



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

COMMON ORDER
IN
M.P. Nos. 9, 14 & 23 of 2008

M.P. No.9 of 2008

Indian Wind Energy Association (INWEA)
PHD House, 4th Floor
Opp. Asian Games Villages
Siri Fort Road, New Delhi – 110 016. Petitioner

Vs.

The Chairman
Tamil Nadu Electricity Board
800, Anna Salai, Chennai – 600 002. Respondent

M.P. No.14 of 2008

E.I.D. Parry (India) Ltd.,
Dare House
New No.2 (Old No.234) N.S.C. Bose Road
Parry's Corner
Chennai – 600 001. Petitioner

Vs.

The Tamil Nadu Electricity Board,
No.144 , Anna Salai,
Chennai 600 002.

..... Respondent

M.P. No.23 of 2008

Indian Wind Turbine Manufacturers Association (IWTMA)
A2, OPG Towers 74, Santhome High Road
Chennai – 600 004.

..... Petitioner

Vs.

The Tamil Nadu Electricity Board,
No.144 , Anna Salai,
Chennai 600 002.

..... Respondent

The above petitions namely M.P.Nos. 9, 14 & 23 of 2008 having stood over for the consideration of the Commission till this day, the Commission upon perusing the above petitions and all connected records and after hearing both sides passes the following

COMMON ORDER DATED 19th SEPTEMBER 2008

1. (a) Prayer in M.P.No.9 of 2008

The prayer of the petitioner in M.P.No. 9 of 2008 is as follows:

- (i) To relax the control period and specify that the existing tariff will only apply to projects commissioned upto 31st March 2008 and specify that the fresh tariff will apply from 1st April 2008 to 14th May 2009.
- (ii) To issue a general order revising the tariff applicable for procurement from all new wind energy projects, and
- (iii) To revise the tariff for 20 years as Rs.4.26 / kWh.

(b) Prayer in M.P.No. 14 of 2008

The prayer of the petitioner in M.P.No. 14 of 2008 is as follows:

- (i) To waive the control period of three years as provided in Order No.3 dated 15.05.2006, and
- (ii) To continue the earlier practice of TNEB bearing the cost of laying the transmission lines.

(c) Prayer in M.P.No. 23 of 2008

The prayer of the petitioner in M.P.No. 23 of 2008 is as follows:

- (i) To waive the three years control period contemplated in the power procurement from New and Renewable Sources of Energy Regulations 2008.
- (ii) To determine the tariff for the Wind Power Projects as per the aforesaid Regulations 2008.

2. Contentions of the petitioners

The petitioners in the above petitions contended that the key parameters of tariff for wind energy based generation viz. capital cost and long term interest rate have changed significantly. They further contended that the costs of inputs and fuel have increased considerably.

3. Contentions of Respondent Board

The Respondent Board in their counter affidavit filed to M.P.No. 14 of 2008, stated that waiver of control period of three years would increase the loss to the Board. The Respondent Board further contended that major portion of cost of works in regard to power evacuation is borne by the Board and that only a small portion of the cost of works has to be borne by the petitioners.

4. Views of Experts

The Commission convened a meeting on 16th July 2008 to elicit the views of experts. The experts supported the view that capital cost and fuel cost have increased. Thiru. T.B. Chikkoba, former member TNEB and SAC member TNERC expressed the view that the only way to correct the increased cost is to reduce the control period from three years to two years so as to minimize the problem to the extent possible. Thiru. S. Kathiresan, Member (Accounts) TNEB stated that it is essential to promote NCES power since the cost of coal has shot up from 50 \$ to 130 \$ per ton.

5. Issues

The issues that arise for consideration are as follows:

- (i) Whether the prayer in all the above petitions for waiver of the control period of three years is to be allowed?.

- (ii) Whether the prayer of the petitioner in M.P.No. 14 of 2008 namely to continue the earlier practice of TNEB bearing the cost of laying the transmission lines is to be allowed?.

6. Findings of the Commission with reference to first issue

In regard to the first issue the Commission endorse with the views of experts that the control period of three years may be waived.

7. Findings of the Commission with reference to second issue

The Commission directs the petitioner to file a separate petition for restoring the earlier practice of TNEB bearing the cost of laying transmission lines.

8. Conclusion

- (i) The control period of three years as specified in Order No. 3 dated 15.05.2006 is waived from the date of issue of this order.
- (ii) The prayer for revising the tariff for the NCES generators would be considered by the Commission separately.
- (iii) The petitioner is directed to file a separate petition for restoring the earlier practice of TNEB bearing the cost of laying transmission lines.

With the above observations, all the above three M.P.Nos. 9 of 2008, 14 of 2008 and 23 of 2008 are finally disposed off. There would be no orders as to costs.

Pronounced in the Open Court by this Commission on 19th September 2008.

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

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

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

/ True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission

