

January 11, 2022

IWPA Circular No.16 of 2021-22



Dear Member,

Sub: Payments due by TANGEDCO – Supreme court verdict & High court of Madras execution writ and direction dt. 8.12.2021 to TNERC for implementation by TANGEDCO

You are aware that IWPA is taking continuous efforts for the timely payment for the wind energy supplied and for receiving payments due from TANGEDCO. Our Members had installed wind mills at high cost by borrowing funds from the Banks. Unfortunately the payment for wind energy supplied to the TANGEDCO or for the unutilized banked units is inordinately delayed. Many representations were made but did not produce any positive result. This was especially so for the old wind mills which did not have an interest clause in their EPA. This issue got resolved by virtue of a petition that was filed before the TNERC, and TANGEDCO filed an appeal before the APTEL and after suffering an adverse order at APTEL an appeal to the Supreme Court. The Supreme Court while upholding the order of the TNERC and APTEL with regard to old Windmills without interest clause in their EPA held that 10% interest was appropriate for delayed payment.

The Supreme Court had issued an order as early as 8th July 2016 that any delayed payments should be paid with an interest of 10% per annum. Further many of our Members are covered by PPA's which clearly says that delayed payments should bear an interest of 12% per annum. Based on the above, our Members have sent many letters and representations to the TANGEDCO which were of no avail.

Finally we filed a Writ Petition before the Hon'ble High Court of Madras for a direction to the TANGEDCO for payment of dues to our Members and comply with the mandate under law for payment of interest on delayed payment. The Hon'ble High Court of Madras has pronounced a judgment on 8th December 2021 in the said Writ Petition which agreed with our submissions and has also cast a duty on the Hon'ble TNERC to ensure prompt disbursements by the TANGEDCO.

We are sending a separate letter to the Hon'ble TNERC also based on this judgment. We now request the Members who have dues to send letters and representations to the TANGEDCO enclosing the High Court order giving their correct facts and figures. **Please note that together with claim for Invoice amounts, claim for interest at 10%/12% as applicable and which has accrued till date may also be made.** We may be provided copy of that letter for any further follow-up.

We are sure that this will bear the desired results.

It is now for your action.

Thanking you,

Yours faithfully
For Indian Wind Power Association

(Prof. Dr. K. Kasthurirangaian)
Chairman

Indian Wind Power Association

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