

POWER SECTOR

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POWER PURCHASE

Outstanding Dues to Coal India Ltd. from Power Sector increase up 4 % MoM in July.

- » Outstanding dues of Coal India Ltd. (CIL) has rose by 4% from June 2022 to July 2022, which now stand at Rs. 16000 Crores. (Approx)
- » The increase in overall coal production Year on Year (YoY) has been 11.3%, during July 2022.
- » The despatch from CIL to power sector during the same period has grown by 39%.
- » The production during April-July 2022 which stood at 207.09MT has also recorded an increase from last year, which was 166.56MT.
- » The dues to CIL had been declining consistently from January to March 2022. However, they started rising again from April 2022 (at Rs. 12,819 Crores.) and rose to Rs. 15,252 Crores. in June 2022.

RENEWABLES

UP Discom, SECI directed to compensate solar developer for SGD by CERC

- » A Solar Developer SB Energy Four had signed 200MW PPA with SECI in Rajasthan in April 2018. The buying utility for SECI being Uttar Pradesh Power Corporation Ltd. (UPPCL)
- » After the issuance of Safeguard Duty (SGD) notification by Ministry of Finance (MoF) on July, 2018, the Petitioner had sought relief under the 'Change in Law' provision of its PPA with SECI.
- » Petitioner stated that it had reconciled the payment claims towards SGD with SECI till commercial date of operation and started receiving payments but UPPCL had not started making payments to SECI.
- » SECI informed Commission that it had released Rs. 37.03 Crores of the total amount as on June 2022. Also, UPPCL had agreed on due amount of Rs. 80.66 Crores on plants and machinery only up till the scheduled commercial operation date.
- » Hon'ble CERC in its order held UPPCL liable for paying SECI the reconciled amounts that SECI would pay to the solar developer.

 **RENEWABLES****MoU signed between MAHAPREIT and IREDA for development of Green Energy Projects:**

- » A MoU was signed between the Indian Renewable Energy Development Agency Ltd. (IREDA) and MAHAPREIT on 21 Aug, 2022. As per MoU signed, MAHAPREIT will be receiving financing facilities from IREDA for implementation of R.E projects for state Utilities, local bodies and Renewable Energy Parks.
- » Also, IREDA will be undertaking Techno-Financial due diligence of Renewable Energy, Energy Efficiency and Conservation projects for MAHAPREIT.

 **POLICY and REGULATORY News****Uttar Haryana Bijli Vitran Nigam Ltd. (UHBVNL) to pay compounded interest to Adani Power Limited, on account of “Change in Law”**

- » Adani Power had to incur additional costs on installation of FGD unit, which was on account of Ministry of Environment and Forests (MoEFs) order on Environment Clearance on 2010,
- » Adani Power in 2014, filed petition before CERC, requesting compensation for installation FGD unit but Commission allowed compensation for installation of FGD but disallowed Adani’s claim for carrying cost. As a result, Adani Power made an appeal before Hon’ble APTEL & the tribunal not only entitled Adani for carrying costs, but also the interest on carrying costs on compounded basis and aggrieved by APTEL’s judgement, UHBVNL approached Supreme Court.
- » The Hon’ble Supreme Court opined that the grant of compound interest on carrying cost from the date of effect of Change in Law was aimed at restitution of a party to its original economic position & the Hon’ble Supreme Court upholding the judgement passed by APTEL dismissed the present appeal.

 **POLICY and REGULATORY News****Karnataka Electricity Regulatory Commission issues draft 'Green Energy Open Access Regulations, 2022.'****Highlights of the Regulations are as follows:****» Open access consumers classified into the following categories**

- » Open access consumers classified into two categories Long Term Open Access Consumer (Availing Access > 5years), Medium term open access consumers (1year<availing access<5years) & short term (Availing Access < 1year)

» Eligibility

- » Consumers will be eligible for open access through intrastate transmission system of state transmission utility or distribution systems of the distribution licensees within the state.

» Nodal Agency

- » Green energy open access applications to be submitted to portal set up by Central Nodal Agency & Karnataka State Load Despatch Centre is designated nodal agency

» Allotment Priority

- » Priority to Green energy open access consumers over normal open access consumers

» Procedure for grant of Green open access

- » State Nodal Agency to ensure that applicants pay non-refundable processing fee of INR 5000 for long term and medium term open access

Bank guarantee of INR10,000/MW to be provided with application for long and short term open access.

» Banking

- » Payment for unutilized banked energy to be as per actual banked energy limited to 30% of consumption during the month from licensee. ESCOMs to pay 75% generic tariff for such renewable energy sources for relevant period.