POWER SECTOR

NEWSLETTER | WEEK 14| APR 24

POWER PURCHASE

IEX MARKET UPDATE FOR MARCH 2024

- Renewable energy trading on the Indian Energy Exchange (IEX) during FY 2024 decreased by 38% YoY to 3,227 MU.
- In March 2024, renewable energy trading on IEX increased by 9% YoY to 426 MU and by 42% MoM compared to February 2024.
- Total energy transaction volume on IEX for FY 2024 reached 110 BU, up by 13.8% YoY, with electricity transactions accounting for 101.7 BU, marking a 12% YoY increase.
- Sell-side liquidity on the Exchange improved by 16.9% YoY, leading to a 12% YoY reduction in Day-Ahead Market (DAM) prices, from □5.94/kWh in FY23 to □5.24/kWh in FY24.
- IEX saw a total trading volume of 30.1 BU in Q4 FY24, up by 15.7% YoY, with conventional power market segment contributing 25.9 BU.
- Market Clearing Price in the Day Ahead Market for March 2024 decreased by 28% YoY to ₹3.91/kWh due to increased sell bids.

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NEWSLETTER | WEEK 14| APR 24

POWER PURCHASE

> The green energy market on IEX includes Green Day-Ahead Market (G-DAM) and Green Term-Ahead Market (G-TAM), achieving 885 MU and 16 MU respectively in Q4 FY24.

> Renewable Energy Certificates (RECs) trading volume increased significantly, with 7,539 MU traded in FY24, up by 26% YoY.

> Energy Saving Certificates (ESCerts) trading volume for FY24 was 855 MU, traded at ₹1,840/ESC.

> Electricity Market (DAM, Term-Ahead, Real-Time Market) volumes increased across segments in FY24, with DAM achieving 53,353 MU, Real-Time Market achieving 30,125 MU, and Term-Ahead Market achieving 14,944 MU.

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NEWSLETTER | WEEK 14| APR 24

RENEWABLES

MNRE Imposes ALMM Regulation, Removes Exemptions for Open Access and Rooftop Solar Projects

- The Ministry of New and Renewable Energy (MNRE) has implemented the Approved List of Models and Manufacturers (ALMM) regulation starting April 1, 2024.
- The new notification removes exemptions for projects under open access and rooftop solar by private parties, previously announced in a February order.
- MNRE did not provide clarifications on the exemptions but stated that the ALMM order 2019, held in abeyance for the financial year 2023-24, will come into effect on April 1, 2024.
- This removal of exemptions surprises industry stakeholders who expected continued relaxation as promised in the February directives.
- For projects with solar modules received by March 31, 2024, but unable to be commissioned due to reasons beyond the developer's control, the ministry will examine them separately.
- The pipeline of open-access solar projects is reported at 14 GW as of December 2023, according to Industry Report.
- The ALMM reimposition order was first issued in February 2024 with exemptions for projects in advanced stages, open access/captive projects, and non-subsidized rooftop solar projects.
- However, the order was later kept in abeyance due to ambiguity around the definition of 'advanced stages of construction.'
- MNRE recently added 3,501 MW of new solar module capacity to the ALMM, increasing cumulative module manufacturing capacity in the list to 37,421 MW, with a total of 81 module manufacturers now listed.

POWER SECTOR

NEWSLETTER | WEEK 14| APR 24

RENEWABLES

Telangana Electricity Regulatory Commission Rejects Grid Support Charges for Rooftop Solar, Sets New Guidelines

- Telangana State Electricity Regulatory Commission (TSERC) rejects imposition of Grid Support Charges (GSC) on rooftop solar installations.
- GSC only to be applied to captive power plants for power utilized by the co-located load.
- Retail supply tariffs for FY 2023-24 already set; GSC not determined for that year.
- State distribution companies (DISCOMS) instructed to submit request for GSC determination for FY 2024-25.
- GSC calculation: Power consumed by co-located load x Rate of GSC (/kW/month) at 15.50 per kW per month.
- DISCOMS had proposed GSC based on Andhra Pradesh methodology, referred matter to Grid Coordination Committee (GCC) for analysis.
- GCC analyzed impact of captive power plants connecting to grid, referred matter back to Commission due to changes in GSC methodology.
- Commission's analysis emphasizes benefits of grid network for reliability, operational flexibility, voltage regulation, and system stability.
- GSC not applicable to captive power plants not co-located, independent power producers, rooftop solar installations, and generators with power purchase agreements with Telangana DISCOMS.
- Rationale includes avoiding levying GSC on capacity sold to third parties and recent draft regulations allowing green energy open access for consumers with contracted demand of 100 kW or higher.

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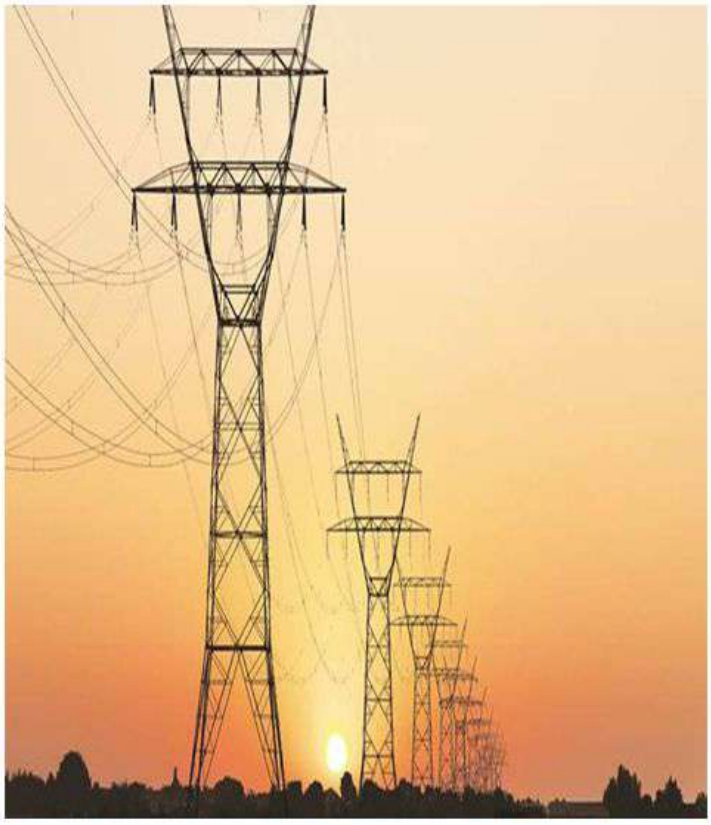
NEWSLETTER | WEEK 14| APR 24

POLICY AND REGULATORY

TELANGANA STATE ELECTRICITY REGULATORY COMMISSION (TSERC) NOTIFIES (TERMS AND CONDITIONS OF OPEN ACCESS), REGULATION, 2024

- Telangana State Electricity Regulatory Commission (TSERC) has notified TSERC (Terms and Conditions of Open Access), Regulation, 2024.
- As per the TSERC (Terms and Conditions of Open Access), Regulation, 2024, consumers with a contracted or sanctioned load of 100 kW or more, inclusive of those who consolidate multiple connections to reach a cumulative load of 100 kW within the same electricity division of a power discom, are eligible for procuring power through green energy open access (GEOA).
- These regulations align with the GEOA regulations introduced by the Ministry of Power in June 2023. The consumer's duration of utilization of the intra-state transmission and/or distribution system determines their open access category (long-term – ranging from 7 to 25 years, medium-term – between one month to seven years, short-term – for less than a month).
- Applicants seeking GEOA must submit a comprehensive application via the central portal. Units earmarked for captive use have their consumption evaluated based on the net electricity generated by the power station, which is computed annually at the end of each year.



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NEWSLETTER | WEEK 14| APR 24

POLICY AND REGULATORY

MoP directed power plants to strategize for ensuring electricity supply during summer months

- The Ministry of Power (MoP) has advised thermal power plants to undertake proactive planning for electricity generation and to refrain from scheduling maintenance activities during the upcoming summer season, owing to the anticipated surge in energy demand.
- This guidance follows the Meteorological Department's projection of severe heat conditions expected from April to June, with peak demand projected to reach 260 GW, surpassing last year's peak of 243 GW.
- Emphasizing the necessity of zero load shedding during the summer period, MoP & MNRE urged stakeholders to ensure adequate planning to avert power shortages in any state.
- Furthermore, considering the electricity supplied by imported coal-based power plants, the directive may remain in effect until September 30, 2024, as stated by the MoP.