



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

**PRESENT**

Thiru S.Kabilan - Chairman  
Thiru B. Jeyaraman - Member  
And  
Thiru R. Rajupandi - Member

**M.P.No.1 of 2009**

Biomass Power Producers Association  
Rep.by its Authorised Representative  
III Floor, Mookambika Complex  
No.4, Lady Desika Road, Mylapore  
Chennai 600 004

In the matter of revision of tariff relating to the supply of power by the members of petitioner Association to TNEB.

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The above M.P.No.1 of 2009 came up for final hearing on the 1<sup>st</sup> April 2009. The Commission upon perusing the above petition and the connected records and upon hearing the petitioner pass the following:

**ORDER DATED 22<sup>ND</sup> APRIL 2009**

**1. Prayer of the petitioner in MP.No.1 of 2009**

The prayer of the petitioner in MP.No.1 of 2009 is to revise the tariff relating to the supply of power by the Members of the Petitioner Association to the TNEB, taking into account the costs of the variables.

## **2. Facts of the case**

2.1 The Members constituting the Petitioner Association have individually entered into a power purchase agreement (hereinafter referred to as "PPA") on different dates with the TNEB which provides for sale of surplus energy after internal consumption to the TNEB. As per the PPA, the purchase price of the energy exported will be paid by the TNEB at the rates specified in the respective PPAs and as amended from time to time.

2.2 The present purchase price has been fixed at Rs.3.15 per unit (Kwh) and the same has been in force from 2006 and is being followed by all the members of the Petitioner Association.

2.3 There has been a unusual and unforeseeable increase in the price of raw materials which have been used as input fuels which were used as a benchmark for arriving at the said present power tariff. The benchmark input raw material price which was set at Rs.1,000/- per ton in 2006 has undergone several upward revisions and whereas the current average rate today at Rs.2,400/- per ton.

2.4 In spite of the repeated appeals and requests made individually by the Members of the Association to the TNEB seeking appropriate increase in the tariff, there has been no positive response from the Respondent Board.

2.5 The Petitioner Association submits that the action of the Board in refusing to revise the tariff for the sale of power generated by them and supplied to the Board has resulted in running themselves in mounting and accumulating losses.

2.6 It would be just and expedient that a suitable revision in tariff needs to be immediately done for the energy generated through this source which would be workable both from the point of view of the members of the Petitioner Association and also the implementing Agency – TNEB to mitigate the present energy crisis prevailing in the State.

**3. Findings and conclusion of the Commission**

The Commission has published a Draft Consultative Paper on power procurement by Distribution Licensee from biomass based generation plants and allied issues relating to captive use and third party sale for the comments / suggestions of the public. The Commission is actively considering the suggestions / comments received from the public in regard to the above matter. Orders will be issued shortly.

With the above findings, the said MP No.1 of 2009 is finally disposed of. No costs.

Pronounced in the open court by this Commission on this the 22<sup>nd</sup> April 2009.

**(Sd.....)**  
**(R. RAJUPANDI)**  
**Member**

**(Sd.....)**  
**(B.JEYARAMAN)**  
**Member**

**(Sd.....)**  
**(S.KABILAN)**  
**Chairman**

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Assistant Secretary (i/c)  
Tamil Nadu Electricity  
Regulatory Commission