



TAMIL NADU ELECTRICITY CONSUMERS' ASSOCIATION

Regd. No. 181-8524/1998 – **CIN.No.** U37102TZ1998GAP008524

1st Floor, SIEMA Building, 8/4, Race Course, Coimbatore - 641 018

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TECA 2024-25: CIR/25

September 06, 2024

To

All Members

Dear All,

Sub: TN Repowering, Refurbishment and Life Extension Policy 2024 for WEGS-GO
Issued along with Policy-Additional comments.

Ref: GO (Ms) No. 80 dated 22.08.2024 of Energy (E1) Department.

In continuation to the, GO and the Policy, additional comments are provided further for the understanding of the Policy, as it stands now.

Objective:

Even though, the Policy specifies in its objective, is to promote optimum utilization of wind energy resources by providing a supportive framework to the Wind Energy Generators (WEGs) by way of Repowering, Refurbishment and Life Extension Projects, it directly contradicts this objective and the Policy kills, many of the existing promotional measures of the Renewable Wind Power, so far being availed by the WEGs and therefore, it sounds the death knell for the Wind Power Sector in Tamil Nadu.

MNRE Repowering Policy vis-à-vis TN Repowering Policy:

Even though, the Government of India, through its MNRE has issued a Modified General Policy Guidelines for Repowering and Life Extension of WEGs, by a Policy dated 07.12.2023, the TN Policy completely defeats the very objective of the Policy of the MNRE in so many areas. Instead of aiming to promote the Renewable Wind Power investments in the State, it takes a complete retrograde approach by issuing the present Policy, which would be highly detrimental to the interest of the Wind Energy Investments and in further continuing the WEGs completed 20 years in the State. While the other Wind Rich States like, Gujarat, Maharashtra, Karnataka, Andhra Pradesh, etc., are not rushing to issue any Repowering Policy,



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why Tamilnadu alone is rushing to issue such a retrograde Policy is a matter leads to various speculations.

Legal Position in implementing the Policy:

The Policy now notified was not even referred to the TNERC to issue suitable orders and such a flaw itself makes the Policy not enforceable. Further, it directly affects the WEGs which have completed 20 years, since it makes it arbitrarily and mandatorily for such 20 years completed WEGs, to undergo any one of the below options as prescribed in the Policy.

1. Repowering Project (Standalone Project & Aggregation Project).
2. Refurbishment Project.
3. Life Extension Project.

Development Charges:

Further to the same, all the WEGs which have completed 20 years of their designed life time, under this Policy shall have to pay the Development Charges once again at the rate of Rs. 30 Lakh / MW, for the entire wind generation capacity, whether it goes for Repowering or Refurbishing or Life Extension. This is highly draconian. Already, when WEGs have paid Infrastructure Development Charges (IDC), during the first installation of the WEG and necessary Infrastructure was created already for evacuation of the power so generated by the WEGs, demanding to pay by mandate again Rs. 30 Lakhs / MW is draconian.

Position of WEGs commissioned after 01.04.2018:

WEGs which were commissioned after 01.04.2018, were already allowed for the Annual Banking Facility, by the Hon'ble APTEL and the matter is now agitated at the Hon'ble Supreme Court by a SLP filed both by TNERC and TANGEDCO. However, there is no stay granted against the order of the Hon'ble APTEL dated 27.01.2021. While things are placed so, against a subsisting order of Hon'ble APTEL, Government itself issuing a Policy is totally against Law. Therefore, the Policy should have avoided to mention about the status of Annual Banking for WEGs commissioned on or after 01.04.2018 as ineligible.

Position of WEGs which have not completed 20 years:



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The Policy however makes it clear that the WEGs which have not completed 20 years and which have not on their own, chosen to undergo repowering or refurbishment, will remain under the old Annual Banking arrangements, until they complete their 20 years of life time from the date of their original commissioning.

Annual Banking Modified in respect of WEGs Repowered:

However, in respect of those WEGs completed 20 years, they have to choose either of the three options as mentioned above. Likewise, if any WEG not completed 20 years, if it chooses on their own to Repower its Machine, the Annual Banking is regulated as below.

a) Annual Banking shall be allowed within the same Financial Year (i.e.) from 1st May up to 31st March of the same Financial Year, subject to the condition that at least 50% generation is consumed within the wind months (May to September). Any quantum over and over 50% of the generation not consumed, will be lapsed.

b) Slot wise Banking will be allowed up to 50% of total generation in the respective slots from 01st May to 30th September. The slots are given below: -

Slot	Time
C1	6 AM to 8 AM
C2	8 AM to 5 PM
C3	5 PM to 12 AM
C4	12 AM to 6 AM

c) Slot wise utilization of energy from 01st October to 31st March will be allowed, (i.e.) utilization of energy during the months of October to March can be done in that particular slot in which it was generated during the period of 01st May to 30th September subject to the following: -

i) The minimum utilization shall be 20% of the Net Banked Energy each month from 01st October to 31st December. During the period of 1st January to 31st March, the utilization shall not exceed 15% of Net Banked Energy each month.

ii) In the event that the WEG utilizes less than 20% of the Net Banked Energy in any of the months between 01st October to 31st December, the unutilized energy for that month **shall lapse**.

d) Any unutilized Net Banked Energy as on 31st March shall lapse.



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e) WEGs shall be charged 16% of the Banked Energy as Banking charges in kind with revision every year based on the difference between the weighted average cost of power purchase from Power Exchange by TNPDC for May-September and October March period as per the formula provided for this purpose.

f) Banking, as per this Policy for the Wind-Solar Hybrid Plant shall be allowed for the energy generated from WEG only and all the banking provisions of this Policy shall apply to wind energy only and not applicable on solar power.

The TNERC by its order in MP No. 23, has introduced 15-Minutes Time Block for adjustment for wind power against consumption. The facility of adjusting peak hour generation during non-peak hour consumption has been taken away by the said order.

This Policy has now introduced has made it more detrimental and complex to the wind energy industry, usurping the powers of the TNERC. We have to wait and see whether any directions are going to be issued under Section 108 (1) of the Electricity Act 2003, to the TNERC to issue any orders based on the Policy.

With Warm Regards,

N Pradeep
President