

**POWER PURCHASE****» MOP SPECIFIES STATES LEVYING WATER AND AIR CESS ON ELECTRICITY GENERATION AS ILLEGAL**

- » Ministry of Power has asked all State Governments and Union Territories to withdraw any tax or duty on electricity generation, especially from Hydro projects.
- » The Ministry clarified that such taxes are unconstitutional and illegal, as per the provisions of the Constitution of India.
- » Some states had imposed water cess for Hydropower projects and an air cess for Wind power projects.
- » According to the Constitution, States have the power to tax the consumption or sale of electricity within their territory, but not the electricity generation.
- » This is because electricity generated in one state can be supplied to another, and no state can impose taxes on residents of other states.

**POWER PURCHASE**

- » MoP specifies States levying water and air cess on electricity generation as illegal.

**RENEWABLES**

- » HERC notifies Green Open-Access Regulations
- » SJVN appointed as designated agency to float Renewable Energy Tenders by MNRE

**Policy and Regulatory**

- » CERC amends Ancillary Services Norms to Meet Peak Power Demand

**POWER PURCHASE**

- ▶ The Constitution also prohibits states from levying taxes or duties on goods or services supplied outside the State. It further bars states from imposing taxes on electricity sold to or consumed by the Central Government or its agencies.
- ▶ Therefore, any tax or duty on electricity generation would violate these constitutional principles.
- ▶ The Ministry also pointed out that regulating issues related to inter-state rivers is the responsibility of the Centre. Most of the Hydroelectric projects are located on inter-state rivers. Hence, any tax on the nonconsumptive use of water for electricity generation is against the Constitution.

**RENEWABLES****» HERC NOTIFIES GREEN OPEN-ACCESS REGULATIONS**

- ▶ Haryana Electricity Regulatory Commission (HERC) has recently issued the Green Open Access Regulations in line with the Union Government's Green Energy Open Access Rules introduced last year.
- ▶ Consumers with a contracted demand or sanctioned load of at least 100 kW will be eligible for Green Energy Open Access in Haryana, with no limit on the power supply for captive consumers.



**RENEWABLES**

- ▶ Consumers seeking open access must have the infrastructure for time-block-wise energy metering and accounting installed at their premises, and those connected to an independent feeder from a grid substation are eligible for seeking open access.
- ▶ All applications for open access of green energy shall be allowed by the State Nodal Agency within thirty days.
- ▶ The charges levied on green energy open access consumers includes transmission charges, wheeling charges, cross-subsidy surcharge, standby charges (wherever applicable, banking charges, application fees/SLDC fees/charges, scheduling charges, deviation settlement charges, and reactive energy charges).
- ▶ Discoms must issue green certificates to consumers yearly if they request green energy supplied beyond their Renewable Purchase Obligation (RPO).
- ▶ The SLDC of Haryana will be the State Nodal Agency for granting Green Energy Open Access for short-term periods of up to a month.



- ▶ The State Transmission Utility (STU) will be the nodal agency for medium-term and long-term periods.

**RENEWABLES****» SJVN APPOINTED AS DESIGNATED AGENCY TO FLOAT RENEWABLE ENERGY TENDERS BY MNRE**

- ▶ The Ministry of New and Renewable Energy (MNRE) has designated SJVN Limited as the implementing agency responsible for floating tenders for renewable energy projects, and also to act as the intermediary procurer of power.
- ▶ SJVN shall work with other agencies, such as SECI, NTPC, and NHPC, to float tenders and open bids to avoid concurrent bids.
- ▶ SJVN shall also ensure that tenders are floated according to standard bidding guidelines issued by the Government and MNRE's instructions for renewable energy tenders.
- ▶ MNRE had issued an agency-wise bidding calendar for 50 GW of renewable energy projects for the current financial year (FY 2023-24). The calendar involves a schedule of 30 GW of renewable capacity for the first two quarters and 20 GW in the last two quarters.



- ▶ According to the calendar, SECI and NTPC shall issue tenders for 12.5 GW of Solar / Hybrid / Round-the-Clock (RTC) projects and 2.5 MW of wind projects each.
- ▶ NHPC and SJVN shall issue tenders for 7.5 GW of Solar/Hybrid/RTC projects and 2.5 MW of wind projects each.

**POLICY AND REGULATORY****» CERC AMENDS ANCILLARY SERVICES NORMS TO MEET PEAK POWER DEMAND**

- ▶ Central Electricity Regulatory Commission (CERC) has expanded the scope of operation of the Reserve Regulation Ancillary Services (RRAS) Regulations, 2015, to facilitate the availability of adequate power reserves with the system operator to manage the peak demand.
- ▶ The aim of the RRAS Regulations 2015 is to balance the frequency at the desired level and to decrease congestion in the transmission network.
- ▶ Expanding the scope of RRAS Regulations, CERC has included state-generating stations whose tariffs have been determined or adopted by the State Commission and are willing to participate in RRAS. Along with SGS, generating stations with tariff discovered through a competitive bidding process have also been included.
- ▶ The expansion of scope also states that the merit order stack of the nodal agency must now encompass state-generating stations whose tariffs have been determined or adopted by the State Commission and generating stations mandated by the Central Government to participate in RRAS, as well as regional generating stations whose tariffs have been determined and adopted by the Commission.

