

**TAMIL NADU ELECTRICITY REGULATORY COMMISSION**  
**(Constituted under section 82 (1) of the Electricity Act, 2003)**  
**(Central Act 36 of 2003)**

**PRESENT:**

**Thiru M.Chandrasekar**

**.... Chairman**

**Dr.T.Prabhakara Rao**

**.... Member**

**and**

**Thiru. K.Venkatasamy**

**.... Member (Legal)**

**P.P.A.P. No.2 of 2019**

Tamil Nadu Generation and Distribution  
Corporation Ltd.  
No.144, Anna Salai  
Chennai -600 002.

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

**Dates of hearing : 16-07-2019 and 20-08-2019**

**Date of Order : 15-10-2019**

1. The prayer of the petitioner in the above P.P.A.P. No.2 of 2019 is for adoption of tariff for procurement of 615 to 815 MW RTC power for the period from February 2019 to May 2019 from the bidders who have offered / matched the rate of Rs.5.20 per unit at TANGEDCO periphery against Tender No.10 of 2018 and for approval for the procurement of 2061.6 MU for the period from February 2019 to May 2019.

2. We have heard the submissions of Thiru M.Gopinathan the learned Standing Counsel for TANGEDCO. He has reiterated the submissions made in the petition filed before this Commission.

3. The above P.P.A.P. petition is sequel of the quantity approval already given by this Commission in M.P. No. 20 of 2018 dated 10-12-2018 wherein the Commission has *interalia* approved the proposal of the petitioner for procurement of power under Short Term Open Access (STOA) and accordingly the Commission held as follows:-

*“In view of the above, the Commission is inclined to the revised proposal of the petitioner to procure the Short Term Power for the restricted period at a rate not exceeding the lowest of Rs.5.29 per unit at TANGEDCO Periphery discovered the tender and for the quantity upto 1000 MW.”*

4. The learned Standing Counsel for TANGEDCO would submit that the demand of the State of Tamil Nadu was steadily increasing and an all time high demand of 15440 MW was met on 27-04-2018 and all time high consumption of 355.733 million units was made on 27-04-2018. He has justified the indent given for procurement of 1000 MW RTC and 500 MW Peak Power on various grounds namely, annual overhauling of own thermal stations, meagre wind generation during January to March, lesser availability and uncertainties of Kudankulam Nuclear Power Station, non-supply by M/s. Ind Bharath Energy Utkal Ltd., KSK due to the termination of LTOA etc. The Commission, after having considered the requirements set out by TANGEDCO, the Commission had permitted the

TANGEDCO to proceed further for the procurement of 1000 MW under Short Term for the period from February 2019 to May 2019 at a ceiling rate of Rs.5.29 per unit per KWH at TANGEDCO periphery.

5. Based on the above permission, Tender specification (Request for Proposal) was uploaded in TANGEDCO web-site and in e-Bidding portal (DEEP) on 19.09.2018. The tender notification was published on 20.09.2018 in two Tamil Newspapers (Dinathanthi and Dinamani) and two All India Edition English Newspapers (The New Indian Express and The Hindu).

6. The non-financial technical bids were opened on 26.09.2018 at 13.00 hrs. and 27 bids are received specified below:-

Sl. No.	Name of Bidder	No. of bids
1	Shree Cement Ltd.	2
2	GMR Energy Trading Ltd.	1
3	Manikaran Power Ltd. (MPL)	3
4	NTPC Vidyut Vyapar Nigam Ltd. (NVVN)	2
5	PTC India Ltd.	11
6	Tata Power Trading Corporation Ltd.	2
7	Semb Corp Gayatri Power Ltd.	1
8	Arunachal Pradesh Power Corporation Private Ltd. (APPCPL)	5
	Total No. of Bids	27

7. All bidders have accepted the terms and conditions of RfP without any deviation and uploaded the proof for the payment of required EMD in the form of Bank Guarantee and the proof for having paid the tender processing fees. As all the bids were in order as per the RfP, all bids were considered for opening of price bids.

8. The price bids were opened at 11:00 hrs on 27.09.2018 and e-Reverse Auction commenced at 13:00 hrs and ended at 15:00 hrs on the same day, via the DEEP E-bidding portal. The quantum offered by the bidders was in the range of 763 MW to 1873 MW. The Reverse Auction (RA) discovered tariff for RTC power was in the range of Rs.5.29 to Rs.8.46 per kwhr. Total quantum of peak power offered in IPO in this tender was from 20 to 60 MW and the rate was in the range of Rs.8.00 to 9.99 per unit. However, all bidders had withdrawn the offer for peak power during Reverse Auction process.

9. Thereafter, on 20.11.2018, a negotiation meeting was conducted with M/s Sembcorp Energy India Ltd (formerly SGPL) at 15 hours on 03.12.2018, who has offered the lowest rate in the IPO/RA and they had offered to supply to 400 MW of RTC power for the period from Feb 2019 to May 2019 at Rs.5.20 per unit at TANGEDCO periphery and this happened to be the lowest price.

10. All other bidders/traders were requested to match the rate of Rs.5.20 per unit. M/s Shree Cements Ltd, M/s PTC India Ltd for the source of JP Nigree Super Thermal Power Plant (JPSTPP), DB Power Ltd and Punjab State Power Corporation Ltd (PSPCL) and M/s Manikaran Power Limited for the source Punjab State Power Corporation Ltd have matched with the rate of Rs.5.20 per unit at TANGEDCO periphery.

11. As per clause 7.2 of Guidelines issued by MoP for short term procurement of power, Standing Committee was constituted for evaluation of bids and as per clause 11.2 of MoP Guidelines, the Committee has provided appropriate

certification on conformity of the bid process evaluation according to the provision of RfP document.

12. As the negotiated price (Rs.5.20 per unit) is within the ceiling rate of Rs.5.29 prayed in Miscellaneous Petition filed before the Commission, Letter of Awards were issued to the bidders who have offered/matched the rate of Rs.5.20 per unit at TANGEDCO periphery. The details of the bidders to whom LOAs were issued are as follows:-

Name of Bidders	Price discovered in IPO/RA (Rs.per kwhr)	Feb 2019	March 2019	April 2019	May 2019
Sembcorp Energy Ltd.	5.39-5.50	400 MW	400 MW	400 MW	400 MW
Shree Cements Ltd.	6.01 – 6.25	40 MW	40 MW	50 MW	140 MW
PTC India Ltd./ Jaypee Nigree STPP	6.35	100 MW	100 MW	100 MW	-
PTC India Ltd / DB Power	5.78-6.16	75 MW	75 MW	75 MW	75 MW
PTC India Ltd / PSPCL	5.65	100 MW	100 MW	--	--
Manikaran Power Ltd / PSPCL	5.39 – 5.49	100 MW	100 MW	--	--
<b>Total</b>		<b>815 MW</b>	<b>815 MW</b>	<b>625 MW</b>	<b>615 MW</b>

13. TANGEDCO Board, during 85<sup>th</sup> meeting held on 03-01-2019 has accorded approval for this procurement under short term Tender No.10 of 2018.

14. During the hearing held on 16-07-2019, the Commission directed the petitioner to issue notice to all the bidders who offered to supply power to TANGEDCO. Accordingly, the Relationship Manager of M/s. PTC India Ltd. and the Assistant Manager of M/s. Manikaran Power Ltd. appeared and filed a Memo to the effect that they don't have any objection for adoption of tariff. The other bidders namely M/s. Sembcorp Energy Ltd. and M/s. Shree Cements India Ltd. were absent.

14. Taking into account, the above submissions of TANGEDCO and in view of the fact that power has already been procured and flown into the TANGEDCO grid, the Commission under section 63 of the Electricity Act, 2003 adopts the rates of Rs.5.20 per unit at TANGEDCO periphery discovered in the Tender No.10 of 2018 floated by TANGEDCO for procurement of 615 to 815 MW from the bidders who have offered / matched for the period from February 2019 to May 2019.

Ordered accordingly.

(Sd.....)  
**(K.Venkatasamy)**  
**Member (Legal)**

(Sd.....)  
**(Dr.T.Prabhakara Rao)**  
**Member**

(Sd.....)  
**(M.Chandrasekar)**  
**Chairman**

/True Copy /

Secretary  
Tamil Nadu Electricity  
Regulatory Commission