

**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.27 of 2015**

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

... **Petitioner**

Vs.

Nil

.... **Respondent**

**Dates of hearing : 30-04-2015 & 06-01-2016**

**Date of order : 28-01-2016**

The M.P.No.27 of 2015 filed by TANGEDCO came up for final hearing on 06-01-2016. 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.27 of 2015:-**

The Prayer of the Petitioner in M.P.No.27 of 2015 is to approve / ratify the dispatch of power from outside the merit order of 5.1 MU from M/s.GMR, 1.8 MU from M/s.SPCL and 4.8 MU from M/s.MPCL totaling 11.7 MU for the month of January 2015 and pass such other orders as deemed fit and render justice.

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

2.1. Based on the norms contained in the Notification dated 30-03-1992 of Government of India, TANGEDCO has signed Power Purchase Agreements (PPA) with M/s.Samalpatti Power Corporation (P) Limited, (M/s.SPCL) and M/s.Madurai Power Corporation (P) Limited (M/s.MPCL) along with other power generators for purchase of power from their power projects under Memorandum of Understanding route and has been dispatching the IPPs as per the terms of the PPA.

2.2. By order dated 15-03-2003 in disposal of Tariff Petition No.T.P.No.1 of 2002, the Commission introduced the principle of Merit Order Dispatch for purchase of power from the generators, wherein the cheapest source of power is dispatched to the maximum possible extent, and only after cheaper sources of power are exhausted, the costlier sources are dispatched.

2.3. The Commission in its Tariff Order No.1 of 2012 dated 30-03-2012 (effective from 01-04-2012), has ranked generating stations getting dispatched under Merit Order on the basis of variable cost of various power plants. The Commission has allowed only fixed cost for the power plants which were not scheduled as per Merit Order Dispatch. M/s.MPCL, M/s.SPCL, M/s.PPN and M/s.GMR are some of the Independent Power Plants which were not listed under Merit Order Ranking. To dispatch power from these plants, whenever required to meet the grid demand, petitions were filed before the Commission seeking approval / Ratification from time to time, as per the directives contained in the Tariff Orders.

2.4. The Commission in its Suo-Motu Order No.9 of 2014 dated 11-12-2014, approved the Merit Order Ranking of the available energy sources for the FY 2014-15 vide clause 4.136. Also, vide clause 4.137 of the order, the Commission has allowed fixed cost as per Regulations or PPA for the Power Plants which are not scheduled as per Merit Order Despatch. Further, TANGEDCO was directed to take prior approval of the Commission before purchasing energy from unapproved sources.

2.5. The IPPs (which are using liquid fuels such as LSHS, LSFO or Naphtha) namely, M/s.SPCL, M/s.MPCL and M/s.PPN are not listed under the Merit Order Ranking of the Commission.

2.6. The Petitioner had filed Power Purchase Approval Petition No.2 of 2014 on 07-03-2014 and Interlocutory Application No.1 of 2014 before the Commission, with the prayer for approval for purchase of power from M/s.GMR 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. The Commission by its order dated 13-02-2015 pronounced its orders.

2.7. The State Load Dispatch Centre is responsible for carrying out real time operations for Grid Control and dispatch of electricity within the State through secure and economic operation of the State Grid in accordance with the Grid Standards and Grid Code. Prior to commencement of January 2015, there was no proposal from

SLDC to dispatch high cost IPPs and therefore necessity to take prior approval did not arise.

2.8. During the month of January 2015, State Load Dispatch Centre has dispatched M/s.SPCL, M/s.MPCL and M/s.GMR due to outages of TANGEDCO owned power plants and Central Generating Stations on various occasions. The actual quantum of energy dispatched from the IPPs by SLDC during the month of January 2015 is as follows:-

Name of the IPP	Actual Power purchased during the month of January 2015 in MU
M/s.GMR	5.1
M/s.SPCL	1.8
M/s.MPCL	4.8
<b>Total</b>	<b>11.7</b>

2.9. Since SLDC has dispatched the IPPs to meet the grid requirements, this petition is filed before the Commission seeking approval and ratification for the dispatches made from the IPPs not listed under Merit Order Dispatch as per the above order of the Commission.

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

3.1. The prayer of the TANGEDCO is to approve / ratify the dispatch of power from outside the merit order of 5.1 MU from M/s. GMR, 1.8 MU from M/s. SPCL and 4.8 MU from M/s. MPCL totaling 11.7 MU for the month of January 2015.

3.2. In the petition, it has been stated that there was no proposal from the State Load Dispatch Centre (SLDC) to dispatch high cost IPPs and therefore the TANGEDCO did not take prior approval from the Commission for dispatching the high cost IPPs viz. M/s. GMR, M/s. SPCL and M/s. MPCL. But during January 2015, the SLDC has dispatched M/s. GMR, M/s. SPCL and M/s. MPCL on various occasions due to outages of TANGEDCO owned power plants and Central Generating Stations.

3.3. In view of dispatch being made by SLDC to meet the real time grid requirements and since there was no proposal as to procure power from the high cost IPPs for January 2015, Commission approves the power purchase of 5.1 MU from M/s. GMR, 1.8 MU from M/s. SPCL and 4.8 MU from M/s. MPCL totaling 11.7 MU and ratifies the action of SLDC in issuing the dispatch instructions.

3.4. Earlier, in the petitions filed 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 above three IPPs' viz. M/s. GMR, M/s. SPCL and M/s. MPCL 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.27 of 2015 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