ORDER

OF THE

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN CASE NO. -

FPPCA-140/25-26 AND

CASE NO. - APR-140/25-26

FUEL COST ADJUSTMENT (FCA) AND ANNUAL PERFORMANCE REVIEW (APR) OF HIRANMAYE ENERGY LIMITED FOR FY 2019-20

DATE: 30.07.2026

CHAPTER – 1

PREAMBLE

1.1 The Regulation 2.6 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended from time to time (hereinafter referred to as the 'Tariff Regulations'), mandates that the generating companies or licensees, as the case may be, are subject to Annual Performance Review (APR). The West Bengal Electricity Regulatory Commission (Commission) vide Order dated 31.05.2021 in Case No. TP-82/19-29 determined the tariff for Hiranmaye Energy Limited (HMEL) for the Unit 1 & 2 of 3 X 150 MW Thermal Power Generating Station for FY 2018-19 and FY 2019-20. In absence of determination of final project cost, the Commission has considered proportionate amount of the project cost for the Unit 1 & 2 provisionally while determining the tariff of HMEL for FY 2018 – 19 and FY 2019-20.

1.2 HMEL has submitted applications on 25.11.2025 for approval of Fuel Cost Adjustment (FCA) for FY 2019 – 20 and the APR for FY 2019 – 20 for Unit 1 & 2 of the 3 x 150 MW. The Commission has admitted the FCA and APR Petitions in Case No.: FPPCA – 140 /25 – 26 and Case No.: APR - 140 /25 – 26 on 11.12.2025 and 01.12.2025 respectively.

1.3 On admission of the APR and FCA Petitions, HMEL was directed to publish the gist of the APR and FCA Petitions of FY 2019 – 20 vide letter 16.01.2025, as approved by the Commission. Accordingly, the gist was published in 'Bartaman', 'Prabhat Khabar', and 'Aajkal' on 19.01.2026 and in 'The Statesman' on 20.01.2026 for submission of suggestions and objections by the stakeholders, if any, on the application to the Commission within 21 days from the date of publication of gist. The approved gist along with the APR and FCA Petition for FY 2019-20 has also been published on the website of HMEL. Opportunities were provided to all to inspect the application and take copies thereof. No objections or suggestions have been received from any stakeholder within the stipulated date and time.

1.4 During the course of analysis, finding certain deficiencies, the Commission has sought clarifications/additional information from HMEL which are duly submitted by HMEL from time to time. The submissions of HMEL and Commission's analysis on APR and FCA for FY 2019-20 are detailed in the following chapters.

1.5 HMEL has filed an appeal before Hon'ble Appellate Tribunal for Electricity (APTEL) challenging the MYT Order dated 31.05.2021 in Appeal No. 104 of 2023 dt.16.08.2021. No stay has yet been granted by Hon'ble APTEL on the said appeal. In view of this, the Commission decides to proceed with the APR 2019-20 of HMEL following the provisions of the Tariff Regulations. However, this order is subject to any decision of the Hon'ble APTEL on the appeal preferred by HMEL.

CHAPTER – 2

COMPUTATION OF ALLOWABLE FUEL COST

2.1 In this part of the order, the Commission takes up the determination of fuel cost allowable to HMEL on the quantum of power sold to West Bengal State Electricity Distribution Company (WBSEDCL) during FY 2019-20 along with any gains arising from the performance of HMEL over the operating norms set by the Commission.

2.2 The FCA during the referred adjustment period, i.e., FY 2019 – 20, is to be ascertained by following the formula as enunciated by the Commission in Part-B of the Schedule - 7A of the Tariff Regulations.

2.3 Further, Paragraph A of Schedule 9B of the Tariff Regulations, contains provisions for sharing the gains for coal fired thermal power stations, if any, on account of its better performances over the operating norms set by the Commission. The operational parameters which are to be considered for such sharing of gains accrued to the generating stations are:

i. Gain sharing for better Oil Consumption rate
ii. Gain sharing for better Auxiliary Consumption rate
iii. Gain sharing for better Gross Station Heat Rate (SHR)

2.4 The Commission in order dated 13.09.2018 in Case No OA-287/18-19 had specified the normative operating parameters for HMEL as below:

Table 2-1: Normative parameters

Parameters	Normative value
Plant Availability Factor (PAF)	85%
Plant Load Factor (PLF)	80%
Auxiliary Energy consumption (AEC)	10.50%
Station Heat Rate (SHR)	2477 kCal/kwh
Transit loss	0.80%
Specific Oil consumption (SOC) rate	1.00 ml/kWh
Man /MW	1.30

2.5 Before ascertaining the amount of admissible fuel cost as well as the amount of gains to be shared with the beneficiary (here WBSEDCL) under the provisions of Tariff Regulations explained in subsequent paragraphs, the actual performance of HMEL in comparison to the operational norms set by the Commission needs to be reviewed and admitted accordingly. Such comparisons are made hereunder:

Table 2-2: Normative v/s Actual Operating Parameters for FY 2019-20

Particulars	Units	Norms	Actual	Admissible
Rate of AEC	%	10.50	10.50	10.50
SOC	Ml/kWh	1.00	1.00	1.00
SHR	kCal/kWh	2477.15	2815.07	2477.15

The computations of actual rate of AEC, SOC and SHR achieved are shown in Annexure - 2A.

2.6 Determination of Allowable Fuel Cost

2.6.1.1 In terms of paragraph B of schedule -7A to the Tariff Regulations, fuel cost is to be determined for the amount of energy sold by a generating company to the licensee considering the admissible normative parameters and the principles specified in Regulation 5.8 of the tariff Regulations.

2.7 Generation and Auxiliary Consumption

2.7.1.1 Gross generation of the Station has been estimated by taking into consideration the ex-bus injection schedule certified by SLDC and the normative auxiliary consumption which is as below:

Table 2-3: Normative Auxiliary Consumption

Scheduled Injection (MU)	Normative Rate (%)	Normative AEC (MU)	Admissible Gross Generation (MU)
29.12	10.50	3.42	32.536

2.8 Weighted Average Heat Value and cost of Oil

2.8.1.1 As per submission, HMEL has not procured any oil during the FY 2019-20. Accordingly, weighted average calorific value of oil and Average cost of oil considered in the APR Order for 2018-19 has been taken in this APR for the year 2019-20 as well for the purpose of determination of fuel cost.

Table 2-4: Quantum, Price and Heat Value of oil

Particulars	Unit	Claimed	Admitted
Price of oil	Rs./kL	44399.00	44399.00

Heat value of oil	kCal/L	9028.00	9028.00

2.9 Permitted Transit Loss & Handling Loss of Coal

2.9.1 HMEL has claimed 0.80% transit loss on entire coal including imported coal. The normative transit & handling loss @ 0.80% was approved for HMEL in Case No. OA – 287/18 – 19 dated 13.09.2018 & the same has been considered by the Commission for determination of fuel cost.

2.10 Procurement of Coal

2.10.1 As per the submission, HMEL has utilised the coal stock available from the FY 2018-19. No coal procurement is made during the FY 2019-20.

2.11 Weighted Average Price and Weighted Average Heat Value of Coal

2.11.1 As no procurement was made during the FY 2019-20 by HMEL and they had utilised the coal stock available from the FY 2018-19, accordingly, weighted average price of coal and Heat Value of Coal which considered in the APR Order for 2018-19 has been taken in this APR for the year 2019-20 as well for the purpose of determination of fuel cost.

Table 2-4A: Coal Stock Position Table of HMEL for FY 2019-20

Particulars	Derivatives	Admitted
Stock Quantum (in MT)		
Opening Stock	A	24489.70
Coal Purchase during the year	B	Nil
Coal consumed	C	22708.07
Closing stock	D = A+B-C	1781.63
Stock price (in Rs. /MT)		
Price of opening stock	E	5734.12
Price of coal purchased	F	Nil
Price of coal consumed	G=(A*E+B*F)/(A+B)	5734.12
Price of Closing Stock	H =(A*E+B*F)/(A+B)	5734.12
UHV of Coal (in Kcal/Kg)		
Heat value of opening stock	I	4020.49
Heat value of coal purchased	J	Nil
Heat value of coal consumed	K=((A*I+B*J)/(A+B))	4020.49
Heat value of Closing Stock	L=((A*I+B*J)/(A+B))	4020.49

2.11.2 Admitted Fuel Cost

Based on the above table, total fuel cost admissible for FY 2019-20 works out to Rs. 1168.98 Lakh against the claimed fuel cost of Rs. 1351.51 Lakh. Detailed Computation of the same is shown in Annexure - 2B.

2.11.3 Admitted Energy Charge Rate

Based on the admitted fuel cost, the admitted energy charge for FY 2019 – 20 is shown in the Table below:

Table 2-5: Fuel Cost per unit (Paise/kWh)

Particulars	Value
Admitted Fuel cost for the FY 2019-20 (in Lakhs)	1168.98
Fuel cost per unit as allowed in FCA (Paise/kWh)	**401.44**

2.11.4 **C_D: Cost Disallowable**

The factor C_D as referred to in the formula in paragraph B of Schedule 7A of Tariff Regulations, stands for cost as to be found disallowable by the Commission as having been incurred in breach of economic generation or of order/direction of the Commission if any, or for any other reason considered sufficient by the Commission during the adjustment period and adjusted corresponding to actual level of sales. As the unit rates of energy charges from the generating stations have been worked out based on normative parameters, no further disallowance is required on this account.

2.11.5 **Gains on account of better performance over operating norms**

2.11.5.1 As discussed in Table 2.2, actual performance of generating plant of HMEL relating to SOC, AEC & SHR was not better than the norms. Accordingly, there will be no sharing of gain due to better performance.

2.12 Summing up the findings as explained in the earlier paragraphs, the amount of admissible fuel cost of HMEL for FY 2019-20, net of sharing of gains (if any) due to improved performance as discussed aforesaid is shown in the table below:

Table 2-6: Fuel cost admitted by the Commission after necessary adjustments

Particulars	Unit	Admitted
Admissible Cost of Fuel considering Normative Parameters (Para 2.11.2)	Rs. Lakh	1168.98
Cost disallowed (Para 2.11.4)	Rs. Lakh	-
Less: Sharing of Gains with WBSEDCL	Rs. Lakh	-
Fuel Cost	**Rs. Lakh**	1168.98

2.13 HMEL submitted that the Tariff Order for FY 2019-20 was issued on 31.05.2021, i.e. after expiry of FY 2019-20 and the recovery of Energy Charge of FY 2019-20 was based on approved rate vide order dated 29.08.2018 in case no PPA-88/18-19. Hence, HMEL has recovered energy charges based on the rate of 272 paise/kWh which is approved in the Case Number PPA-88/18-19. Thus, revenue from energy charges realized by HMEL during FY 2019-20 is of Rs. 791.95 Lakh.

2.14 Summing up the findings as explained in the earlier paragraphs, the amount of Fuel Cost Adjustment (FCA) of HMEL for the year 2019-20 is determined based on the FPPCA formula specified in paragraph B of Schedule -7A of the Tariff Regulations considering admissible fuel cost of HMEL for FY 2019-20, net of sharing of gains due to improved performance vis-à-vis the fuel cost recovered during the year is shown in the table below:

Table 2-7: Fuel Cost Adjustment for 2019-20 (Rs. Lakh)

Particulars	Unit	Admitted
Total Admitted Fuel Cost	FC	1168.98
Power Purchase Cost for pumping energy of PSP	PPC	Not applicable
Less: Cost disallowed	C_D	0.00
Adjustment, if any	A	0.00
Fuel cost recovered through sale to the purchaser	fc	791.95
Power purchase cost allowed in Tariff order for pumping energy	ppc	Not applicable
FPPCA	**{FC + (PPC -CD) ±A} – (fc + ppc)**	377.03

Annexure 2A

COMPUTATION OF ACTUAL STATION HEAT RATE ACHIEVED IN FY 2019-20

Sl. No.	Particulars	Unit	Value
1	Gross Generation (Actual)	MU	32.536
2	Consumption of Oil (Actual)	kL	32.530
3	Consumption of Coal (Actual)	MT	22708.07
4	GCV of Oil (Actual)	kCal/L	9028.00
5	Heat Value of Coal (Actual)	kcal/kg	4020.49
6	Heat from Oil (2X4/1000)	GCal	293.68
7	Heat from Coal (3X5/1000)	GCal	91297.57
8	Total Heat Used (6+7)	GCal	91591.25
9	Station Heat Rate Achieved (8/1)	kCal/kWh	2815.07
10	Normative Station Heat Rate	MU	2477.15

COMPUTATION OF ACTUAL AUXILIARY CONSUMPTION ACHIEVED IN FY 2019-20

Actual Gross Generation (MU)	Actual Sent Out Generation (MU)	Auxiliary Consumption (MU)	Actual Auxiliary Consumption	Normative Auxiliary Consumption
32.536	29.12	3.42	10.50%	10.50%

COMPUTATION OF SPECIFIC OIL CONSUMPTION ACHIEVED IN FY 2019-20

Actual Gross Generation (MU)	Actual Oil Consumption (kL)	Specific Oil Consumption (ml/kWh)	Normative Oil Consumption (ml/kWh)
32.536	32.53	1.00	1.00

Annexure – 2B

COMPUTATION OF FUEL COST

Operating Parameters	Unit	Claimed in APR	Admitted
Sent out Generation	MU	29.12	29.12
Normative auxiliary	%	10.50%	10.50%
Auxliary Consumption	MU	3.42	3.42
Gross Generation	MU	32.53	32.53
SHR	kCal/kWh	2477.15	2477.15
Total Heat Req	Gcal	80585.32	80596.55
Specific Oil Consumption	ml/KWh	1.00	1.00
Oil Consumption	kL	32.53	32.54
Heat from Oil	GCal	293.69	293.77
Heat from Coal	GCal	80291.63	80302.78
Coal Consumption	Tonne	19800.94	19973.38
Coal Consumption with transit loss	Tonne	19960.63	20134.46
Oil price	Rs./KL	45835.17	44399.00
Oil GCV	Kcal/L	9028.00	9028.00
Coal Price	Rs./Tonne	6696.19	5734.12
Coal GCV	kCal/kg	4054.94	4020.49
Cost of oil	Rs. Lakh	14.91	**14.45**
Cost of Coal	Rs. Lakh	1336.60	**1154.53**
Total Fuel cost	Rs. Lakh	**1351.51**	**1168.98**
Energy charge	**paise/kWh**	**464.12**	**401.44**

CHAPTER – 3

FIXED COST DETERMINATION UNDER APR

3.1 This chapter deals with the examination of the fixed charges claimed by HMEL for the financial year 2019–20 under different heads in respect of Unit–1 and Unit–2 of its 3 × 150 MW generating station.

3.2 Project cost of Unit 1 & Unit 2:

3.2.1 HMEL [formerly known as IPC(H)L] submitted a petition on 19.10.2012 seeking *in-principle* investment approval for its 3 × 150 MW coal-based Thermal Power Project (TPP) at Haldia, with an estimated project cost of Rs.2672.00 crore. Subsequently, HMEL, through a supplementary petition dated 24.07.2015, submitted with revised estimated project cost of Rs.3307.00 crore. The Commission, vide its Order dated 20.11.2017 in Case No. OA-159/12-13, accorded *in-principle* approval for the project at a cost of Rs.2672.09 crore for the 3 × 150 MW power plant. In the said Order, under paragraph 15.0, the Commission made the following observations:

".... enhanced cost under IDC and building & civil works including employee accommodation are not tenable and for the time being agree to the estimated project cost submitted in the initial petition. However, the Commission will take final view of the project cost after completion of the project and submission of all necessary documents with audited figures and with prudence check during final approval of project cost...."

3.2.2 Following the declaration of the Commercial Operation Dates (COD) of the first two units on 13th August, 2017 and 31st December, 2017 respectively, HMEL submitted a petition on 20.02.2019 seeking second-stage (final) approval of the investment proposal for an amount of Rs. 4274.79 crore in terms of Regulation 2.8.1.4.3 of the Tariff Regulations. The Commission, in its Order dated 14.10.2020 in Case No. OA-299/18-19, *inter alia* observed that seeking second-stage approval after declaration of COD of two units was not tenable under Regulation 2.8.1.4.3 of the Tariff Regulations. The Commission, therefore, directed HMEL to file a fresh petition for approval of the final project cost in accordance with the provisions of Regulation 2.8.1.4.13 of the Tariff Regulations, along with audited financial statements and documentary evidence substantiating the variations in project cost vis-à-vis the *in-principle* approval.

3.2.3 HMEL, through its petition dated 09.12.2020, had sought an extension of time up to 31.12.2022 for submission of the petition for final project cost approval in terms of Regulation 2.8.1.4.13 of the Tariff Regulations. The Commission allowed such time extension.

3.2.4 HMEL, vide its letter dated 28.11.2022, had sought another extension of time for a further period of six months for submission of the petition seeking approval of the final project cost for its 3 × 150 MW Thermal Power Plant. The Commission, vide its letter dated 16.12.2022, allowed the said time extension.

3.2.5 In view of the foregoing and particularly considering the observations made by the Commission in its *in-principle* approval order, it is deemed appropriate to adopt the *in-principle* approved project cost for computation of the Aggregate Revenue Requirement (ARR) until the final project cost is approved.

3.2.6 Accordingly, the Commission decides to consider, on a provisional basis, the proportionate project cost for Unit–1 and Unit–2 amounting to Rs. 1781.3933 crore (Rs. 2672.09 crore × 2/3) to determine the Aggregate Revenue Requirements (ARR) for the year 2019-20 following the same principles as adopted in the Tariff Orders i.e. dated 31st May, 2021 and 25th August, 2021.

3.2.7 The Commission, in its Tariff Order dated 31.05.2021, had determined the provisional project cost for FY 2018–19 at Rs.178139.34 lakh, considering 95% of the total project cost. After excluding the cost of land for Unit–1 and Unit–2 amounting to Rs.22.19 lakh and Rs.22.18 lakh respectively, the net project cost works out to Rs.178094.97 lakh, which has been considered for computation of depreciation forming part of ARR for FY 2019–20.

3.2.8 In the Note 29 of audited financial statement, the auditor has qualified and stated that

> *"Company has not capitalised Unit 1 & 2 of its power plant from the declared date of commercial operation, which is 13 August 2017 and 31 December 2017 respectively for Unit 1 & Unit 2. The Company has declared these CODs to fulfil certain requirements under the State Electricity Regulations. Though the Company has declared CODs, even as on balance sheet date, the units could not run for 14 days trial run which also includes 72 hours trial operation under full load condition due to issues in Turbines. Bharat Heavy Electricals Limited (BHEL) is unable to sort out the problems and is not cooperating in the matter and an arbitration is going with*

them. Since machines are still not stabilised and both the units are not in a position to start its operations on commercial level, the management is of the view that Unit 1 & 2 of the power plant can be said to be operational once all these issues are resolved and the plant runs for continuous 72 hours on full load. These issues are expected to be resolved during the current financial year 2020-21 and consequently, the Company will declare COD of Unit 1 & 2 in the financial year 2020-21 when it actually starts its commercial production.

In view of the same, cost of Unit 1 & 2 of the power plant and relevant Balance of Plants (BOPs) is considered as project costs and accordingly the Company has capitalised indirect expenditure and borrowing costs incurred during the year 2019-20 and also had not charged depreciation for the year 2019-20 in the financial statements for the year ended 31 March 2020."

Moreover, the auditor has delivered a qualified opinion in its audit, which has been stated below:

"We draw your attention to Note No. 29 to the accompanying Financial Statements regarding non-capitalization of Unit I & 2 of its power plant from the declared date of commercial operation. The company has not capitalized Unit I & 2 of the power plant from the date of declaration of commercial operation by the regulatory authority (CoD of Unit I is 13.08.2017 & CoD of Unit 2 is 31.12.2017) and continued to capitalize the borrowing cost and other revenue expenditure incurred after the declared date of CoD under capital work-in-progress which would otherwise be charged to statement of profit and loss. The aforesaid accounting treatment is not in accordance with the relevant Ind AS 16 (Property, Plant & Equipment) and Ind AS 23 (Borrowing Cost). The financial impact of such deviation on the statement of profit and loss for the year, shareholders' fund and other reported financials remains unascertained."

In light of the above, the items classified as pre-operative expenses under Capital Work-in-Progress (Note 20) in the audited financial statements of 2019-20 have been treated by the Commission as revenue expenses in the ARR computation rather than as capital expenditure.

3.2.9 HMEL has claimed the following components of ARR other than the fuel cost:

1. Operation and Maintenance (O&M) expenses
2. Employee cost
3. Water Charges
4. Coal and Ash handling expenses
5. Insurance
6. Rent, Rates and Taxes
7. Depreciation
8. Interest on loan
9. Return on Equity
10. Other finance charges
11. Filing Charges
12. Interest on Working Capital
13. Income other than sale of energy
14. Tax on Income and Profit

3.3 O&M expenses

3.3.1 The Operation and Maintenance (O&M) expenses, namely repairs and maintenance expenses (including the cost of consumables), legal and professional charges, audit fees, and administrative and general expenses, shall be classified as *controllable items* in accordance with the provisions of the Tariff Regulations.

3.3.2 In accordance with Regulation 2.8.6.1 of the Tariff Regulations, the Commission is mandated to specify the norms in the Tariff Order for the 1st ensuing year of the control period. Accordingly, the Commission has specified the norms for O&M expenses for the years 2018 – 19 and 2019 – 20 vide Tariff order dated 31.05.2021 in Case No. TP – 82/ 19 – 20 as Rs. 8.29 Lakh per MW and Rs. 8.62 Lakh. Considering the above, the normative O&M expenses for the year 2019-20 is as below:

Table 3-1 (a): O&M Expense Normative

Installed Capacity [in MW]	Norms for FY 2019-20 [in Rs. Lakh/MW]	Normative O&M Expense [in Rs. Lakh] admitted in Tariff order
300	8.62	2586.00

3.3.3 HMEL in its APR petition at para 2.7.4 has claimed Rs. 888.43 Lakh as O & M expense which is consistent with its Form E(B) as well as Note 16 & 20 of the audited financial statement for the FY 2019-20. Claimed vis-à-vis amount appearing in the audited financial statements pertaining to O&M expenses for FY 2019-20 (Rs. Lakh) appear as follows:

Table 3-1 (b): O&M Expense

Rs. in lakh

Sl. No.	O & M Heads	As Claimed	As per Audited Financial Statement A/cs
1	R & M Expense- Others	18.57	18.57
2	General & Administrative Charges	49.42	49.42
3	Professional Consultancy & Legal Expenses	409.44	409.44
4	Travelling, Conveyance & Vehicle Expense	102.75	102.75
5	Security Charges	9.19	9.19
6	Auditor's Remuneration	2.95	2.95
7	Misc Expenses	3.83	3.83
8	Loss on sale of fixed assets	0.84	0.84
9	Consumables	56.19	56.19
10	Electricity Charges	235.25	235.25
11	**Total O & M Expense**	**888.43**	**888.43**

3.3.4 HMEL through Supplementary petition dt. 24.02.2026, discloses breakup of Miscellaneous Expense amounting to Rs 3.83 lakh which comprises of Annual Issuer Fees & Custodial Fees (Rs 1.77 lakh), Interest for late payment of TDS/ Professional tax/ PF/ GST etc. (Rs 2.04 lakh) and Appeal Fees for Entry tax/Income Tax (Rs 0.02 lakh).

3.3.5 The Commission admits all the aforesaid items under O&M Expenses as reflected in Table 3-1(b), except (i) loss on sale of fixed assets amounting to Rs. 0.84 lakh in absence of detailed justification or asset-wise data records and (ii) interest on delayed payment of TDS/Professional Tax/PF/GST, etc. amounting to Rs. 2.04 lakh, as the same is penal in nature.

3.3.6 In view of the discussions,O&M Expenses being a controllable component under the Tariff Regulations, the Commission admits O&M Expenses to the extent of Rs. 885.55 lakh [Rs 888.43 Lakh – Rs 0.84 Lakh – Rs 2.04 Lakh].

Table 3-1 (c): O&M expenses (Rs. Lakh)

Particulars	Approved in Tariff Order	Claimed	Admitted
O&M expenses	2586.00	888.43	885.55

3.4 Employee cost

3.4.1 The Commission, in its Tariff Order (TP–82/19-20 dated 31.05.2021), read with the Review Order (TP(R)–33/21-22 dated 18.03.2022), had approved an employee cost of Rs. 4621.50 lakh for the FY 2019-20. In its APR petition, HMEL has submitted the break-up of employee cost between its own employees and employees engaged on contract under the regular establishment in Form 1.17(h), amounting to Rs.1312.88 lakh and Rs.38.00 lakh respectively, aggregating to Rs.1350.88 lakh.

3.4.2 HMEL, through the Supplementary Petition dt. 17.02.2026, has furnished the requisite break-up of its own employees in Form 1.17(h), along with details of contractual manpower engaged in the regular establishment. Based on the submissions of the Petitioner, the Commission finds that the employee cost pertaining to such contractual employees forms part of the regular establishment and is admissible, subject to compliance with the ceiling on man/MW requirement approved by the Commission for the total number of employees.

3.4.3 Employee cost mainly includes salary and wages, expenditure on account of terminal benefits to employees, and welfare expenses. Based on the submissions of HMEL, the Commission's findings are as under:

a) The maximum ceiling on man/MW requirement, as approved by the Commission vide its Order dated 13.09.2018 in Case No. OA-287/18-19, is 1.3. Accordingly, the maximum permissible number of employees for a 300 MW plant works out to three hundred and ninety (390).

b) The actual number of employees is one hundred and ninety-five (195), comprising of one hundred and ten (110) own employees and eight five (85) contractual employees, as per Form 1.17(h) submitted by HMEL through Supplementary Petition dt.17.02.2026. Further, the employee cost of Rs.1,350.88 lakh is found as reflected in the Note 20 and Note 16 of the audited financial statements for FY 2019-20 which corresponds to claim amount of Rs.1312.88 lakh towards own employees and Rs. 38.00 lakh towards contractual employees respectively.

3.4.4 The Commission observes that the employee cost is consistent with the audited financial statements for FY 2019–20. Accordingly, the Commission admits Rs.1350.88 lakh as the employee cost for the said year.

Table 3-2: Employee cost (Rs. Lakh)

Approved in Tariff Order	Claimed in APR	Admitted
4621.50	1350.88	1350.88

3.5 Water Charges

3.5.1 The Commission had approved the water charges of Rs. 1171.40 lakh in the Tariff Order for FY 2019-20. HMEL, in its petition, has submitted that the plant remained in operation for only a limited period during the financial year, resulting in no consumption of water from the Haldia Development Authority (HDA). Notwithstanding the above, HMEL, through its Supplementary Petition dated 24.02.2026, has claimed an amount of Rs. 16.86 lakh based on normative water consumption of 3 KL/MWh and a weighted average rate of Rs. 17.20 per KL, as admitted in the MYT Tariff Order for FY 2018-19 and FY 2019-20. However, HMEL has disclosed nil expenditure towards Water Charges under the head "Pre-operative Expenses" in its audited financial statements. Considering the submissions and the supporting documents, the Commission allowed no water charges for FY 2019–20.

Table 3-3: Water Charges (Rs. Lakh)

Approved in Tariff Order	Claimed in APR	Admitted
1171.40	16.86	0.00

3.6 Coal and Ash handling expenses

3.6.1 The Commission had approved the coal and ash handling expenses of Rs. 114.15 Lakh in the Tariff Order for FY 2019-20. HMEL has claimed an amount of Rs. 5.08 Lakh in its APR Petition and also reflected in Note 20 of the audited financial statement under the head of Pre-operative expense of Capital work-in-progress. HMEL, through its Supplementary Petition dated 24.02.2026, has submitted that the petitioner has realized no revenue from Ash disposal activities during FY 2019-20. Thus, the Commission finds it prudent to admit Rs 5.08 lakh as coal and ash handling expenses.

Table 3-4 Coal & Ash Handling Expense (Rs. Lakh)

Approved in Tariff Order	Claimed in APR	Admitted
114.15	5.08	5.08

3.7 Insurance premium

The expenses incurred towards insurance are uncontrollable in nature. The Commission had approved an insurance premium of Rs.126.00 lakh in the Tariff Order for FY 2019–20. HMEL, in its APR petition, has claimed Rs.44.43 lakh towards insurance premium comprising of insurance premium for plant & machinery of Rs. 41.03 lakh, insurance premium for vehicle of Rs. 1.86 lakh and insurance premium for others Rs. 1.54 lakh. As per Note 20 of the audited financial statements, under the head "Pre-operative Expense" of Capital Work-in-Progress, the insurance premium for FY 2019–20 is also reflected as Rs.44.43 lakh. HMEL, through its Supplementary Petition dated 17.02.2026, has submitted that the selection of insurance policies has been carried out through a structured procurement process adhering to established guidelines inviting competitive quotations from multiple insurers, and the evaluation done on predefined criteria such as coverage, premium, and service terms. The Commission, thereby admits an amount of Rs. 44.43 lakh towards insurance premium for FY 2019–20, as stated below.

Table 3-5: Insurance premium (Rs. Lakh)

Approved in Tariff Order	Claimed in APR	Admitted
126.00	44.43	44.43

3.8 Rent, Rates and Taxes (Other than income tax)

3.8.1 The Commission had approved an amount of Rs.290.45 lakh towards rent, rates and taxes in the Tariff Order for FY 2019–20. HMEL, in its APR petition, has claimed Rs.41.48 lakh under this head. As per Note 20 and Note 16 of the audited financial statements for FY 2019–20, the expenditure towards rent, rates and taxes is also reflected as Rs.41.48 lakh. HMEL, through its Supplementary Petition dated 24.02.2026, has furnished the break-up of Rent, Rates and Taxes amounting to Rs. 41.48 lakh. The same comprises Way Leave License (Rs. 11.25 lakh), Land Rent (Rs. 25.81 lakh), Weighbridge Stamping and Verification Expenses (Rs. 0.09 lakh), Trade License Renewal and Enlistment Fees (Rs. 0.23 lakh), Enrolment Fees towards Professional Tax (Rs. 0.03 lakh), and Increase in Finance Lease Obligation (Rs. 4.09 lakh). After carrying out the necessary prudence check, the Commission admits an amount of Rs. 37.39 lakh towards Rent, Rates and Taxes for the said year, excluding the Increase in Finance Lease Obligation of Rs. 4.09 lakh, as the same is in the nature of an accounting adjustment.

Table 3-6: Rent, rates and taxes (Rs. Lakh)

Approved in Tariff Order	Claimed in APR	Admitted
290.45	41.48	37.39

3.9 Depreciation

3.9.1 The Commission had approved depreciation of Rs. 6306.13 Lakh in the Tariff Order for FY 2019-20. HMEL has claimed an amount of Rs. 10247.20 Lakh towards depreciation in its APR Petition. The Commission observes that the rates of depreciation as claimed by HEML as per paragraph 2.7.17 of the petition is the weighted average rate of depreciation i.e. 3.597 % on the capitalised cost of Rs. 284899 lakh. The Commission decides to consider the amount of depreciation corresponding to the project cost of Rs. 178094.97 lakh as enumerated in paragraph 3.2 of this order. Accordingly, the admitted depreciation in proportion to the approved capital cost as per Regulation 5.25.1 of Tariff Regulations appears in the table appearing below.

Table 3-7: Depreciation (Rs. Lakh)

Particulars	Claimed	Admitted
Opening capital cost	284899.00	178094.97
Closing capital cost	284899.00	178094.97
Average capital cost	284899.00	178094.97
Admissible Depreciation	**10247.20**	**6405.69**

3.10 Interest on Loan

3.10.1 The Commission had approved interest on capital expenditure loans amounting to Rs. 16709.47 lakh in the Tariff Order for FY 2019–20. HMEL has, however, claimed Rs. 32290.99 lakh towards interest on capital expenditure loans in its APR Petition, as detailed in Table 16 of the Petition. The interest on capital expenditure loans has been allowed after conducting a prudence check of the loan particulars furnished in Form C. The Commission has also taken into consideration the Petitioner's submission at paragraph 2.7.22 that repayment of debt to lenders had not commenced during FY 2019–20 and that the Petitioner was engaged in active negotiations to revise the debt repayment schedule going forward.

3.10.2 HMEL at Note 11 of audited financial statement of 2019-20 states that

"During the year 2017-18, steps were taken for the restructuring of the term loans availed from REC Limited (REC) and Power Finance Corporation Limited (PFC). However, the sanctioned restructuring plan could not be materialised and hence not implemented. Accordingly, the terms and conditions of the earlier common loan agreements duly documented remain effective and valid as on date. As per the earlier sanction, the principal repayment was to be made in 40 quarterly instalments of Rs. 33.68 Crores and Rs. 23.97 Crores beginning from 30th June, 2017 and 15th April, 2017 respectively to REC Limited and Power Finance Corporation Limited. During the current year on 18th April, 2019, the Company has submitted the revised resolution plan for the consideration of the lenders. The restructuring plan is under positive consideration of the lenders, where the repayment of the term loans has been proposed to be shifted to start from the quarter ended 31st December, 2020. Pending the final approval and documentation of the restructuring plan with the lenders, no repayment of the term loan has been shown under current liabilities towards the principal amount repayable within next one year."

3.10.3 From Form C submitted by HMEL, it is observed that the outstanding balance loan on Capital Account at the beginning of the year was drawn from the lending institutions amounted to Rs.274985.54 lakh at a weighted average interest rate of 11.06% from the table below:

Table 3-8(a): Computation of Weighted Average interest rate (in Rs lakh)

Sl. No.	Source	Outstanding balance	Rate of Interest	Interest excluding. Penal charge
1	REC	161295.39	11.02 %	17774.57
2	PFC	113690.15	11.12 %	12643.42
	TOTAL	274985.54		30417.99
Weighted Average Rate (%)			11.06%	

3.10.4 The Commission decides to consider debt @ 70% of the project cost of Unit 1 and 2 i.e. Rs. 124697.53 lakh (70% of Rs. 178139.34 lakh) commencing from 2019-20 as admissible.

3.10.5 In view of the foregoing discussions and considering that HMEL defaulted payment of interest on loans during FY 2019–20, the Commission decides it prudent not to allow any amount towards interest on loan for the said year.

Table 3-8(b): Interest on capital expenditure loan (Rs. Lakh)

Particulars	Admitted
Opening balance of capital loan	124697.53
Addition of loan during the year	0.00

Particulars	Admitted
Repayment of loan	0.00
Closing balance of capital loan	124697.53
Average loan during the year	124697.53
Interest Rate	11.06%
Admissible interest on loan	13791.55
Admitted Interest on loan	**0.00**

3.10.6 In case of payment of interest on the loan amount for FY 2019-20 by HMEL in subsequent FY, HMEL shall have to make submission to claim interest with details of payment corroborating with necessary entry & disclosure in the Audited Financial Statements of HMEL for that FY.

3.11 Return on Equity (RoE)

3.11.1 The Commission had admitted RoE of Rs.8283.48 Lakh in the Tariff Order for FY 2019-20. As against the same, HMEL has claimed the amount of Rs.12347.92 Lakh towards Return on Equity.

3.11.2 The Commission considers the normative equity (30%) on the project cost and determines the admissible return on equity. Since Unit 1 & 2 of HMEL were not operational for 352 days during the year 2019-20 due to reasons other than breakdown or force majeure, hence, the Commission finds it prudent to allow Return on Equity of Rs. 8283.48 lakhs for the Financial Year 2019-20 as per Regulation 5.6.2 (viii) of Tariff Regulations. Accordingly, Return on Equity has been computed as given below:

Table 3-9: Return on Equity (Rs. Lakh)

Sl. No.	Particulars	Admitted in Tariff Order	Claimed in APR	Admitted
1	Project Cost i.r.o. Unit I & II	1,78,139.33	2,84,899.00	1,78,139.33
2	Opening Equity	53,441.80	79,664.00	53,441.80
3	Equity Addition during the year	0	0	0
4	Closing Equity	53,441.80	79,664.00	53,441.80
5	Average Equity	53,441.80	79,664.00	53,441.80
6	Rate of Return (%)	15.50	15.50	15.50
7	Admissible Return on Equity	8,283.48	12,347.92	8,283.48

3.12 Other Finance charges

3.12.1 The Commission had approved an amount of Rs. 27.00 lakh towards finance charges in the Tariff Order for FY 2019-20. HMEL has claimed Rs. 20.12 lakh under this head. The corresponding amount is reflected as "Other Financial Cost" under Note 20 of the audited financial statements for FY 2019-20, classified as pre-operative expenditure. The claim amount comprises of (i) bank charges (Rs. 0.12 Lakh) and (ii) others Fees & Expenses (Rs.20.01 Lakh). HMEL, through its Supplementary Petition dated 17.02.2026, has furnished the break-up of Other Fees & Expenses amounting to Rs. 20.01 lakh. The same comprises Re-schedulement Fee for New Resolution Plan (Rs. 5.90 lakh), liability provision for interest on MSME dues (Rs. 12.18 lakh), VAT Audit Assessment Demand (Rs. 1.92 lakh), and interest on delayed payment of TCS for December 2019 (Rs. 0.01 lakh). The Commission has decided not to allow the expenditure claimed towards (i) Re-schedulement Fee for New Resolution Plan (Rs. 5.90 lakh), (ii) liability provision for interest on MSME dues (Rs. 12.18 lakh), and (iii) interest on delayed payment of TCS for December 2019 (Rs. 0.01 lakh). Further, out of the VAT Audit Assessment Demand of Rs. 1.92 lakh, an amount of Rs. 0.61 lakh, being interest on account of delay/default in tax payment, is also disallowed. Accordingly, the Commission admits an amount of Rs. 1.42 lakh towards Other Financial Charges, considering the same to be uncontrollable in nature.

Table 3-10: Other Financial Charges (Rs. Lakh)

Approved in Tariff Order	Claimed in APR	Admitted
27.00	20.12	1.42

3.13 Filing fees

3.13.1 The Commission had admitted an amount of Rs 10.00 towards filing charges in the Tariff Order for FY 2019–20. HMEL has submitted in its petition that expenditure towards filing charges was incurred during FY 2018–19 and FY 2019–20 amounting to Rs. 0.08 lakh and Rs. 0.05 lakh, respectively. HMEL has further stated that, due to inadvertence, it did not claim the filing charges of Rs. 0.05 lakh pertaining to FY 2018–19 in its petition for that year, and accordingly, the same was not considered in the APR Order for FY 2018–19. Consequently, HMEL has claimed the aggregate amount of Rs. 0.13 lakh towards filing charges. In view of the above, the Commission does not admit the amount of Rs. 0.05 lakh pertaining to FY 2018–19. However, it allows Rs. 0.08 lakh towards filing charges for FY

2019–20.

3.14 Income other than sale of energy

3.14.1 The Commission had not approved any income other than sale of energy in the Tariff Order for FY 2019-20. HMEL has claimed an amount of Rs.16.79 lakh towards income other than sale of energy in its APR petition. Further, Note 15 of the audited financial statements of HMEL reflects Rs.16.79 lakh as interest income under the head "Other Income."

3.14.2 The Commission observes that, in terms of the Tariff Regulations, income from investments and bank balances is to be considered under "Other Income," except for income arising from investments made out of profit and/or any equity issue exclusively meant for non-core business activities, excluding embedded generation of the licensee. In view of the above, the Commission admits an amount of Rs.16.79 lakh as Other Income.

Table 3-11: Other Income (Rs. Lakh)

Particulars	Approved in Tariff Order	Claimed	Admitted
Other income	0.00	16.79	16.79

3.15 Income Tax

3.15.1 The Commission does not consider any amount towards income tax in the Tariff Order for FY 2019-20. HMEL, in its petition, has stated that no amount was paid or claimed on account of income tax for FY 2019-20. Accordingly, the Commission does not admit any amount under this head.

3.16 Interest on working capital

3.16.1 The Commission had approved the interest on working capital of Rs. 834.21 Lakh in the Tariff Order for FY 2019-20. HMEL has claimed the amount of Rs.379.32 Lakh towards interest on working capital. Regulation 5.6.5 of the Tariff Regulations specify the principles for determination of interest on working capital.

3.16.2 The Interest on Working Capital is now computed in accordance with the Order dated 06.04.2022 in case no. SM-30/21-22. Normative rate of interest on working capital was 12.00% (SBI MCLR as on 10.04.2019 (1 year) 8.50%+3.50%) for 2019-20. Further, in accordance with the Regulations, the lower of actual interest and normative interest on working capital assessed shall be considered in APR. In the instant case, the actual interest paid is at a rate i.e. 10.95% as claimed by the petitioner at Table 20 of the petition.

3.16.3 As per para 2.5 of the Tariff Order dt. 31.05.2021, HMEL has entered into PPA with WBSEDCL at a mutually agreed ad-hoc tariff of Rs 3.89 per unit which has been approved by the Commission. Accordingly, the interest on working capital for FY 2019-20 is worked out below as Regulation 5.6.5.1 of WBERC (Terms and Conditions of Tariff) Regulations, 2013.

Table 3-12: Computation of interest on working capital (Rs. Lakh)

Sl. No.	Particulars	Admitted
A	Gross Sales	16794.73
B1	Less: Depreciation including Advance Depreciation	6405.69
B2	Less: Deferred Revenue Expenditure	0
B3	Less: Return on Equity	8283.48
B4	Less: Reserve for unforeseen exigencies	0
B5	Less: Incentive	0
B	Total Deductions (sum B1:B4)	14689.17
C	Allowable Gross Sales for Working Capital (A-B)	2105.56
D	Allowable Working Capital @ 18% on C	379.00
E	Interest Rate	12.00%
F	Interest on Working Capital (E % on D)	45.48
G	Actual interest @10.95%	603.13
H	Interest on working Capital allowed	45.48

3.17 Interest credit on depreciation

3.17.1 The Commission had approved the interest credit of Rs. 845.02 Lakh in the Tariff Order for FY 2019-20. HMEL has not claimed any amount towards interest credit on depreciation in its APR Petition.

3.17.2 In terms of Tariff Regulations, depreciation is primarily used for repayment of capital expenditure loan. Where the depreciation falls short of the actual repayment, such shortfall is allowed under Advance Against Depreciation (AAD). Similarly, when the actual loan repayment in a year is lower than the allowed depreciation, an interest credit at the rate of weighted average cost of debt for the corresponding year needs to be adjusted on such excess depreciation charged. Further, in terms of the Tariff Regulations, it is required to be ensured that the depreciation allowed should not go beyond 90% of the original project cost and after repayment of the entire loan the resulting depreciable amount shall be spread over the balance useful life of the fixed asset.

3.17.3 Accordingly, the Commission decides to compute the interest credit for FY 2019-20 considering the cumulative amount of depreciation and AAD allowed in previous APR orders. Accordingly, the interest credit on depreciation computed by the Commission for FY 2019-20 is as under:

Table 3-13 (a): Interest credit on depreciation computed by the Commission (Rs. Lakh)

Particulars	Derivation	Units	Amount
Repayment of Admissible Debt in FY 2019-20	[1]	Rs Lakh	0.00
Depreciation Allowed for FY 2019-20	[2]	Rs Lakh	6405.69
Excess of Depreciation and AAD over repayment upto 31.03.2019	[3]	Rs Lakh	6405.69
AAD for FY 2019-20	3] = [1] – {[2] + [3]} (if [3] < 0, then 0)	Rs Lakh	0
Excess of Depreciation over repayment upto 2019-20	[4] = [2] + [3] – [1]	Rs Lakh	12811.38
Weighted Average Cost of Debt	[5]	%	11.06%
Interest Credit for FY 2019-20	[6] = [4] x [5]	Rs Lakh	1416.94

3.17.4 Based on the above, the interest credit on depreciation for FY 2019-20 is as shown in the Table below:

Table 3-13(b) Interest credit on depreciation (Rs. Lakh)

Particulars	Claimed	Admitted
Interest credit on depreciation	0.00	1416.94

3.18 Total Fixed charge

3.18.1 On the basis of above analysis, the total Fixed Charge of HMEL for FY 2019-20 comes to Rs. 15625.75 lakh, as discussed in paragraph 3.1 to 3.17 above, details of which is given in Annexure 3A.

3.19 Admissibility of Capacity Charges based on Availability

3.19.1 In terms of Regulation 6.4.2 of the Tariff Regulation, the recovery of capacity charges for generating station of HMEL shall be against the normative availability. Schedule 9A of the Tariff Regulations specify the target Plant Availability Factor (PAF) for coal fired thermal generating stations.

3.19.2 **PAF Achieved**: From the submissions of HMEL, it has been observed that the actual PAF achieved during FY 2019-20 was 1.33% as certified by SLDC which is less than the norm of 85%.

3.19.3 **Admissible Capacity Charge**:

In terms of Regulation 6.4.2 of the Tariff Regulations, the capacity charge of generating stations is determined. As HMEL has submitted the availability parameters of the Generating station at Form 1.1 as well as availability details of SLDC and submitted by HMEL in the petition as PAF achieved by HMEL is less than the normative PAF of 85%, the Commission decides to allow the computed fixed cost on proportionate basis as given below.

Table 3-14: Admissible Capacity Charge (Rs. Lakh)

Particular	Value
Admitted Fixed Charge (AFC)	15625.75
Less: Incentive	0.00
Admitted Fixed Charge (AFC) excluding incentive	15625.75
Normative PAF (PAF_N)	85%
Actual PAF (PAF_A)	1.33%
Admissible Capacity Charge (AFC x (0.5 + 35 / NAPAF) X (PAFY/70) (In Rs. Lakh)	270.69
Add: Incentive	00.00
Total admissible Capacity Charge	**270.69**

Annexure – 3A

FIXED CHARGES ADMITTED BY THE COMMISSION FOR FY 2019-20 (Rs. Lakh)

Sl. No.	Particulars	Admitted
1	Employee Cost	1,350.88
2	Coal and ash handling expenses	5.08
3	Water Charges	0.00
4	Operation & Maintenance expenses	885.55
5	Insurance	44.43
6	Rent, rates & taxes	37.39
7	Interest on borrowed Capital	0.00
8	Filing Charges	0.08
9	Other Finance Charges	1.42
10	Interest on Working Capital	45.48
11	Depreciation	6,405.69
12	ROE	8,283.48
13	Income Tax	0.00
14	**Gross Revenue Requirement (14 = Sum 1 to 13)**	**17,059.48**
15	Less: Misc. Other income	16.79
16	Less: Interest Credit	1,416.94
17	**Net Total Revenue Required (17 = 14 -15-16)**	**15,625.75**

CHAPTER – 4

AMOUNT ADJUSTABLE ON APR

4.1 Based on the foregoing analysis and admissions of the adjustments under different elements of fixed charges and fuel cost, the re-determined admitted fixed charges as well as fuel cost of HMEL during FY 2019-20 is as under:

Table 4-1: Admitted Net ARR (Rs. Lakh)

Sl. No.	Particulars	Amount
1	Admitted Fuel Cost	1168.98
2	Fixed / capacity charge	270.69
3	Less: Sharing of gain with WBSEDCL	Nil
4	**Admitted Net ARR for recovery (1+2-3)**	**1439.67**

4.2 HMEL has disclosed revenue from sale of power to the tune of Rs 1113.40 lakh in the Note 20 of the audited financial statement for the FY 2019-20 under the head of pre-operative expense. HMEL through their APR and FPPCA petition for the FY 2019-20, supplementary petition and subsequent additional information have submitted the fuel cost and capacity charge recovered during the financial year 2019-2020 in accordance with paragraph 7 of the WBERC order dated 29.08.2018 in case number PPA-88/18-19 and the same is detailed below: -

Table 4-2: Revenue Recovered (Rs. Lakh)

Name of the Generating Company	Energy Charges Recovered	Capacity Charges Recovered	Total Revenue Recovered
HMEL	791.95	321.45	1113.40

4.3 In view of the admitted net ARR in table 4-1, HMEL's adjustable amount stands as given below: -

Table 4-3: Amount Adjustable on APR (Rs. Lakh)

Name of the Generating Company	Total Revenue Recovered	Sharing of gain with WBSEDCL	Revenue Recoverable	Adjustable Amount
HMEL	**1113.40**	**0.00**	**1439.67**	**326.27**

4.4 The Commission in para 7.6 and 7.7 of the Tariff Order for the Financial Years 2018-19 and 2019 – 20 dated 31.05.2021 had directed HMEL to adjust any over- recovery or under -recovery from WBSEDCL for the period from 01.04.2018 till the month of issue of Tariff Order in the monthly bills in 10 equal instalments commencing from the month succeeding the month of issue of the Tariff Order. This arrear amount between ad-hoc tariff and tariff claimed by HMEL as per Tariff Order dated 31.05.2021 for 2019-20 shall be considered during APR of that year where such arrear amount is booked, for adjustment with the above admitted amount of Rs 326.27 Lakh of APR of 2019-20.

4.5 HMEL is to take note of this order.

4.6 The Petition is thus disposed of.

4.7 A copy of the order shall be posted in the website of the Commission.

4.8 HMEL shall download the copy of the order from website of the Commission and act on it. Certified copy of the order, if applied for, be given to the parties on completion of formalities laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013 as amended and on submission of necessary fees.

Sd/-

(DR. MALLELA VENKATESWARA RAO)

CHAIRPERSON

Dated: 30.07.2026

Sd/-

DEPUTY DIRECTOR, WBERC