

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.31 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

Dates of hearing : 21-07-2014 & 13-01-2015

Date of order : 06-01-2016

The M.P.No.31 of 2014 filed by TANGEDCO came up for 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.31 of 2014:-

The Prayer of the Petitioner in M.P.No.31 of 2014 is to approve / ratify the dispatch of power from the high cost Independent Power Producers outside the merit order, of 120 MU from M/s.GMR, 42 MU from M/s.SPC, 47 MU from M/s.MPC and

228 MU from M/s.PPN totaling 437 MU for the month of May 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 March 2014 and April 2014 which are yet to be listed.

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 May 2014.

2.4. 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.

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

Name of the IPP	Total Power purchased from 01-04-2014 to 30-04-2014 in Million Units
M/s.GMR	110.31
M/s.SPC	46.75
M/s.MPC	59.64
M/s.PPN	223.49
Total	440.19

2.6. Increasing summer demand, commitment to ensure uninterrupted power supply to the drinking water supply schemes, 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. it is anticipated that there will be demand–supply gap which inevitably calls for full availability from all the available sources. The demand for the month of April 2014 during peak hours is 12,900 MW. However, the forecast availability from all the sources is only 11,910 MW. Wind generation is expected from the last week of May 2014. 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

May 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 May 2014 in MU
M/s.GMR	120
M/s.SPC	42
M/s.MPC	47
M/s.PPN	228
Total	437

2.7. Due to reduction in demand following summer rains, the SPCL and MPCL plants were given zero dispatch from 12.15 hours on 06-05-2014 and PPN plant was given zero dispatch from 19.45 hours on 06-05-2014.

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 reason for procuring power from the high cost IPPs' outside the MOD. It has been stated that the demand of Tamil Nadu Grid for the month of March 2014 during peak hours is 12,900 MW and the forecast availability from all the sources is only 10,851 MW, leaving a deficit of 2,049 MW.

3.3. It has been stated that due to increasing summer demand, commitment to ensure uninterrupted power supply to the drinking water supply schemes, 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.

3.4. It has been further stated that the demand for the month of April 2014 during the peak hours is 12,900 MW. However, the forecast availability from all available sources is only 11,910 MW. The generation from wind is expected only from the last week of May 2014. In order to meet the shortage of power TANGEDCO proposed to purchase power from the high cost IPPs' too viz. M/s. GMR, M/s. SPC, M/s. MPC and M/s. PPN. It has been assured that the dispatch by SLDC will be strictly based on the grid/real time conditions.

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

Sl. No.	Name of the IPP	Power proposed to be purchased during the month (in MU)	Actual power purchase during the month (in MU)
1.	M/s. GMR	120	84.09
2.	M/s. SPC	42	22.27
3.	M/s. MPC	47	27.74
4.	M/s. PPN	228	138.95
	TOTAL	437	273.05

3.6. 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.

3.7. 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.31 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