

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.43 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 and 13-01-2015

Date of order : 06-01-2016

The M.P.No.43 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.43 of 2014:-

The Prayer of the Petitioner in M.P.No.43 of 2014 is to approve / ratify the dispatch of power from the high cost Independent Power Producers outside the merit order of 60 MU from M/s.GMR, 30 MU each from M/s.SPC and M/s.MPC and

177 MU from M/s.PPN for the month of October 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 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. 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 October 2014.

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

Name of the IPP	Actual Power purchased from 01-03-2014 to 30-09-2014 in Million Units
M/s.GMR	503.69
M/s.SPC	186.05
M/s.MPC	207.12
M/s.PPN	936.15
Total	1833.01

2.5. With the withdrawal of wind generation, the power deficit has worsened. The anticipated demand–supply gap inevitably calls for full availability from all the available sources.

2.6. To ensure uninterrupted power supply and to the drinking water supply schemes and 12 hours of three phase supply to agriculture in delta areas and to avoid load shedding, dispatch of high cost IPPs may have to be resorted to, as and when needed. However, the dispatch from high cost IPPs will be regulated based on real time grid conditions.

2.7. It is tentatively proposed to purchase the following quantum of power from the high cost IPPs for the month of October 2014.

Name of the IPP	Power proposed to be purchased during the month of October 2014 in MU
M/s.GMR	60
M/s.SPC	30
M/s.MPC	30
M/s.PPN	177
Total	297

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 due to withdrawal of wind generation, the power deficit has worsened.

3.3. Further, it has been stated that the anticipated demand-supply gap inevitably calls for full availability from all the available sources.

3.4. In order to ensure uninterrupted power supply to drinking water supply schemes and 12 hours of three phase supply to agriculture in delta areas and to avoid load shedding, dispatch of high cost IPPs have been resorted to, as and when needed. 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 October 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	60	61.38
2.	M/s. SPC	30	33.37
3.	M/s. MPC	30	32.06
4.	M/s. PPN	177	150.19
	TOTAL	297	277.00

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.43 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.

(G.Rajagopal)
Member

(S.Akshayakumar)
Chairman