

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

PRESENT:-

Thiru M.Chandrasekar

.... Chairman

and

Thiru K.Venkatasamy

.... Member (Legal)

M.P. No. 4 of 2022

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

... Petitioner
(Thiru M.Gopinathan,
Standing Counsel for TANGEDCO)

Date of hearing: 08.03.2022

Date of order : 15.03.2022

ORDER

The M.P.No. 4 of 2022 came up for hearing on 08.03.2022. The Commission, upon perusal of the petition and connected records and after hearing the submissions of the petitioner hereby makes the following order:-

1. Prayer of the Petitioner in M.P No. 4 of 2022:-

The Petitioner, Tamil Nadu Generation and Distribution Corporation Limited has filed this Petition, with a prayer -

- (i) To Approve procurement of RTC power of 500 MW for March '2022, 1000 MW for April '2022 and 1000 MW for May '2022 (01.05.22 to 20.05.2022 and 1000 MW for the evening peak hours for the period from 01.03.2022 to 20.05.2022.

- (ii) To deviate from the MoP guidelines for the following conditions
 - (i) deletion of payment security clause viz opening of Letter of Credit,
 - (ii) deletion of Contract Performance Guarantee clause
 - (iii) to release the BG/EMD after fulfilling the contractual obligations
 - (iv) to fix the validity of the tender 30 days from the date of e-Reverse Auction process (excluding the date of e-RA).
 - (v) deletion of change in law clause

- (iii) To float Tender No TANGEDCO/SHORT/PP-18-2022 for the procurement of RTC power of 500 MW for March 2022, 1000 MW for April 2022 and 1000 MW for May 2022 (01.05.22 to 20.05.2022) and 1000 MW for the evening peak hours for the period from 01.03.2022 to 20.05.2022 through e-Bidding portal (DEEP), as per the Tender Specification (RfP).

2. Facts of the case

2.1. The Chief Engineer / Grid Operation has raised an indent for power procurement considering the summer period from March 2022 to May 2022. Taking into account of various availability into account, the Chief Engineer / Private Power Projects, TANGEDCO filed this petition for the approval of the Commission for the procurement of RTC power of 500 MW for March 2022, 1000 MW for April 2022 and 1000 MW for May 2022 (01.05.22 to 20.05.2022) and 1000 MW for the evening peak hours for the period from 01.03.2022 to 20.05.2022.

2.2. The anticipated demand is in the range of 15600 to 16000 MW during the month of March 2022 to May 2022 (20.5.2022) but while comparing with the TANGEDCO's

availability in respective period, its requirements anticipated in the range of 1370 to 2370 MW. It is observed by the petitioner from the load forecasting given by Grid Operation wing, the difference between the base load and peak load is about 1400 MW.

2.3. In this connection, TANGEDCO prayed approval of the Commission for the procurement of 1000 MW RTC power for the period from March 2022 to May 2022 and Evening peak hours power of 1000 MW from 01.03.2022 to 20.05.2022). Further, the petitioner has stated that TANGEDCO will approach the Commission on finalizing the tender for tariff adoption.

3. Contention of the Petitioner:-

3.1. The petitioner, Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), incorporated under the Companies Act, 1956, and the successor entity of erstwhile Tamil Nadu Electricity Board and engaged in the business of Generation, Distribution activities and a distribution licensee in the State of Tamil Nadu for distribution of electricity to various categories of consumers in the State of Tamil Nadu and the electricity so required is availed from various sources such as its own generating stations, and purchase of power from various Central Generating Stations of its share, Independent Power Plants, Captive Power Plants, Wind generators, Co-generation plants, Bio – mass plants, Merchant power plants, Power exchanges etc.

3.2. 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	16845.5 MW	10.04.2021
b. All time high consumption	372.702 MU	09.04.2021

The Restriction and Control measures (R&C) in the state have been lifted with effect from 05.06.2015 and directions of the GoTN issued under Section-11 of Electricity Act 2003 have been revoked with effect from 01.06.2016.

3.3. The Chief Engineer / Grid Operation in the U.O. dated 02.02.2022 has furnished an indent for the procurement of RTC power for the summer months of 2022:

Month	RTC quantum in MW	Peak hours in MW
February '22	1500	1900
March '22	1500	2200
April '22	2500	2200
01.05.22 to 20.05.22	2000	2200

3.4. Under swap arrangement tenders, TANGEDCO has tied up to receive 200 MW power during peak hours in February 2022 and RTC power of 585 MW in March 2022, 260 MW in April 2022 and 260 from 01.05.2021 to 21.05.2022.

3.5. Owing to the winter season, the demand will be comparatively less than summer months in the state till 3rd week of February 2022 and the availability in power exchanges will be more during February. Taking into account of 150 MW RTC power from MTOA/PTC and 200 MW swap receivables during peak hours, any requirements over and above that quantum can be met through TAM products in power exchanges for February 2022.

3.6. TANGEDCO has floated a fresh tender for procurement of RTC power up to 1500 MW under MTOA and the e-Reverse Auction for this tender process takes place on 07.03.2022. Under this arrangement TANGEDCO is likely to receive power from 01.04.2022.

3.7. As public exams for schools/colleges are scheduled during the 2022 summer period, IT firms and commercial establishments also resume their operations, industrial operations have also gained momentum post Covid lockdown and of the weather conditions during summer, the demand over grid will increase significantly.

3.8. Morning peak and evening peak demand will be met through hydro sources to an extent of 800 MW. Wind generation during the above period is likely to be available around 450 MW. Based on day ahead forecast of demand and wind generation, additional peak requirement will be managed through power procurement from exchanges.

3.9. During last summer, TANGEDCO procured 700 MW during February 2021, 1000 MW during March 2021, 969 MW during April 2021 and 819 MW during May 2021. In addition to this, TANGEDCO availed RTC power up to 350 MW during February 2021, 650 MW during March 2021, 450 MW during April 2021 and 250 MW during May 2021 under swap power arrangement.

3.10. The anticipated availability during Summer 2022 mentioned by Chief Engineer / Grid Operation in letter dated 02.02.2022 is given below:

Sources	Total capacity in MW	Maximum anticipated availability in MW	Remarks
Hydro	2322	1000	<ul style="list-style-type: none"> • Thermal generation is taken as 3500 MW. • 525 MW from SEPC/Tuticorin is not considered. • 550 MW from IL&FS LTA is not considered.
Thermal	4320	3500	
Gas	516	200	
IPP	775	250	
CGS	6558	4937	
LTOA	2830	1658	
MTOA	400	100*	
STOA	475	475	
Swap		710*	
NCES (Solar)		3000	
NCES (Non-solar)		400	
Total RTC power		13230	

3.11. The anticipated demand, total availability, requirements and quantum to be purchased from this tender are tabulated below:

Month	Anticipated demand in MW (a)	TANGEDCO's availability in MW (b)	Requirements in MW (a-d)	To be purchased from this tender
March '22	15600	13230	2370	1000
April'22	16000	14630	1370	1000
01.05.2022 to 20.05.2022	15700	14730	970	1000

*Note:

- (i) Under MTOA/PTC, TANGEDCO is likely to receive 150 MW from 3rd week of February 2022 and in swap arrangement TANGEDCO has tied up to 585

MW and 65 MW from swap return by BYPL. Hence the availability becomes 13230 MW in March 2022.

(ii) TANGEDCO is likely to receive 1500 MW under MTOA/PTC under fresh tender, 260 MW from swap arrangement and additional 300 MW from Non-solar sources. Hence the availability becomes 14630 MW in April 2022.

(iii) TANGEDCO is likely to receive 1500 MW under MTOA/PTC under fresh tender, 260 MW from swap arrangement and additional 700 MW from Non-solar sources. But the wind generation up to 3rd week of May is not guaranteed and hence the availability is taken as 400 MW only. Hence the availability becomes 14730 MW in May 2022.

3.12. The anticipated base demand is in the range of 15600 to 16000 MW and the requirements in the range of 1370 to 2370 MW. It is observed from the load forecasting given by Grid Operation wing, the difference between the base load and peak load is about 1400 MW. Hence TANGEDCO may float a short term tender for the procurement of 1000 MW RTC power and 1000 MW for the evening peak hours for the period from 01.03.2022 to 20.05.2022.

3.13. The TNERC in its order dated 25.01.22 in M.P. No. 2 of 2022 has accorded approval for the procurement of 1000 MW RTC power for the month of March 2022 under Tender No. 17 of 2021. Out of 1000 MW, TANGEDCO has procured only 475 MW. Hence the TNERC may accord approval for the procurement of RTC power of 500 MW for March 2022, 1000 MW for April 2022 and 1000 MW for May 2022 (01.05.22 to 20.05.2022) and 1000 MW for the evening peak hours for the period from 01.03.2022 to 20.05.2022. However TANGEDCO may procure 1000 MW RTC power during March 2022.

3.14. Tamil Nadu State Election Commissioner announced on 26.01.2022 that the urban local bodies polls for municipal corporations, municipalities and town panchayats, will be held in a single phase on February 19 and imposed model code of conduct. But TANGEDCO has to ensure power availability to meet out the ensuing summer months and book the transmission corridor in advance to avoid transmission constraints. Hence TANGEDCO has obtained approval from State Election Commissioner for floating the tender immediately as a special case.

3.15. As mandated by Ministry of Power, procurement under short term will be done through MoP's e-bidding portal (DEEP).

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

3.17. TANGEDCO is seeking approval for deviations from the MOP guidelines in the short term tender besides approval for deviations from the guidelines in respect of

- (i) deletion of payment security clause viz opening of Letter of Credit,
- (ii) deletion of Contract Performance Guarantee clause
- (iii) to release the BG/EMD after the fulfilling the contractual obligations
- (iv) to fix the validity of the tender 30 days from the date of e-Reverse Auction process (excluding the date of e-RA).
- (v) deletion of change in law clause

3.18. After finalizing the tender, TANGEDCO will approach the commission for approval of tender for tariff adoption.

4. Findings of the Commission:-

4.1. The Miscellaneous Petition No.4 of 2022 filed by M/s. TANGEDCO was admitted by the Commission on 8-3-2022, in which the petitioner has prayed to approve RTC power of 500 MW for March 2022, 1000 MW for April 2022 and 1000 MW for May 2022 (01.05.22 to 20.05.2022 and 1000 MW for the evening peak hours for the period from 01.03.2022 to 20.05.2022 and also sought approval to deviate from the MoP guidelines in respect of the following conditions -

- (i) deletion of payment security clause viz opening of Letter of Credit,
- (ii) deletion of Contract Performance Guarantee clause
- (iii) to release the BG/EMD after the fulfilling the contractual obligations
- (iv) to fix the validity of the tender 30 days from the date of e-Reverse Auction process (excluding the date of of e-RA).
- (v) deletion of change in law clause

4.2. The Commission has perused the documents annexed with the petition filed by TANGEDCO on the power availability from all the declared sources. On going through the documents furnished by the petitioner, it is found that the Chief Engineer/Grid Operation, Chennai in the U.O. dated 02.02.2022 has furnished an indent for the procurement of RTC power for the summer months of 2022 as follows:-

Month	RTC quantum in MW	Peak hours in MW
February '22	1500	1900
March '22	1500	2200
April '22	2500	2200
01.05.22 to 20.05.22	2000	2200

4.3. The petitioner has also stated that the public exams for schools/colleges are scheduled during the summer period of 2022, IT firms and commercial establishments also resume their operations, industrial operations have also gained momentum post COVID lockdown and in view of the weather conditions during summer, the demand on the grid would increase significantly. The Morning peak and evening peak demand will be met through hydro sources to an extent of 800 MW. Wind generation during the above period is likely to be available around 450 MW. Based on day ahead forecast of demand and wind generation, additional peak requirement will be managed through power procurement from Exchanges.

4.4. In this connection the petitioner sought approval to float a Short Term tender vide Tender No TANGEDCO/SHORT/PP-18-2022 for the procurement of RTC power of 500 MW for March 2022, 1000 MW for April 2022 and 1000 MW for May 2022 (01.05.2022 to 20.05.2022) and 1000 MW for the evening peak hours (5 pm to 11 pm) for the period from 01.03.2022 to 20.05.2022 through e-Bidding portal (DEEP), as per the Tender Specification (RfP).

4.5. In view of the reasons set out by the petitioner in para 4.3 above, the commission hereby approves the above proposal of procurement of RTC power and evening peak hour power as stated in para 4.4. above as per Section 86(1)(b) of the Electricity Act, 2003.

4.6. The commission also approves the following deviations as sought by the petitioner from the guidelines of the Ministry of power -

- (i) deletion of payment security clause viz opening of Letter of Credit,
- (ii) deletion of Contract Performance Guarantee clause

- (iii) to release the BG/EMD after the fulfilling the contractual obligations
- (iv) to fix the validity of the tender 30 days from the date of e-Reverse Auction process (excluding the date of of e-RA).
- (v) deletion of change in law clause.

4.7. The petitioner is directed to file a petition for adoption of rates as soon as the tender is finalized as per Sec.63 of the Electricity Act.2003.

Ordered accordingly.

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

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

/True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission