

Submitted to Rajasthan Electricity Regulatory Commission | January 2026

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# Submission on RVPNL's Petition for True-Up of FY 2024-25 and ARR & Tariff for FY 2026-27



CENTRE FOR ENERGY, ENVIRONMENT & PEOPLE

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## 1. INTRODUCTION

Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPN) has filed a petition for the Aggregate Revenue Requirement for FY26-27 and True-up for Fy24-25 before the Rajasthan Electricity Regulatory Commission (RERC), in accordance with the provisions of the applicable Tariff Regulations. The petition has been made available on the website of the Commission for inviting objections and suggestions from stakeholders.

This submission from Centre for Energy, Environment and People, Jaipur is in response to the Commission's invitation for comments. We request the Commission to take note of our written submission.

## 2. Return on Equity

In Rajasthan, state power utilities have been consistently deprived of Return on Equity (RoE) in their Annual Revenue Requirement (ARR) determinations over several years, leading to a progressive weakening of their financial position and operational capacity. The absence of this critical "*plus*" component effectively dilutes the cost-plus tariff framework, with adverse consequences for consumers—both directly, through compromised service quality, and indirectly, through deferred investments and rising inefficiencies.

It is observed that RoE claims by state utilities are often subjected to prior State Government approval, with instances of reductions or complete waivers being imposed. In the present case as well, RVPNL initially claimed RoE, which was subsequently denied and required to be returned to the DISCOMs. Such interventions fall outside the appropriate scope of tariff determination and should remain confined to the regulatory process before the Commission, without executive interference.

Where the State Government mandates any reduction or waiver of RoE in the interest of affordability or policy considerations, it must explicitly compensate the utilities through budgetary support, so that the financial integrity of the utilities is not compromised. The continued denial of RoE without such compensation undermines the long-term sustainability and efficiency of state utilities, heightens operational risks, and inadvertently creates conditions that favour privatisation over reform. In this context, it is imperative to ensure that **RVPNL is allowed a fair and regulatory-consistent RoE**, particularly when Central Public Sector Undertakings and private transmission licensees continue to receive such returns. Allowing RoE is essential not only for financial viability but also for incentivising performance, accountability, and long-term system strengthening.

## 3. Variation from Approved Order

In the True-up for FY 2024-25, RVPN has reported significant variations in transmission expenditure vis-à-vis the expenditure approved by the Hon'ble Commission in the Tariff Order. These deviations span key cost heads, indicating a material departure from the prudence benchmarks and projections that formed the basis of the Commission's approval. However,

the petition does not clearly bring out item-wise reasons for such variation, nor does it demonstrate whether these deviations arose due to uncontrollable factors or due to deficiencies in planning, execution, or monitoring by RVPN. In the absence of a transparent and reasoned justification, such post-facto escalation undermines tariff certainty and shifts the burden of inefficiencies onto consumers. RVPN is therefore requested to submit detailed explanations for each major variance, supported by documentary evidence, clearly segregating controllable and uncontrollable factors, and to demonstrate compliance with the principles of prudence check as mandated under the Tariff Regulations, before any such additional expenditure is considered for pass-through in the True-up.

#### 4. High Transmission Losses

Further, the True-up for FY 2024-25 reveals that the actual transmission losses reported by RVPN are significantly higher compared to other states. In addition, these losses have shown an increasing trend over the past three to four years. Such inordinately high losses adversely affect the overall power procurement of the DISCOMs and, in turn, impose a financial burden on consumers. Elevated loss levels indicate serious concerns relating to system planning, network augmentation, operational efficiency, and real-time grid management. The petition does not provide any credible technical justification or loss-segregation analysis to explain this deterioration, nor does it demonstrate whether corrective measures were initiated during the year to arrest the rising losses.

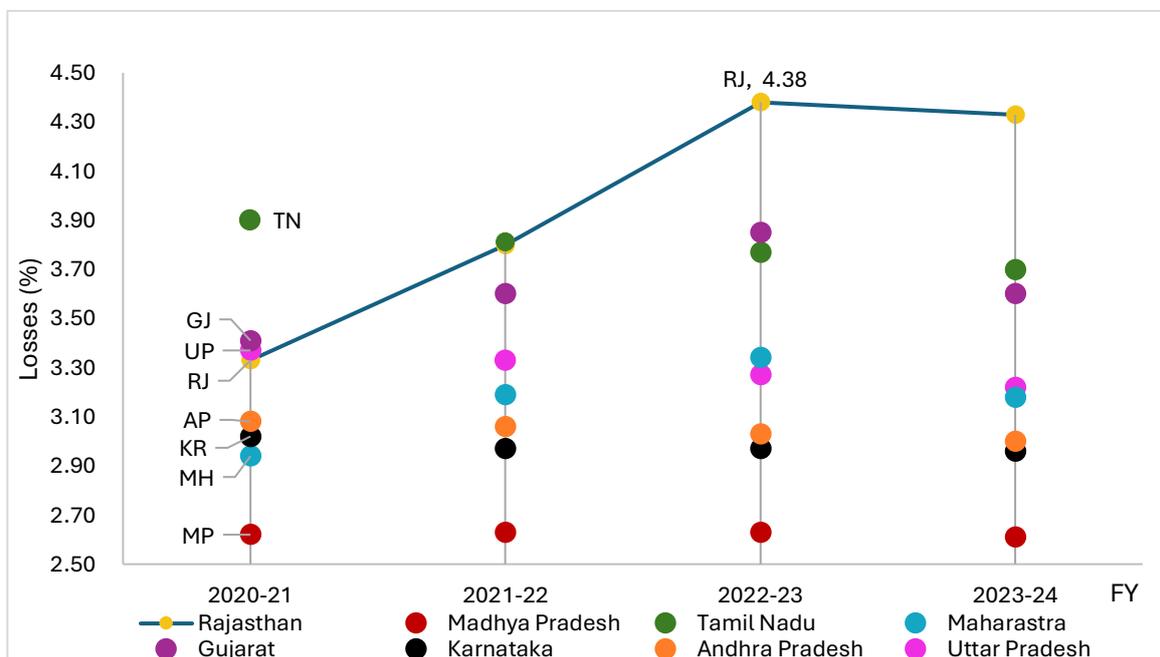


Figure 1: Comparison of Intra-State Transmission Losses of Rajasthan to similar states from FY21 to FY24

RVPN is therefore requested to explain the reasons for high transmission losses, supported by substation-wise and voltage-level loss data, identify whether the excess losses are attributable to controllable factors, and submit a time-bound loss reduction roadmap. Pending such

justification and corrective commitments, excess transmission losses ought not to be allowed for pass-through in the True-up.

## **5. Procedure for Identifying Layout of Lines and Substations**

The development of transmission infrastructure carries substantial social and economic consequences, especially in relation to land use, livelihoods, and local habitations. The procedure adopted by RVPNL for finalising the physical alignment of transmission lines and the siting of substations on the ground, including how specific corridors are selected across private land, agricultural fields, habitations, forests, roads, and other public or common property, has wide-ranging implications. It is therefore essential to understand how RVPNL ensures that right-of-way (RoW) requirements are met with minimal disruption to local inhabitants, livelihoods, and property. RVPNL is therefore requested to clarify the methodology followed for route selection, including the use of surveys, alternative corridor analysis, and avoidance principles adopted to minimise displacement, crop damage, and fragmentation of land holdings. RVPNL should also provide the process for stakeholder engagement with affected landowners and local bodies, the compensation framework followed for RoW and damages, and the grievance redressal mechanism available to impacted persons. In the absence of such disclosures, it is difficult to assess whether transmission development has been undertaken in a manner that balances system requirements with public interest and social equity.

## **6. Planning for RE Zones and Green Corridors**

It is requested to provide details of RVPNL's role and responsibilities in the planning and development of transmission infrastructure for Renewable Energy (RE) evacuation, particularly in the context of Green Energy Corridors and coordination with Power Grid Corporation of India Limited (POWERGRID). The petitioner is requested to clarify its role as a local planning agency, an implementing transmission licensee, or merely a facilitating entity, and how these roles are reflected in its approved costs and returns. RVPNL is therefore required to specify the manner in which it is compensated for discharging these roles, and whether the costs associated with RE zone development and Green Corridor assets are being fully or partly socialised through transmission charges levied on Rajasthan consumers. RVPNL is requested to explain how it ensures that such costs are allocated in a fair, transparent, and non-discriminatory manner, and whether any portion of these costs is recovered from central schemes, generators, or inter-state beneficiaries. In the absence of such clarity, there is a risk that the financial burden of RE development is being unfairly passed on to end consumers in the State, without commensurate benefits or safeguards.