



POWER SECTOR

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POWER PURCHASE

» MNRE ALLOTS Rs. 515 CR. FOR A NEW SOLAR POWER SCHEME FOR TRIBAL AREAS

- > The Punjab State Electricity Regulatory Commission (PSERC) has approved a tariff of Rs. 2.36/kWh plus Solar Energy Corporation of India (SECI) trading margin of ₹0.07/kWh for the procurement of 300 MW of solar power by Punjab State Power Corporation (PSPCL).
- > The tariff was approved following a petition before the PSERC by PSPCL in response to the tender issued by SECI for 2,000 MW of Inter-State Transmission System (ISTS)-connected solar power projects under Tranche-IX.
- > SECI auction winners include Solarpack Corporacion Technologica, Avikiran Surya, AMP Energy Green, Eden Renewable Bercy, IB Vogt Singapore, Ayana Renewable Power, and ReNew Solar Power.
- > Central Electricity Regulatory Commission (CERC) had adopted a tariff of Rs. 2.37/kWh quoted by Avikiran Surya for 300 MW, and SECI was instructed to approach the CERC for tariffs on the remaining capacity.

POWER PURCHASE



- » PSERC APPROVES SOLAR TARIFF OF Rs. 2.36/kWh FOR PROCUREMENT OF 300 MW POWER FROM SECI

RENEWABLES



- » INDORE MAKING EFFORTS TO BECOME INDIA'S FIRST SOLAR POWERED CITY

Policy and Regulatory



- » MoP RELEASES ELECTRICITY (AMENDMENT) RULES, 2024



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- > **PSPCL** agreed to procure the 300 MW at Rs. 2.36/kWh plus trading margin on a long-term basis, with a condition that **PSPCL** would bear the maximum impact of Rs. 0.29/kWh in the event of any Change in Law due to **BCD** and **GST**.



- > **PSERC's** approval includes exemptions for **PSPCL** from bearing **ISTS** losses and charges, given the project's commitment to commissioning before June 30, 2025.
- > In case **SECI** does not provide the escrow arrangement or irrevocable, unconditional and revolving letter of credit to the solar generators, the trading margin shall be limited to Rs. 0.02/kWh.



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» INDORE MAKING EFFORTS TO BECOME INDIA'S FIRST SOLAR POWERED CITY

- > Indore aims to become India's first solar-powered city within **11** months.
- > The Hon'ble Principal Secretary (Energy), Madhya Pradesh announced the ambitious timeline after a high-level meeting chaired by Hon'ble Mayor of Indore.
- > The immediate plan includes installing **25,000 to 30,000** rooftop solar systems in the next three months.
- > All government buildings will be mandated to install solar systems, utilizing increased subsidies and anticipated financial rebates from the central government.
- > The Hon'ble Mayor of Indore expressed confidence in the community's ability to exceed expectations, citing a history of meeting targets ahead of schedule.
- > West Discom Managing Director outlined plans to connect **25,000** existing electricity consumers with the rooftop solar net meter scheme in the next three months.
- > Solar panels will be installed on **1,400** government buildings in the city.
- > An incentive program was introduced, offering a **6%** rebate in fees for building maps to Indore residents installing solar systems on rooftops exceeding **1,500** square feet.





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POLICY AND REGULATORY

» MOP RELEASES ELECTRICITY (AMENDMENT) RULES, 2024

- > On 10th January 2024, the Ministry of Power notified the Electricity (Amendment) Rules, 2024, which further amended the Electricity Rules, 2005.
- > The New Amended Rules mainly inserting new Rules 21, 22 and 23, and renumbered the earlier Rule 21 as Rule 24.
- > As per new Rule 21, generating companies, captive plants, Energy Storage System, or consumers with load ≥ 25 MW for ISTS, and ≥ 10 MW for InSTS are exempt from obtaining a license for establishment, operation and maintenance of dedicated transmission lines if they comply with specified regulations and technical standards.
- > The new Rule 22 prescribed Open Access Charges.



(1) Wheeling Charges:

Wheeling Charges = $\frac{\text{Annual Revenue Requirement towards wheeling}}{\text{Energy wheeled during the year}}$

- (2) Charges for using network of State Transmission Utilities (STUs): Charges for consumers with short-term open access or Temporary-General Network Access (GNA) on the STU network shall not exceed 110% of the charges imposed on consumers with long-term open access or GNA.
- (3) Additional Surcharge: Additional Surcharge for open access consumers is capped at the per-unit fixed cost of power purchase, with a linear reduction over four years for those availing GNA or open access.



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POLICY AND REGULATORY

- > **Additional Surcharge** is not applicable for open access consumer to the extent of contract demand being maintained with the distribution licensees. Also, **Additional Surcharge** applicable only for the open access consumers who are or have been consumers of the concerned distribution licensee.
- > The new **Rule 23** provided that tariffs must be cost reflective, and any gap between approved **Annual Revenue Requirement** and estimated annual revenue from approved tariff, not exceeding three percent, must be addressed.
- > The shortfall, along with **Late Payment Surcharge** carrying costs, will be liquidated in a maximum of **3** yearly instalments for new gaps, or **7** yearly instalments for existing gaps, starting from the next financial year. However, the rule does not apply in case the gap is due to natural calamity conditions.

