



POWER PURCHASE

» INDIA ALLOWS NEPAL TO SELL ELECTRICITY IN REAL TIME MARKET

- » Nepal has been granted approval by India to sell electricity generated from two hydropower projects in India's Real-Time Energy Market (RTM). This marks the first time India has given project-specific approval for Nepal to sell hydroelectricity in its RTM.
- » The Central Electricity Authority of India has permitted the trading of 44 MW of electricity generated from the 19.4 MW Lower Modi and 24.25 MW Kabeli B-1 hydropower projects in the initial phase.
- » This approval enables Nepal to participate in the real-time market, allowing for electricity trading just one hour and fifteen minutes before the sale, reducing waiting times.

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India allows Nepal to sell Electricity in Real Time Market



RENEWABLES



MNRE to Auction First Offshore Wind Site in February, 2024



Policy and Regulatory



CERC clarifies difficulties in Implementation of GNA Regulations, 2023



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- The ability to trade in real-time provides flexibility to respond to sudden shutdowns or increases in electricity generation. The spokesperson for the Nepal Electricity Authority (NEA) expects that other projects with day-ahead market approval will also be allowed to sell power in the RTM.
- Projects approved for selling power in the day-ahead market require annual renewals. Currently, Nepal exports 13,000 MW of electricity to India daily, and this development further strengthens energy cooperation between the two countries.



RENEWABLES

» MNRE TO AUCTION FIRST OFFSHORE WIND SITE IN FEBRUARY, 2024

- » Ministry of New & Renewable Energy (MNRE) intends to hold auctions for offshore wind sites in Tamil Nadu, with the National Institute of Wind Energy (NIWE) overseeing the process. Zone B is set to be tendered by February 1, 2023, while zones E and G will be auctioned in the upcoming financial year.
- » The bidding process for offshore wind projects will employ a two-envelope system, with the first envelope containing techno-commercial details and the second envelope specifying the site lease rental, set at a minimum floor price of ₹100,000 per square kilometre per year.
- » Developers will initially receive a five-year seabed area lease, with the possibility of a one-year extension on a case-by-case basis. During this lease period, developers are responsible for the entire project development process, including necessary studies and surveys.
- » Developers have the option to withdraw from the project during the lease period, provided they submit survey data to the National Institute of Wind Energy (NIWE) and forfeit a \$1 million bank guarantee for each site.





RENEWABLES

- NIWE will oversee project development progress during the lease period and offer a refund of a portion of the site allocation fee to developers who successfully commission projects on time. Upon commissioning, the lease will extend throughout the project's operational and decommissioning phases, with developers required to pay ₹100,000 per square kilometre per year in seabed lease rentals.
- Grid evacuation infrastructure, including the offshore substation, will be provided as part of the inter-state transmission system (ISTS) network by the Central Transmission Utility. Offshore wind power projects operational by December 31, 2032, will be exempt from ISTS charges and Additional Surcharge for the electricity they generate.
- MNRE is proposing to extend reduced customs duty rates for importing essential components used in offshore wind turbine production, aligning with benefits offered for onshore wind turbine manufacturing. Additionally, renewable energy credits with multiplier carbon credit benefits are proposed to be available for offshore wind projects.





» CERC CLARIFIES DIFFICULTIES IN IMPLEMENTATION OF GNA REGULATIONS, 2023

- » Central Electricity Regulatory Commission (CERC) has issued an order addressing concerns and seeking clarification on the implementation of GNA Regulations raised by the Central Transmission Utility of India (CTUIL) and renewable developers.
- » Some of the key issues raised by CTUIL are as follows:
 - » CTUIL requested clarification on issues related to processing connectivity, long-term access, and medium-term open access under the 2009 Regulations after April 5, 2023. CERC noted that power scheduling under the 2009 Regulations would continue until October 1, 2023, and allowed CTUIL to carry out necessary activities under these regulations during the interim period.
 - » CTUIL also highlighted challenges regarding the retention of bank guarantees under the 2009 Regulations versus submission of Conn-BGs (connectivity bank guarantees) under



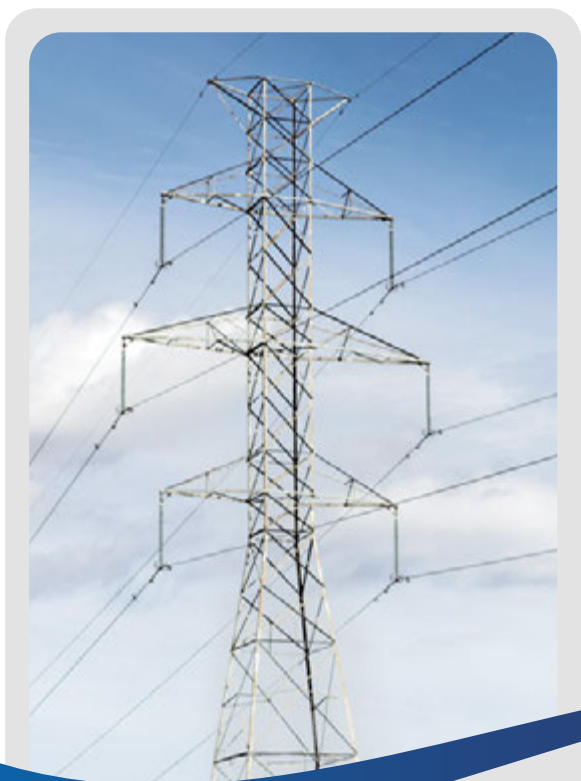
GNA Regulations. CERC clarified that for the transition period from April 5, 2023, to October 1, 2023, either the higher bank guarantee under the 2009 Regulations or the GNA Regulations would be considered compliant.

- » CTUIL raised concerns about Conn-BG requirements for entities covered under GNA Regulations, particularly in cases where a Conn-BG1 was already submitted under the 2009 Connectivity Regulations. CERC clarified that construction bank guarantees under the 2009 Regulations must be transformed into Conn-BG1 and Conn-BG2 under the GNA Regulations.



POLICY AND REGULATORY

- » CTUIL submitted concerns regarding Conn-BG3 requirements for generating stations connected to the intrastate transmission system, whose LTA was granted on a target basis. CERC stated that entities under Regulation 17.1(vi) of the GNA Regulations would be treated as per the stipulations outlined in Regulation 37.6 (2) of the GNA Regulations
- » CTUIL requested clarification on issues related to the advancement of terminal bays for start-up power or injection of infirm power. CERC emphasized that certain components of the Automatic Transmission System (ATS) may be required before the agreed-upon start date of connectivity.
- » CTUIL proposed the simplification of GNA bifurcation for entities indicating "within the region" and "from outside the region" due to scheduling complexities. CERC clarified that drawee Designated Interstate Customers (DICs) can request schedules from anywhere in India up to their GNA quantum without specifying "within" or "outside the region."
- » CTUIL suggested the bifurcation of GNA for states based on the proportionate GNA "from outside the region" and the need to ensure overall balance. CERC accepted CTUIL's proposal, allowing modifications within the deemed GNA capacity within the region to maintain balance.





POLICY AND REGULATORY

- » CTUIL requested an extension in processing new applications under GNA Regulations beyond the specified timelines. CERC extended the processing timeline for new applications received between April 5, 2023, and October 1, 2023, to ensure a smooth transition.
- » CTUIL sought clarification regarding connectivity by entities under Regulation 4.1 of the GNA Regulations, specifically renewable energy generating stations and developers. CERC noted that the power purchase agreement (PPA) signed by the procurer would be considered a valid document as per Regulation 5.8(xi) of the GNA Regulations.
- » CTUIL inquired about changing the location of entities under Regulation 4.1 of the GNA Regulations, specifically renewable energy projects, and the submission of land documents. CERC clarified that modifying the land location while keeping connectivity with the ISTS and the connectivity start date unchanged would be permissible.
- » CTUIL sought clarification on the requirement of Conn-BG3 following an order dated September 5, 2023. CERC stated that entities must still submit Conn-BGs as per the GNA Regulations, and the completion of five years from commissioning does not nullify this requirement.

