

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
Thiru.G.Rajagopal	Member
and		
Dr.T.Prabhakara Rao	Member

M.P.No.29 of 2016

Tamil Nadu Generation and Distribution Corporation Limited
144, Anna Salai,
Chennai – 600 002.

... Petitioner
(Thiru M.Gopinathan
Standing Counsel for TANGEDCO)

Vs.

Nil ... Respondent

Date of hearing: 09-12-2016

Date of Order: 29-12-2016

The M.P.No.29 of 2016 came up for final hearing on 09-12-2016. The Commission upon perusal of the Petition and after hearing the submissions of the Petitioner hereby passes the following:

ORDER

1. Prayer of the Petitioner in M.P.No.29 of 2016:

The prayer of the Petitioner in the above M.P.No.29 of 2016 is -

- (i) to award LOA / PPA for RTC revised quantum in SR, instead of 350 MW RTC and 500 MW peak power with ceiling rate of Rs.4.00 per kwh as mentioned below:-

February 2017	:	672 MW RTC
March 2017	:	672 MW RTC
April 2017	:	632 MW RTC
May 2017	:	632 MW RTC

- (ii) to dispense with peak power short listed bids in e-bidding / RA process in view of high discovered rate in RA.
- (iii) to file a separate Adoption petition after issue of PPAs to the bidders.

2. Facts of the Case:-

TANGEDCO filed a Miscellaneous Petition No.26 of 2016 for approval to procure 350 MW RTC power and 500 MW peak power from 01-02-2017 to 15-05-2017. The Commission, in its Daily Order dated 21-11-2016 directed TANGEDCO to proceed with the tender process. As all bidders were NEW Region, the Petitioner now intends buy power from bidders from Southern Region.

3. Contentions of the Petitioner:-

3.1. TANGEDCO filed a Miscellaneous Petition No.26 of 2016 for approval to procure 350 MW RTC power and 500 MW peak power from 01-02-2017 to 15-05-2017. The Commission, in its Daily Order dated 21-11-2016 directed TANGEDCO to proceed with the tender process. As all bidders were NEW Region, the Petitioner now intends buy power from bidders from Southern Region.

3.2. Based on the direction, TANGEDCO published Notice inviting tender in two All India Edition of English Dailies viz. The New Indian Express and Deccan Chronicles and two Tamil Dailies viz Dhinathanthi and Dhinamani on 22-11-2016 and RfP uploaded in TANGEDCO website on 21-11-2016 and also in DEEP portal for e-bidding on 22-11-2016.

3.3. The non-financial bids were opened on 28-11-2016. 29 bids were received through e-bidding portal. The Techno Commercial Statement generated by the bidding portal was with reference to receipt of EMD. All bidders have agreed to the terms and conditions of the RfP.

3.4. The Initial Price Offers were opened on 29-11-2016 at 11.00 hrs. Reverse Auction commenced at 13.00 hrs. and concluded at 15.00 hrs. After bucket filling, the tender discovered rate is in the range of Rs.2.92 to Rs.3.15 per kwh for the requisition quantum of 350 MW RTC power and Rs.3.60 to Rs.5.80 per kwh for a quantum of 410–500 MW against the requisitioned quantum of 500 MW peak hour.

The details of bids received are as follows:-

Month	No. of bids received	Quantum in MW (RTC)	Price range Rs.per kwh
February 2017	27	2705	2.92 to 5.50
March 2017	27	2291	3.06 to 5.50
April 2017	25	2350	3.06 to 5.50
May 2017 (upto 15 th)	27	2540	3.06 to 5.50

Month	No. of bids received	Quantum in MW (Peak)	Price range Rs.per kwh
February 2017	7	410	3.60 to 5.80
March 2017	7	580	3.30 to 5.80
April 2017	8	440	3.55 to 5.80
May 2017 (upto 15 th)	8	510	3.55 to 5.80

3.5. Incidentally, all the successful bidders are from the NEW Region. As per the NLDC's report, the Available Transfer Capacity from NEW Region to SR Region to STOA is 85 MW from 00 hrs. to 6.00 hrs and 18.00 hrs to 24.00 hrs. as on 01-12-2016.

3.6. The additional inter regional corridor between Angul-Srikakulam-Vemagiri line is under execution and as per CEA's report, the line is expected to be charged at 400 kV level by November 2016. However, it was not charged as expected as material required for bay extension is still awaited. Even if the line is commissioned, there may not be adequate quantum for STOA as against ATC of 6900 MW between NEW Region to SR, only 85 MW has been earmarked for STOA for only 12 hours at present.

3.7. Kudankulam Unit II is yet to achieve COD and Kudankulam Unit I is likely to be taken off for annual overhaul for 60 days only during end of January 2017. Hence, the Unit I may not be available during February 2017 and March 2017 also.

3.8. Under this scenario, other options for realizing the power to be contracted were examined. To meet the anticipated requirement, the offers received from the sources in Southern Region were examined.

3.9. Among the 27 bids, the bidders from Southern Region have offered a total quantum of 1180 MW and quoted in the range of Rs.3.50 to Rs.5.50 per kwh for RTC power for the different requisition periods. Since there is no congestion in power flow within Southern Region, all bidders in SR were addressed to offer unconditional discount, if any.

3.10. M/s.Chettinad Cements, Ramco Cements and IL & FS and Sembcorp Gayatri through their traders (bidders) have given unconditional discount from their IPO / RA rates. PTC, through which 10 generators have participated, conveyed their inability to offer any further discount.

3.11. The total quantum from Southern Region, who have quoted upto Rs.4 per kwh in IPO/RA/subsequent discounts comes to 672 / 632 MW.

3.12. The response for peak power from Southern Region is not encouraging as two offers from SR is only for 125 MW at a quoted rate of Rs.5.16 and Rs.5.80 per kwh. The rate discovered in RA is high when compared to the rate discovered from RA process of other States from the sources within Southern Region.

3.13. Earlier, short term procurement during the previous year (October 2015-May 2016) was done at the rate of Rs.5.05 per kwh from intrastate generators. Now, not only the Available Transfer Capability within Southern Region has increased but also the generation within Southern Region. Hence, it is proposed to procure RTC for a quantum as follows from bidders who have offered rates upto Rs.4/- per unit to ensure seamless flow of power instead of 350 MW RTC and 500 MW peak power, for which the Commission has given its approval during the hearing held on 21-11-2016.

February 2017	:	672 MW RTC
March 2017	:	672 MW RTC
April 2017	:	632 MW RTC
May 2017	:	632 MW RTC

3.14. The RA discovered successful bidders for RTC power (350 MW RTC), from other than SR have been issued LOI / PPA at rates discovered in the e-bidding process, which power may be availed as and when corridor is available.

3.15. It is also proposed to do away with separate peak hour procurement. The bidder wise quantum and prices offered is enclosed.

3.16. On 09-12-2016, the Petitioner has filed additional documents containing the publication of e-Tender Notice, Non-Financial Bid Sheets, Financial Bid Sheets, Total Transfer Capacity for February 2017 and March 2017 and discounts offered by Bidders.

4. Findings of the Commission:-

4.1. The Petitioner has filed this petition seeking approval of the Commission to award LOA/PPA for RTC power revised quantum in SR instead of 350 MW RTC and 500 MW peak power (18.00 hours to 23 hours) with a ceiling rate of Rs.4/- per kwh as calculated below and to dispense with peak power short listed in e-bidding RA process in view of high discovered rate in RA:-

February 2017	:	672 MW RTC
March 2017	:	672 MW RTC
April 2017	:	632 MW RTC
May 2017	:	632 MW RTC

4.2. We have carefully gone through the documents submitted by the Petitioner and the submissions made by the Petitioner. The Petitioner has submitted that the response for peak power from Southern Region is not encouraging as two offers from SR is only for 125 MW at a quoted rate of Rs.5.16 and Rs.5.80 per kwh. The rate discovered in RA is high when compared to the rate discovered from RA

process of other States from the sources within Southern Region. Further, short term procurement during the previous year (October 2015-May 2016) was done at the rate of Rs.5.05 per kwh from intrastate generators. Now, not only the Available Transfer Capability within Southern Region has increased but also the generation within Southern Region. It is seen from the additional documents filed by the TANGEDCO on 09-12-2016 that the Ramco Cements Ltd., Tamil Nadu Power Company Limited, the India Cements Limited, IL&FS and Sempcorp Gayatri and Arkay Energy Ltd. have offered rates less than Rs.4.00 per unit. Hence, TANGEDCO has proposed to procure RTC for a quantum mentioned in para 4.1 above from bidders who have offered rates upto Rs.4/- per unit to ensure seamless flow of power instead of 350 MW RTC and 500 MW peak power, for which the Commission has given its approval during the hearing held on 21-11-2016. The above rate of Rs.4.00 per unit is found to be reasonable since it is below the average rate of realization by TANGEDCO.

4.3. During the hearing, the Chief Engineer, PPP representing the Petitioner has submitted that the above rate is determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.

4.4. In the above circumstances, the Commission approves the proposal of TANGEDCO to procure RTC power from the Bidders who have offered rates upto Rs.4/- per unit as detailed in the Annexure to this order to ensure seamless flow of power instead of 350 MW RTC and 500 MW peak power for which the Commission has given its approval in M.P.No.26 of 2016. The revised approval for the period and the quantum is as follows:-

February 2017	:	672 MW RTC
March 2017	:	672 MW RTC
April 2017	:	632 MW RTC
May 2017 (upto 15-05-2017)	:	632 MW RTC

The Petitioner is directed to file a separate petition for adoption of the tariff as proposed. The Petitioner is also directed to publish the names of the Bidders and the quantity of power and rate of power purchased from them in their official website.

Ordered accordingly.

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)
(Dr.T.Prabhakara Rao)
Member

(Sd.....)
(G.Rajagopal)
Member

(Sd.....)
(S.Akshayakumar)
Chairman

/ True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission

ANNEXURE

Details of SR Bids offered upto Rs.4.00 per unit

Sl. No.	Name of the Bidder	Source	Rate	February 2017
1	SKI Carbon Black India Pvt Ltd.	SKI Carbon Black India Pvt Ltd. (TN)	3.63	14
2	NVVN	ILFS (TN)	3.95	300
3	Manikaran Power Ltd.	Sembcorp Gayathri Power Ltd. (AP)	3.95	150
4	PTC India Ltd.	Arkay Energy Ltd. (TN)	3.99	90
5	Instinct Infra and Power Ltd.	OPG Power Generation Pvt. Ltd. (TN)	4.00	50
6	PTC India Ltd.	Dalmia Cement-Dalmiapuram (TN)	4.00	14
7	PTC India Ltd.	Dalmia Cement – Ariyalur (TN)	4.00	11
8	Chettinad Cement Corporation Ltd.	Chettinad Cement – Karikali (TN)	4.00	10
9	The Ramco Cements Ltd.	The Ramco Cements Ltd. (TN)	4.00	33
		Total quantum		672

Sl. No.	Name of the Bidder	Source	Rate	March 2017
1	SKI Carbon Black India Pvt Ltd.	SKI Carbon Black India Pvt Ltd. (TN)	3.50	14
2	NVVN	ILFS (TN)	3.95	300
3	Manikaran Power Ltd.	Sembcorp Gayathri Power Ltd. (AP)	3.95	150
4	PTC India Ltd.	Arkay Energy Ltd. (TN)	3.99	90
5	Instinct Infra and Power Ltd.	OPG Power Generation Pvt. Ltd. (TN)	4.00	50
6	PTC India Ltd.	Dalmia Cement-Dalmiapuram (TN)	4.00	14
7	PTC India Ltd.	Dalmia Cement – Ariyalur (TN)	4.00	11
8	Chettinad Cement Corporation Ltd.	Chettinad Cement – Karikali (TN)	4.00	10
9	The Ramco Cements Ltd.	The Ramco Cements Ltd. (TN)	4.00	33
		Total quantum		672

Sl. No.	Name of the Bidder	Source	Rate	April 2017
1	SKI Carbon Black India Pvt Ltd.	SKI Carbon Black India Pvt Ltd. (TN)	3.50	14
2	NVVN	ILFS (TN)	3.95	350
3	Manikaran Power Ltd.	Sembcorp Gayathri Power Ltd. (AP)	3.95	150
4	Instinct Infra and Power Ltd.	OPG Power Generation Pvt. Ltd. (TN)	4.00	50
5	PTC India Ltd.	Dalmia Cement-Dalmiapuram (TN)	4.00	14
6	PTC India Ltd.	Dalmia Cement – Ariyalur (TN)	4.00	11
7	Chettinad Cement Corporation Ltd.	Chettinad Cement – Karikali (TN)	4.00	10
8	The Ramco Cements Ltd.	The Ramco Cements Ltd. (TN)	4.00	33
		Total quantum		632

Sl. No.	Name of the Bidder	Source	Rate	May 2017
1	SKI Carbon Black India Pvt Ltd.	SKI Carbon Black India Pvt Ltd. (TN)	3.50	14
2	NVVN	ILFS (TN)	3.95	350
3	Manikaran Power Ltd.	Sembcorp Gayathri Power Ltd. (AP)	3.95	150
4	Instinct Infra and Power Ltd.	OPG Power Generation Pvt. Ltd. (TN)	4.00	50
5	PTC India Ltd.	Dalmia Cement-Dalmiapuram (TN)	4.00	14
6	PTC India Ltd.	Dalmia Cement – Ariyalur (TN)	4.00	11
7	Chettinad Cement Corporation Ltd.	Chettinad Cement – Karikali (TN)	4.00	10
8	The Ramco Cements Ltd.	The Ramco Cements Ltd. (TN)	4.00	33
		Total quantum		632