



TAMIL NADU ELECTRICITY REGULATORY COMMISSION
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R.V. RAJAH
SECRETARY

19-05-2011

NOTICE

The TNERC has issued Renewable Energy Purchase Regulations, 2010 vide Notification dated 07-12-2010, published in the Tamil Nadu Government Gazette on 22nd December 2010. The CERC has issued Notification No. L-I/12/2010/CERC dated 29-09-2010 amending the terms and conditions for recommendation and issuance of renewable energy certificate for renewable energy generation regulation. This amendment of CERC provides for renewable energy certificates for captive consumption of renewable energy. This has necessitated issuing certain amendments to the TNERC (renewable energy purchase obligation) Regulation 2010. Accordingly, the Commission has prepared a draft regulation. This draft regulation needs to be examined in the context of the following:-

- Generation of Electricity is a delicensed activity as per Sec 7 of the Electricity Act 2003.
- Sec 86(1) (e) of the Act mandates the Commission to specify renewable purchase obligation as a percentage of the total consumption of Electricity in the area of a distribution licensee.
- In case captive use leads to renewable energy certificate in favour of the captive user, it may not be feasible for considering this component as renewable purchase obligation of the licensee, as per Section 86(1) (e) of the Act.
- Most of the renewable energy sources in Tamil Nadu are seasonal in nature. Accordingly, the supply of power by the licensee will also be governed by the production of renewable energy. This will call for proper

planning of conventional sources of energy by the TANGEDCO. The issue needs to be properly examined if the installed capacity will get stranded at any stage and if so how the stranded costs will be handled? It is also necessary to examine surplus power if any available within the State and steps for marketing the same competitively to avoid any stranded cost. The Commission would like comments from all the stake holders governing the above issues as well on or before 20-06-2011, besides the comments from the stake holders on other issues.

(R.V. RAJAH)
SECRETARY

TAMIL NADU ELECTRICITY REGULATORY COMMISSION
Draft Notification No. TNERC / RPO / 19 /, dated 19-05-2011
(Comments/suggestions are invited on or before 20-06-2011)

WHEREAS the Tamil Nadu Electricity Regulatory Commission under section 181 read with sections 61, 66 and 86(1)(e) of the Electricity Act, 2003 (Central Act 36 of 2003), specified and notified in the *Tamil Nadu Government Gazette*, dated, the 22nd December, 2010, the Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) Regulations, 2010;

AND WHEREAS it is considered necessary to issue certain amendments to the above Regulations and such amendments shall be subject to the condition of the previous publication and accordingly undergone such previous publication;

NOW, THEREFORE, in exercise of the powers conferred by section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) read with sections 61, 66 and 86(1)(e) and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following Amending Regulations to the Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) Regulations, 2010 (herein referred to as the Principal Regulations) issued under Notification No. TNERC/RPO/19/1 dated 7th December, 2010 and published in Part VI – Section 2 (Supplement) of the Tamil Nadu Government Gazette, dated, the 22nd December, 2010.

Amending Regulations

1. Short title and commencement

(a) These Regulations may be called the Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) (Amendment) Regulations, 2011.

(b) They shall come into force on the date of their publication in the Tamil Nadu Government Gazette.

2. Amendment of regulation 2 of the Principal Regulations

In the Principal Regulations, in regulation 2, in sub-regulation (1), for the clause (g), the following clause shall be substituted, namely:-

"(g) "Obligated Entity" means the distribution licensees, users owning Captive Generating Plants and open access consumers in the State of Tamil Nadu, who have to mandatorily comply with renewable purchase obligation under these Regulations subject to fulfilment of conditions outlined under Regulation 3;"

3. Amendment of regulation 3 of the Principal Regulations

In the Principal Regulations, for Regulation 3, the following Regulation shall be substituted, namely:-

"3. Renewable Purchase Obligation. -

(1) Every obligated entity shall purchase not less than defined minimum percentage of its consumption of energy from renewable energy sources under the Renewable Purchase Obligation (RPO) during a year as specified below:

<i>Sl.No.</i>	<i>Year</i>	<i>Minimum Quantum of total renewable purchase obligation in percentage. (in terms of energy in kWh)</i>	<i>Minimum quantum of solar renewable purchase obligation in percentage out of the total renewable purchase obligation mentioned in column (3). (in terms of energy in kWh)</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>1</i>	<i>2011-12</i>	<i>10%</i>	<i>0.15%</i>
<i>2</i>	<i>2012-13</i>	<i>10%</i>	<i>0.25%</i>
<i>3</i>	<i>2013-14</i>	<i>10%</i>	<i>0.25%</i>

Provided that when NTPC Vidyut Vyapar Nigam Ltd. (NVVN) supplies bundled power to distribution licensee(s) in the State at the rate determined as per Central Electricity Regulatory Commission regulations, the distribution licensee will be entitled to use the solar part of the bundled power for meeting the RPO specified under the Electricity Act, 2003:

Provided further that if the obligated entity has established the fact that the minimum quantum of power purchase from solar energy is not available in the market either in the form of solar Renewable Energy Certificate (REC) or solar energy in a particular year and the Commission is satisfied with the fact, then in such cases, the other renewable energy sources shall be purchased for fulfillment of the solar RPO:

Provided also that such obligation to purchase renewable energy shall be inclusive of the purchases, if any, from renewable energy sources already being made by concerned obligated entity:

Provided also that the energy purchase agreements for the purchase of renewable energy sources already entered into by the distribution licensees shall continue to be made till their present validity, even if the total purchases under such agreements exceed the percentage as specified hereinabove.

(2) The minimum percentage as specified in sub-regulation (1) shall be applicable to the Distribution Licensee, users owning Captive Generating Plants and open access consumers in the State of Tamil Nadu, subject to the following conditions:

(a) Any person who owns a grid connected Captive Generating Plant and consumes electricity generated from such plant for his own use shall be subjected to a minimum percentage of specified RPO to the extent of his consumption met through such captive source.

Explanation: *Consumption met through non-grid connected Captive Generating Plants will not be considered for RPO purpose.*

(b) Any person who consumes electricity procured from conventional fossil fuel based generation through open access as per Section 42 (2) of the Act shall be subjected to

a minimum percentage of specified RPO to the extent of his consumption met through such open access source.

(3) If the RPO for any of the year is not specified by the Commission, the RPO specified for the previous year shall be continued beyond the period till any revision is effected by the Commission in this regard.”

4. Amendment of regulation 6 of the Principal Regulations

In the Principal Regulations, in regulation 6, in sub-regulation (1), after clause (b), the following provisos shall be added, namely.-

“Provided that such a generating company having entered into a power purchase agreement for sale of electricity at a preferential tariff shall not, in case of premature termination of the agreement, be eligible for participating in the Renewable Energy Certificate (REC) scheme for a period of three years from the date of termination of such agreement or till the scheduled date of expiry of power purchase agreement whichever is earlier or if any order or ruling is found to have been passed by the Commission or a competent court against the generating company for material breach of the terms and conditions of the said power purchase agreement:

Provided further that a Captive Generating Plant (CGP) based on renewable energy sources shall be eligible for the entire energy generated from such plant including self consumption for participating in the REC scheme subject to the condition that such CGP has not availed or does not propose to avail any benefit in the form of concessional/promotional transmission or wheeling charges, banking facility benefit and waiver of electricity duty, etc.:

Provided also that if such a CGP forgoes on its own, the benefits of concessional transmission or wheeling charges, banking facility benefit and waiver of electricity duty, etc., it shall become eligible for participating in the REC scheme only after a period of three years has elapsed from the date of forgoing such benefits.

Provided also that the abovementioned conditions for CGPs for participating in the REC scheme shall not apply if the benefits given to such CGPs in the form of concessional transmission or wheeling charges, banking facility benefit and waiver of electricity duty, etc. are withdrawn by the Commission and/or the State Government.

The dispute, if any, on the question as to whether such concessional/promotional benefits were availed by a CGP or not shall be referred to the Commission.”

(By order of the Commission)

**Secretary
Tamil Nadu Electricity Regulatory Commission**