

Repowering policy a boost to wind energy

'Tamil Nadu could benefit much from it as its wind turbines are nearing the end of their lifecycle'

SANJAY VIJAYAKUMAR

CHENNAI: In a boost to wind energy potential in Tamil Nadu, the Centre has announced new policy for repowering of wind energy projects.

Repowering refers to replacing ageing wind turbines with powerful and modern units in order to boost power generation. It can help old wind sites to more than double their installed capacities.

"There is an immense opportunity for repowering in the States of Maharashtra, Gujarat and Tamil Nadu, since they were amongst the early adopters of wind energy way back in 1990s and the wind turbines are nearing the end of their lifecycle," Tulsi Tanti, Chairman and Managing Director, Suzlon Group, told *The Hindu*.

A recent report from India Ratings and Research said providing certainty in grid availability can make Tamil Nadu attractive for repower-



TIME FOR OVERHAUL: As per the Ministry of New and Renewable Energy report, most of the wind turbines installed till the year 2000 are below 500 kW capacity. — FILE PHOTO

ing of old wind turbines, which accounted for an installed capacity of 1900 MW in 2003.

According to the Ministry of New and Renewable Energy (MNRE), most of the wind turbines installed till year 2000 are of below 500kW capacity. It estimates that over 3000 MW wind ca-

capacity installation is from wind turbines of 500kW or below. As per the policy, initially wind turbine generators of capacity 1 MW and below would be eligible for repowering. Based on experience, the Ministry can extend the policy to other projects.

The Indian Renewable En-

ergy Development Agency (IREDA) will provide an additional interest rate rebate of 0.25 per cent over and above the interest rate rebates available to the new wind projects being financed by IREDA, the policy said, putting the onus on the State nodal agency or organisation involved in the pro-

motion of wind energy. According to the policy, wind farm or turbine undergoing repowering would be exempted from having to honour the power purchase agreement for non-availability of generation during the period of execution of repowering.

Where power is being procured by State discoms 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, and the remaining additional generation would either be purchased by discoms at feed-in-tariff applicable in the State at the time of commissioning of the repowering project or allowed for third party sale, says the policy, adding that repowered wind capacity can also claim accelerated depreciation and generation-based incentives as per

the conditions applicable to new wind power projects.

Challenges before policy

However, experts point out some challenges in the repowering policy. "The policy says that a part of the electricity generated from repowered project will be sold at the original PPA which could be at a lower rate than today's feed-in tariff," Shantanu Jaiswal, analyst at Bloomberg New Energy Finance, said.

Both accelerated depreciation and generation-based incentives are applicable only till March 2017, so it would be difficult for repowered projects to get those benefits, he points out.

Another challenge comes in the form of transmission. "The State utilities have several other priorities and the required changes (from designing to commissioning) could take a couple of years to complete," he notes.