

## ⚡ POWER SECTOR

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### POWER PURCHASE

#### » MINISTRY OF POWER HAS ISSUED GUIDELINES FOR RESOURCE ADEQUACY TO PROVIDE RELIABLE ELECTRICITY AT OPTIMISED TARIFF AND TO AVOID LOAD SHEDDING.

- » The Ministry of power has issued guidelines to ensure that sufficient electricity is made available to power the country's growth. These guidelines for Resource Adequacy Planning Framework for India have been formulated in consultation with Central Electricity Authority (CEA).
- » A framework for advance procurement of resources will be put in place by DISCOMs to meet the electricity demand in a cost-effective manner.
- » The Guidelines provide for an institutional mechanism for Resource Adequacy ranging from National level to Discom level such that the availability of resources to meet the demand is ensured at each level.



### POWER PURCHASE

- » Ministry of power has issued Guidelines for Resource Adequacy to provide reliable electricity at optimised tariff and to avoid load shedding.



### RENEWABLES

- » GERC issues Draft Green Energy Open Access Regulations, 2023.



### Policy and Regulatory

- » MoP notifies Carbon Credit Trading Program.
- » CEA issued the new guidelines of O&M along with standard format for new and existing projects.
- » Ministry of Power has revised the biomass co-firing policy enabling purchase of biomass pellets at benchmark price.





## POWER PURCHASE

- ▶ The new generation capacities, energy storage and other flexible resources, needed to reliably meet future demand growth at optimal cost, will be assessed well in advance.
- ▶ The Guidelines also suggest share of at least 75 % of long-term contracts in total capacity required by Discoms as per long-term National Resource Adequacy Plan (LT-NRAP) or as specified by respective SERC. The medium-term contracts are suggested to be in range of 10-20%, while the rest of the power demand can be met through short-term contracts.
- ▶ The National Load Dispatch Centre (NLDC) will also carry out bids to procure any shortfall in the capacity required to meet the Short Term Distribution Resource Adequacy Plans (ST-DRAP), after aggregating the individual plans of DISCOMs.
- ▶ The Guidelines also provide for the number of years before which the procurement process by DISCOMs must be completed for each type of generation, so that the procured capacity becomes available when it is required to serve the projected load.





## RENEWABLES

### » GERC ISSUES DRAFT GREEN ENERGY OPEN ACCESS REGULATIONS, 2023

- ▶ Gujarat Electricity Regulatory Commission (GERC) has issued the Draft Terms and Conditions for Green Energy Open Access Regulations 2023. This includes rules for banking and other open access charges applicable for clean energy open access consumers.
- ▶ The Regulations will be applicable for power generated through the open access model from green energy sources, including the energy from non-fossil fuel-based municipal solid waste-to-energy projects.
- ▶ The Gujarat State Load Despatch Centre will be designated as the State Nodal Agency for short-term green energy open access, and the State Transmission Utility will be designated as the state nodal agency for longterm and medium-term green energy open access.





## RENEWABLES

- The Green energy open access consumers will be classified into the following categories:
- **Long-term green energy open access:** Consumers will have the right to use the intrastate transmission system or the distribution system for a period exceeding 12 years but not exceeding 25 years.
- **Medium-term green energy open access:** Consumers will have the right to use an intrastate transmission system or distribution system for a period exceeding three months but not exceeding three years.
- **Short-term green energy open access:** Consumers can procure power through open access for one month at a time.



- **Allotment Priority:** Distribution companies (DISCOMs) to have the highest priority over other green energy open consumers.
- Green energy open access consumers to have a preference over normal open access consumers.
- Long-term green energy open access consumers to have a preference over medium-term and short-term green energy open access consumers.



## POLICY AND REGULATORY

### » MoP NOTIFIES CARBON CREDIT TRADING PROGRAM

- » The Ministry of Power (MoP), in consultation with the Bureau of Energy Efficiency (BEE), has launched the Carbon Trading Program 2023, outlining the processes, regulating agencies, and rules for carbon credit trading in India.
- » The Central Government will establish the “National Steering Committee for Indian Carbon Market,” which will assume governance and direct responsibilities to oversee the functioning of the Indian carbon market
- » The primary focus of the Committee shall be to recommend procedures for institutionalizing the Indian carbon market, including rules and regulations, emission targets for obligated entities, guidelines for trading carbon credit certificates outside India and issuing carbon credit certificates.
- » It shall also propose the development of processes or conditions for crediting periods, renewals, and expiration of carbon credit certificates.
- » Under the program, the National Steering Committee will monitor the market's operations and propose the creation of necessary committees or working groups, as listed below
  - » **Administrator:** Bureau of Energy Efficiency
  - » **Registry:** Grid Controller of India
  - » **Regulator:** Central Electricity Regulatory Commission
  - » **Technical Committees:** The Bureau will establish specialized technical committees, as necessary.
  - » **Carbon Credit Verification and Trading:** The Bureau, with prior approval from the Central Government shall establish the eligibility criteria.
  - » **Compliance:** MoP, in consultation with BEE, will determine the sectors and obligated entities that will fall under the compliance mechanism of the program.



## POLICY AND REGULATORY

### » CEA ISSUED THE NEW GUIDELINES OF O&M ALONG WITH STANDARD FORMAT FOR NEW AND EXISTING PROJECTS

- » The Central Electricity Authority (CEA) has issued Operation and Maintenance (O&M) guidelines and standard format for Memorandum of Understanding (MoU) between new and existing Transmission Service Provider (TSP).
- » CEA stated that in case of the assets of the new TSP which are co-located in the existing substation, detailed scope of works as well as the roles and responsibilities of the new TSP and existing TSP have not been clearly defined in the tariff based competitive bidding (TBCB) bid documents.
- » In view of this, these guidelines have been formulated which will be applicable to all the upcoming and under bidding Inter-State Transmission System (ISTS) projects and for new contracts in case of operational/under construction projects under TBCB route.
- » All the existing contracts signed by the various TSPs for O&M activities and charges will remain in force till the end of their term.



- » For all upcoming projects and under bidding projects, existing substation owner or agency of existing substation owner shall carry out the O&M activities in case of any bay extension as well as in case of voltage expansion works in the existing substation.
- » The O&M charges to be paid by the new TSP to the existing substation owner, for the relevant year, shall be 30 per cent of the normative O&M expenses of relevant voltage level and transformer capacity as specified for that particular year in Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations as notified from time to time.



## POLICY AND REGULATORY

### » MINISTRY OF POWER HAS REVISED THE BIOMASS CO-FIRING POLICY ENABLING PURCHASE OF BIOMASS PELLETS AT BENCHMARK PRICE



- » The Ministry of Power (MoP) announced that it has decided to benchmark the prices of biomass pellets used for co-firing in thermal power plants (TPPs). The decision comes in view of evolving market conditions for biomass pellets and requests received from stakeholders including thermal power plants, pellet manufacturers, farmers, bankers amongst many others.
- » The benchmarked price shall take into account the business viability, impact on electricity tariff and efficient and faster pellet procurement by power entities. Price benchmarking of pellets will enable the TPPs as well as pellet vendors to establish a sustainable supply mechanism for co-firing of pellets. The benchmarked price as finalised by the committee under CEA, will be effective from January 1, 2024.
- » Till the time the recommendations of the committee are implemented, the power entities shall go for short term tenders for meeting the immediate requirement of biomass pellets for their TPPs.
- » In another modification of the policy, it has been directed that since availability of torrefied biomass pellets is presently limited in the country, the torrefied pellets shall be procured only by those entities to which usage of it is technically unavoidable, while entities which can use non-torrefied pellets should continue utilising the same.