

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY
COMMISSION**

No.16 C-1, Miller Tank Bed Area, Vasanthanagar, Bengaluru-560052

Dated 15th November, 2022

Present:

Sri. P.Ravi Kumar	-	Chairman
Sri. H.M. Manjunatha	-	Member
Sri. M.D. Ravi	-	Member

In the Matter of Re-powering of Wind Projects: -Reg.

Preamble:

1. The MNRE has issued the Re-powering policy for wind projects on 05.06.2016. The gist of the policy is as follows:
 - a. **Eligibility:** Wind turbine generators of one-MW and below are eligible for repowering.
 - b. **Incentives:** IREDA would provide additional 0.25% interest rebate over and above the rebates available for new wind projects financed by IREDA and also all fiscal and financial benefits available for new wind projects are extended to repowered projects.
 - c. **Implementation:** Through State Nodal Agency
 - d. **State Support:**
 - i. Augmentation of transmission system, if required, beyond pooling station to be done by STU
 - ii. For existing plants under PPA, power generated based on last three years' average prior to repowering would be procured as per terms of PPA in force and remaining additional generation would be procured by ESCOMs at feed-in-tariff applicable in the State at the time of commissioning of repowering projects or allowed for third party sale.
 - iii. State to acquire additional footprint required for higher capacity turbines



- iv. Relax 7Dx5D criteria for micro-siting
 - v. Exempt such plants from not honouring the PPA for non-availability of generation during the period of execution of repowering
 - vi. For captive users to be allowed to purchase power from grid during the period of execution of repowering on payment of charges as determined by the Commission.
- e. **Financial outlay:** No additional financial liability by MNRE. Repowering projects can avail either accelerated depreciation or generation based incentive.
2. Meanwhile, the Karnataka Government has issued the Renewable Energy Policy 2022-27, which among other things specify the following for re-powering of existing wind projects:
- a. The Government of Karnataka will promote repowering of existing wind turbines which have completed at least 10 years in operation. Repowering shall comply with the Policy and guidelines of MNRE for repowering the wind power projects issued from time to time duly informing the ESCOMs i.e., PPA holders.
 - b. In the case of power being procured by State ESCOMs through PPA, the power generated corresponding to average of last three years' generation prior to repowering would continue to be procured in terms of PPA in-force, as approved by the KERC and remaining additional generation may be purchased by ESCOMs as per their requirements at a tariff discovered through competitive bidding, subject to the approval of KERC.
 - c. The repowered wind projects shall also be allowed to use the additional power for captive/group captive or third party sale within and/or outside the State.
 - d. For repowering of wind projects, the pre-feasibility for evacuation of repowered energy through STU or CTU (as the case may be) shall be assessed by the project developer.
3. Hence, keeping in view the above policies, the Commission hereby issues the following order. –



ORDER

- i. Existing wind turbines in operation are eligible for repowering.
- ii. In the case of power being procured by State ESCOMs through PPA, the power generated corresponding to average of last three years' generation prior to repowering would continue to be procured on the terms of PPA in-force, as approved by the KERC and remaining additional generation may be purchased by ESCOMs as per their requirements at a tariff discovered through competitive bidding, subject to the approval of KERC or such additional power could be allowed to be used for captive/group captive or third party sale within and/or outside the State.
- iii. Captive users shall be allowed to purchase power from grid during the period of execution of repowering of the plant, subject to payment of charges, as determined by the Commission. As such, if the captive user is already a consumer of the ESCOM, then the tariff of the relevant category shall be applied for the additional energy drawn without exceeding the CD or else CD shall be enhanced, during the execution of repowering of such plants. On the other hand, if the captive user is not a consumer, such user shall enter into a supply agreement with the ESCOM or opt to purchase power through open access, during the execution of repowering of such plants.
- iv. The pre-feasibility for evacuation of repowered energy through STU or CTU (as the case may be) shall be assessed by the project developer and augmentation of transmission system, if required, beyond pooling station shall be done by STU. Prior approval of CTU/STU, as the case may be, shall be obtained for evacuation of repowered energy.
- v. During the period of execution of repowering, such plants are exempted from honouring the terms of PPA for non-availability of generation.

This Order is signed and issued by the Karnataka Electricity Regulatory Commission on this 15th day of November, 2022.


(P. Ravi Kumar)
Chairman


H.M. Manjunatha
Member


(M.D. RAVI)
Member