

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

**PRESENT:-**

**ThiruM.Chandrasekar**

.... Chairman

and

**ThiruK.Venkatasamy**

.... Member (Legal)

**M.P.No. 43 of 2021**

Union of India  
Represented through  
Chief Electrical Traction Engineer  
Office of Principal Chief Electrical Engineer  
Southern Railway,  
7<sup>th</sup> Floor, NGO Annex  
Park Town  
Chennai – 600 003.

....Petitioner  
(ThiruK.Muthamil Raja  
Advocate for the Petitioner)

**Vs**

1. Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO)  
Represented by  
The Chairman and Managing Director  
Tamil Nadu Electricity Board  
10<sup>th</sup> Floor, NPKRR Maligai  
No.144, Anna salai,  
Chennai – 600 002.
  
2. Tamil Nadu Transmission Corporation Limited (TANTRANSCO)  
Represented by  
Managing Director  
Tamil Nadu Electricity Board  
10<sup>th</sup> Floor, NPKRR Maligai  
No.144, Anna Salai,  
Chennai – 600 002.

3. Chief Engineer / NCES  
TANGEDCO  
2<sup>nd</sup> Floor, NPKRR Maligai  
No.144, Anna Salai,  
Chennai – 600 002.

....Respondents  
(ThiruM.Gopinathan,  
Standing Counsel for TANGEDCO)

(ThiruV.Anil Kumar  
Advocate for TANTRANSCO)

**Dates of hearing :** 26-10-2021; 09-11-2021; 23-11-2021;  
07-12-2021; 28-12-2021; 11-01-2022;  
and 01-02-2022

**Date of order:** 05-05-2022

The M.P. 43 of 2021 came up for final hearing on 01-02-2022. The Commission upon perusing the affidavit filed by the petitioner, counter affidavit filed by the respondent and all other connected records and after hearing both the parties passes the following:-

### **ORDER**

**1. Prayer of the Petitioner in M.P No.43 of 2021:-**

The prayer of the petitioner in this petition is to direct TANGEDCO to permit provision of net metering for all the locations listed in NOC application under 4MW dated 10.03.2021 within a timeline and to punish the Respondent for non-compliance of the order dated 25.02.20 passed in M.P.No.19 of 2018 under Section 142 of Electricity Act, 2003 by the Commission.

## 2. Facts of the Case:-

This petition has been filed for non-compliance of the order of the Commission dated 25-02-2020 "Extending the net metering facility for solar projects connected under HT IIA and HT III tariff category consumers in Tamil Nadu" as per the Commission's Order No.3 of 2013 dated 13-11-2013.

## 3. Contentions of the Petitioner:-

3.1. The petitioner filed M.P.No.19 of 2018 before the Commission to extend the net metering facility for solar project connected under HT II A and HT III Tariff category consumers in Tamil Nadu as per Commission's Order No.3 of 2013 dated 13.11.2013.

3.2. The notice was served to the respondent herein and the respondent filed counter on 29.03.2019 and contested the matter. After hearing both the parties, the Commission passed the following order on 25.02.2020:-

*"The prayer of the Petitioner is to direct the respondent to act in compliance of the Tamil Nadu Solar Energy Policy 2012 of the Government of Tamil Nadu and the Commission's Order No.3 of 2013 dated 13.11.2013 which was effectuated in the Respondent's Circular in Memo No.CE/Commercial/EE/R&C/AEE1/F Solar NM/D.023/14 dated 17.02.2014 and thereby "grant connectivity and net metering to the petitioner for the implementation of 4 MWp Rooftop Solar Project for Southern Railway" for service and solar capacities in Tamil Nadu given below in a time bound manner*

S. No.	Location	S.C.No.	Revised Capacity (KWp)
1	Chengalpattu Railway Station	28	50
2	Katpadi Railway Station	1008	50
3	Arakkonam Railway Station	1233	50
4	Tambaram Railway Station	77	50
5	Moore Market Complex	2191	1000
6	Chennai Central (BBQ SS)	2142	900
7	Royapuram Electric Loco Shed	1054	100
8	Chennai Egmore Railway Station	2148	250
9	Jolarpettai Railway Station	1	50

10	<i>Tiruchirapalli Station</i>	13	200
11	<i>DRM Office</i>		200
12	<i>Villupuam Railway Station</i>	2	50
13	<i>Madurai DRM Office</i>	52	200
14	<i>Madurai Railway Station</i>	71	100
15	<i>Virudhunagar Railway Station</i>	26	50
16	<i>Tirunelveli Railway Station</i>	45	50
17	<i>Salem Railway Station</i>	9	100
18	<i>Erode Junction Railway Station</i>		100
19	<i>Erode DSL Loco Shed</i>	1	100
20	<i>Erode Electric Loco Shed</i>		150
21	<i>Coimbatore Railway Station</i>	1	100
22	<i>Nagercoil Railway Station</i>	18	50

3.3. The Tamil Nadu Solar Policy was announced by Hon'ble Chief Minister of Tamil Nadu on 19.10.2012 vide G.O.No.121 dated 19.10.2012, Clause 14 of the solar policy envisaged establishment 3000 MW of solar PV power plants by 2015 as detailed below:-

	Utility Scale (MW)	Solar Roof Tops (MW)	REC (MW)	Total MW
	(a)	(b)	(c)	(d)
2013	750	100	150	1000
2014	550	125	325	1000
2015	200	125	675	1000
Total	1500	350	1150	3000

3.4. Based on the policy directives, the Commission has issued Order on "LT" connectivity and net metering" vide Order No.3 of 2013 dated 13.11.2013. As per the above said order of Commission, the following categories of consumers are eligible for availing net metering facility:-

1	HT Tariff II-A-Government, Educational Institution, Government Hospitals, Water Supply and places of Worship
2	HT III – Commercial
3	LT I-A Domestic
4	LT I-C Bulk Supply, Railway Colonies, Defence colonies.

5	LT II-A, Public Lighting, Water Supply
6	LT II-B (1) Government / Aided education institutions, Government hospitals etc.
7	LT V-Commercial

3.5. In order to study the impact of net feed in of solar energy in Distribution Licensee's network, the respondent, TANGEDCO has facilitated net metering facility only to eligible LT consumers although HT-Tariff II-A and HT -III consumers are also eligible for net metering connectivity as per the above orders. Meanwhile, TANGEDCO has also filed a petition in M.P.No.6 of 2017 with following prayers, namely:-

- (i) To cover HT-IIB and LT- I B(2) under the net metering scheme;
- (ii) To provide net metering to measure input from the grid and the excess solar generation fed into the grid;
- (iii) To calculate the value of grid consumption at appropriate tariff and to calculate the excess generation fed into the grid at 50% of the latest solar tender rate or 50% of solar preferential tariff whichever is less;
- (iv) To restrict the solar roof top capacity to 50% of the contracted demand and in case solar capacity exceeds 50% of the contracted demand then to consider only 50% of the contracted demand for billing
- (v) To relax 90% cap imposed during particular settlement period;
- (vi) To apply the revised scheme of the existing LT/HT networking scheme;
- (vii) To cover HT IIA and HT - III consumers availing parallel operation without net metering under the new accounting methodology;
- (viii) To cover HT IIB and LT IIB(2) consumers under the new accounting methodology;

(ix) To specify the control period and settlement period as one year (financial year);

(x) To install net meters to all net metering consumers and to levy appropriate tax.

3.6. However, the TANGEDCO had withdrawn the above petition and submitted revised petition only for LT service connections for solar net metering in M.P.No.9 of 2017. In the said M.P.No.9 of 2017, the petitioner TANGEDCO has prayed to consider the revisions in the existing net metering policy under revised accounting methodology as mentioned in para 18 of the said petition.

3.7. Meantime Government of Tamil Nadu, has announced the Tamil Nadu Solar Energy Policy, 2019, on 04.02.2019. In the above order, instead of unit to unit adjustment, generated energy I consumption will be adjusted on monetary basis.

3.8. As per the above said new policy, net feed-in of solar energy scheme will be available to all LT category of consumers. The surplus energy exported after consumption will be adjusted in terms of monetary value instead of unit to unit as followed in the existing system. There is no explanation in the new policy about the HT consumers under consumer category.

3.9. From the prayer of the petitioner it seems that the requirement of the solar roof top plant capacity varies from 50 kWp to 1000 kWp in various locations of Tamil Nadu which consists of both HT I LT service connections. Based on the above discussion and records available, it is observed that the CE/NCES/TANGEDCO has replied to M/s.Southern Railway vide letter dated 07.03.2018 that they can use

Commission's order on LT connection and Net metering vide Order No.3 dated 13.11.2013 and for HT service connections, M/s. Southern Railway can opt parallel operation with grid without net metering even though Order No.3 of 2013 dated 13.11.2013 of the Commission permitted them to go for HT net metering system. As they were not allowed to proceed with HT net metering system, M/s. Southern Railways has filed the petition in M.P.No.19 of 2018 in this Commission on 10.08.2018 when Tamil Nadu Solar Energy Policy, 2012 and Commission's Order No.3 of 2013 dated 13.11.2013 were in force. But Government of Tamil Nadu has announced the Tamil Nadu Solar Energy Policy 2019 on 04.02.2019 in which there is no explanation about the HT consumer category. The petition filed by the petitioner was listed for hearings held on 16.11.2018 and 31.01.2019 itself i.e., before issue of New Solar Policy 2012 by government of Tamil Nadu on 04.02.2019 and final hearing was held on 15.10.2019.

3.10. As M/s. Southern Railway has filed the petition before the Commission and hearings were also before the issue of New Tamil Nadu Government Policy 2019 the Commission directs TANGEDCO to provide LT and HT metering connectivity to M/s Southern Railway as per TNERC Order No.3 of 2013 dated 13.11.2013 for the above 4 MW only. All other future cases shall be as per the available orders of TNERC from time to time. If, LT/HT net meters are not available with TANGEDCO M/s Southern Railway may be permitted to procure LT /HT net meters as per TANGEDCO specifications.

3.11. Though the orders were passed on 25.02.2020, the respondent has failed to comply with the directions of the Commission for providing LT and HT metering

connectivity to M/s Southern Railway as per Commission's Order No. 3 of 2013 dated 13.11.2013 for the above 4 MW. On the other hand, the respondent herein filed review petition in R.P.No.2 of 2021 before the Commission, after a period of one year. The Commission passed an order on 13.07.2021 in the Review petition. The above petition was not allowed by the Commission. A letter addressed to CE/NCES/TANGEDCO dated 10.03.2021 along with necessary enclosures was also submitted for issue of 'No Objection Certificate' for all locations under said 4 MW project. CMD/TANGEDCO & TANTRANSCO was requested by Southern Railway to implement the Commission's order vide letters dated 01.03.2021, 24.06.2021, 13.07.2021,15.07.2021 but there is no response till date.

3.12. Even after dismissal of Review Petition on 13.07.2021, till date, the Respondent failed to comply with the direction of the Commission. It is nothing but willful disobedience. Hence the Respondent is liable for penalty to the extent of Rs.1.00 lakh as per Sec.142 of the Electricity Act,2003.

3.13. The following factor to be taken note of for imposing penalty on the Respondent herein. In order to get unfair advantage, the Respondent intentionally failed to comply with the direction of the Commission. Moreover, the Respondent herein did not prefer any appeal against the order of the Commission. Hence the order of the Commission is final and binding on the Respondent in all respect. The petitioner has no other alternative remedy except to file this petition punish the Respondent for non-compliance of order dated 25.02.2020 passed in M.P.No.19 of 2018.



#### 4. Contentions of the Respondent:-

4.1. The Commission has issued order directing TANGEDCO to provide LT and HT metering connectivity to M/s. Southern Railway as per TNERC Order No.3 of 2013 dated 13.11.2013 for the following 22 Nos HT/LT service connection for a combined capacity of 4 MW, on 25.02.2020 in MP.No.19 of 2018.

S. No.	Location	S.C.No.	Revised Capacity (KWp)
1	Chengalpattu Railway Station	28	50
2	Katpadi Railway Station	1008	50
3	Arakkonam Railway Station	1233	50
4	Tambaram Railway Station	77	50
5	Moore Market Complex	2191	1000
6	Chennai Central (BBQ SS)	2142	900
7	Royapuram Electric Loco Shed	1054	100
8	Chennai Egmore Railway Station	2148	250
9	Jolarpettai Railway Station	1	50
10	Tiruchirapalli Station	13	200
11	DRM Office		200
12	Villupuam Railway Station	2	50
13	Madurai DRM Office	52	200
14	Madurai Railway Station	71	100
15	Virudhunagar Railway Station	26	50
16	Tirunelveli Railway Station	45	50
17	Salem Railway Station	9	100
18	Erode Junction Railway Station		100
19	Erode DSL Loco Shed	1	100
20	Erode Electric Loco Shed		150
21	Coimbatore Railway Station	1	100
22	Nagercoil Railway Station	18	50

4.2. The Tamil Nadu State Solar Policy has been announced by the Hon'ble Chief Minister of Tamil Nadu on 19.10.2012 vide G.O.No.121 dated 19.10.2012.

4.3. Based on the policy directive, the Commission has issued order on LT connectivity and Net Metering" issued vide Order No.3 of 2013 dated 13.11.2013.As

per the above said order of the Commission, the following categories of consumers are eligible for availing net metering facility.

1	HT Tariff II-A-Government, Educational Institution, Government Hospitals, Water Supply and places of Worship
2	HT III – Commercial
3	LT I-A Domestic
4	LT I-C Bulk Supply, Railway Colonies, Defence colonies.
5	LT II-A, Public Lighting, Water Supply
6	LT II-B (1) Government / Aided education institutions, Government hospitals etc.
7	LT V-Commercial

4.4. In order to study the impact of net feed in of solar energy in Distribution Licensee's network, the respondent, TANGEDCO has facilitated net metering facility only to eligible LT consumers although HT-Tariff II-A and HT-III consumers are also eligible for net metering connectivity as per the above orders.

4.5. Meanwhile, TANGEDCO has filed a petition in M.P.No.6 of 2017 with the following's prayers, namely: -

- (i) To cover HT-IIB and LT- I B(2) under the net metering scheme;
- (ii) To provide net metering to measure input from the grid and the excess solar generation fed into the grid;
- (iii) To calculate the value of grid consumption at appropriate tariff and to calculate the excess generation fed into the grid at 50% of the latest solar tender rate or 50% of solar preferential tariff whichever is less;
- (iv) To restrict the solar roof top capacity to 50% of the contracted demand and in case solar capacity exceeds 50% of the contracted demand then to consider only 50% of the contracted demand for billing

- (v) To relax 90% cap imposed during particular settlement period;
- (vi) To apply the revised scheme of the existing LT/HT networking scheme;
- (vii) To cover HT IIA and HT - III consumers availing parallel operation without net metering under the new accounting methodology;
- (viii) To cover HT IIB and LT IIB(2) consumers under the new accounting methodology;
- (ix) To specify the control period and settlement period as one year (financial year);
- (x) To install net meters to all net metering consumers and to levy appropriate tax.

4.6. Subsequently the Government of Tamil Nadu has announced the Tamil Nadu Solar Energy Policy 2019 on 04-02-2019. As per the above order instead of unit-to-unit adjustment, generated energy/consumption will be adjusted on monetary basis and net feed-in of solar energy scheme will be available to all LT category of consumers. The surplus energy exported after consumption will be adjusted in terms of monetary value instead of unit to unit as followed in the existing system. There is no explanation in the new policy about the HT consumers under consumer category.

4.7. Since there exists a vacuum with respect to the HT roof top connectivity, in the TamilNadu Solar Energy Policy 2019 dated 04.02.2019, TANGEDCO started giving only parallel operation to the ROOF TOP solar in HT services and not extended Net Metering facility, so far. Further to get clarification in this regard

TANGEDCO filed M.P.No.14 of 2021 praying for the revised procedure for Solar Roof Top facility to L T &HT consumers.

4.8. The Commission vide in its order dated 29.06.2021 as follows:

*"Thiru.M.Gopinathan, Standing Counsel appeared for TANGEDCO and filed affidavit. Thiru.S.P.Parthasarathy, Advocate has submitted that despite the directions in the previous Daily Order, the TANGEDCO has not processed even a single application as per the existing provisions. The Commission in its Daily Order dated 23.03.2021 has specifically directed the petitioner to process the pending applications in a time bound manner as per the existing order / procedure in this regard. Thereafter in the hearing held on 15-06-2021, Thiru.S.P.Parthasarathy, Advocate has brought to the notice of the Commission about inaction of the officials of TANGEDCO in not complying the earlier orders of the Commission. Commission also directed the TANGEDCO to comply with the orders of the Commission within 2 weeks i.e., before 29.06.2021 and observed that in the event of non-compliance, Commission would be constrained to impose Rs.500j- as fine for each day of default to be recovered from the CE/NCES of TANGEDCO. The Commission further observed that it would recommend for recording of such lapses in the Service Register of the concerned officials with due information to Government of Tamil Nadu as well. In spite of the above clear and categorical orders of this Commission on 23.03.2021, nothing had been done by the petitioner to comply the above orders of the Commission and hence Commission observed that the inaction of the petitioner warranted imposition of penalty as ordered on 15.06.2021. Thereupon, Thiru.SivalingaRajan, Chief Engineer / NCE5, appeared before the Commission on 29.06.2021 through Video Conferencing and submitted that he had discussed the*

*matter with the management of TANGEDCO and it was preferred to await the final orders of the Commission. He also submitted that there was no deliberate intention to disobey the orders of the Commission and also the Commission to give a direction to the effect that the applicants seeking connection shall furnish an undertaking to TANGEDCO that the effecting of service connection is subject to the final orders passed by this Commission in M. P. No. 14 of 2021 and in case of any due is to be paid as per the said final order to be issued by this Commission, they shall pay the same immediately. The Commission is of the view that the attitude of the petitioner warrants a proceeding under section 142 of the Electricity Act, 2003. However, the Commission, as a regulator, taking the interest of both sides passed the following order:-*

*All the applicants whose applications for connections are pending as on date shall give an undertaking that they will abide by the final orders of the Commission to be passed in M.P.No.14 of 2021 and any amount is found to be due from them, they would pay the same immediately. On furnishing such undertaking, the petitioner shall process such applications and take action to energize their connections as per the existing procedure / provision. In case of any violation / non- compliance of this order, it will be viewed seriously and a fine of Rs.500/- will be imposed on the officials concerned for each day of delay from 29.06.2021 till compliance. Registry is also directed to mark a copy of this order to CMD/TANGEDCO for appropriate action. The case is adjourned to 20.07.2021 for further hearing. "*

4.9. Against the order dated 29.06.2021 of the Commission, TANGEDCO has filed a writ petition vide W.P.No.15532 of 2021 in the High Court of Judicature at

Madras, " pray that this Hon'ble Court may issue Order or direction or Writ of Certiorarified Mandamus calling for the records pertaining to the issuance of the daily Order dated 29/06/2021 passed in M.P.No.14 of 2021 on the file of respondent and quash the same and further direct the Respondent to pass Orders on M.P.No.14 of 2021 on merits within the time stipulated by this Hon'ble Court.

4.10. The Hon'ble High Court of Madras vide order dated 16.06.2021 has directed as follows:

*"In view of the same, there shall be a direction to the respondent Commission to pass final order in MP.No.14 of 2021 with in a period of four weeks, i.e., on or before 13.09.2021 immediately after the order are passed by the commission, the petitioner will have to process the applications and energize the solar power plants. To ensure that the pending applications are properly considered and the power plants are energized, this wants to post this matter under the caption, for the orders passed by the respondent commission, further direction, if required will be issued by this court".*

4.11. Based on the order of High Court of Madras, the Commission has issued Generic Tariff Order for Grid Interactive PV Solar Energy Generating System (GISS) Order No. 8 of 2021 dated 22-10-2021 and also the net meter facility has not been extended to all categories of LT & HT except only to Domestic category and by which the Commission is fully understanding the financial impact to TANGEDCO and not extended net metering facility to HT services in this order.