

**TAMIL NADU ELECTRICITY REGULATORY COMMISSION**  
**(Constituted under Section 82 (1) of the Electricity Act, 2003**  
**Central Act 36 of 2003)**

**PRESENT:-**

**Thiru.K.Venugopal** ..... **Member**

**and**

**Thiru.S.Nagalsamy** ..... **Member**

**M.P. No. 15 of 2011**

Tamil Nadu Generation and Distribution  
Corporation Limited

No.144, Anna Salai,  
Chennai – 600 002.

..... Petitioner

(Thiru P.H. Vinod Pandian .... Advocate for Petitioner)

**Vs.**

Nil

..... Respondent

**Date of hearing : 12-10-2011**

**Date of Order : 3-11-2011**

The above MP No. 15 of 2011 was heard on 11-7-2011, 12-8-2011 and 19-8-2011 and the Commission passed first interim order on 19-8-2011 directing the TANGEDCO to file an amended petition taking into account the various aspects as set out in paragraph 7 of the said first interim order dated 19-8-2011. Pursuant to the directions of the Commission in paragraph 7 of the said first interim order dated 19-8-2011, TANGEDCO has filed a revised petition dated 19<sup>th</sup> September 2011 praying for permitting TANGEDCO to implement the restriction and control measures until June 2012 when TANGEDCO is poised for

self-sufficiency. The said revised petition was heard by the Commission on 12-10-2011. After going through the said revised petition dated 19-9-2011 and the connected records and after hearing the Learned Counsel for TANGEDCO, the Commission passes the following second interim order namely.

### **Second Interim Order**

1. Consequent to the directions of the Hon'ble Appellate Tribunal for Electricity, New Delhi, in para 44 of its Order in Appeal Nos. 111, 114, 119, 120, 127, 128, 130, 131 & 141 of 2010, the Commission had directed the TANGEDCO to file the petition regarding short term, medium term and long term plans for meeting the requirement of power both peak hours and energy in the State of Tamil Nadu. A comprehensive proposal was called for from the TANGEDCO. Consequent to this direction, the TANGEDCO filed the miscellaneous petition on 22<sup>nd</sup> June 2011 which is numbered as MP No. 15 of 2011. The above petition was very sketchy and did not deal with the issues of short, medium and long term plans but only prayed for implementation of the restriction and control measures until June 2012 when TANGEDCO is poised for self sufficiency. The matter was heard on 11-7-2011 and the TANGEDCO was directed to file a revised petition. The revised petition was filed by TANGEDCO on 12<sup>th</sup> August 2011 and even this revised petition did not address the issues of short, medium and long term in a comprehensive manner. Thereafter, the Commission heard the Chairman, TANGEDCO on 19<sup>th</sup> August 2011 and issued the first interim order dated 19-8-2011 directing TANGEDCO to file a comprehensive petition as per para 7 of the

said interim order dated 19-8-2011. Paragraph 7 of the said interim order is extracted below:-

*7. The Commission directs that an amended petition be filed by TANGEDCO taking into account the following aspects:-*

*(1) Load forecast for five years and 10 years to address the medium and long term requirements.*

*(2) Demand Side Management to forecast the load reduction that can be achieved by DSM measures which should be factored as a reduction in the load forecast referred in item (1) above.*

*(3) Generation Planning – Additional capacity requirement:-*

*(i) To be met by conventional power such as thermal, hydro and nuclear. This needs to be further divided into own generation, share from Central Sector Generating Stations, UMPPs, IPPs and power procurement through Case 1 / Case 2 bidding under Section 63 of Electricity Act 2003.*

*(ii) Renewables, such as wind, biomass, bagasse and solar. It is also necessary to forecast the power generation from wind. Wind Energy being infirm in nature will require certain balancing efforts in the form of pumped storage power station or any other form of cost effective energy storage. In the absence of credible cost effective storage of wind energy, trading of surplus energy seems to be an option which should be explored by TANGEDCO.*

*(iii) Power available through Renewable Energy Certificate route should also be factored in this analysis.*

*(4) Transmission Planning:-*

*This should include the associated transmission system with generation projects and sub-*

*transmission system leading upto the distribution network. The basic idea is to ensure that all the additional generation will ultimately reach the load centres thereby extending the supply to every consumer. In the absence of development of transmission and distribution system for meeting the loads, any additional capacity may not reach the consumer.*

*(5) Distribution Planning:-*

*Expansion of distribution system for meeting new loads, upgrading the existing distribution system for improving reliability, upgrading of the existing distribution transformers, introduction of HVDS and LT aerial bunched conductors wherever deemed appropriate, metering for the purpose of energy audit and consumer metering, AT&C loss reductions in both technical and commercial respects which may involve technical upgrading and administrative measures are to be taken up.*

*(6) All the above planning aspects will have to be correlated with the corresponding investment planning and its source of funding and the time frame in which the works will be completed.*

*(7) TANGEDCO / TANTRANSCO is at liberty to improve the petition over and above what is stated above, for making the petition a comprehensive one.*

*(8) The amended petition shall be filed by 20<sup>th</sup> September 2011.*

Consequent to the directions, given in para 7 of the first interim order extracted above the TANGEDCO has filed a comprehensive petition on 19<sup>th</sup> September 2011. This petition was heard by the Commission on 12<sup>th</sup> October 2011. The petition comprises of two parts, the medium and long term planning details relating to generation, transmission and distribution. In the short term, the TANGEDCO had prayed for permitting them to implement the restriction and

control measures until June 2012 when TANGEDCO is poised for self sufficiency. The petitioner further submitted that depending on the availability of power, partial relaxation will also be considered by the TANGEDCO whenever the situation permits. The petitioner also submitted that the details will be placed before the Commission periodically for review by the Commission. This submission probably relates to the planning aspects relating to medium and long term.

2. During the hearing on 12<sup>th</sup> October 2011, the Commission pointed out that the energy available from wind has not been reflected in the entire planning process. Installed capacity of wind in Tamil Nadu being the highest in the country, availability of energy from this source cannot be completely ignored in the planning process, however infirm the wind energy may be. The Commission is of the view that it is necessary to develop a forecasting model immediately by all concerned so that the quantum of energy available from wind is reasonably forecast in the planning process. This will also enable avoiding purchase of excessive quantum of energy from various sources from the open market, etc, which otherwise is the case in the present proposal.

3. Since one of the prayer, relates to restriction and control measures, the Commission would like to get views of the stake holders before deciding the matter. As regards the proposal for medium and long term planning is concerned, the same could be dealt with by the Co-ordination Forum constituted under Sub-sec (4) of Section 166 which is reproduced below:-

*“(4) The State Government shall constitute a Coordination Forum consisting of the Chairperson*

*of the State Commission and Members thereof representatives of the generating companies, transmission licensee and distribution licensees engaged in generation, transmission and distribution of electricity in that State for smooth and coordinated development of the power system in the state.”*

The Commission will deal with the medium and long term proposals for development of power sector in the State accordingly through the Co-ordination Forum taking into account the detailed provisions contained in Chapter 3 of the TNERC Distribution Code which provides for Distribution System Planning.

4. In the light of the above, the comprehensive proposal contained in MP No. 15 of 2011 filed by TANGEDCO on 19<sup>th</sup> September 2011 be hosted in the website of the Commission as well as the TANGEDCO within 3 days of issue of this order. The stake holders may submit their comments to the TANGEDCO as well as the Commission within a period of 4 weeks from the date of this order.

5. The matter shall be listed thereafter.

(Sd/.....)  
**(S. Nagalsamy)**  
**Member**

(Sd/.....)  
**(K.Venugopal)**  
**Member**

/True Copy/

**Secretary**  
**Tamil Nadu Electricity**  
**Regulatory Commission**