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TNERC draft norms make forecasting of wind, solar power mandatory

The Hindu : January 1, 2018

State regulator Tamil Nadu Electricity and Regulatory Commission (TNERC) has issued draft guidelines which make scheduling and forecasting of wind and solar energy mandatory for connecting to grid and levy of penalty for deviation.

The move follows similar regulation in states like Andhra Pradesh, Karnataka and Rajasthan and is as a part of direction from Central Electricity Regulatory Commission.

"Forecasting and scheduling of solar and wind generating stations are essential to maintain grid stability and security, load generation balance considering their infirm nature. The state has large renewable energy generation in both sources, wind and solar. Seamless large scale integration of renewable energy sources, specifically wind and solar is possible through forecasting and scheduling of the wind and solar generation sources," TNERC said in the draft regulation.

The norms shall apply to all wind and solar energy generators (excluding rooftop PV solar power projects) in Tamil Nadu connected to the Intra-State Transmission System or Distribution System, including those connected through Pooling Sub-Stations, and using the power generated for self-consumption or sale within or outside Tamil Nadu.

The regulations also put the onus on the solar and wind power producers to appoint a qualified Co-ordinating agency for the purpose of scheduling and forecasting the solar and wind power and providing the details with State Load Despatch Centre.

The regulation allows for an error rate of 10% beyond which a penalty in the form of deviation charge would be levied.

The draft regulations come at a time when both wind and solar power generators in the state have faced curtailment and back down issues. Some solar power producers have moved the Madras High Court over the issue.

The draft regulations also made it clear that the State Load Despatch Centre should communicate the curtailment plans through an IT-enabled system and no deviation charges is payable for any consequent deviations if it fails to do so.

"Tamil Nadu is a unique state when compared to other states in terms of renewable energy. The generation and distribution feeders are mixed up here. The state needs a customised deviation settlement mechanism and we would be presenting our constructive suggestions to TNERC on the draft regulations," K. Kasturirangan, Chairman of Indian Wind Power Association told *The Hindu*.

Tangedco to set up 500 MW solar power plant at Kadaladi

The Hindu : January 6, 2018

It has been billed as the largest solar plant to be established by a power utility

The Tamil Nadu Generation and Distribution Corporation (Tangedco) is planning to install a 500 MW solar power plant at Kadaladi in Ramanathapuram district with the support of the Central government.

Billed as the largest such plant to be established by a power utility, the project is covered under the Centre's solar power parks programme. A sum of ₹15 lakh has been sanctioned for the preparation of a detailed project report (DPR).

At present, the total installed capacity of solar power plants in the State is around 2,000 MW. Besides, plants for 1,500 MW are being planned.

The State government had originally proposed to set up a 4,000 MW coal-fired thermal power project at Kadaladi. But the Expert Appraisal Committee (EAC) of the Union Ministry of Environment, Forest and Climate Change struck down the proposal, as the three possible sites identified for the project came under the buffer zone of the Marine National Park of the Gulf of Mannar Biosphere Reserve. The EAC had also advised the power utility against the drawal or discharge of water from or to the Gulf of Mannar. Apart from looking for an alternative site, Tangedco has decided to get technical opinion on whether a power plant of the same size with air cooled condensers could be set up. "In all likelihood, the original thermal power project may not fructify," an official said.

Ongoing projects

Giving an account of the five ongoing thermal power projects, the contracts for which have already been awarded, the official said that eight units with a total capacity of 5,660 MW would be commissioned in the next five to seven years. In addition, the NLC India Limited will be setting up a 4,000 MW pithead thermal power project in Talabira, Odisha, in lieu of an equal-sized project at Sirkazhi in Nagapattinam district.

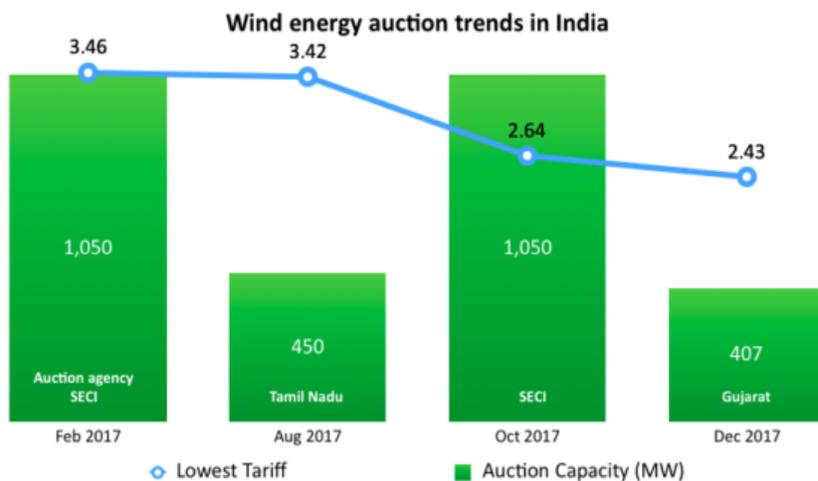
The official added that with the Power Grid Corporation planning to set up several inter-regional transmission corridors, it would be cheaper and more viable for the State to have pithead power stations in Odisha or Jharkhand in view of the lower wheeling charges there, rather than having projects in its territory, which invariably lead to problems, ranging from the identification of ideal locations to land acquisition and environmental issues.

Wind Energy Tariffs In India Fall 30% In 10 Months

Clean Technica : January 8, 2018

Within 10 months of introducing competitive auctions in the wind energy sector, India has witnessed a sharp correction in tariff bids by project developers. The major reason for this sharp correction is the virtual ban on allocation of wind energy projects under the feed-in tariff regime.

India held its first-ever national level **wind energy auction** in February 2017. The Solar Energy Corporation of India (SECI) offered 1,000 megawatts of wind energy capacity, and 1,050 megawatts of capacity was allocated to five developers at a minimum tariff of Rs 3.46/kWh (5.2¢/kWh). The lowest tariff offered under the feed-in tariff regime was Rs 4.16/kWh (6.2¢/kWh) in Tamil Nadu, although Rs 3.82/kWh (5.7¢/kWh) is also offered in the state of Maharashtra at sites with low wind speeds.



The first-ever state level auction was organized by the utility of the state of Tamil Nadu which allocated 450 megawatts of capacity at a tariff of Rs 3.42/kWh (5.4¢/kWh). The state is host to the largest capacity of wind energy capacity in India.

SECI again **tendered** 1,000 megawatts of capacity in October and once again allocated 1,050 megawatts of capacity among five developers at a tariff of Rs 2.64/kWh (4.1¢/kWh). These will be the first wind energy projects in India with a tariff of less than Rs 3.00/kWh (4.7¢/kWh).

The state of Gujarat organized its **first-ever wind energy tender** in December 2017 after some legal delays and allocated 407 megawatts of capacity at a tariff of Rs 2.43/kWh (3.8¢/kWh). The tariff is not only the lowest-ever wind energy tariff, but also the lowest tariff for any renewable energy project.

Over a period of 10 months, wind energy tariff bids in India fell 30%. State governments no longer sign power purchase agreements with wind energy projects under the feed-in tariff regime. Project developers have no option but to participate in auctions to set up wind energy projects and hence are willing to bid at such competitive rates.

Tariffs are expected to remain competitive as India's central government, through SECI, plans to auction 10 gigawatts of wind energy capacity each in FY2018-19 and FY2019-20.



Energy subsidies cut by \$15 bn; fossil fuels still largest beneficiaries

Business Standard : January 8, 2018

With more than Rs 27 trillion being spent each year on fossil fuel subsidies globally, these subsidies are a concern for the fight against climate change

The central government reduced its energy subsidies—financial benefits provided to boost energy production and consumption—by over Rs 820 billion (Rs 82,000 crore or \$15 billion) between 2013-14 and 2015-16, a drop of 38%.

During the same period, carbon-emitter fossil fuels such as coal, oil and gas remained the largest beneficiaries. While subsidies to renewables increased by over Rs 67 billion (Rs 6,700 crore or \$1.05 billion), they accounted for less than 10% of the energy subsidies of the central government, according to this report by the International Institute of Sustainable Development (IISD), a think-tank, Overseas Development Institute (ODI), a think-tank and ICF India, a consultancy.

Subsidies could be transferred directly or indirectly—through transfer of money or through tax breaks, access to government land, water and other goods or legislations regulating energy prices—according to the definition by the World Trade Organization.

The value of energy subsidies by the central government declined between 2013-14 and 2015-16 from Rs 2.17 trillion (Rs 2.17 lakh crore) to Rs 1.35 trillion (1.35 lakh crore), a drop of 38%, the report said.

The decline could be partially because of reforms to curb wasteful consumption of oil and gas subsidies, and partially due to the decline in global oil prices, the report said.

While the decline in energy subsidies is significant, subsidies still favour fossil fuels more than renewables.

“This is not well aligned with several government objectives—reducing harmful air pollution and tackling climate change through its Nationally Determined Contribution (NDC), both of which require less fossil fuel use, particularly coal, and more renewables,” according to Vibhuti Garg, associate, IISD, and co-author of the report.

India’s NDC, linked to the Paris Agreement on climate change, aims to triple the share of power sourced from low-carbon sources to at least 40% (equivalent to 175 GW) of total generation by 2022.

Up to 92% of India’s primary energy supply in 2015 came from fossil fuels.

As a member of G20, India committed in 2009 to phase out inefficient fossil fuel subsidies that encourage wasteful consumption while providing targeted support for the poorest.

With more than Rs 27 trillion (Rs 27 lakh crore or \$425 billion) being spent each year on fossil fuel subsidies globally, these subsidies are a concern for the fight against climate change.

Support to fossil fuels remained significant

The report presents an inventory of central government subsidies to coal, oil and gas, renewable energy and electricity transmission and distribution (T&D) covering three financial years: 2013-14, 2014-15 and 2015-16. Subsidies for nuclear power and large hydropower were excluded due to lack of data.



India has been steadily increasing central government subsidies on electricity transmission and distribution while reducing subsidies on oil and gas over the last three years, according to the report.

Central government subsidies for electricity transmission and distribution increased from Rs 413.08 billion (Rs 41,308 crore) in 2014 to Rs 663.96 billion (Rs 66,396 crore) in 2016—an increase of more than 60%.

In 2016, transmission and distribution became the main recipient of energy subsidies in India.

These subsidies do not include state government subsidies provided through governments' Ujwal DISCOM Assurance Yojana (UDAY), which provided an additional Rs 1.7 trillion (Rs 1.7 lakh crore) over 2016 and 2017.

UDAY is the latest bailout for electricity distribution companies (discoms) announced by the central government in November 2015. UDAY involves the takeover of discoms' liabilities by state governments over a two- to five-year period. This debt is to be financed via bonds with a maturity period of 10-15 years.

The total subsidies to coal mining and coal-fired electricity have remained stable-to-a-slight decline over the reviewed years and amounted to Rs 149.9 billion (Rs 14,990 crore) in 2016.

Subsidies to renewables have increased from Rs 26.07 billion (Rs 2,607 crore) in 2013-14 (1.20% of energy subsidies) to Rs 93.1 billion (Rs 9,310 crore) in 2015-16 (6.9% of energy subsidies).

Overall, the scale of support to fossil fuels (coal, oil and gas) has remained significant than subsidies to renewables through the reviewed period, the report said.

With an estimated 306 million people living without access to electricity, as **IndiaSpend** reported in May 2017, and fossil fuel being the major source of electricity generation, will the climate pledge drive Indian policies? No is the answer for Navroz K Dubash, senior fellow, Center for Policy Research (CPR), a Delhi-based advocacy.

The energy sector in India will primarily be driven by a range of factors—energy access, air pollution and energy security being the three primary factors—Dubash said at the launch event of the report in Delhi. India's obligation towards climate change will probably be the fourth factor influencing the policy-making at this stage of development in India, he added

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