

## POWER SECTOR

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### POWER PURCHASE

#### » CERC APPROVES HIGH PRICE MARKET SEGMENT ON PXIL

- Central Electricity Regulatory Commission (CERC) approved Power Exchange India's (PXIL) proposal for a high-price bilateral market segment.
- PXIL's proposal includes the introduction of High Price Term-Ahead Market (HP-TAM) and contingency contracts.
- GRID-INDIA is directed to submit a report on the experience and performance of HP-TAM and HP-contingency contracts within three months of their introduction.
- PXIL has been offering various contracts since 2008, and this proposal expands the offerings to include high-price bilateral contracts.
- The proposal includes seven new high-price bilateral market contracts, covering various timeframes and auction methods. GRID-INDIA expressed concerns about introducing a floor price, arguing it could hinder market signals and flexibility.




### POWER PURCHASE

 CERC approves High Price Market Segment on PXIL



### RENEWABLES

 Gujarat releases Draft Renewable Energy Policy, 2023



### Policy and Regulatory

 Draft Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023



## POWER PURCHASE

- PXIL argued against implementing a floor price for consistency in market transactions.
- Eligible entities for HP-TAM would be determined based on data from CERC, CEA, and GRID-INDIA.
- The Commission approved the inclusion of gas-based power plants, coal-based power plants, and battery energy storage systems (BESS) in the high-price bilateral market segment.
- Price discovery mechanisms, contract durations, and other details were specified, including a floor price of Rs. 0/kWh and an upper limit of Rs. 20/kWh, and the inclusion of NTSD contracts for flexibility.





## RENEWABLES

### » GUJARAT RELEASES DRAFT RENEWABLE ENERGY POLICY, 2023

- › Gujarat Electricity Regulatory Commission has released draft of Renewable Energy, 2023. The key highlights of the policy are given below:
- › **Policy Duration:** The policy will be in effect from the date of notification and will remain operational until June 2028 or until a new policy is introduced, whichever comes earlier.
- › **Objective:** The policy aims to simplify the framework for developing renewable energy projects in Gujarat, attract investments, and facilitate the development of 100 GW of cumulative renewable energy capacity by 2030.
- › **Focus on Solar and Wind:** Gujarat aims to leverage its solar capacity of 36 GW and wind capacity of 143 GW to achieve the 100 GW renewable energy target by 2030.



- › **Benefits and Incentives:** Eligible renewable energy projects will receive benefits and incentives for 25 years from the date of commissioning or the project's defined lifespan. Ground-mounted and rooftop solar, floating solar, canal top solar, wind, rooftop wind, and wind-solar hybrid projects are covered.
- › **Capacity Restrictions:** There are no capacity restrictions for setting up renewable energy projects for captive use or selling electricity to third-party consumers based on their contracted demand.



## RENEWABLES



- › **Solar Projects:** Solar projects can be installed in solar parks, government revenue land, or private land, with government land being made available to developers.
- › **Rooftop Solar:** Consumers can install rooftop solar projects under net metering or gross metering arrangements.
- › **Floating/Canal-Based Solar:** Gujarat encourages the use of water reservoirs and canals for floating solar projects to save land and reduce water evaporation.
- › **Wind Projects :** Consumers can install small-scale wind projects under net or gross metering arrangements, and incentives may be available under government schemes.
- › **Hybrid Projects:** Wind-solar hybrid projects can be either conversion of existing projects or new installations, with specific conditions and benefits outlined in the policy.



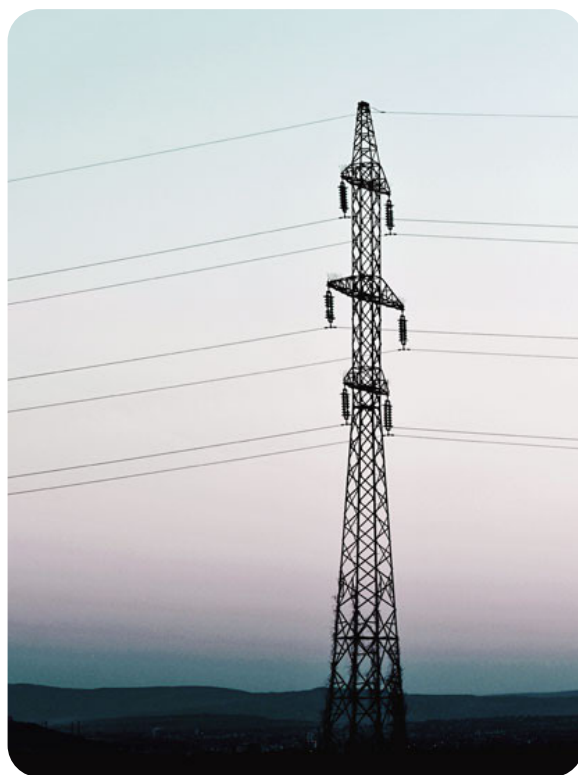




## POLICY AND REGULATORY

### » DRAFT CENTRAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) (FOURTH AMENDMENT) REGULATIONS, 2023

- » The Central Electricity Regulatory Commission (CERC) is proposing amendments to the "Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019."
- » CERC has been regulating generation and transmission tariffs since 1998, with Multi-year tariff (MYT) regulations issued for various periods.
- » Some thermal generating stations have reached the end of their useful life after 25 years, prompting the need for special tariff provisions.
- » Regulation 17 of the MYT Regulations, 2019 allows thermal generating stations and beneficiaries to enter into agreements for capacity charges based on scheduled generation post-completion of 25 years.





## POLICY AND REGULATORY

- Beneficiaries have the first right of refusal for such arrangements under Regulation 17.
- The intention behind Regulation 17 was to introduce an optional provision for linking capacity and energy charges to scheduled generation if both parties agree.
- Commercial mechanisms between generators and beneficiaries are governed by long-term Power Purchase Agreements (PPAs), which can extend beyond their initial terms.
- Concerns about Regulation 17 have led to disputes, with stakeholders arguing that unilateral regulation intervention can complicate negotiations between parties.
- Rarely have arrangements been agreed upon under Regulation 17.
- Therefore, it is proposed to omit Regulation 17 of the MYT Regulations, 2019, to address these issues.

