



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.7 of 2008

Tanfac Industries Limited,
No.14, Sipcot Industrial Complex,
Cuddalore 607 005
Tamil Nadu. .. **Petitioner**

Vs

The Chairman,
Tamil Nadu Electricity Board,
800 Anna Salai,
Chennai 600 002 .. **Petitioner**

The above petition namely M.P. No.7 of 2008 came up for final hearing on 5.12.2008. The Commission upon perusing the above petition and other connected records of the case and upon hearing both sides passes the following order, namely;

ORDER DATED 12th JANUARY 2009

1. Prayer of the petitioner

The prayer of the petitioner is to declare that “the power plant using waste heat recovered from sulphuric acid” as a “non-conventional energy source” and classify the same as a “non-conventional energy source”. In the prayer, the petitioner has stated that they will file separate petition for fixing tariff etc depending on the order passed in the above prayer.

2. Facts of the Case

The petitioner has installed and commissioned a captive power plant of 2.23 MW capacity using the steam generated out of the waste heat recovered from the sulphuric acid plant. The process of power generation is clean and eco-friendly as the petitioner is not using fossil fuel. It is a co-generation power plant because the steam produced from the waste heat recovery of the sulphuric acid plant is used simultaneously for power generation as well for process steam using a pressure reducing valve. The petitioner states that as the present policy of the Commission does not cover such type of power generation, the petitioner is approaching this Hon'ble Commission for regulating the power purchase agreement and also for fixing a tariff taking into account the indigenous technology employed here, which is not only economical but also eco-friendly.

3. Contentions of the petitioner

- (a) Waste heat recovery system falls under the non-conventional energy source as specified by the Government of India in Resolution A-40/95-IPCL-1 dated 6.11.1996.
- (b) The petitioner's technology is superior to biomass and has several advantages.
- (c) The petitioner represented to the TNEB to fix the tariff at Rs.3.00 per unit.

4. Contentions of the respondent board

- (a) Approval was accorded to the petitioner for parallel operation of 2.3 MW sets with TNEB grid in letter dated 15.10.2004 and petitioner's plant was classified as captive power plant.
- (b) The power purchase rate has been fixed at of Rs.2.32 per unit and the same was informed to the petitioner and they were requested to furnish a letter of acceptance which was not furnished so far by the petitioner.
- (c) The petitioner's plant does not come under the classification of non-conventional energy sources based plants as per the definition of clause 2(g) of TNERC notification dated 6.2.2008 as reproduced in paragraph 6 of the counter-affidavit.

5. Issues

Whether the petitioner can be declared to be a non-conventional energy source (NCES) as claimed by them?

6. Findings

In paragraph 2 of the petition, while relying upon the notification dated 6.11.1996 of Government of India, the petitioner contends that waste heat recovery system falls under NCES. From the copy of the aforesaid notification as furnished by the petitioner, it is to be noted that the said notification relates to co-generation power plants only. The subject matter of the said notification is "promotion of co-generation power plants". It refers to fossil fuel based co-generation plants. The petitioner has not established any other proof excepting the aforesaid notification so as to substantiate their claim as NCES. The definition of non-conventional energy source in clause 2(g) of the notification dated 6.2.2008 as issued by the Commission and as extracted in paragraph 6 of the counter-affidavit filed by the respondent board does not refer to the waste heat used by the petitioner.

7. Conclusion

The process involved in this plant is generation of electricity using waste heat recovered during preparation of sulphuric acid. The contention of the petitioner that no fossil fuel is used in the process is not disputed by the respondent. The Commission treats the petitioner plant as NCES based co-generation. The Commission fixes a tariff rate of Rs.3.15 per unit for the petitioner's plant, treating this on par with the NCES based generation.

With the above directions, M.P. No.7 of 2008 is finally disposed off. No costs.

Pronounced in the open court by this Commission on the 12th January 2009.

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

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

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

/ True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission