

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

**PRESENT:-**

Thiru S.Akshayakumar ..... Chairman  
and  
Thiru.G.Rajagopal ..... Member

**M.P.No.24 of 2014**

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

... Petitioner  
(Thiru P.H.Vinod Pandian,  
Standing Counsel for the TANGEDCO)

Vs.

Nil ..... Respondent

**Date of hearing : 21-07-2014 & 13-01-2015**

**Date of order : 06-01-2016**

The M.P.No.24 of 2014 filed by TANGEDCO came up for final hearing on 13-01-2015. The Commission upon perusing the above petition and the connected records and after hearing the submissions of the Petitioner passes the following order:-

**ORDER**

**1 Prayer of the Petitioner in M.P.No.24 of 2014:-**

The Prayer of the Petitioner in M.P. No.24 of 2014 is to approve / ratify the dispatch of power from the high cost Independent Power Producers outside the merit order, of 143 MU from M/s.GMR, 78 MU each from M/s.SPC and M/s.MPC and

214 MU from M/s.PPN, for the month of March 2014 and pass such other orders as deemed fit and render justice.

**2. Contentions of the Petitioner:-**

2.1. With respect to M/s.GMR Power Corporation Limited (M/s.GMR), M/s.Samalpatti Power Corporation (P) Limited, (M/s.SPCL), M/s.Madurai Power Corporation (P) Limited (M/s.MPCL) and M/s.PPN Power Generating Company (P) Limited (M/s.PPN), the Commission has approved only the fixed charge payable to the above companies and in clause 2.218 of the Tariff Order for 2013-2014, dated 20-06-2013 has ordered that wherever the power stations are to be dispatched outside merit order, TANGEDCO shall obtain approval of the Commission in advance by furnishing reasons for such action. In case of emergencies, TANGEDCO is permitted to resort to such a practice but will approach this Commission within a week of such action along with the reasons for such action.

2.2. Based on the direction of the Commission, the Petitioner has filed petitions before the Commission seeking approval and ratification for dispatching high cost IPPs namely M/s.GMR, M/s.SPCL, M/s.MPCL and M/s.PPN for the months of July 2013, August 2013, September 2013, October 2013, November 2013, December 2013 and January 2014 which are listed for hearing on 17-03-2014.

2.3. Based on the above direction of the Commission, this petition is filed by this Petitioner seeking approval / ratification for dispatching high cost IPPs namely M/s.GMR, M/s.SPCL, M/s.MPCL and M/s.PPN for the month of March 2014.

2.4. Vide clause 7.1.20 of Tariff order dated 30-03-2012 for the year 2012-13, the Petitioner has also filed various petitions before the Commission seeking approval and ratification for dispatching high cost IPPs namely M/s.GMR, M/s.SPCL, M/s.MPCL and M/s.PPN for the months of April 2013, May 2013 and June 2013 which are also listed for hearing on 17-03-2014.

2.5. The Petitioner had filed a Miscellaneous Petition No.18 of 2014 on 07-02-2014 before the Commission, the tentative quantum of power to be purchased from the high cost IPPs, namely, M/s.GMR, M/s.SPCL, M/s.MPCL and M/s.PPN was tabulated in the para 8 of the said petition for the month of February 2014, considering the initial PPA term of M/s.GMR Power Corporation Limited upto 00.00 hrs on 15-02-2014, among other IPPs and the same is also listed for hearing on 17-03-2014.

2.6. The Petitioner had filed a Power Purchase Approval Petition No.2 of 2014 on 12-02-2014 before the Commission, with the prayer seeking approval for purchase of power from M/s.GMR Power Corporation Limited for a period of one year i.e. from 15-02-2014 to 14-02-2015, subject to the Merit Order Dispatch in force by extending the PPA under proviso of Article 2.1 (c ) of PPA, with fresh tariff, commercial terms and conditions.

2.7. The Petitioner had filed an Interlocutory Application I.A. No.1 of 2014 in Miscellaneous Petition No.18 of 2014 on 19-02-2014 before the Commission, with a prayer to modify the quantity of power to be purchased from M/s.GMR, in line with

extension of M/s.GMR PPA from 15-02-2014 to 14-02-2015, for dispatch power from 15-02-2014 to 28-02-2014.

2.8. The actual dispatches made during the months of April 2013 to February 2014 from the above IPPs are as tabulated below:-

Name of the IPP	Actual Power Purchased from 01-04-2013 to 31-01-2014 in Million Units	Actual Power purchased from 01-02-2014 to 28-02-2014 in Million Units	Total Power purchased from 01-04-2013 to 28-02-2014 in Million Units
M/s.GMR	636.894	70.746	707.640
M/s.SPC	212.602	37.607	250.209
M/s.MPC	251.868	40.347	292.215
M/s.PPN	1050.855	173.980	1224.835
Total	2152.219	322.680	2474.899

2.9. Inadequate rain during North East monsoon has led to poor ground water storage, and its associated problems have increased the deficit. After end of wind season, the power deficit has worsened the situation. Further, increasing summer demand, commitment to ensure maximum supply to the student community, ensuing parliamentary election, tightened grid operating parameters with effect from 17-02-2014 consequence to the amendment in the IEGC 2014 and Deviation settlement mechanism etc. there is also increase in demand due to relaxation of R & C measures. Hence, the anticipated demand – supply gap inevitably calls for full availability from all the available sources. The demand for the month of March 2014 during peak hours is 12,500 MW. However, the forecast availability from all the sources is only 11796 MW, leaving a deficit of 704 MW. Due to the shortage of power and to meet out the demand, it is tentatively proposed to purchase the

following quantum of power from the high cost IPPs for the month of March 2014. However, dispatch by SLDC will be strictly based on the grid / real time conditions.

Name of the IPP	Power proposed to be purchased during the month of March 2014 in MU
M/s.GMR	143
M/s.SPC	78
M/s.MPC	78
M/s.PPN	214
Total	513

### **3. Findings of the Commission:-**

3.1. Following aspects are to be taken into account in respect of purchase of power by the licensee outside the Merit Order Dispatch (MOD) prescribed by the Commission. These are discussed below:

3.2. In the petition, the Chief Engineer/PPP of TANGEDCO had explained in detail the reasons for procuring power from the high cost IPPs' outside the MOD. It has been stated that the inadequate rain during the North East Monsoon has led to poor ground water storage and its associated problems have increased the deficit. Further, increasing summer demand, commitment to ensure maximum supply to student community, ensuing parliamentary election, tightened grid operating parameters with effect from 17-02-2014 consequent to the amendment in the IEGC 2014 and Deviation settlement mechanism, etc. there is also an increase in demand due to relaxation of R & C measures. The demand for the month of March 2014 during peak hours is 12,500 MW but the forecast availability from all the sources is only 11,796 MW, leaving a deficit of 704 MW. It has been assured that the dispatch by SLDC will be regulated based on real time conditions.

3.3. The tentative power purchase proposed and the actual power purchase for the month of March 2014 is as follows:

Sl. No.	Name of the IPP	Power proposed to be purchased during the month(as per Petition) (in MU)	Actual power purchase during the month (in MU)
1.	M/s. GMR	143	96.65
2.	M/s. SPC	78	48.52
3.	M/s. MPC	78	52.51
4.	M/s. PPN	214	201.98
	<b>TOTAL</b>	<b>513</b>	<b>399.66</b>

3.4. In the petitions filed earlier by the Petitioner in M.P.Nos. 9, 10, 13, 14, 16, 28, 53, 72 and 81 of 2013 and M.P. Nos. 9 and 8 of 2014, seeking approval and ratification for dispatch of power from the high cost power producers outside merit order for the months from April 2013 to February 2014 from the above IPPs vide order dated 15-09-2014, the Commission has allowed the cost of power purchase only to the extent of the average rate of realization of the Petitioner and did not approve the excess cost of power purchased for the purpose of ARR.

3.5. In view of the above, in the present Miscellaneous Petition also, the Commission is taking the same decision on approving the power purchase cost from the four high cost IPPs' viz. M/s. GMR, M/s. SPC, M/s.MPC and M/s. PPN to the extent of Average Rate of Realization for the purpose of ARR. The excess cost of power purchase is not approved for the purpose of ARR.

With the above Orders, the M.P.No.24 of 2014 is disposed off.

**4. Appeal:-**

An appeal against this order shall lie 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 a copy of this order by the aggrieved person.

(Sd.....)  
**(G.Rajagopal)**  
**Member**

(Sd.....)  
**(S.Akshayakumar)**  
**Chairman**

/ True Copy /

Secretary  
Tamil Nadu Electricity  
Regulatory Commission