



TAMIL NADU ELECTRICITY REGULATORY COMMISSION

No. 19A, Rukmini Lakshmi pathy Road, (TIDCO Complex),

Egmore, Chennai 600 008

Phone: ++91-44-28411376 / 28411378 / 28411379 Fax: ++91-44-2841137 email:

tnerc@vsnl.net

Website: www.tnerc.tn.nic.in

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PRESS NOTE

Sub: Determination of tariff for procurement of wind energy.

The Tamil Nadu Electricity Regulatory Commission, after an extensive process of consultation spread over ten months with all the stakeholders has enhanced the tariff for procurement of wind energy from Rs.2.90 per unit to Rs.3.39 per unit effective from 1-4-2009. The tariff was last determined on 15-5-2006 by the Commission. The Commission convened a round table conference of experts on 16-7-2008. A consultative paper was circulated by the Commission on 12-12-2008 inviting comments from the stakeholders. The State Advisory Committee considered the paper on 16-2-2009 as per Section 88 of the Electricity Act 2003. A public hearing was organized by the Commission on 5-3-2009 as per Section 64 to elicit the views of the public. The present tariff order is culmination of this elaborate statutory consultative process.

The wind energy capacity addition has declined in the recent years and it is necessary to reverse this trend. Tamil Nadu has been a pioneer in attracting wind energy investments. Tamil Nadu accounts for 43% of the installed wind capacity in the country accounting for 4133 MW out of 9586 MW. Maharashtra, Gujarat and Karnataka have, of late, been attracting investments and one of the reasons is the attractive tariff offered by them. Even the enhanced tariff of Rs.3.39 per unit is lower

than Maharashtra and Karnataka and marginally higher than Gujarat and Andhra Pradesh.

Wind energy is cheap, available in plenty and environment friendly. It came to the rescue of the State during the difficult months of 2008. While thermal plants take three to four years to mature, wind energy generators require just three to six months to instal new capacity. The new capacities could provide quick relief to the State, which is, now, faced with severe shortage.

(R.Balasubramanian)
Secretary.