

Minutes of the Members' Meet held at Coimbatore on 01.12.2011

This Members' Meet was well attended with over 180 Members attending the meeting. Our Chairman Prof. K. Kasthoorirangaian welcomed the gathering.

To start with Mr. J.D. Kulkarni, Chief Operating Officer, M/s. Tata Power Trading Corporation Limited (TPTCL) gave a brief account of Renewable Energy Certificates by slide presentation. In the discussion that followed Mr. Ulrich Blass of M/s. Varuna Energy Ltd, Pondicherry asked whether 3 years period for switching over to REC System can be reduced. Mr. Sanjeev Mehra, Managing Director, M/s. Tata Power Trading Corporation Limited (TPTCL) answered that to change CERC stipulation is not possible immediately. We have to try through various representations. He also informed that going to court is a tedious matter. Mr. Ulrich Blass also added whether TNEB can terminate the present Power Purchase Agreement (PPA) and come forward for REC Scheme as TNEB also will be benefitted by this and also that REC can be brought in to force as it is possible on mutual consent.

Mr. J.D. Kulkarni informed that though this is a good proposal, it is for TNEB to take a decision.

The Superintending Engineer, Udumalpet wind mills Circle, TNEB, informed that maintaining steady Power to Consumer with wind as augmentation power is very difficult as load does not match with the wind energy generated and wind energy also is infirm. Once PPA is entered with wind energy developers, the TNEB is duty bound to absorb the wind energy generated. TNEB would not absorb wind energy only when TNEB is absolutely compelled to do so mainly due to frequency shooting beyond 50.2.

Prof. K.Kasthoorirangaian then replied that European Countries also have such problems. Arab Countries are planning in a big way to go in for Solar and Wind Energy and wish to become the Power House of Europe. Indian Wind Power Association submitted a proposal to TNEB by which excess wind energy during certain parts of the day can be sold to neighboring states and energy may be bought from other states, on certain other parts of day when generation is short. But this requires the ban under Section 11, which prohibits selling of power to other states be removed. This is a workable scheme submitted by IWPA during 2011 wind season to TNEB and Energy secretary and TNEB and government can implement this. We have to get ready for days of no fossil fuels right from now. Petro Cars may be replaced by Electric vehicles. Unless, we are pragmatic and practical we may have to face very difficult days. In USA there are different rates in a day depending upon the demand and supply. This is worth following in Tamil Nadu also.

Then a presentation on forecast of wind and also a presentation on Scheduling were done by Mr. Jatin Singh, M/s. SKY Met.

In the question and answer after the presentation the following matters came up.

Forecast and Scheduling can be done to an accuracy of 17% to 20%.

Prof. K. Kasthoorirangaian requested for the cost of forecasting and scheduling to be within the reach of the small investors. He also enquired whether forecasting of wind be done as an area as is now done for rain. Representative of SKY Met replied that this is possible only when the area is flat and this will not be possible in Hilly areas. But, we may have to sacrifice accuracy in this process as machine to machine forecasting and scheduling will vary significantly as forecasting and scheduling of every machine is dependent on various factors according to wind speed at the location, Height of the Nassel, make of the machine etc.

For a member's question whether forecasting is to be approved by authority, the answer being not necessary only 30% tolerance is important.

Member: For installing Forecasting and Scheduling equipments what will be the cost for an installation for a wind farm, say of 10 MW.

Answer: So far the study is only on a Research and Development scale. Commercial rates are to be worked out based on the anticipated business etc. However the rates will be reasonable. It will be ready in another 10 days time and will be intimated to all members.

Member: How close predictions are to actuals as found later? Are you ready to share the closeness data with IWPA to improve confidence?

Answer: The datas are collected for a Private Party over a period of 1½ years at 5 places. It may not be ethical to share data with others. However, they are ready for a trial if any party comes forward as separate mast has to be erected for this purpose.

Prof. K. Kasthoorirangaian: Some confidence need to be built by the supplier of equipments first. There are 1950 wind farms are Tamil Nadu with an installed capacity of over 6000 MW. Only 45 of them are above 10 MW. Whether TATA is satisfied with forecasting.

Answer: Tata is satisfied with the forecasting. Any way wind forecasting is sure to take off in India shortly. One probe in a flat and uniform area will cover 3 Square Kilo Meter and may cost around Rs. 2 Lakhs. However, the whole process has to go in steps only and that is the reason CERC has fixed a limit of 10 MW for the present. Once the forecasting and scheduling for wind stabilities, the image of the wind energy will be boosted and it will be a near firm power from an infirm power

as it is termed now. This will also ease the job of SLDC. Further this will be of great help to 3rd Party Sales and Inter State exchange of power.

Post Lunch a presentation was made by M/s. Deloitte Touche Tomatsu India Pvt. Ltd on VCUs (Carbon Credit), which was very fruitful and decisive. The meet was addressed by Mr. Rajib Kumar Debnath and Mr. Kumar Sanjay. He made a presentation on Felicitation in Trading and Sale of the Voluntary Carbon Units accrued from the Wind Turbines of the VCS Project. He told that the carbon market is not very positive in the recent days, so it makes a wise commercial sense to sell the old stocks immediately. The longer we keep our expectation on the price of VCU, lower becomes our chances for better deal. Buyers are not at all interested in small volume per project promoter, since it increases their effort, workload and transaction cost. Buyers are keen on large volume. IWPA projects could get the advantage of earning VCUs for 30 years, to be re-registered after every 10 years. He showed the 2 options and the **members agreed for the second option that the Deloitte** with the buyer for making payment for Levy and Issuance Fee and can sell the VCUs at 0.55 US\$ to bulk buyer. Members also agreed that IWPA be paid 1% service charges on the VCUs sold.

After this there was a short speech by Mr. Thirumurthy, Superintending Engineer, TNEB on technical problem related to evacuation. He informed the gathering that there is a short term and a long term solution on this. In a grid with 10000 MW, it is very difficult to absorb a 2000 MW varying wind power. If forecasting is done excess power can be sold to other states. He also recalled an instance when 500 MW of wind power generation was cut off and simultaneously a load of 500 MW was also cut off to avoid "Voltage Collapse". He tried to impress that many times technical difficulties were the reason to cut off wind energy generation. Storage systems like pumped storage, battery, compressed air are the long term solutions. A Committee of Regulators, Utility and Generators can solve this problem of evacuation.

Delayed Payment: Members present were almost agitated on this issue. Prof. K. Kasthoorirangaian, explained about the discount system which was to be adopted for payment. Mr. T. Balachandran informed that TNEB has subsequently not pursued the discounting scheme proposed by former TNEB Chairman. At this stage Mr. Narendran, G.M. Finance, M/s. Aquasub Engineering informed that there is a factoring scheme in banks by which the members can make over the Bills on the name of the banks like SBI, Canara Bank etc and the banks will make payment to the members after deducting a small amount as Commission. The banks will collect the money from TNEB. The climate is now better as the TNEB is likely to get the revised tariffs and the banks will have a better confidence on the payment from TNEB. The gathering has authoised Mr. Narendran to talk to the banks and workout a scheme favorable to the members and he has agreed to do so.

Finally, Prof. K. Kasthoorirangaian paid a tribute to our Chief Minister for her prudential decision to put TNEB on pragmatic path which is a positive step. If this trend continues our state also will be like Gujarat shortly. Going to court against the TNEB is not wise. We have to have far sight with trust and confidence overlooking the short term problems. He also made a fervent appeal to the members to help in taking our International Conference and Exhibition being conducted on 5th, 6th & 7th February 2012 at CODISSIA successfully as our prestige is at stake on this by registering as delegates and help in booking of stalls.

Vote of thanks was proposed by Dr. Rishi Muni Dwivedi, Secretary General of IWPA.