



Confederation of Indian Industry

125 Years: 1895-2020

**BENCHMARKING OF CONCESSIONS / EXEMPTIONS /  
EXTENSIONS BY VARIOUS STATE GOVERNMENTS  
#COVID-19**

**MAHARASHTRA**

The MERC has announced a steep reduction in Industrial Power Tariff in Maharashtra to prop up the Industry struggling amongst the fury of Covid19.

The gist of the relief to Industrial Consumers in Maharashtra are as below.

1. The commission has approved **average tariff reduction of 7%** for 2020-21 and almost flat tariff for most categories for industry for remaining 4 years of the Multi Year Control Period i.e., up to 2024-25.
2. On an average, **Industrial** and Commercial power tariff **reduced by 10% to 15%**.
3. Commission has introduced **Bulk Supply Discount** at rate of 2% to 1% on energy charge including FAC (with reverse telescopic features for all HT-Industrial consumers with consumption in excess of 1 lakh units per month).
4. To further encourage industrial consumption and sourcing of power from MSEDCL, a concept of **Incremental Consumption Rebate** of Rs 0.75/kVAh has been introduced, which will help the consumer to further reduce their effective tariff.
5. All **incentives** including Load Factor Discount, Prompt Payment Discount and the Night usage rebate in Time of the Day mechanism are **retained**.
6. Concessional and **lower rates for EV Charging Stations**, at Rs 5.50 per KWH and Demand Charges of Rs. 70 per KVA per month.
7. In support of **Go-Green initiative**, Commission has approved a bill discount of Rs. 10 per month per bill, in case the consumer opts for E-bill rather than physical bill.
8. Commission has proposed to introduce **kVAh tariffs** in a phased manner so as to encourage consumers to maintain near unity PF to achieve loss reduction, improve system stability, power quality and improve voltage profile. While approving kVAh based rates, the Commission has considered the power factor

lower than Unity thereby determined **lower rates for kVAh tariff** than that would have been determined for kWh tariff.

9. Commission, considering to move towards optimum use of the infrastructure, has modified Billing Demand definition of **HT category** by increasing minimum billing threshold in gradual manner in the next 5 years. This will **marginally increase the Fixed Charge** but the same has been more than compensated by reducing the Energy Charge.
10. Commission has stressed for improvement in **Collection Efficiency**, which is an important financial performance parameter for distribution business. It has linked Collection Efficiency with Return on Equity of Supply Business.
11. To **promote Solar Roof tops**, the Commission has decided not to levy any grid support charges to the Solar Rooftop installation till the cumulative Rooftop PV Capacity in state reaches 2000 MW. Further, additional fixed charges, on behind the meter Rooftop PV, is exempted and the focus would be to register such installations primarily for grid security. This will give a positive flip to Renewal Energy / Solar Roof top installations in Maharashtra which presently is at a very low level.
12. For the excess generated energy flowing into the grid from Solar Rooftop, the Commission has approved a **banking charge** in the form of energy adjustment, which would be 7.5% for HT and 12% for LT energy banked in the grid. Through this will be a burden, it will have lesser impact than the Grid Utilisation Charges proposed earlier by MSEDCL.
13. Commission has set out target of reduction in **Distribution loss** trajectory from current level of 20.54% (FY2018-19) to 18% (FY 2020-21) and up to 12% (FY 2024-25).

#### **MITIGATION OF CORONA IMPACT**

1. MERC issued a practice direction on 26/3/2020 whereby meter reading and physical bill distribution work was suspended and utilities were asked to issue bills on average usage basis till the current crisis gets subsided.
2. Commission deems it fit to put a moratorium on payment of fixed charges of the electricity bill by consumers under **Industrial and Commercial category** for next three billing cycles beginning from the lockdown date of 25/3/2020.

## **UTTAR PRADESH**

1. Electricity billing of industrial and commercial consumers for the month of April 2020 will be done on the basis of actual power consumption by them rather than on the basis of average consumption in past three months
2. Fixed / Demand Charges for the months of March and April taking into consideration the number of days of the lockdown have been suspended for two months.

## RAJASTHAN

The advisory issued by Industry Department stated that all the orders shared by Home Ministry, Government of India will be followed by Government of Rajasthan and will only run & support the industries which are producing important commodities.

1. The state government has deferred the Fixed Charges on electricity consumed by industrial establishments during March and April 2020 for which the bills will be issued in April and May respectively till 31<sup>st</sup> May 2020. This will be calculated proportionately taking into consideration the duration of the lockdown. This will provide big relief to about 1 lakh 68 thousand consumers of small, medium and big industrial units.
2. The Hotel and Restaurant Bar license fees has been reduced, to give relief to the tourism industry and hotel business. The state Government has also approved reimbursement of SGST for these industries in the first quarter of the coming financial year.

## HIMACHAL PRADESH

Validity period of Consent to Establish / Consent to Operate, Renewal of Consent to Operate under Water Act 1974 / Air Act 1981 or both, Autohorization, Registration which comes under the domain of Himachal Pradesh Pollution Control Board and having expiry on 31<sup>st</sup> March 2020 shall stand extended up to 30<sup>th</sup> June 2020 with immediate effect.

## KERALA

All MSME Units who have rented their units in the buildings / premises owned by the Government, Semi- Government, Public Sector Undertakings and Local Self Governments, are exempted from the payment of rent for three months from March, 2020.

## KARNATAKA

State Government Karnataka has notified following category of industries as the "Continuous Process Industrial Units" and they are exempted from the existing lockdown in order to prevent the damage to the plant / production machineries & to ensure industrial safety, with a condition that these units to operate with a bare minimal strength of staff / labour & shall follow the guidelines / instructions of Ministry of Health & Family Welfare, Government of India and Department of Health & Family Welfare,

Government of Karnataka with regard to the preventive measures to be taken for combating COVID-19:

1. Integrated Steel Plant
2. Petroleum Refinery Unit
3. Cement plant
4. Fertilizer Plant
5. Pulp and Paper unit
6. Glass Manufacturing Unit
7. Coal Tar Distillation Unit

This relaxation applies only to operation of the plants and not applicable to their head Offices / Administrative office

## **PUNJAB**

1. Fixed Charges for Medium Supply and Large Supply industrial consumers to be exempted for next 2 months from 23 March 2020 and Energy Charges may be fixed to commensurate with reduction in Fixed Charges (single rate), revised Energy Charges will be paid by consumers and not to be considered for subsidy
2. Due date of electricity bills of all the domestic and commercial consumers having current monthly / bimonthly bills up to Rs.10000/- payable on or after 20<sup>th</sup> March 2020 has been extended up to 20<sup>th</sup> April 2020 without levy of late payment surcharge and 1% rebate will be given to the consumers on the current bill (exclusive of any previous arrears) who will pay electricity bills online through digital modes by original due date.
3. Due date of electricity bills payable on or after 20<sup>th</sup> March 2020 of all industrial consumers i.e. SP, MS and LS has been extended up to 20<sup>th</sup> April 2020 without levy of late payment surcharge and 1% rebate will be given to the consumers (exclusive of any previous arrears) who will pay electricity bills online through digital modes by original due date
4. No new disconnection shall be carried out against non-payment till restrictions are withdrawn by the Authority.

## **TAMIL NADU**

To augment the local manufacturing capacity of essential medical equipment and drugs and to implement a special incentive package to promote their manufacturing, Government of Tamil Nadu has announced a package which will be a combination of financial incentives and ease of starting business related facilitations.

Accordingly, the following Special Incentive Package is sanctioned to promote manufacturing of COVID-19 related medical equipment and drugs such as ventilators, PPE Kits, Masks, Multi Para Monitors and anti-malarial and anti-viral drugs in Tamil Nadu:

1. The package will apply to manufacture of ventilators, PPE Kits, N-95 Masks, Multi Para Monitors and anti-malarial and anti-viral drugs used in the management of COVID-19. The equipment and drugs must confirm to applicable national standards. Subsequently, other items will also be added if requirement arises.
2. The package will apply to all manufacturers of aforesaid items who will commence production in Tamil Nadu before 31 July 2020.
3. The package will apply to large industries and MSMEs.
4. 30% capital subsidy, subject to a ceiling of Rs. 20 Crore, on the investment made in Eligible Fixed Assets will be provided to eligible manufacturers. Capital Subsidy will be disbursed as equal annual instalments over 5 years. The investment made for manufacturing of essential equipment including modifications / up-gradations of existing lines will be taken into account.
5. In case of MSMEs, the aforesaid eligible manufacturing activities will also be included under the category of 'Thrust Sector' for the purposes of availing various applicable existing incentives.
6. Investors may commence manufacturing of these items and related activities without any prior approval mandated by State laws including approval from DTCP. Necessary permissions may be obtained subsequently after commencement of production.
7. SIPCOT and SIDCO will provide necessary land / sheds on short term or long term leases on priority basis.
8. 100% stamp duty waiver will be provided.
9. 6% interest subvention will be provided to these manufacturers for Working Capital loans availed from commercial banks or Financial Institutions for two quarters (till 31st December 2020), through TIIC
10. Minimum 50% of the equipment and drugs produced under the package during 3 months (May – July 2020) will be purchased by Tamil Nadu Medical Services Corporation at negotiated rates.
11. Priority will be given under NEEDS scheme for MSMEs who come forward to manufacture the aforesaid equipment / drugs
12. This package will be implemented by SIPCOT for large industries and IC&DIC for MSMEs. Guidance Tamil Naud for large industries and MSME Trade and Investment Promotion Bureau for MSMEs will provide the necessary guidance and facilitation including Single Window Clearance.
13. The Principal Secretary to Government, Industries Department is authorized to add additional items within the scope of the incentive package in consultation with the Finance Department.

## HARYANA

Government of Haryana has provided relief to the HT and LT consumers (Industrial & Non-Domestic) by way of waiver in Fixed / Demand charges having load of 20kW/kVA and above for the month of March and April 2020 subject to the ceiling of Rs. 10,000/- per month. Further, subject to the provision that the

monthly consumption of such consumers is 50% or less than his / her average consumption in the months of January and February 2020.

Additionally, it has been proposed that the due date for payment of electricity bills for all categories of consumers which falls during the period of 25<sup>th</sup> March 2020 to 15<sup>th</sup> April 2020 may be deemed to be extended for one month without levy of late payment of surcharge / interest, etc.

It has been further submitted that the above may be considered and approved on revenue neutral basis.

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