

Press Release

**Honourable Minister for Electricity, Prohibition and Excise
Thiru. V SenthilBalaji addressed the Conference of Power and
Renewable Energy Ministers of States/UTs in Udaipur**

Honourable Minister for Electricity, Prohibition and Excise Thiru. V SenthilBalaji attended the Conference of Power and Renewable Energy Ministers of States/UTs on behalf of Tamil Nadu Government in Udaipur today (15.10.2022) and delivered a special speech. The Additional Chief Secretary of Tamil Nadu Energy Department, Thiru.Ramesh Chand Meena, I.A.S., and Thiru. Rajesh Lakhoni, I.A.S., Chairman and Managing Director of TANGEDCO also participated in this meeting.

The speech of Hon'ble Minister for Electricity, Prohibition and Excise is enclosed below:

Honourable Union Minister for Power and New & Renewable Energy, Thiru. R.K. Singh, Honourable Ministers from States and Union Territories, Secretaries of the Ministries of Power & MNRE, Officers from the Central and State Governments and Various Utilities, it is my privilege to have this great opportunity to present the views of my state in this august forum relating to power sector. On this occasion, I would like to express my gratitude to the Honourable Chief Minister of Tamil Nadu Thiru. M.K. Stalin, for giving me this opportunity to represent Tamil Nadu in this conference.

I would also like to take this opportunity to emphasize the untiring efforts of our Honourable Chief Minister of Tamil Nadu Thiru M.K. Stalin, due to which the state of Tamil Nadu transformed itself into one of the best managed state in the power sector. I would also like to bring to your

notice certain critical issues that need your kind intervention for constructive resolutions.

1. Viability of DISCOMs:

- a. Reduce ACS-ARR gap to zero by 2024-25.
- b. Reduce the AT&C losses from 14.12 % (2020-21) to 11.92 % (2024-25).
- c. Affordable Electricity to all

Reduction of ACS-ARR Gap:

Multi Year Tariff Order has been notified by Hon'ble TNERC for the year 2022-2023 and the tariff will be revised automatically for the remaining 4 years of the control period based on Consumer Price Index or Wholesale Price Index or any fixed percentage whichever is lower as on 1st July of subsequent year up to the year 2026-27.

The GAP between Average Rate of Realization (ARR) and Average Cost of Supply (ACS) will be brought down and turn around to make profits from FY 2025-26 onwards with the tariff measures and other revenue augmentation measures.

Reduction of AT&C loss:

TANGEDCO has proposed to carry out agriculture feeder segregation works in 1686 feeders, implementation of High Voltage Distribution System (HVDS) in 273 Feeders, Separation of Double DTs using HVDS in 4500 Locations, Reconductoring of Existing 33 kV Feeders in 542 KMs.

In addition to the above, it is also proposed to implement HVDS in 900 Feeders, at 300 Feeders per year commencing from 2023-24 to 25-26, at a cost of Rs.5,050 Crores with financial assistance from M/s.Asian Development Bank.

TANGEDCO has initiated an action plan to carry out the DT Metering for 4.72 Lakhs Distribution Transformer Monitoring and Management System which includes smart meter and all required accessories,

contractors, connectors, current transformers, cables, 16,974 nos. 11 KV / 22 KV Feeder Meters, 1,300 nos. 11 KV / 22 KV Boundary Meters.

Affordable Electricity to all:

Chief Minister M K Stalin wrote to Prime Minister Thiru. Narendra Modi on 08.12.2021 to withdraw Electricity (Amendment) Bill, 2021, and urged Home Minister Thiru. Amit Shah on 03.09.2022 at the 30th Southern Zonal Council Meeting to withdraw Electricity (Amendment) Bill, 2022 and allow State-owned distribution licensees to continue the supply of quality power at affordable rates to the people.

2. Smart Metering:

TANGEDCO has proposed to extend approximately 3 crores Smart Meters with prepaid functionality to all category of LT consumers except Agriculture and HUT services.

The smart metering work can be carried out under opex and capex model whereby the entire software (MDMS & UHES), communication technology, data charges, erection, commissioning, integration, command control centre, cloud cost, DCU (Gateways for RF), etc., shall be under opex model.

Meter will be procured directly by TANGEDCO as the meter is the asset of the distribution licensee. Further the quality of the meter, the uniformity in technology and competitive pricing shall be achieved under capex model.

3. Renewable Energy and Storage:

Renewable Energy:

As on 30.09.2022, the Renewable Energy Capacity of Tamil Nadu is 17021 MW. Tamil Nadu is a pioneer state in Wind and stands first position with wind Installed capacity of 9898MW(including STU and CTU). Tamil Nadu stands fourth with a Solar installed capacity of 6137MW(including STU and CTU).

Storage:

As per the recent MNRE notification RPO has been fixed for energy storage also. The cost of 1MWhr Battery Energy Storage systems based on the present market rates works out to approximately Rs.3.50crores. Hence it is suggested that capital grant in the form of VGF for 50% of the project cost with low interest rates on long term basis i.e, 15 years may be extended by Ministry of New and Renewable Energy.

RPO related issues:

Ministry of New Renewable Energy (MNRE) has issued various guidelines for the Renewable Purchase Obligation from time to time from the year 2016 to till date. Recently, Ministry of Power vide Order dated 22.07.2022, issued RPO trajectory.

Single RPO may be introduced instead of categorizing the Wind, Hydro etc. Similarly, for the HPO, there is no viability of Hydro resources to achieve the said HPO for the year 2022 -23.

4. Development of power system:

a. Ensuring 24x7 Power Supply Through Timely Investment& Future Power System in The Year 2030:

Thermal Power:

Currently 24x7 power is being supplied by TANGEDCO and considering future demand growth, TANGEDCO is building new power projects 1x800 MW NCTPS-III, Ennore SEZ (2x660), Udangudi Expansion Stage I (2x660), Ennore Expansion (1x660), Uppur STPP (2x800), Udangudi Expansion Stage II (2x660), Udangudi Expansion Stage III (2x660) a total of **8340 MW** of coal fired power stations are under various stages of construction.

At present maximum of around 35 rakes are being dispatched from a single entry/exit at Talcher mines leading to severe congestion in

Paradip enroute. Out of which maximum of only 14 rakes (around 50000MT) are moved for TANGEDCO.

The union government should instruct the coal companies to improve the supply coal and instruct the railways to provide adequate rakes for seamless movement of coal from mines to cater the generation needs of TANGEDCO.

Solar Power:

The Government of Tamil Nadu has announced to establish 6000MW solar power park in various Districts of Tamil Nadu and 2000 MWhr battery storage system with a vision to reduce the purchase of high-cost power and uninterrupted power supply shall be extended to the public. Draft DPR for the project is obtained and final DPR will be completed soon.

Pumped Storage Hydro Electric Projects:

In order to meet the peak hour power demand of the State, the Government of Tamil Nadu has proposed to establish Pumped Storage Hydro Electric Projects for a cumulative capacity of 15,020 MW.

| S. No | Proposed Pumped Storage Hydro Electric Projects | Capacity in MW |
|---|--|-----------------------|
| i | Kollimalai Hydro | 20 |
| ii | Kundah PSHEP (4x125) | 500 |
| Under Construction PSHEP (Total) | | 520 |
| i | Kodaiyar (Kanyakumari) 500 MW | 1,500 |
| ii | Manalar (Theni) 500 MW | 1,200 |
| iii | Upper Bhavani (Nilgiri) 1000 MW | 1,000 |
| iv | Vellimalai (Kanyakumari) 500 MW | 1,100 |
| v | Aliyar (Coimbatore) 1000 MW | 700 |
| vi | Sandinalla (Nilgiri) 1000 MW | 1,200 |
| vii | Mettur (Salem) 500 MW | 1,000 |
| viii | Balar - Poranthalar (Dindigul) 1000 | 1,100 |
| ix | Karaiyar (Tirunelveli) 500 MW | 1,000 |
| x | Manjalar (Theni) 500 MW | 500 |
| xi | Saathar (Kanyakumari) 500 MW | 1,100 |
| xii | Sigur (Nilgiri) 500 MW | 800 |
| xiii | Attur (Dindigul) 500 MW | 300 |
| xiv | Sillahalla - Stage I (Nilgiri) 1000 MW | 1,000 |

| | | |
|----|---|---------------|
| xv | Sillahalla - Stage II (Nilgiri) 1000 MW | 1,000 |
| | Proposed PSHEP (Total in MW) | 14,500 |

Gas Fired Engine based power plant for peak hour integration:

TANGEDCO has completed the feasibility report for installation of 2000MW small sized (18-20MW) gas fired engine power plant at Ennore. The plant will avail the gas through the national gas corridor and situated closer to the Ennore RLNG terminal. This power plant is quick start and stop less than 120 seconds and capacity can be ramped up according to the need.

Wind-Solar Hybrid Projects:

TANGEDCO has proposed to repower 110 Nos of old Wind Mills owned by them with a total capacity of 17.465 MW along with erection of solar PV Panels in the vacant land available in Tirunelveli and Udumalpet area in Tamil Nadu. The National Institute of Wind Energy has prepared Detailed Project Report for 100 MW pilot project.

Off-shore wind power:

Offshore wind potential in Tamil Nadu Coast is 31GW at 100 mtr. height. The Capacity Utilization Factor (CUF) of the Offshore wind project varies from 40% to 50%.

The union government should take necessary steps to educate the fishermen and sort out the fears in the minds of the fishermen to implement the off-shore wind project.

Declaration of Raigarh – Pugalur –Trissur ±800 kV, HVDC transmission system as assets of strategic and National importance and the tariff to be billed under National component:

Based on the request of Hon'ble Chief Minister of Tamil Nadu to Hon'ble Prime Minister, a direction was issued by Ministry of Power/ GoI to the Central Electricity Regulatory Commission to consider the Raigarh – Pugalur-Trissur HVDC system as National asset and charges to be shared by all the States across the country. However, without considering the

recommendations of MoP, and contrary to their own directions in declaring Mundra – Mohindergarh HVDC system and BiswanathChariali-Agra (BNC-Agra) HVDC system as National assets, the Central Commission declined to declare it as national asset.

Therefore, in order to avoid the imposing of huge tariff burden on consumers, restore the equity and render justice to the Southern Regional States, it is requested to issue fresh directions to Hon'ble CERC to include the Raigarh-Pugalur-Trissur HVDC assets under National components on par with other two corridors.

REDUCTION OF INTEREST RATES:

TANGEDCO has already requested for reduction of interest rate for the loan availed from central financial institutions viz., REC and PFC. The average interest rate adopted by these institutions are 12.14% and 11.45% respectively. It is requested to reduce the interest rate to 8% PA to achieve better savings for the utility and for the larger interest of the public.

I would like to take the opportunity again to thank the Honourable Union Minister for Power and New & Renewable Energy, for giving me this esteemed opportunity to present the views of my State in this conference. I humbly request that an expeditious action may be taken regarding the points highlighted in this session for the sustained growth of power sector in the State of Tamil Nadu. "Nandri, Vanakkam."

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