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# POWER SECTOR

NEWSLETTER | Week 27 | July 2023

## POWER PURCHASE

### » Technical and commercial losses of Adani Electricity Mumbai Limited reduced to 5.93% in FY23.

- The aggregate technical and commercial losses have reduced to 5.93% in FY23 as against 6.55% recorded last year.
- As per Adani Electricity Mumbai Limited, it has geared up the monitoring on power theft side, which resulted in the reduction of technical and commercial losses to what it claims as one of the lowest in the industry across the country.
- It booked 774 First Information Reports (FIRs) with the local police for power thefts in FY23, which is almost double the number of cases registered in FY22. Large number of raids were also conducted (around 18,542) as compared to previous year (10,458). The irregularity assessment also increased from Rs. 21.75 crore in previous year to Rs. 38.48 crore in FY23.

## POWER PURCHASE

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## RENEWABLES

» Ministry of New and Renewable Energy (MNRE) has notified the scheme for electrolyser and Green Hydrogen production.

## Policy and Regulatory

» Government of India plans to develop carbon markets for green sectors.

» Government of India has invited bids for 1,500 - MW electrolyser manufacturing capacities under green hydrogen mission.

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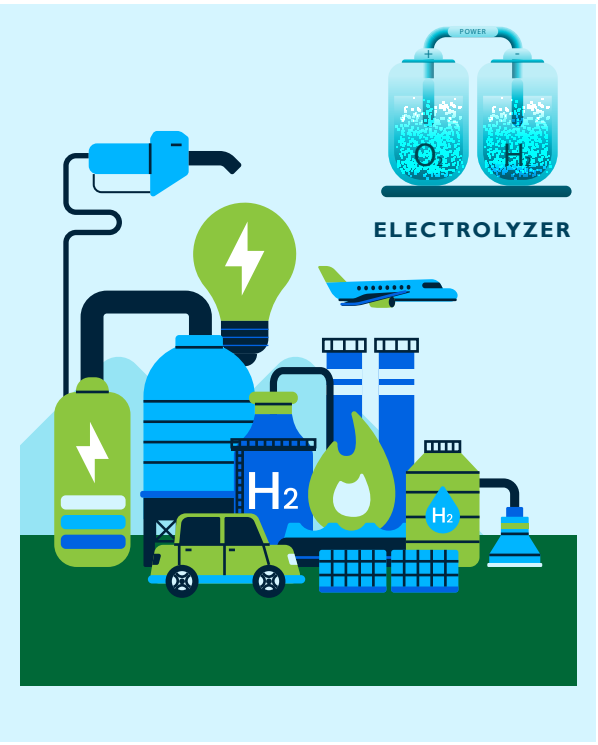
## POWER PURCHASE

- Adani seized over 72.25 tonnes of wires and other equipment as against 73.58 tonnes seized in the previous year.
- The power demand in certain slum clusters is already high and it is difficult to install new network development due to space constraints. Power theft overloads the network. This increases the cost of servicing as cables and transformers are more prone to regular failures and forced outages, adding to a surge in operations and maintenance costs.
- Adani Electricity Mumbai Limited has identified certain pockets in the city, where the threat of power theft is huge and it will be putting extra efforts to bring down the technical and commercial losses further.

RENEWABLES

## » Ministry of New and Renewable Energy (MNRE) has notified the scheme for electrolyser and Green Hydrogen production

- The Ministry of New and Renewable Energy (MNRE) has issued a document describing incentive programmes for the domestic production of electrolysers and green hydrogen, with a total financial investment of Rs 174.9 billion.
- The framework outlines two financial incentive mechanisms to support domestic electrolyser manufacturing and green hydrogen production.
- Component I focuses on providing electrolyser manufacturing incentives, with a Rs 44.4 billion financial outlay, and Component II aims to boost green hydrogen generation, with a Rs 130.5 billion financial outlay.
- MNRE will carry out the programmes through the Solar Energy Corporation of India (SECI) as part of the Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme.
- Under the National Green Hydrogen Mission, the SIGHT programme is an important budgetary measure.



## POLICY AND REGULATORY

### » Government of India plans to develop carbon markets for green sectors.

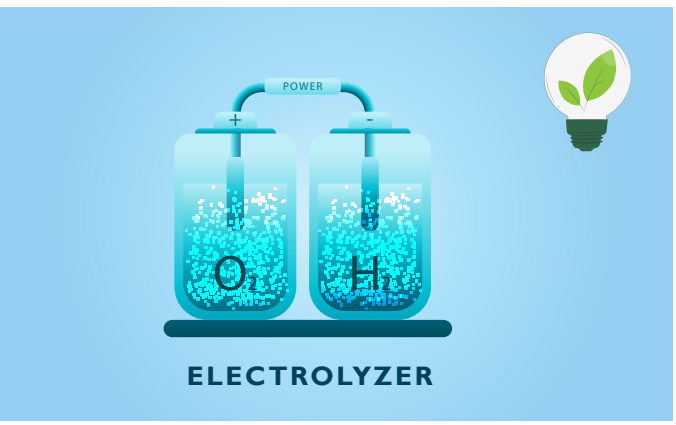
- India has planned to develop carbon markets for renewables, green hydrogen, bio-fuels and clean mobility to facilitate carbon trading between green and polluting sectors.
- The Niti Aayog is drawing up a framework to expedite their development.

- The Government is of the view that the growth of carbon markets will also create job opportunities and stimulate economic activity.
- Initially such markets could be voluntary carbon markets, which means the issuance, buying and selling of carbon credits will be on a voluntary basis. However, over a period of time the government could put in place a regulatory framework to develop compliance markets, which will compel industries to trade carbon credits, thereby generating revenue.
- A report released at the COP27 climate conference in Egypt last year said India recorded the highest growth rate in carbon emission among the world's major warming contributors. It had projected India's emissions to increase by 6% and that of the US by 1.5% while China and the European Union (EU) are projected to reduce their emissions by 0.9% and 0.8%, respectively.

## POLICY AND REGULATORY

- One tradable carbon credit equals one tonne of carbon dioxide or the equivalent amount of a different greenhouse gas reduced, sequestered or avoided. When a credit is used to reduce, sequester or avoid emissions, it becomes an offset and is no longer tradable.
- As per the International Energy Agency, emissions of the climate-warming gas that were caused by energy production grew 0.9% to reach 36.8 giga-tons in 2022.
- Though India's per capita emission was substantially lower at 1.9 tonnes in 2021, the Country is fourth largest global emitter with 7.5% of the global emissions, after China (31%), the US (14%) andthe EU (7.7%).

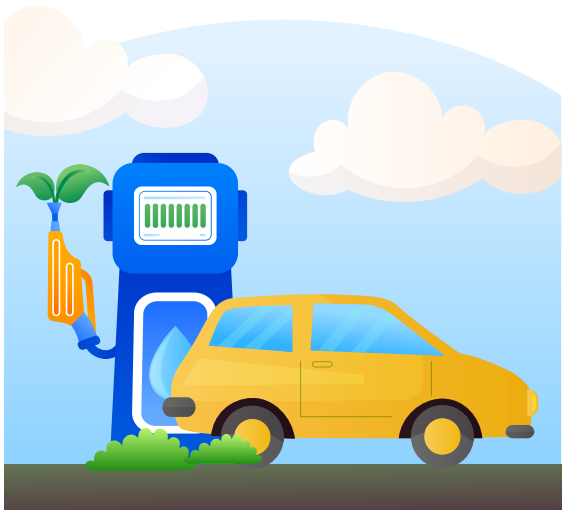
## » GOVERNMENT OF INDIA HAS INVITED BIDS FOR 1,500-MW ELECTROLYSER MANUFACTURING CAPACITIES UNDER GREEN HYDROGEN MISSION

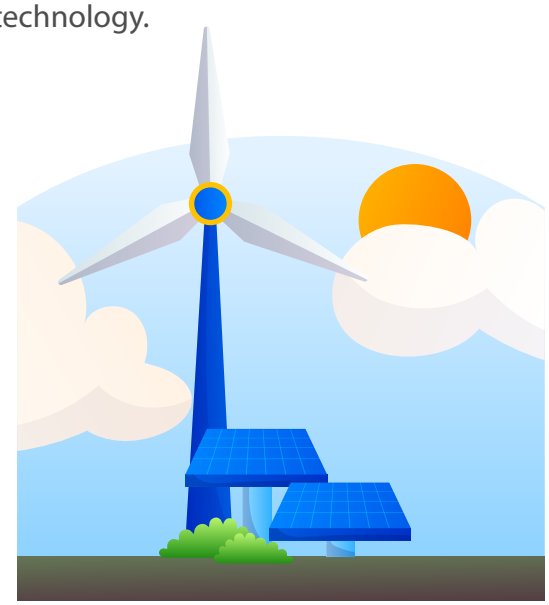



- The Government has invited bids for setting up electrolyser manufacturing capacities of 1,500 MW under the first tranche of the Strategic Interventions for Green Hydrogen Transition (SIGHT) programme.
- The SIGHT scheme is a part of India's National Green Hydrogen Mission launched in January. The Solar Energy Corporation of India, under the Ministry of New and Renewable Energy, is the implementing agency for the scheme.

## POLICY AND REGULATORY

- The pre-bid meeting will be held on July 27 and the last date of submission is September 5, as per the bidding documents. With the objective to indigenously developed electrolyser technologies, bids are invited in two separate buckets.
- The capacity offered under the tranche for electrolyser manufacturing capacity based on any stack technology is 1,200 MW, while the rest is for indigenously developed stack technology.





- The Guidelines had stated base incentive available for electrolysers at Rs 4440/kW for the first year, Rs 3,700/kW for the second, Rs 2,960/kW for the third, Rs 2,220/kW for the fourth and Rs 1,480/kW for the fifth.
- The National Green Hydrogen Mission targets a production capacity of at least 5 million metric tonnes of green hydrogen annually with an associated renewable energy capacity addition of about 125 GW. The mission announced a total outlay of Rs. 19,744 crore up to financial year 2029-30.