



POWER SECTOR

NEWSLETTER | Week 06 | Feb. 2023



POWER PURCHASE

» OERC PERMITS THE CONTINUATION OF AN EXISTING PPA FOLLOWING A CHANGE IN SOLAR PROJECT OWNERSHIP.

- ⌚ Odisha Electricity Regulatory Commission (OERC) has approved a ten-year old PPA to remain in force despite the change in ownership of the project, as a result of the insolvency of the previous owner.
- ⌚ M/s. Alex Green Energy was the successful bidder for OREDA tender for 25 MW in 2011 and the original PPA was executed with M/s. Alex Green Energy on 26 May 2012.
- ⌚ M/s. Alex Green Energy was referred to the NCLT, Kolkata for corporate insolvency resolution process where M/s. Fortis Chemicals stepped in as a new owner and has been managing the project since 29 August 2020. Gridco had submitted a request for the termination of PPA due to change in management.
- ⌚ OERC has observed that the tariff discovered through the competitive bidding was one of the lowest at that time (During 2011-12).
- ⌚ OERC has approved PPA with terms and conditions as per the original PPA under the new management of M/s. Fortis Chemicals.



POWER PURCHASE

- ▶ OERC permits the continuation of an existing PPA following a change in Solar Project Ownership.
- ▶ Outstanding electricity dues: Punjab among defaulter states.
- ▶ Generator granted compensation for Change in Law claims.



RENEWABLES

- ▶ Government plans to implement 300 MW Waste-to-Energy Projects
- ▶ 347 MU of Green Energy traded on IEX Traded in January 2023



POLICY And REGULATORY

- ▶ CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2022 came into force with effect from 05.02.2023

**POWER PURCHASE****» OUTSTANDING ELECTRICITY DUES: PUNJAB AMONG DEFAULTER STATES**

- ⊙ Ministry of Power has prepared a list of states that have failed to clear the outstanding dues payable to its Power Sector Utilities.
- ⊙ The cumulative outstanding dues of Punjab were Rs 2,612 crore as on March 31, 2022, Rs 1,750 crore in March 2021 and Rs 2,250 crore in March 2020.
- ⊙ The total outstanding dues of various Government Dept. to their Utilities is to the tune of Rs. 66,631 Crore as on March 2022. The states whose dues are pending includes Telangana, Andhra Pradesh, Karnataka, Uttar Pradesh and Tamil Nadu.
- ⊙ The Government departments of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland and Sikkim are the ones that do not have any pending dues.

**» GENERATOR GRANTED COMPENSATION FOR CHANGE IN LAW CLAIMS**

- ⊙ Maharashtra Electricity Regulatory Commission has allowed 69.38 Cr. as various Change in Law compensation including carrying cost to RPL (RattanIndia Power Limited)
- ⊙ MERC further instructed RPL to reconcile amount of Rs. 1.56 Cr. between themselves and the Distribution company.
- ⊙ RPL had filed a petition regarding various Change in Law compensation which were partially allowed in the MERC order dated 5th April, 2018.
- ⊙ Aggrieved by the disallowances, RPL had filed an appeal before ATE. ATE in its order set aside the impugned order from MERC and remanded the matter to MERC to pass the consequential order within 3 months.
- ⊙ After considering various submissions & claim reconciliation process MERC modified the earlier order dated 5th April, 2018 to allow for Change in Law compensation and the respective carrying cost.



RENEWABLES
» GOVERNMENT PLANS TO IMPLEMENT 300 MW WASTE-TO-ENERGY PROJECTS

- ⌚ MNRE to implement 90 new projects under its Waste to Energy (WTE) Program.
- ⌚ These projects include 7 Biogas generation project of capacity 83,400 m³/day, 34 BioCNG projects of capacity 248,000 kg/day and 49 biogas-based cogeneration projects with a cumulative capacity of 330 MW.
- ⌚ The WTE Program has a budget outlay of Rs. 6 billion for FY 21 to FY 26, that supports setting up projects for generating biogas/BioCNG/power from urban, industrial, and agricultural waste by providing Central Financial Assistance (CFA)
- ⌚ The CFA provided is:



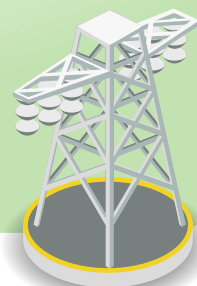
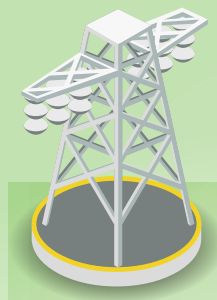
WTE Program	CFA Outlay
Biogas Generation projects	Rs. 2.5 billion per 12000 m ³ /day
BioCNG	Up to Rs. 40 million per 4800 kg/day
Power generation based on biogas	Up to Rs. 7.5 million/MW
Power based on bio & agro-industrial waste (other than MSW)	Rs. 4 million/MW
Biomass gasifier	Up to Rs. 15,000 per kWe



RENEWABLES

» 347 MU OF GREEN ENERGY TRADED ON IEX TRADED IN JANUARY 2023

- ⌚ IEX traded 347 million units (MU) of renewable energy in January 2023, an increase of 24% year-over-year (YoY). However, the volume declined by 8% month-over-month (MoM) compared to the 377 MU traded in December 2022.
- ⌚ IEX traded 8,639 MU a total of energy during the month, including renewable energy certificate (REC) trades equivalent to 395 MU. There was a 0.13% YoY decrease for the same period last year and a 2.2% increase MoM from last month.
- ⌚ GDAM amounted to 286 MU of energy volume with a Weighted Average Price of Rs. 6.30 /kWh, a 16% MoM increase in the GDAM from Rs. 5.24/ kWh in December 2022.
- ⌚ The GTAM market achieved 61 MU volume with an Average Monthly Price of Rs. 6.22/kWh for non-solar and Rs. 8.19 /kWh for Hydro-power.
- ⌚ Total 395,000 RECs were cleared during the trading session on January 27, as compared to 1.13 million RECs traded during the same period last year.





POLICY AND REGULATORY

» CERC (DEVIATION SETTLEMENT MECHANISM AND RELATED MATTERS) REGULATIONS, 2022 CAME INTO FORCE WITH EFFECT FROM 05.02.2023

- ⌚ CERC has issued new guidelines to supplement the DSM Regulations, 2022 to maintain grid stability, after detailed consultation with various stakeholders and operational feedback from Grid Controller of India Ltd.
- ⌚ The Commission has relaxed Regulation 7 of the DSM Regulations, 2022, by removing ancillary services in normal rate of deviation charges calculation
- ⌚ The New Normal Rate of deviation is [the weighted average ACP of the Day Ahead Market segments of all the Power Exchanges; and the weighted average ACP of the Real Time Market segments of all the Power Exchanges, for that time block] subject to a ceiling of Rs 12 per kWh, until further orders.
- ⌚ The Commission has also relaxed Regulation 8 of the DSM Regulations, 2022, i.e., charges paid by the seller for deviation in a time block.

