

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

(Comprehensive Tariff Order on Wind Energy)

Order No. 6 of 2012 Dated 31-07-2012

Sl. No.	Description	Summary
1.	Subject	TNERC order No 6 of 2012 dated 31-07-2012 – Comprehensive Tariff order on Wind Energy
2.	Applicability	- w.e.f. 01-08-2012 - For existing EPA signed before 01.08.2012, the respective tariff rates agreed in EPA to be valid.
3.	Tariff Review Period / Control Period	Control period Two years w.e.f. 01-08-2012, and Tariff period 20 years
4.	Tariff for Units Commissioned	- Up to 31-07-2014 = Rs. 3.51/unit - Prior to 15-05-2006 = Rs. 2.75/unit - Between 15-05-2006 to 18-09-2008 = Rs. 2.90/unit - Between 19-09-2008 to 31.07.2012 = Rs. 3.39/unit
5.	Financial Parameters	
	(i) Capital cost	Rs.5.75 Crore/MW Capital Cost is apportioned among plant machinery, civil works & land @ 85%, 10% and 5% respectively.
	(ii) Return on Equity (%)	85.85 Pre-tax
	(iii) Debt Equity Ratio	70:30
	(iv) Interest rate on Loan	12.25% Repayment period of 10 years with moratorium period of one year
	(v) Depreciation	4.5% p.a. To be calculated on cost of plant & machinery (considered as 85% of total)
	(vi) O&M Expenses	@ 1.1% on 85% of capital investment and 22% on 15% of capital investment, escalated @ 5% p.a. from second year.
6.	Capacity Utilization Factor (CUF) (%)	27.15
7.	Other Parameters	
	(i) Useful plant life	20 years Derating factor – 1% per annum after 10 years
	(ii) Banking period April – March	<ul style="list-style-type: none"> • Unutilised energy at the end of 31st March, may be encashed at the rate of 75% of relevant purchase tariff • WEGs availing REC benefit, one month adjustment period is allowed. Unutilised energy shall get lapsed.
	(iii) Transmission & Wheeling Charges	40% of transmission charges and 40% of wheeling charges. WEGs to bear actual line losses in kind. WEGs availing RECs, normal transmission charges, wheeling charges and line losses shall apply
	(iv) Payment security	Penalty of 1% per month shall be levied for delayed payment by the licensee.
	(v) CDM Benefits	1 st year: 100% to developers Reduction of 10% every year till sharing becomes equal 50:50 between developer and the consumer in 6 th year. Thereafter, sharing of CDM benefits will remain equal.
	(vi) Reactive power charges	25 p/kVARh for drawing reactive power upto 10%. Double charges for those drawing above this limit.

	(vii) Energy Purchase Agreement	20 years
	(viii) Cross Subsidy Surge	50% of the Cross subsidy charge to be levied to third party open access consumers
	(ix) Grid Availability Charges	(A) Start up Power – Start up Power of WEGs shall be adjusted against Power Generated (B) Stand by Power: (a) Energy Charges – Tariff applicable to that category of consumer for net energy consumption (b) Demand Charges – No demand charges - Adjustment of Generated Energy – As per open access regulation - Scheduling and system operation charges – Rs. 600 per day for WEG of 2 MW and above, below 2 MW, proportional - Application fees and Agreement fees – As per Intra State Open Access Regulations Fees and Fines Regulations. In case of change of usage or change in draw point additional charge equivalent to application fees and agreement fees shall be payable.
	(x) Energy Wheeling Agreement	The Agreement shall be as per the terms of Open Access regulations
8.	Billing and Payment	Any delayed payment beyond 30 days is liable for interest at the rate of 1% per month. Excess consumption will be charged at the tariff applicable to the consumer. Transmission & Wheeling charges, Scheduling and System Operation charges and Cross subsidy surcharge as applicable shall be recovered from open access customer along with transmission loss in kind.
9.	Payment Security & Security Deposit	Security Deposit corresponding to two times the maximum net energy supplied by the Distribution Licensee in any month in the preceding financial year
10	Power Factor Disincentive	Captive/third party consumers liable for disincentive based on average power factor recorded by meter.
11	Metering	Metering and communication shall be in accordance with the following: (a) Central Electricity Authority (Installation and Operation of Meters) Regulations 2006 (b) Tamil Nadu Electricity Distribution and Grid Code – 2004 (c) Tamil Nadu Electricity Intra State Open Access Regulations in force
12	Connectivity and Evacuation of Wind Energy	As per Act/Codes Regulations/orders in force.