

January 07, 2019

IWPA Circular No. 272 of 2019

(Copy of letter addressed to CFC TANGEDCO)



January 07, 2019

The Chief Financial Controller – Revenue
TANGEDCO
7th Floor, 144, Anna Salai
Chennai – 600 002

Madam

Sub: Implementation of New OA Software – Entry of Initial Readings of WEGs – Please implement Madurai bench of Madras High Court & APTEL orders – Adjustment of captive wind generation to be done **IN AGGREGATE** – Not WEG wise – Please revise CFC orders

Ref: Memo.No.CFC/REV/FC/REV/DFC/AAO/HT/D.839/18, dated 27.12.2018
of the Chief Financial Controller- Revenue.

We invite your kind reference to the Memo above cited. By this Memo, instructions have been provided to enter the WEG-wise banked units so as to implement the New OA Software launched.

The aspect of providing adjustment against consumption for each captive windmill consumer was dealt with in the Circular Memo No.CE/NCES/SE/EE/WPP/AEE2/F.Banking instructions/D.903/17 dated 30/31.03.2017 already and accordingly, when the modified instructions were issued to go with a New Accounting System of accounting the wind energy based on EWA-wise / WF HTSC No.-wise. The matter was objected to and the same was challenged before the Madurai Bench of Hon'ble High Court of Judicature at Madras in WP (MD) No. 9320 of 2017 and accordingly, the Hon'ble Madurai High Court issued a final order as follows on 25.05.2017:

“6. The respondents 1 and 2 are directed to process the matter before the 6th respondent, State Electricity Regulatory Commission to get the new accounting procedure approved, by following the due process of law as declared by the binding judgement of the APTEL and accordingly, on filing of the petition by the respondents, the State Electricity Regulatory Commission is directed to dispose of the matter within a period of twelve weeks, by providing suitable opportunities to the stakeholders.”

From the above, it could be seen that the adjustment of captive wind energy is always to be done **in aggregate** of the total energy generated by the windmills owned by a Company / CGP and, therefore, it cannot be by way of any individual EWA-wise or WF HTSC No.-wise. On this matter only, the Hon'ble Madurai High Court has directed the TANGEDCO to approach the Hon'ble TNERC by filing a petition by its order dated 25.05.2017 in WP (MD) No. 9320 of 2017. However, so far no such effort to approach the TNERC was found taken either at CE NCES level or at CFC-Revenue level.

Indian Wind Power Association

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Hence, providing instructions to go with the procedure of accounting the wind energy for captive use on individual WEG-wise entries or WF HTSC No.-wise entries, to update the software, would go against the express orders issued by the Hon'ble High Court as stated above. The TANGEDCO should follow the accounting procedure of only going on an aggregate manner of all WEGs of the Company taken in aggregate as a single CGP and accordingly, this alone would be the procedure approved by the Hon'ble APTEL in very many cases. Even the Electricity Rules 2005, mandate to go with the same procedures of taking the energy generated on an annual basis in aggregate.

Therefore, we request the CFC-Revenue to kindly issue a modified instruction, to enter the entire banking balance of the units of all WEGs in aggregate in respect of 100% owned WEG captive consumers considering all their windmills as single CGP. This would be in compliance of the binding judgments of APTEL as well as the judgment of the High Court of Judicature at Madras by the Madurai Bench Order above extracted. This would satisfy even the Rules of captive consumption as provided under Electricity Rules 2005. In respect of the group captive customers / generators, the balance of banked units may be permitted for allotment at the purview of the generator, for entering in to the New OA Software, depending up on the requirements of their captive users.

We request the Chief Financial Controller-Revenue to kindly make note of the above position and we further request that suitable modified instructions may please be issued at the earliest.

Thanking you

Yours faithfully
For Indian Wind Power Association

(Prof. Dr. K Kasthurirangaian)
Chairman

Copy to: 1. The Chief Engineer-NCES, TANGEDCO, Chennai – 600 002
2. IWPA Members

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