TNERC (Renewable Energy Purchase Obligation) (Amendment) Regulation, 2025

TNERC notified draft on (Renewable Energy Purchase Obligation Amendment) Regulation, 2025. Issued on 21th May, 2025.

Objective: The draft amendment on Renewable Energy Purchase Obligation Regulations, 2023, in order to align them with the updated Renewable Consumption Obligation (RCO) framework issued by the Ministry of Power, Government of India. It aims to ensure compliance through well-defined eligibility criteria, standardized methods for estimating energy generation, and data reporting requirements. The regulation also designates the Tamil Nadu Green Energy Corporation to monitor and report on RPO fulfillment. Overall, the objective is to strengthen the regulatory framework to support the state's transition to clean and sustainable energy.

The document can be accessed here

1. **Achieving Credible HPO Targets Using Allocated Free Hydropower:** In the proposed Annexure-I (Note 2) "*The hydro renewable energy component shall be met only by energy produced from Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hydro Projects (SHPs)], commissioned after the 31st March, 2024:*
Provided that the hydro renewable energy component may also be met out of the free power being provided to the State/DISCOM from the Hydro Power Projects commissioned after the 31st March,2024."

   What mechanism would be in place to ensure that the free hydro-power is 'consumed' within the state and has not been sold through instruments like Green Day-Ahead Market (GDAM), Renewable Energy Certificates (RECs), or sold under bilateral/banking arrangement?

   This concern was also highlighted during the recent Regulatory Conclave on Energy Transition and the RPO Framework organized by the Centre for Energy Regulation (CER) at IIT Kanpur. A key takeaway from the event was the recommendation to establish a robust accounting system for REC-based RPO compliance. Such a system would help ensure transparency and prevent any instances of double counting or unintentional leakage, thereby improving the integrity and reliability of the overall RPO compliance process.

2. **State Specific CUF for Distributed Generation**[1]**:** In the proposed Annexure-I (Note 3) para 3 "*Provided further that in case the designated consumer (as per the Energy Conservation Act, 2001) is unable to provide generation data against distributed renewable energy installations, the reported capacity shall be transformed into distributed renewable energy generation in terms of energy by a multiplier of 3.5 units per kilowatt per day (kWh/kW/day).*

   Provided further that in case of distributed renewable energy installations installed by various

[1] Singh, A. (ed.). (2024), Opinion on "Tariff and Others Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Cogenerating Stations" (First Amendment) Regulations, 2024. In Power Chronicle (Vol. 07, Issue 01, pp. 16-17), Energy Analytics Lab (EAL), Indian Institute of Technology (IIT) Kanpur
https://eal.iitk.ac.in/assets/docs/power_chronicle_vol_7_issue_1.pdf

prosumers in the Distribution Licensee area and if the such Distribution Licensee is unable to assess the quantum of generation due to non-availability of generation data, the generated units shall be arrived in terms of energy by a multiplier of 3.5 units per day for RPO counting of the Distribution Licensee".

The fixed multiplier of 3.5 units/kW/day for estimating deemed generation, as outlined in the MoP guidelines[2], does not adequately reflect the solar energy resource potential in Tamil Nadu due to regional variations in solar irradiance. Applying a standard factor across all states can result in over-/under-estimation of actual RE consumed from such sources and hence the level of RPO compliance. This may be accentuated particularly during periods of low solar generation, and may reduce the incentive to report actual generation data.

To ensure a more accurate and regionally relevant estimation, it is recommended to replace the fixed multiplier with a monthly, CUF-based benchmark tailored to Tamil Nadu solar conditions, with scope for regional differentiation, if feasible. Further, to promote data transparency and accountability, a penalty multiplier (say., 0.9) may be imposed on the benchmark CUF, for entities failing to report generation data for more than three months in a year. RPO compliance would accordingly be adjusted post completion of a year.

3. **Data Archiving and Accessibility:** The RPO compliance data, including that for the captive as well as open access consumers submitted through the RPO Web Portal should be archived and be publicly accessible in a machine-readable format. This would ensure transparency and effectiveness of the compliance framework.

[2] https://powermin.gov.in/sites/default/files/Notification_Regarding_Renewable_Purchase_Obligation_RPO.pdf