



**Before the Tamil Nadu Electricity Regulatory Commission
Chennai**

Order No. 1 -1 of 2024, dated 20-02-2024

Present:	Thiru M.Chandrasekar	-	Chairman
	Thiru K.Venkatesan	-	Member
	Thiru B.Mohan	-	Member (Legal)

In the matter of : Commercial operation of Deviation Settlement Mechanism for the generators other than wind and solar generating stations connected to Intra-State Transmission system and Distribution System with effect from 01-04-2024 – Exemption of Hydro Generating Stations – Regarding.

The Commission has notified the Commercial operation of the Tamil Nadu Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2019 with effect from 01-04-2024 vide Order No. 1 of 2024, dated 22-01-2024.

2. Under the above circumstances, the TANTRANSCO vide Letter No. MD/T/Dir/O/CE/GO/SE/ID&REMC/EE/SCH/A1/F.TNERC/D.97/24, dt. 08-02-2024 has requested the Commission to exclude Hydro Generating Stations of the TANGEDCO from the Commercial implementation under TNERC (Deviation Settlement Mechanism and related matters) Regulations, 2019 inter-alia for the following reasons:

1. The Hydro generations are utilized as spinning reserve and operated fully as per the directions of SLDC.
2. The Hydro stations generate electricity as per the despatch issued by the SLDC and hence deviation in generation does not arise and hence bringing the hydro plants under the ambit of deviation mechanism may not be required.
3. Most of the hydro plants are irrigation based and are operational only when the PWD release water for irrigation purpose.
4. The deviations in respect of Hydro generating stations are Nil during the entire mock period from 14-01-2021 to till date.
5. The hydro plants are quickly responding to manage the variations in demand and high RE generation variations, unit trippings, etc.

4. After careful analyzing the issue, the Commission decides that the Hydro Generating Stations including the Pumped storage power plant of the TANGEDCO are exempted under the purview of the Deviation Settlement Mechanism notified vide TNERC (Deviation Settlement Mechanism and related matters) Regulations, 2019.

(By order of the Commission)

Sd/- dated 20-02-2024

Secretary,
Tamil Nadu Electricity Regulatory Commission

To

1. The Chairman, TANTRANSCO
2. The Chairman cum Managing Director/TANGEDCO,