

**POWER PURCHASE****» MoP letter dtd. 10th Oct, 2022 in matter of Determination of Green Tariff:**

- MoP notified Green Open Access (GoA) Rules 2022 on 6th June, 2022.
- As per GoA 4(2)(C)(c), Appropriate Commission to determine tariff for supply of Green Energy
- Tariff to comprise Avg. Pooled PP cost of R.E, cross-subsidy, service charges of DISCOMs.
- Consumers of green energy supply to get Green Certificates beyond RPO.
- Rating to be given to such consumers by State Commission based on their consumption.
- State and Joint Commissions are requested to take action for determination of Green Tariff under Rule 4 (2) (C) (c) at the earliest.

» CERC discussion paper: "Pricing Methodology in Power Trading Market"

- CERC discussion paper on challenges faced by pricing methodology in power market: Issues
- **Over the counter (OTC) market:** Key Avenue discussed in Paper for electricity trading.
- **Collective Transactions:** Price is discovered through anonymous and competitive bidding
- **Continuous Transactions:** Matching of buy and sell bids with price
- **Uniform pricing:** All cleared sellers receive the same price, bid price of expensive seller cleared

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RENEWABLES

CIDCO Maharashtra invites bids for 4.18 MW Rooftop Solar System.

POLICY AND REGULATORY

Conference of Power and New & Renewable Energy Ministers of States and UTs: Agenda

APTEL Order in matter of "M/S. Kamuthi Solar Power Ltd." Vs "Tamil Nadu Electricity Regulatory Commission" and "Tamil Nadu Generation and Distribution Corporation Ltd."

**POWER PURCHASE**

- **Pay as Bid:** Prices paid to cleared sellers are based on sell bid offered by the respective seller.
- **Supply shortage and Uniform pricing:** In 2022, increased fuel and imported coal prices led to significant increase in marginal costs, with surge in demand led to high market clearing price
- **Regulatory Intervention:** Market intervention is justified when price spike result of market power or misuse of power position by suppliers.
 - Demand reduction through pre-notified demand response program, proper load forecasting, reserve margin, resource adequacy, demand response, ESS should be implemented.
 - **Defining proper tolerance level** for high pricing and basis for intervention, **Dynamic price cap**
 - **Addressing negative impact of price cap:** Defining supramarginal or high cost generators, liquidity in small segment for collective transactions, TAM for high cost generators.
 - **Market design** for incentivising demand response and ESS.

**RENEWABLES****» CIDCO Maharashtra invites bids for 4.18 MW Rooftop Solar System:**

- City Industrial Development Corporation of Maharashtra (CIDCO) invited bids for 4.18MW rooftop solar systems under gross metering arrangement in Navi Mumbai under PPP model.
- Bidder has to take care of project Operation and Maintenance for 25 years.
- **Scope of work:** Design, engineering, financing, procurement, supply, erection, testing, installation, commissioning under gross metering arrangement.
- **Eligibility of bidder:** Installed one rooftop solar system of 3300kW or above in single contract in last 5 years (with at least 1600kW in grid connected systems, operational in last 12 months)
- Installed and commissioned 2 rooftops solar system 2100 MW or above in two contracts in last 5 yrs (at least 1000kW in grid connected solar systems).2100kW operational for last 12 months.
- Bidder can participate if bidder installed and commissioned rooftop system 1700kW above in 3 contracts in last 5 years, 850kW in grid connected systems.
- **Net worth:** INR 7Cr for last financial year, profit making organization in last 3 years.
- **Annual Turnover:** INR 17 Crs during last 5 years

**POLICY AND REGULATORY****» Conference of Power and New & Renewable Energy Ministers of States and UTs: Agenda:****» Factors affecting DISCOMs Viability:**

- DISCOM's tariff realized not in line with their cost structure.
- **Delay** in commensurate **tariff increase** by SERCs led to creation of **revenue gaps**
- Total Debt increased from INR 4,21,087 Cr. in FY 2015-16 to INR 5,86,194 Cr. in FY 20-21
- Share of tariff subsidy in total revenue of DISCOMs has increased from 15.51% to 18.53%
- On 30th June 2022, total outstanding Govt. Department dues estimated at INR 65,300 Cr.,
- **Genco Dues:** Outstanding GENCO dues stands at INR 97,927 Cr. on 31st Mar 2022.
- As on 31st Mar 2022, **Total accumulated losses** of the DISCOMs were about INR 5,16,336 Cr.
- **Total accumulated debt** of all DISCOMs in the country were about INR 5,86,194 Cr.

➤ **Shortfall in customer services:** Inadequacy of funds for necessary expenses of network O&M

➤ **Standard Operating Procedures notified for:** Tariff determination and Subsidy declaration, Energy for subsidised categories, DISCOM Subsidy billing and collection, etc.

➤ **Corporate Governance Guidelines 2021:** Provide right administrative support from State Governments, Setting of accountabilities for performance improvement measures

➤ **Other Initiatives:** Organizational Structure, SoP for O&M, Consumer Rating of DISCOMs

➤ **DISCOMs:** SoP compliance, Timely payment GENCOs dues, Corporate Governance, publishing of quarterly and annual accounts, Asset management, Smart metering in Public services

**POLICY AND REGULATORY****» APTEL Order in matter of “M/S. Kamuthi Solar Power Ltd.” Vs “Tamil Nadu Electricity Regulatory Commission” and “Tamil Nadu Generation and Distribution Corporation Ltd.”**

➤ Hon’ble APTEL has set aside a TNERC order and entitled solar developers preferential tariff for commissioning projects before the control period.

» Background:

➤ Kamuthi Solar and Ramnad Renewable (subsidiary Adani Green Energy) signed PPAs with TANGEDCO for their 216MW and 72MW solar projects.

➤ For preferential tariff of INR 7.01p.u, developers had to commission before March 31, 2016.

➤ Developers had informed TANGEDCO, they couldn’t claim deemed generation or other benefits (preferential tariff), if Tamil Nadu Transco did not commission proposed substation on time.

➤ As project construction and evacuation system couldn’t be completed in time due to unprecedented rainfall, developers requested Chief Engineer to consider alternate evacuation.

➤ TANGEDCO stated due to commissioning delay, developers not entitled for deemed generation.

➤ TNERC rejected developer’s petition, and directed them to approach APTEL.

APTEL’s Analysis: Hon’ble Tribunal noted that projects were ready on time TANGEDCO’s failure to provide evacuation facility on time must not be used as an excuse.

➤ The tribunal noted that solar PV plants of Generators achieved commissioning within control period (31-03-2016), are entitled for tariff of INR 7.01/kWh from 18-09-2016.