

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.33 of 2015

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

... Petitioner
(Thiru P.Gunaraj, Advocate
Standing Counsel for TANGEDCO)

Vs.

Nil

... Respondent

Dates of hearing: 05-10-2015 and 30-12-2015

Date of Order: 29-07-2016

The M.P.No.33 of 2015 came up for final hearing on 30-12-2015. The Commission upon perusal of the Petition and after hearing the submissions of the Petitioner hereby makes the following:

ORDER

1. Prayer of the Petitioner:

The prayer of the Petitioner in the above M.P.No.33 of 2015 is to condone the delay in filing the petition and ratify and approve the dispatch of power of 1.736 MU in May 2015 and 0.647 MU in June 2015 made from Samalpatti Power Corporation (P) Limited; of 0.02 MU in April 2015, 3.839 MU in May 2015 and 0.671MU in June 2015 made from Madurai Power Corporation (P) Limited ; and of 9.560 MU in May 2015 and 3.613 MU in June 2015 made from PPN Power Generating Company (P) Limited outside Merit Order during the first quarter of 2015-16 (April 2015 to June 2015).

2. Contentions of the Petitioner in M.P.No.33 of 2015:-

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 Samalpatti Power Corporation (P) Limited (SPCL), Madurai Power Corporation (P) Limited (MPCL) and PPN Power Generating Company (P) Limited (PPN) 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 had 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 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 are not scheduled as per Merit Order Dispatch.

2.4. The IPPs (which are using liquid fuels such as LSHS, LSFO or Naphtha) are not listed under the Merit Order Ranking of the Commission. To dispatch power from these plants, whenever required to meet the grid demand, petitions were being filed before the Commission seeking approval / ratification from time to time, as per the directives contained in the tariff orders.

2.5. 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 Dispatch. Further, TANGEDCO was directed to take prior approval of the Commission before purchasing energy from unapproved sources.

2.6. Pursuant to the above direction of the Commission, the Petitioner has filed Miscellaneous Petition seeking approval for dispatching high cost IPPs for the months of February 2015 and March 2015 before the Commission. One of the prayers in that petition is to permit this Petitioner for filing the actual dispatches made from the IPPs on quarterly basis in future.

2.7. The State Load Dispatch Centre (SLDC) 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 the first quarter of 2015-16, there was no proposal from SLDC to dispatch high cost IPPs and therefore necessity to take prior approval did not arise.

2.8. However, during the first quarter of 2015-16, State Load Dispatch Centre has dispatched SPCL, MPCL and PPN due to outages of TANGEDCO owned power plants and Central Generating Stations on various occasions. To minimize load shedding, high cost IPPs were dispatched by the SLDC based on real time grid conditions.

2.9. The actual quantum of energy dispatched from the IPPs by SLDC during the first quarter of 2015-16 is as follows:-

Name of IPP (1)	Power purchase during April 2015 in MU (2)	Power purchase during May 2015 in MU (3)	Power purchase during June 2015 in MU (4)
MPCL	0.02	3.839	0.671
SPCL	0	1.736	0.647
PPN	0	9.560	3.613
Total	0.02	15.135	4.931

2.10. Since SLDC has dispatched the IPPs to manage the grid during emergencies, this petition is filed before the Commission seeking approval and ratification of the dispatches made from the IPPs not listed under Merit Order as per the orders of the Commission.

3. Findings of the Commission:-

3.1 We have heard the prayers of the Petitioner which are as below:

- i. to condone the delay in filing the petition.
- ii. to approve and ratify the dispatch of power made from M/s. Samalpatti Power Corporation (P) Ltd., M/s. Madurai Power Corporation (P) Ltd. and M/s. PPN Power Generating Company (P) Ltd. for the first quarter of FY2015-16 (for the months of April 2015, May 2015 and June 2015) as mentioned in Para 11 (column 2, 3 & 4).

3.2. TANGEDCO contended that there was no proposal from the State Load Dispatch Centre (SLDC) to dispatch power from high cost IPPs and therefore the TANGEDCO did not take prior approval from the Commission for dispatching the high cost IPPs viz. M/s. SPCL, M/s. MPCL and M/s. PPN Power Generating Company (P) Ltd. (PPN) for the months of April 2015, May 2015 and June 2015. But on various occasions due to sudden forced outages of TANGEDCO's own power

plants and Central Generating Stations, SLDC has dispatched Power from these IPPs.

3.3. The Chief Engineer/PPP, TANGEDCO, in the Annexure to the Petition has submitted date wise dispatch instructions issued by SLDC for the above three months and the reason for such power purchase from these IPPs.

3.4. On perusal of the power purchase details submitted in para 11 of the Petition, for the month of April 2015 the power purchase was made only to the quantum of 0.02 MU from MPCL and no dispatch instructions were issued to SPCL and PPN . In respect of May 2015 the total quantity purchased from the above three IPPS was 15.135 MU (MPCL - 3.839 MU, SPCL - 1.736 MU and for PPN it is 9.56MU). During June 2016, the total power purchase from the above three IPPs was 4.931 MU (MPCL - 0.671 MU, SPCL- 0.647 MU and for PPN it is 3.613 MU).

3.5. In view of the dispatch instructions being issued by SLDC to meet the sudden outages, Commission accepts the reasons and approves and ratifies all the Power Purchase made from the above three IPPs for the above three months.

3.6. Further, TANGEDCO has requested to condone the delay in filing the Petition stating the reason that SLDC did not anticipate any power purchase from the above IPPs and only in order to carry out the real time operations for Grid control and dispatch of electricity within the State for secure and economic operation of the State Grid in accordance with the Grid Standards and Grid Code, accepting the same the delay in filing the Petition is condoned.

3.7. 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.

3.8. In view of the above, in the present Miscellaneous Petition also, the Commission is taking the same decision in approving the power purchase cost from the above three IPPs' viz. M/s. SPCL, M/s. MPCL 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.

3.9. With the above Orders, the M.P.No.33 of 2015 is disposed of.

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