ABSTRACT

Energy Department – Restructuring of Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) into separate generation and distribution companies – Formation of Tamil Nadu Green Energy Corporation Limited (TNGECL) under the Companies Act, 2013 by integrating Renewable Energy wing of TANGEDCO and merger of Tamil Nadu Energy Development Agency (TEDA) with the new company - Approval accorded - Orders – Issued.

ENERGY (B2) DEPARTMENT

G.O(Ms.)No.7 **Dated: 24.01.2024**

சோபகிருது வருடம், தை 10

திருவள்ளுவர் ஆண்டு 2055

Read:

1) From the Additional Chief Secretary / Chairman and Managing Director, Tamil Nadu Generation & Distribution Corporation Limited Letter No.018522/CFC/1/FC/G1/ Restructuring/2023-1, Dated 03.01.2024.

2) G.O((Ms.)No.6, Energy (B2) Department, Dated 24.01.2024.

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ORDER:

In the letter first read above, the Additional Chief Secretary / Chairman and Managing Director, Tamil Nadu Generation & Distribution Corporation Limited has sent proposal for restructuring of Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) into separate generation and distribution companies and for formation of Tamil Nadu Green Energy Corporation Limited (TNGECL) under the Companies Act, 2013 by integrating Renewable Energy wing of TANGEDCO and merger of Tamil Nadu Energy Development Agency (TEDA) with the new Green Energy company.

2. In the Government Order second read above, orders were issued for the restructuring of Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) into separate generation and distribution companies and formation of Thermal Generation Company in the name of Tamil Nadu Power Generation Corporation Limited (TNPGCL) under the Companies Act, 2013.

3. The Additional Chief Secretary/Chairman and Managing Director, Tamil Nadu Generation and Distribution Corporation Limited in the letter first read above has proposed for the formation of a new Green Energy Company and informed the following:-

(1) GREEN ENERGY COMPANY:

The Company shall not only be helpful to fast track the State's energy transition plans but can also give access to green funds which shall help ease the liquidity concerns and reduce the overall borrowing cost of the state power sector.

The key functions of the Company shall be-

a) Will own, operate and maintain all existing and upcoming assets related to Hydro-generation, Pumped-Hydro and all clean and renewable energy projects.
b) Responsible for enhancing clean energy footprint of the state/decarbonisation of electricity grids.
c) Conceptualising pilots and commercial scale projects across sun rise technologies like Green Hydrogen, Off shore wind, Waste to Energy, geo thermal, wave to energy, pumped hydro, battery storage, etc.,
d) Single window clearance to Developers.
e) Technology and skill tie ups with national and international players.
f) Resource and potential assessment in the state.
g) Procurement/Development/Construction and O&M of Green Energy Projects.
h) Coordination with Transmission and Distribution utility for RE power off take, consumption and RE integration.
i) Grid Integration and Energy Storage: Integrate renewable energy into the existing power grid and implement energy storage solutions like batteries to ensure stable and consistent power supply.
j) Environmental Sustainability and Compliance: Maintain environmentally responsible practices, manage ecological impacts and adhere to regulatory standards while striving to minimize the carbon footprint associated with energy production.
k) Renovation and modernisation – Undertaking renovation and modernisation investments, annual overhauls, residual life assessment for extension of life of existing plants.
l) Maintenance and Safety: Conduct regular maintenance, ensure operational safety, and uphold workforce well-being while optimizing plant efficiency.
m) Regulatory compliance: Compliance to regulatory provisions as per Electricity Act, 2003 and mandates as per Tamil Nadu Electricity Regulatory Commission.

(P.T.O)

(2) MERGER OF TAMIL NADU ENERGY DEVELOPMENT AGENCY (TEDA)

TEDA was set up under in 1984 as a “registered society” with the specific purpose to create awareness and migrate the state from using fuels to the renewable energy. With the passage of time, it has been seen that the “society” structure has been more used for charitable purposes in fields such as education, health etc. It is seen that Incorporation of Companies under “Companies Act, 2013” has been the preferred option of carrying out business when compared with a “Society” structure on account of –

- Ease of availing credit.
- Better governance through stringent compliance norms.

In the background that the State is now forming a new generation company dedicated towards development of renewable energy and on account of benefits mentioned above, the Additional Chief Secretary / Chairman and Managing Director, Tamil Nadu Generation and Distribution Corporation Limited has stated that it may be useful if TEDA is merged into the Green Energy Company.

(3) Proposed Board Structure of the Green Energy Company:

Sl. No.	Green Energy Company
1	Chairman
2	Managing Director
3	Energy Secretary, Government of Tamil Nadu.
4	Representative from Finance Department, Government of Tamil Nadu.
5	Representative from Industries Department, Government of Tamil Nadu.
6	Managing Director, TANTRANSCO
7	Managing Director, Power Generation Corporation Limited
8	Director Finance
9	Director Technical

(4) Next Steps

After Government approval for the incorporation of the new company, the Articles of Association (AOA) & Memorandum of Association (MOA), the transfer schemes shall be finalised with details of the opening balance sheets of the new company, Human Resources issues such as Pension liabilities, inter-company transfers etc. The proposed date for commencement of business operations of the new companies is proposed to be in the current financial year.

(P.T.O)

4. The Additional Chief Secretary/Chairman and Managing Director, TANGEDCO has therefore requested the Government to accord approval for the following : -

(1) For the formation of Green Energy Corporation under the Companies Act, 2013.

(2) To approve the name of the proposed Company as Tamil Nadu Green Energy Corporation Limited (TNGECL).

(3) For merging up of Tamil Nadu Energy Development Agency (TEDA) and its functions be carried out by the Tamil Nadu Green Energy Corporation Limited.

(4) To approve the structure of the Board of Directors as in item 3 paragraph 3 above.

(5) To authorise the following to sign documents with regard to formation of the Company including obtaining the name of the Company and preparation/ registration of MoA and AoA, making corrections thereon and making modification wherever necessary as may be required by the Registrar of Companies and to take other steps besides complying with all formalities in the formation of the Company:-

a) Chief Engineer,
Non-Conventional Energy Sources.

b) Director Finance,
Tamil Nadu Generation & Distribution Corporation Limited

(6) To incorporate the Tamil Nadu Green Energy Corporation Limited as wholly owned subsidiary of the Holding Company, TNEB Limited.

(7) To allow Existing TANGEDCO to continue as Generating and Distribution entity until the commencement of business of the new company.

5. The Government, after careful examination, have decided to accept the proposal of the Additional Chief Secretary/Chairman and Managing Director, Tamil Nadu Generation & Distribution Corporation Limited for the formation of Tamil Nadu Green Energy Corporation Limited (TNGECL) under the Companies Act, 2013 which will be headed by the Chairman and other Members as indicated in paragraph 3(3) above, with the key functions as indicated in paragraph 3(1) above and to merge Tamil Nadu Energy Development Agency (TEDA) and its functions with the Tamil Nadu Green Energy Corporation Limited and order accordingly.

6. Consequent to the grant of approval for the formation of Tamil Nadu Green Energy Corporation Limited (TNGECL), the Government approve the following:-

(P.T.O)

(1) The following officials are authorised to sign documents with regard to formation of the Company including obtaining the name of the Company and preparation/ registration of Memorandum of Association (MoA) and Articles of Association (AoA), making corrections thereon and making modification wherever necessary as may be required by the Registrar of Companies and to take other steps besides complying with all formalities in the formation of the Tamil Nadu Green Energy Corporation Limited (TNGECL):-

(1) Chief Engineer,
Non-Conventional Energy Sources.
(2) Director Finance,
Tamil Nadu Generation & Distribution Corporation Limited.

(1) Incorporation of the proposed company as wholly owned subsidiary of the Holding Company, TNEB Limited.

(2) Existing TANGEDCO is allowed to continue as Generating and Distribution entity until the commencement of business of the new company. Post this, it will be renamed as Tamil Nadu Power Distribution Corporation Limited (TNPDCL) and it will execute the functions as ordered in G.O(Ms.)No.6, Energy (B2)Department, Dated 24.01.2024.

(BY ORDER OF THE GOVERNOR)

BEELA RAJESH,
PRINCIPAL SECRETARY TO GOVERNMENT.

To
The Additional Chief Secretary/Chairman and Managing Director,
Tamil Nadu Generation & Distribution Corporation Limited, Chennai-2.
The Additional Chief Secretary/Chairman and Managing Director,
Tamil Nadu Energy Development Agency, Chennai.
The Secretary, Tamil Nadu Electricity Regulatory Commission, Chennai-8.
The Chief Electrical Inspector to Government, Chennai-32.
The Chairman and Managing Director,
Tamil Nadu Power Finance and Infrastructure Development Corporation Limited, Chennai-35.

Copy to:
The Finance Department, Chennai-9.
Office of the Hon'ble Chief Minister, Chennai-9.
The Senior Personal Assistant to Hon'ble Minister (Finance & HRM), Chennai-9.
The Senior Principal Private Secretary to Chief Secretary to Government,
Secretariat, Chennai-9.
The Private Secretary to Principal Secretary to Government,
Energy Department, Chennai-9.
SF/SC.

// Forwarded // By Order //

24/1/2024

Section Officer.