



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:2023-24:CIR/011

May 15, 2023

To All Members

CIRCULAR

Dear Members,

Sub: TNERC order directing TANGEDCO to revise the EWA, by incorporating the facility of 75% encashment for all SPGs, for which they have executed the EWA in a different manner and also contrary to the Tariff Order No. 9 of 2020 dated 16.10.2020- Reg

Ref: The Order of the TNERC in MP No. 47 of 2021 dated 11.05.2023 in the matter of M/s. TRK Textile India (P) Ltd.

Please find enclosed the soft copy of the above said TNERC order for the information of all members, who have established Solar Power Generators (SPGs) during the past 2 ½ years, mostly from 01.01.2021.

You are aware that TNERC was regularly permitting the unutilized solar energy, on a month-on-month basis for encashment to its 75% value, through various Tariff Orders issued by the TNERC, from time to time. Accordingly, the last Tariff Order on Solar Energy was issued by the TNERC in Order No. 9 of 2020 dated 16.10.2020. Inter alia, in the said Tariff Order, to facilitate the encashment of unutilized units, on a month-on-month basis, to its 75% value, the order goes as below.

“5.5.8 After the billing period, the excess energy generated but not consumed, may be sold at the rate of 75% of the respective solar tariff fixed by the Commission in the respective orders to the generators and where no tariff is fixed at 75% of latest tariff discovered in the competitive bidding. If there are more than one tariffs discovered through bidding process, the weighted average tariff shall be considered for payment.”

The Tariff Order of the TNERC dated 16.10.2020 is the last one and thereafter, no Tariff Order was issued for the Grid Connected Solar Power so far. This order is being extended, with the same terms and conditions from time to time and is valid till now.

Even though, Para 5.8.8 of the said order stipulates an obligation to the TANGEDCO for allowing encashment of unutilized solar energy on a month-on-month basis to its 75% value, the TANGEDCO has started imposing unilateral conditions while executing the EWAs, stating that the TANGEDCO is surplus in power and therefore, the TANGEDCO will not entertain encashment. Such modified EWAs are framed by the TANGEDCO itself on its own, without any approval from the TNERC. Such kinds of EWAs could be seen only for the SPGs commissioned after 01.01.2021 mostly.



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Accordingly, one of the consumer namely M/s. TRK Textile India (P) Ltd., has filed a Miscellaneous Petition No. 47 of 2021 before Hon'ble TNERC to direct TANGEDCO to change the EWA, in consonance with the Tariff Order of TNERC dated 16.10.2020, by allowing the facility of encashment of unutilized solar energy on a month-on-month basis.

Almost after the 2 ½ years, TNERC has analysed the matter in its crux and accordingly, passed the following speaking order on 11.05.2023.

"6. Finding of the Commission on the first issue:

In view of the findings rendered by this Commission on issue no. 2 to 5, the only irresistible conclusion that can be arrived at on this issue is that clause 24(IV) of the Energy Wheeling Agreement dated 03.03.2021 is inconsistent with clause 5.5.8 of the Tariff Order dated 16.10.2020 passed in T.A.No.9 of 2020 and also Regulation 7 of the Power procurement from New and Renewable Sources of Energy Regulations, 2008 as contended by the petitioner. Accordingly this issue is decided in favour of the petitioner.

In fine, this Commission doth order as follows:-

a) The petitioner is entitled to 75% of the tariff fixed by the Commission or in cases where no tariff fixed, 75% of the tariff discovered in the competitive bidding shall be adopted for payment for the energy supplied over and above the limit sanctioned.

b) In case any injection has been made by the generator against the direction of SLDC or at any point of time such injection had imperilled the grid security, such cases shall be dealt with separately by the respondent for the purpose of denial of claim.

c) Even in such cases, it is only after giving due notice and fair hearing, that payment can be denied.

d) In all other cases, payment shall be made at 75% tariff fixed by the Commission."

Therefore, now the TANGEDCO has to revise the Energy Wheeling Agreement, by incorporating the facility of 75% encashment for all SPGs, for which they have executed the EWA in a different manner and also contrary to the Tariff Order No. 9 of 2020 dated 16.10.2020.

Hence, those members, who do not have a Clause in their Energy Wheeling Agreements, permitting them to make encashment of unutilized energy for its 75% value on a month-on-month basis, can



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write letters to the Superintending Engineers of the Generation Ends, as per the Model Letter provided and accordingly, they can amend the EWAs suitably ensuring the encashment facility. Even though, the order is obtained by M/s. TRK Textile India (P) Ltd., by considering the letter and spirit of the order, it applies to everyone who are similarly placed, as the order has to be considered as *Judgement in Rem.*

With Warm Regards

N. Pradeep
President