

**BEFORE THE TAMILNADU ELECTRICITY REGULATORY COMMISSION
CHENNAI**

Miscellaneous Petition No.24 of 2016

In the matter of: **In the matter of fixing the banking period of wind energy for captive generation to calendar year from January to December for all the existing WEGs commissioned before 31.10.2016 and not to allow the banking facility to the new wind projects to be established from 01.11.2016.**

Tamil Nadu Generation & Distribution Corporation Limited,
Represented by its Chief Engineer/
Non-Conventional Energy Sources
144, Anna Salai,
Chennai - 600 002.

..... Petitioner

Vs

- NIL -

..... Respondent

MISCELLANEOUS PETITION FILED BY TANGEDCO UNDER REGULATION 16(1) OF TNERC (CONDUCT OF BUSINESS) REGULATIONS, 2004

MOST RESPECTFULLY SHOWETH:-

I respectfully submit that the petitioner is the Tamil Nadu Generation & Distribution Corporation Limited (TANGEDCO), hereinafter called the Petitioner TANGEDCO, is represented by its Chief Engineer/Non-Conventional Energy Sources, having its office at 2nd Floor, NPKRR Maaligai, No.144, Anna salai, Chennai 600 002.

1. It is respectfully submit that the Tamil Nadu State through the Petitioner Board encouraging the Non-Conventional Energy Sources from the initial stage during 1986. The Petitioner Board has established a demonstration Wind Farm Project with a capacity of 19.355 MW under the financial aid of Ministry of Non-Conventional Energy Sources, now Ministry of New and Renewable Energy (MNRE), Government of India, New Delhi.

2. It is respectfully submit that based on the successful functioning of the above demonstration Wind Farm Project, the Private Developers has shown interest in the Wind Sector. The Wind Energy Generator was allowed to adjust the wind energy to their consumption of HT Industries. It is respectfully submit

that in order to promote the wind energy sector in near future the concept of "banking of wind energy" has been introduced to encourage wind energy sector to plan their consumption activities, even though the wind is infirm in nature and limited for a period of six months in a year.

3. It is respectfully submit that, the policies adopted by the Board from 1986 was 2% wheeling charges, 2% banking charges and in 2001, the banking charges had been increased to 5% from 2%. In 2002, the banking period had been fixed as 1 year from 1st April to 31st March next year and the unutilized banked energy treated as lapsed.

4. It is respectfully submit that the Board has followed its own rule of banking upto 15.05.2006. The Hon'ble TNERC on 15.05.2006 has issued Tariff order No. 3 dt.15.05.2006 for wind energy. In which, the TNERC has adopted the same concept of banking of wind energy and fixed the banking period of one year from 1st April to 31st March and the banking charges fixed at 5% of the energy banked. Subsequently in 2009, the Hon'ble TNERC on 20.03.2009 has issued 2nd wind Tariff Order No.1, dt:20.03.2009. In which the Hon'ble TNERC adopted the same concept of banking of wind energy and fixed the banking period of one year from 1st April to 31st March and the banking charges fixed at 5% of the energy banked. Further the unutilized banked energy at the end of banking period has to be encashed at 75% of the normal purchase rate.

5. It is respectfully submit that as per the Electricity Act 2003, the STU/Distribution Licensee has to follow the rules and regulations and order of the State Commission for Tariff and other issues under EA 2003, the Board has followed the orders of the Hon'ble TNERC for banking of wind energy as ordered in TNERC order No.3, dt:15.05.2006 and order No.1, dt:20.03.2009.

6. It is respectfully submit that as the installed capacity of wind energy reached to 3500 MW, in 2006 itself TANGEDCO started facing problem out of banking. Further in TNEB rules, the wheeling was permitted only to HT industries that too only for 2 HT industries services. But as the Electricity Rules 2005, The TNERC intra State Open Access Regulations have been implemented and the Hon'ble TNERC permitted unit to unit adjustment to any HT Service and any number of HT service as per the section 9 of EA 2003, the captive generation in wind energy has stated up. Further as the Technology Upgradation Fund (TUF) loan has been extended to Textile people, the Textile Industry has installed their wind energy for their captive consumption. Further due to power position of the

TANGEDCO, the HT consumers made tie up with wind energy generators, joined as share holders and availing wind captive consumption. Further as wind energy is having banking facility, most of the HT consumers are preferring wind captive consumption, hence the wind captive generation has increased to 70% of the wind installed capacity.

WIND INSTALLED CAPACITY ON 31.07.2016 (BOARD & PVT)

Sl. No.	Year	Installed Capacity in MW	
		During Year	Cum Total
1	Upto 2005		2040.225
2	2005-2006	857.555	2897.780
3	2006-2007	577.910	3475.690
4	2007-2008	381.075	3856.765
5	2008-2009	430.975	4287.740
6	2009-2010	602.025	4889.765
7	2010-2011	997.400	5887.165
8	2011-2012	1083.460	6970.625
9	2012-2013	174.600	7145.225
10	2013-2014	107.380	7252.605
11	2014-2015	186.250	7438.855
12	2015-2016	158.850	7597.705
13	2016-2017 (Sep)	70.450	7668.155

Out of 7600 MW, 1000 MW under REC scheme, in which 350 MW under captive mode. Out of balance 6600 MW, around 4600 MW is under captive mode.

7. It is respectfully submit that, as the capacity addition of wind energy grows every year and simultaneously as the wind captive generation grows, from 2006 itself, TANGEDCO requested the Hon'ble TNERC to dispense the banking facility.

The request of TANGEDCO in TNERC Order 2006, 2009, 2012 & 2016 is extracted and submitted below:

TNERC Order No.3 dt.15.05.2006

Issue No. 6 : Banking:

Chairman, TNEB during the 5thSAC Meeting has suggested that there is no provision in the Act for banking. He has also stated that banking of wind energy has to be dispensed with. He has further added that once meter is fixed, there is no need for banking and the extra energy generated may be sold to the Board at Rs.2.70.

TNEB's Reply:

The Commission has not touched upon another concession given to the private developers, namely banking of wind energy with a nominal banking charge of 5%. It is to be pointed out to the Commission that there is no mention about banking of energy in the new Electricity Act 2003. By allowing banking facility, Board faces huge loss (i.e.) whenever the wind mills generate energy the same is absorbed by the Board's grid without any backing down. Sometimes, Board is forced to neglect cheaper power available from other sources and from neighboring States / Region. Hence, Board absorbs the wind power neglecting the cheap power. Since the wind energy is seasonal and mostly available from May to September, Board has to supply to its developers to compensate the banked units, by purchasing costlier power, ranging up to Rs.4 to Rs.4.50, from IPPs and through other power traders. Hence, the Commission is requested to dispense with the banking facility for future projects.

TNERC Order No.1 dt.20.03.2009

COMMENTS OF THE STAKE HOLDERS ON THE CONSULTATIVE PAPER ON "POWER PROCUREMENT BY DISTRIBUTION LICENSEES FROM WIND ENERGY GENERATORS AND ALLIED OPEN ACCESS ISSUES"

Banking:

Tamil Nadu Electricity Board:-

This was the concession extended to promote wind energy in the early years. Now the bankable capacity has grown up to a significant extent and even poses a problem to grid management during the period of deficit situation. The banking facility should be restricted to one month instead of allowing year long banking and the banking charges should be increased to 15%.

TNERC Order No.6 dt.31.07.2012

Comments of various stake holders on the public notice dated 27-04-2011

Banking:

TANGEDCO:

Extending the concessional promotional benefit of banking will hinder the financial position of the TANGEDCO. Hence, the concessional /promotional benefit of banking facility may be withdrawn and dispensed with. The surplus energy after adjustment on every month may be paid at 75% of the concerned power purchase cost. Further, the Electricity Act, 2003 does not speak about banking. However, if at all, the Commission think fit the provision of banking facility, the banking period may be fixed from 1st January to 31st December of every year instead of 1st April to 31st March. The TANGEDCO may settle the unutilised energy at the end of the banking period (31st December) at 75% of the normal purchase rate with increased banking charges of 20%.

Comments of various stake holders on the public notice dated 08-09-2011

2. Whether banking period to be retained, reduced or dispensed with in view of the satisfactory growth in the installed capacity of wind generators?

..... TANGEDCO in its comments has stated that the banking provision for wind energy may be dispensed with not only to the future projects but also to the existing projects commissioned before and after 15-05-2006 irrespective of the tariff order to which WEG is covered. Further, the TANGEDCO has stated that the full Board of TANGEDCO is in favour of dispensing the banking provision.

MINUTES OF THE STATE ADVISORY COMMITTEE MEETING HELD ON 29.03.2012

Thiru. Rajeev Ranjan stated that wind energy creates more problems than the benefits accruing to the State. The wind power is not reliable. It does not possess quality also. The grid stability is hampered due to non-scheduling of wind power and reactive power. TANGEDCO is paying a heavy price for allowing Banking facility to the WEGs. It buys power in bulk from wind generators during wind season and the same cannot be utilised fully due to transmission problem and as such the surplus power injected to the grid gets no price due to UI mechanism. The neighbouring States are drawing power at that time without much cost. At the same time, TANGEDCO buys costly power during summer season when the WEGs are utilising their banked power. So in both ways TANGEDCO is at a loss and hence he requested that Banking should be dispensed with.

Thiru. Rajeev Ranjan stated that the purchase price of power in the Southern States is 3 to 4 times costlier than rest of the country. At present, TANGEDCO is paying Rs.14/unit for purchase of power from the market. Therefore the Banking facility should be revisited and should be dispensed with.

Thiru. K. Venugopal, Member, TNERC read out the abstract of the letter received from the Principal Secretary/Energy Dept./GoTN., which states that the banking should be dispensed with and scheduling should be done by all WEGs duly installing the ABT meters.

TNERC Order No.3 dt.31.03.2016

Abstract of comments received from various stakeholders on "Consultative Paper on Comprehensive Tariff Order for Wind energy"

TANGEDCO

Banking provision shall be dispensed with not only to the future projects but also to the existing projects commissioned before and after 15.05.2006 irrespective of the tariff order in which the WEG is covered for which necessary amendments may be effected in the existing energy wheeling agreement.

In the alternative, the banking period may be fixed from 1st January to 31st December instead of 1st April to 31st March. The banking charges may be levied based on the difference in cost between HT tariff of adjustment to the wind energy purchase rate. Further, since all the surplus units are kept in banking for the entire banking period, the banking charges may be levied for the entire banked units instead of units drawn from the bank.

MINUTES OF THE 29th MEETING OF STATE ADVISORY COMMITTEE OF TAMIL NADU ELECTRICITY REGULATORY COMMISSION HELD ON 17th MARCH 2016

TANGEDCO

Regarding banking, he (CMD) said that banking was a concept introduced in 1986. This was to encourage renewable energy. Now the installed capacity of wind power is 7500MW. The banked units are drawn at a time when the licensee is in trouble. During the high demand season, the banked units that are a low cost power are drawn, and TANGEDCO has to meet the demand by purchase of power at high cost and subsidise the banked units. In Andhra Pradesh, the banked units are not allowed to be drawn during the months when the utility has to meet high demand. During January, February the utility supplied about 275 MU per day but the same could not be translated to revenue due to the drawal of banked units. Unless the banking concept is suitably modified or completely removed, the euphoria of wind power will not be there. The state is blessed with wind power. But the problem is, as Dr.Kandasamy mentioned, the power is highly infirm. Now forecasting of wind power has improved but TANGEDCO requires proper scheduling from the wind power generators. When generation is not as per schedule, the wind energy generators should store energy or buy from the market and provide to TANGEDCO. After scheduling, if there is 25 to 30% shortfall, TANGEDCO has either to go for load shedding or buy power from the open market and supply, and when TANGEDCO enters the open market, the power that was selling at Rs.4 per unit becomes Rs.10 per unit. Somebody has to have storage facility. Either wind power has to be stored or the generators can have diesel generators and provide power as per schedule. TANGEDCO had an experience of shortfall in power supply during the month of September, due to the sudden fall in wind power generation, when its thermal units were shutdown for absorbing more wind power. In spite of having surplus power, TANGEDCO had to resort to load shedding for 5 days when the assembly session was going on. Such a thing has not happened in the history of any Board. Everybody can profit but there should not be profiteers. He stated that banking has to be dispensed with or allowed with certain restrictions by permitting them to draw during periods of low demand and restricted during high demand seasons peak like done in Andhra. A proper scheduling should be done so that TANGEDCO will know when to back down their thermal stations, and when wind power is not as per schedule, the onus should be on the wind power generator to provide as per

schedule or some sort of penalty system should be brought in, say, through amendment of PPAs. Unless these kind of measures are taken, banking will be redundant. The installed capacity will go up to 8000 MW and when 6000 MW is to be banked, and drawn during the months of October to April, the utility will be in trouble.

8. It is respectfully submit that as per the mandate of National Electricity Policy, non conventional energy sources are required to be brought at par with the conventional sources of energy by removing the concessional/promotional benefit. In 2011 itself, vide the public notice dated 08.09.2011, the Hon'ble TNERC initiated the process. The relevant portion is extracted hereunder:

"a) Whether competitive bidding to be introduced and tariff determination by the Commission to be dispensed with for wind energy in view of the satisfactory growth of wind energy in this State and in accordance with the tariff policy of Government of India?

b) Whether banking period to be retained, reduced or dispensed with in view of the satisfactory growth in the installed capacity of wind generators?"

As the TNEB/TANGEDCO for the 20 years from 1986 and the Hon'ble TNERC for the 10 years has extended the concessional/promotional benefit of banking facility, TANGEDCO requested to dispense the banking, but the Hon'ble TNERC thinks to extend it to for some more time.

Now the Hon'ble TNERC in the order dt.31.03.2016 in RA.No.6 of 2013 has rightly observed that, the State of TamilNadu is concerned, the wind sector has been more than adequately promoted to an extent utility is finding it difficult to handle the energy generated from the wind energy generators and facing complaints of rampant back down. Further the Hon'ble TNERC observed that such concessions are not to be continued for ever beyond the points of its utility, and have to be gradually withdrawn by adopting such measures which would discourage the practice.

9. It is respectfully submit that, TANGEDCO from 2012 has requested the Hon'ble TNERC to fix the banking period from 1st January to 31st December as calendar year instead of existing practice of 1st April to 31st March as financial year. As CMD/TANGEDCO has rightly pointed out in SAC meeting held on 17.03.2016 that banking has to be allowed with certain restrictions by permitting them to draw during periods of low demand and restricted during high demand seasons peak like done in Andhra pradesh.

The Hon'ble TNERC in para 10.11.4 of the wind Tariff Order No.3, dt:31.03.2016 has analysed the provisions related to banking of wind energy in the other renewable energy rich states like Gujarat, Rajasthan, Andhra Pradesh and Maharashtra and stated that, the States that have granted banking facility have imposed certain restrictions in the drawal of banked energy. The installed capacity of wind, banking period and restrictions by the above States are as follows:

Sl. No.	State	Banking period	Usage restriction
1.	Gujarat	1 month	Surplus energy to be sold to licensee @ 85 % of wind Tariff.
2.	Rajasthan	1 month	10% of surplus energy paid at 60% of industrial Tariff, balance will be lapsed.
3.	Andra Pradesh	12months (April to March)	Restriction to draw during April to June and Feburary to March and also during peak hours.
4.	Maharastra	12months	Credit not permitted for October, November and March.

Here the TANGEDCO has not requested any restriction in the banking period of one year, it has requested calendar year 1st January to 31st December instead of financial year 1st April to 31st March for all the existing wind generators commissioned before 31.10.2016. In this connection it is stated that, the wind season in TamilNadu coincides with the South - West monsoon from May to September, as the rains lashe there is reduction of Agriculture load and AC load, considerably the State demand will be reduced and the TANGEDCO with full hydro generation, may have surplus power. During this time as the wind blow is peak and hence entire wind generation under captive mode will be banked during this period. From October to March they will draw the energy from the banking account. During this time as TANGEDCO is in shortage of power due to heavy demand of the State, TANGEDCO has to buy high cost power from outside to resupply the banked energy. If the banking period is fixed from 1st January to 31st December, financial burden on the TANGEDCO will be less because the cost of external power purchase will be reasonable during October to December and the quantum of energy to be returned will also be halved. In that case, the TANGEDCO may settle the unutilized banked energy at the end of 31st December at the rate of 75% of normal purchase rate of wind energy. It is a win - win situation to TANGEDCO and wind captive generators and the general consumers will be relieved.

The Petitioner TANGEDCO pays a sum of Rs.10,000/- as per TNERC Fees & Fines (Amendment) Regulations 2011 dt.04.02.2011, vide DD No 371937, dt:17.10.2016

Under these circumstances, the TANGEDCO humbly prays that this Hon'ble TNERC may be pleased to:-

- (i) Fix the banking period as one year from 1st January to 31st December as calendar year instead of existing practice of 1st April to 31st March as financial year to all the existing captive/to be converted captive wind generators commissioned before 31.10.2016 with effect from 01.11.2016 and the unutilised banked energy at the end of calendar year i.e. on 31st December to be sold to TANGEDCO at 75% of normal wind purchase rate.
- (ii) Not to allow banking facility for future wind projects to be established in future (i.e.) from 01.11.2016.
- (iii) Pass such further or other orders as the Hon'ble TNERC may deem fit and proper and thus render justice.

DEPONENT

Verification

I M.BALASUBRAMANIAN S/o Mariappan aged 55 years, Chief Engineer/NCES, TANGEDCO of the Petitioner do here by solemnly affirm and state that what is stated in Paragraphs 1 to 9 are true to the best of my knowledge and belief and are based on records.

Dated at Chennai On this 17 day of October 2016

Sd/-
(M.BALASUBRAMANIAN)
CE/NCES
DEPONENT

Counsel for Petitioner:

**BEFORE THE TAMILNADU ELECTRICITY REGULATORY COMMISSION
CHENNAI**

Miscellaneous Petition No.24 of 2016

In the matter of: **In the matter of fixing the banking period of wind energy for captive generation to calendar year from January to December for all the existing WEGs commissioned before 31.10.2016 and not to allow the banking facility to the new wind projects to be established from 01.11.2016.**

Tamil Nadu Generation & Distribution Corporation Limited,
Represented by its Chief Engineer/
Non-Conventional Energy Sources
144, Anna Salai,
Chennai - 600 002.

..... Petitioner

Vs

- NIL -

..... Respondent

ADDITIONAL AFFIDAVIT FILED IN SUPPORT OF ABOVE MP

I, Thiru.M.Balasubramanian, son of Mariappan, aged 55 years, working as Chief Engineer/NCES at TANGEDCO, 144 Anna Salai, Chennai-2 do hereby solemnly and sincerely affirm and state as follows :

1. I am working as Chief Engineer/NCES in the office of the above petitioner and I am well acquainted with the facts of the case. The above petition has been filed inter alia praying for change in the banking period of one year by fixing the same from 1st January to 31st December. As some important facts having a bearing on the issues have not been brought out in the said MP, leave of this Hon'ble Commission is sought to file this additional affidavit and place the following facts in support of the MP on record.
2. At the outset, it may be pointed out that before issue of the new wind tariff order in 2009, this Hon'ble Commission had issued a consultative paper and called for comments including on the issue of banking. The petitioner had submitted the following comments:

'This was the concession extended to promote wind energy in the early years. Now the bankable capacity has grown up to a significant extent and even poses a problem to grid management during the period of deficit situation. The banking facility should be restricted to one month instead of allowing year long banking and the banking charges should be increased to 15%.'

In the Tariff Order No.1 dt.20.03.2009 in para 8.2 under the heading Banking, it was held that, "The plea of the TNEB to raise the banking charge from 5% to 15% and curtail the banking period from one year to one month are too radical to be accepted by the Commission. Therefore, the Commission decides to retain banking charges at 5%. The banking period commences on 1st April and ends on 31st March of the following year".

3. Against the above Tariff Order No.1 dt.20.03.2009 including the issue of banking, the petitioner filed an Appeal petition No.98 of 2010 before the Hon'ble Appellate Tribunal. The Hon'ble ATE by its judgment on 18.03.2011 held in para 20 as follows:

"20.....As regards Appellant Board's demand for reduction of banking period from one year to one month, it is pointed out banking period was fixed at one month in March 2001, doubled to two months in September 2001 and then further increased to one year in March 2002 by Appellant Board itself. Thus Appellant Board has increased it from one month to one year within a span of one year. There should have been some rationale on the part of Appellant Board to do so. Appellant Board has not assigned any new development, which was not present in 2001-02 and which has warranted the curtailment of banking period from one year to one month now. The State Commission has rightly rejected it as otherwise it would have rendered banking mechanism as meaningless.

23. Therefore, there is no justification for the Appellant to pray for the increase of Banking charges from 5% to 15% and curtailment of banking period from one year to one month. Therefore, this point is also answered accordingly".

4. An important new development that has happened after issue of TNERC Tariff Order No.3 dt.31.03.2016 is the rescission of the notification dated 10.10.2014 issued by the State Government under section 11 of Electricity Act 2003 whereby all electricity generated was to be supplied within the State. The rescission was effected by GO (Ms) No.41, Energy (A1) Department dt.31.05.2016 which reads as follows:

Abstract:

"Energy Department, Improvement in Electricity Generation through Wind, Hydel and New Project revocation of the directions issued under section 11 of the Electricity Act, 2003 orders issued".

Order:

"The Government after careful examination, issue orders revoking earlier directions notified in the Government order first read above, under section 11 of the Electricity Act, 2003. The power position will be reviewed by end of September 2016 for further necessary action".

The above new development paves way to the wind developers to take their surplus wind power to other States instead of banking with the TANGEDCO. In fact it had been represented on behalf of the wind generators during the course of consultation that the banking facility should be continued until the revocation of the ban under s.11 of the Act.

5. In regulation 4 of the Principal Regulations and in sub-regulation (1), clause (c), the provision of the Public hearing was mentioned in the NCES Regulations 2008. Subsequently this Hon'ble Commission vide its amendment notification dt:27.04.2009 has deleted the provision of the Public hearing in the NCES Regulations 2008.

4. Determination of tariff 4 (1) The Commission shall follow the process mentioned below for the determination of tariff for the power from new and renewable sources based generators, namely;-

a) initiating the process of fixing the tariff either suo motu or on an application filed by the distribution licensee or by the generator.

b) inviting public response on the suo motu proceedings or on the application filed by the distribution licensee or by the generator.

c) conducting public hearing on the above.

d) issuing general / specific tariff order for purchase of power from new and renewable sources based generators.

Amendment Notification No. TNERC/NCES Regn./16/4 dt:27.04.2009

4. Amendment of regulation 4 of the Principal Regulations in regulation 4 of the principal regulations, - (i) in sub-regulation (1), clause (c) shall be omitted.

Further the expression "the tariff and allied issues" in regulation 6 of the Principal Regulations has been amended vide amendment notification dt:19.01.2013 by omitting the expression "and allied issues" in the NCES Regulations 2008.

"Regulation 6:

6. Agreement and Control period The tariff determined by the commission in the tariff order shall be applicable for the power purchase agreement period of twenty years. The control period may be three years. When the Commission revisits the tariff and allied issues, the revision shall be applicable only to the generator of new and renewable energy sources commissioned after the date of such revised order."

Amendment to the Power Procurement from New and Renewable Sources of Energy Regulations, 2008 Notification No. TNERC / NCES Regn /16/11, dated 19-01-2013:

"(ii) In regulation 6, the expression "and allied issues" shall be omitted;

EXPLANATORY STATEMENT

Further, whenever tariff order is revised, the revised tariff is applicable only to the NCES generators commissioned after the date of such revised order, but the revision of allied issues is applicable to all the NCES generators irrespective of the date of commissioning. "

<i>Sl.No.</i>	<i>Existing provision</i>	<i>Provision after amendment</i>
<i>2</i>	<i>6. Agreement and Control period:- The tariff as determined by the Commission by a general or specific order for the purchase of power from each type of renewable source by the distribution licensee as referred to in clause 4(3) shall remain in</i>	<i>6. Agreement and Control period:- The tariff as determined by the Commission by a general or specific order for the purchase of power from each type of renewable source by the distribution licensee as referred to in clause 4(3) shall remain in force for such period as specified by the</i>

<p><i>force for such period as specified by the Commission in such tariff orders. The control period may ordinarily be two years. When the Commission <u>revisits the tariff</u> and <u>allied issues</u>, the revision shall be applicable only to the generator of new and renewable energy sources commissioned after the date of such revised order.</i></p>	<p><i>Commission in such tariff orders. The control period may ordinarily be two years. When the Commission <u>revisits the tariff</u>, the revision shall be applicable only to the generator of new and renewable energy sources commissioned after the date of such revised order.</i></p>
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As such, since banking facility is not related to tariff of wind energy but related to allied issues, the relief of amendment can be by a miscellaneous petition itself.

6. It is a admitted fact that the wind energy is infirm, intermittent and varying in nature. During the wind season May to September, in order to integrate and absorb the wind energy in to the grid, the TANGEDCO has to reduce its Thermal generation, Hydro generation, surrender its CGS power by which the TANGEDCO has been incurring losses. In addition due to frequency variation and over drawl / under drawl against the 250 MW bandwidth, the TANGEDCO is incurring losses. It is stated that by incurring loss only the TANGEDCO is absorbing the wind energy in to the grid and the so absorbed wind energy is banked by the wind generators and taken back from October to March.
7. In order to resupply the banked energy during January to March TANGEDCO is purchasing high cost power from IPPs, traders and power exchanges. It is submitted that for absorbing the wind energy TANGEDCO is incurring loss and for resupplying the banked energy also the TANGEDCO incurring loss. If the banking period is changed to January to December, the loss to the TANGEDCO will be reduced.
8. This Hon'ble Commission has the power under the Electricity Act, more particularly S.62(4) of the Act to amend the tariff determined as well as the allied issues. The control period of the tariff order being two years and in view of the significant developments that have taken place after the issue of the said Tariff Order, the changed circumstances warrant that the fixation of the banking period requires to be revisited. Under these circumstances, the petitioner humbly prays that this Hon'ble Commission may be pleased to:-

- (i) Fix the banking period as one year from 1st January to 31st December as calendar year instead of existing practice of 1st April to 31st March as financial year to all the existing captive/to be converted captive wind generators commissioned before 31.10.2016 with effect from 01.11.2016 and the unutilised banked energy at the end of calendar year i.e. on 31st December to be sold to TANGEDCO at 75% of normal wind purchase rate.
- (ii) Not to allow banking facility for future wind projects to be established in future (i.e.) from 01.01.2016.
- (iii) Pass such further or other orders as the Hon'ble TNERC may deem fit and proper and thus render justice.

Solemnly affirmed the contents of
This additional affidavit at Chennai
on this 26 day of December 2016
and signed his name in my presence

Sd/-
CE/NCES

Before me

Advocate: Chennai