

October 08, 2014

**IWPA Circular No. 126 of 2014**



**Comprehensive Tariff Order on Wind Energy -  
Comments and suggestions invited by TNERC**

The TNERC has uploaded the consultative paper on "**Comprehensive Tariff Order on Wind Energy**" on its web site on September 25, 2014. The pdf file is attached for your ready reference. Members are hereby requested to go through the details and offer their valuable comments / suggestions on or before October 17, 2014.

Members may please note the following:

1. **Proposed tariff:** The TNERC has worked out a tariff of Rs. 3.59 per unit up from Rs. 3.51. This is while CERC has issued guidelines for tariff to be fixed from Rs. 3.96 to Rs. 6.34.
2. **Banking period and charges:** The TNERC has the following two alternatives:
  - a. Banking provision to be dispensed with since TNERC feels it results in loss to the utility TANGEDCO. Likely blow to the wind generating and wind energy consuming industry in Tamil Nadu without the facility of banking.
  - b. Alternatively, the banking facility can be extended but TANGEDCO shall be permitted to collect banking charges (Rs.7.22 - Rs.2.70 = Rs.4.52) being the difference between the marginal cost of power purchase of TANGEDCO and the applicable wind tariff
3. **Payment period:** The existing period for payment by TANGEDCO is 30 days. This is being increased to 60 days while a TNEB consumer has to pay BPSC (Belated Payment Surcharge) @18% if TNEB energy bill is paid beyond 15 days. TNERC has proposed 60 days for TNEB to pay Wind Energy bills and interest is payable beyond 60 days?
4. **Encashment of unutilized banked units:** Currently, the unutilized banked units on account of R&C measures is eligible for 100% i.e. full value of the relevant tariff. This has now been removed.
5. **Scheduling and system operating charges:** The current rate of Rs. 600 per day is likely to be revised upwards to **Rs.800 / MW / day**.
6. **Deemed demand charges:** TNERC proposes **not to continue** deemed demand concept.
7. **REC captive users:** The unutilized energy for REC users will get lapsed.
8. **Harmonics:** WEGs are now expected to implement filtering mechanism for harmonics. If the WEGs inject the harmonics beyond the stipulated limit, they shall pay a compensation of 15% of applicable tariff to TANGEDCO.
9. **Cross subsidy charges:** TNERC proposes to introduce 50% cross subsidy charges for third party open access consumers of Wind Energy Generators.

Members may please send comments on the issues by 17.10.2014.

Thanking you and with warm regards

Yours faithfully  
For: Indian Wind Power Association

**(Prof. Dr. K Kasthurirangaian)**  
Chairman

Encl: as above

**Indian Wind Power Association**

Door No. E, 6<sup>th</sup> Floor, Tower -1, Shakti Towers, No. 766, Anna Salai, Chennai 600 002  
Ph : 044 4550 4036 | Fax : 044 4550 4281 | E-mail : iwpa@windpro.org / secretary.general@windpro.org | Website : www.windpro.org