

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.40 of 2015
and
M.P.No.40 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,
Standing Counsel for Petitioner)

Vs.

Nil

... Respondent

Dates of hearing: 13-11-2015, 29-12-2015 and 11-02-2016

Date of Order: 25-04-2016

The I.A. No.1 of 2015 in M.P.No.40 of 2015 and M.P.No.40 of 2015 came up for final hearing on 11-02-2016. 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 in M.P.No.40 of 2015 is to ratify and approve the dispatch of power made from M/s.Samalpatti Power Corporation (P) Limited, M/s.Madurai Power Corporation (P) Limited and M/s.PPN Power Generating

Company (P) Limited for the second quarter of 2015-16 (for the months of July 2015 to September 2015) as mentioned in Para 10 (column 2,3 and 4)

I.A.No.1 of 2015 in the above M.P. has been filed for 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, (SPCL), M/s.Madurai Power Corporation (P) Limited (MPCL) and M/s.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, (effective from 01-04-2012), 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. The Commission 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.

2.3. The IPPs, namely SPCL, MPCL and PPN 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.

2.4. 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 year 2014-15 vide Clause 4.136. Also, vide clause 4.137 of the order, the Commission has allowed fixed cost as provided in the Regulations or in the concerned 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.

2.5. 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.

2.6. Prior to commencement of the second 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. However, during the second quarter of 2015-16 (July 2015 to September 2015), SLDC has dispatched SPCL, MPCL and PPN due to sudden drop in wind generation, planned and forced outages of TANGEDCO owned power plants and Central Generating Stations on various occasions.

2.7. To minimize load shedding, high cost IPPs were dispatched by the SLDC based on real time grid conditions. The actual quantum of energy dispatched from the IPPs by SLDC during the second quarter of 2015-16 is as detailed in the table below:-

Name of IPP	Power purchased during July 2015 in MU	Power purchased during August 2015 in MU	Power purchased during September 2015 in MU
MPCL	0.414	3.945	16.555
SPCL	0.373	3.231	12.820
PPN	0.000	21.076	72.839
Total	0.787	28.252	102.214

2.8. The breakup details for the fuel price of MPCL are furnished below:-

Particulars	December 2013	December 2014	December 2015	indicative price (01-02-2016)
Basic Price (Rs/MT)	45590	34784	19683	15010
ED@14%	6382.6	4869.76	2755.62	2101.4
Transportation cost per MT	1354.11	1493.15	1647.53	1647.53
CST @2%	1066.53	822.93	481.72	375.17
Weighted Average Price in Bills (Rs/MT)	54393.24	41969.85	24567.87	19134.10
VC/Unit (Rs.)	11.50	8.78	5.31	4.25

3. Submission in the Additional Affidavit filed by the Petitioner:-

3.1 The Commission in its daily order dated 29.12.2015, directed the Petitioner to furnish the details of demand and availability forecasting. The Demand and Availability forecast for July 2015 to September 2015 are as below:-

Month	Demand Requirement in MW	Net Availability in MW
July 2015	13500	13520
August 2015	13200	12549
September 2015	13000	12554

3.2. Wind forecast and Actual Generation for the 2nd quarter of 2015-16 (month wise) as obtained from the SLDC is as below:-

Details / Month	July 2015	August 2015	September 2015
	MU	MU	MU
Wind Generation forecasted by NCES Wing / TANGEDCO	2390	2250	2300
Actual Generation	2123	1625	965

3.3. The statement showing the details of Wind Generation and Load Shedding when IPP Generation had to be picked up during 2nd quarter of 2015-16 (for the months of July 2015 to September 2015), obtained from the SLDC, is as follows:-

Date	Wind Generation in MW		Wind Generation in MU	Load Shedding in MW		Load Shedding in MU
	Max	Min		Max	Min	
July 2015						
29-07-15	3143	655	40	799	342	4
31-07-15	1946	790	47	1121	382	5
August 2015						
17-08-15	542	10	3	0	0	0
18-08-15	657	1	4	0	0	0
19-08-15	1468	2	12	0	0	0
20-08-15	2514	403	31	0	0	0
September 2015						
01-09-15	3605	349	40	0	0	0
02-09-15	2199	264	28	1260	233	7
03-09-15	1106	28	9	1363	224	7
04-09-15	1408	5	8	1023	133	8
05-09-15	668	15	5	765	42	9
06-09-15	1479	17	15	0	0	0
07-09-15	1507	52	17	0	0	0
08-09-15	1659	282	23	0	0	0
09-09-15	2198	343	27	0	0	0
10-09-15	2830	709	37	0	0	0
21-09-15	2866	394	39	0	0	0
23-09-15	1645	137	16	2333	211	17
24-09-15	879	10	7	2493	529	21
25-09-15	1154	1	9	1529	73	15
26-09-15	1391	184	15	1090	88	5
28-09-15	647	0	4	0	0	0
29-09-15	355	0	2	0	0	0

3.4. 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.

4. Findings of the Commission:-

4.1. The Commission has considered the prayer of the Petitioner, namely:

a) to condone the delay in filing the petition.

b) to ratify and approve 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 Co. (P) Ltd. for the second quarter of 2015-16 for the month of July 2015 to September 2015.

4.2. The petitioner has deposed that prior to commencement of the 2nd quarter of 2015-16, there was no proposal from SLDC to dispatch high cost IPPs and therefore they have not taken the prior approval from the Commission. However, during the second quarter of 2015-16, SLDC has dispatched SPCL, MPCL and PPN due to sudden drop in wind generation, planned and forced outages of TANGEDCO owned power plants and Central Generating Stations on various occasions. In order to minimize the load shedding, high cost IPPs were dispatched by the SLDC based on real time grid conditions.

Further, in the Additional Affidavit filed by TANGEDCO, the Demand and Availability forecast for July 2015 to September 2015 has been furnished. The Demand and Availability forecast for July 2015 to September 2015 submitted by TANGEDCO is as follows:

Month	Demand Requirement In MW	Net Availability in MW	Power Deficit/Surplus In MW
July 2015	13500	13520	20(Surplus)
August 2015	13200	12549	651(Deficit)
September 2015	13000	12554	446 (Deficit)

4.3. The actual power generation from Wind and the forecast made by NCES Wing of TANGEDCO is as follows:

Details/ Month	(in MU)		
	July 2015	August 2015	September 2015
Wind Generation forecasted by NCES Wing of TANGEDCO	2390	2250	2300
Actual Generation	2123	1625	965

Further, in respect of Wind generation, the actual generation during the above period is lower than what has been forecasted.

4.4. After due consideration, Commission accepts the reasons furnished in the Petition as well as in the Additional Affidavit filed by TANGEDCO for procuring the power from the high cost IPPs, the power purchase made from the above IPPs as given below are hereby approved and ratified.

Name of IPP	Power purchased during July 2015 in MU	Power purchased during August 2015 in MU	Power purchased during September 2015 in MU
(1)	(2)	(3)	(4)
M/s. MPCL	0.414	3.945	16.555
M/s. SPCL	0.373	3.231	12.820
M/s. PPN	0.00	21.076	72.839
Total	0.787	28.252	102.214

4.5. 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 dt. 15.9.2014 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 purchased for the purpose of ARR.

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. 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.

4.6. As the Petition has been filed during October 2015 giving reasons for power purchase during the second quarter, the delay is condoned and Commission hereby directs TANGEDCO to seek the approval of the Commission whenever power purchase from the high cost IPPs are resorted to.

With the above orders, the M.P. No. 40 of 2015 is hereby disposed off.

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