

S.No

Power FAQ

1. **Who are classified as Designated Consumers under the Energy Conservation framework? How are textile units identified as Designated Consumers and what compliance obligations apply to them?**

Every energy intensive industry whose annual energy consumption is equal to or greater than the threshold limit specified in the Central Government Notifications shall be deemed to be Designated Consumer (DC) and are bound to follow certain energy-efficiency rules.

*Threshold limit for Textile sector is 3000 mtoe (Metric Tonne of Oil Equivalent). Accordingly, any textile mill whose annual energy consumption exceeds **3,000 MTOE** would be notified as a **Designated Consumer***

Designated consumer shall be considered liable under Section 26 (Energy Conservation Act, 2001) for imposition of penalty for his failure to comply with obligations of DC. The obligations include appointment of Energy Manager, conduct of Energy Audit, Reporting & Data Submission and Energy Saving Certificates compliance.

Reference: MOP, S.O. 394 (E) dated 12th March 2007

2. **Is shifting of the metering point mandatory to comply with the provisions of the Tamil Nadu Distribution Code, when applying for additional demand or reduction of sanctioned demand?**

HT service connections effected prior to the date of amendment, i.e., 27.02.2021, shall be exempted from shifting the existing metering point to comply with the distance requirement of within 30 metres from the main gate, while applying for additional demand or reduction of demand in their existing service connections.

Reference: TN Distribution Code 2004 as amended by 2020 (Gazette notification on 27.1.2024)

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3. **How should renewable energy sources such as rooftop solar installations, Renewable Energy Certificates (RECs), and non-REC captive plants be accounted for while calculating compliance with Renewable Purchase Obligation (RPO) targets?**

Consumption of electricity generated from rooftop solar installations and non-REC solar or wind plants shall be eligible to be counted towards fulfillment of the respective Renewable Purchase Obligation (RPO) category.

In respect of energy consumed from REC-accredited plants by a 100% captive user or group captive user, where the Renewable Energy Certificate (REC) benefit has already been claimed, such energy shall not be eligible to be counted towards fulfillment of Renewable Purchase Obligation (RPO) compliance.

Reference: TNERC Renewable Energy Purchase Obligation - Regulations, 2023, dated 26.10.2023

4. Are there any regulatory restrictions or eligibility conditions for availing Open Access power procurement for loads below 1 MW in Tamil Nadu?

No. All HT consumers within Tamil Nadu are permitted to avail open access power up to their entire sanctioned load, in accordance with the provisions of the Tamil Nadu Electricity Regulatory Commission (TNERC) Intra-State Open Access Regulations, 2014. Prior to the introduction of these regulations, open access procurement was restricted to loads below 1 MW.

However, with respect to inter-State transactions carried out through power exchanges, open access is subject to a different threshold. In such cases, consumers with a sanctioned load of less than 1 MW are not eligible to avail open access, and only those with a sanctioned load of 1 MW or above are permitted to procure power through the exchange mechanism.

Reference: TNERC Grid Connectivity and Intra-State Open Access Regulations, 2014, dated 13.3.2014

5. Is it required to maintain separate shares within the group of companies to avail energy via group captive method?

Existing Rules: YES. Subsidiary company of group entity cannot consume energy without holding any ownership in the captive plant.

Proposed Amendments to Rule 3 of Electricity Rules 2005: Not Required. Group entity (holding company and its subsidiaries) shall be treated as single user. For example, company A has ownership in the PPA. But it is one of the subsidiaries of X company. X has two more subsidiaries, A1 & A2. In this case company X, A1 & A2 has no shareholding in the PPA, however they are allowed to utilize energy. Hence all together X, A, A1 & A2 are treated as single users and there is no need to maintain shares and proportionate consumption within the group entity. The same shall be effective from the 1st April 2026.

Reference: MOP, Draft amended Rule 3 of Electricity Rules, 2005, dated 2.1.2026