

PRESS RELEASE

Text of the D.O. letter dated 8.7.2020 of Thiru. Edappadi K. Palaniswami, Hon'ble Chief Minister of Tamil Nadu, addressed to Thiru. R.K. Singh, Hon'ble Minister of State (Independent Charge) for Power and New & Renewable Energy, New Delhi.

Dear Thiru.R.K.Singh ji,

At the outset, I would like to thank you for the support being rendered to the State of Tamil Nadu.

Tamil Nadu has the most diversified Electricity Generation portfolio in India with Renewables alone constituting 49.47% of installed capacity. I would like to recall the untiring efforts of our late Chief Minister Hon'ble Puratchi Thalaivi Amma, due to which the State of Tamil Nadu transformed itself into a power surplus State. Tamil Nadu has added a massive capacity of 15,410 MW since 2011, by commissioning new Power Stations, by entering into medium and long-term power purchase agreements and by addition of renewable energy sources. Considering the fact that reliable and affordable availability of energy helps in the all-round development of the State, this Government has put in tremendous efforts in this direction and as a result, Tamil Nadu is a Power surplus State today.

In order to remain a power surplus State, I would like to solicit your continuous support for our endeavours and I would also like to bring to your notice the following critical issues that need your kind intervention:-

1. Electricity Act, 2003 (Amendment), Bill 2020

- a) The State of Tamil Nadu has conveyed its comments on the draft Electricity (Amendment) Bill, 2020. We have raised a few matters of utmost concern to the State in our comments which are detrimental to the State Government/State Utilities.
- b) **It is the consistent policy of the Government of Tamil Nadu that the farmers should receive free power and it needs to be continued. Therefore, DBT Principle should not be applied for agricultural sector. Further, the Government of Tamil Nadu has been providing 100 units free for all domestic consumers for which Government provides subsidy to TANGEDCO. This scheme may also be kept outside the scope of DBT system.**
- c) The subsidy given by the State Government to agricultural sector and domestic consumers is released to TANGEDCO directly. The subsidies given by State Government to the Distribution Licencee are properly assessed with the approval of the State

Commission. Also, subsidy is being provided to the utility in advance in Tamil Nadu. Hence the mode of payment of subsidy may be left to the consideration of the State Government.

- d) Provisions in the draft Amendment Bill, 2020 allowing private franchisee/ sub-licencee would only lead to cherry picking of remunerative areas by the franchisee/ sub-distribution licensee affecting the DISCOMs directly thereby the public interest. The State discoms will be left with serving social sector obligations and rural areas which will result in massive losses to the discoms.
- e) Fixing of Hydro Power Purchase Obligation separately to a State like Tamil Nadu cannot be accepted as hydro generation is seasonal and monsoon dependent and not in the control of DISCOMs. To avoid disparity among the States with different sources of Renewable Energy available, it is suggested that Renewable Purchase Obligation (RPO) can be fixed for total Renewable Energy rather than independently fixing for Solar, Non-Solar, Hydro, etc.

2. PM-KUSUM Scheme

Instead of separating agricultural feeders and solarising them it is better to solarise individual grid connected pump sets. This may be done as 100% grant from Ministry of New & Renewable Energy. Separation of agricultural feeder will be a costly proposal and will also cause unrest among farmers.

3. Liquidity infusion in stressed DISCOMs due to COVID-19

Our Government welcomes the Government of India's liquidity infusion package of Rs.90,000 crore to DISCOMs to clear the dues of Generators and transmission companies, Government of Tamil Nadu has requested Government of India to relax the norms for working capital under UDAY, since there is no headroom available for TANGEDCO. Further, there are no subsidy overdues from Government of Tamil Nadu. Meanwhile, TANGEDCO has already applied for the financial assistance of Rs.20,622 crore to PFC and REC.

Hence, it is requested to expedite the sanction, so as to avail financial assistance at concessional interest rate.

4. Request for releasing of recovered amount in respect of RAPDRP Part-A and conversion of loan to grant in respect of Part-B

The Arbitration award dated 11.06.2020 in respect of the RAPDRP Part-A (IT) project involving the consortium of M/s. ITI Ltd., and M/s. Navayuga Infotech Pvt. Ltd., has been issued in favour of TANGEDCO. M/s. PFC has recovered an amount of Rs.413.83 crore due

to cancellation of RAPDRP Part-A (IT) project. Due to the breach of contract by the ITIA (IT Implementing Agency), the amount of Rs. 268.86 crore has to be released back to TANGEDCO.

The RAPDRP Part-B project has been completed in all the 88 towns of TANGEDCO for a value of Rs.2,661.85 crore within the timeline stipulated by the Ministry of Power.

Hence, it is requested to release the recovered amount of Rs. 268.86 crore towards RAPDRP Part (A) project and also to convert the RAPDRP Part-B project's 50% loan amount i.e. Rs.1,330.93 crore as grant.

5. Coal Issues

- The total coal required for TANGEDCO's power stations is approximately 72,000 metric tonnes per day and the total Fuel Supply Agreement (FSA) quantity available at present including the side agreement is 21.291 Million Tonnes Per Annum (MTPA).
- The average realization for the last 5 years is only 61.6% against the agreed FSA quantity. M/s Coal India Limited (CIL) had curtailed the existing linkage quantity of 20.445 MTPA to 18.791 MTPA. This may be restored to 20.445 MTPA.
- Further, I would like to request the Hon'ble Union Minister to consider the enhancement of the linkages allotted to North Chennai TPS II (2X600MW) and Mettur TPS II (1X600MW) to 6.62 MTPA and 3.31 MTPA respectively.
- In order to reduce costs, Coal India may be directed to supply coal at the consumption point of Thermal Plants. This will directly benefit consumers by reducing cost of power.

6. Mines Issues

- The development of the Chandrabila coal block allotted to TANGEDCO has been adversely affected due to non-issuance of clearance to explore in the forest area of the block. It is requested that the Hon'ble Union Minister for Power may kindly recommend to MoEF & CC in this regard be expedite the clearance.
- As the progress in development of the Chandrabila Coal Block has been affected due to non-issuance of forest clearance, it is requested that the Hon'ble Union Minister for Power may kindly recommend to the Ministry of Coal to give extension of time and revise the time schedule for the development of the Chandrabila Coal Block and not appropriate the performance security provided by TANGEDCO for non-adherence to the agreed time schedule.
- TANGEDCO requires Long Term coal linkage for the upcoming North Chennai Stage-III STPP (1 x 800 MW) and Uppur STPP (2 x 800 MW) to an extent of 5.913 MTPA. As it is most

economical for TANGEDCO to take coal from Talcher region and the coal companies, M/s.MCL and M/s.SCCL, have agreed to provide Long Term coal linkage from Talcher region, it is requested that the Hon'ble Union Minister for Power may kindly recommend to the Ministry of Coal to grant Long Term coal linkage for 5.913 MTPA, from Talcher region.

7. Declaration of Raigarh – Pugalur - Trissur HVDC transmission corridor as strategic and national importance

The purpose of Raigarh – Pugalur - Trissur HVDC transmission corridor was to increase the transmission capacity of Inter State Transmission system for import of power into Southern Region. However, the actual power scenario has entirely changed and the Southern Region has become surplus now. It is ascertained by CTU that the Raigarh- Pugalur HVDC corridor would be used for export of 3000 MW renewable energy to Western Region. Since this corridor is going to be beneficially used for export of RE power from Southern Region to rest of the country, it is requested that Raigarh – Pugalur - Trissur HVDC transmission corridor may be declared as strategic and of national importance similar to Biswanath / Chariali (North Eastern Region) – Agra (Northern region) HVDC transmission system.

8. TEDA – CFA pending with MNRE

It is requested to release the CFA amount of Rs.50.88 crores pending for release with MNRE to TEDA.

I request that expeditious action may kindly be taken regarding the above-mentioned critical issues for the sustained growth of power sector in the State of Tamil Nadu.

Issued by: Director of Information and Public Relations, Chennai-9.