

TAMILNADU ELECTRICITY BOARD

(ABSTRACT)

NCES - Wind Power Generation - Purchase Price of wind power to be received from the existing and future wind mill projects - Fixation of Tariff for a further period of five years - Approved.

(TECHNICAL BRANCH)

Permanent B.P.(FB) No:99,

dt.27-9-2001,

Puratasill, VishuAandu,
Thiruvalluvar Aandu
2032.

- READ: 1) B.P.(FB) No:450, dt.22-12-1995,
2) B.P.(FB) No:63, dt.12-04-2000,
3) B.P.(FB) No:26, dt.03-03-2001,
4) Item No:10 of the Extract of the 847th meeting of the Board held on 15-09-2001.

PROCEEDINGS:

Based on the guidelines of the MNES and other factors influencing the pricing methodology, the purchase price of wind energy was fixed at Rs.2.25 per unit with effect from 1-12-1995 with 5 % annual increase for a period of five years vide B.P.(FB) No:450, dt.26-12-1995. On completion of five years, the rate arrived by escalating Rs.2.25 per unit for a period of five years i.e. Rs.2.70 per unit was to continue until review is made and new price is decided. Based on the representation made by the Wind Power Project Developers, an adhoc decision was taken by the Board to allow a rate of Rs.2.25 per unit with 5 % annual increase for a period of five years, vide B.P.(FB) No:26, dt.3-3-2001, to those machines for which NOC were issued during March 2001, upto 31-3-2001.

The tariff structure and other facilities applicable for the existing wind energy projects as well as the future projects including those approved during March 2001 were under consideration of the Board.

During the review meeting conducted by the Hon'ble Chief Minister of Tamilnadu on 11-7-2001 it has been indicated that the wind energy deserves to be encouraged and hence the same may be continued to be

purchased at the present rate of Rs.2.70 per unit. Payment terms on monthly energy charges to be paid towards purchase of wind energy was also critically reviewed as suggested by the Accounts Branch of the Board.

In order to minimise loss to the Board, the Banking and Wheeling charges to be collected from the Wind Mill developers, along with the banking period of one month ordered in B.P. (FB) No.26 dated 3-3-2001, were reconsidered.

After careful consideration, the Board has decided as follows:

i) To fix the purchase price of wind energy to be received from the existing and future wind mill projects at Rs.2.70 per unit without any annual escalation.

ii) To apply the above energy price to, all the existing and future wind mill projects. However, there shall be no change in Tariff in respect of wind mill projects which are installed accepting the rate of Rs.2.25 per unit with 5 % annual increase for a period of five years vide B.P.(FB) No:26, dt.3-3-2001.

iii) To make payment of energy charges to the wind power at the ,rate of Rs.2.25 per unit for the present and to pay the difference in future when the Board's financial position is improved.

iv) To enhance the present rate of wheeling charges from 2 % to 5 % and the banking charges also from 2 % to 5 %.

v) To extend the wind energy Banking period from one month to two months after adjustments and to consider the balance energy at the end of the banking period and the unutilised banked energy as on 31st March of every year as lapsed.

vi) If wheeling alone is opted, the balance energy available after adjustment on monthly basis is to be paid at Rs.2.70 per unit. Also, wheeling of Wind energy shall be permitted to two numbers H.T.Industrial Services only coming under the same Distribution Circle.

vii) To adopt the above procedure on banking and wheeling for all the wind mill promoters including those who are seeking name transfers based on purchase/sale transactions, change in name of the company, amalgamation of companies etc.

viii) To adopt _the above terms and conditions on the energy price, banking, wheeling etc. for a period of five years and to review the same after five years.

(BY ORDER OF THE BOARD)

R.KANNAN
CHIEF ENGINEER/NCES

To
The Chief Engineer/NCES/Chennai-2,
All Chief Engineers/Distribution Regions,
All Superintending Engineers of Elec. Distn. Circles, The
Superintending Engineer/WEDC/Tirunelveli,

Copy to :

The Secretary / TNEB / Chennai-2.
The Chief Engineer / IPP / Chennai-2.
The Chief Engineer / Commercial / Chennai-2.
The Chief Financial Controller/ General/Chennai-2 The Legal Advisor /
TNEB / Chennai-2.
The Chief Engineer / APTS / Chennai-2.
The Executive Engineer / CHO / Chennai -2
The Executive Assistant to M(G) / Chennai-2 The Executive Assistant to
M(D) / Chennai-2 The Personal Secretary to AM/ Chennai-2
The Residential Audit Officer / Audit Branch / Chennai-2
The Personal Assistant / Tamil Development / Chennai-2. B.P.Section
ADM Branch & H Section Secretariat Branch
(2 copies each)
Copy to the Computer Centre/TNEB/Chennai-2.

//FORWARDED BY ORDER//

EXECUTIVE ENGINEER
WIND FARM CONSULTANCY
CHENNAI-2.

C:\WSTAR\AEE1\POLICY
September 28, 2001

TAMIL NADU ELECTRICITY BOARD
(ABSTRACT)

NCES - Wind Power Generation - Review of policy on pricing wind energy and banking and wheeling facilities to be extended to the wind mill developers -Approved. '.,

(Technical Branch)

Per.B.P. (FB)No.20

Dated 1st March 2002
Vishu Aandu, Maasi,17.
Thiruvalluvar Aaandu 2033.

- READ: 1. B.P.(FB) No.26 Dt.3.3.2001.
2. B.P.(FB) No.99,Dt.27.9.2001.
3. Extracts from the minutes of the 852nd meeting of the Tamilnadu Electricity Board held on 25.2.2002.

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PROCEEDINGS :

No objection certificates for the installation of Wind Electric Generators were issued during March 2001 fixing the purchase price of wind energy at Rs.2.25 per unit with 5% annual escalation for a period of five years, as per B.P. first cited. Subsequently the purchase price of wind energy was fixed at Rs.2.70 per unit without any escalation for a period of five years, with a banking period of two months, in B.P. second cited. However, the rate contemplated in B.P. first cited only was made applicable to those developers who have installed Wind Electric Generators during March-2001 accepting the rate of Rs.2.25 per unit with 5% annual increase for a period of five years. Several wind mill developers, including Tamilnadu News Print and Papers Ltd., have represented for fixing a uniform rate for all the existing and future wind mill projects and also for the restoration of one year Banking period adopted earlier.

After careful consideration, Tamilnadu Electricity Board hereby approves the following, in partial modification of the orders issued in B.P. second cited.

- i) The purchase price of Rs.2.70 per unit without any annual escalation fixed vide B.P. (FB) No.99, dt.27.9.2001 may be made applicable to those wind mill developers who have agreed for a rate of Rs.2.25 per unit and have installed Wind Electric Generators as approved during March 2001 as per B.P.(FB) No.26 dt.3.3.2001.

ii) To adopt a banking period of one year commencing from 1st April of every year and permit energy adjustment upto 31st March of next year. The balance unadjusted energy, if any, available after adjustment as on 31st March is to be treated as lapsed.

The above order will take effect from 1.3.2002.

(BY ORDER OF THE BOARD)

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R.KANNAN,
CHIEF ENGINEER/NCES

To
The Chief Engineer/NCES/Chennai-2,
All Chief Engineers/Distribution Region.
All Superintending Engineers of Elec. Distn. Circles, The
Superintending Engineer/WEDC/Tirunelveli,

Copy to :

The Secretary / TNEB / Chennai-2.
The Chief Engineer / IPP / Chennai-2.
The Chief Engineer / Commercial / Chennai-2.
The Chief Financial Controller/ General/Chennai-2
The Chief Engineer / APTS / Chennai-2.
The Executive Engineer / CHO °/ Chennai -2
The Executive Assis-tant to H(G) / Chennai-2
The Executive Assistant to M(D) / Chennai-2
The Personal Secretary to AM/ Chennai-2
The Residential Audit Officer, Chennai-2
The Personal Assistant / Tamil Development / Chennai-2.
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-/ FORWARDED: BY ORDER /-

EXECUTIVE ENGINEER
WIND FARM CONSULTANCY,
CHENNAI-2.