



## POWER PURCHASE

-  **KERC APPROVES TARIFF OF Rs. 3.57/KWH FOR TWO DELAYED ROOFTOP SOLAR PROJECTS**





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-  **SECI SEES RISE OF 15% YOY IN DISBURSEMENT TO SOLAR AND WIND PAYMENTS IN NOVEMBER, 2023**



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-  **AT&C LOSSES FOR DISCOMS DROPS TO 15.41% IN FY2023**





## POWER PURCHASE

### >> KERC APPROVES TARIFF OF Rs. 3.57/KWH FOR TWO DELAYED ROOFTOP SOLAR PROJECTS

- > Karnataka Electricity Regulatory Commission (KERC) ruled in favor of two rooftop solar consumers, granting them a tariff of Rs. 3.57/ kWh for net energy injected into the grid.
- > The consumers sought approval for two 1 MW rooftop solar projects from Bengaluru Electricity Supply Company (BESCOM).
- > BESCOM initially authorized an extension for commissioning the projects but unilaterally withdrew it, leading to a dispute.
- > The consumers questioned BESCOM's jurisdiction to alter terms without the Commission's approval and argued that the power purchase agreements (PPAs) were canceled without due process.
- > Despite acknowledging a delay in project commissioning, the consumers contended that the cancellation was premature and unjust.
- > BESCOM argued that the rooftop systems had violated construction norms by installing solar modules on ground-mounted structures.
- > KERC ruled that BESCOM lacked jurisdiction to alter guidelines without approval, but upheld the cancellation citing violations of construction norms.
- > KERC granted the consumers a reduced tariff of Rs. 3.57/kWh for net energy injected into the grid, contingent upon executing new PPAs within two months.



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 **RENEWABLES**

>> **SECI SEES RISE OF 15% YOY IN DISBURSEMENT TO SOLAR AND WIND PAYMENTS IN NOVEMBER, 2023**



- > Solar Energy Corporation of India (SECI) disbursed Rs. 907 Cr. to solar and wind power producers for energy purchased in November 2023.
- > The disbursement amount represents a 9% decline from October but reflects a 15% increase on a year-on-year basis.
- > Payments to solar and wind developers accounted for 96.5% of the total disbursements made by SECI in November.
- > SECI's total disbursement for the month amounted to Rs. 940 Cr.

- > Compensation of Rs. 13.45 Cr. was paid to a contractor involved in SECI's project executed by Tata Power Solar Systems.
- > Solar power developers received Rs. 11.58 Cr. as reimbursement for goods and services tax, safeguard duty, and basic customs duty claims under the annuity method.
- > Major beneficiaries of these reimbursements included Azure Power Forty-Three, Clean Solar (Bhadla), SB Energy Four, Azure Power India, and SBG Cleantech Projectco Five.
- > SECI disbursed Rs. 3.67 Cr. to contractors and service providers during the month.
- > Transmission charges amounting to Rs. 3.55 Cr. were paid to entities like Rajasthan Rajya Vidyut Prasaran Nigam, Madhya Pradesh Power Transmission Company, and Gujarat Energy Transmission Corporation.
- > Other disbursements included Rs. 68 lakhs for corporate social responsibility expenses and Rs. 16 lakhs for open access charges, with JSW Renew Energy Two being the sole beneficiary. Additionally, ₹1.09 million was reimbursed to power project developers against basic customs duty claims.



## POLICY & REGULATORY

### >> CERC ALLOWS COMPENSATION FOR RENEWABLE ENERGY DEVELOPER DUE TO RATE CHANGE IN GST

- > Central Electricity Regulatory Commission (CERC) allows a renewable energy developer, Ostro Energy, to claim compensation for financial impact due to a change in law events related to an increase in GST rates.
- > Ostro Energy, a subsidiary of ReNew Power Services, operates 50 MW wind energy projects and signed a PPA with SECI on October 25, 2019.
- > The Scheduled Commercial Operation Date for the project was April 18, 2021, and the GST rates changed from 5% to 12% effective October 1, 2021.
- > Ostro Energy filed a petition on June 12, 2022, seeking compensation for the financial impact caused by the GST rate increase. Respondents in the case are SECI and Uttar Pradesh Power Corporation (UPPCL).
- > The petition requested compensation either as a lump sum payment or through tariff increment, along with interest or carrying costs from the date of incurring the expense.
- > CERC determines that the change in GST rates constitutes a change in law event under Article 12 of the PPAs.
- > CERC decides that the discount rate and annuity period are appropriate for calculating change in law compensation to ensure it doesn't result in profit for the developer.
- > CERC specifies that Ostro Energy's liability for monthly annuity payment begins from the 60th day from the date of the order or the date of claim submission, whichever is later.
- > Ostro Energy is ruled eligible for carrying costs at the lowest of the actual interest rate paid, the rate of interest on working capital per renewable energy tariff regulations, or the late payment surcharge rate as per the PPA.





## POLICY & REGULATORY

### >> AT&C LOSSES FOR DISCOMS DROPS TO 15.41% IN FY2023

> Central Aggregate Technical and Commercial (AT&C) losses of distribution companies (DISCOM) in India decreased to 15.41% in FY 2022-23, down from 17% in the previous fiscal year.



> The Ministry of Power attributes this improvement to measures implemented under the Revamped Distribution Sector Scheme (RDSS), aimed at enhancing operational efficiencies and financial sustainability of DISCOMs.

> RDSS offers result-linked financial assistance to DISCOMs meeting basic benchmarks and pre-qualifying criteria, contributing to a reduction in AT&C losses.

> The Average Cost of Supply (ACS) and Average Revenue Realized (ARR) gap is positively impacted by the reduction in AT&C losses, benefiting end consumers with improved supply quality.

> The RDSS program aims to further reduce AT&C losses nationwide to 12-15% by FY 2024-25, with a target of eliminating the ACS-ARR gap by the same year.

> RDSS has an outlay of Rs. 3,650 Cr. over five years (FY 2021-22 to FY 2025-26), with Rs. 98,000 Cr. in estimated government budgetary support.

> Noteworthy interventions under RDSS include projects approved for prepaid smart metering, with 1,979 lakh prepaid smart meters, 52.2 lakh distribution transformer meters, and 188,491 feeder meters sanctioned, worth a total of Rs. 1,561 Cr. as of September 2023.