



TAMIL NADU GOVERNMENT GAZETTE

PUBLISHED BY AUTHORITY

No. 46]

CHENNAI, WEDNESDAY, NOVEMBER 24, 2010
Karthigai 8, Thiruvalluvar Aandu-2041

Part VI—Section 2

Notifications of interest to a section of the public
issued by Heads of Departments, etc.

NOTIFICATIONS BY HEADS OF DEPARTMENTS, ETC.

CONTENTS

	<i>Pages.</i>
TAMIL NADU ELECTRICITY REGULATORY COMMISSION, CHENNAI	
Electricity Act—Tamil Nadu Electricity Supply (Amendment) Code 2010 ..	490-491
GOVERNMENT EXAMINATIONS / EDUCATIONAL OFFICERS	
Loss of Certificates	491-509

Explanatory Memorandum to the Tamil Nadu Electricity Supply (Amendment) Code, 2010 notified vide Notification No. TNERC/SC/7-21 dated 25-10-2010.

1. The Tamil Nadu Electricity Regulatory Commission has proposed an amendment to regulations 4 and 5 of Tamil Nadu Electricity Supply Code and the proposed amendment was posted in the website and the Commission invited comments/suggestions on or before 13-9-2010. Comments/suggestions which were received from the interested stakeholders could be divided broadly into two categories.

2. The first category of comments, which were received from industrial units, supported the continuation of the incentive for maintaining near about unity power factor. It was also pointed out that Madhya Pradesh Electricity Regulatory Commission, Gujarat Electricity Regulatory Commission and Kerala Electricity Regulatory Commission have provided incentives for maintaining power factor at higher level. A view was also expressed that most of the consumers would maintain the power factor at around 0.9 lag and therefore the TNEB will be the most affected party in the discontinuance of the incentive. Some consumers have suggested discontinuance of incentives for high power factor for HT/LT, if power factor is computed with “lag only logic”

3. On the contrary, the TNEB has indicated as follows:

- a) The measurement of power factor based on “lead as lead” logic has prevented more compensation by the consumer.
- b) Considering the quantum of incentive to the tune of Rs.120 crores paid to the consumers during 2009-10, the amendment proposed by the Commission is a welcome measure.

- c) Maintaining power factor at higher level is itself an incentive as it lead to stable voltage, reduced chances of damage to consumer equipments and cost saving due to lower energy charge.

4. The provisions relating to power factor specified in the Tamil Nadu Electricity Distribution Code (TNEDC), Tamil Nadu Grid Code (TNGC) and Indian Electricity Grid Code (IEGC) are reproduced below:

Regulation 13(3) of TNEDC

.....
It shall be obligatory on the part of the consumers to improve the power factor of their connected loads to the required level in accordance with the provisions made in this code. Every consumer with a power factor less than the stipulated level may be suitably advised to rectify the situation by installing appropriate power factor correction equipment, without prejudice to the levy of compensation charges as per the orders of the Commission from time to time.

Regulation 8(6)(ii) of TNGC

*ii) All the end users, distribution licensees, transmission licensees and STU are expected to provide local VAR compensation such that they do not draw VARs from the HV Grid. VAR compensation has to commence in **the following order.***

- **Consumer end**
- *Distribution transformer end*
- *At the substations end of 11 / 22 KV distribution feeders*
- *Substations*
- *Generating stations*

Regulation 4.6.1(a) of IEGC

Reactive Power compensation and/or other facilities, shall be provided by STUs, and Users connected to ISTS as far as possible in the low voltage systems close to the load points thereby avoiding the need for exchange of Reactive Power to/from ISTS and to maintain ISTS voltage within the specified range.

5. As per the above stipulations, it shall be obligatory on the part of the consumer, to generate adequate reactive power at his load end so as to maintain stipulated power factor in the network.

6. Though, it is the responsibility of every entity to maintain the specified power factor in the electrical system, the role of the consumer is most important because only if the consumer maintains a power factor of near unity in his load end, the entire network (from generator to the load) is relieved of carrying the reactive power.

7. Maintaining high power factor at load end (consumer end) helps to maintain the stability of the grid and good voltage profile in the electrical network. This ultimately helps the consumer to avail quality power.

8. The important factor to be considered is that by maintaining a high power factor, a consumer could save his electricity charges considerably by way of reduced demand charges. By way of lower demand charges, a consumer can recover his capacitor installation cost within a few months. After this short pay back period, the consumer is continuously benefited by the lower demand charges.

9. In the above circumstances, the Commission considers that any further incentive provided to the consumer by the TNEB would be a bonus for the consumer. The incentive being paid as power factor incentive, if used directly by TNEB for installing additional capacitors, it will benefit all the consumers. Therefore, the Commission finds no reason to extend the benefit of high power factor incentive to limited consumers and therefore the Commission decides to withdraw the incentive component for power factor improvement with effect from 01-08-2010 as stipulated in the tariff order No. 3 of 2010 dated 31-07-2010.

10. In exercise of powers conferred under section 181 read with section 50 of the Electricity Act, 2003 (Act 36 of 2003) and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission

hereby makes the following amendments to the Tamil Nadu Electricity Supply Code, 2005.

(By order of the Commission)

**Secretary
Tamil Nadu Electricity Regulatory Commission**

**TAMIL NADU ELECTRICITY REGULATORY COMMISSION
CHENNAI**

Notification No. TNERC/SC/ 7 - 21, dated 25-10-2010.

WHEREAS the Tamil Nadu Electricity Regulatory Commission specified the Tamil Nadu Electricity Supply Code under section 50 of the Electricity Act 2003 (Central Act 36 of 2003) and notified the same in the Tamil Nadu Government Gazette, dated the 1st September, 2004;

AND WHEREAS it is considered necessary to issue certain amendments to the Tamil Nadu Electricity Supply Code and such amendments shall be subject to the condition of previous publication and accordingly undergone previous publication;

NOW THEREFORE, in exercise of the powers conferred on it by section 181 read with section 50 of the Electricity Act 2003, and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following amendments to the Tamil Nadu Electricity Supply Code (hereinafter referred to as the Principal Code), namely.-

1. Short title and Commencement.-

(a) This Code may be called the **Tamil Nadu Electricity Supply (Amendment) Code 2010;**

(b) It shall be deemed to have come into force with effect from 01-08-2010. i.e. the date on which the Commission's retail tariff order No. 3 of 2010 came in to effect.

2. Amendment of Regulation 4 of the Principal Code.-

In the principal Code, in sub-regulation (1) of regulation 4, for clause (iii), the following clause shall be substituted, namely:-

*“(iii) **Disincentive for power factor***

Every consumer shall maintain a power factor -

in case of LT supply, of 0.85; and

in case HT supply, of 0.90

failing which he shall be liable to pay compensation by way of disincentive at such rates as the Commission may declare from time to time”.

3. Amendment of Regulation 5 of the Principal Code.-

In the principal code, in sub-regulation (1) of regulation 5, in clause (b), for the expression “(which are not coming under the purview of power factor incentive / disincentive scheme)” occurring in the first sentence, the expression “*(which are not coming under the purview of power factor disincentive scheme)*” shall be substituted.

(By order of the Commission)

**Secretary
Tamil Nadu Electricity Regulatory Commission**