

**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.K.Venugopal	....	Member
	and	
Thiru.S.Nagalsamy	....	Member

**P.P.A.P. No. 5 of 2011**

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

.... Petitioner  
(Thiru. R.Selvakumar  
advocate for the Petitioner)

**Vs**

M/s. Ind – Barath Power Gencom Limited  
New No.20 / Old No. 129, Chamiers Road  
Nandanam, Chennai – 600 035

... Respondent 1

M/s. OPG Power Generation Private Limited,  
117, P.S. Sivaswami Salai, St. Ebba's Avenue,  
Mylapore, Chennai – 600 004

... Respondent 2

M/s. The Madras Aluminium Co. Limited,  
Mettur R.S., Mettur Dam – 636 402,  
Salem District, Tamil Nadu

... Respondent 3

**Date of hearing : 11-7-2011**  
**Date of Order : 11-7-2011**

The above P.P.A.P has been filed with the prayer to fix the ceiling of tariff for purchase of electricity in pursuance of an agreement between the generating companies located in Tamil Nadu totaling a quantity of about 600 MW and Tamil

Nadu Generation Distribution Corporation (a subsidiary of TNEB Limited), the licensee for a period not exceeding one year i.e. from June 2011 to May 2012 due to shortage of supply of electricity prevailing in the State of Tamil Nadu, under the proviso of the Section 62 (1) (a) of the Electricity Act 2003. The above P.P.A.P. came up for admission on 11-7-2011.

2. The learned Counsel for TANGEDCO Thiru R. Selvakumar argued for fixing up the ceiling tariff for purchase of electricity in pursuance of an agreement between the generating companies located in Tamil Nadu totaling to about 600 MW and TANGEDCO, the licensee, for a period not exceeding one year i.e. from June 2011 to May 2012 due to shortage of electricity prevailing in the State of Tamil Nadu. This petition has been filed under the proviso of Sec 62 (1) (a) of the Electricity Act 2003. M/s. Ind Bharath Power Gencom Ltd., M/s. OPG Power Generation Pvt. Ltd. and M/s. Madras Aluminium Co., Ltd., were impleaded as respondents 1, 2 & 3 respectively. During the argument it was clarified by the petitioner's counsel that these three respondents supply a capacity of 350 MW round the clock whereas certain other unnamed respondents are supplying the balance capacity going upto 600 MW. The counsel for the three respondents Thiru Rahul Balaji was present in the court. Thiru E.Manoharan, Advocate who was also present in the court and submitted that he represents another generator Viz., M/s. Sai Regency power Corporation. The learned counsel for the respondents Thiru Rahul Balaji argued that in view of the existing restrictions imposed by the Government of Tamil Nadu under Section 11 of the Electricity Act, 2003, they are not in a position to supply power to any other State. They have also not been able to tie-up power for sale to third parties although the

Commission has enabled such sales. **They are therefore injecting power into the Tamil Nadu grid, even though there is no contract between the respondents and the TANGEDCO.** The TANGEDCO clarified that they have issued letters to PTC for not injecting power into the grid without any valid contract. The respondents herein who bid through PTC for the tenders invited by TANGEDCO earlier were not successful and therefore did not succeed in getting the contract for supply of power. Be that as it may, the Commission would like to refer to TNERC Grid Code relating to scheduling and despatch. Para 8 (3) (a) of the Grid Code is reproduced below:-

*(a) SLDC will issue dispatch instruction required to regulate all generation and imports from SSGS, IPPs. CPPs and NCES (excluding windmills) according to the hourly day ahead generation schedule, unless rescheduling is required due to unforeseen circumstances.*

3. From the above provision of the TNERC Grid Code it can be observed that all generators except wind mills are required to inject only on the basis of hourly day ahead generation schedule approved by the SLDC. **In the present case the generators have confirmed that there is no schedule for injecting power into grid.** The learned counsel for one of the generators Viz., M/s. Sai Regency Power Corporation clarified that they are declaring their generation to the SLDC and the schedules are drawn in their case. **The TANGEDCO representatives confirmed that no scheduling is being done in the case of these generators. However, they confirmed that they badly need power and therefore this power is being absorbed by them from 1<sup>st</sup> June 2011 and filed this petition for fixation of Tariff.**

4. The Commission regrets to note that knowing fully well that the contracts for supply of power were to expire on 31-05-2011, no advance action was taken by TANGEDCO for tying up of future contract for power supply. Even in this petition, approval is being sought from 1<sup>st</sup> June 2011 to May 2012 but the petition itself was filed on 22<sup>nd</sup> June 2011. Unauthorized injection of power into the grid is dangerous to the grid operation. Injection of upto 600 MW of power without schedule can lead to difficulties in grid operation. Commission reserves its right to proceed against all the parties who have violated the Grid Code under Section 142 by separate proceeding. The Commission is empowered to order that no payment is admissible for injection of power into the grid without scheduling and further without any contract, which is necessary as per the proviso to Section 62 (1) (a) of the Electricity Act, 2003. However, keeping in view the dire need for power in the State and the availability of power within the State from such captive or merchant plants especially when there are corridor constraints for wheeling of power from outside the State and also keeping in view the statement of the Counsel for TANGEDCO that they were in dire need of this power with effect from 1-6-2011, the Commission issues the following order with the direction that necessary agreement shall be entered into between the parties within a week.

#### **ORDER**

5. Considering the dire shortage of power in Tamil Nadu the Commission accepts the ceiling of Rs.3.81 per unit for the months of July, August and September 2011 for quantum upto 600 MW on the basis of the tenders floated by TANGEDCO. For the month of June 2011, the tender price of Rs.3.79 per unit is accepted for quantum upto 600 MW power which has been determined by the

TANGEDCO on the basis of tenders opened on 8-6-2011 for round the clock power supply. This ceiling will be applicable till September 2011.

6. The TANGEDCO is advised to float tenders immediately for purchase of 600 MW for the period October 2011 to June 2012 from all intending suppliers and report back to the Commission latest by 31<sup>st</sup> August 2011.

7. The Commission also observes that some of these generators have supplied power to TNEB / TANGEDCO upto Rs.6.70 per kwhr in the past through competitive bids at various points in time. This clearly indicates that some times they have also been earning revenues much higher than their actual costs, which they submitted was in the range of Rs.5/- per unit.

8. The request of the Respondents for limiting the tenders to generators in Tamil Nadu is not accepted by the Commission as it will be discriminatory in nature.

9. The TANGEDCO is also directed to furnish the list of all generators who have been injecting Power into the grid during the period under reference without scheduling, clearly bringing out the quantum of MW / MUs pumped into the Grid, date of commencement of self injection and date from which scheduling is done.

(Sd.....)  
**(S. Nagalsamy)**  
Member

(Sd.....)  
**(K.Venugopal)**  
Member

(Sd.....)  
**(S.Kabilan)**  
Chairman

/ True Copy /

Secretary  
Tamil Nadu Electricity  
Regulatory Commission