

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

I.A. No.1 of 2015 in M.P.No.31 of 2015
and
M.P.No.31 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 : 05-10-2015 & 30-12-2015

Date of order : 25-04-2016

The M.P.No.31 of 2015 filed by TANGEDCO came up for final hearing on 30-12-2015. 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.31 of 2015:-

The Prayer of the Petitioner in M.P.No.31 of 2015 is

- (i) to condone the delay in filing the petition;
- (ii) to approve / ratify the dispatch of power from outside the merit order of 0.075 MU from M/s.GMR and 0.016 MU from M/s.MPCL for the month of

February 2015 and 2.602 MU from M/s.MPCL and 4.669 MU from M/s.SPCL for the month of March 2015 and pass such other orders as deemed fit and render justice.

- (iii) to permit the Petitioner for filing the actual dispatches made, if any, from M/s.SPCL, M/s.MPCL and M/s.PPN on quarterly basis in future.

(I.A. No.1 of 2015 in the above M.P.No.31 of 2015 has been filed by the Petitioner praying condonation of delay in filing the M.P.)

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 project 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 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 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 Despatch. 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, the Commission vide clause 4.137 of the said order 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 high cost liquid fuels such as LSHS, LSFO or Naphtha) 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 Power Corporation Limited 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 (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 February 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 February 2015 and March 2015, SLDC had dispatched M/s.GMR (extended power purchase period expired on 14-02-2015), M/s.MPCL and M/s.SPCL due to outages of TANGEDCO owned power plants and Central Generating Stations on occasions of dire necessity. Further, M/s.SPCL was permitted to run full load by SLDC to conduct Ambient Air Quality, Stack Monitoring and Noise Level Measurement during 19-03-2015 and 20-03-2015 as required by Tamil Nadu Pollution Control Board.

2.9. The actual quantum of energy dispatched from the IPPs by SLDC during the months of February 2015 and March 2015 are as follows:-

Name of the IPP	Actual Power purchased during the month of February 2015 in MU	Actual Power purchased during the month of March 2015 in MU
M/s.GMR (upto 14-02-2015)	0.075	0
M/s.MPCL	0.016	2.602
M/s.SPCL	0	4.669
Total	0.091	7.271

2.10. 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.

2.11. SLDC is furnishing only Nil requirement in advance in respect of these IPPs and dispatching M/s.SPCL, M/s.MPCL and M/s.PPN judiciously, only in case of dire necessity. From the monthly quantum of power dispatched from the IPPs from January 2015 to March 2015, the quantum of power dispatched is very minimum. Hence, the Commission may be pleased to permit the Petitioner for filing the actual dispatches made from the IPPs on quarterly basis in future.

3. Findings of the Commission:-

3.1. The Commission has considered the prayer of the Petitioner namely,

- (i) to condone the delay in filing the petition;
- (ii) to approve / ratify the dispatch of power from outside the merit order of 0.075 MU from M/s.GMR and 0.016 MU from M/s. MPCL for the month of February 2015 and 2.602 MU from M/s. MPCL and 4.669 MU from M/s.SPCL for the month of March 2015.
- (iii) to permit the Petitioner for filing the actual dispatches made, if any, from M/s.SPCL, M/s. MPCL and M/s. PPN on quarterly basis in future.

3.2. With respect to prayer (i) and (ii), TANGEDCO has deposed 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 February 2015, the SLDC has dispatched M/s. GMR, and M/s. MPCL and during March 2015 M/s. MPCL and M/s. SPCL on various occasions due to outages of TANGEDCO owned power plants and Central Generating Stations and on dire necessity.

3.3 TANGEDCO has further deposed that M/s.SPCL was permitted to run full load by SLDC to conduct Ambient Air Quality, Stack Monitoring and Noise Level Measurement during 19-03-2015 and 20-03-2015 as required by Tamil Nadu Pollution Control Board. The reasons stated by TANGEDCO are acceptable and therefore the power purchase from the above IPPs for the specified quantum as furnished hereunder, during the month of February 2015 and March 2015 is approved and ratified.

Name of the IPP	Actual Power purchased during the month of February 2015 in MU	Actual Power purchased during the month of March 2015 in MU
M/s. GMR (upto 14-02-2015)	0.075	0
M/s. MPCL	0.016	2.602
M/s. SPCL	0	4.669
Total	0.091	7.271

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, the Commission in its order dated 15-09-2014 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 purchase for the purpose of ARR.

3.5. In view of the above, in the present Miscellaneous Petition also, the Commission approves 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.

3.6. In respect of the third prayer as to granting permission by the Commission to file the Petition based on actual dispatches made from the high cost IPPs, it is informed that as per the Summary of Directives 7.1(h), in the SMT Order No. 9 of 2014, dated 11-12-2014, TANGEDCO shall take prior approval from the Commission for purchasing energy from unapproved sources. Hence, whenever, power purchase from unapproved sources is anticipated TANGEDCO shall take prior approval of the Commission.

3.7. In view of the reasons discussed in para 2 & 3 above, the delay in filing the present petition is hereby condoned.

With the above Orders, the M.P.No.31 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