays that the Hon'ble Commission may be pleased to:

- a. Grant approval for additional capitalization of BESS as Integrated Energy Storage System in Simhadri STPS-II.
- b. Approve the indicative supplementary tariff from the anticipated COD for the integrated BESS at Simhadri STPS-II.
- c. Grant liberty to amend the instant petition for approval of supplementary tariff based on actual cost incurred on CODess after implementation of Integrated Energy Storage System as per Regulations 9 (4)(a) and 29 (A)(4) of CERC Tariff Regulations 2024 and amendments thereof.
- d. Allow the petitioner for submission of additional information and facts as may be required.
- e. Pass any other order as it may deem fit in the circumstances mentioned above.

(Deponent)

TARIFF FILING FORMS (BATTERY ENERGY STORAGE-BESS)

Appendix-A

FOR DETERMINATION OF SUPPLEMENTARY TARIFF

FOR

**Integrated Battery Energy Storage System (BESS)-70 MW / 140 MWh
At Simhadri STPS-II**

(From anticipated CODess- 27.09.2027 to 31.03.2029)

Part 1

Checklist of Main Tariff Forms and other information for tariff filing for Integrated Energy Storage -BESS

Form No.	Title of Tariff Filing Forms (Thermal)	Tick
FORM- 1	Summary of Tariff	✓
FORM -1 (I)	Statement showing claimed capital cost	✓
FORM -1 (II)	Statement showing Return on Equity	✓
FORM-2	Plant Characteristics	✓
FORM-3	Normative parameters considered for tariff computations	✓
FORM-3A	Statement showing O&M Expenses	✓
FORM-3B	Statement of Special Allowance	NA
FORM- 4	Details of Foreign loans	**
FORM- 4A	Details of Foreign Equity	NA
FORM-5	Abstract of Admitted Capital Cost for the existing Projects	**
FORM-5A	Abstract of Claimed Capital Cost for the existing Projects	**
FORM- 6	Financial Package upto COD	NA
FORM- 7	Details of Project Specific Loans	**
FORM- 8	Details of Allocation of corporate loans to various projects	**
FORM-9A	Summary of Statement of Additional Capitalisation claimed during the period	✓
FORM-9	Statement of Additional Capitalisation after COD	✓
FORM- 10	Financing of Additional Capitalisation	✓
FORM- 11	Calculation of Depreciation on original project cost	✓
FORM- 12	Statement of Depreciation	✓
FORM- 13	Calculation of Weighted Average Rate of Interest on Actual Loans	**
FORM- 14	Draw Down Schedule for Calculation of IDC & Financing Charges	NA
FORM- 15	Details of Fuel for Computation of Energy Charges	**
FORM- 15A	Details of Secondary Fuel for Computation of Energy Charges	**
FORM- 15B	Computation of Energy Charges	✓
FORM- 16	Details of Limestone for Computation of Energy Charge Rate	NA
FORM-17	Details of Capital Spares	***
FORM- 18	Non-Tariff Income	***
FORM-19	Details of Water Charges	***
FORM-20	Details of Statutory Charges	***

** Shall be provided at the time of COD

*** Shall be provided at the time of true up

Part 1

List of Supporting Forms / documents for tariff filing for Integrated Energy Storage -BESS

Form No.	Title of Tariff Filing Forms (Thermal)	Tick
FORM-A	Abstract of Capital Cost Estimates	✓
FORM-B	Break-up of Capital Cost for Coal/Lignite based projects	✓
FORM-C	Break-up of Capital Cost for Gas/Liquid fuel based Projects	NA
FORM-D	Break-up of Construction/Supply/Service packages	**
FORM-E	Details of variables , parameters , optional package etc. for New Project	**
FORM-F	Details of cost over run	**
FORM-G	Details of time over run	**
FORM -H	Statement of Additional Capitalisation during end of the useful life	NA
FORM -I	Details of Assets De-capitalised during the period	***
FORM -J	Reconciliation of Capitalisation claimed vis-à-vis books of accounts	**
FORM -K	Statement showing details of items/assets/works claimed under Exclusions	***
FORM-L	Statement of Capital cost	**
FORM-M	Statement of Capital Woks in Progress	**
FORM-N	Calculation of Interest on Normative Loan	✓
FORM-O	Calculation of Interest on Working Capital	✓
FORM-P	Incidental Expenditure up to SCOD and up to Actual COD	**
FORM-Q	Expenditure under different packages up to SCOD and up to Actual COD	**
FORM-R	Actual cash expenditure	**
FORM-S	Statement of Liability flow	**
FORM-T	Summary of issues involved in the petition	✓

** Shall be provided at the time of COD

*** Shall be provided at the time of trueing up

Summary of Tariff						Part 1 FORM- 1
Name of the Petitioner:		NTPC Ltd.				
Name of the Generating Station:		Simhadri STPS-II BESS (140 MWh)				
Place (Region/District/State):		Dist. Anakapalli, Andhra Pradesh				
					Amount in Rs. Lakhs	
S. No.	Particulars	Unit	Existing	2027-28 (27.09.2027 to 31.03.2028)	2028-29	
1	2	3	4	5	6	
1.1	Depreciation	Rs Lakh	NA	1,007.99	944.18	
1.2	Interest on Loan	Rs Lakh		898.37	779.96	
1.3	Return on Equity	Rs Lakh		824.43	772.24	
1.4	Interest on Working Capital	Rs Lakh		52.91	50.18	
1.5	O&M Expenses	Rs Lakh		328.26	345.49	
	Total	Rs Lakh		3111.96	2892.06	
1.6	Supplementary Capacity Charges (ESS)	Rs/Unit		3.32	3.21	
2	Supplementary Energy Charges & Source of Charging*					
2.1	Same Generating Station (Name)	Rs/Unit				
2.2	Another Generating Station 1 (Name)	Rs/Unit				
2.3	Another Generating Station 2 (Name)	Rs/Unit				
2.4	Renewable Generation 1 (Name)	Rs/Unit				
2.5	Renewable Generation 2 (Name)	Rs/Unit				
2.6	Open Market (Name of Platform/Traders)	Rs/Unit				
	Total					
* As per Regulation 8(5a), "Supplementary energy charge of the integrated energy storage system shall be computed based on the energy charge rate of the electricity sourced from the associated generating station or the tariff of the electricity procured for charging the integrated energy storage system based on sources other than the associated generating station, as the case may be, adjusted for the round-trip efficiency and auxiliary energy consumption of the integrated energy storage system."						
Note-	Further, Regulations 74(2)(a) provide that the procedure for charging, scheduling, and dispatch of electricity and energy account for the integrated ESS shall be prepared by the NLDC in consultation with stakeholders.					
As the Supplementary energy charge would only be known based on actual source of charging of the ESS, the same shall be furnished at the time of filing the petition for tariff determination.						
					(Petitioner)	

PART 1 FORM- 1(I)			
Name of the Petitioner:		NTPC Ltd.	
Name of the Generating Station:		Simhadri STPS-II BESS (140 MWh)	
Amount in Rs. Lakhs			
Statement showing claimed capital cost of the integrated energy storage system			
S. No.	Particulars	2027-28 (27.09.2027 to 31.03.2028)	2028-29
1	2	3	4
1	Capital Cost	17,058.00	15,294.00
1a	Un-Amortized Finance Charges		
1b	Notional IDC		
1c	Loan ERV Charged to P&L		
1d	Less: 20% of applicable VGF on COD as per VGF scheme of GOI	504.00	
1e	Opening Capital Cost	16,554.00	15,294.00
2	Less: 50%/30% of applicable VGF during the year as per VGF scheme of GOI	1260	756
3	Add: Addition during the year/period	-	-
4	Less: De-capitalisation during the year/period	-	-
5	Less: Reversal during the year / period	-	-
6	Add: Discharges during the year/ period	-	-
7	Closing Capital Cost	15,294.00	14,538.00
8	Average Capital Cost	15,924.00	14,916.00
<i>Note: As per VGF scheme 20% of the fund is disbursed during construction upto COD and 50 % is released after COD and rest 30% after 1st year of COD</i>			
(Petitioner)			

PART 1 FORM- 1(IIA)						
Name of the Petitioner:		NTPC Ltd.				
Name of the Generating Station:		Simhadri STPS-II BESS (140 MWh)				
Statement showing Return on Equity at Normal Rate of integrated energy storage system						
		Amount in Rs. Lakhs				
S. No.	Particulars	2024-25	2025-26	2026-27	2027-28 (27.09.2027 to 31.03.2028)	2028-29
1	2	3	4	5	6	7
	Return on Equity					
1	Gross Opening Equity (Normal)				4,966.20	4,588.20
2	Less: Adjustment in Opening Equity					
3	Adjustment during the year					
4	Net Opening Equity (Normal)				4,966.20	4,588.20
5	Viability Gap Funding (VGF)-As per VGF Scheme, during the year/ period				378.00	226.80
6	Add: Increase in equity due to addition during the year / period				0.00	0.00
7	Less: Decrease due to De-capitalisation during the year / period				0.00	0.00
8	Less: Decrease due to reversal during the year / period				0.00	0.00
9	Add: Increase due to discharges during the year / period				0.00	0.00
10	Net closing Equity (Normal)				4,588.20	4,361.40
11	Average Equity (Normal)				4,777.20	4,474.80
12	Rate of ROE (%) (Grossed up with applicable tax rate)				17.258	17.258
13	Total ROE				824.43	772.24
						(Petitioner)

BESS Characteristics

Name of the Petitioner		NTPC Ltd.	
Name of the Generating Station		Simhadri STPS-II BESS (140 MWh)	
Unit(s)/Block(s)/Parameters			
Installed Capacity (MW)-Coal based	Unit-I	Unit-II	
	500	500	
Actual COD of Coal plant	16/Sep/11	30/Sep/12	
Anticipated COD of BESS	9/27/2027		
Types of ESS (integrated)	BESS		
Technology of ESS (Li-ion, odium-Sulfur, or Lead-acid)	Li-Ion (LFP-Lithium Iron Phosphate)		
Number of Battery Racks/Modules of ESS	Typically 12 Battery Racks in one container (May vary as per OEM configuration)		
Number of Battery Cell in ESS	Typically 4992 Cells in one container (May vary as per OEM Configuration)		
Voltage capacity of Battery Cell (DC volt)	Nominal Voltage 3.2 V/Cell (May vary as per OEM Configuration)		
Operation mode (bi-directional or uni-directional at interface point with the grid)	Bi-directional		
Rated Capacity (MW) of ESS	70 (Start of Year-1)		
Maximum continuous rating of ESS (MW)	70 (Start of Year-1)		
Energy Capacity (MWh) of ESS	140 (Start of Year-1)		
Voltage output of ESS			
	AC	400 KV (Point of Interconnection)	
	DC	Min: 1123.2 V Nominal: 1331.2 V Max: 1497.6 V (May vary as per OEM Configuration)	
Power Factor of ESS	0.95 lead to 0.95 lag		
Round-Trip Efficiency of ESS	85%		
Response Time of ESS	Typically <1 sec (Shall be as per OEM configuration. Response time shall meet the grid code requirements)		
State of Charge (SoC)	0-100% (May vary as per OEM Configuration)		
Cycle Life of ESS	~8000 Cycles		
C-Rate of ESS			
i) Charging	0.5 C		
ii) Discharging	0.5 C		
Black Start Capability of ESS	Yes		
Efficiency or Utilization factor (%) of ESS			
Special Features/Site Specific Features⁸			
Any other special features			

Petitioner

Normative parameters considered for computation of supplementary tariff of ESS

Name of the Petitioner:		NTPC Ltd.		
Name of the Generating Station:		Simhadri STPS-II BESS (140 MWh)		
(Year Ending March)				
Particulars	Unit	Existing 2026-27	2027-28 (27.09.2027 to 31.03.2028)	2028-29
1	2	3	4	5
Base Rate of Return on Equity	%	NA	14.00	14.00
Effective Tax Rate	%		18.8760	18.8760
O&M Expenses	% of Capital Cost		2.00	2.00
Maintenance Spares for WC	% of O&M		10.00	10.00
Receivables for WC	in Days		45	45
O&M Expenses for WC	in month		1	1
Round-Trip Efficiency	%		85	85
Number of Cycles per day	%		2	2
Total annual cycles (considering 90% availability and COD as 27.09.27)			336.6	657
Availability of ESS (NAPAF)	%		90	90
Auxiliary Energy Consumption of ESS	%		5	5
Depth of Discharge (DoD)			90-100% (may vary as per OEM recommendation)	90-100% (may vary as per OEM recommendation)
Useful life of ESS	Years		15	15
Petitioner				

Part 1

FORM-3A

ADDITIONAL FORM

Calculation of O&M Expenses

Name of the Company :

NTPC Ltd.

Name of the Power Station :

Simhadri STPS-II BESS (140 MWh)

Amount in Rs. Lakhs

S.No	Particulars	2024-25	2025-26	2026-27	2027-28 (27.09.2027 to 31.03.2028)	2028-29
1	2	3	4	5	6	7
1	O&M expenses under Reg.36(4)					
1a	Normative				328.26	345.49
2	O&M expenses under Reg.36(1)(6)					
2a	Water Charges*					
2b	Security expenses *					
2c	Capital Spares*					
	Total O&M Expenses				328.26	345.49

Note

*: Details Shall be provided at the time of truing up, if any.

Petitioner

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Reason: GM-Commercial
Location: NTPC Ltd.

27

Part 1

FORM- 9A

Additional Form

Year wise Statement of Additional Capitalisation after COD

Name of the Petitioner		NTPC Ltd.									
Name of the Generating Station		Simhadri STPS-II BESS (140 MWh)									
COD		27.09.2027									
For Financial Year		2024-29 (Summary)									
		ACE Claimed (Projected)								Amount in Rs Lakh	
Sl. No.	Head of Work /Equipment	2024-25	2025-26	2026-27	2027-28	2028-29	Regulations under which claimed	Justification	Admitted Cost by the Commission, if any		
1	2	3	4	5	6	7	8	9	10		
A.	For assets eligible for normal RoE										
1											
2											
3											
4											
5											
6											
7											
8											
Total (A)											
B.	Works eligible for Return on Equity linked to SBI MCLR										
1											
2											
3											
4											
5											
6											
7											
Total (B)											
Total Add. Cap. Claimed (A+B)											
		(Petitioner)									

Part 1 FORM-9									
Year wise Statement of Additional Capitalisation after COD									
Name of the Petitioner		NTPC Ltd.							
Name of the Generating Station		Simhadri STPS-II BESS (140 MWh)							
CODess		27.09.2027(Anticipated)							
For Financial Year		2028-29							
		Amount in Rs Lakh							
Sl. No.	Head of Work /Equipment	Accrual basis as per IGAAP	Un-discharged Liability included in col. 3	Cash basis	IDC included in col. 3	Regulations under which claimed	Justification	Admitted Cost by the Commission, if any	
1	2	3	4	5= (3-4)	6	7	8	9	
A. For assets eligible for normal RoE									
1									
2									
3									
4									
Total (A)		-	-	-	-				
B. Works eligible for Return on Equity linked to SBI MCLR									
1									
2									
Total (B)		-	-	-	-				
Total Add. Cap. Claimed (A+B)		-	-	-	-				
(Petitioner)									

Part 1

FORM- 10

Name of the Petitioner		NTPC Ltd.										
Name of the Generating Station		Simhadri STPS-II BESS (140 MWh)										
Date of Commercial Operation (Anticipated)		27.09.2027										
Amount in Rs Lakh												
Financial Year (Starting from COD) ¹		Actual					Admitted					
		2024-25	2025-26	2026-27	2027-28	2028-29	2024-25	2025-26	2026-27	2027-28	2028-29	
1	2	3	4	5	6	7	8	9	10	11		
Amount capitalised in Work/ Equipment												
Financing Details Loan-1 Loan-2 Loan-3 and so on Total Loan2 Equity Internal Resources Others (Pl. specify) Total												
Add cap is proposed to be financed in Debt:Equity ratio of 70:30												
(Petitioner)												

PART-I FORM- 11							
Calculation of Depreciation							
Name of the Company :		NTPC Ltd.					
Name of the Power Station :		Simhadri STPS-II BESS (140 MWh)					
(Amount in Rs Lakh)							
Sl.No.	Name of the Assets	Gross Block as on 27.09.2027 (on Anticipated CODess)	Depreciation Rates as per CERC's Depreciation Rate Schedule	Depreciation Amount (2027-28)	Gross Block as on 31.03.2028	Depreciation Rates as per CERC's Depreciation Rate Schedule	Depreciation Amount (2028-29)
1	2	3	4	5	6	7	8
1	Integrated Energy Storage System-BESS	16554.00	6.33%	1047.87	15294.00	6.33%	968.11
	TOTAL	16554.00		1047.87	15294.00		968.11
	Weighted Average Rate of Depreciation (%)			6.33			6.33

Part 1

FORM- 12

Statement of Depreciation

Name of the Company :		NTPC Ltd.		
Name of the Power Station :		Simhadri STPS-II BESS (140 MWh)		
(Amount in Rs Lakh)				
S. No.	Particulars	Existing 2026-27	2027-28 (27.09.2027 to 31.03.2028)	2028-29
1	2	3	4	5
1	No of days in the period		187	365
2	No of days in the year		366	365
3	Opening Capital Cost		16,554.00	15,294.00
4	Closing Capital Cost		15,294.00	14,538.00
5	Average Capital Cost		15,924.00	14,916.00
6	Freehold land		-	-
7	Rate of depreciation		6.330%	6.330%
8	Depreciable value		14,331.60	13,424.40
9	Balance useful life at the beginning of the period		15.00	14.00
10	Remaining depreciable value		14,331.60	12,909.39
11	Depreciation (for the period)		515.01	944.18
12	Depreciation (annualised)		1,007.99	944.18
13	Cumulative depreciation at the end of the period		515.01	1,459.19
14	Less: Cumulative depreciation adjustment on account of un-discharged liabilities deducted as on 01.04.2009			
15	Less: Cumulative depreciation adjustment on account of de-capitalisation			
16	Net Cumulative depreciation at the end of the period after adjustments		515.01	1,459.19

(Petitioner)

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Location: NTPC Ltd.

Abstract of Capital Cost Estimates and Schedule of Commissioning for the New Projects (integrated energy storage system)

Name of the Petitioner	NTPC Ltd.	
Name of the Generating Station	Simhadri STPS-II BESS (140 MWh)	
New Projects	(Amount in Rs lakh)	
Capital Cost Estimates		
Board of Director/ Agency approving the Capital cost estimates:	Board of Directors	
Date of approval of the Capital cost estimates:	28.03.2026	
	Present Day Cost	Completed Cost
Price level of approved estimates	4th Qtr of FY2025-26	As on Scheduled COD of the Station
Foreign Exchange rate considered for the Capital cost estimates		
Capital Cost excluding IDC, IEDC & FC (Rs. Lakh)		
Foreign Component, if any (In Million US \$ or the relevant Currency)		
Domestic Component (Rs. Lakh)	16413.00	
Capital cost excluding IDC, IEDC, FC, FERV & Hedging Cost (Rs.	16413.00	16413.00
IDC, IEDC,FC, FERV & Hedging Cost		
Foreign Component, if any (In Million US \$ or the relevant Currency)		
Domestic Component (Rs. Lakh)	645.00	
Total IDC, IEDC, FC, FERV & Hedging Cost (Rs. Lakh)	645.00	645.00
Rate of taxes & duties considered		
Capital cost Including IDC, IEDC, FC, FERV & Hedging Cost		
Foreign Component, if any (In Million US \$ or the relevant Currency)		
Domestic Component (Rs. Lakh)	17058.00	
Capital cost Including IDC, IEDC& FC (Rs. Lakh)	17058.00	
Schedule of Commissioning		
Scheduled COD of integrated BESS	27.09.2027	
Petitioner		

Capital Cost for BESS							Part 1 FORM- B
Name of the Petitioner		NTPC Ltd.					
Name of the Generating Station		Simhadri STPS-II BESS (140 MWh)					
Sl. No.	Break Down	As per Investment Approval (IA)	Anticipated Capital Expenditure of Battery Energy Storage (BESS) at Simhadri Stage-II as on anticipated COD 27-09-2027	Liabilities corresponding to Capitalisation shown in Column (4)	Variation With Respect to IA (3-4-5)	Specific Reasons for Variation	Estimated Capital expenditure upto Cut-off date
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Specific Equipment of ESS						
1.1	Battery Pack Cost						
1.2	Power Conversion System (PCS)						
1.3	AC-DC/DC-DC Coupling cost	16,413.00	16,413.00				16,413.00
1.4	Battery Management System (BMS)						
1.5	Fire Protection System						
1.6	Initial Spares*						
	Total Capital cost excluding IDC & FC	16,413.00	16,413.00	-	-		16,413.00
2	IDC, FC, IEDC, FERV & Hedging Cost						
2.1	Interest During Construction (IDC)	645.00	645.00				645.00
2.2	Financing Charges (FC)						
2.3	Incidental Expenditure During Construction (IEDC)	Included in 1 above	Included in 1 above				
2.4	Hedging Cost						
	Total of IDC, FC, IEDC, FERV & Hedging Cost	645.00	645.00	-	-		645.00
	Capital cost of BESS including IDC, FC, IEDC, FERV & Hedging Cost	17,058.00	17,058.00	-	-		17,058.00
*Shall be provided as per the applicable norms at appropriate time.							
							(Petitioner)

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Location: NTPC Ltd.

PART 1 FORM- D						
Break-up of Construction/Supply/Service packages						
Name of the Petitioner		NTPC Limited				
Name of the Generating Station		Simhadri STPS-II BESS (140 MWh)				
(Amount in Rs. Lakh)						
S. No.	Name/No. of Construction / Supply / Service Package	Package A	Package B	Package C		Total Cost of all packages
1	Scope of works1 (in line with head of cost break-ups as applicable)					
2	Whether awarded through ICB/DCB/ Departmentally/ Deposit Work					
3	No. of bids received					
4	Date of Award					
5	Date of Start of work					
6	Date of Completion of Work/Expected date of completion of work					
7	Value of Award in (Rs. Lakh)					
8	Firm or With Escalation in prices					
9	Actual capital expenditure till the completion or up to COD whichever is earlier (Rs. Lakh)					
10	Taxes & Duties and IEDC (Rs. Lakh)					
11	IDC, FC, FERV & Hedging cost (Rs. Lakh)					
12	Sub -total (9+10+11) (Rs. Lakh)					
Note: 1. The scope of work in any package should be indicated in conformity of Capital cost break-up for the coal/lignite based plants in the FORM-B to the extent possible. In case of Gas/Liquid fuel based projects, break down in the similar manner in the relevant heads as per FORM-C. 2. If there is any package, which need to be shown in Indian Rupee and foreign currency(ies), the same should be shown separately along with the currency, the exchange rate and the date e.g. Rs.80 Cr. +US\$50m=Rs.480Cr. at US\$=Rs80 as on say 1.4.2024.						
(Petitioner)						

Part 1 FORM- N				
Calculation of Interest on Normative Loan				
Name of the Company :		NTPC Ltd.		
Name of the Power Station :		Simhadri STPS-II BESS (140 MWh)		
(Amount in Rs Lakh)				
S. No.	Particulars	Existing 2025-26	2027-28 (27.09.2027 to 31.03.2028)	2028-29
1	2	3	4	5
1	Gross Normative loan – Opening		11,587.80	10,705.80
2	Cumulative repayment of Normative loan up to previous year		0.00	515.01
3	Net Normative loan – Opening		11,587.80	10,190.79
3a	Viability Gap Funding (VGF)-As per VGF Scheme, during the year/ period		882.00	529.20
4	Add: Increase due to addition during the year / period		-	-
5	Less: Decrease due to de-capitalisation during the year / period		-	-
6	Less: Decrease due to reversal during the year / period		-	-
7	Add: Increase due to discharges during the year / period		-	-
8	Net addition in loan during the period (4+5+6+7)		0.00	0.00
9	Less: Repayment of Loan		515.01	944.18
10	Net Normative loan - Closing		10,190.79	8,717.41
11	Average Normative loan		10,889.29	9,454.10
12	Weighted average rate of interest		8.25%	8.25%
13	Interest on Loan		898.37	779.96
Note	Weighted average rate of interest provisionally considered as 8.25% ,actual rate of interest shall be provided at time of COD/ true up.			
				(Petitioner)

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Location: NTPC Ltd.

PART 1 FORM-O						
Calculation of Interest on Working Capital						
Name of the Company :		NTPC Ltd.				
Name of the Power Station :		Simhadri STPS-II BESS (140 MWh)				
(Amount in Rs Lakh)						
S. No.	Particulars	Existing 2026-27	2027-28 (27.09.2027 to 31.03.2028)	2028-29		
1	2	3	4	5		
1	No of days		187	365		
2	O & M Expenses	1 month	27.36	28.79		
3	Maintenance Spares	@10% of O&M	32.83	34.55		
4	Receivables	45 days	382.62	356.55		
5	Total Working Capital	Rs Lakh	442.80	419.90		
6	Rate of Interest	%	11.95	11.95		
7	Interest on Working Capital	Rs Lakh	52.91	50.18		
(Petitioner)						

Form-O(i)				
ADDITIONAL FORM				
Name of the Company		NTPC Ltd.		
Name of the Power Station		Simhadri STPS-II BESS (140 MWh)		
(Amount in Rs Lakh)				
SN	Particulars	Unit	2027-28 (27.09.2027- 31.3.2028)	2028-29
			187	365
1	Installed Capacity BESS	MWh	140	140
2	NAPAFess	%	90	90
3	Additional Auxiliary Power Consumption (BESS) AECess	%	5	5
4	Round Trip Efficiency	%	85	85
5	Cycles	No	2	2
6	Annual Degradation	%	2	2
6a	Opening Capacity	MWh	140	138.57
6b	Closing Capacity	MWh	138.57	135.77
7	Average Capacity after degradation	MWh	139.28	137.17
8	Annual Energy - OUT-BESS	MU	46.883	90.120
9	Annual Energy - IN-BESS	MU	58.060	111.604
10	Average ECR for charging BESS *	Rs/kWh		
11	Cost of Energy - Input (Charging)	Rs lakh	0.00	0.00
12	Supplementary Energy Charge Rate (BESS)	Rs/kWh	0.00	0.00
13	ECR Contribution of BESS	Rs/kWh	0.00	0.00
14	No of Days in the year	Days	187	365
15	ESO in 1 Day	MU	0.251	0.247
16	Variable Cost for 1 Day	Rs Lakh	0.000	0.000
17	Variable Cost for 45 Day	Rs Lakh	0.000	0.000
Note	* The Para -1 of Regulation 64B (2) provides that "The energy used for charging the integrated energy storage system shall be arranged from the surplus generation from the associated generating station where the integrated energy storage system is installed or the other generating station or from the open market:" Further, Regulations 74(2)(a) provide that the procedure for charging, scheduling, and dispatch of electricity and energy account for the integrated ESS shall be prepared by the NLDC in consultation with stakeholders. In view of the above, Average ECR of charging would only be known based on actual source of charging of the ESS, and the same shall be considered for the computation of the supplementary energy charge and Interest on working capital at the time of filing the petition for tariff determination.			
(Petitioner)				

PART 1 FORM-T						
Summary of issue involved in the petition						
Name of the Company :		NTPC Ltd.				
Name of the Power Station :		Simhadri STPS-II BESS (140 MWh)				
1	Petitioner:	NTPC Ltd.				
2	Subject	Approval of additional capitalisation of BESS at Simhadri STPS-II and supplementary tariff (anticipated CODess) for the period from 27.09.2027 to 31.03.2029				
3	Prayer: a. Grant approval for additional capitalization of BESS as Integrated Energy Storage System in Simhadri STPS-II. b. Approve the indicative supplementary tariff from the anticipated COD for the integrated BESS at Simhadri STPS-II. c. Grant liberty to amend the instant petition for approval of supplementary tariff based on actual cost incurred on CODess after implementation of Integrated Energy Storage System as per Regulations 9 (4)(a) and 29 (A)(4) of CERC Tariff Regulations 2024 and amendments thereof. d. Allow the petitioner for submission of additional information and facts as may be required. e. Pass any other order as it may deem fit in the circumstances mentioned above.					
4	Respondents: Thirteen (13) no. respondents Name of Respondents 1. AP Eastern Power Distribution Company Ltd. (APEPDCL) 2. AP Southern Power Distribution Company Ltd. (APSPDCL) 3. AP Central Power Distribution Company Ltd. (APCPDCL) 4. Telangana State Northern Power Distribution Company Ltd. (TGNPDCL) 5. Telangana State Southern Power Distribution Company Ltd. (TGSPDCL) 6. Tamil Nadu Power Distribution Corporation Limited (TNPDC) 7. Bangalore Electricity Supply Company Ltd. (BESCOM) 8. Mangalore Electricity Supply Company Ltd (MESCOM) 9. CESC (Chamundeshwari Electricity Supply Corp. Ltd) 10. Gulbarga Electricity Supply Company Ltd. (GESCOM) 11. Hubli Electricity Supply Company Ltd. (HESCOM) 12. Kerala State Electricity Board Ltd. (KSEBL) 13. Superintending Engineer-1, Electricity department, Govt. of Puducherry					
5	Project Scope	2024-25	2025-26	2026-27	2027-28	2028-29
	Cost	As per Petition				
	Commissioning					
	Claim					
	AFC (in Rs Lakh)	-	-	-	3111.96	2892.06
	Capital cost (in Rs Lakh)				15,924.00	14,916.00
	Initial spare	to be provided later				
	NAPAFess	-	-	-	90%	90%
	Any Specific					

F.No. 48-15/7/2025-NRE SECTION
Government of India
Ministry of Power
(NRE Section)

Shram Shakti Bhawan,
Rafi Marg, New Delhi
Dated, the 09th June, 2025

To,

1. Chairperson, CEA
2. Principal Secretaries of Energy of the Government of Rajasthan, Gujarat, Maharashtra, Tamil Nadu, Karnataka, Andhra Pradesh, Madhya Pradesh, Telangana, Uttar Pradesh, Haryana, Kerala, Punjab, Chhattisgarh, Odisha and Uttarakhand
3. CMD, NTPC
4. CMD, Grid India

Subject - Viability Gap Funding (VGF) Scheme for development of Battery Energy Storage Systems (BESS) supported through Power System Development Fund (PSDF).

Sir/ Madam,

Considering the requirement of Energy Storage in the country, with the approval of Minister of Power, it has been decided to provide VGF to 15 number of States and NTPC (as per enclosed Operational Guidelines) @ Rs. 18 Lakhs per MWh for development of 30 GWh BESS capacity supported through PSDF, which amounts to total financial support of Rs. 5400 Crores from PSDF.

2. This allocation includes 25 GWh of BESS capacity allocated to 15 States to facilitate them in meeting their Energy Storage System requirements. In addition, 5 GWh of BESS capacity is allocated to NTPC, which is to be developed for optimum utilization of existing thermal generation and transmission infrastructure as well as to facilitate meeting non-solar hour electricity demand in a reliable and economic manner .

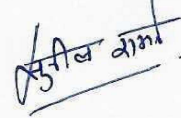
3. All the concerned States and NTPC are required to submit proposal to NLDC, the nodal agency for PSDF, as per the extant Guidelines / Procedure for funding of the projects under PSDF, within 30 days from the date of issuance of this letter.

4. This issues with the approval of competent authority.

[Handwritten signature]

Encl: as above

Yours faithfully,



(**Sunil Kumar Sharma**)
Director (NRE/ RCM)

Copy for information to:

- i. Technical Director, NIC Cell for uploading on MOP's website under "Current Notices" with the heading of "Viability Gap Funding (VGF) Scheme for development of Battery Energy Storage Systems (BESS) supported through Power System Development Fund (PSDF)."
- ii. PS to Minister of Power
- iii. APS to Minister of State for Power
- iv. Sr.PPS to Secretary (Power)
- v. Sr.PPS to Additional Secretary(SN)
- vi. Controller of Account, MoP
- vii. All JSs/CEs and equivalent Officers of the Ministry of Power.
- viii. Pay and Accounts Officer, MoP

Ministry of Power
NRE Section
Shram Shakti Bhawan, New Delhi

**Guidelines for Viability Gap Funding (VGF) Scheme for
development of Battery Energy Storage Systems
(BESS) supported through Power System Development
Fund (PSDF).**

1. Introduction

1.1 Objective: Development of 30GWh BESS capacity for deployment to ensure grid integration of RE and reliable electricity supply.

1.2 Energy storage systems are essential for integration of variable renewable energy (vRE) sources in the electricity grid. With an installation target of 393 GW (293 GW Solar and 100 GW Wind) by 2030, vRE will constitute approx. 50% of the installed generation capacity by 2030.

1.3 Increasing share of RE also necessitate flexible operation of thermal generation plants. The variability of renewable generation requires thermal generators to back down during periods of high RE availability, especially during solar hours. However, during evening peak hours, when solar generation is not available, thermal plants are essential to meet the evening peak. Therefore, BESS may also be installed with thermal power stations to leverage existing generation and transmission infrastructure efficiently.

1.4 As per CEA, 37GWh BESS capacity is required by 2027 and the requirement will increase to 236 GWh by 2031-32. BESS capacity of 13.2 GWh has been approved under the ongoing VGF scheme for development of BESS.

2 Scheme Overview

2.1 Viability Gap Funding (VGF): VGF of Rs 18 lakh per MWh, shall be provided and is aimed at supporting a BESS capacity of 30 GWh.

2.2 Scheme Budget: This scheme has a budgetary allocation of Rs 5,400 Crore. The VGF shall be a non-recurring expenditure and



shall be fully funded from Power System Development Fund (PSDF). The disbursement of funds shall be as per procedure applicable for PSDF. The VGF for each project shall be disbursed to the Eligible Entity/ REIA, once CEA certifies the achievement of the disbursement schedule milestone and submission of the required BG.

2.3 Commissioning Period: The projects are required to be commissioned within a period of 18 months from the date of signing of Battery Energy Storage Purchase Agreement (BESPA) / Power Purchase Agreement (PPA).

2.4 Eligible Entities: State utilities or agencies authorized by States Governments or Central Government shall be eligible. (refer Annexure).

2.5 Disbursement schedule: The VGF amount to the eligible projects shall be disbursed in three tranches as detailed below.

Milestone	% VGF disbursed
On financial closure, subject to submission of bank guarantee.	20
On Commercial Operation Date (COD)	50
Completion of 1st year from COD	30
Total	100

2.5 Storage Duration: The BESS capacity should preferably be with 2-hour discharge duration and average 1.5 cycles in a day i.e within 24 Hour period. However, the Eligible Entity may vary the duration, no of cycles as required.

3. Implementation Model

3.1. Bidding Process: BESS projects shall be awarded using the Tariff Based Competitive Bidding (TBCB) process under section 63 of the Electricity Act, 2003.

3.2 Contract Period: The contract period shall be specified in the RfS document, in accordance with the BESS TBCB Guidelines. The contract shall be awarded on Build Own Operate (BOO)/ Build Own Operate Transfer (BOOT) basis preferably for a contract period of 12 to 15 years.

3.3 Bidding Parameter: Developers shall compete based on the annualized fixed cost they offer, expressed in rupees per Megawatt (MW) per Month or on Rs/kWh after factoring in the VGF specified in the RfS.

3.4. Eligible Entities are required to invite bids, either by themselves or through Renewable Energy Implementing Agencies designated by Central Government, following the bidding guidelines issued under section 63 of the Electricity Act, 2003. The BESPA / PPA shall be signed within 9 months from the date of issue of these guidelines, to be eligible for VGF.

3.5 States / NTPC desirous of availing the VGF are required to submit their proposal to the Central Electricity Authority (CEA) within 60 days from the date of issue of these Guidelines, specifying the implementing agency, location(s) and size of BESS capacity planned for implementation for screening and approval for VGF funding through PSDF.

3.6 The project may be connected at InSTS or ISTS. The land and InSTS grid connectivity shall be provided by the respective Eligible Entities.

3.7 The payment security mechanism shall be as per Electricity (Late Payment Surcharge & Related matters), Rules 2022 as amended from time to time. CEA will monitor the implementation of the scheme as well as the progress of the awarded projects under the Scheme through a Management Information System (MIS) portal and submit monthly reports to the Ministry of Power. The monitoring parameters shall include details of physical and financial progress vis-a-vis the agreed milestones. The performance levels may also be verified by CEA on at least quarterly basis.

3.8. Bank Guarantee: The Eligible Entities/REIAs shall be required to obtain a Bank Guarantee (BG) of value equal to the VGF to be disbursed, prior to its release to the developer, as specified in the RfS. This BG shall be liable for encashment to recover the VGF amount in the event of non-fulfilment of the scheme conditions specified in the Bidding Documents. The BG for the VGF sanctioned up to COD may be released within one year of COD.

4. Eligible Entity/REIA Responsibilities

- 4.1. The Eligible Entity/REIA shall be responsible for:
- (i) inviting bids, and selecting the developer(s) for the allocated

- quantum and entering into contracts with the selected developer(s);
- (ii) ensuring and certifying that the bidding process complies with the Scheme guidelines and that all specified conditions are met;
 - (iii) acting as purchaser of energy storage services or output of BESS and entering into a BESPA / PPA with the developer for the contract period and BESSA / PSA with Eligible Entities, as applicable;
 - (iv) submit to CEA, all the requisite information for monitoring of the project including the audited Statement of Expenditure (SoE) and Utilization Certificate (UC) in the prescribed format of GFR 19 (A) as amended from time to time;
 - (v) comply with the provisions of General Financial Rules, 2017, as amended from time to time;

4.2. The VGF amount (Grant-in-Aid) is also subject to the Chapter 9 of the General Financial Rules, 2017, as amended from time to time, read with the Government of India's decisions incorporated there-under, and any other guidelines which may be issued in this regard.

4.3. Assets acquired wholly or substantially out of Central Government Grants shall not be disposed of during the contract period without obtaining the prior approval of the sanctioning authority of Grants-in-Aid {Rule 230(9)}. Shareholding of the bidding entity in the SPV/ project company executing the BESS project shall not fall below fifty-one per cent at any time prior to Commercial Operation Date (COD).

4.4. The accounts of Eligible Entity / REIA shall be audited by C&AG or by any person authorized by him on his behalf in accordance with the provisions laid down in Section 14 of the C&AG (DPC, 1971) and as amended from time to time.

4.5. The accounts of Eligible Entity / REIA shall be open for inspection by the sanctioning authority and audit, both by the Comptroller & Auditor General of India under the provision of C&AG (DPC) Act, 1971 and internal audit party by the Principal Accounts Office of the Ministry or Department whenever it is called upon to do so.

5. Notwithstanding the aforementioned provisions at para 3 and 4, NTPC may implement its allocated capacity under section 62 of the Electricity Act 2003, as per CERC Regulations/ Orders.

6. Amendment to the Operational Guidelines

- 6.1. These guidelines may be amended with the approval of Secretary, Ministry of Power, to address implementation challenges.
- 6.2. The implementation model in these guidelines may be modified by the Ministry of Power, if required.

Annexure Allocation of BESS Capacity under the Scheme

S.N.	State / Entity	BESS Capacity Allocation (MWh)
1	Rajasthan	4000
2	Gujarat	4000
3	Maharashtra	4000
4	Tamil Nadu	1500
5	Karnataka	2000
6	Andhra Pradesh	2000
7	Madhya Pradesh	1500
8	Telangana	1500
9	Uttar Pradesh	1500
10	Haryana	500
11	Kerala	500
12	Punjab	500
13	Chhattisgarh	500
14	Odisha	500
15	Uttarakhand	500
16	NTPC	5,000
	TOTAL	30,000

AS/10/2

PART MINUTES OF 565th MEETING OF THE BOARD OF DIRECTORS OF NTPC LIMITED HELD ON SATURDAY, 28th MARCH 2026.

Item no. 565.2.5 Battery Energy Storage System (BESS) Lot-1 & Lot-2 Projects (4.70 GWh): Investment Approval

XX XX XX XX XX XX XX XX XX XX XX
XX XX XX XX XX XX XX XX XX XX XX

The Board, after discussion, passed the following resolutions:

Resolved that as recommended by the Projects and Operations Sub-Committee, the investment proposal for Battery Energy Storage System (BESS) Projects, comprising Lot-1: 2.33 GWh and Lot-2: 2.37 GWh, aggregating to total capacity of 4.70 GWh, appraised by Resurgent India Limited, at total project cost of Rs.5,821.90 Crore including Interest During Construction (IDC) and Financing Charges (FC) of Rs.220.45 Crore as of Q4FY2025-26 price level, with an envisaged Commercial Operation Date (COD) of 18 months from the date of award of the projects, as detailed in the Memorandum submitted before the Board of Directors, be and is hereby approved.

Further resolved that Chairman and Managing Director, be and is hereby authorized to approve any subsequent modification, updates & reappropriation within the approved works cost forming part of approved total project cost as well as such changes as may be required in compliance with stipulations of statutory and regulatory authorities.



Handwritten signature and date
30/03/2026

Form-I

Particulars	
1. Name of the Petitioner/Applicant	NTPC Limited
2. Address of the Petitioner/Applicant	SCOPE Complex, Core -7, Institutional Area, Lodhi Road, New Delhi – 110 003
3. Subject Matter	Tariff Filing fees Payable to CERC in respect of NTPC Generation Stations under commercial operation as on 01.04.2026 for the period 2026-27 as per CERC (Payment of Fees) (Third Amendment) Regulations, 2022
4. Petition No., if any	As per Enclosed Sheet (Annexure A)
5. Details of generation assets a) Generating station/units b) Capacity in MW c) Date of commercial operation d) Period for which fee paid e) Amount of fee paid f) Surcharge, if any	As per Enclosed Sheet (Annexure A)
6. Details of transmission assets a) Transmission line and sub- stations b) Date of commercial operation c) Period for which fee paid d) Amount of fee paid e) Surcharge, if any	N.A.
7. Fee paid for Adoption of tariff for a) Generation asset b) Transmission asset	N.A.
8. Application fee for licence a) Trading licence b) Transmission licence c) Period for which paid d) Amount of fee paid	N.A.
9. Fees paid for Miscellaneous Application	N.A.
10. Fees paid for Interlocutory	N.A.

हरित शर्मा / HARSHIT SHARMA
 ज्येष्ठ प्रबंधक (वित्त/व्यापार)
 Sr. Manager (Commercial)
 (वित्त/व्यापार) NTPC Limited
 EOC Asha Sector, NOIDA-201301 (UP)

Harsha

Application	
11. Fee paid for Regulatory Compliance petition	N.A.
12. Fee paid for Review Application	N.A.
13. License fee for inter-State Trading a) Category b) Period c) Amount of fee paid d) Surcharge, if any	N.A.
14. License fee for inter-State Transmission a) Expected/Actual transmission charge b) Period c) Amount of fee calculated as a percentage of transmission charge. d) Surcharge, if any	N.A.
15. Annual Registration Charge for Power Exchange a) Period b) Amount of turnover c) Fee paid d) Surcharge, if any	N.A.
16. Details of fee remitted a) Transaction id/ Reference No./ Payment id b) Date of remittance c) Amount remitted	Transaction id- 20ba8a7eb66ff46e1594 27.04.2027 Rs. 25,85,26,700.00/-
Note: While Sl. Nos. 1 to 3 and 16 are compulsory, the rest may be filled up as applicable	
Signature of the authorized signatory with date	

Dt. 27.04.2026

[Signature]
Sr. Manager / HARSHIT SHARMA
(Commercial)
NTPC Limited
EOC, A-8A, Sector-24, NOIDA-201301 (U.P.)

DECLARATION

The Petitioner above named hereby solemnly declare that nothing material has been concealed or suppressed and further declare that the enclosures and typed set of material papers relied upon and filed herewith are true copies of original(s)/fair representation of the originals/true translation thereof.

Verified at Noida on the 12th of August 2026.

sk Aggarwal
समीर अग्रवाल/SAMEER AGGARWAL
(Petitioner)
अपर महाप्रबन्धक (व्यापारिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड/NTPC LIMITED
EOC, A-8A, Sector-24, Noida-201 301 (U.P.)

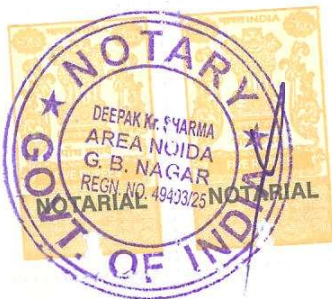
BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No:/GT/2026

IN THE MATTER OF:

Petition under Section-62 & Section 79(1) (a) of the Electricity Act, 2003 read with read with Chapter-III of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 and Regulation-9 & 29A of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for approval of additional capitalization and supplementary tariff w.e.f. anticipated CODess on account of installation of Integrated Battery Energy Storage Systems of 70MW /140 MWh capacity under the VGF scheme, GOI at Simhadri Super Thermal Power Station-II (2X500 MW) for the period from 27.09.2027 (Anticipated CODess) to 31.03.2029.



AND IN THE MATTER OF:

NTPC Limited

.... Petitioner

Versus

Andhra Pradesh Eastern Power Distribution Co
Ltd

...Respondents

AFFIDAVIT

I, Sameer Aggarwal, son of Late Sh. B. K. Aggarwal, aged about 53 years, working as General Manager (Commercial) in the office of NTPC Ltd. having its office at NTPC Ltd., Engineering Office Complex, Sector-24, Noida-201301 U.P, do hereby solemnly affirm and state as follows:



Sk Aggarwal

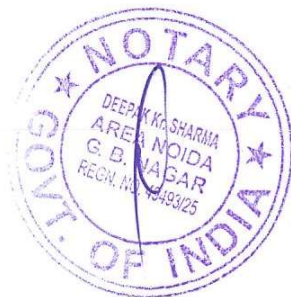
1. That the deponent is the General Manager (Commercial) of the Petitioner NTPC Ltd. and is well conversant with the facts and the circumstances of the case and therefore competent to swear this affidavit.
2. That the accompanying petition has been filed by my authorized representative under my instruction and the contents of the same are true and correct to the best of my knowledge and belief.
3. That the contents of Para No..... to..... as mentioned in the petition are true and correct based on my personal knowledge, belief and records maintained in the office.
4. That the annexures annexed to the petition are correct and true copies of the respective originals.
5. That the Deponent has not filed any other petition or Appeal before any other forum or court of law with respect to the subject matter.

sk Aggarwal
(Deponent)

Verification:

Verified at Noida on this day of August' 2026, that the contents of my above noted affidavit are true and correct to my knowledge and no part of it is false and nothing material has been concealed therefrom.

sk Aggarwal
अपर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड/NTPC LIMITED



ATTESTED

sk Aggarwal
sk Aggarwal
DEEPAK K. SHARMA
NOTARY NOIDA
G.B. NAGAR (U.P.) INDIA

sk Aggarwal
(Deponent)
अपर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड/NTPC LIMITED

12 AUG 2026