



ABSTRACT

Energy Department - Open access to the consumers with a load of one MW and above in line with section 42(2) of the Electricity Act, 2003 – Amendment to regulation 9(6) of the Tamilnadu Electricity Regulatory Commission (Grid Connectivity and Intra-State Open Access) Regulations, 2014 - Issuances of Policy directive under Section 108 of the Electricity Act, 2003 to the Tamilnadu Electricity Regulatory Commission – Orders – Issued.

Energy (D1) Department

G.O.(Ms) No.37

Dated:17.04.2018

விளம்பி, சித்திரை 4

திருவள்ளூர் ஆண்டு 2049

Read:

1. D.O.letter No11111/A1/2008, Energy Department dated 10.11.2008.
2. G.O (Ms.) No.10, Energy (C3) Department, dated 27.02.2009.
3. G.O (Ms.) No.79, Energy (C3) Department, dated 11.07.2012.
4. Letter received from the Chairman and Managing Director, Tamilnadu Generation and Distribution Corporation Limited, Letter No. CE/Comml./SE/EE/R&C/AEE2/F.OA with 1MW & above/D.138/17, dated 10.07.2017, 23.11.2017 and 20.01.2018.

Order:

The Tamilnadu Electricity Regulatory Commission had notified the Tamilnadu Electricity Regulatory Commission-Intra-State Open Access Regulations 2005 as per the provisions of section 181 of the Electricity Act, 2003, (Central Act 36 of 2003) wherein, open access was allowed to all existing High Tension consumers and new applicants with a load of one mega watt and above. Due to critical power situation that prevailed in Tamilnadu during 2008, there was a deficit in addition to purchasing power from other States. Hence Restriction & Control measures were introduced to High Tension Industrial and Commercial consumers on base demand and energy with peak hour restriction with effect from 01.11.2008.

2. In accordance with the TNERC's Intra-State Open Access Regulations, 2005 the Government vide D.O. Letter first read above, facilitated the private power producers within the State to supply power to the High Tension consumers within the State through open access with a quantum of 1 MW and above subject to the condition that such third party sale will not involve cancellation of existing commitments on sale of power to Tamilnadu Electricity Board or any other consumer within the State in the interest of public. Accordingly, open access was permitted to the private generators on

provision of ABT meters. Based on the request from many other small scale HT industrial consumers and generators, third party sale transaction through intrastate open access was extended to the HT consumers up to 500 kW and above on 30.12.2008 and subsequently to HT consumers up to 250 kW and above, i.e. from 17.02.2009, mainly to protect the public interest of the State. The Government of Tamilnadu, in the interest of public, invoked section 11 of the said Act vide the Government Order second read above duly directing the private generators to supply power either to TNEB or to the consumers within the state in order to harness the maximum power to this State. Consequently, the Hon'ble Tamilnadu Electricity Regulatory Commission amended regulation 11 of the TNERC-Intra-State Open Access Regulations 2005 with effect from 17.02.2010 enabling all the HT consumers irrespective of load as the eligibility criteria for open access and, accordingly, open access was permitted to the willing HT consumers of Tamilnadu, irrespective of load, with effect from 18.02.2010 onwards within their sanctioned demand.

3. The Chairman and Managing Director, Tamilnadu Generation and Distribution Corporation Limited has, in the letter 4th read above, stated that in the interest of the public, the Cross Subsidy charges applicable to the above open access transactions were temporarily waived to the HT consumers for the purchased quantum of power up to their sanctioned demand until the Restriction & Control measures are lifted and subsequently, in the G.O. 3rd read above, the Government of Tamil Nadu authorized TANGEDCO to collect Cross Subsidy Surcharge from the HT consumers who are not availing TANGEDCO quota power fully or partially and purchase power from the outside sources. Further due to improvement of demand supply gap, the Restriction & Control measures were withdrawn with effect from 05.06.2015. The direction issued under sub-section(1) of section 11 of the said Electricity Act, 2003 was, therefore, withdrawn with effect from 01.06.2016. Further he has stated that the HT consumers were moved from third party sale transactions to captive wheeling, which leads to loss of cross subsidy surcharge and corresponding revenue loss to the TANGEDCO. In case of failure of generation to the open access consumers, TANGEDCO has to rescue the open access consumers by supplying power from the standby generation/spinning reserves of the TANGEDCO, for which the TANGEDCO has to spend on fixed charges to the generators and high cost power purchase if necessary for maintaining the grid discipline. Also there is no block to block adjustments to the open access consumers and their deviations in any block are absorbed only by the TANGEDCO through Unscheduled Interchange settlement. The Unscheduled Interchange amount paid by the TANGEDCO is not being passed on to the deviators within the State.

4. The Chairman and Managing Director, TANGEDCO, Chennai has also stated that section 42(2) of the said Electricity Act, 2003 mandates open access only to the consumers with demand above 1 MW, and that none of the States, except Tamilnadu offer open access to the consumers with less than 1 MW demand. A miscellaneous petition in this regard has already been filed in TNERC with the prayer to amend regulation 9(6) of the Tamilnadu Electricity Regulatory Commission (Grid Connectivity and Intra-State Open Access) Regulations, 2014 duly allowing open access to the consumers with a load of 1 MW and above in line with section 42(2) of the said Electricity Act, 2003, which is yet to be admitted. The Chairman and Managing Director, TANGEDCO has, therefore, requested the Government to issue a policy directive under sub section(1) of section 108 of the said Electricity Act, 2003 to amend regulation 9(6)

of the Tamilnadu Electricity Regulatory Commission (Grid Connectivity and Intra-State Open Access) Regulations, 2014 duly allowing open access to the consumers with a load of 1 MW and above in line with Section 42(2) of the said Electricity Act, 2003.

5. The Government have examined the proposal carefully, with reference to the following implications in allowing open access to consumers with demand less than one MW:

- (i) The consumers are moving from third party sale to captive wheeling to avoid paying cross subsidy surcharge, leading to huge loss of revenue to Tamilnadu Generation and Distribution Corporation Limited, which is increasing tremendously year by year;
- (ii) The Tamilnadu Generation and Distribution Corporation Limited has to spend on fixed charges to the open access consumers by high cost power purchase and also to compensate the wind CPP consumers for their banked power;
- (iii) Loss of revenue to Tamilnadu Generation and Distribution Corporation Limited indirectly affects low end consumers by tariff revision, and
- (iv) Prevents future developments to supply quality and cheaper power to the public.

Further, it is considered that in view of the improved power situation prevailing at present and withdrawal of R&C measures in 2015 itself, there is no justification or reason to continue the existing regulations since the earlier directive was given in the public interest and when there was extraordinary deficit in the power situation, and hence it is now inevitable to revert to the situation prior to 2009.

6. The Government after careful examination have therefore decided to accept the proposal of the Chairman and Managing Director, Tamilnadu Generation and Distribution Corporation Limited and issue a policy directive under sub-section(1) of section 108 of the said Electricity Act, 2003 to amend the existing regulation 9(6) of the Tamil Nadu Electricity Regulatory Commission (Grid Connectivity and Intra-State Open Access) Regulations, 2014 duly allowing open access to the consumers with a load of 1 MW and above in line with 5th proviso to sub-section(2) of section 42 of the said Electricity Act, 2003 to the TNERC and hereby issue orders accordingly.

7. The appended notification will be published in the Tamilnadu Government Gazette Extraordinary dated the Seventeenth April 2018.

(By order of the Governor)

VIKRAM KAPUR,
Principal Secretary to Government(FAC).

To

The Secretary, Tamil Nadu Electricity Regulatory Commission, Chennai-8.

The Principal Secretary/Chairman and Managing Director,

Tamil Nadu Generation and Distribution Corporation Limited, Chennai-2.

The Works Manager,

Government Central Press, Chennai -79.(with a request to issue the appended Notification in Tamil Nadu Government Gazette Extra Ordinary, dated 17.4.2018)

Copy to:

The Hon'ble Chief Minister Office, Chennai-9.

The Hon'ble Deputy Chief Minister Office, Chennai-9.
The Finance (PWII) Department, Chennai-9.
The Senior Personal Assistant to Hon'ble Minister
(Electricity, Prohibition and Excise), Chennai-9.
The Principal Private Secretary to Principal Secretary to Government,
Energy Department, Chennai-9.
Law Department, Chennai-9.
SF/SC.

//Forwarded by order//

U. C. J. S. S.
17/4/18
Section Officer.
17.4.18

APPENDIX

NOTIFICATION

In exercise of the powers conferred under sub-section(1) of section 108 of the Electricity Act, 2003(Central Act 36 of 2003), the Governor of Tamilnadu hereby issues the following directions in public interest, namely:-

The existing regulation 9(6) of the Tamil Nadu Electricity Regulatory Commission (Grid Connectivity and Intra-State Open Access) Regulations, 2014 be amended in line with 5th proviso to sub-section(2) of section 42 of the said Electricity Act, 2003 as follows:-

“(6) Open Access shall be allowed to the intra state transmission system subject to the satisfaction of the conditions contained in the Act and in these Regulations. Having regard to operational constraints and other relevant factors, open access shall be allowed to all EHT & HT consumers who required a supply of electricity where the maximum power made available at any point of time exceeds one mega watt”.

VIKRAM KAPUR,
Principal Secretary to Government(FAC).

//True Copy//

U. S. Srinivasan
17/4/18
Section Officer.
17-4-18