

## AEQUS SEZ

### Preliminary Observation on the Application for Approval of APR for FY17 and ARR & Retail Supply Tariff for FY19

#### **1. Sales- APR-17**

The Commission, in its Tariff Order dated 8<sup>th</sup> May, 2017, had approved sales of 12.72 MU for FY17 as proposed by the AEQUS SEZ. The actual sales as per current filing is 12.71 MU indicating a marginal reduction in sales.

#### **2. Capex for FY17:**

The AEQUS SEZ has incurred a capex of Rs. 0.27 crores. The details of actual expenditure may be furnished.

#### **3. Sales- ARR-FY19**

The AEQUS SEZ in its application, has stated that the estimates for next five years is made based on the inputs provided by each consumer and anticipated growth within the campus. Further, it is stated that FY18 estimates are made considering the actuals up to September, 2017. It is also stated that M/s SUAD Forging India P. Ltd., AEQUS Engineered Plastics Ltd., ASMIPL & API and Aero Space components manufacturing unit are enhancing their business activity, resulting in additional energy requirement. Based on the above AEQUS has estimated sales of 19.89 MU for FY19, which accounts for 19.46% growth over FY18 estimated sales of 16.65 MU.

The Commission notes that the AEQUS SEZ has arrived at sales estimates based on the inputs provided by each consumer. However, AEQUS has not furnished any documents submitted by these consumers in this regard. Therefore, the AEQUS SEZ shall furnish the requests obtained from the individual consumers or any other documents like minutes of the meeting held with the consumers in this regard.

Further, for all the manufacturing units, details shall be furnished in the following format:

Name of the Consumer/Company	Actual Electricity Consumption in FY17- kWh	Actual Production in FY17- in relevant units	Estimated Production in FY19- in relevant units

Regarding the number of installations, the Commission notes that FY19 there would be 23 installations as against 15 in FY18, which indicates growth of 53.33%. AEQUS shall confirm such huge growth in FY19, as overestimation would affect the revenues of AEQUS.

#### **4. Demand Side Management:**

The AEQUS SEZ has proposed that it has identified technical potential of energy savings through replacement of fluorescent tubes with LED. The AEQUS SEZ shall clarify as to how much of the potential of 19,529 Units is targeted for FY19. The Commission, in this regard, had addressed a letter on 26.10.2017 directing it to submit an implementation plan for achieving the above identified savings, it is yet to be submitted by the AEQUS SEZ. Further, if the AEQUS SEZ itself is investing in the said DSM program, whether the same is included in the CAPEX for FY19, shall be clarified.

#### **5. Wheeling Charges and Cross Subsidy Surcharge:**

As required under MYT Regulations, the AEQUS SEZ shall propose wheeling charges and Cross Subsidy Surcharge, if any, for their area of supply.

#### **6. RPO Compliance:**

The AEQUS SEZ shall furnish the status of solar and non-solar RPO compliance for FY17 and also the estimates of RPO to be met in FY19 and the plan of action to meet the same in FY19.

#### **7. Capex for FY19:**

The AEQUS SEZ has proposed a capex of Rs. 2.00 crores for FY19. The details of work-wise proposed capex shall be furnished.

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