

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

Order of the Commission dated this the 01st Day of April 2025

PRESENT:

Thiru.K.Venkatesan

.... Member

and

Thiru.B.Mohan

.... Member (Legal)

M.P. No. 53 of 2024

Tamil Nadu Power Distribution
Corporation Ltd.,(TNPDCCL)
144 Anna Salai,
Chennai – 600 002.

... Petitioner
(Thiru.N.Kumanan &
Thiru.A.P.Venkatachalapathy
Standing Counsel for TNPDCCL)

This Miscellaneous Petition Coming for final hearing on 12-12-2024 in the presence of Tvl. N.Kumanan, & A.P.Venkatachalapathy Standing Counsel for the Petitioner and on consideration of the submission made by the Counsel for the Petitioner, this Commission passes the following:

This Miscellaneous Petition stands preferred by the Petitioner, Tamil Nadu Power Distribution Corporation Limited., with a prayer to-

For approval to float a short-term tender and for deviation from the guidelines for procurement power for specified time slots from 01.03.2025 to 10.05.2025 as detailed below:-

Months	Time Period (00:00 to 06:00 hrs) in MW	Time Period (00:00 to 08:00 hrs) in MW	Time Period (18:00 to 24:00 hrs) in MW
March-25	---	850	1425
April-25	1300	---	2610
May-25 (1st to 10th)	---	650	1080

ORDER

1. Contentions of the Petitioner:-

1.1. The Miscellaneous Petition is filed seeking approval from the Commission to float a Short Term Tender by inviting tender through DEEP-Portal for procurement of power for required time blocks for the period from 01.03.2025 to 10.05.2025 to meet the summer demand of 2025.

1.2. The petitioner, Tamil Nadu Power Distribution Corporation Ltd (TNPDC) erstwhile TANGEDCO, an entity incorporated under the Companies Act 1956 and one of the successor entities of Tamil Nadu Electricity Board (TNEB) and engaged in the business of Generation, Distribution etc and a Distribution Licensee in the State of Tamil Nadu for distribution of electricity to various categories of consumers in the State of Tamil Nadu and the electricity so required is availed from various sources such as its own generating stations and purchase of power from various Central Generating Stations of its share, Independent Power Plants, Captive Power Plants, Wind

generators, Co-generation plants, Bio – mass plants, Merchant power plants, Power exchanges etc.

1.3. The demand for electricity in Tamil Nadu was steadily increasing and all time high-consumption in the State of Tamil Nadu during 2022 to 2024 were:

Year	All time high demand		All time high consumption	
	2022	17563 MW	29.04.2022	388.078 MU
2023	19387 MW	20.04.2023	423.785MU	20.04.2023
2024	20830 MW	02.05.2024	454.320 MU	30.04.2024

1.4. Due to tremendous growth and development in industrial sector, there had been substantial increase in requirement of power within the state and there was wide gap in Demand supply condition.

1.5. TNPDCCL met the power demand through own generating stations, Central Generating Stations, Renewable energy sources and through various power purchase agreements executed under long-term and medium-term tenders. Apart from the above sources, TNPDCCL purchased power through exchanges in Day Ahead Market (DAM), Real Time Market (RTM) and Term Ahead Market (TAM) in case of outages of own generating stations. TNPDCCL has met the demand from the Installed Capacity of conventional sources of 15197 MW (TANGEDCO Thermal 4320 MW + Gas 516 MW + IPP 775 MW + CGS Share 6504 MW + LTOA 2830 MW+MTOA 252 MW) and

through short term and purchase through power exchanges. Considering a PLF of 85%, the net availability from installed capacity will be 12917 MW.

Since 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 minimum demand and consumption of power has considerably increased during the summer months of 2025 and the demand over the grid is likely to increase further and expected to reach 22080 MW in 2025.

1.6. As per the projection submitted for the 20th EPS Survey to CEA, demand and availability up to 2032 has been assessed and deficit projected considering the sources of renewable energy. The workings of long-term projection of peak demand, energy and peak availability for the period from 2023-24 to 2029-30 has been detailed below:

Year	Projected Demand during the period in MW		Projected Availability during the period in MW		Surplus / Deficit in MW	
	Solar peak	Lighting peak	Solar peak	Lighting peak	Solar peak	Lighting peak
2023-24	19309	18725	17747	14866	-1562	-3859
2024-25	20606	19990	20512	17191	-94	-2800
2025-26	21959	21309	21691	17849	-268	-3460
2026-27	23314	22629	23896	19455	583	-3174
2027-28	24680	23958	24240	19118	-441	-4840
2028-29	26046	25285	25472	19551	-573	-5734

2029-30	27541	26739	24972	18131	-2569	-8608
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According to the CEA's EPS 20th survey, the peak demand of Tamil Nadu would be 19990 MW for 2024-2025 and 21309 MW for 2025-26. The peak demand for 2024 -25 was 20830 MW and surpassed the CEA's projections.

1.7. All time high demand of electricity has been steadily increasing around 6% every year and particularly minimum demand and consumption of power was increased during summer months. The peak demand actually occurred during 2024-25 of 20830 MW on 2.5.2024 was surpassed CEA's projection of 19413 MW for the year 2024-25. The demand during the forthcoming summer of 2025 has been expected to reach around 22080 MW.

1.8. The previous three year's procurement through short term are as detailed below:

Month	Year 2022	2023	2024	
	RTC in MW	RTC in MW	RTC in MW	Peak hours with RTC in MW
March	765	740	1490	2031
April	965	1562	1760	2251
May	1175	1562	835	1371

Apart from the above quantum, balance required quantum of power as per daily requirements was procured through power exchanges. Power was also procured through swap arrangements.

1.9. There would be a significant increase in peak summer demand during 2025 especially during the summer period, every year, the wind generation would be meagre. Public exams for schools/colleges would be scheduled during the summer months of March to May 2025. Therefore, in order to maintain the uninterrupted power supply, it would be necessary to make arrangements for procurement of power to meet out the summer demand without any interruption.

1.10. During summer months of 2023 and 2024, 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. Hence, to ensure power flow in summer months of 2025, it has been necessary to procure power through short term tender process after considering the availability of power under various sources during the months of March2025, April2025 and May2025.

1.11. The capacity additions from the ongoing projects viz. Ennore SEZ STPS(2 x 660 MW), Udangudi stage II project (2 x 660 MW), Kudankulam APS unit 3&4 (2x500MW) and ETPS Expansion (1x660) MW would contribute to the grid only by the end of the forecasted period 2027-30. NCTPS stage III (1*800 MW) has not yet delivered to full capacity.

1.12. The generation availability has been arrived by considering the following conditions:

- From Hydro 300 MW, 1000 MW as minimum and maximum generation.
- Availability of Central Generating Stations as per the CEA report.
- Availability of Imported Coal Based plants under LTOA and IPP fully considered.
- Generation from wind and solar considered as minimum based on previous year's generation
- Commissioning of North Chennai Power Station Stage III to the extent of 600 MW from March to May 2025.

1.13. The Chief Engineer / Grid Operation raised an indent, dated 20.9.2024, for requirement of power for the upcoming summer months from February 2025 to May 2025. Based on the indent, a tender had been floated in DEEP (Discovery of Efficient Energy Price) portal after obtaining approval from the Board of TNPDCCL to float the short term tender specifying quantum to be purchased. The details of indent of SLDC and quantum floated through short term tender No.39/2024-25 were as below:

TABLE A

Months	SLDC indent		Short term tendered quantum		Balance to be procured (proposed under SWAP,LDC, HP DAM, NVVN)	
	0.00 to 18.00 hrs in MW (A)	18.00 hrs to 24.00 hrs in MW (B)	0.00 to 18.00 hrs in MW (C)	18.00 hrs to 24.00 hrs in MW (D)	0.00 to 18.00 hrs in MW (E)	18.00 hrs to 24.00 hrs in MW (F)
February– 2025	200	1200	200	540	NIL	660
March– 2025	750	3500	750	1575	NIL	1925
April– 2025	1200	4950	1200	2340	NIL	2610
May –2025	600	2400	600	1320	NIL	1080

1.14. A Miscellaneous petition, M.P.No.50 of 2024, was filed earlier before this Commission seeking quantum approval and approval for the deviations sought from the MoP's Guidelines for procurement of power through short term tender 2016 and its amendments.

1.15. On account of depletion of hydro reserves due to certain renovation works to be carried out, outages and increased trend of consumption, a revised indent for procurement of additional power has been received from the Chief Engineer /Grid Operation on 8.11.2024.

As per the revised indent, the additional power requirement is as follows:

TABLE B

Months	Additional requirement as per CE/GO U.O note dt.08.11.2024								Carried over from previous indent (col.(F) of Table A	
	0.00 to 02.00 hrs in MW	0.00 to 06.00 hrs in MW	02.00 to 06.00 hrs in MW	6 to 7 hrs in MW	7 to 8 hrs in MW	6 to 8 hrs in MW	0.00 to 08.00 hrs in MW	18.00 hrs to 24.00 hrs in MW	18.00 hrs to 24.00 hrs in MW	Total to be procured for 18.00 hrs to 24.00 hrs
Feb-25									660	660
Mar.25 (1st to 15th)							850		1925	1925
Mar.25 (16th to 31st)		850				1350		500	1925	2425
Apr-25	1800		1300	300	50			500	2610	3110
May 25 (1st to 10th)		1400				650		500	1080	1580
May 25 (11th to 31st)						500		500	1080	1580

In the Miscellaneous petition, M.P.No.50 of 2024, which was already filed before this TNERC for procurement of power under short term tender No.39/2024 on 28.10.2024, it was proposed to procure balance power through other various segments viz. long duration contracts, high price term ahead markets, short term open access tender for

peak hours, NVVN etc. based on costs of procurement. However, another short term tender is proposed to be floated in order to assure supply and accommodate low cost power in advance and obtain transmission corridors and to supply quality, reliable and uninterrupted supply to meet the summer demand during the months of March, April and May 2025.

1.16. The Table below showing the comprehensive status of requirement furnished by the State Load dispatch Centre, already tendered quantity, additional requirement, balance to be procured and the quantity to be tendered through a second short term tender:

Months	Procurement as per TNSLD C requirement (0-18 hrs)	Req. during Peak Hrs (18:00 - 24:00)	Already floated Tender Quantum (Opening on 18.11.2024)		Additional quantum for 00.00 to 08.00 hrs	Additional Peak Hour Quantum as per TNSLD C 18 to 24 hrs	Balance peak hour Qtm 18 to 24 hrs	Final balance during non solar 0 to 8 hrs proposed to be procured in this tender	Final Balance for peak hours 18 to 24 hrs proposed for this tender
			Qtm duration (0 to 18 hrs)	Peak hour 18 to 24 hrs Qtm					
Feb-25	200	1200	200	540	Nil	---	660		
Mar-25	750	3500	750	1575	850 to 1350	500	1925	850	1425
April-25	1200	4950	1200	2340	300 to 1800	500	3110	1300 (0 to 6 hrs)	2610
May-25	600	2400	600	1320	650 to 1400	500	1580	650 (1st to 10th)*	1080(1st to 10th)*

*Procurement is limited to 10th of May foreseeing change in weather conditions with spells of rain that occurred last two years.

1.17. The TNPDCCL intends to make certain deviations from the guidelines issued by Ministry of Power to ensure commercial clarity with respect to provisions in the guidelines, to safe guard the interest of TNPDCCL and to avoid cost implication on TNPDCCL and the details of deviations /modifications proposed in the bidding documents is detailed below.

Sl. No.	MoP Guidelines dt.30.3.2016 and its amendments for short term procurement of power by Distribution licensees by Tariff based bidding	Details of Terms and Conditions to be incorporated in NIT
1	<p>6.4 (vi) (c) : Change in Law – Change in Law shall include</p> <ul style="list-style-type: none"> • Any change in transmission charges and open access charges • Any change in taxes (excluding income tax), duties, cess or introduction of any tax, duty, cess made applicable for supply of power by the Seller 	<p>Since the tender is invited for short period at firm price, change in law will not be applicable.</p>
2	<p>Validity of bid shall be till the time of signing of LOA i.e from start date to 10 days of signing of PPA as per Time table for short term procurement bid process and activities.</p>	<p>Validity of the bids shall be 30 days from the date of e-Reverse Auction process (excluding the date of of e-RA).</p>

1.18. As mandated by Ministry of Power, procurement under short term will be done through MoP’s e-bidding portal (DEEP). The short-term tender floated for STOA is as per the MoP guidelines and through transparent competitive bidding and approval of the

Commission has to be obtained under Section 63 of Electricity Act 2003. TNPDC will approach the Commission on finalizing the tender for tariff adoption.

2. Findings of the Commission:

2.1. The Commission has carefully gone through the submissions made in the petition and the affidavit filed by the Petitioner Tamil Nadu Power Distribution Corporation Limited (TNPDC).

2.2. Earlier the Commission, vide its order dt.13-02-2025 in M.P.No.50 of 2024, approved the procurement by TNPDC, of RTC and Peak hour power from 01.02.2025 to 31.05.2025 for the time period 00.00 to 18.00 hrs, 200 MW, 750 MW, 1200 MW and 600 MW during Feb 25, Mar 25, Apr 25 and May 25 respectively and for the time period 18.00 to 24.00 hrs, 540 MW, 1575 MW, 2340 MW and 1320 MW respectively during Feb 25, Mar 25, Apr 25 and May 25.

2.3. Now, in addition to the above, the petitioner filed this petition, M.P.No.53 of 2024, praying for approval to float a short-term tender and for deviation from the guidelines for procurement of power from 01.03.2025 to 10.05.2025 for specified time slots as detailed below:-

Power procurement of 850MW from 00.00 to 08.00 hrs and 1425MW from 18.00 to 24.00 hrs during March 2025; 1300MW from 00.00 to 06.00 hrs and 2610MW from 18.00 to 24.00 hrs during April 2025; and 650MW from 00.00 to 08.00 hrs and 1080MW from 18.00 to 24.00 hrs during May 2025 upto 10th May 2025.

2.4. Tamil Nadu Power Distribution Corporation Limited has stated that the “All time high demand” of 17563 MW reached on 29.04.2022(388.078 MU) and in the corresponding next April 2023 (i.e., on 20.04.2023) all time high demand reached to the record of 19387 MW (423.785 MU) and in May 2024 (02.05.2024) it reached further high of 20830 MW and 454.320 MU on 30.04.2024 .TNPDC reasoned the increase in demand due to lifting of COVID restriction in Tamil Nadu and momentum gained in the activities of IT firms, Industrial operations and commercial establishments and the expected dry weather may further increase the minimum demand and consumption in the summer months of 2025. The petitioner expect that the demand may reach 22080MW in 2025.

2.5. The Commission has gone through all the details furnished by the petitioner in this petition necessitating the process for short term power purchase arrangement to procure the revised quantum of power requirement as detailed below.

Months	Time Period (00:00 to 06:00 hrs) in MW	Time Period (00:00 to 08:00 hrs) in MW	Time Period (18:00 to 24:00 hrs) in MW
March-25	---	850	1425
April-25	1300	---	2610
May-25 (1st to 10th)	---	650	1080

2.6. The petitioner has stated that the capacity additions from the ongoing projects viz. Ennore SEZ STPS(2 x 660 MW), Udangudi stage II project (2 x 660 MW),

Kudankulam APS unit 3&4 (2x500MW) and ETPS Expansion (1x660) MW would contribute to the grid only by the end of the forecasted period 2027-30. Further NCTPS stage III (1*800 MW) has not yet delivered to full capacity.

2.7. The petitioner also stated that during summer months of 2023 and 2024, 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, the petitioner TNPDCCL 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.

2.8. In order to meet the gap in requirement to tackle the high demand situation and to ensure power flow in summer months of 2025, TNPDCCL need to procure power through short term tender process after considering the availability of power under various sources during the months of March2025, April2025 and May2025.

2.9. The petitioner, in their earlier Miscellaneous Petition No. 50 of 2024 seeking approval for purchase of power from 01.02.2025 to 31.05.2025 under Short term tender, had submitted the block wise forecasted demand using three years average growth and anticipated available sources obtained from SLDC for the period from 01.02.2025 to 31.05.2025.

The Installed capacity of conventional sources is 18,749 MW whereas it is noticed that in the present petition the quantum furnished under the same category is 15197 MW. Such inconsistency in the basic parameters, from which the additional

power requirement is determined, is viewed with serious concern and displeasure. This clearly vindicates the Commission's earlier direction dt.14.02.2025 to the petitioner to engage a consultant who has expertise in providing solution for power purchase optimisation including demand forecasting, dynamic procurement and RE integration using AI/ML based analytics and IOT to overcome the issues faced by Power Purchase wing.

Under this circumstance we are inclined to consider the figures furnished and considered in the M.P.50 of 2024 as legitimate option to proceed.

The Commission has taken careful consideration of the submissions relating to Demand forecasted, Availability of power quantum and the block wise quantum of power required to the period for which approval for procurement is sought.

Further, the petitioner is directed to prepare its short term power purchase plan including from power exchange for the next two years, FY 2025-26 & FY 2026-27 and submit it to the Commission on or before 30.06.2025.

2.10. Considering the scenario where the demand is steadily increasing, and the need to maintain uninterrupted power supply and to pre-empt load shedding, the Commission is of the view that the quantum approval sought for herein can be permitted with direction to TANGEDCO to seek approval for quantum well in advance in future so as to enable the Commission to give adequate consideration on its proposals.

2.11. In view of the above, the Commission hereby accords approval

a) To float the short-term tender with deviations from the guidelines as prayed in the petition for procurement of power for specified time slots from 01.03.2025 to 10.05.2025 as below:

Months	Time Period (00:00 to 06:00 hrs) in MW	Time Period (00:00 to 08:00 hrs) in MW	Time Period (18:00 to 24:00 hrs) in MW
March-25	---	850	1425
April-25	1300	---	2610
May-25 (1st to 10th)	---	650	1080

b) To publish RfP notice in two Tamil Newspapers and two English National Newspapers and upload the same in TNPDCCL website is given ex post facto approval.

c) TNPDCCL shall maintain and adhere to the power purchase through STOA within the range of 5% to 10% of total quantum required and procured through various sources including from power exchanges.

d) TNPDCCL shall strictly follow the directions given in the Commission's order in M.P.No.50 of 2024 and file compliance report along with tariff adoption petition.

Petition ordered accordingly.

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

(Sd.....)
Member

/True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission