



POWER SECTOR

NEWSLETTER | Week 21 | May 2023



POWER PURCHASE

» INDIAN DISCOMs ENERGY PORTFOLIO SOON TO BE IMPROVED THROUGH ENERGY PORTFOLIO MANAGEMENT SYSTEM (EPMS)

- » Research Triangle Institute (RTI) International has invited bids for the supply of Energy Portfolio Management System (EPMS) to South Asia Regional Energy Partnership (SAREP). SAREP is the regional energy programme of the United States Agency of International Development (USAID) mission to India.
- » As per the bidding conditions, the bidders will have to develop an EPMS for optimizing the DISCOM's energy portfolio management activities, focusing on short term energy portfolio management.
- » The bidders should also provide one-year operation and maintenance support to run the EPMS.
- » The need for EPMS arose due the deteriorating DISCOM's financial condition as 70-80% of the DISCOM's cost is contributed by power purchase.



POWER PURCHASE

- » Indian DISCOMs Energy Portfolio soon to be improved through Energy Portfolio Management System (EPMS).
- » High power demand is being catered but the coal reserves are not affected.



RENEWABLES

- » India experienced huge surge in the solar equipment exports YoY in CY 2023 resulting in the fall of imports
- » MoP notified Electricity (Promoting Renewable Energy Through Green Energy Open Access) (Second Amendment) Rules, 2023.



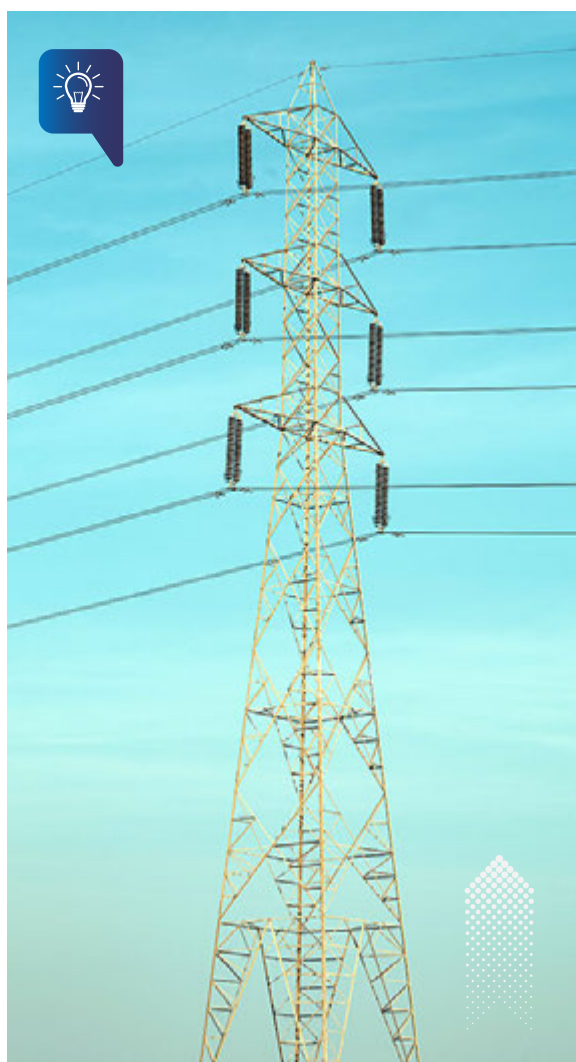
Policy and Regulatory

- » MERC has approved the tariff of Rs 3.10 per kWh to source 117 MW of solar power



POWER PURCHASE

- Moreover, the energy portfolio management has become very complex due to the intermittent renewables supply, changing consumption pattern and new market products.
- In addition to above, DISCOMs face challenges in maintaining the energy portfolio due to lack of expertise, high cost, data security, continuity issues etc.
- Hence the proposed EPMS has been envisaged to incorporate in the system to support the Utility through analytics based decision making to tackle these challenges.
- The EPMS system will assist DISCOMs in forecasting, optimization and market participation. This project aims to optimize the power procurement, increase the use of renewable energy, and enhance day to day portfolio operations for DISCOMs.
- Consequently, EPMS system will seek to improve cost efficiency and operational effectiveness, benefiting the financial health of Indian DISCOMs.

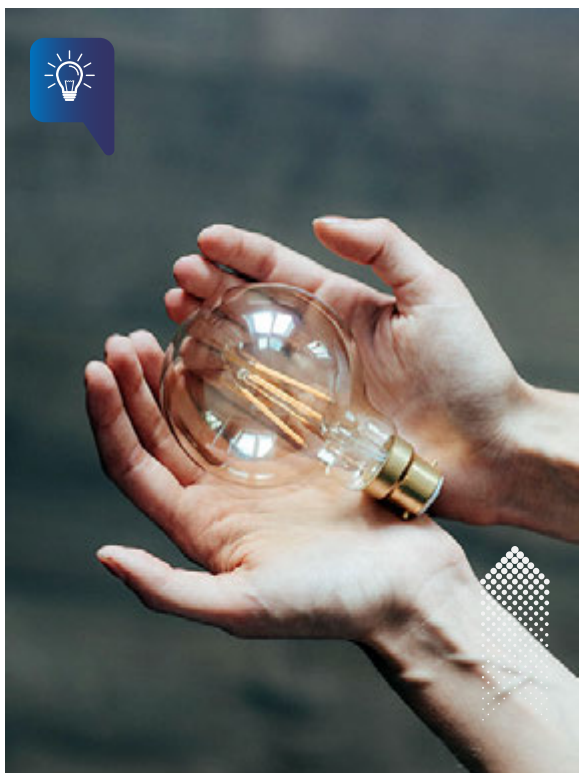




POWER PURCHASE

» HIGH POWER DEMAND IS BEING CATERED BUT THE COAL RESERVES ARE NOT AFFECTED.

- » Due to temperature spikes in most parts of the Country, the Electricity prices on the trading exchanges increased over the last week.
- » The month started with ₹2.8 a unit on the IEX in the day-ahead market, increased to ₹6.0 on May 12, and then to ₹6.7 per unit on May 18, as there was an increase in temperature witnessed over the period.
- » The average price in May so far has been ₹4.7 per unit which is lower as compared to ₹6.4 per unit in the same period last year. This is despite the 'maximum demand met' touching an all-time high of 221 GW on May 17 this year.
- » But due to wet spells in West Bengal and some parts of Andhra Pradesh and Telangana, it has led to prices lowering to ₹5.6/unit as on May 22.
- » Despite the rise in demand, coal stocks at the power stations did not see much of depletion during the said period, owing to better planning, scheduled imports and increased captive supply.





RENEWABLES

» INDIA EXPERIENCED HUGE SURGE IN THE SOLAR EQUIPMENT EXPORTS YOY IN CY 2023 RESULTING IN THE FALL OF IMPORTS

- » As per the data of Department of Commerce, there is staggering increase in the solar equipment exports Year-on-Year in CY 2023. It is reported that India exported solar cells and modules worth \$479 million (~₹39.5 billion) in the first quarter of calendar year (CY) 2023.
- » The Quarter-over-Quarter (QoQ) basis data shows that India export rose by 29% from \$371 million (~₹30.6 billion) in CY 2023.
- » The U.S. topped the list of Countries with highest solar equipment exports in the months of January to March accounting to 99.2% of the market share.
- » Other countries like South Africa, Turkey, Denmark and Germany accounted for 0.2%, 0.1%, 0.1% and 0.2% of the total export respectively.





RENEWABLES

» MOP NOTIFIED ELECTRICITY (PROMOTING RENEWABLE ENERGY THROUGH GREEN ENERGY OPEN ACCESS) (SECOND AMENDMENT) RULES, 2023.

- » The Ministry of Power has notified Electricity (Promoting Renewable Energy Through Green Energy Open Access) (Second Amendment) Rules on 23rd May, 2023.
- » The amendment defines entity as any consumer with a contracted demand or sanctioned load of 100 kW or more, either through a single connection or multiple connections totalling 100 kW or more within the same electricity division of a distribution licensee.
- » Captive consumers, however, are exempted from load limitations.
- » Additionally, the eligibility for green energy open access is limited to consumers with a contracted demand or sanctioned load of 100 kW or more, either through a single connection or multiple connections totalling 100 kW or more within the same electricity division of a distribution licensee.
- » For captive consumers availing power through green energy open access, there is no limit on the supply of power.
- » The amendment states that additional surcharges will not be applicable to electricity produced from offshore wind projects commissioned until December 2032 and supplied to open access consumers.





POLICY AND REGULATORY

» **MERC HAS APPROVED THE TARIFF OF Rs 3.10 PER KWH TO SOURCE 117 MW OF SOLAR POWER**

- » The Maharashtra Electricity Regulatory Commission (MERC) has granted approval to a tariff of Rs 3.10 per kWh for the purchase of 117.5 MW of solar power.
- » The Commission stated that the power generated by these projects will be qualified for meeting the Maharashtra State Electricity Distribution Company's (MSEDCL) Solar Renewable Purchase Obligation (RPO) requirements. The Order stated that the parties shall sign the power purchase agreement within 30 days.
- » In April 2023, Maharashtra State Power Generation Company floated bids for installing and commissioning a 62 MW grid-connected solar power project with the associated high-tension overhead transmission line, underground cable, and electrical equipment in Akola, Maharashtra.



- » In February 2023, The Maharashtra State Electricity Distribution Company (MSEDCL) has invited bids for 250 MW of decentralised solar projects under component-A of the state's Pradhan Mantri-Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM) programme.
- » MSEDCL has set a tariff ceiling of Rs 3.30 /kWh. The Central Government intends to establish 10,000 MW of grid-connected solar power projects with individual project sizes up to 2 MW under Component A of the PM-KUSUM programme