

**TAMIL NADU ELECTRICITY REGULATORY COMMISSION**

**Order of the Commission dated this the 14<sup>th</sup> Day of May 2024**

**PRESENT:**

Thiru M.Chandrasekar .... Chairman  
Thiru K.Venkatesan .... Member  
and  
Thiru B.Mohan .... Member (Legal)

**M.P. No. 27 of 2023**

**M.P. No. 32 of 2023**

**M.P. No. 33 of 2023**

**P.P.A.P. No.4 of 2023**

**P.P.A.P. No. 1 of 2024**

**and**

**P.P.A.P. No. 2 of 2024**

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

... Petitioner  
Thiru N.Kumanan and  
Thiru A.P.Venkatachalapathy,  
Standing Counsel for TANGEDCO

**1. Prayer in M.P. No. 27 of 2023**

This Miscellaneous Petition No.27 of 2023 filed under the Electricity Act, 2003 to approve for deviation from the guidelines and to float a short-term tender for procurement of RTC power from 01-03-2024 to 31-05-2024 and to publish RfP notice in two Tamil Newspapers and two English National newspapers and upload the same in TANGEDCO website.

**2. Prayer in M.P. No. 32 of 2023**

This Miscellaneous Petition No.32 of 2023 filed under the Electricity Act, 2003-

(a) for approval and ratification for having floated the short-term tender for procurement of RTC and peak hour power from 01.12.2023 to 31.05.2024 as below:

Month	Morning peak 6 to 8 hrs in MW	Lighting Peak 18 to 21 hrs in MW
December 2023 to February 2024	1000	2200
	RTC (0-24)	Peak Hour (18 to 24)
March 2024	-	1000
April 2024	500	2000
May 2024	-	600

(b) for approval for having published RFP notice in two Tamil newspapers and two English National newspapers and upload the same in TANGEDCO website.

**3. Prayer in M.P. No. 33 of 2023**

This Miscellaneous Petition No.33 of 2023 filed under the Electricity Act, 2003

(a) for approval and ratification in having floated the short-term tender for procurement of RTC and peak hour power from 01.03.2024 to 31.05.2024 as below:

Month	RTC	Lighting Peak in addition to RTC
	(0-24hrs) in MW	(18 to 24 hrs) in MW
March 2024	500	1000
April 2024	1000	2000
May 2024	200	800

(b) approval and ratification for having published RfP notice in two Tamil newspapers and two English National newspapers and upload the same in TANGEDCO website.

**4. Prayer in P.P.A.P. No. 4 of 2023**

This P.P.A.P. filed under the Electricity Act, 2003 for approval for adoption of tariff discovered rate at Rs.8.22/- per unit for RTC power and Rs.9.94 per unit for peak hour power for the period from 01-03-2024 to 31-05-2024 as detailed below (totalling to 1176.5 MW):-

**RTC Power (0 to 24 hrs.)**

Sl. No.	Name of the Bidder	Qtm in MW			Rate in Rs./Kwh for all months
		March 2024	April 2024	May 2024	
1	JPL (NVVN)	250	250	250	8.22
2	Suryadev	40	40	40	8.22
3	Semcorp (PTC)	120	120	120	8.22
4	Simhapuri (PTC)	60	100	100	8.22
5	Shree Cement	-	175	175	8.22
	<b>Total</b>	<b>470</b>	<b>685</b>	<b>685</b>	

**Peak Hour Power (18 to 24 hrs.)**

Sl. No.	Name of the Bidder	Qtm in MW			Rate in Rs./Kwh for all months
		March 2024	April 2024	May 2024	
1	JPL (NVVN)	175	175	175	9.94
2	Suryadev	40	40	40	9.94
3	Semcorp (PTC)	84	84	84	9.94
4	Simhapuri (PTC)	42	70	70	9.94
5	Shree Cement	-	122.5	122.5	9.94
	<b>Total</b>	<b>341</b>	<b>491.5</b>	<b>491.5</b>	

## 5. Prayer in P.P.A.P. No. 1 of 2024

This P.P.A.P. filed under the Electricity Act, 2003 for approval for adoption of tariff discovered rate at Rs.8.22/- per unit for RTC power and Rs.9.94 per unit for peak hour power for the period from 01.03.2024 to 30.04.2024 as detailed below: (Maximum for March and April 2024 is 100 MW)

Sl. No.	Name of the bidder	March '24 (18 to 24) hrs		April'24 (RTC )	
		Quantum in MW	Rate in Kwh	Quantum in MW	Rate in Kwh
1	M/s.Shree Cement	100	9.94	-	-
2	M/s.Semcorp (PTC)	-	-	50	8.22
	Total	100		50	

## 6. Prayer in P.P.A.P. No. 2 of 2024

This P.P.A.P. filed under the Electricity Act, 2003 for approval for adoption of tariff discovered rate at Rs.8.16/- per unit for RTC power during the month of March 2024, Rs.8.41 per unit for the month of April 2024, Rs.7.74 per unit for the month of May 2024 and Rs.9.99 per unit for peak hour power for the month of March 2024 and May 2024 as detailed below: (Maximum quantum from March 2024 to May 2024 is 1025 MW)

RTC power in MW.				Rate in Rs/Kwh			
Sl. No.	Name of the bidders	Qtm offered in MW	Rate in Rs/Kwh	Qtm offered in MW	Rate in Rs/Kwh	Qtm offered in MW	Rate in Rs/Kwh
		Mar-24		Apr-24		May-24	
1	M/s.NVVN (Jaypee Nigrie) M.P	100	8.16	100	8.41	100	7.74
2	M/s.PTC (SEIL Energy India Ltd) AP	20	8.16	100	8.41	0	0
3	M/s.PTC (Adhunik), Jharkhand	50	8.16	0	0	0	0

4	Manikaran (Coastal), Tamil Nadu	500	8.16	500	8.41	0	0
5	M/s.NVVN (IL&FS)	350	8.16	225	8.41	0	0
6	M/s.NVVN (Jaypee Nigrie) Bina M.P	0	0	50	8.41	50	7.74
7	M/s.NVVN/Jindal Power Ltd ,Maharashtra	0	0	50	8.41	0	0
<b>Total</b>		<b>1020</b>	<b>8.16</b>	<b>1025</b>	<b>8.41</b>	<b>150</b>	<b>7.74</b>

Sl. No.	Peak power (18 to 24 hrs) in MW. Rate in Rs/Kwh				
	Name of the bidders	Qtm offered in MW	Rate in Rs/Kwh	Qtm offered in MW	Rate in Rs/Kwh
		Mar-24		May-24	
1	M/s.NVVN( IL&FS)	100	9.99	45	9.99
	<b>Total</b>	<b>100</b>		<b>45</b>	

7. These petitions coming up for hearing on various dates in the presence of Tvl. N.Kumanan and A.P.Venkatachalapathy, Standing Counsel for the Petitioner and Thiru R.S.Pandiyaraj, Advocate for the Respondent and on consideration of the submissions made by the Counsel for the Petitioner and the Respondents, this Commission passes the following:

### COMMON ORDER

#### 8. Contentions of the Petitioner in M.P. No. 27 of 2023:-

8.1. This Miscellaneous Petition is filed seeking approval of the Commission to float a short-term tender by uploading the tender documents in DEEP- Portal for procurement of

RTC power and peak hour power for a period from 01.03.2024 to 31.05.2024 to meet the summer demand of 2024.

8.2. The demand of electricity in Tamil Nadu State is steadily increasing and all time high consumption in the State of Tamil Nadu is as below:

		Year 2022		Year 2023	
a	All time high demand	17563 MW	29-04-2022	19387 MW	20-04-2023
b	All time high consumption	388.078 MU	29-04-2022	423.785 MU	20-04-2023

The all-time high demand of electricity over Tamil Nadu has steadily increased around 1824 MW compared to last year and there will be 6% increase in demand every year. The minimum demand and consumption of power has considerably increased during the summer months of 2023.

8.3. Due to tremendous growth and development in industrial sector, there has been substantial increase in requirement of power within the State and there is a wide gap in Demand supply condition. TANGEDCO meets the power demand through own generating stations, Central Generating Stations, Renewable energy sources and through various Power Purchase Agreements executed under long- and medium-term tenders. Apart from the above sources, TANGEDCO purchases power through exchanges in Day Ahead Market (DAM), Real Time Market (RTM) and Term Ahead Market (TAM) in case of outages of its own generating stations. On lifting of Covid restrictions in Tamil Nadu, all IT firms and commercial establishments have resumed their regular operations and industrial operations have also gained momentum. On

account of dry weather during summer months, the demand over the grid is likely to increase further and expected to reach 20750 MW in 2024.

8.4. TANGEDCO is meeting the demand from the installed capacity of conventional sources of 15197 MW (TANGEDCO Thermal 4320 MW + Gas 516 MW + IPP 775 MW + CGS share of 6504 MW + LTA 2830 MW + MTOA 252 MW). Considering a PLF of 85%, the net availability will be 12,917 MW.

8.5. The demand projection for the FY 22-23 to FY 29-30 for peak demand was based on the ongoing projects in Tamil Nadu State and Central share. As per the projection submitted for 20th EPS Survey, demand and availability up to 2030 has been assessed and deficit projected without considering the renewable energy.

8.6. The workings of long-term projection of peak demand, energy and peak availability for the period from 2022-23 to 2029-30 as per 20th EPS survey is detailed below:

Year	Projected Demand during the period in MW		Projected Availability during the period in MW		Surplus / Deficit in MW		Expected Projects availability
	Solar Peak	Lighting Peak	Solar Peak	Lighting Peak	Solar Peak	Lighting Peak	
2023-24	19309	18725	17747	14866	-1562	-3859	664
2024-25	20606	19990	20512	17191	-94	-2800	2422
2025-26	21959	21309	21691	17849	-268	-3460	756
2026-27	23314	22629	23896	19455	583	-3174	1628
2027-28	24680	23958	24240	19118	-441	-4840	Nil
2028-29	26046	25285	25472	19551	-573	-5734	548
2029-30	27541	26739	24972	18131	-2569	-8608	628

8.7. The estimated capacity additions for the period from 2023 to 2030 in the ongoing projects considered at Ennore SEZ STPS, Udangudi stage I project and Kudankulam APS unit 3&4 ETPS Expansion (1x660) MW are also getting delayed and expected to be commissioned and contribute to grid beyond the forecasted period except NCTPP Stage III (IX 800 MW) which is programmed during October 2023. Hence the present proposal will help in managing the demand and supply position.

8.8. As per the MoP's Guidelines for short term (i.e. for a period of more than one day to one year) procurement of power by distribution licensees through tariff based bidding process under Electricity Act, 2003 issued by the Central Government, the demand forecast shall be based on the latest available Electric Power Survey published by the Central Electricity Authority.

8.9. CERC in order 4/SM/2023(Suo-Moto) dated 02.04.2023, stated that as follows:

*"Buy bids have been more than double of the sell bids in sometime blocks, indicating higher demand and lower supply. Average buy to sell bid ratio- was Rs.2.03 when MCP touched Rs.10/kWh, which is the ceiling price imposed by exchange. The aggressive bidding by buyers is leading to high prices".*

For the aforesaid reasons, TANGEDCO could not get the full bid quantum block wise as buy bids have been more than double of the sell bids in some blocks indicating higher demand and lower supply in summer months. Hence, compared to exchange purchase, purchasing power through tender will confirm the firm power availability.



8.10. During summer months of 2023, in spite of placing bid at the maximum bidding price of Rs.10 per unit (effective from 04.04.2023) in the exchange purchase, TANGEDCO could get 15% to 25% of the bid quantum block wise as buy bids were always more than double of the sell bids in some blocks indicating higher demand and lower supply. Hence it is necessary to ensure power flow in summer months of 2024 through short term tender process after considering the availability of power under various sources during the months from March 2024 to May 2024.

8.11. In view of the above, Chief Engineer / Grid Operation vide U.O dated 09.08.2023 raised an indent for procurement of power during RTC and Peak hours for the upcoming summer months of 2024 i.e from March 2024 to May 2024 which is computed considering the available energy sources as detailed below.

While considering the generation availability, the following conditions have been taken in to account:

- From hydro 300 MW, 1000 MW as minimum and maximum generation
- Availability of CGS is considered as per CEA report.
- Availability of ICB plants under LTOA and IPP have been considered fully.
- Generation from wind and solar considered as minimum based on the actual generation in the last year.

- Commissioning of North Chennai Power Station stage -III in the month of October 2023.Expected quantum of 500 MW in February 2024 and 600 MW from March 2024 to May 2024.

8.12. The demand is expected to increase during summer as public examinations for schools/colleges are scheduled during summer, IT firms, industrial operation, commercial establishments also have resumed their operation after Covid period.

8.13. The peak hour requirement for the months of March to May 2024 is from 2246 MW to 4286 MW. If tender is floated for peak power alone, the chances of getting the offer for the entire tendered quantum will be less since the requirement of TANGEDCO is for the limited time blocks of 6 hours only i.e. from 18.00 to 24.00 hrs). The generators who have already tied up quantum for the base load, can participate and for other plants, it is not economical to run the plant as frequent on and off condition will increase the generating cost. Through the power exchanges, power can be procured for limited time blocks also. The only limiting factor will be the availability of power in summer months.

8.14. To overcome the power crisis, CE/GO has given indent for procurement of both RTC and Peak hour power for the months of March 2024 to May 2024 (01.03.2024 to 31.05.2024) by floating a short-term tender through DEEP-Portal as shown below:

Power requirement during RTC & Peak hours		
Period	Purchase quantum requirement in MW	
	RTC in MW	Peak hour power 18 to 24 hrs. in addition to RTC
March 2024	700	1700
April 2024	1500	2800
May 2024	700	1500

8.15. The availability of power has been assessed considering availability from own generating stations, CGS stations, IPPs, ICB plants, proposed commissioning of North Chennai Stage III, power contracted through long and medium term tenders and actual power availed through renewable energy sources of wind and solar during summer months of 2023 . Forecasting of demand for the summer months of 2024 was done based on the actual demand prevailed in 96 block wise in a day and for each month during summer months of 2023 and with added six (6) percent escalation. Thus, the difference in forecasted power availability and the anticipated demand in 2024 has been considered as surplus/deficit power requirement in summer months of 2024.

Further, from the block wise surplus /deficit of power in 96 blocks of a day during March 2023 to May 2023, the average power requirement for summer months has been arrived.

8.16. The tariff discovered through tender process is always lesser than the purchase cost through power exchanges since the procurement is for longer duration. During the year 2023, the RTC power purchase cost through tender for the months from Feb 2023

to May 2023 was Rs.8.50 per kwh whereas the peak hour power alone was purchased at the rate of Rs.11.67, Rs.10.14 and Rs.10.02 per kwh respectively.

For initiating the process, TANGEDCO need to get the approval from Board to float tender and from the Commission for quantum approval, deviation from the guidelines by way of filing a Miscellaneous petition and to invite bids at DEEP Portal for procurement of power.

To accommodate the low-cost power in advance and urgency in booking transmission corridor, TANGEDCO has proposed to float a short-term tender for procurement of RTC and peak hour power for summer months with the arrangement that bidders should offer quantum for both RTC and peak hour and the peak hour quantum should be at least 70% of the RTC quantum to become an eligible bidder.

Through swap arrangement TANGEDCO will get RTC power during summer months of 2024 as below:

Sl. No.	Month	Quantum of Power in MW
1	March 2024	432.20
2	April 2024	463.60
3	May 2024	303.74

While computing the forecasted availability of power in 2024, less than 85% of the installed capacity has been considered and in case of unexpected outages in ICGS stations, power purchase through agreements, the swap arrangement will be very useful to meet the arising demand and to maintain the grid stability. For this purpose, the power

through swap arrangement may be considered as standby source of power. But in normal situation, high-cost power may be backed down up to technical minimum.

8.17. Details of swap arrangement made for summer months of 2024:

Swap Proposal of TANGEDCO with PSPCL + RUVNL							
Month	Time period in hrs.	Days	Duration in Hrs.	Quantum			MU
				PSPCL	Rajasthan	Total	
16-06-2023 to 30-06-2023	0 to 24	15	24	75	-	75	27
01-07-2023 to 31-07-2023	0 to 24	31	24	75	-	75	55.8
01-08-2023 to 31-08-2023	0 to 24	31	24	75	-	75	55.8
01-09-2023 to 10-09-2023	0 to 24	10	24	75	-	75	18
01-11-2023 to 30-11-2023	8 to 15	30	7	-	500	500	105
01-12-2023 to 31-12-2023	8 to 15	31	7	-	500	500	108.5
01-01-2024 to 31-01-2024	8 to 15	31	7	-	500	500	108.5
01-02-2024 to 29-02-2024	8 to 15	29	7	-	500	500	101.5
				300	2000	2300	580.1
Total MU							580.01

Swap Proposal of PSPCL + Rajasthan to be received by TANGEDCO							
Month	Time period in hrs.	Days	Duration in Hrs.	Quantum			MU
				PSPCL	Rajasthan	Total	
16-03-2024 to 31-03-2024	0 to 24	16	24	128.461		128.46	49.329
01-04-2024 to 30-04-2024	0 to 24	30	24	159.863		159.86	115.101
15-03-2024 to 31-03-2024	0 to 24	17	24		303.74	303.74	123.926

01-04-2024 to 30-04-2024	0 to 24	30	24		303.74	303.74	218.693
01-05-2024 to 14-05-2024	0 to 24	14	24		303.74	303.74	102.057
				288.324	911.22	1199.5	609.106
Total MU							609.106

8.18. TANGEDCO on the basis of guidelines issued by Ministry of Power has prepared the draft bid documents. TANGEDCO intends to make certain deviations to ensure commercial clarity with respect to provisions in the guidelines, to safeguard the interest of TANGEDCO and to avoid cost implication on TANGEDCO and the details of deviations /modifications proposed in the bidding documents are detailed below.

- (1) Deleting the Change in Law clause since the period of contract is for three months.
- (2) Deviation in scheduling up to 40% of the contracted quantum against 15 as per terms and conditions to avoid under drawal of power in case of more injection of renewable energy sources of wind and Solar to manage the Grid stability.

If the Commission approves the short-term power procurement with the above deviation, TANGEDCO may issue Letter of Acceptance (LoA) to the successful bidders subject to reasonableness in the discovered price in the tender.

8.19 As mandated by Ministry of Power, procurement under short term will be done through MoP's e-bidding portal (DEEP). To enable the successful bidders to book transmission corridor in advance, tender process is to be initiated immediately and finalized quickly.

8.20. The above short-term tender floated for STOA is as per the MoP guidelines and through transparent competitive bidding. Approval of the Commission has to be obtained under Section 63 of Electricity Act 2003. TANGEDCO will approach the Commission on finalizing the tender for tariff adoption.

## **9. Contention of the Petitioner in M.P. No. 32 of 2023:-**

9.1. As per the MoP Guidelines for short term (ie. for a period of more than one day to one year) procurement of power by distribution licensees through tariff-based bidding process under Electricity Act, 2003 issued by the Central Government, the demand forecast shall be based on the latest available Electric Power Survey published by the Central Electricity Authority.

9.2. Approval was accorded from the Board of TANGEDCO through circulation to float tender in the DEEP -Portal and necessary petition was also filed before the Commission vide Miscellaneous Petition No.27 of 2023. After filing of Miscellaneous petition before the Commission, Tender No.32 of 2023 was floated in the DEEP -Portal and the bids were opened on 12.09.23. To accommodate the low-cost power in advance and urgency in booking transmission corridor, TANGEDCO has proposed to float a short-term tender for procurement of RTC and peak hour power for summer months with the arrangement that bidders should offer quantum for both RTC and peak hour and the peak hour quantum should be at least 70% of the RTC quantum to become an eligible bidder.

9.3. The offer received through the short-term tender for the month of March 2024 is as detailed below:

March 2024 (RTC Power)			
Source	As per BG in MW	Offered Qtm in MW	RA price in Rs./KWh
JPL (NVVN)	300	250	8.25
Suryadev	40	40	8.25
Semcorp (PTC)	120	120	8.99
Simhapuri (PTC)	100	60	8.99
JSW Vijayanagar (PTC)	100	100	9.4
JSW Ratnagiri (PTC)	80	80	9.6
MEL Adani (PTC)	150	50	10
Shree cement STU	40	40	12
Shree cement CTU	175	40	16.5
Total	1105	780	
March 2024 (Peak hour Power)			
Source	As per BG in MW	Offered Qtm in MW	RA price in Rs./KWh
JPL (NVVN)	210	175	10.4
Semcorp (PTC)	84	84	10.4
Simhapuri (PTC)	70	42	10.89
JSW Vijayanagar (PTC)	70	70	12
JSW Ratnagiri (PTC)	56	56	12
Suryadev	40	40	12
Shree cement STU	40	40	12.5
MEL Adani (PTC)	105	100	16
Shree cement CTU	210	40	18.5
Total	885	647	
April 2024 (RTC Power)			
Source	As per BG in MW	Offered Qtm in MW	RA price in Rs./KWh
JPL (NVVN)	300	250	8.25
Suryadev	40	40	8.25
Semcorp (PTC)	120	120	8.99



Simhapuri (PTC)	200	100	8.99
JSW Vijayanagar (PTC)	100	100	9.4
JSW Ratnagiri (PTC)	80	80	9.6
Shree cement CTU	175	175	9.7
MEL Adani (PTC)	150	100	10
Shree Cement STU	40	40	12
Total	1205	1005	
April 2024 (Peak hour power)			
Source	As per BG in MW	Offered Qtm in MW	RA price in Rs./KWh
Shree Cement CTU	210	122.5	9.95
JPL (NVVN)	210	175	10.4
Semcorp (PTC)	84	84	10.4
Simhapuri (PTC)	140	70	11.41
JSW Vijayanagar (PTC)	70	70	12
JSW Ratnagiri (PTC)	56	56	12
Suryadev	40	40	12
Shree Cement STU	40	40	12.5
MEL Adani (PTC)	105	100	16
	955	757.5	
May 2024 (RTC Power)			
Source	As per BG in MW	Offered Qtm in MW	RA price in Rs./KWh
JPL (NVVN)	300	250	8.25
Suryadev	40	40	8.25
Semcorp (PTC)	120	120	8.99
Simhapuri (PTC)	200	100	8.99
JSW V.Nagar (PTC)	100	100	9.4
JSW Ratnagiri (PTC)	80	80	9.6
Shree Cement (CTU)	175	10	9.7
MEL Adani (PTC)	150	100	10
Shree Cement STU	40	40	12
Total	1205	840	
May 2024 (Peak hour Power)			
Source	As per BG in MW	Offered Qtm in MW	RA price in Rs./KWh

Shree cement CTU	210	122.5	9.95
JPL (NVVN)	210	175	10.4
Semcorp (PTC)	84	84	10.4
Simhapuri (PTC)	140	70	11.41
JSW (V.Nagar (PTC)	70	70	12
JSW Ratnagiri (PTC)	56	56	12
Suryadev	40	40	12
Shree cement STU	40	40	12.5
MEL Adani (PTC)	105	100	16
Total	955	757.5	

9.4. Negotiation has been called for from the L-1 bidder. On receipt of negotiated rate, other bidders will be requested to match the L1 bidder rate and the tender will be finalized thereafter.

The details of offer received and shortfall quantum is detailed below:

Month	Peak hour qtm required	Offer received for peak hour in MW	Shortfall in Peak hour
March'24	2400	1427	973
April'24	4300	1757.5	2542
May'24	2200	1597.5	602

9.5. The offer received from the Tender No.32 of 2023 is not up to the tendered quantum and hence it is necessary to tie up the balance quantum to meet the summer demand of 2024 for which the Chief Engineer / Grid Operation has given an indent including the quantum to be purchased for the month of December 2023 to February 2024. The details are as follows:

Month	Morning peak 6 to 8 hrs in MW	Lighting Peak 18 to 21 hrs in MW
December 2023 to February 2024	1000	2200
	RTC (0-24)	Peak Hour (18 to 24)
March 2024	-	1000
April 2024	500	2000
May 2024	-	600

9.6. For initiating the process, TANGEDCO needs to get the approval from Board to float the additional tender and from the Commission quantum approval by way of filing a Miscellaneous petition and to invite bids at DEEP Portal for Procurement of Power.

Time Line for processing of tender		
Sl.No	Event	Date & Time
1.	Publication of Request for proposal (RfP) / Activation of Event	30.09.2023
2.	Due date and time of submission of RfP	10.10.2023 / 12:00 hours
3.	Opening of non-financial technical bids	10.10.2023 / 13:00 hours
4.	Opening of IPOs	11.10.2023 / 11:00 hours
5.	Start of e-RA	11.10.2023 / 13:00 hours
6.	Close of e-RA	11.10.2023 / 15:00 hours

Salient features of RFP:

Month	Morning peak 6 to 8 hrs in MW	Lighting Peak 18 to 21 hrs in MW
December 2023 to February 2024	1000	2200
	RTC (0-24)	Peak Hour (18 to 24)
March 2024	-	1000
April 2024	500	2000
May 2024	-	600

9.7. As mandated by Ministry of Power, procurement under short term will be done through MoP's e-bidding portal (DEEP). To enable the successful bidders to book transmission corridor in advance, Tender process is to be initiated immediately and finalized quickly.

9.8. The above short-term tender was floated on 30.09.2023 in anticipation of approval due to urgency in finalising the tender as every State has floated tender in view of the forth coming parliamentary election expected next year and hence the process for finalization of tender. Further tender has been floated as per the MoP guidelines and through transparent competitive bidding and approval of the Commission has to be obtained under section 63 of the Electricity Act, 2003. TANGEDCO will approach the Commission on finalizing the tender for tariff adoption.

**10. Contention of the Petitioner in M.P. No. 33 of 2023:-**

10.1. After evaluation of tender, approval was obtained from the Board of TANGEDCO on 03.10.2023 through circulation. Letter of Acceptance was issued on 03.10.2023 to the following bidders for the quantum mentioned against each.

**RTC Power (0 to 24 hrs)**

Sl. No.	Name of the bidder	Qtm in MW			Rate in Rs/Kwh for all months
		March'24	April'24	May'24	
1	JPL (NVVN)	250	250	250	8.22
2	Suryadev	40	40	40	8.22

3	Semcorp (PTC)	120	120	120	8.22
4	Simhapuri (PTC)	60	100	100	8.22
5	Shree Cement	-	175	175	8.22
	<b>Total</b>	<b>470</b>	<b>685</b>	<b>685</b>	

**Peak hour (18 to 24 hrs)**

Sl. No.	Name of the bidder	Qtm in MW			Rate in Rs/Kwh for all months
		March'24	April'24	May'24	
1	JPL (NVVN)	175	175	175	9.94
2	Suryadev	40	40	40	9.94
3	Semcorp (PTC)	84	84	84	9.94
4	Simhapuri (PTC)	42	70	70	9.94
5	Shree Cement	-	122.5	122.5	9.94
	<b>Total</b>	<b>341</b>	<b>491.5</b>	<b>491.5</b>	

10.2. Since the offer received from the Tender No.32 of 2023 was not up to the tendered quantum, Tender No.35 of 2023 was floated on 14.09.2023 with the approval of TANGEDCO Board on circulation and the bids were opened on 11.10.2023. None of the generators have offered the quantum for the month of May'24. The offer received from the bidders for the month of March and April 2024 is detailed below:

Sl. No.	March 2024 (18 to 24 hrs) – 1000 MW			
	Name of the bidders	As per BG in MW	Offered Qtm in MW	RA price offered in Rs./ kWh
1.	Shree Cement Ltd (CTU)	298	40	15.00
2.	Shree Cement Ltd (STU)	50	40	16.00

Sl. No.	April 2024 (RTC hrs) – 500 MW			
	Name of the bidders	As per BG in MW	Offered Qtm in MW	RA price offered in Rs./ kWh
1.	PTC India Ltd (SEIL Energy India Ltd)	80	40	9.87
2.	NVVN (Simhapuri)	50	50	9.87

10.3. TANGEDCO has called for negotiation of the above bidders and on receipt of negotiated price, LOA will be issued to the bidders. The details of tied up quantum, for which LOA is to be issued and balance quantum to be tied up are detailed below:

Description	March'24		April'24		May'24	
	In MW					
	RTC	Peak	RTC	Peak	RTC	Peak
Qtm reqd	700	1700	1500	2800	700	1500
LOA issued	470	341	685	492	685	492
LOA to be issued	-	80	90	-	-	-
Balance qtm required	230	1279	725	2308	15	1008

10.4. The peak hour requirement for the months of March 2024 to May 2024 is from 1008 MW to 2308 MW. In general, when tender is floated for peak power, the response from the generators are very less since the requirement of TANGEDCO is for the limited time blocks of 6 hours only i.e from 18.00 to 24.00 hrs. The generators who have already tied up quantum for the base load can participate and for other plants, it is not economical to run the plant as frequent on and off condition will increase the generating cost. Through the power exchanges, power can be procured for limited time blocks also. The only limiting factor will be the availability of power in summer months.

10.5. To manage the situation, TANGEDCO decided to float another tender for procurement of balance power. While floating the tender, quantum to be purchased for RTC has been increased so as to get the required quantum for the peak hour period to meet the demand without deficit.

The details of quantum for which tender is to be floated is as below:

Month	RTC ( 0-24 hrs ) in MW	Lighting Peak in addition to RTC ( 18 to 24 hrs ) in MW
March 2024	500	1000
April 2024	1000	2000
May 2024	200	800

10.6 For initiating the process, TANGEDCO needs to get the approval from the Commission to float the tender. However in view of urgency, TANGEDCO, in anticipation of approval floated the tender on 12.10.2023 inviting bids at DEEP Portal for procurement of power for the period from 01.03.2024 to 31.05.2024.

10.7. TANGEDCO floated the tender with the following time line of RFP:

Sl. No	Event	Date & Time
1.	Publication of Request for Proposal (RfP)/ Activation of Event	12.10.2023
2.	Due date and time of submission of RfP	19.10.2023 / 12:00 hours
3.	Opening of non-financial technical bids	19.10.2023 / 13:00 hours
4.	Opening of IPOs	20.10.2023/ 11:00 hours
5.	Start of e-RA	20.10.2023 / 13:00 hours
6.	Close of e-RA	20.10.2023 /15:00 hours

10.8. As mandated by Ministry of Power, procurement under short term will be done through MoP's e-bidding portal (DEEP). To enable the successful bidders to book transmission corridor in advance, tender process is to be initiated immediately and finalized quickly.

10.9. The above short-term tender floated for STOA is as per the MoP guidelines and through transparent competitive bidding. Approval of the Commission has to be obtained under section 63 of the Electricity Act, 2003. TANGEDCO will approach the Commission on finalizing the tender for tariff adoption.

**11. Additional Affidavit dated 09-01-2024 filed by the Petitioner in M.P. No. 33 of 2023:-**

11.1. This petition has been filed seeking approval for RTC and peak hour power for a period from 01.03.2024 to 31.05.2024 under short term procurement.

11.2. The petition came up for hearing on 12.12.2023 and the Commission has directed TANGEDCO to file additional particulars to justify power purchase through the tender and other arrangement to meet the summer demand of 2024.

11.3. The power shortage details for the summer demand of 2024 has been assessed by the CE/Grid operation and detailed below:-



Month & Year	Demand considered in MW		Shortage in MW	
	Morning peak	Evening peak	Morning peak	Evening peak
MAR 24	17350	17650	1947	3457
APR 24	18400	19900	2526	5236
MAY 24	17700	19100	987	3547

11.4. TANGEDCO is in the process of procuring power through the tender and swap arrangement with other utilities to meet out the shortage demand during the summer months of 2024. TANGEDCO floated the short term Tenders 32, 35 and 36 for procurement of power for the period from 01.03.2024 to 31.05.2024 and issued LOA to the successful bidders emerged in the Tenders.

11.5. TANGEDCO had tied up the power to meet out the demand during March 24 to April 24 as detailed below.

Month & Year	Shortage assessed in MW		TANGEDCO tied up quantum in MW including this Tender		Balance Requirement in MW	
	Morning peak	Evening peak	Morning peak	Evening peak	Morning peak	Evening peak
MAR 24 (01.03.24 – 15.03.24)	1947	3457	1943	2534	4	923
MAR 24 (16.03.24 – 31.03.24)	1947	3457	2057	2648	-110	809
APR 24	2526	5236	2383	2874.5	143	2361.5
MAY 24 (01.05.24 – 15.05.24)	987	3547	1254	1790.5	-267	1765
MAY 24 (16.05.24 – 31.05.24)	987	3547	950.6	1487.1	36.4	2059.9

From the above table it can be seen that TANGEDCO had tied up the maximum quantum of power requirement in the morning peak of summer months and

partial quantum (more than 50%) of evening peak requirement through the tenders and swap arrangement. Even after tied up the quantum from this Tender No.PP-36, still TANGEDCO is having deficit in peak hour requirement. Hence, the quantum from this Tender PP-36 is essentially required to meet out the summer demands. The balance deficit in the power requirement will be managed through power exchanges.

11.6. The Parliament election and public exams for schools/colleges is anticipated during the 2024 summer period. Availability of power is to be ensured for the benefit of public.

11.7. In order to avoid transmission corridor issues in summer months, it becomes necessary to book transmission corridor in advance. Moreover, power procurement through tender process at this stage may provide good opportunity to accommodate low cost power when surplus power is widely available across the nation.

## **12. Contentions of the Petitioner in P.P.A.P.No.4 of 2023:-**

12.1. The Board TANGEDCO, through circulation, approved the proposal to float a short term tender with the deviations proposed in the Bidding Documents for purchase of RTC and peak hour power for the period from 01-03-2024 to 31-05-2024 and to file petition before the Commission.

12.2. A Miscellaneous Petition was filed before the Commission on 14-08-2023. After filing of Miscellaneous Petition before the Commission in anticipation of approval from the Commission, Tender No. 32 of 2023 was floated in the DEEP-Portal on 14-08-2023.

12.3. The Commission, vide its Daily Order dated 22-08-2023 admitted the petition and posted the case on 12-09-2023 and for detailed study, again posted the case on 05-10-2023. During the hearing orders were reserved.

12.4. Tender No. 32 of 2023 was opened on 12-09-2023 and the following bidders participated in the tender. The details of rate offered by them are given below:-

<b>March 2024 (RTC)</b>				
Sl. No.	Name of the Bidders	As per BG in MW	Offered Qtm. in MW	R.A. Price offered in Rs./Kwh
1	JPL (NVVN)	300	250	8.25
2	Suryadev	40	40	8.25
3	Semcorp (PTC)	120	120	8.99
4	Simhapuri (PTC)	100	60	8.99
5	JSW V.Nagar (PTC)	100	100	9.4
6	JSW Ratnagiri (PTC)	80	80	9.6
7	MEL Adani (PTC)	150	50	10
8	Shree Cement STU	40	40	12
9	Shree Cement CTU	175	40	16.5
	<b>Total</b>	<b>1105</b>	<b>780</b>	

<b>March 2024 (Peak)</b>				
Sl. No.	Name of the Bidders	As per BG in MW	Offered Qtm. in MW	R.A. Price offered in Rs./Kwh
1	JPL (NVVN)	210	175	10.4
2	Semcorp (PTC)	84	84	10.4
3	Simhapuri (PTC)	70	42	10.89
4	JSW Vijayanagar (PTC)	70	70	12
5	JSW Ratnagiri (PTC)	56	56	12
6	Suryadev	40	40	12
7	Shree Cement STU	40	40	12.5
8	MEL Adani (PTC)	105	100	16
9	Shree Cement CTU	210	40	18.5
	<b>Total</b>	<b>885</b>	<b>647</b>	

<b>April 2024 (RTC)</b>				
Sl. No.	Name of the Bidders	As per BG in MW	Offered Qtm. in MW	R.A. Price offered in Rs./Kwh
1	JPL (NVVN)	300	250	8.25
2	Suryadev	40	40	8.25
3	Semcorp (PTC)	120	120	8.99
4	Simhapuri (PTC)	200	100	8.99
5	JSW V.Nagar (PTC)	100	100	9.4
6	JSW Ratnagiri (PTC)	80	80	9.6
7	Shree Cement CTU	175	175	9.7
8	MEL Adani (PTC)	150	100	10
9	Shree Cement STU	40	40	12
	<b>Total</b>	<b>1205</b>	<b>1005</b>	

<b>April 2024 (Peak)</b>				
Sl. No.	Name of the Bidders	As per BG in MW	Offered Qtm. in MW	R.A. Price offered in Rs./Kwh
1	Shree Cement CTU	210	122.5	9.95
2	JPL (NVVN)	210	175	10.4
3	Semcorp (PTC)	84	84	10.4
4	Simhapuri (PTC)	140	70	11.41
5	JSW Vijayanagar (PTC)	70	70	12
6	JSW Ratnagiri	56	56	12
7	Suryadev	40	40	12
8	Shree Cement STU	40	40	12.5
9	MEL Adani (PTC)	105	100	16
	<b>Total</b>	<b>955</b>	<b>757.5</b>	

<b>May 2024 (RTC)</b>				
Sl. No.	Name of the Bidders	As per BG in MW	Offered Qtm. in MW	R.A. Price offered in Rs./Kwh
1	JPL (NVVN)	300	250	8.25
2	Suryadev	40	40	8.25
3	Semcorp (PTC)	120	120	8.99

4	Simhapuri (PTC)	200	100	9.4
5	JSW V.Nagar (PTC)	100	100	9.6
6	JSW Ratnagiri (PTC)	80	80	9.7
7	Shree Cement CTU	175	10	10
8	MEL Adani (PTC)	150	100	12
9	Shree Cement STU	40	40	
	<b>Total</b>	<b>1205</b>	<b>840</b>	

<b>May 2024 (Peak)</b>				
Sl. No.	Name of the Bidders	As per BG in MW	Offered Qtm. in MW	R.A. Price offered in Rs./Kwh
1	Shree Cement CTU	210	122.5	9.95
2	JPL (NVVN)	210	175	10.4
3	Semcorp (PTC)	84	84	10.4
4	Simhapuri (PTC)	140	70	11.41
5	JSW V. Nagar (PTC)	70	70	12
6	JSW Rarnagiri (PTC)	56	56	12
7	Suryadev	40	40	12
8	Shree Cement STU	40	40	12.5
9	Mel Adani (PTC)	105	100	16
	<b>Total</b>	<b>955</b>	<b>757.5</b>	

12.5. After e-reverse auction, negotiation was called for from L1 bidder both for RTC and peak hour period. In respect of RTC Tender, M/s. Jindal Power Ltd., (L1) and M/s. Suryadev Power Ltd. (L1) had reduced the rate to Rs.8.22 from the initially quoted rate of Rs.8.25 per kwh. In respect of peak hour tender, M/s. Shree Cement Ltd. (L1) had reduced the rate to Rs.9.94 per kwh from the initially quoted rate of Rs.9.95 per kwh.

12.6. After negotiating with L1 bidders for both RTC and peak, other bidders were also requested to match the L1 rate of Rs.8.22 per kwh for RTC and Rs.9.94 per kwh for peak hour power. The details and the price offered by them are given below:-

**RTC Power (0 to 24 hrs. )**

Sl. No.	Name of the Bidder	Qtm in MW			Rate in Rs./Kwh for all months
		March 2024	April 2024	May 2024	
1	JPL (NVVN)	250	250	250	8.22
2	Suryadev	40	40	40	8.22
3	Semcorp (PTC)	120	120	120	8.22
4	Simhapuri (PTC)	60	100	100	8.22
5	Shree Cement (CTU)	40	175	10	8.22
6	Shree Cement (STU)	40	40	40	12.00
7	JSW (V.Nagar) PTC	100	100	100	9.00
8	JSW (Rathnagiri) PTC	80	80	80	9.30
9	Adani (PTC)	50	100	100	8.50
	<b>Total</b>	<b>780</b>	<b>1005</b>	<b>840</b>	

**Peak Hour Power (18 to 24 hrs. )**

Sl. No.	Name of the Bidder	Qtm in MW			Rate in Rs./Kwh for all months
		March 2024	April 2024	May 2024	
1	JPL (NVVN)	175	175	175	9.94
2	Suryadev	40	40	40	9.94
3	Semcorp (PTC)	84	84	84	9.94
4	Simhapuri (PTC)	42	70	70	9.94
5	Shree Cement (CTU)	40	122.5	122.5	9.94
6	Shree Cement (STU)	40	40	40	12.50
7	JSW (V.Nagar) PTC	70	70	70	10.50
8	JSW (Rathnagiri) PTC	56	56	56	10.80
9	Adani (PTC)	100	100	100	12.00
	<b>Total</b>	<b>647</b>	<b>757.5</b>	<b>757.5</b>	

12.7. The bidders M/s. JSW (Vijayanagar and Ratnagiri), M/s. Adani and M/s. Shree Cement (STU connected plant) had not matched the L1 price of Rs.8.22 per kwh for RTC and Rs.9.94 per kwh for peak hour period. M/s. Shree Cement (CTU) had not offered rate matching for the month of March 2024. Hence, the offers received from the above bidders had not been considered. Offers from the following bidders have been considered:-

**RTC Power (0 to 24 hrs. )**

Sl. No.	Name of the Bidder	Qtm in MW			Rate in Rs./Kwh for all months
		March 2024	April 2024	May 2024	
1	JPL (NVVN)	250	250	250	8.22
2	Suryadev	40	40	40	8.22
3	Semcorp (PTC)	120	120	120	8.22
4	Simhapuri (PTC)	60	100	100	8.22
5	Shree Cement (CTU)	-	175	175	8.22
	<b>Total</b>	<b>470</b>	<b>685</b>	<b>685</b>	

**Peak Hour Power (18 to 24 hrs. )**

Sl. No.	Name of the Bidder	Qtm in MW			Rate in Rs./Kwh for all months
		March 2024	April 2024	May 2024	
1	JPL (NVVN)	175	175	175	9.94
2	Suryadev	40	40	40	9.94
3	Semcorp (PTC)	84	84	84	9.94
4	Simhapuri (PTC)	42	70	70	9.94
5	Shree Cement (CTU)	-	122.5	122.5	9.94
	<b>Total</b>	<b>341</b>	<b>491.5</b>	<b>491.5</b>	

12.8. The details of power tied up in other discoms are as below:-

Name of the Discom	Month	RTC/Peak	Qtm in MW	Rate in Rs./Kwh
GETCO	March 2024	RTC	500	Rs.8.48
Maharashtra	March 2024	RTC	500	Rs.7.64 to Rs.7.9
	April 2024	RTC	500	Rs.7.73 to Rs.7.9
	May 2024	RTC	500	Rs.7.75 to Rs.7.9
AP Discom Periphery	March 2024	RTC	1000	Rs.7.99 to 10.00
	March 2024	Peak hour	500	Rs.10

12.9. During summer months of 2023 i.e. from 15-02-2023 to 20-05-2023, TANGEDCO had purchased 1462 MW RTC power at the rate of Rs.8.50 per kwh under short term tender from the interstate and intra state generators which was approved and adopted by the Commission vide P.P.A.P. No. 2 of 2023. Apart from the above, during the summer months of 2023 i.e. from March to May 2023, 1419.22 MU was purchased for the peak hour period through power exchange at the average rate of Rs.9.94 per kwh.

Month	Short Term Purchase RTC		Exchange Purchase (Peak)	
	Energy in MU	Avg. Rate (Rs./Kwh)	Energy in MU	Avg. Rate (Rs./Kwh)
March 2023	824.01	8.50	171.77	11.67
April 2023	830.69	8.50	482.43	10.14
May 2023	508.49	8.50	765.02	8.01
<b>Total</b>	<b>2376.083</b>		<b>1721.13</b>	

12.10. On comparing the rate finalized by AP, GETCO Discom, TANGEDCO STOA tender in 2023 and the power exchange rate during 2023, the finalized rate for RTC power for the period from March 2024 to May 2024 is found reasonable. In the power exchanges, the maximum ceiling limit has been fixed as Rs.10 per unit in DAM and RTM



and in High Price DAM, the maximum limit is Rs.20 per unit. Considering the above, the finalized rate of Rs.9.94 per unit for peak hour period is also reasonable.

12.11. This tariff adoption petition is filed seeking approval of the Commission for adoption of Tariff in terms of Section 63 of Electricity Act, 2003 determined through the DEEP e-Bidding process based on the guidelines issued by MoP / Gol for procurement of power made under short term Tender No. 32 of 2023 at discovered tariff price of Rs.8.22/- per unit for RTC power and Rs.9.94 per unit for peak hour power from the sources mentioned above.

12.12. The expenditure towards the procurement of RTC power (upto 685 MW) and peak hour (upto 491.5 MW) for the period from 01-03-2024 to 31-05-2024 is approximately Rs.1353 Crs.

### **13. Contentions of the Petitioner in P.P.A.No.1 of 2024:-**

13.1. As per the guidelines for short term power procurement issued by Ministry of Power, through a Resolution dated 30.03.2016 for Competitive procurement of short term power by Distribution licences through Tariff based bidding process, Tender No. 35 of 2023 was floated in DEEP. Portal and LOA was issued for procurement of peak hour power and RTC power for the month of March 2024 and April 2024. The tariff determined on these guidelines for the purpose of Agreement for procurement of power shall be adopted by the Appropriate Commission, under Section 63 of Electricity

Act 2003.

13.2. Section 63 of the Electricity Act 2003 states that "Notwithstanding anything contained in Section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.

13.3. The demand in Tamil Nadu had reached 19387 MW on 20-04-2023 and all-time high consumption of 423.785 MU was met on 20-04-2023 and the demand during the forthcoming summer of 2024 is expected to reach around 20750 MW.

13.4. Due to tremendous growth and development in industrial sector, there has been substantial increase in requirement of power within the State and there is a wide gap in Demand supply condition. TANGEDCO meets the power demand through own generating stations, Central Generating Stations, Renewable energy sources and through various Power Purchase Agreements executed under long- and medium-term tenders. Apart from the above sources, TANGEDCO purchases power through exchanges in Day Ahead Market (DAM), Real Time Market (RTM) and Term Ahead Market (TAM) in case of outages of its own generating stations. On lifting of Covid restrictions in Tamil Nadu, all IT firms and commercial establishments have resumed their regular operations and industrial operations have also gained momentum. On account of dry weather during summer months, the demand over the grid is likely to increase further and expected to reach 20750 MW in 2024.

13.5. TANGEDCO is meeting the demand from the installed capacity of conventional sources of 14901 MW (TANGEDCO Thermal 4320 MW +Gas 220 MW + IPP 775 MW + CGS share of 6504 MW +LTA 2830 MW + MTOA 252 MW. Considering a PLF of 85%, the net availability will be 12,665 MW.

13.6. During summer months of 2023, in spite of placing bid for purchase of power at the maximum bidding price of Rs.10 per unit (effective from 04-04-2023) in the power exchange, TANGEDCO could get only 15% to 25% of the bid quantum block wise as buy bids were always more than double of the sell bids in some blocks indicating higher demand and lower supply.

13.7. After approval of Board of TANGEDCO through Circulation, tender was floated and LOA was issued to the following bidders and tariff adoption petition has been filed before Commission and orders have been reserved by the Commission. The details are given below:

#### **RTC Power (0 to 24 hrs)**

Sl. No.	Name of the bidder	Qtm in MW			Rate in Rs/Kwh for all months
		March'24	April'24	May'24	
1	JPL (NVVN)	250	250	250	8.22
2	Suryadev	40	40	40	8.22
3	Semcorp (PTC)	120	120	120	8.22
4	Simhapuri (PTC)	60	100	100	8.22
5	Shree Cement	-	175	175	8.22
	<b>Total</b>	<b>470</b>	<b>685</b>	<b>685</b>	

### Peak hour (18 to 24 hrs)

Sl.No.	Name of the bidder	Qtm in MW			Rate in Rs/Kwh for all months
		March'24	April'24	May'24	
1	JPL (NVVN)	175	175	175	9.94
2	Suryadev	40	40	40	9.94
3	Semcorp (PTC)	84	84	84	9.94
4	Simhapuri (PTC)	42	70	70	9.94
5	Shree Cement	-	122.5	122.5	9.94
	<b>Total</b>	<b>341</b>	<b>491.5</b>	<b>491.5</b>	

13.8. Since the offer received from the Tender No.32 of 2023 is not up to the tendered quantum, it is necessary to tie up the balance quantum to meet the summer demand for 2024 for which the Chief Engineer / Grid Operation has given an indent including the quantum to be purchased for the month of December 2023 to February 2024. The details are as follows:

Month	Morning peak 6 to 8 hrs in MW	Lighting Peak 18 to 21 hrs in MW
December 2023 to February 2024	1000	2200
	RTC (0-24)	Peak Hour (18 to 24)
March 2024	-	1000
April 2024	500	2000
May 2024	-	600

Miscellaneous Petition No.35 of 2023 was filed before the Commission on 10.10.2023 and during the hearing on 17.10.2023, the petition was admitted and reserved for orders.

13.9. Tender was floated and bids were opened on 10.10.2023. The details of offer received and negotiated offer are given below:

Sl. No.	Duration (6 to 8 hrs) – Tendered qtm – 1000 MW					RA price offered in Rs./KWh	Negotiated rate
	Name of the bidders	Month			Offered Qtm in MW		
1.	UP.Power corporation	December 2023	January 2024	February 2024	1000	9.99	9.99
	Offered Qtm in MW	1000	1000	1000			
Duration (18 to 21 hrs) – Tendered qtm – 2200 MW							
1.	Shree Cement Ltd (CTU)	40	-	-		19.00	19.00
2.	Shree Cement Ltd (STU)	40	-	-		20.00	20.00
3.	NVVN (IL & FS)	-	150	-		12.25	10.75
4.	Shree Cement Ltd (CTU)	-	40	-		19.00	19.00
5.	Shree Cement Ltd (STU)	-	40	-		20.00	20.00
6.	Shree Cement Ltd (CTU)	-	-	40		19.00	19.00
7.	Shree Cement Ltd (STU)	-	-	40		20.00	20.00

Sl. No.	March 2024 (18 to 24 hrs)- 1000 MW				
	Name of the bidders	Offered Qtm in MW	RA price offered in Rs./KWh	Offered Qtm on negotiation in MW	Negotiated price in Rs./KWh
1.	Shree Cement Ltd (CTU)	40	15.00	100*	9.94
2.	Shree Cement Ltd (STU)	40	16.00	40	16.00

M/s.Shree Cement has paid EMD amount for the quantum of 298 MW in the tender.

Sl. No.	March 2024 (18 to 24 hrs)- 1000 MW				
	Name of the bidders	Offered Qtm in MW	RA price offered in Rs./KWh	Offered Qtm on negotiation in MW	Negotiated price in Rs./KWh
1.	PTC India Ltd (SEIL)	40	9.87	50	8.22
2.	NVVN (Simhapuri)	50	9.87	50	8.99

13.10. The Uttar Pradesh Power Corporation Ltd. offered rate of Rs.9.99 per unit for supply of 1000 MW morning peak hour (6 to 8 hrs) for the months of December 2023, January to February 2024. On negotiation, the rate per unit was not reduced by UPPCL. Hence, TANGEDCO decided to get power under SWAP arrangement from UPPCL. Accordingly, UPPCL have offered quantum of 400 MW to 500 MW during the months of January to March 2024 under swap and TANGEDCO will return the power from 300 MW to 500 MW during the month of June 2024 to 20.09.2024 with returnable percentage of 105 % without any trading margin.

13.11. In respect of quantum offered for evening peak hour period for the months of December 2023 to February 2024, bidders have offered the rate ranging from Rs.10.75 to Rs.20 per unit and hence the offer was not considered and TANGEDCO decided to purchase power through power exchanges on real time basis either through Long duration Contract or DAM/RTM.

13.12. The details of power tied up in other discoms:-

Name of the Discom	Month	RTC/Peak	Qtm in MW	Rate in Rs./Kwh RTC
HPSEBL (NR periphery)	March 2024	RTC	310	Rs.8.69 to Rs.13

Gridco	March 2024	RTC	310	Rs.8.95 to Rs.13
	April 2024	RTC	270	Rs.10 to 20
	May 2024	RTC	395	Rs.9.14 to Rs.20
GETCO Periphery	March 2024	RTC	370	Rs.8.48
Maharashtra	March 2024	RTC	500	Rs.7.64 to Rs.7.9
	April 2024	RTC	500	Rs.7.73 to Rs.7.9
	May 2024	RTC	500	Rs.7.75 to Rs.7.9
AP Discom Periphery	March 2024	RTC	1000	Rs.7.99 to 10.00
	April 2024	RTC	1000	Rs.8.49 to Rs.9.12
	May 2024	RTC	1000	Rs.8.49 to Rs.9.12
West Bengal	April 2024	RTC	500	Rs.7.53 to Rs.7.59
	May 2024	RTC	300	Rs.7.53 to Rs.7.59
Maharashtra Periphery	March 2024	RTC	500	Rs.7.71 to Rs.8.99
	April 2024	RTC	500	Rs.7.73 to Rs.8.5
	May 2024	RTC	300	Rs.7.75 to Rs.8.5

13.13. During summer months of 2023 i.e. from 15-02-2023 to 20-05-2023, TANGEDCO purchased 1562 MW RTC power at the rate of Rs.8.50 per kwh under short term tender from the interstate and intrastate generators. Apart from the above, during the summer months of 2023 i.e. from March to May 2023, 1419.22 MU was purchased for the peak hour period through power exchanges at the average rate of Rs.9.94 per kwh.

Month	Energy in MU	Rate per kwh
March 2023	171.77	11.67
April 2023	482.43	10.14
May 2023	765.02	8.01
Total	1419.22	9.94

13.14. On comparing the rate finalized by other Discoms, TANGEDCO STOA tender in 2023 and the power exchange rate during 2023, the finalized rate for RTC Power for the period from March 2024 to May 2024 is found reasonable. In the power exchanges, the

maximum ceiling limit has been fixed as Rs.10 per unit in DAM and RTM and in High Price DAM the maximum limit is Rs.20 per unit. Considering the above, the finalized rate of Rs.9.94 per unit for peak hour period is also reasonable.

13.15. Considering the expected increase in demand during summer months of 2024 and to maintain uninterrupted power supply for the forthcoming Parliament election, for public examinations and to the public of Tamil Nadu, TANGEDCO decided to consider the offers received from M/s. Shree Cement which had offered the rate of Rs.9.94 per unit for supply of 100 MW power during peak hour (18:00 to 24:00) period in the month of March 2024 and for supply of 50 MW RTC power by M/s. PTC (sourced from M/s. SEIL Energy Pvt. Ltd.) for the month of April 2024 at the rate of Rs.8.22 per unit. Accordingly, LOA was issued to the following generators on 22-11-2023. The details of quantum tied up are also given below:-

Sl. No.	Name of the Bidder	March 2024 (18 to 24 hrs)		April 2024 (RTC)	
		Quantum in MW	Rate in Kwh	Quantum in MW	Rate in Kwh
1	M/s. Shree Cement	100	9.94	-	-
2	M/s. Semcorp (PTC)	-	-	50	8.22
	<b>Total</b>	<b>100</b>		<b>50</b>	

13.16. As per clause 7.2 of guidelines issued by MoP for short term procurement of power, Standing Committee was constituted for evaluation of bids and as per clause



11.2 of MoP Guidelines, the Committee has provided appropriate certification on conformity of the bid process evaluation according to the provisions of RFP document.

13.17. The expenditure towards the procurement of 50 MW RTC power for the month of April 2024 and 100 MW peak hour power for the month of March 2024 is approximately Rs.48.08 Crs.

#### **14. Contention of the Petitioner in P.P.A.P. No. 2 of 2024:-**

14.1. The offer received from the Tender No.32 of 2023 was not up to the tendered quantum and hence Tender No.35 of 2023 was floated on 14.09.2023 for the approval of TANGEDCO Board by way of circulation. The offer received in Tender No.35 of 2023 was 100 MW in the month of March 2024 for peak hour and 50 MW RTC power in the month of April 2024. The details are as follows:

Description	March 2024		April 2024		May 2024	
	RTC	Peak	RTC	Peak	RTC	Peak
Qtm Required in MW	700	1700	1500	2800	700	1500
LOA issued T.No. 32	470	341	685	492	685	492
LOA issued T.No. 33	-	100	50	-	-	-
Balance Qtm to be tied in MW	230	1259	765	2308	15	1008

14.2. A Miscellaneous petition was filed before the Commission on 19.10.2023 requesting approval and ratification for having floated the tender in anticipation of approval which was admitted on 02.11.2023.

14.3. The technical bids were opened on 27.10.2023 and negotiation was called for from L1 bidders and other bidders were also requested to match the L1 rate for supply of power. The original offer and the negotiated offer received are as below.

<b>March 2024 – RTC Power in MW Rate in Rs./ Kwh</b>						
Sl. No.	Name of the Bidders	As per BG	Offered Qtm in Reverse Auction	Price offered	Qtm offered on negotiation	Negotiated rate
1	M/s. NVVN (Jaypee Nigrie) Madhya Pradesh	100	100	8.17	100	8.16
2	M/s. PTC (SEIL Energy India Ltd.) Andhra Pradesh	20	20	8.17	20	8.16
3	M/s. PTC (Adhunik), Jharkhand	100	50	8.17	50	8.16
4	M/s. Manikaran (Coastal), Tamil Nadu	500	330	8.17	500*	8.16
		<b>Total</b>	<b>500</b>		<b>1020</b>	

<b>April 2024 – RTC Power in MW Rate in Rs./ Kwh</b>						
Sl. No.	Name of the Bidders	As per BG	Offered Qtm in Reverse Auction	Price offered	Qtm offered on negotiation	Negotiated rate
1	M/s. NVVN (Jaypee Nigrie) Madhya Pradesh	100	100	8.43	100	8.41
2	M/s. NVVN (ILFS)	225	225	8.43	225	8.41
3	M/s. PTC (SEIL Energy India Ltd), Andhra Pradesh	100	100	8.43	100	8.41

4	M/s. NVVN (Jaypee Bina) Madhya Pradesh	50	50	8.43	50	8.41
5	M/s. Manikaran (Coastal) Tamil Nadu	500	500	8.43	500	8.41
6	M/s. NVVN (Jindal Power Ltd.) Maharastra	150	25	8.49	50**	8.41
<b>Total</b>			<b>1000</b>		<b>1025</b>	

<b>May 2024 – RTC Power in MW Rate in Rs./ Kwh</b>						
Sl. No.	Name of the Bidders	As per BG	Offered Qtm in Reverse Auction	Price offered	Qtm offered on negotiation	Negotiated rate
1	M/s. NVVN (Jaypee Nigrie)	100	50	7.75	100***	7.74
2	M/s. NVVN (Jaypee Bina)	50	50	7.75	50	7.74
<b>Total</b>			<b>100</b>		<b>150</b>	

<b>March 2024 – Peak (18-24) Power in MW Rate in Rs./ Kwh</b>						
Sl. No.	Name of the Bidders	As per BG	Offered Qtm in Reverse Auction	Price offered	Qtm offered on negotiation	Negotiated rate
1	M/s. NVVN (ILFS)	100	100	11.4	100	9.99
2	M/s. PTC (Adani, Chattisgarh)	100	100	14	100	12
3	M/s. PTC (Mahan Energen, M.P.)	100	100	14	100	12
4	M/s. Shree Cement (CTU)	40	5	19	5	19

5	M/s. Shree Cement (STU)	150	5	20	5	20
		<b>Total</b>	<b>310</b>		<b>310</b>	

April 2024 – Peak (18-24) Power in MW Rate in Rs. / Kwh						
Sl. No.	Name of the Bidders	As per BG	Offered Qtm in Reverse Auction	Price offered	Qtm offered on negotiation	Negotiated rate
1	M/s. PTC (Adani, Chattisgarh)	100	100	14	100	12
2	M/s. PTC (Mahan Energen, M.P.)	100	100	14	100	12
	<b>Total</b>		<b>200</b>		<b>200</b>	

May 2024 – Peak (18-24) Power in MW Rate in Rs. / Kwh						
Sl. No.	Name of the Bidders	As per BG	Offered Qtm in Reverse Auction	Price offered	Qtm offered on negotiation	Negotiated rate
1	M/s. NVVN (ILFS)	45	45	11.4	45	9.99
2	M/s. PTC (Mahan Energen, M.P.)	100	100	14	100	12
3	M/s. PTC (Adani, Chhattisgarh)	100	100	14	100	12
	<b>Total</b>		<b>245</b>		<b>245</b>	

14.4. The offer received from intra / interstate generators were also placed before Board of TANGEDCO as detailed below:-

**March 2024:**

\* The L1 bidder, M/s.Manikaran Power Ltd sourced from M/s.Coastal Energen Private Ltd ,intra state generator had participated and paid the EMD amount for the quantum of 500 MW RTC power@ Rs.8.17 per unit for the month of March 2024. During reverse auction in the DEEP Portal, in the bucket filling, the quantum has been limited to 330 MW to restrict the offer within tendered quantum of 500 MW RTC power. On negotiation, the bidder has reduced the rate to Rs.8.16 per unit subject to availing of full 500 MW RTC power by TANGEDCO.

Likewise, the next lowest L1 bidder M/s. NVVN sourced from M/s.IL&FS, intra state generator had participated and offered the quantum of 350 MW RTC power @ Rs.8.20 per unit which has not been considered in the bucket filling for the reason that offered quantum exceeds the tendered quantum of 500 MW RTC power. The same bidder had participated in the peak hour tender for the month of March 2024 and May 2024 and offered 100 MW/45 MW at the rate of Rs.11.40 per unit. On negotiation, the bidder has reduced the rate to Rs.9.99 per unit for both months provided 350 MW RTC power is availed by TANGEDCO during the month of March 2024 to ensure base load in the month of March 2024.

#### **April 2024:**

\*\* The L2 bidder M/s.NVVN sourced from M/s.Jindal Power Ltd, Maharashtra participated and had paid the EMD amount for the quantum of 95 MW RTC power@ Rs.8.49 per unit for the month of April 2024. During reverse auction in the DEEP Portal, in the bucket filling, the quantum has been limited to 25 MW to restrict the offer within tendered quantum of 1000 MW RTC power. On negotiation, the bidder has reduced the

rate to Rs.8.41 per unit subject to availing of 50 MW RTC power by TANGEDCO to meet at least the technical minimum.

**May 2024:**

\*\*\* The interstate bidder, M/s.NVVN sourced from M/s.Jindal Power Ltd Tamnar had participated and offered 150 MW RTC power and even before closure of E- Reverse action has informed TANGEDCO through email that NVVN has mistakenly quoted bid @ 5.58 from JPL (May '24) participation instead of @8.58 while reducing rate purely due to human error and requested to ignore the same and cancellation of bid submitted by M/s.JPL.

The next L1 bidder M/s.NVVN sourced from M/s.Jaypee Nigrie had participated and paid the EMD amount for the quantum of 100 MW RTC power@ Rs.7.75 per unit for the month of May 2024. During reverse auction in the DEEP Portal, in the bucket filling, the quantum has been limited to 50 MW to restrict the offer within tendered quantum of 200 MW RTC power. On negotiation, the bidder has reduced the rate to Rs.7.74 per unit and offered the quantum of 100 MW.

The offer received for a quantum of 50 MW from the next L1 bidder M/s. NVVN sourced from M/s. Jaypee Bina has been considered to tie up power upto 150 MW against the tendered quantum of 200 MW.

14.5. In this regard, the offer received for supply of RTC and peak hour power in all tenders of TANGEDCO is as below:-

Month	Tendered Qtm in MW	Offer received in MW	Tendered Qtm in MW	Offer received in MW
RTC			Peak	
Tender No. 32 of 2023				
March 2024	700	470	1700	341
April 2024	1500	685	2800	492
May 2024	700	685	1500	492
Tender No. 35 of 2023				
March 2024			1000	100
April 2024	500	50	2000	Nil
May 2024			600	Nil
Tender No. 36 of 2023				
March 2024	500	1850	1000	310
April 2024	1000	2155	2000	200
May 2024	200	1320	800	245

14.6. In spite of floating three tenders, TANGEDCO could get only meagre quantum of power for peak hour period since bidders have preferred to quote only for RTC power.

14.7. In Tender No.36 of 2023 for the months of March '24 and May'24 for the peak hour power, L1 bidder has offered 100 MW @ Rs.9.99 per unit and L2 bidder has quoted negotiated rate of Rs.12 per unit. Hence, at present TANGEDCO has decided to consider the offer of L1 @Rs.9.99 to issue LOA and the offer by L2 bidder is kept open till the rate is matched in line with L1 bidder.

14.8. The Chief Engineer/GO vide letter dated 01.11.2023, after considering the quantum tied up through tender, under swap and the quantum under tie up has given the new shortage quantum for the months of February 2024 to May 2024. The details are as below:

Time	Feb 2024	March 2024	April 2024	May 2024
	in MW			
Qtm under tie up in RTC	600	500	1100	200
Morning peak (6 to 8 hrs.)	2337	1009	118	0
Evening peak 18 to 24 hrs.	3397	2078	2336	1751

14.9. For summer months of 2024, TANGEDCO through earlier Tender No. 32 of 2023 has tied up RTC power at the rate of Rs.8.22 per unit and peak power at the rate of Rs.9.94 per unit for the months of March 2024 to May 2024. On comparing the rate finalised by other Discoms, TANGEDCO STOA Tender for 2023 and 2024 and the power exchange rate during 2023, the finalized rate for RTC power through Tender No. 36 of 2023 for the period from March 2024 to May 2024 is found reasonable. In the power exchanges, the maximum ceiling limit has been fixed as Rs.10 per unit in DAM and RTM and in High Price DAM the maximum limit is Rs.20 per unit. Considering the above, the finalised rate of Rs.9.99 per unit for peak hour period is also reasonable.

14.10. Considering the expected increase in demand during summer months of 2024, and to maintain uninterrupted power supply for the forth coming Parliament election, for public examinations and to the public of Tamil Nadu, the Board of TANGEDCO in its meeting held on 18-11-2023 has approved the proposal to tie up power from all the eligible bidders who had offered the rate for RTC power of 1020 MW @ Rs.8.16 per unit for the month of March 2024, Quantum of 1025 MW @ Rs.8.41 per unit for the month of April 2024 and quantum of 150 MW @ Rs.7.74 per unit for the month of May 2024 and



peak hour power of 100 MW and 50 MW @ Rs.9.99 per unit for the month of March and May 2024.

14.11. The expenditure towards the procurement of RTC power of 1020 MW @ Rs.8.16 per unit for the month of March 2024, 1025 MW @ Rs.8.41 per unit for the month of April 2024 and 150 MW @ Rs.7.74 per unit for the month of May 2024 and peak hour power of 100 MW @ Rs.9.99 per unit for the month of March 2024 and 45 MW @ Rs.9.99 per unit for the month of May 2024 is approximately Rs.1340 Crs.

## **15. Findings of the Commission:-**

15.1. The Miscellaneous Petition No.27 of 2023 was filed by the petitioner (TANGEDCO) during the month of August 2023 for procurement of 700MW RTC, 1700MW Peak hour power from 1.03.2024 to 31.03.2024, 1500MW RTC, 2800MW Peak hour power from 01.04.2024 to 30.04.2024 and 700MW RTC, 1500MW Peak hour power from 01.05.2024 to 31.05.2024 from Inter and Intra state generators. The petitioner has sought for ratification / approval of the Commission for having floated Tender No. TANGEDCO/SHORT/PP-32/2023 for procurement of power. In anticipation of approval, the petitioner processed the tender, considering the need of power during summer months of 2024. In that Tender processing for procurement of power for peak hour requirement during March'24 to May'24, there was shortfall in offered quantum as against the required quantum.

15.2. In order to meet out the balance quantum of power for the peak hour requirement during Mar 24 to May 24, the petitioner (TANGEDCO) subsequently filed a miscellaneous petition, MP No.32 of 2023 during the month of October 2023 and floated Tender No. TANGEDCO/SHORT/PP-35/2023 for procurement of balance quantum of 500 MW RTC & 1700 MW for Peak hours from 18.00 to 24.00Hrs

during the month of March 2024 to May 2024 and for procurement of 1000MW & 2200MW in the Morning Peak hours & Lighting Peak hours respectively during the months of December 2023 to February 2024 from Inter and Intra state generators.

15.3. Since the quantum offered in the two short term tenders floated were still in short of the required quantum to meet the expected demand during the summer of 2024, the petitioner (TANGEDCO) filed another miscellaneous petition, MP No.33 of 2023 during the month of October 2023 and floated Tender No. TANGEDCO/SHORT/PP-36/2023 for procurement of balance quantum of 500 MW RTC & 1000 MW for Peak hours from 18.00 to 24.00Hrs during the month of March 2024, 1000MW RTC & 2000MW for Peak hours from 18.00 to 24.00Hrs during the month of April 2024 and 200MW RTC & 800MW for Peak hours from 18.00 to 24.00Hrs during the month of May 2024 from Inter and Intra state generators.

15.4. The petitioner having processed the above said tenders for purchase of short term power, has subsequently filed three petitions PPAP No.4 of 2023, PPAP No.1 of 2024 and PPAP No.2 of 2024 praying approval for adoption of tariff discovered in the said TenderNos.32/2023, 35/2023 and 36/2023 respectively for procurement of total quantum of 1490MW RTC & 541MW for Peak hour from 18.00 to 24.00 Hrs during March 24, 1760MW RTC & 492MW for Peak hour from 18.00 to 24.00 Hrs during April 24 and 835MW RTC & 537MW for Peak hour from 18.00 to 24.00 Hrs during May 2024.

15.5. Commission examined all the petitions together viz., M.P.No.27 of 2023, MP No.32 of 2023 and MP No.33 of 2023 and P.P.A.P. No.4 of 2023, PPAP No.1 of 2024 and PPAP No.2 of 2024 to pass a common order thereon.

15.6. The petitioner stated that during the year 2023, "All time high demand" was reached to 19387 MW

on 20.04.2023 (423.785MU) while the “All-Time High Demand” during the year 2022 was reached to the record of 17563 MW on 29.04.2022 (388.078 MU). Thus, the steady increase of around 1800MW compared to previous year and there would be 6% increase in demand every year. TANGEDCO reasoned the increase in demand due to lifting of COVID restriction in Tamil Nadu and momentum gained in the activities of IT firms and Industrial operations and the expected dry weather might further increase the demand over the grid during summer months of 2024.

15.7. Further the Petitioner TANGEDCO has stated that if tender is floated for peak hour power alone, the chances of getting the offer quantum will be less, since the requirement of TANGEDCO is for the limited time blocks of 6 hours only ie from 18.00 to 24.00 hrs. The generators who have already tied up quantum for the base load can participate and for other plants, it is not economical to run the plant as frequent on and off condition will increase the generating cost. Power could be procured through power exchange for limited time blocks also. But the availability of power in summer months would be the limiting factor. The petitioner further stated that due to urgency in booking the transmission and to accommodate the low cost power in advance, floated the tender with the arrangement that offered quantum of peak hour power shall be 70% of RTC quantum to qualify as eligible bidder.

15.8. Considering the above, TANGEDCO, the petitioner, has stated that an arrangement to float a short term tender has been made to meet the demand in summer period of 2024 following the requirement given by the Grid Operation Wing to manage the situation, as below:-

Period	RTC Power in MW	Peak hour power in MW
March2023	700	1700
April2023	1500	2800
May 2023	700	1500

15.9. TANGEDCO has stated that with reference to CERC's order in 4/SM/2023 (Suo-moto) dated 02.04.2023, the average buy to sell bid ratio was 2.03, when MCP touched Rs.10/kWh, which is the ceiling price imposed by exchange. TANGEDCO could not get the full quantum block wise, as buy bids have been more than double of the sell bids. Hence, comparing the purchase through exchange, power purchase through tender would confirm the firm power availability.

15.10. In view of the requirements over the anticipated availability and in order to purchase power to meet out the summer months demand and in view of the urgency to finalise tender to enable the successful bidder to book transmission corridor in advance, it is seen that TANGEDCO has floated Tender No.32 of 2023 for the procurement of power as mentioned below, with certain deviations from the MoP guidelines in the Short term tender:

Type of Power	Period of supply	Quantum in MW
RTC Power	01.03.2024 to 31.03.2024	700
	01.04.2024 to 30.04.2024	1500
	01.05.2024 to 31.05.2024	700
Peak hour power	01.03.2024 to 31.03.2024:	1700
	01.04.2024 to 30.04.2024	2800
	01.05.2024 to 31.05.2024	1500

15.11. It is observed that Tender No.32/2023 has been floated with the following deviations from the MoP guidelines,-

1. Deleting the Change in Law clause since the period of contract is for three Months.
2. Deviation in scheduling up to 40% of the contracted quantum against 15% as per terms and conditions to avoid under drawl of power in case of excess injection of renewable energy source during Solar hours.

15.12. TANGEDCO has stated that during summer months of 2023, in spite of placing bid at the maximum bidding price of Rs.10 per unit (effective from 04.04.2023) in the exchange purchase, TANGEDCO could get only 15% to 25% of the bid quantum block wise due to heavy demand in the market. Hence, along with constrained purchase through exchange, power purchase through tender would confirm the firm power availability with certainty to meet the shortfall.

15.13. In view of the requirements over the anticipated availability and in order to purchase power to meet out the summer months demand and in view of the urgency to finalise tender to enable the successful bidder to book transmission corridor in advance, it is seen that TANGEDCO has filed the Miscellaneous Petition No.27 of 2023 for tender floated under Tender No.32 of 2023 and Miscellaneous Petition No.32 of 2023 for tender floated under Tender No.35 of 2023 for the procurement of short term power.

15.14. The petitioner has stated that the non-financial technical bids were opened on 12.09.2023 & 19.10.2023 in both the said tenders respectively. There were shortfalls in offered quantum in both the tenders as against the required quantum. The details of peak hour quantum requirement, Offers received in Tender Nos. 32 of 2023 & 35 of 2023 and the shortfall / balance quantum are as below:

Description	March'24		April'24		May'24	
	RTC	Peak	RTC	Peak	RTC	Peak
Quantum Required	700	1700	1500	2800	700	1500
LOA issued -T.No.32 of 2023	470	341	685	492	685	492
LOA issued -T.No.35 of 2023	-	100	50	-	-	-
Balance Quantum required	230	1259	765	2308	15	1008

15.15. The petitioner has stated that to manage the situation, TANGEDCO decided to float another tender for procurement of balance power, the petitioner has floated the short-term tender on 12.10.2023 to tie up the balance quantum in anticipation of approval to meet the summer demand of 2024 without deficit. The details of quantum for which the new Tender No.36 of 2023 was floated to procure balance quantum of power are as follows:

Month	RTC (0-24 Hrs) in MW	Peak Hours (18 to 24 hrs) in MW
March 2024	500	1000
April 2024	1000	2000
May 2024	200	800

15.16. It is further seen in the PPAP No. 4 of 2023, PPAP No.1 of 2024 and PPAP No.2 of 2024 that tender process was initiated in DEEP Portal for procurement of power from 01.03.2024 to 31.05.2024. As per the timeline schedule of Tender Nos.32, 35 & 36, the non-financial technical bids were opened on 11.09.2023, 10.10.2023 and 26.10.2023 respectively and the price bid opening & e-Reverse Auctions were held on the 12.09.2023, 11.10.2023 and 27.10.2023 respectively.

15.17. The petitioner has stated that TANGEDCO had purchased RTC power during the summer 2023 through short term tender and power exchanges including DAM,RTM,TAM of both IEX andPXIL for March'23 – 171.77 MU at Rs.11.67 per unit, for April'23 – 482.43 MU at Rs.10.14 per unit and for May'23 – 765.02 MU at Rs.8.01 per unit. In all a total of 1419.22 MU was purchased at an average rate of Rs.9.94 per kWhr during March 23 to May 23.

15.18. Further, the rate finalised by other state utilities through short term tender for the summer period of 2024 during March'24 to May'24 were ranging from Rs.7.71 to Rs.10.00 per unit.

15.19. The rates were finally discovered for power purchase during summer months of 2024 by negotiations after e-Reverse auction processes. In tender No.32 of 2023 and tender No.35 of 2023, TANGEDCO has tied up RTC power at the rate of Rs.8.22 per unit and peak hour power at the rate of Rs.9.94 per unit for the month of March 24 to May 2024 and in tender No.36 of 2023, TANGEDCO has tied up RTC power at Rs.8.16 per unit and peak hour power at Rs.9.99 per unit for March 24, RTC power at Rs.8.16 per unit for April 24 and RTC power at Rs.7.74 per unit and peak hour power at Rs.9.99 per unit for May 24 which are given in detail as below:

1. Under Tender No.32 of 2023

(i) RTC power (0 to 24 hrs)

Sl.No.	Name of the bidder	Qtm in MW			Rate in Rs/Kwh for all months
		March'24	April'24	May '24	
1	JPL (NVVN)	250	250	250	8.22
2	Suryvadev	40	40	40	8.22
3	Semcorp (PTC)	120	120	120	8.22
4	Simhapuri(PTC)	60	100	100	8.22
5	Shree Cement	-	175	175	8.22
	<b>Total</b>	<b>470</b>	<b>685</b>	<b>685</b>	<b>8.22</b>

(ii) Peak hour power (18 to 24 hrs)

Sl.No.	Name of the bidder	Qtm in MW			Rate in Rs/Kwh for all months
		March'24	April'24	May '24	
1	JPL (NVVN)	175	175	175	9.94
2	Suryvadev	40	40	40	9.94
3	Semcorp (PTC)	84	84	84	9.94
4	Simhapuri(PTC)	42	70	70	9.94
5	Shree Cement	-	122.5	122.5	9.94
	<b>Total</b>	<b>341</b>	<b>491.5</b>	<b>491.5</b>	<b>9.94</b>

## 2. Under Tender No.35 of 2023

(i) RTC power (0 to 24 hrs)

Sl.No.	Name of the bidder	Qtm in MW			Rate in Rs/Kwh
		March'24	April'24	May '24	
1	Semcorp (PTC)	-	50	-	8.22
	<b>Total</b>	-	<b>50</b>	-	<b>8.22</b>

(ii) Peak hour power (18 to 24 hrs)

Sl.No.	Name of the bidder	Qtm in MW			Rate in Rs/Kwh
		March'24	April'24	May '24	
1	Shree Cement	100	-	-	9.94
	<b>Total</b>	<b>100</b>	-	-	<b>9.94</b>

## 3. Under Tender No.36 of 2023

(i) RTC power (0 to 24 hrs)

Sl.No.	Name of the bidder	March – 24		April – 24		May – 24	
		Qtm offered in MW	Rate in Rs./kWh	Qtm offered in MW	Rate in Rs./kWh	Qtm offered in MW	Rate in Rs./kWh
1	M/s.NVVN(Jaypee Nigrie)M.P.	100	8.16	100	8.41	100	7.74
2	M/s.PTC(SEIL Energy India Ltd) AP	20	8.16	100	8.41	-	-
3	M/s.PTC(Adhunik) Jharkand	50	8.16	-	-	-	-
4	Manikaran (Costal), Tamil Nadu	500	8.16	500	8.41	-	-
5	M/s.NVVN (IL&FS)	350	8.16	225	8.41	-	-
6	M/s.NVVN(Jaypee Nigrie)Bina M.P.	-	-	50	8.41	50	7.74



7	M/s.NVVN/Jindal Power Ltd)Maharashtra	-	-	50	8.41	-	-
	<b>Total</b>	<b>1020</b>	<b>8.16</b>	<b>1025</b>	<b>8.41</b>	<b>150</b>	<b>7.74</b>

(ii) Peak hour power (18 to 24 hrs)

Sl.No.	Name of the bidder	March – 24		April – 24		May – 24	
		Qtm offered in MW	Rate in Rs./kWh	Qtm offered in MW	Rate in Rs./kWh	Qtm offered in MW	Rate in Rs./kWh
1	M/s.NVVN (IL&FS)	100	9.99	-	-	45	9.99
	<b>Total</b>	<b>100</b>	<b>9.99</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>9.99</b>

15.20. The petitioner has stated that the cost of procurement of power for the month of March 2024 to May 2024 in the present tender nos.32 of 2023, 35 of 2023 and 36 of 2023 have been worked out as Rs.1353 Crs., Rs.48.08 Crs., and Rs.1340 Crs. respectively.

15.21. The petitioner while filing the miscellaneous petition before the Commission seeking ratification and approval for purchase of power of 700MW RTC, 1700MW Peak hour power from 1.03.2024 to 31.03.2024, 1500MW RTC, 2800MW Peak hour power from 01.04.2024 to 30.04.2024 and 700MW RTC, 1500MW Peak hour power from 01.05.2024 to 31.05.2024 under Short term tender, had submitted the anticipated forecast projection block wise demand, available sources, scheduled units and surplus/deficit from sources obtained from SLDC for the period from 01.03.2024 to 31.05.2024. The Commission has given serious consideration to the submissions made by the petitioner in their petition such as the details of Actual Demand, Availability of power quantum and the scheduled units block wise details with regard to the period for which approval for procurement is sought.

15.22. From the above submissions, the Commission is persuaded to take a view that only under the

compelling exigency during the months of March, April & May 2024; the tenders were initiated for procurement of power on short term basis by way of Short term tender through DEEP portal in anticipation of approval from the Commission. In this connection, the Commission has considered the submissions with regard to power procurement details and bids evaluation Committee's certification under clause 11.2 of MoP Guidelines.

15.23. The petitioner while filing the Miscellaneous Petition No.27 of 2023 before the Commission seeking ratification and approval for purchase of power of 700MW RTC, 1700MW Peak hour power from 1.03.2024 to 31.03.2024, 1500MW RTC, 2800MW Peak hour power from 01.04.2024 to 30.04.2024 and 700MW RTC, 1500MW Peak hour power from 01.05.2024 to 31.05.2024 under Short term tender, had submitted the actual block wise demand, available sources, scheduled units and surplus/deficit from sources obtained from SLDC for the period from 01.03.2024 to 31.05.2024. The Commission has given serious consideration to the submissions made by the petitioner in their petition such as the details of Anticipated Demand, Availability of power quantum and the scheduled units block wise details with regard to the period March 24 to May 24, for which approval for procurement is sought.

15.24. Pertinent here to point out that as per CEA's prediction, the State power demand is in all probability expected to touch 20,744 MW during summer 2024 while comparing with the State's highest power demand of 19,387 MW during April 2023. Further, according to Resource Adequacy Assessment by the Southern Regional Load Despatch Centre, the State's power is expected to touch a record high of 20,900 MW in April 2024 and that there would be shortage of power around 1500 MW round-the-clock for the period from January 2024 to June 2024.

The above referred facts leads assurance to the case of the petitioner.

15.25. From the above submissions, the Commission is persuaded to take a view that only under the compelling exigency and to meet out the balance quantum; the tenders were initiated for procurement of power on short term basis by way of Short term tender through DEEP portal in anticipation of approval from the Commission.

On verification of the data so placed, it is pellucid that in majority of the time blocks there is deficit of power not only during the period for which approval is being sought by the petitioner for procurement of power but also after sunset except on holidays on comparison of the projection made by SLDC. The availability of solar power during day time could well have been higher on account of additional capacity added in the previous calendar year. Thus, it is evident that the Demand-Supply gap could be reduced to a considerable level by implementing the available demand side management techniques in a more prudent and efficient methodology which would in turn facilitate reduction in the financial burden towards power purchase. The Commission is also concerned about the full absorption of power purchased under RTC during these periods. Accordingly TANGEDCO and TNSLDC shall sort out plans to use the available resources prudently considering the commercial implications.

15.26. In spite of all the above, the fact remains that as per the Directives of Tariff Order Para 4.18.5 in T.P.No.1 of 2022 dt.09.09.2022, TANGEDCO has to take prior approval from the Commission for purchasing energy from unapproved sources. This Commission has accorded approval for procurement of power under STOA source for FY 2023-24 for a total quantum of 885.65 MU at a total cost of Rs.316.83 Crores and against which, TANGEDCO's procurement through STOA during the months March 24 to May 24 would be 3285.885 MU at a cost of Rs 2754.93 Crores. The quantum and

cost of power procurement through STOA during the summer months of FY 2023-24 are at high range, i.e. ,more than 3 times and 8 times, as against the quantum and cost approved by the Commission in the MYT Tariff Order No.7 of 2022 which may lead to increase the Revenue Gap and ultimately the burden would fall on the Consumers. The Commission directs TANGEDCO to strictly chart out its Resources Adequacy Plan in a professional manner to avoid / minimize purchase of power through STOA and Exchanges at high costs. The Commission would like to record its displeasure on the attitude of TANGEDCO in not adhering to the directions already issued in previous such orders to avoid this kind of repeated delay in seeking approval.

15.27. High Cost power purchase shall be reduced to the extent possible by making sincere efforts to complete the pending projects in time. The upcoming projects are getting delayed and have not come as expected due to various reasons. The Commission also recently reviewed the progress of various projects that are envisaged to meet the demand and suggested actions to be taken to expedite these projects.

The commission would like to reiterate the directives on the above aspects:

a. To meet the growing future Demand, the Licensee shall necessarily workout its Base Load requirement and must have a long term contract with the suppliers on RTC basis.

b. TANGEDCO should explore the possibilities of selling surplus power through exchanges in a dynamic way through various mechanisms that are now available in the market. The responsibility shall be fixed on the concerned wing with executive power for implementing the same.

c. Swapping of excess Solar/wind energy as and when possible should be done with the other

states that need power without going for curtailment.

d. It should be ensured that the unscheduled interchange (UI) and under-drawl at high frequency is minimised, in order to optimise the power purchase costs.

e. Under no circumstances, without taking prior approval from the Commission, power purchase should be done from unapproved sources.

f. It should be ensured that all Generators (both conventional and RE) shall be provided with main and check meters and are in working conditions. The generation details shall be communicated to SLDC on real time basis to have an efficient monitoring system.

g. In order to effectively reduce the lighting peak Demand steps should be taken to Shift the agricultural load to solar hours. This has been emphasized by MoP in its various communications.

h. In order to reduce the power purchase cost, steps should be taken to expedite the commissioning of all ongoing conventional and renewable energy projects on priority.

i. All necessary steps should be taken to revive the generating units for minimum PLF of 85% target.

j. Battery Energy Storage System and Pumped Storage Plants (PSP) are very essential for Round the Clock Renewable Energy. Necessary steps to promote BESS shall be taken by TANGEDCO on priority. Pumped Storage is cheaper and less costly. Single window clearance cell has been set up by CEA (Central Electricity Authority) and the process for clearance for PSP has been simplified. CEA is giving

approval to PSPs in 90 days. The identified PSPs sites should be allotted to developers on a fast track mode to ensure early completion of the project which will aid to reduce the deficit in peak hours.

k. Distributed Renewable Energy Resources like Roof Top Solar, PM KUSUM shall be pursued on priority as it would not need any evacuation system. It would also reduce the cost of supply for the TANGEDCO. The Licensee should take steps to resolve the issues which are currently delaying the Solar-based Projects.

The commission directs that the petitioner shall Endeavour to persuade the above directives in sincerity and furnish quarterly status report to TNERC on the above directives.

In the period of high economic growth, Tamil Nadu Industrial Sector should not be stifled by the power shortage. Ensuring adequate power supply to the industrial consumers, ensures sustained economic growth in the State by improving employment opportunities and lifestyle of the public. At the same time, TANGEDCO also derives revenue from the industrial consumers which is higher than the average cost of supply. Also Industrial consumers are billed at 25% extra on the energy charges during peak hours.

15.28. In view of the above and considering the reasons and need for procurement of power through STOA, the Commission hereby accords approval for the procurement of RTC and Peak hour (18:00 to 24:00) power for the period from 01.03.2024 to 31.05.2024 for the agreed quantum at the rates discovered under Tender Nos.32, 35 and 36 of 2023, as below:

Total Quantum power approved in Tender Nos.32, 35 and 36 of 2023

Sl.No.	Tender No.	Total Quantum power approved in MW					
		March – 24		April – 24		May – 24	
		RTC	Peak Hour (18:00 - 24:00 Hrs)	RTC	Peak Hour (18:00 - 24:00 Hrs)	RTC	Peak Hour (18:00 - 24:00 Hrs)
1	32 of 2023	470	341	685	491.5	685	491.5
2	35 of 2023	-	100	50	-	-	-
3	36 of 2023	1020	100	1025	-	150	45
	<b>Total</b>	<b>1490</b>	<b>541</b>	<b>1760</b>	<b>491.5</b>	<b>835</b>	<b>536.5</b>

1. Under Tender No.32 of 2023

(iii) RTC power (0 to 24 hrs)

Sl.No.	Name of the bidder	Qtm in MW			Rate in Rs/Kwh for all months
		March'24	April'24	May '24	
1	JPL (NVVN)	250	250	250	8.22
2	Suryvadev	40	40	40	8.22
3	Semcorp (PTC)	120	120	120	8.22
4	Simhapuri(PTC)	60	100	100	8.22
5	Shree Cement	-	175	175	8.22
	<b>Total</b>	<b>470</b>	<b>685</b>	<b>685</b>	<b>8.22</b>

(iv) Peak hour power (18 to 24 hrs)

Sl.No.	Name of the bidder	Qtm in MW			Rate in Rs/Kwh for all months
		March'24	April'24	May '24	
1	JPL (NVVN)	175	175	175	9.94
2	Suryvadev	40	40	40	9.94
3	Semcorp (PTC)	84	84	84	9.94
4	Simhapuri(PTC)	42	70	70	9.94
5	Shree Cement	-	122.5	122.5	9.94
	<b>Total</b>	<b>341</b>	<b>491.5</b>	<b>491.5</b>	<b>9.94</b>

## 2. Under Tender No.35 of 2023

(iii) RTC power (0 to 24 hrs)

Sl.No.	Name of the bidder	Qtm in MW			Rate in Rs/Kwh
		March'24	April'24	May '24	
1	Semcorp (PTC)	-	50	-	8.22
	<b>Total</b>	-	<b>50</b>	-	<b>8.22</b>

(iv) Peak hour power (18 to 24 hrs)

Sl.No.	Name of the bidder	Qtm in MW			Rate in Rs/Kwh
		March'24	April'24	May '24	
1	Shree Cement	100	-	-	9.94
	<b>Total</b>	<b>100</b>	-	-	<b>9.94</b>

## 3. Under Tender No.36 of 2023

(iii) RTC power (0 to 24 hrs)

Sl.No.	Name of the bidder	March – 24		April – 24		May – 24	
		Qtm offered in MW	Rate in Rs./kWh	Qtm offered in MW	Rate in Rs./kWh	Qtm offered in MW	Rate in Rs./kWh
1	M/s.NVVN(Jaypee Nigrie)M.P.	100	8.16	100	8.41	100	7.74
2	M/s.PTC(SEIL Energy India Ltd) AP	20	8.16	100	8.41	-	-
3	M/s.PTC(Adhunik) Jharkand	50	8.16	-	-	-	-
4	Manikaran (Costal), Tamil Nadu	500	8.16	500	8.41	-	-
5	M/s.NVVN (IL&FS)	350	8.16	225	8.41	-	-
6	M/s.NVVN(Jaypee Nigrie)Bina M.P.	-	-	50	8.41	50	7.74



7	M/s.NVVN/Jindal Power Ltd)Maharashtra	-	-	50	8.41	-	-
	<b>Total</b>	<b>1020</b>	<b>8.16</b>	<b>1025</b>	<b>8.41</b>	<b>150</b>	<b>7.74</b>

(iv) Peak hour power (18 to 24 hrs)

Sl.No.	Name of the bidder	March – 24		April – 24		May – 24	
		Qtm offered in MW	Rate in Rs./kWh	Qtm offered in MW	Rate in Rs./kWh	Qtm offered in MW	Rate in Rs./kWh
1	M/s.NVVN (IL&FS)	100	9.99	-	-	45	9.99
	<b>Total</b>	<b>100</b>	<b>9.99</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>9.99</b>

15.29. The Commission approves the tariff rate of RTC at the rate of Rs.8.22 per unit and Peak hour (18:00 to 24:00 hrs) power at the rate of Rs.9.94 per unit for the procurement power under tender No.32 of 2023 of 470MW RTC, 341MW Peak hour power from 01.03.2024 to 31.03.2024, 685MW RTC, 491.5MW Peak hour power from 01.04.2024 to 30.04.2024 and 685MW RTC, 491.5MW Peak hour power from 01.05.2024 to 31.05.2024 from Inter and Intra State generators subject to the observations and directions in this order.

15.30. The Commission approves the tariff rate of RTC at the rate of Rs.8.22 per unit and Peak hour (18:00 to 24:00 hrs) power at the rate of Rs.9.94 per unit for the procurement power under tender No.35 of 2023 of 100 MW Peak hour power from 01.03.2024 to 31.03.2024 and 50MW RTC power from 01.04.2024 to 30.04.2024 from Inter and Intra State generators subject to the observations and directions in this order.

15.31. The Commission approves the tariff rate of RTC at the rates of Rs.8.16, Rs.8.41 and Rs.7.74 per unit for March 24, April 24 and May 24 respectively and Peak hour (18:00 to 24:00 hrs) power at the rate of Rs.9.99 per unit for March 24 and May 24 for the procurement power under tender No.36 of 2023 of 1020MW RTC, 100MW Peak hour power from 01.03.2024 to 31.03.2024, 1025MW RTC from 01.04.2024 to 30.04.2024 and 150MW RTC, 45MW Peak hour power from 01.05.2024 to 31.05.2024 from Inter and Intra State generators subject to the observations and directions in this order.

15.32. As prayed by the petitioner in the MP No.27 of 2023, the Commission also approves the deviations sought for from the Gol Guidelines in Short term tender No.32/2023 as below.

- (i) Deleting the Change in Law clause since the period of contract is for three months.
- (ii) Deviation in scheduling up to 40% of the contracted quantum against 15% as per terms and conditions to avoid under drawl of power in case of excess injection of renewable energy source.

All the petitions stand ordered accordingly.

(Sd.....)  
Member (Legal)

(Sd.....)  
Member

(Sd.....)  
Chairman

/True Copy /

**Secretary**  
**Tamil Nadu Electricity**  
**Regulatory Commission**

## Annexure-2

Details of Quantum of power to the procured and the Cost of procurement

		Quantum MW	No of Days	No of Hours	Purchase in Units	Purchase Rate Rs./ Unit	Amount payable Rs. in Crs	From	To
Tender 32	RTC	470	31	24	349.6800	8.22	287.44	01-03-2024	31-03-2024
	Peak Hrs	341	31	6	63.4260	9.94	63.05	01-03-2024	31-03-2024
	RTC	685	30	24	493.2000	8.22	405.41	01-04-2024	30-04-2024
	Peak Hrs	491.5	30	6	88.4700	9.94	87.94	01-04-2024	30-04-2024
	RTC	685	31	24	509.6400	8.22	418.92	01-05-2024	31-05-2024
	Peak Hrs	491.5	31	6	91.4190	9.94	90.87	01-05-2024	31-05-2024
			Total		1,595.8350		1353.63		
Tender 35	RTC	0	31	24	-	8.22	0.00	01-03-2024	31-03-2024
	Peak Hrs	100	31	6	18.6000	9.94	18.49	01-03-2024	31-03-2024
	RTC	50	30	24	36.0000	8.22	29.59	01-04-2024	30-04-2024
	Peak Hrs	0	30	6	-	9.94	0.00	01-04-2024	30-04-2024
	RTC	0	31	24	-	8.22	0.00	01-05-2024	31-05-2024
	Peak Hrs	0	31	6	-	9.94	0.00	01-05-2024	31-05-2024
			Total		54.6000		48.08		
Tender 36	RTC	1020	31	24	758.8800	8.16	619.25	01-03-2024	31-03-2024
	Peak Hrs	100	31	6	18.6000	9.99	18.58	01-03-2024	31-03-2024
	RTC	1025	30	24	738.0000	8.41	620.66	01-04-2024	30-04-2024
	Peak Hrs	0	30	6	-	9.99	0.00	01-04-2024	30-04-2024
	RTC	150	31	24	111.6000	7.74	86.38	01-05-2024	31-05-2024
	Peak Hrs	45	31	6	8.3700	9.99	8.36	01-05-2024	31-05-2024
			Total		1,635.4500		1353.23		
					In MU		Rs. in Crs		
	Tender 32				1,595.835		1353.63		
	Tender 35				54.600		48.08		
	Tender 36				1,635.450		1353.23		

	Grand Total				3285.885		2754.93		
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(Sd.....)  
Member (Legal)

(Sd.....)  
Member

(Sd.....)  
Chairman

/True Copy /

**Secretary**  
**Tamil Nadu Electricity**  
**Regulatory Commission**