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Power Purchase

» Coal based generation in India grows by 10%, while coal blending drops by 36.69%

> India has experienced a commendable 6.60% growth in power generation from April to January 2024 compared to the corresponding period in the previous year.

> Particularly striking was the notable 10.06% growth in coal-based power generation during this period, highlighting its significant role in meeting the nation's energy demands.

> Despite surging power demand, coal import for blending witnessed a significant decrease of 36.69% to 19.36 million metric tons (MT) during Apr'23-Jan'24 from 30.58 MT in the corresponding period of the previous year.

> This decrease underscores India's steadfast commitment to achieving self-reliance in coal production and minimizing overall coal imports, a vital step towards enhancing energy security.

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mercados ENERGY MARKETS INDIA

POWER SECTOR

POWER PURCHASE

- Power generation in India is diversified across conventional (Thermal, Nuclear, and Hydro) and renewable sources (Wind, Solar, Biomass, etc.), with coal remaining the predominant source contributing over 70% to the total power generation.
- Coal-based power generation plays a pivotal role in meeting India's burgeoning energy demands, driven by industrial expansion, technological advancements, and economic development.
- The Ministry of Coal has persisted in its relentless efforts to augment coal production further, aiming to enhance availability and reduce dependence on imported coal.
- This strategic approach not only safeguards foreign reserves but also bolsters the nation's energy security, ensuring a sustainable and robust energy infrastructure for India's growing economy.

Power Purchase

» MERC Approves Tata Power's Competitive Tariffs for 225 MW Wind-Solar Hybrid Power to Meet Renewable Obligations

> The Maharashtra Electricity Regulatory Commission (MERC) approved Tata Power Company - Distribution's (TPC-D) tariffs for procuring 225 MW of wind-solar hybrid power, with an option for an additional 150 MW under the 'Greenshoe' option.

> The approved tariffs are ₹3.27/kWh and ₹3.28/kWh, discovered through competitive bidding, aimed at meeting TPC-D's renewable purchase obligations (RPO).

> In November 2022, the MERC had allowed TPC-D to bid for 225 MW of hybrid renewable power. The tender was floated on June 26, 2023.

> The e-reverse auction on September 5, 2023, resulted in Juniper Green Energy (JGEPL) being awarded 75 MW at ₹3.27/kWh and Tata Power Renewable Energy (TPREL) 150 MW at ₹3.28/kWh.

> TPREL offered an additional 150 MW under the Greenshoe option at ₹3.27/kWh, which was approved by the MERC after TPC-D filed a petition for the adoption of these tariffs.

> The MERC's approval was based on the competitive bidding process being transparent and the discovered tariffs being lower than recent wind-solar hybrid power tariffs and TPC-D's approved power purchase costs.

> The MERC also directed TPC-D to sign power purchase agreements (PPAs) with JGEPL and TPREL.

> Additionally, the MERC ordered compensation for TPGEL due to GST rate hikes and directed reimbursement to Imagica World Entertainment for excess demand penalty charges due to renewable energy open access levies.

RENEWABLES

» DERC issues the draft DERC (Peer to Peer Energy Transaction) Guidelines, 2024

> On 26th February 2024, the Delhi Electricity Regulatory Commission (DERC) issued the draft DERC (Peer to Peer Energy Transaction) Guidelines, 2024 aiming to promote renewable energy adoption and offer additional income opportunities for consumers.

> Applicable to prosumers and consumers with a sanctioned load of up to 200 kW, the draft guidelines allow renewable energy transactions limited to 500% of their sanctioned load.

> Participation in peer-to-peer transactions mandates the installation of time-of-day compliant energy meters or smart meters, regulated by the DERC guidelines.

> Submission of energy transaction schedules at least eight time blocks in advance is required, with no rescheduling beyond this limit. Prosumers are limited to transacting up to 20% of their installed renewable energy system's capacity per day.

> Billing follows the distribution licensee's cycle, with service providers using meter data on a time block basis. Payments include transacted energy, service provider transaction charges, and energy supplied by the distribution licensee.

> Outstanding payments must be cleared by the due date, or participants risk deactivation from the peer-to-peer platform. Non-payment for energy supplied by the distribution licensee may result in actions per the DERC regulations.

Peer to peer energy

RENEWABLES

- Billing-related disputes are addressed by the consumer grievance redressal forum. Until March 31, 2026, specific charges are waived for renewable energy systems involved in peer-to-peer transactions, subject to the commission's decision.
- The distribution licensee covers the capital expenditure for network augmentation related to renewable energy systems registered under peer-to-peer transactions.
- Electricity produced under these guidelines contributes to meeting the RPO requirements for the distribution licensee, if the prosumer is not obligated.
- Stakeholders may submit their comments or suggestions on the draft Guidelines to the DERC by 27th March, 2024.

POLICY AND REGULATORY

Ministry of Power notifies Electricity (Rights of Consumer) Amendment Rules, 2024.

- On 22.02.2024, the Ministry of Power (MoP) amended the Electricity (Rights of Consumers) Rules, 2020 through the Electricity (Rights of Consumers) Amendment Rules, 2024.
- Several key changes introduced through the Amendment are as follows:
  - New definitions for "Owner" and "Resident Welfare Association" (RWA) have been incorporated into the amended rules.

Policy And Regulatory

- Specific time frames for processing new connection applications have been outlined, with special considerations provided for rural areas in States and Union Territories with hilly terrain.
- The distribution licensee is mandated to offer either a single point connection for the RWA or individual connections for each owner, based on the majority choice of house or flat owners within the association.
- Upon request from a RWA, flat or house owner, or any other consumer, the distribution licensee is obligated to provide a separate connection for the supply of electricity for Electric Vehicle charging systems.
- A waiver has been granted for the mandatory technical feasibility study for systems with a capacity of up to 10 kW. For systems exceeding 10 kW, the time allocated for completing the feasibility study has been reduced from twenty days to fifteen days. If the feasibility study is not concluded within the stipulated time, the approval will be automatically deemed to have been granted.

- In cases where consumer's express concerns about meter readings not aligning with their actual electricity consumption, distribution licensees are now obliged to install an additional meter within five days of receiving the complaint. This additional meter will be utilized to verify consumption for a minimum period of three months, providing consumers with assurance and ensuring accuracy in billing.

POWER SECTOR

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POLICY AND REGULATORY

MINISTRY OF POWER NOTIFIES THE ELECTRICITY (LATE PAYMENT SURCHARGE AND RELATED MATTERS) (AMENDMENT) RULES, 2024

> The MoP has notified the Electricity (Late Payment Surcharge and Related Matters) (Amendment) Rules, 2024, with the aim of optimizing the use of available power generation capacity.

> This notification marks a modification to the existing Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, implemented by the Government.

> Key amendments are as follows:

- **Utilization of Surplus Power:**
Generators are now required to make surplus power available in the power exchange or face forfeiture of fixed charges for that capacity.

- **Price Cap on Surplus Power:**
The sale of surplus power is now subject to a price cap, limiting it to not exceed 120% of the energy charge + transmission charge in the power exchange.

- **Expedited Grid Access Restoration:**
Distribution companies experiencing payment defaults can now expect faster restoration of grid access upon settling their outstanding dues.