

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

**PRESENT:-**

Thiru.S.Kabilan	...	Chairman
Thiru.K.Venugopal	....	Member
	and	
Thiru.S.Nagalsamy	....	Member

**P.P.A.P. No. 7 of 2011**

Tamil Nadu Generation and  
Distribution Corporation Limited  
No.144, Anna Salai  
Chennai – 600 002.  
Rep. by its Chief Engineer / NCES

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

**Vs.**

Nil	....	Respondent
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**Date of hearing : 16-11-2011**

**Date of Order : 30-11-2011**

TANGEDCO has filed P.P.A.P. No. 7 of 2011 praying to pass an order permitting to purchase 80 MW additional coal based power generated during crushing season and entire coal based power generated during non-crushing season from the bagasse based cogeneration plants at a rate with the ceiling of Rs.5.05 per unit for the period upto May 2012.

2. TANGEDCO has filed the above petition with a view to harness additional energy from 28 Nos Bagasse based co-generation plants with a combined total capacity of 637.4 MW which are in service across the State of Tamil Nadu. These plants are stated to be having power purchase agreement / energy purchase agreement with the petitioner. It is further stated that out of these 28 plants, 21 plants with a combined total capacity of 544.40 MW have coal based power generation facilities in addition to bagasse firing.

3. The tariff for Bagasse based Co-generation plants fixed by the Commission were valid upto 31<sup>st</sup> March 2011 which has been extended by this Commission upto 31-12-2011. The present proposal of the petitioner TANGEDCO is to supplement bagasse firing with imported coal during the crushing season of December to June and to utilize imported coal during the non-crushing season. Since the current proposal is seeking approval for the period up to May 2012, the question of fixing tariff for the non-crushing season would not arise.

4. Therefore, the limited issue covered by this petition is to fix the tariff for coal based power generation for mixed fuel firing from the date of issuing this order going upto May 2012 which essentially is the crushing season. The norms and tariff orders issued by the Commission for bagasse based Co-generation does not cover mixed fuel firing of bagasse and imported coal. This proposal is

for harnessing additional coal based power during crushing season to support the grid.

5. The matter was heard in detail in the hearing conducted on 16-11-2011. Thiru.R.N.Sekar, Chief Engineer, Non-conventional energy sources, TANGEDCO presented the petition before the Commission. After going through the petition and hearing the arguments, the Commission pronounces the following

#### **ORDER**

(i) In the existing scenario of shortage of power, the Commission feels that maximizing generation would be in the interest of consumers.

(ii) The tariff order already issued by the Commission envisage PLF of 55% on an annual basis and the tariff has been arrived at accordingly. The price of fuel viz., bagasse has also been separately fixed. Accordingly, the tariff so decided enables the generators to recover their full fixed cost at 55% PLF. The generators are mandated to supply energy corresponding to 55% PLF for recovery of full fixed cost. Supplementary firing of coal implies that the PLF would go beyond the normative PLF of 55%.

(iii) TANGEDCO clarified during the hearing that items like cost of chemical, repair and maintenance, interest on working capital, profit margin and salary and wages of contract labourers totaling to 52 paise per unit out of the cost of power

using imported coal as fuel, which has been arrived as Rs.5.05 per unit, relates only to coal handling facilities and does not include any fixed cost related to the co-generation plants.

(iv) In the light of the clarification furnished by TANGEDCO as above, the Commission approves the use of imported coal beyond 55% PLF at the proposed cost of generation of Rs.5.05 per unit subject to the following conditions.

(a) Generation using coal will have to be considered only beyond 55% PLF on an annual basis.

(b) The CMD, TANGEDCO shall designate a competent authority to certify that the imported coal was actually used in power generation beyond 55% PLF.

(v) This is a one-time approval of the Commission to tide over the present acute power shortage, which shall not be repeated.

**Appeal:-**

6. An appeal under Section 111 of the Electricity Act, 2003 against this order shall lie before the Hon'ble Appellate Tribunal for Electricity within a period of 45 days.

(Sd.....)  
(S. Nagalsamy)  
Member

(Sd.....)  
(K. Venugopal)  
Member

(Sd.....)  
(S.Kaliban)  
Chairman

/ True Copy /

Secretary  
Tamil Nadu Electricity  
Regulatory Commission