

**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.55 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.55 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.55 of 2014:-**

The Prayer of the Petitioner in M.P.No.55 of 2014 is to approve / ratify the dispatch of power from the high cost Independent Power Producers of 70 MU from

M/s.GMR, 60 MU each from M/s.SPC and M/s.MPC and 246 MU from M/s.PPN for the month of December 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. Similar petitions were also filed for July 2014 to November 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 December 2014.

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

Name of the IPP	Actual Power purchased from 01-03-2014 to 30-11-2014 in Million Units
M/s.GMR	628.07
M/s.SPC	247.42
M/s.MPC	268.17
M/s.PPN	1266.33
Total	2409.99

2.5. The expected demand for the month of December 2014 is 12,600 MW. However, the forecast availability from all the sources is only 10,730 MW, leaving a deficit of 1870 MW. The generation from NPCIL, Kudankulam station (1000 MW) is under forced outage from 26-09-2014 and due to 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 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 December 2014.

Name of the IPP	Power proposed to be purchased during the month of December 2014 in MU
M/s.GMR	70
M/s.SPC	60
M/s.MPC	60
M/s.PPN	246
Total	436

### 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 December 2014 is 12,600 MW and the availability based on the forecast from all the sources is only 10,730 MW, leaving a deficit of 1,870 MW. The TANGEDCO had stated that the generation from NPCIL, Kudankulam Station (1,000 MW) is under forced outage from 26-09-2014 and 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. In order to ensure uninterrupted power supply 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.

3.4. The tentative power purchase proposed and the actual power purchase for the month of December 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	70	96.65
2.	M/s. SPC	60	48.52
3.	M/s. MPC	60	52.51
4.	M/s. PPN	246	201.98
	<b>TOTAL</b>	<b>436</b>	<b>399.66</b>

3.5. 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.

3.6. 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.55 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