

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.41 of 2012

Tamil Nadu Generation and Distribution
Corporation Limited
Represented by Chief Engineer / Private Power Projects
144, Anna Salai
Chennai – 600 002.

..... Petitioner
(Thiru P.H.Vinod Pandian,
Advocate for Petitioner
and
The Chief Engineer (PPP)
TANGEDCO)

Vs.

Nil Respondent

Date of hearing : 27-11-2012

Date of order : 18-12-2012

The above M.P.No.41 of 2012 came up for final hearing on 27-11-2012 before the Commission. The Commission upon perusing the above petition and the connected records and upon hearing the Chief Engineer (PPP), TANGEDCO passes the following order:-

ORDER

1. Prayer of the Petitioner in M.P.No.41 of 2012:-

The prayer of the Petitioner in M.P.No.41 of 2012 is to approve and ratify the dispatch of power from the high cost Independent Power Producers outside the merit

order for the month of October 2012 as mentioned in para 12 (column 4) and condone the delay in filing this petition within one week as directed in clause 7.1.20 of the Tariff Order No.1 of 2012 dated 30-03-2012.

2. Contentions of the Petitioner as set out in M.P.No.41 of 2012 :-

(a) In view of the failure of South West monsoon and very poor storage in the Hydro Reservoirs the hydro inflows to the power plants of Tamil Nadu is very less compared to the previous year.

(b) The State owned EPC projects, joint venture projects and Central sector projects are getting delayed.

(c) The Hon'ble Central Electricity Regulatory Commission has narrowed down the operating frequency close to 50 Hz. amended operating frequency band and strict control on unscheduled interchange (revision in operating frequency from 49.50–50.20 Hz. to 49.70-50.20 Hz. and increase in UI rate from 17-09-2012).

(d) Power purchase from outside sources could not be availed due to congestion in the inter regional corridors.

(e) The stringent measures followed by Regional Load Dispatchers as directed by Ministry of Power, consequent to the new grid collapse also requires power purchase from high cost IPPs.

(f) The forecasted demand for the month of October 2012 during peak hours is 12,400 MW. However, the forecasted availability from all the sources is only 7,224 MW, leaving a deficit of 5,176 MW.

(g) The above circumstances the high cost IPPs are being given dispatch instructions considering the situation judiciously for the month of October 2012. The energy pumped by high cost IPPs from 01-10-2012 to 31-10-2012 is tabulated as follows:-

Name of the IPP	(From 01-10-2012 to 31-10-2012) provisional		
	Energy injected into the grid in M.U.	Energy disallowed in MU (in excess of SLDC's zero dispatch)	Energy to be accounted in MU
(1)	(2)	(3)	(4)
M/s.GMR	53.115	-----	53.115
M/s.SPC	32.796	0.198	32.598
M/s.MPC	41.860	0.198	41.662
M/s.PPN	210.262	-----	210.262
TOTAL	338.033	0.396	337.637

4. Hearing held on 27-11-2012:-

In the hearing held on 27-11-2012, the Commission held as follows:-

“The Chief Engineer, PPP, TANGEDCO elaborated the requirement for running these power plants outside the Merit Order. When a specific query was raised with regard to the additional burden, he clarified that they would be borrowing funds for meeting these expenses and the same would get reflected in the ARR. The Commission raised the issue of limiting this to the Average Power Purchase Cost as permitted in the Tariff Order. The delay is condoned and petition is admitted. Orders reserved”.

5. Finding of the Commission:-

(a) This petition is filed by M/s. TANGEDCO in compliance with the directions of the Commission for seeking approval / ratification of operating of power stations of M/s. GMR, M/s. SPCL, M/s. MPCL and M/s. PPN outside the merit order for the month of October 2012. I.A.No.1 of 2012 was also filed for condonation of delay in filing the petition, Commission admitted the petition after condoning the delay. The matter was heard by the Commission. The prayer of the petitioner is for approval of purchase of power from these 4 IPPs outside the merit order for the month of October 2012 as mentioned in the following table.

Name of the IPP	Energy injected into the grid in M.U. (from 01.10.2012 to 31.10.2012) provisional
M/s. GMR	53.115
M/s. SPC	32.796
M/s. MPC	41.860
M/s. PPN	210.262
Total	338.033

(b) The reasons for dispatching these 4 power stations outside the merit order has been ascribed as follows:-

- 1) Failure of South West Monsoon, poor storage in the Hydro Reservoirs and less Hydro inflows to the power plant as compared to the previous year.
- 2) Delay in commissioning of State EPC projects, joint venture projects and central sector projects.
- 3) Narrowing down the operating frequency by the CERC i.e. revision in operating frequency from 49.50 and 50.20 Hz to 49.70 – 50.20 Hz and increase in UI rate with effect from 17-9-2012.
- 4) Congestion in the inter regional corridors preventing power purchase from outside sources.

5) Stringent measures followed by Regional Load Despatch consequent to the NEW grid collapse.

6) Forecast demand for October 2012 was 12,400 MWs whereas availability was only 7,224 MWs.

(c) The petitioner therefore contended that in view of the above reasons, it became necessary to dispatch the 4 liquid fuel based power stations outside the merit order to the tune of 338.033 MUs. After examining the petition and after hearing the petitioner and taking into account the reasons explained for dispatching these power stations, the Commission has no other option than approving the dispatch of these 4 power stations outside the merit order totaling to 338.033 MUs during the month of October 2012.

6. Appeal:-

An appeal against this Order lies before the Appellate Tribunal for Electricity under section 111 of the Electricity Act 2003, within a period of 45 days from the date of receipt of the copy of this order by the aggrieved person.

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

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

/ True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission