No. DO/MSEDCL/NCE/ Wind/34082 Date:- 25th Oct. 2005

CIRCULAR NO. 14

Sub: Wind Energy Project (Group III) regarding EPA/EWA.

PREAMBLE:

The Hon. Commission has issued a detailed order on dt. 24.11.2003 in the matter of Procurement of Wind Energy and wheeling for Third party Sale and/or for self use and have issued subsequent clarificatory orders under the Electricity Act 2003 and all other powers enabling the Commission in this behalf. The Commission has formulated the principles of Energy Purchase Agreement (EPA) and Energy Wheeling Agreement (EWA) in the order and directed the erstwhile MSEB and other Utilities and Licensees to modify the draft EPA / EWA as submitted by MSEB for approval to reflect the tariff provisions and principles while executing the EPA / EWA with the Owner/ Developers and to make all such EPA / EWA public.

PROJECTS ALREADY COMMISSIONED:

For the wind projects already commissioned upto 31.3.2003 (i.e. Group II projects), the Draft EPA / EWAs are under finalisation based on the MERC order. These EPA / EWA’s will be signed preferably before 31.12.2005. All the Owner / Developers are being informed accordingly. From 01.01.2006 all the EPA / EWAs should be at place and the monthly transactions / all correspondence will be based on the EPA / EWA thereafter.

NEW WIND PROJECTS:

The Commission has permitted 750 MW New Wind Power capacity for sale to Utilities during the balance 10th Plan period ending 31st March 2007. The Draft Energy Purchase Agreement is already prepared. The designated officer of MSEDCL is signing agreements with the Owner/ Developers for Energy Purchase by MSEDCL under Renewable Purchase Obligation (RPO).

It is observed that the Wind Projects for Group III are being commissioned before signing of EPA/EWA. In this case it is difficult to understand whether concerned developer/owner has obtained the all requisite approval /permission required for installation of the wind project. In view of this it is necessary to ensure that the wind project earlier commissioned for which Agreement has not been signed, should have been fulfilled the precondition such as MEDA’s clearance, as per Electricity Act 2003, grid connectivity clearance, and permission from Electrical Inspector in terms of the Agreement.

In order to avoid above complication, it is proposed in future that the wind projects are commissioned only after signing of EPA / EWA by the designated officer at Head Office, so that above clearance / approvals can be verified before signing of EPA / EWA by Nodal Officer. All the field officers are requested to ensure that the wind project shall be commissioned only after signing of EPA / EWA.

The updated list of all the Wind Projects commissioned is to be intimated to all the concerned Officers / Deptt by the Nodal Officer in the first week of every month.

Director (Operations) MSEDCL