

## ⚡ POWER SECTOR



### POWER PURCHASE

#### » CERC APPROVES TARIFF OF Rs. 2.60/kWh FOR SOLAR PROJECTS FROM SECI

- > The Central Electricity Regulatory Commission (CERC) has approved a tariff of Rs. 2.60/kWh for 600 MW of solar power projects from the Solar Energy Corporation of India Limited (SECI).
- > Additionally, the CERC sanctioned a trading margin of Rs. 0.07/kWh for SECI.
- > The SECI had filed a petition under Section 63 of the Electricity Act, 2003, seeking tariff adoption for the 600 MW solar projects (Tranche-XI) connected to the Inter-State Transmission System (ISTS).
- > Respondents included SAEL Industries, SAEL Solar MHP1, SAEL Solar MHP2, and Gujarat Urja Vikas Nigam (GUVNL).
- > The SECI conducted an e-reverse auction resulting in six bidders being awarded 2,000 MW, with SAEL solar MHP1, SAEL solar MHP2, and GUVNL signing separate Power Purchase Agreements (PPAs) for 600 MW each at Rs. 2.60/kWh.
- > Projects are slated for commissioning in FY 2024-25.
- > The SECI had requested prompt tariff adoption to circumvent ISTS charges due to any delay.

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- > Both the GUVNL and the SAEL Industries voiced no objections to the CERC's tariff adoption.
- > The CERC affirmed tariff adoption based on transparent bidding, complying with the Ministry of Power guidelines, endorsing the agreed tariffs in executed PPAs and Power Sale Agreements.
- > SECI retained the option to approach CERC for tariff adoption concerning the remaining capacity once agreements are finalized.







## RENEWABLES

### » INDIA LAUNCHES AMBITIOUS INR 75,000 CRORES 'PM SURYA GHAR: MUFT BIJLI YOJANA' FOR ROOFTOP SOLAR REVOLUTION

- > The Indian Government announced a new program, 'PM Surya Ghar: Muft Bijli Yojana', with a budget of approximately INR 75,000 Crores to install rooftop solar systems on 1 Crore households.
- > The Prime Minister, Shri Narendra Modi, stated that the program aims to reduce electricity costs for poor and middle-class households and promote self-reliance in energy.



- > The program offers significant subsidies and concessional bank loans, ensuring no cost burden on the beneficiaries.
- > Subsidies provided include INR 30,000 per kW for systems over 2 kW up to 3 kW, with a subsidy cap of INR 78,000 for larger projects.
- > The initiative replaces an existing rooftop solar scheme by the Ministry of New and Renewable Energy (MNRE), which will soon release detailed guidelines for the new program.
- > Urban Local Bodies and Panchayats will be incentivized to promote the adoption of rooftop solar systems.





## RENEWABLES

- > Central Public Sector Undertakings (CPSUs) will play a key role in installing these systems at no upfront cost to residents, benefiting from a 60% subsidy.
- > Households participating in the program will receive up to 300 units of free electricity monthly for ten years, with any surplus electricity revenue helping repay the CPSU's loan.
- > After ten years, households can earn income from surplus electricity for another 15 years or the system's lifespan, aiming to boost residential solarisation efforts in India.
- » **MNRE TEMPORARILY HOLDS ALMM REGULATION AMID INDUSTRY UNCERTAINTY AND CALLS FOR CLARIFICATION**
  - > The MNRE has temporarily suspended the re-imposition of the Approved List of Models and Manufacturers (ALMM) Regulation, initially set to be enforced from April 1, 2024.
  - > The suspension follows ambiguity and concerns raised by stakeholders regarding the definition of 'advanced stages of construction' for solar projects eligible for exemptions under the ALMM Regulation.
  - > Exemptions from the ALMM were to be granted to solar projects in advanced stages of construction that had placed module orders before March 31, 2024, as well as to projects under open access solar, and rooftop solar projects without subsidy.
  - > The ALMM Regulation, when in effect, applies to all government-subsidized solar projects, and projects meant for consumption by the government, its agencies, or distribution companies.
  - > The MNRE's decision to put the order in abeyance came after the industry expressed a need for further clarification and detailed guidelines regarding the ALMM Regulation.
  - > Despite the current suspension, the MNRE last month expanded the ALMM to include an additional 64 MW of solar module capacity, bringing the total to 22,191 MW across 72 module manufacturers.







## POLICY AND REGULATORY

### » GOVERNMENT INTRODUCES SCHEME GUIDELINES FOR PILOT PROJECTS ON USE OF GREEN HYDROGEN IN TRANSPORT SECTOR



- > The MNRE has issued guidelines for pilot projects as part of the National Green Hydrogen Mission.
- > Pilot projects aim to use green hydrogen in the transport sector, taking advantage of decreasing costs of renewable energy and electrolyzers.
- > The budget for the scheme is INR 4.96 billion until 2025-26.
- > The focus of the projects is on developing technologies for buses, trucks, and 4-wheelers with fuel cell or internal combustion engine propulsion.
- > The initiative also includes establishing hydrogen refueling stations.
- > The goal is to make vehicles powered by green hydrogen cost-competitive.
- > The scheme supports innovative uses of hydrogen, such as blending with methanol/ethanol and other synthetic fuels, to reduce carbon emissions.





## » **MINISTRY OF POWER RELEASES THE DRAFT ELECTRICITY (THIRD AMENDMENT) RULES, 2024**

- > The Ministry of Power (MoP) has issued the draft Electricity (Third Amendment) Rules, 2024.
- > The existing Rule 19 of the Electricity Rules, 2003, as amended from time to time, deals with the implementation of Uniform Renewable Energy Tariff for Central Pool.
- > Through the draft Third Amendment, the MoP has proposed to substitute Rule 19(1)(a) with the following -  
"(a) The Central Government may notify a distinct central pool for different categories of Renewable Energy Sources. The duration of each central pool shall be three years from the date of commencement as notified by the Central Government."
- > The proposed new Rule 19(1)(a) mainly reduces the duration of central pool from the existing five years to three years.
- > The MoP is seeking comments on the draft Third Amendment by 29th February, 2024.

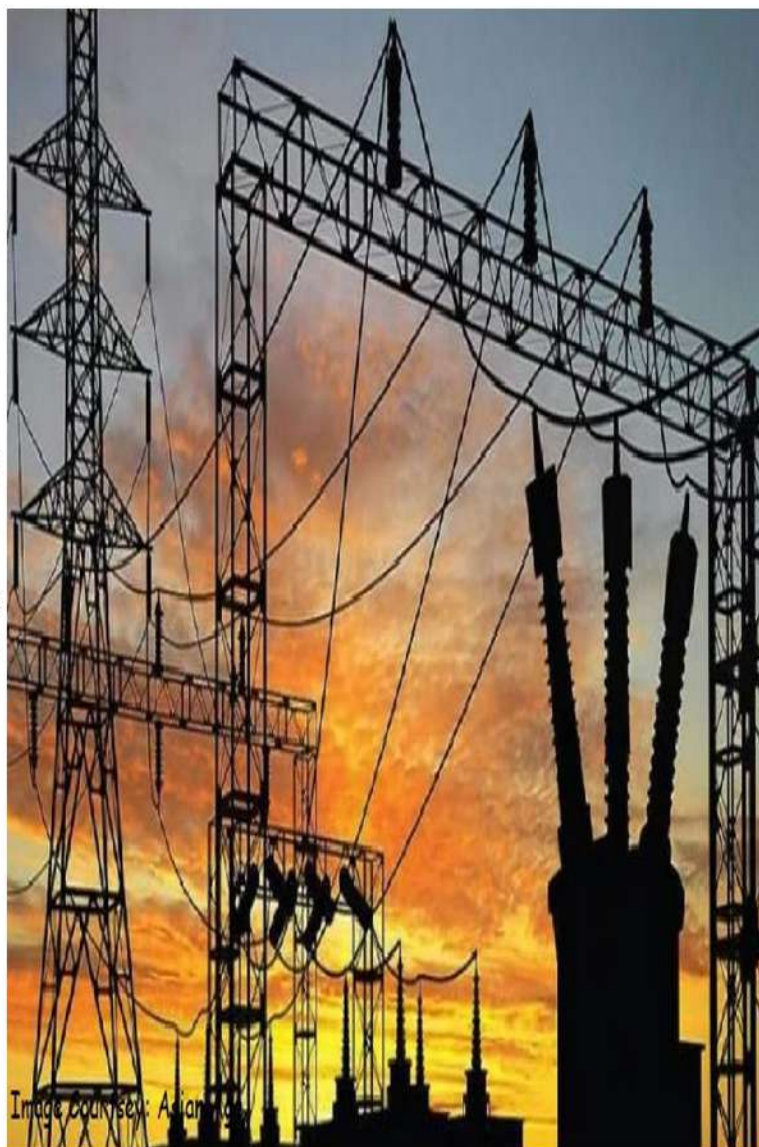


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