

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

PRESENT:

ThiruM.Chandrasekar Chairman
Dr.T.PrabhakaraRao Member
and
Thiru.K.Venkatasamy Member (Legal)

M.P. No.12 of 2019

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

... Petitioner
(ThiruM.Gopinathan
Standing Counsel for TANGEDCO)

Date of hearing : 10-12-2019

Date of Order : 10-01-2020

ORDER

1. Prayer of the Petitioner in M.P. No.12 of 2019:-

The prayer of the petitioner in M.P. No.12 of 2019 is to approve procurement of 300 MW to 1000 MW RTC power for the supply period from 15-02-2020 to 21-05-2020 and to deviate from the MoP guidelines for the following conditions:-

- (a) to modify the billing cycle as monthly billing;
- (b) to delete payment security clause and contract performance guarantee clause in lieu of each other;
- (c) to delete provision for supply from alternate source in view of short duration of contract period;

(d) to delete change in law clause in view of duration of contract is less than one year;

(e) to fix the validity of the tender as 30 days excluding the date of bid submission;

(f) to fix TANGEDCO periphery as delivery point, excluding intrastate transmission losses; and

(g) to float Tender No. TANGEDCO/SHORT/PP 11-2019 for the procurement of 300 MW to 1000 MW RTC power for the supply from 15-02-2020 to 21-05-2020 through eBidding portal (DEEP), as per the enclosed Tender Specification (RfP).

2. Brief Facts of the Case:-

TANGEDCO has proposed to procure power under Short Term Power Procurement of 300 MW to 1000 MW – RTC Power for the period from 15-02-2020 to 21-05-2020 and floating of Short Term Tender seeking approval for procurement of power to meet the anticipated deficit.

3. Contentions of the Petitioner:-

3.1. The all time high demand met by TANGEDCO and the all time high consumption in the State of Tamil Nadu is as below:-

(a) All time high demand 16151 MW met on 12-04-2019

(b) All time high consumption 369.940 MU met on 03-04-2019

3.2. The minimum demand prevailed during summer months of 2019 was around 14,500 MW. A minimum demand is likely to increase during the summer months of

year 2020. The peak demand reached during the above period in the last year was in the range of 15,150 MW to 16,150 MW.

3.3. The power position for the period from February 2020 to May 2020 has been reviewed and following is the anticipated power availability from various sources:-

Sl.No.	Description	Availability considered in MW
1	TANGEDCO Thermal	4,200
2	Gas	200
3 (a)	CGS	4,100
3 (b)	CGS Capacity Addition – NLC New Thermal	500
4	IPP	385
5	LTA	2,200
6	MTOA	550
7	CPP Wheeling	900
8	Cogen	100
	Total Availability	13,135

3.4. As public exams for schools / colleges are scheduled during the summer period, availability of power is to be ensured for the benefit of public. It is estimated that deficit will be in the range of 300 MW to 1000 MW during February 2020 to May 2020. Hence, additional Round The Clock Power is to be procured to meet minimum demand during summer months. Morning peak and evening peak demand will be met through hydro sources to an extent of 900 MW. Wind generation during the above period is likely to be available around 500 MW. Based on day ahead forecast of demand and wind generation, additional peak requirement will be managed through power procurement from exchanges.

3.5. A short term tender (TANGEDCO/SHORT/PP 11-2019) is proposed to be floated for procurement of 300 MW to 1000 MW RTC power for supply from 15-02-2020 to 21-05-2020 for the quantities as specified below:-

Period	RTC Quantum in MW
February 2020 (15-02-2020 – 29-02-2020)	300 MW
March 2020	500 MW
April 2020	1000 MW
May 2020 (01-05-2020 to 21-05-2020)	800 MW

3.6. The above procurement under short term will be done through Mop's e-bidding portal (DEEP), as mandated by Ministry of Power.

3.7. To enable the successful bidders to book transmission corridor in advance, tender process is to be initiated immediately and finalized quickly.

3.8. TANGEDCO is also seeking approval for deviations from the MoP guidelines in the short term tender for –(i) monthly billing cycle (ii) deletion of payment security clause viz opening of Letter of Credit (iii) deletion of Contract Performance Guarantee clause (iv) deletion of change in law clause (v) deletion of provision for supply from alternate source, in view of short duration of contact period and (vi) taking TANGEDCO periphery as delivery point, excluding intrastate transmission losses.

4. Findings of the Commission:-

4.1. The Commission has carefully gone through the submissions made in the petition filed by the petitioner, TANGEDCO. The petitioner M/s. TANGEDCO has filed the M.P.No.12 of 2019 dated 20-11-2019 with a prayer to approve

procurement of 300 MW to 1000 MW RTC power for the supply period from 15-02-2020 to 21-05-2020 and to deviate from the MoP guidelines for the following conditions:-

- (a) to modify the billing cycle as monthly billing;
- (b) to delete payment security clause and contract performance guarantee clause in lieu of each other;
- (c) to delete provision for supply from alternate source in view of short duration of contract period;
- (d) to delete change in law clause in view of duration of contract is less than one year;
- (e) to fix the validity of the tender as 30 days excluding the date of bid submission;
- (f) to fix TANGEDCO periphery as delivery point, excluding intrastate transmission losses; and
- (g) to float Tender No. TANGEDCO/SHORT/PP 11-2019 for the procurement of 300 MW to 1000 MW RTC power for the supply from 15-02-2020 to 21-05-2020 through eBidding portal (DEEP), as per the enclosed Tender Specification (RfP).

4.2. The Commission has meticulously gone through the averment of TANGEDCO on the power availability from all declared sources item by item as given below:-

Sl. No.	Description	Availability considered in MW
1	TANGEDCO Thermal	4,200
2	Gas	200
3 (a)	CGS	4,100

3 (b)	CGS Capacity Addition – NLC New Thermal	500
4	IPP	385
5	LTA	2,200
6	MTOA	550
7	CPP Wheeling	900
8	Cogen	100
	Total Availability	13,135

4.3. It has been stated by TANGEDCO that as public exams for schools / colleges are scheduled during the summer period, availability of power is to be ensured for the benefit of public. It is estimated that deficit will be in the range of 300 MW to 1000 MW during February 2020 to May 2020. Hence, additional Round The Clock Power is to be procured to meet minimum demand during summer months. Morning peak and evening peak demand will be met through hydro sources to an extent of 900 MW. Wind generation during the above period is likely to be available around 500 MW. Based on day ahead forecast of demand and wind generation, additional peak requirement will be managed through power procurement from exchanges.

4.4. It is also stated by TANGEDCO that the following quantum of power is required to meet the demand:-

Period	RTC Quantum in MW
February 2020 (15-02-2020 – 29-02-2020)	300 MW
March 2020	500 MW
April 2020	1000 MW
May 2020 (01-05-2020 to 21-05-2020)	800 MW

It is proposed to float a short term tender through Mop's e-bidding portal (DEEP) as mandated by Ministry of Power.

During the hearing held on 10-12-2019, the Chief Engineer (PPP) has made an elaborate submission on the need to purchase the additional power through Short Term Tender and we have also directed him to go ahead with the procurement of power so that the availability of transmission corridor could be ensured by the successful bidders.

4.5. We have carefully gone through the submissions of the petitioner. Considering the need for additional power for the ensuing period from 15th February to 21st May 2020, we approve the procurement of 300 MW to 1000 MW RTC power for supply as detailed below through the process of e-bidding through MoP's e-bidding Portal (DEEP):-

Period	RTC Quantum in MW
February 2020 (15-02-2020 – 29-02-2020)	300 MW
March 2020	500 MW
April 2020	1000 MW
May 2020 (01-05-2020 to 21-05-2020)	800 MW

4.6. Under clause 8.1 of the Guidelines for Short-Term Procurement of Power by Distribution Licensees through tariff based bidding process, the Commission also approves the following deviations from the MoP guidelines while processing the Short Term Tender for the above procurement of power:-

- (i) monthly billing cycle instead of weekly basis or at the end of the contract period.
- (ii) deletion of payment security clause namely opening of Letter of Credit.
- (iii) deletion of Contract Performance Guarantee
- (iv) deletion of change in law clause.
- (v) deletion of provision for supply from alternate source;

- (vi) fixing validity of the tender as 30 days excluding the date of bid submission and
- (vii) taking TANGEDCO periphery as delivery point excluding intrastate transmission losses..

The petitioner is also directed to ensure the fulfilment of the provisions of clause 8.2 of the above said guidelines.

Ordered accordingly.

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

(Sd.....)
(Dr.T.PrabhakaraRao)
Member

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

/True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission