



## **TAMIL NADU ELECTRICITY CONSUMERS' ASSOCIATION**

**Regd. No.** 181-8524/1998 – **CIN.No.** U37102TZ1998GAP008524  
1st Floor, SIEMA Building, 8/4, Race Course, Coimbatore - 641 018  
Phone: (0422) 4351400 Mobile No. 9787299000 E-mail:  
[teca@tecaonline.in](mailto:teca@tecaonline.in) Web: [www.tecaonline.in](http://www.tecaonline.in)

TECA:2023-24:CIR/050  
October 14, 2023

### **CIRCULAR**

#### To All Members

Respected Members

Sub: TNERC (Renewable Energy Purchase Obligation) Regulations, 2023-Comments.

Ref: TNERC Notification No. TNERC/RPO/01/2023 dated 27.09.2023

TNERC has issued a Notification in TNERC/RPO/01/2023 dated 27.09.2023 and a soft copy of the same is attached herewith for the information of all members. For the enforcement of the said Notification, it has to be published in the TN Government Gazette, which may happen soon and accordingly, from the date of publishing the Notification in the TN Government Gazette, the Regulations will become enforceable in the State of Tamil Nadu. The highlights of the RPO Regulations now notified, are as follows.

#### **1. Applicability of Renewable Purchase Obligation (RPO):**

- The following entities are obliged to fulfil Renewal Purchase Obligation (RPO) under the new Regulations.
  - a) the Distribution Licensee (TANGEDCO);
  - b) any person, consuming electricity procured from conventional sources (Thermal Power) (i.e. other than renewable energy sources) through open access or otherwise;
- Therefore, if the power consumed by a consumer is through Renewable Sources, whether by 100% own captive or by CGP Mode or even by way of a Green Power Purchase from Exchange sources, such Renewable Power is exempted from RPO, as it is already a Renewable Power. Further, the power consumed even through Rooftop Solar / GISS Project is also exempted from RPO.
- However, the quantum of unutilized wind power, now sent for banking with the TANGEDCO for drawl subsequently, would be considered only for the compliance of RPO of the Distribution Licensee and not for the WEGs.
- However, under the scheme of other OA Sources, if any Consumer / Captive User, purchases Renewable Power generated from REC machines, either under CGP Mode or under Third-Party Mode,



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such of the REC Power, cannot be exempted from RPO, as the power has already received RECs appropriately.

### **2. Exempted Power from RPO:**

- A retail consumer who is receiving Electricity from the Distribution Licensee / TANGEDCO, shall not be considered as an Obligated Entity, to the extent of its quantum of consumption, in its capacity as a retail consumer of the Distribution Licensee. Therefore, to the extent of power consumed from the TANGEDCO directly, there is no RPO for the consumers to that extent.

### **3. Other Exceptions:**

- Please note that one of the Association namely Tamilnadu Spinning Mills Association has already filed a Writ Petition, challenging the increase of RPO percentage, as per its WP No.4913 of 2017 and the matter is still pending before the Hon'ble Madras High Court. Therefore, the applicability of the Regulation and the RPO made in this Regulation is also subject to the outcome of the said Writ Petition
- Further, for any reasons, if the RPO is not met out during the previous years and remains unfulfilled, including on the reason of Court cases or for any other legally valid reasons, such Obligated Entities, are exempted from fulfilling the RPO, till such time the judgment is finally delivered or the impediment exists and the same shall be fulfilled by the Obligated Entities, for the respective years in the subsequent period, subject to outcome of the Writ Petitions.

### **4. RPO Percentage:**

- According to Annexure-I provided to the Notification, every Obligated Entity, subject to the above exemption / exception, shall procure RECs, to comply with the RPO Norms, as per the below percentage. However, if a particular source of Renewable Energy is not available in the market and if the Commission is satisfied over the same, compliance of the RPO from other sources of Renewable Power is allowed.

Year	Wind RPO	HPO *	Other RPO	Total RPO
2023-24	1.60%	0.66%	24.81%	27.08%
2024-25	2.46%	1.08%	26.37%	29.91%
2025-26	3.36%	1.48%	28.17%	33.01%



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2026-27	4.29%	1.80%	29.86%	35.95%
2027-28	5.23%	2.15%	31.43%	38.81%
2028-29	6.16%	2.51%	32.69%	41.36%
2029-30	6.94%	2.82%	33.57%	43.33%

\* Hydel Power

- Hitherto, the RPO was altogether maintained from Solar and Non-Solar Sources only and now the RPO is changed to, Wind RPO, HPO and other RPO and accordingly, it is meant that the other RPO would include Solar RPO also.

### **5. Other Points:**

- If the RPO percentage for any year is not specified by the Commission, then the RPO specified for the previous year, shall continue as such, till subsequent revision is ordered by the Commission
- The Obligated Entities shall submit the details of the compliance of RPO on a quarterly basis and for the entire financial year including the last quarter by the end of July of the succeeding financial year to the State Agency (ie) SLDC, Tamil Nadu.
- The following renewable energy will be falling under the account of Distribution Licensee:-
  - a. In case of Prosumer from Grid Interactive Solar PV Energy Generating System (GISS), the net metering / net feed-in arrangements, shall qualify towards meeting out the RPO of the Distribution Licensee, only if such consumer is not itself an Obligated Entity.
  - b. In case of captive / open access consumers, consuming the Renewable Energy, in excess of their RPO compliance, shall be accounted towards RPO compliance of the Distribution Licensee. This may be a reason underlying that the RPO percentage for Wind RPO was found drastically reduced so as to make the Distribution Licensee / TANGEDCO to enrich.
  - c. In case of GISS projects under Gross Metering System Scheme, if the Generators / Prosumers do not claim RECs, then it shall also be accounted towards fulfilment of RPO by the Distribution Licensee.

### **6. Default in complying with the RPO and Consequences:**



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- a) If any Obligated Entity does not fulfil the RPO, as per the Current Regulation, the State Agency (SLDC), on being directed by the Commission, shall serve notice to the defaulted Obligated Entity, to deposit such amount in a Fund, arrived on the basis of the short-fall in the units of RPO and for that purpose, the maximum REC price traded through the Power Exchanges shall be taken into consideration.
  - b) The Fund so created shall be utilized by the State Agency, to purchase certificates as directed by the Commission.
  - c) Further, non-compliance will lead to penalty, as may be decided by the Commission under Section 142 of the Electricity Act 2003. However, in the case of bonafide difficulties, the same may be represented to the Commission requesting permission to carry forward the defaulted RPO for compliance to next year. The Commission may consider the same on merits and would permit such cases.

### **7. Summing Up:**

- (i) The quantum of power consumed from TANGEDCO is exempted from RPO.
- (ii) Renewable Power from Wind and Solar consumed either on 100% ownership basis or through CGP Mode or through Third Party Mode or through Exchange Sources is exempted from RPO.
- (iii) RPO is applicable only on the Thermal Power sourced from CGP Sources and also from IEX Sources from Exchange Sources.
- (iv) The banked wind power when drawn and consumed is exempted from RPO and however, the Distribution Licensee / TANGEDCO would account it for its own RPO.
- (v) Quarterly / Annual Returns have to be filed with SLDC on compliance of RPO.
- (vi) Commission in case of default may order to deposit an amount towards RPO Fund.

With Warm Regards

N. Pradeep

President