

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.9 of 2015

Tamil Nadu Generation and Distribution Corporation Limited
144, Anna Salai, Chennai – 600 002.
Represented by its Chief Financial Controller / Revenue

... Petitioner
(Thiru Yasod Vardhan
Senior Counsel for TANGEDCO)

Vs.

Nil

... Respondent

**Dates of hearing: 13-02-2015, 30-04-2015, 05-10-2015
and 28-01-2016**

Date of Order: 29-07-2016

ORDER

The M.P.No.9 of 2015 came up for final hearing on 28-01-2016. 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.9 of 2015 is that the Commission may clarify on the issue whether normal transmission and wheeling charge as notified by the Commission for conventional fuel based generators can be collected from Fossil Fuel based Co-generating plants.

2. Contentions of the Petitioner:-

2.1. The Commission had fixed Transmission & Wheeling charges and line loss vide Order No.3 dated 15.05.2006 in respect of the NCES based generators as follows vide para 10.5. Transmission & Wheeling charges and line losses:

Wind Energy Generators	5% of energy
Biomass	Within 25 KM usage: 3% Beyond 25 KM usage :6%
Co-generation	Within 25 KM usage: 3% Beyond 25 KM usage :6%

Similarly vide para 12 (4) of Order No.4 dated 15.05.2006 in respect of Fossil fuel based Co-generation plants, the Commission had fixed *interalia* the Transmission & Wheeling charges and line loss as follows:

“To promote cogeneration as provided in Section 86(1)(e) of the Act, the Commission decided to allow a wheeling charge of 3% if the user is within 25 kms and 7% for users beyond 25 kms for fossil fuel based cogeneration only.”

2.2. The Commission vide para 9-1 of Order No.2 dated 27.04.2009 had fixed Transmission & Wheeling charges and line loss in respect of Biomass generators plants as follows:-

“9.1. Transmission and Wheeling charges:

Currently transmission and wheeling charges have been fixed at 3% of distance within 25 Kms and 6% for distances beyond 25 Kms. The concept paper proposed to retain the same charges. Transmission and wheeling charges for wind energy generators has been fixed at 5% uniformly by the Commission in Order No.1 of 2009 dated 20.03.2009. The Commission wishes to prescribe the same uniform rate of 5% for biomass generators irrespective of distance.”

2.3. The Commission vide para 9.1 of Order No.3 dated 06.05.2009 had fixed Transmission & Wheeling charges and line loss in respect of Bagasse Based co-generators as follows:

“9.1. Transmission and Wheeling charges:

Currently transmission and wheeling charges have been fixed at 3% of distance within 25 Kms and 6% for distances beyond 25 Kms. The concept paper proposed to retain the same charges. Transmission and wheeling charges for wind energy generators has been fixed at 5% uniformly by the Commission in Order No.1 of 2009 dated 20.03.2009. The Commission wishes to prescribe the same uniform rate of 5% for of Bagasse Based co-generators irrespective of distance.”

2.4. Subsequently, the Commission has revised the Transmission and wheeling charges in respect of the wind energy generators, Bagasse Based Co-generation plants and Biomass based Power plants vide Orders No.6,7,8 respectively dated.31.07.2012 stating that since TNEB has been unbundled, [i.e TANGEDCO and TANTRANSCO has been formed], levying a single charge in kind as transmission and wheeling charges is not implementable. Therefore, the Commission decided to fix transmission and wheeling charges in terms of rupees/paise as in the case of conventional power as follows:-

Description	Transmission charges	Wheeling charges	Line loss
Wind Energy generators	40% of the charges as applicable to the conventional power	40% of the charges as applicable to the conventional power	To bear actual line losses in kind
Bagasse based co-generation plants	60% of the charges as applicable to the conventional power	60% of the charges as applicable to the conventional power	To bear actual line losses in kind.
Biomass based power plants	50% of the charges as applicable to the conventional power	50% of the charges as applicable to the conventional power	To bear actual line losses in kind.

However, the Commission has not revised till date, the single charge of Transmission, wheeling charges including line loss in respect of the fossil fuel based co-generation plants which were approved by the Commission in the Order No.4 of 2006 dated.15.05.2006. Therefore, TANGEDCO is collecting transmission wheeling charges including line loss as per charges prescribed in the said Order.No.4 dated. 15.05.2006 in respect of the said generators, at the rate of 3% if the user is within

25 Kms and 7% for users beyond 25 Kms. In the meanwhile, the Commission in the subsequent tariff orders in Order No.2 of 2012 dated 30-03-2012 and T.P.No.2 of 2013 dated 20.06.2013 has fixed transmission charges, wheeling charges etc., collectable from conventional based Generating plants as follows:

Sl. No.	Particulars	From 01.04.2012	From 21.06.2013
1	Transmission Charges	Rs.6483/MW /day	Rs.1973/MW /day
2	Wheeling Charges	Re.0.1474/ kWhr	Re.0.1735/kWhr
3	Scheduling and System Operating Charges	Rs.1000/LTOA Rs. 500 / STOA/Tra	Rs.2000/day Transaction Both STOA and L TOA

2.5. The Commission has refixed Transmission, wheeling charges and loss component for WEG, Biomass, Bagasse based generator at 40%, 50% and 60% respectively, of the normal transmission charges applicable for conventional fuel based generating plants, and in absence of specific revision of tariff for Fossil Fuel Based Co-generators the single charge is still being adopted. The Commission may clarify whether normal transmission & wheeling charge as notified by the Commission for conventional fuel based generators can also be collected from Fossil Fuel based Co-generating plants.

3. The Commission directed the Petitioner to host the petition on website giving clear 15 days time for getting objections and suggestions from stakeholders and report the same to the Commission. Accordingly TANGEDCO by way of affidavit has stated that the petition was hosted on website on 19-12-2015 and reported that TANGEDCO has not received any objections and suggestions in the matter.

4. Findings of the Commission:-

4.1. The petitioner (TANGEDCO) has stated that the single charge of Transmission, wheeling charges including line loss in respect of fossil fuel based co-generation plants which were approved by the Hon'ble Commission in the Order No.4 of 2006 dated 15.05.2006 has not been revised till date and in the absence of specific revision, TANGEDCO is collecting transmission and wheeling charges including line loss as charges prescribed in the order No.4 dated 15.05.2006 in respect of the said generators at the rate of 3% if user is within 25 Kms and 7% for users beyond 25Kms. The petitioner therefore seeks clarification whether normal Transmission Charges, wheeling charges as notified by the Commission for conventional fuel based generators can be collected from fossil fuel based co-generating plants also.

4.2 Order No.4 dated 15.05.2006 is for power purchase and allied issues in respect of fossil fuel based Group Captive Generating Plants (CGP) and fossil fuel based cogeneration plants.

4.3 The said order specifies that the eligibility criteria specified for captive use and ruling specified for all other issues in the order for CGP except purchase rate and wheeling charges for CGP for which separate rulings have been made shall be applicable for fossil fuel based cogeneration plants also.

4.4 In view of the provisions of Section 86 (1) (e) of EA 2003 mandating promotion of cogeneration, this Commission in the said order proposed that CGPs adopting the principles of co-generation based on fossil fuel shall be entitled to a 10% premium over the rate prescribed for non co-generation based CGPs and also

allowed a wheeling charge of 3% if the user is within 25 Kms and 7% if user is beyond 25 Kms in the said order.

4.5 In the Clarificatory Order No. 4-1 dated 21.02.2008 issued by the Commission on the Transmission and wheeling charges payable for fossil fuel based cogeneration plants also, it was reiterated that the above wheeling and transmission charges shall be payable by the fossil fuel based co-generation plant irrespective of voltage of injection and voltage of drawl.

4.6 Also a promotional measure under section 86 (1) (e) of the Electricity Act 2003, the Commission time and again have provided concessional transmission and wheeling charges in respect to NCES based generators viz., Wind Electric Generators, Biomass and Bagasse based co generators which now stands at 40%, 50% and 60% of the normal transmission charges applicable for conventional fuel based generating plants as per Order No.6,7,8 dated 31.07.2012 respectively.

4.7 Now the petitioner has sought to clarify whether normal transmission and wheeling charges as notified by this Commission for conventional fuel based generators can also be collected from fossil fuel based Co-generating plants.

4.8 During the hearing on 05.10.2015, the petitioner was directed to host the clarificatory petition in website giving a clear 15 days time for getting objections and suggestions from stake holders.

4.9 Accordingly, the petitioner has stated in the additional Affidavit dated 27.05.2016 that the petition has been hosted in website on 19.12.2015 inviting comments/suggestions of the stakeholders and has not received any objections and suggestions.

4.10 The petitioner in additional affidavit dated 27.05.2016 has also furnished that 34 MW fossil fuel based co generators have been connected at 33 KV and below and 56.3 MW have been connected at above 33 KV level.

4.11 Under the provisions of Section 86 (1) (e) of EA 2003 mandating promotion of cogeneration, the fossil fuel based cogeneration plants are eligible for a rate premium of 10% over the rate of fossil fuel based group Captive generating Plants. Further, no comment/objection has been raised by stakeholders on the proposal mooted by the petitioner.

In the light of the foregoing analysis, the Commission hereby clarifies that the transmission and wheeling charges as notified by the Commission in respect of fossil fuel based generators are collectable from the fossil fuel based co-generating plants. However, it is made clear that no recovery shall be made for the back period from such of the fossil fuel based cogenerating plants where single charge in kind as transmission and wheeling charges based on order No.3 dt. 15.05.2006 of the Commission had been collected.

5. 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