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NOTIFICATIONS BY HEADS OF DEPARTMENTS, ETC.

Explanatory Memorandum to the Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) (Amendment) Regulations, 2011 notified vide Notification No. TNERC/RPO/19/2, dated 29-07-2011.

1. The Tamil Nadu Electricity Regulatory Commission proposed an amendment to regulations 2, 3 and 6 of Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) Regulations, 2010 and the same was posted in the Commission's website inviting comments/suggestions from the stakeholders on or before 20-06-2011. In response to the above, various stakeholders have given their Comments/suggestions. Major comments were received on the following issues:

- (a) Categories of stakeholders to be included under "Obligated Entity",
- (b) Quantum of RPO to be fixed to the "Obligated Entity" and
- (c) Eligibility criteria for participating in the REC mechanism.

2. After considering all the views / suggestions received from the stakeholders, the Commission decides the following categories as "Obligated Entity" as per the provisions of the Section 86(1)(e) of the Electricity Act, 2003:

- (i) Distribution Licensees,
- (ii) Consumers owning grid connected Captive Generating Plants (CGPs)
and
- (iii) Open access consumers in the State of Tamil Nadu

3. The draft amendment proposed 10% RPO to the "Obligated Entity". To encourage the REC trading across the States, the Commission has reduced the RPO to 9% for the year 2011-12. Similarly, the Solar RPO has been reduced from 0.15% to 0.05% for the year 2011-12 taking in to account the capacity addition in solar power in the State and elsewhere in the Country.

The Commission may fix the RPO for the future years beyond 2011-12 taking into account the future developments in the REC market and augmentation of NCES power.

4. Regarding the eligibility criteria for participating in the REC mechanism, Commission retained the provisions made in the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010.

5. In exercise of powers conferred under section 181 read with sections 61, 66 and 86(1)(e) of the Electricity Act, 2003 (Act 36 of 2003) and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following amendments to the Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) Regulations, 2010.

(By order of the Commission)

(S.Gunasekaran)
Secretary
Tamil Nadu Electricity Regulatory Commission

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

Notification No. TNERC / RPO / 19 / 2, dated 29-07-2011

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. -

(i) 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, consumers owning **grid connected** Captive Generating Plants (CGPs) 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:

Sl.No.	Year	Minimum Quantum of total renewable purchase obligation in percentage. (in terms of energy in kWh)		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)	
		Distribution Licensee	Captive and Open Access Consumers	Distribution Licensee	Captive and Open Access Consumers
(1)	(2)	(3)		(4)	
1	2011-12	9%	9%	0.05%	0.05%

Provided 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 further 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 renewable power purchased from the following sources and means mentioned against each obligated entity shall be accounted for RPO purpose:-

(a) Distribution Licensees. –

(i) Power purchased from Renewable Energy sources under preferential tariff as fixed by the Commission and consumed in their area of supply;

(ii) Power generated from their own renewable energy sources and consumed in their area of supply;

(iii) Power purchased from NTPC Vidyut Vyapar Nigam Ltd. (NVVN) as solar part of bundled power at the rate specified in the Central Electricity Regulatory Commission's regulations/orders.

(b) Captive consumers. -

Power wheeled and actually consumed from their own renewable energy sources without availing RECs or any preferential measures in the form of concessional/promotional transmission or wheeling charges, banking facility benefit and waiver of electricity duty/tax.

(c) Open access consumers.-

Power wheeled and actually consumed from any renewable energy sources without availing RECs or any preferential measures in the form of concessional/promotional transmission or wheeling charges, banking facility benefit and waiver of electricity duty/tax.

(2) 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.

(3) Having regard to operational constraints and other relevant factors to the State Nodal Agency, the compliance of RPO by the captive and open access consumers shall be implemented in a phased manner as stated below:

(a) In the first phase, RPO compliance shall be implemented for captive and open access consumers whose sanctioned demand is 2 MVA and above from the date of commencement of these regulations.

(b) In the second phase, RPO compliance shall be implemented for captive and open access consumers whose sanctioned demand is 1 MVA and above from 01-04-2012.

(c) In the third and final phase, RPO compliance shall be implemented for all captive and open access consumers irrespective of the sanctioned demand from 01-04-2013.”

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, 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 grid connected CGP based on renewable energy sources shall be eligible for the entire energy generated excluding auxiliary consumption from such plant but 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/tax:

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/tax, 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.

(2) 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 and the decision of the Commission shall be final.”

(By order of the Commission)

**(S.Gunasekaran)
Secretary
Tamil Nadu Electricity Regulatory Commission**