



**RAJASTHAN RAJYA VIDYUT UTPADAN NIGAM LTD.**

Corporate Identity Number(CIN) - U40102RJ2000SGC016484

VidyutBhawan, Jan path, Jaipur-302005

**OFFICE OF THE AddCHIEF ENGINEER (PPMC&IT)**

Room no.304,JeevanNidhiBhawan-II, B.S. Marg, Jaipur-302005

Telephone: 0141-2740989, Fax: 0141-2744521

email: [ce.ppmcit@rrvun.com](mailto:ce.ppmcit@rrvun.com) web: [energy.rajasthan.gov.in/rvunl](http://energy.rajasthan.gov.in/rvunl)

No./RVUN/ACE (PPMC&IT)/F. /D:- 1074

Dated: 22.7.19

## **ORDER**

**Sub: Revision in existing Incentive Scheme for the employees of Rajasthan Rajya Vidyut Utpadan Nigam Limited (RRVUNL) wef 01.04.2018.**

The BOD in its 289<sup>th</sup> meeting held on dt.11.07.2019 has been pleased to allow revision in existing "Generation Linked Incentive Scheme" to the employees of RVUN w.e.f. 01.04.2018 as under:

### **Revised Generation Linked Incentive scheme for the employees of Rajasthan Rajya Vidyut Utpadan Nigam Limited (RRVUNL)**

#### **1. INTRODUCTION**

The basic framework of the revised generation linked incentive scheme has been devised on the prescribed Normative Parameters by RERC. Accordingly, Availability Factor, Station Heat Rate, Sp. Oil Consumption, Auxiliary Power Consumption & operational performance under ABT regime (DSM) have been considered as the key factors for performance incentive to the employees of RVUN.

The goal of Revised Generation Linked incentive scheme is to motivate and encourage the employees for increasing availability of machines through adaptation of best operation & maintenance practices and continual improvement in performance leading to economy of generation on a long term sustainable basis.

#### **2. OBJECTIVES :**

Apart from the general purpose of promoting, motivation, morale and team spirit amongst the employees, the following principal objectives have been kept in view in determining the revised incentive scheme.

- a) To keep RVUN power stations in readiness to deliver ex-bus output expressed as % of rated installed capacity so that the available resources are optimized based on merit order operation thereby bringing about an overall economy in generation.
- b) Reduction in cost per unit of energy generated.
- c) Reduction in absenteeism.
- d) To motivate the employees to give their best.

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3. **REVISED GENERATION LINKED INCENTIVE SCHEME APPLICABLE FROM FY 18-19 AND ONWARDS:**

To achieve the twin prime objectives of motivating employees for increasing availability of machines & cost reduction, developing a sense of growth & satisfaction amongst the employees of the organization, the following factors have been incorporated in the scheme:

Incentive shall be payable on annual basis:

- (i) As a percentage of saving in AFC recovered of the all power stations of RVUNL (For achieving availability) and shall be distributed amongst employees of RVUNL on the basis of prorata basic pay drawn by them and
- (ii) As a percentage of amount calculated for achievement of base level targets in Station Heat Rate, Auxiliary Power consumption, Specific oil consumption levels & performance under ABT (DSM) towards variable cost shall be distributed among the employees of concerned power station only by categorizing them under various groups.

3.1 **Incentive on the basis of recovery of fixed cost by RVUN power stations:**

Incentive on achieving availability greater than or equal to the values given in column-II of 'Table-I/II' shall be payable on annual basis as a percentage of saving achieved in actual AFC recovered against actual expenditure in Fixed Charges (as per audited accounts of that FY) by the respective power station as mentioned in column-III of 'Table-I/II' for Thermal, Hydro and Gas based power stations respectively.

**TABLE-I**

For Thermal Plants and Hydro Plants		
SN	Availability >=	Incentive as a % of saving achieved by the power station in Annual Fixed Charges after accounting expenditure against Fixed Charges
1	0.90X	2.00 %
2	0.91X	2.05%
3	0.92X	2.10%
4	0.93X	2.15%
5	0.94X	2.20%
6	0.95X	2.25%
7	0.96X	2.30%
8	0.97X	2.35%
9	0.98X	2.40%

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10	0.99X	2.45%
11	X	2.50%

**TABLE-II**

For Gas based power plants		
SN	Availability >=	Incentive as % of saving achieved by the power station in Annual Fixed Charges after accounting expenditure against Fixed Charges
1	0.85X	1.75 %
2	0.86X	1.80 %
3	0.87X	1.85%
4	0.88X	1.90%
5	0.89X	1.95%
6	0.90X	2.00%
7	0.91X	2.05%
8	0.92X	2.10%
9	0.93X	2.15%
10	0.94X	2.20%
11	0.95X	2.25%
12	0.96X	2.30%
13	0.97X	2.35%
14	0.98X	2.40%
15	0.99X	2.45%
16	X	2.50%

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**Definition and Conditions:**

- I. In case of Thermal and / or Gas based power station, X- Denotes the Normative Ex-bus declared capacity/ Availability certified by SLDC, prescribed by RERC for recovery of Annual Fixed Charges or capacity charges.
- II. Ex-bus declared capacity/ Availability defined in accordance to the definition given in the RERC Regulations in vogue.
- III. In case of Hydro power station, X-denotes availability taken in energy bills as per actual i.e. cumulative capex for the year / Normative capacity index for recovery of full fixed cost.
- IV. If availability achieved annually is less than 0.90X for any RVUN Thermal/ Hydro power station and 0.85 X for Gas based power station, then rate of incentive as given under column 3<sup>rd</sup> of Table-I/II shall be treated as zero.
- V. In a particular year, if, any previous year revenue realized from / returned to the DISCOMs as per RERC orders (ARR or True-up), the same shall be accounted as a part of AFC recovered/ returned in that FY for that power station.
- VI. If AFC recovered for any power station is less than expenditure against FC (after considering normative interest on WCL) then that power station shall not be considered for calculation of incentive on achieving availability.
- VII. If a power station earns incentive from beneficiary for actual ex-bus energy in excess of ex-bus energy corresponding to target PLF, then it shall be entitled to earn additional incentive @ 6% of total amount earned on this account.
- VIII. Rates of incentive as given in Table-I/II above for recovery of fixed cost by RVUN power stations is based on presumption that ROE shall be allowed on the similar rates so far allowed to RVUN. However, in case, if the ROE rates are revised / ROE is withdrawn, then rates of incentive as given above shall be suitably reviewed, if required, with the approval of WTDs, RVUN.
- IX. Any AAD adjustment shall be a part of AFC for that project for that year.
- X. For calculating incentive amount under clause no. 3.1 of the above said scheme, results of RVUNL will only be considered. Any profit or loss of any other subsidiary company will not be considered for determination of amount under this clause.

3.1.1 Total incentive amount so arrived at by adding the incentive amounts of all RVUN power plants (Gas, Thermal & Hydro) on the availability head as given above, shall be distributed amongst the employees of RVUNL in the form of annual incentive, computed on the pro-rata basis of the basic pay drawn (Pay in the level in the pay matrix) by the RVUN employees in accordance with Rajasthan Civil Services (Revised Pay) rules 2017 for the respective year.

**3.1.2 Coverage of Annual incentive on achieving Availability by RVUN power stations:**

- (a) The annual incentive for achieving availability shall be applicable to all regular employees & probationer trainees of the RVUNL working in the plants of RVUNL including projects under construction, coal block, corporate office including

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employees on deputation from State Govt., whether on regular pay scales or on probation basis, Retired Railway Employees engaged in power stations but excluding other daily rated/casual workers, apprentices, persons appointed on contract basis and personnel hired/engaged/deputed by agencies / contractors for fulfillment of contractual obligations.

(b) Employees of RVUNL managing / operating interstate power plants of RVPNL or other subsidiary companies of RVUNL shall also be entitled for this incentive scheme.

3.2 **Incentive for reduction in variable cost on account of :**

Incentive on account of achievement of base level targets towards variable cost shall be allowed under following sub-heads:

- (i) Achievement in SHR levels for Coal/ Gas based RVUN power stations.
- (ii) Achievement in Specific Oil Consumption levels.
- (iii) Achievement in Auxiliary Energy Consumption levels.
- (iv) Operational efficiency under ABT regime (DSM).

3.2.1 **Incentive for achievement in Station Heat Rate levels for COAL/GAS based Power Stations:**

Incentive for achievement in SHR levels shall be paid on annual basis as a percentage of variable cost allowed on normative SHR as per tariff order as per values given in table-III hereunder. Related definitions and conditions are as given below:

**TABLE-III**

Actual SHR in Cal/kwh	% of Variable Cost for Normative Station Heat Rate
X- (4.0% or more)	0.285
X- (3.0 to 3.9%)	0.255
X- (2.0 to 2.9%)	0.225
X- (1.0 to 1.9%)	0.195
X- (0.1 to 0.9%)	0.165
X+ (0.0 to 0.9%)	0.15
X+ (1.0 to 1.9%)	0.135
X+ (2.0 to 2.9%)	0.120
X+ (3.0 to 3.9%)	0.105
X+ (4.0 to 4.9%)	0.09
>X+5.0%	0

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**Definitions & conditions:**

- I. For coal based power stations, X- denotes the Normative SHR prescribed by RERC for recovery of Variable Cost. However, in case of CTPP, X shall be taken as 2400 kCal/kWh in place of 2312.31 for FY 18-19.
- II. For gas based power stations, X shall be determined by taking weighted average of SHRs values as per actual running hours of the station/ units in O.C. / C. C. for that FY.
- III. The variable cost for each power station shall be worked out on the rate of energy charges (REC) (Annually weighted) considering SHR as explained at clause (I) above, GCV & fuel price after finalization of FPA for the respective power station.
- IV. Fractional data shall be evaluated on prorata basis.

**3.2.2 Incentive For achievement in Specific Oil Consumption level:**

Incentive linked to achievement in sp. Oil Consumption levels for coal based power stations shall be payable on annual basis as a percentage of amount saved on account of reduced oil cost only if the specific oil consumption (ml/kWh) of the station is less than the values given in table- IV. Related definitions and conditions are as given hereunder:

**TABLE-IV**

S.No.	Sp. Oil Cons. (ml/kWh)	Incentive as % of saving in Cost of Oil w.r.t. (X+0.25) (ml/kWh) for the FY
1	X- 0.151 & below	8.00
2	X- 0.150 to X- 0.101	7.00
3	X- 0.100 to X-0.051	6.00
4	X- 0.05 to X-0.001	5.00
5	X+ 0.00 to X+ 0.049	4.00
6	X+0.050 to X+0.099	3.50
7	X+0.100 to X+0.149	3.00
8	X+0.150 to X+0.199	2.50
9	X+ 0.200 to X+0.249	2.00
10	X+ 0.25 and above	0.00

**Definitions & Conditions:**

- I. X- Denotes the Normative specific oil consumption (ml/kWh) prescribed by RERC for recovery of Variable Cost.

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- II. Fractional data shall be evaluated on prorata basis.
- III. Saving in oil cost in respect of the concerned power station shall be worked out considering price of fuel (weighted annually) after finalization of FPA.

**3.2.3 Incentive for achievement in Auxiliary Power Consumption levels for coal/ gas based power stations :**

For coal /gas based power stations, incentive on achievement in Auxiliary Consumption levels shall be payable on annual basis as a percentage of amount saved on account of saving in annual aux consumption in terms of energy sent out worked out on actual REC (on which basis FPA is made) for the year only if the actual aux. con. (%) is less than the values given in table- V for coal based / gas based power stations respectively. Related definitions and conditions are given below:

TABLE-V

Actual auxiliary consumption (%)	Incentive as % of the variable cost of (base level APC- Actual APC) worked out on actual REC (on which basis FPA is made) for the year w.r.t. a base level APC of X+15% for the FY	
	For Coal Based power stations	For Gas Based Power Stations
X- (1.1 to 2.0%)	9.0	11.0
X-(0.01 to 1.0%)	8.0	10.0
X+ (0 to 0.9%)	7.0	9.0
X+ (1.0 to 1.9%)	6.0	8.0
X+ (2.0% to 2.9%)	5.5	7.50
X+ (3% to 3.9%)	5.0	7.0
X+ (4% to 4.9%)	4.5	6.5
X+ (5% to 6.9%)	4.0	6.0
X+ (7% to 8.9%)	3.5	5.5
X+ (9% to 10.9%)	3.0	5.0
X+ (11% to 12.9%)	2.5	4.5
X+ (13% to 14.9%)	2.0	4.0
>X+15%	0	0

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**Definition and conditions:-**

- I. X- Denotes the Normative Aux. Cons. % prescribed by RERC for recovery of Variable Cost for coal based power stations.
- II. However, For gas based power stations, X shall be determined by taking weighted average of APC values as per actual running hours of the station/ units in O.C./ C. C. for that FY.

**3.2.4 Incentive for operational efficiency under ABT regime (DSM):**

In order to enhance, operational efficiency and encourage better performance by RVUN power plants under DSM regime, an incentive @ 5% of saving in DSM regime (Annually) after considering DSM charges paid/ received and amount saved/ incurred in fuel charges computed on cost of generation to RVUN (In case of over injection during FY, REC shall be cost of generation to RVUN. In case of under injection, REC shall be sale rate after FPA) shall be paid. However, no incentive under this head shall be payable to a power station, if no saving in DSM regime is reported for that power station.

**3.2.5 Categorization of Employees:**

The total incentive amount calculated on achievement of base level targets in Station Heat Rate, Auxiliary Power consumption, Specific oil consumption levels & performance under ABT (DSM) towards variable cost shall be distributed among all the employees of the respective power station by categorizing them as per table given below:

TABLE-VI

S.No.	Group	Payable Rate of incentive (%)	Employees Covered
1	A	100	All Operation staff (Engineers & Technicians) performing shift duties as per roaster for Fuel Handling System
2	B	95	All Operation staff (Engineers & Technicians) performing shift duties for thermal/ gas/ hydro power plant and staff working in Plant Efficiency, Commercial, PAT cells.
3	C	90	All operation & maintenance staff (Engineers & Technicians) coming in General Shift for maintenance work for thermal/ gas/ hydro power stations including Chief Engineer (O&M), Addl. Chief Engineer (O&M) and all the technical staff directly attached to them except staff working in Plant Efficiency, Commercial & PAT cells.
4	D	80	All remaining technical staff not covered under Group C, Non-Technical staff posted for O&M of the power stations

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### 3.2.6 Coverage for Annual Incentive for reduction in variable cost:

The Annual Incentive for achievement of base level targets towards variable cost shall be applicable to all regular employees & probationer trainees of the respective power stations including employees on deputation from State Govt., whether on regular pay scales or on probation basis. Retired Railway Employees engaged in power stations but excluding other daily rated/casual workers, apprentices, persons appointed on contract basis and personnel hired/engaged/deputed by agencies / contractors for fulfillment of contractual obligations.

#### 4. GENERAL CONDITIONS :

- a) Existing generation linked incentive scheme circulated vide no. RVUN/ACE (PPMC&IT)/F/ D: 1996 dated 27.10.16 & no. RVUN/ACE (PPMC&IT)/F/ D: 1538 dated 13.10.17 shall stand revised and superseded by the above revised scheme.
- b) The above revised incentive scheme shall become applicable w.e.f. 01.04.18. Further, if normative values of any of performance parameters viz. Target Availability for recovery of F.C., Station Heat Rate (kCal/kWh), Secondary Fuel Oil Consumption (ml/kWh), Auxiliary Power Consumption etc. are revised by RERC due to any reason, then rates of incentive and base parameters as given in Table- I/II, III, IV, V and clause 3.2.4 above may be suitably reviewed, if any, with the approval of WTDs, RVUN. The scheme shall be suitably reviewed along with rate of incentive time to time based on the company's performance.
- c) The Nigam shall have the sole and exclusive right to alter, modify, suspend or evolve this scheme at any time and in any manner without assigning any reasons thereof.
- d) Whole Time Directors shall have the right to correct typographical or arithmetical errors in the scheme.
- e) The case for approval of annual incentive on achieving availability (recovery of fixed cost) by RVUN power stations will be submitted to competent authority by PPMC&IT, Jaipur office. Further, the case for approval of annual incentive for reduction in variable cost shall be prepared by the respective power station and routed through PPMC&IT, Jaipur office for onwards submission for approval of the competent authority.
- f) The payment of annual incentive on achieving availability and / or annual incentive for reduction in variable cost shall be distributed with the approval of CMD, RRVUNL.
- g) The employees shall be entitled for incentive only for actual period of attendance. The period of training from outside agency not lasting more than 15 days shall be considered for payment of incentive. Further, the incentive scheme shall not be applicable for all the RVUN employees who are deputed in other Govt. departments and drawing their salary from that particular Govt. office / department.
- h) Except casual and compensatory leave no other leave will be counted for the purpose of incentive payment.
- i) No incentive shall be admissible during suspension period.
- j) If the plant is re-rated, the scheme shall be suitably revised.
- k) Earnings under incentive scheme shall not be counted for the purpose of leave pay, provident fund, bonus and other benefits.

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- l) Employees transferred from one Department/Section to another will be entitled to the incentive as per admissibility earning made in the Department/Section in which they actually worked.
- m) The figure of generation & related parameters, attendance etc. maintained by the Chief Engineer of the concerned power station shall be final and binding.
- n) In the event of any dispute arising about the applicability and interpretation of any clause of the scheme, the interpretation of the Whole Time Directors shall be final and binding on all concerned.
- o) An employee shall receive performance incentive only for his regular attendance / duty. Employees required to perform additional duty in continuation may claim O.T./Compensatory Leave as may be admissible under the rules/regulations, but no additional incentive will be admissible on this account. Annual incentive on achieving availability and / or annual incentive for reduction in variable cost once finalized will not be revised.
- p) Annual incentive to an employee or a group of employees shall be reduced if the competent authority is of the view that the employee or the group of employee has not performed duty satisfactorily or has acted in a manner detrimental and not conducive to good performance of the plant / office or directly or indirectly caused loss of generation or loss of the Nigam or mal-functioning of the equipment or has left duty point without prior permission, has not filled in log sheets, has been negligent in duties or has not effectively controlled pollution from the plant. Such deduction shall be solely at the discretion of the competent authority and his decision shall be final and binding. The reduction on first default shall be 5%, on second default 10%, on third default 15%, on fourth default 25%, and on subsequent default 100% in the annual incentive. The competent authorities for the purpose shall be as follows:

Category of employees	Competent authorities
i) Class IV / III employees	Controlling Office not below the rank of Executive Engineer or equivalent thereto.
ii) Officer of the rank of AEN/ XEN or equivalent thereto	Officers not below the rank of Dy. Chief Engineer/ SE or equivalent thereto under whom the officer is working.
iii) Officers of the rank of SE / DY. CE/ ACE or equivalent thereto	Next Higher controlling Officer

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iv) Any group of employees	Chief Engineer / Addl. Chief Engineer / Head of respective plant / project under construction. For head office, concerned Whole Time Director
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- q) In case of revision of pay scales, the rate of payment of incentive shall be suitably revised after approval of the Board of Directors.
- r) The Generation Linked Incentive scheme shall be suitably revised from time to time

By order,



(Prakash Israni)

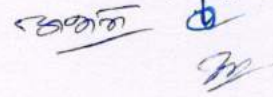
Addl. Chief Engineer (PPMC&IT)  
RVUN, Jaipur

**Copy to the following for information & necessary action:**

1. The Director (Tech./Project/Finance), RVUN, Jaipur.
2. The Chief Engineer/Addl. /Dy. CE ( ), RVUN, \_\_\_\_\_.
3. The CCOA/Chief Accounts Officer ( ), RVUN, \_\_\_\_\_.
4. The Chief Personnel Officer, RVUN, Jaipur.
5. The Superintending Engineer ( ), RVUN, \_\_\_\_\_.
6. The Company Secretary, RVUN, Jaipur.
7. The Joint Director ( ), RVUN, \_\_\_\_\_.
8. The TA to CMD, RVUN, Jaipur.
9. The Sr. Accounts Officer ( ), RVUN, \_\_\_\_\_.
10. The Accounts Officer/A.A.O-I ( ), RVUN, \_\_\_\_\_.
11. The AEn, Website, RVUN, Jaipur for uploading this order on RVUN Website.



Addl. Chief Engineer (PPMC&IT)  
RVUN, Jaipur



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