

**PRESS RELEASE**

**Meeting of Hon'ble Union Minister of Power & New and Renewable Energy Shri R.K Singh with Hon'ble Minister for Electricity Prohibition and Excise Thiru.V Senthilbalaji, Tamil Nadu at New Delhi**

As per the advice of Hon'ble Chief Minister of Tamil Nadu, the Minister for Electricity, Prohibition & Excise met the Union Minister of Power and Renewable energy Thiru R. K. Singh at CGO complex , Lodhi road, New Delhi on 16/12/2021 at 13:00 hours to reiterate the Government of Tamil Nadu stand on electricity amendment bill 2021 as detailed in letter of Hon'ble Chief Minister to Hon'ble Prime Minister. In addition a list of request related to Tamil Nadu with respect to power sector was presented to Union Minister for early resolution. During the meeting CMD TANGEDCO thru Rajesh Lakhani., IAS and Thiru Sivlingraju Director Distribution TANGEDCO were present. The issues discussed during the meeting are enclosed herewith.

**List of Issues discussed with Hon'ble Union Minister for Power, New & Renewable Energy on 16.12.2021 at New Delhi**

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

Our Hon'ble Chief Minister sent a letter to Hon'ble Prime Minister requesting to Withdraw the amendment bill 2020 and allow the State owned Distribution Licensees to continue to supply quality power at affordable rates. Necessary action may be taken on the letter.

## **2. Coal Issues – Increase Coal Rakes, Coal Tolling**

Fuel supply agreement is for 23.763 MTPA and realization is 17.11 MTPA which is 72% only. To compensate the requirement:

- (i) Request of allot entire quantum of FSA and additional quantum to compensate balance requirement. Further, Rakes may be allotted to transport entire linkage coal.
- (ii) Coal Tolling ,M/s. MCL is requested to spare the linkage quantity of about 10,000 Tonnes per day for transfer to the needy IPPs for purchase of power by TANGEDCO under the case 4 methodology stipulated by the Ministry of Power, GoI. Letter has been addressed to Chairman, Coal India Limited.

## **3. Chandrabilla Coal Block**

Chandrabilla coal block was allotted to TANGEDCO in 2016 to develop the coal mine and excavate coal within 66 months (in September 2021). The Ministry of Coal had issued a show cause notice to TANGEDCO as to why the 5% of Performance Security given by TANGEDCO not be appropriated for not having developed the Chandrabilla Coal Block as per the agreed time schedule. Development of Chandrabilla Coal Block was affected due to non-issuance of clearance for exploration in the forest area of the coal block by MoEF & CC. Hence, TANGEDCO requested the Ministry of Coal not to appropriate the Performance Security provided by TANGEDCO as the non-adherence to the agreed time schedule is due to reasons beyond the control of TANGEDCO and to give extension of timeline and revise the time schedule for the development of the Chandrabilla Coal Block.

## **4. Interest reduction on Borrowings from Central Government Financial Institutions**

The 80% capex of TANGEDCO has been met through funding from M/s PFC, REC and IREDA. The rate of interest presently being charged by both financial institutions vary from 9.50% to 12.65% which is really

on the higher side. TANGEDCO pays around Rs.7000 crs of interest to both the financial institutions every year. The interest rate may be reduced in line with interest rate equivalent to bank interest rate of 8.50%.

**5. R-APDRP part B conversion of Loan to grant**

The RAPDRP Part-B Schemes have been completed in all towns within the extended timelines approved by MoP. The eligible grant amount of Rs. 1,330.93 Cr (50% of project cost) has now been released only as loan. It is requested that PFC may be requested to consider the conversion of loan to grant.

**6. Revamped Distribution Sector Scheme- a Reforms-based and Results-linked Scheme**

Under this scheme it has been indicated that Tamil Nadu has been allocated Rs. 8,647 crores. As, this scheme is to be implemented within five years, the allocated amount shall be increased to Rs.12,000 crores against the above works.

**7. SECI trade margin – To reduce from 7 paise/unit to 1 paise/unit**

Considering the inflation, change in Technology and the long term impact of this trade Margin and also considering the service provided by M/s SECI, the collection of service charges at 7 paise per unit (which works out to nearly 2.5% to 3% of the tariff) needs to be reconsidered and reduced to 1 paise/ unit to encourage the RE penetration.

**8. Declaration of Raigarh- Pugalur HVDC transmission corridor as strategic and national importance**

The Raigarh – Pugalur –Trissur - HVDC transmission system is implemented by PGCIL at an investment cost of Rs.20,000 crore (approx) for the purpose of system strengthening to transfer surplus power from Chhatisgarh State(Raigarh) to Southern Region and also as part of green energy corridor for transfer of RE power.

TANGEDCO has paid Rs.601 crore(since 2015) and Rs.13.22 crore(data available since 2020) towards the above two HVDC systems without any usage. Hence, this transmission asset should to be declared as National asset and the charges for this transmission system to be shared by all the beneficiaries across the country.

**9. Expedite the allocation of 1500MW through PTC (MTOA).**

TANGEDCO had initially proposed to procure 1500 MW RTC power for a period of 3 years through medium term under Pilot Scheme-11 @ Rs.3.26 per unit. Out of 1500 MW, TANGEDCO had executed Power Supply Agreement ( PSA) with M/s.PTC, an Aggregator for purchase of 400 MW RTC power and for the balance quantum M/s.PTC has expressed their inability to execute the PSA due to expiry of bid validity. To meet out the demand of Tamil Nadu, M/s.PTC may be expedited for purchase and supply balance 1100 MW RTC power for a period of 5 years.

**10. TEDA – Central financial assistance (CFA) pending with MNRE**

Accumulated Central financial assistance to various schemes implemented by TEDA in past five years is Rs.50.88 crore. It is requested to release the balance CFA amount of Rs. 38.49 crores pending for release with MNRE to TEDA.

**11. Rectification of wrong calculation of Inter-State Transmission Charges and losses for TANGEDCO due to erroneous inclusion of deemed LTA:**

Due to the wrong inclusion of deemed LTA (considering State network as deemed ISTS) TANGEDCO is being billed Rs. 45 Crores to Rs. 48 Crores per month in excess.

The issue has been taken up with SRPC, NLDC, CTU, CERC and MoP. A subgroup is formed by SRPC to resolve the issue. However, no amicable solution has been attained.

## **12. Payment Security Mechanism- Letter of Credit**

TANGEDCO has already opened Letter of Credit in favour of all the conventional generators to the tune of Rs.2437 Crores. Due to non-availability of Non-Fund Based Limit i.e. LC Limit TANGEDCO has not opened LC in favour of around 800 Renewable Energy Power Generators to the tune of Rs.350 Crores. Therefore restricting the purchase from open market to meet out the demand will force the state to restrict the supply which will eventually hit the grid stability as well as the development of various sectors. Hence may be revisited.

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