

 **POWER SECTOR**

NEWSLETTER | Week 39 | Sept. 2022

**POWER PURCHASE****» Price Cap on Power Exchanges extended till December 2022**

- » CERC vide order dtd. 29th Sept, 2022, extended ceiling of Rs 12 at power exchanges till Dec 2022.
- » As per its June order, CERC had directed the power exchanges to keep the range of prices from Rs 0/kWh to Rs12/kWh in Day Ahead Market (DAM), GDAM, RTM, Intra-day, Day Ahead Contingency and Term-Ahead (including Green TAM) contracts.
- » CERC having reviewed the power scenario, made the following observations:
  - Peak demand touched 199 GW on 07.09.2022 and is expected to remain significant due to lighting and heating load in the winter months.
  - Market Clearing Price (MCP) of Rs.12/kWh in DAM during the evening hours from 18:30 hrs onwards discovered during last 3 months.
  - High demand for electricity particularly from household and industrial consumers likely to continue mainly due to festive season, agricultural load over next few months.
  - Generation from hydro and wind would start decreasing from October onwards, which is likely to exert pressure on coal stock.

**POWER PURCHASE****Price Cap on Power Exchanges extended till December 2022.****Gujarat: Additional Surcharge for Open Access increased to Rs. 0.31/kWh****RENEWABLES****ALMM Manufacturer List Updated for September 2022****MNRE notification in the matter of Basic Custom Duty and GST Hike****Maharashtra PM-KUSUM Scheme: MEDA invites bid for 50,000 solar pumps under Comp B****POLICY AND REGULATORY****APERC RPPO Regulations**

**POWER PURCHASE****» Gujarat: Additional Surcharge for Open Access increased to Rs. 0.31/kWh**

- » GERC has increased additional surcharge payable for open access consumers to Rs. 0.31/kWh.
- » New rates applicable from Oct.1, 2022 to March 31<sup>st</sup>. 2023. Previous rate of Rs. 0.25/kWh was applicable from April 1, 2022 to Sept. 30<sup>th</sup>, 2022.
- » As per Commission, T&D losses of 15.8% and demand charges from consumers of 7.14% were considered for arriving at the new additional surcharge.

**RENEWABLES****» ALMM Manufacturer List Updated for September 2022**

- » MNRE has updated the ALMM (Approved List of Module Manufacturers) list for Indian domestic manufacturers
- » This latest update lists (September 2022) include 75 companies in total, including 8 new module manufacturer with a cumulative capacity of 1,411 MW.
- » Overall domestic capacity has risen to 19GW now.
- » New entrants include Emmvee Photovoltaic, Australian Premium, Visaka Industries, Bluebird solar with 525MW, 404MW, 100MW capacities. ITI Ltd., Goldi Solar Pvt. Ltd., Sunfield Energy Pvt. Ltd., Sunbond Energy, Cosmic PV, Jyotitech Solar are the other entrants.

**» MNRE notification in the matter of Basic Custom Duty and GST Hike:**

- » MNRE in its notification dated 27th Sept., allowed solar power projects awarded before imposition of BCD and GST hike to pass on additional cost.
- » RE agencies can consider BCD on import of solar cells and modules under 'change in law', if bid submission was on or before announcement on March 9, 2021, and after April 1, 2022.
- » Projects awarded on or before September 30, 2021, and SCoD after October 1, 2021, including time extension, the hike in GST from 5% to 12% was to be considered as 'Change in Law' event.
- » The government imposed 25 per cent BCD on imported solar cells and 40 per cent on imported modules from April 2022 to support domestic manufacturing.
- » Also, GST hike was announced on September 2021, new effective rate becoming 13.8%.


**RENEWABLES**
**» Maharashtra PM-KUSUM Scheme: MEDA invites bid for 50,000 solar pumps under Comp B**

- Maharashtra Energy Development Agency (MEDA) invited bids for 50000 solar pumps under Component-B PM-KUSUM Scheme.
- Bid for operation and maintenance of pumps. Estimated tender cost: Rs 1,173 Crore.
- **EMD** of Rs 10 lakh (18% GST). Startups and SMEs excluded from EMD. **Bank Guarantee:** 3% of amount equivalent to 10% of value of state total state wise allocation of 100 solar water pumps, whichever is lower.
- **Annual Turnover:** Open category bidders should be Rs. 70.95 crores & SMEs must have an average annual turnover of Rs. 17.78 Crores in preceding for any three out of last 4 years.
- **Net worth:** Equal to or greater than Rs. 90 Lakh/MW of quoted capacity.
- Open category bidders must have installed 3000 and SME bidders 750 solar pumps.


**POLICY AND REGULATORY**
**» APERC RPPO Regulations**

- RPO Targets are as follows:
 

FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
18%	19%	20%	22%	24%
- As per regulations, RE purchase by licensee from another DISCOM and purchase of REC will also meet RPPO compliance requirement.
- Power generated by net metering arrangement of consumers will qualify for meeting RPPO targets of distribution licensee.
- RPPO compliance will also count RE procured by DISCOM from RE bundled with coal and lignite based thermal plants.
- DISCOMs are been obligated procure hundred percent from waste to energy projects in their supply area.
- Under Gross Metering, power purchase from rooftop solar projects at mutually agreed prices for which generator has not claimed REC will be counted towards fulfilling RPPO of licensee.
- **Open Access Consumers:** To purchase a minimum percentage of consumption through open access for different periods. Purchase from exchanges, from net metering, RE bundled thermal projects to be accounted for RPPO compliance.
- Obligated entities to submit monthly compliance report and yearly report by end of July of succeeding financial year to state agency.
- **Captive Generators:** Generator with 1MW and above capacity to fulfil RPO.