

**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.40 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 : 22-12-2014 & 13-01-2015**

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

The M.P.No.40 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.40 of 2014:-**

The Prayer of the Petitioner in M.P.No.40 of 2014 is to approve / ratify the dispatch of power from the high cost Independent Power Producers, outside the merit order of 55 MW from M/s.GMR, 15 MW each from M/s.SPC and M/s.MPC and

60 MW from M/s.PPN totaling to 145 MW for the month of August 2014 and pass such other orders as deemed fit. .

**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 ordered in clause 2.218 of Tariff Order dated 20-06-2013 for 2013-14 that wherever the above 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 the 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, April 2014, May 2014 and June 2014 which are admitted on 21-07-2014.

2.3. The Petitioner had filed an Interlocutory Application I.A.No.1 of 2014 in Power Purchase Approval Petition No.2 of 2014 on 07-03-2014 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 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.

2.4. The actual dispatches made during the month of July 2014 from the above IPPs are as tabulated below:-

Name of the IPP	Actual Power purchased from 01-07-2014 to 31-07-2014 in Million Units
M/s.GMR	48.66
M/s.SPC	13.80
M/s.MPC	11.79
M/s.PPN	41.70
Total	115.95

2.5. The expected demand for the month of August 2014 is 13,235 MW. However, the forecast availability from all the IPPs are considered partially to meet any wind infirmity / intermittency since Restriction & Control measure on power supply have already been lifted from 01-06-2014 and 12 hours of three phase supply to agriculture in delta areas is being provided from 07-06-2014.

2.6. Wind generation for the month of August 2014 is expected to be in the range of 2500 MW–3000 MW and continuous inflow to the reservoirs of all hydel schemes are expected to continue during the southwest monsoon and the power purchase from the high cost IPPs will be regulated on real time conditions.

2.7. To maintain uninterrupted power supply to the extent possible, it is tentatively proposed to purchase the following quantum of power from the high cost IPPs for the month of August 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 August 2014 in MU
M/s.GMR	55
M/s.SPC	15
M/s.MPC	15
M/s.PPN	60
Total	145

### **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. 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 expected demand for the month of August 2014 is 13,235 MW and the availability from the IPPs are considered partially to meet any wind infirmity/intermittency since Restriction & Control measures on power supply have already been lifted from 01-06-2014 and 12 hours of three phase supply to agriculture in delta areas is being provided from 07-06-2014.

3.3. Further, it has been stated that the wind generation for the month of August 2014 is expected to be in the range of 2,500 MW – 3,000MW and continuous inflow to the reservoirs of all hydel schemes are expected to continue during the southwest monsoon and the power purchase from the high cost IPPs will be regulated based on real time conditions.

3.4. TANGEDCO had stated that in order to maintain uninterrupted power supply to the extent possible, the power purchase from high cost IPPs have been resorted to. It has been assured that the power purchase from the high cost IPPs will be regulated based on real time grid conditions.

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

Sl. No.	Name of the IPP	Power proposed to be purchased during the month (in MU)	Actual purchase power during the month (in MU)
1.	M/s. GMR	55	41.37
2.	M/s. SPC	15	12.71
3.	M/s. MPC	15	12.91
4.	M/s. PPN	60	59.67
	<b>TOTAL</b>	<b>145</b>	<b>126.66</b>

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.40 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