

IWTMA's take on the new regulations on repowering policy of the wind power projects by MNRE

Chennai/New Delhi, 9th August 2016: While welcoming the newly notified policy on repowering of the wind power projects by the Ministry of New and Renewable Energy (MNRE), the Indian Wind Turbine Manufacturers' Association (IWTMA), strongly feels that the concessional interest rate offered by the Indian Renewable Energy Development Agency (IREDA) over and above the interest rate rebates available to the new wind projects financed by IREDA will help boost investment in the wind energy sector.

Welcoming the move, Mr. DV Giri, Secretary General, IWTMA said, *"Accelerated Depreciation (AD) and Generation Based Incentive (GBI) are also made available to the repowering projects as per the conditions applicable to the new wind power projects. With the new policy, wind turbine generators of capacity 1 MW and below would be eligible for repowering under the policy. Based on the experimental measure, the MNRE will extend the repowering policy to other projects also.*

Under the new policy, a wind farm/turbine undergoing repowering would be exempted from not honouring the PPA for the non-availability of generation from wind farm/turbine during the period of execution of repowering. Similarly, in case of repowering by captive user, they will be allowed to purchase power from grid during the period of execution of repowering, on payment of charges as determined by the regulator, the policy further stated.

In case of power being procured by the 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 remaining additional generation would either be purchased by Discoms at Feed in Tariff (FIT) applicable in the State at the time of commissioning of the repowering project and/or allowed for third party sale, the policy further stated.

Most of the wind-turbines installed up to the year 2000 are of capacity below 500 kW and are at sites having high wind energy potential. It is estimated that over 3000 MW capacity installation are from wind turbines of around 500 kW or below. In order to optimally utilise the wind energy resources repowering is required and hence the objective of the Repowering Policy is to promote optimum utilisation of wind energy resources by creating facilitative framework for repowering, according to the MNRE.

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