



POWER SECTOR

NEWSLETTER | WEEK 22 | MAY 24



POWER PURCHASE

- » **NTPC HAS PROPOSED CONSOLIDATING ITS ENTIRE POWER CAPACITY FOR SALE TO DISTRIBUTION COMPANIES, POTENTIALLY SIMPLIFYING SUPPLY LOGISTICS**
 - > NTPC Ltd has sent a letter to the power ministry suggesting the aggregation of its "total capacity" for the sale of electricity to distribution companies, as per sources familiar with the matter.
 - > Power purchase agreements (PPAs) with some distribution companies are signed in stages of commissioning and each stage is a separate entity for tariff and scheduling purpose.
 - > NTPC's proposal aims to eliminate this stage-wise restriction, allowing the company to sell power from any station to distribution companies.
 - > If this proposal approved, the stations could have a somewhat average capacity charge because states that are paying a lower rate could pay slightly more, while those paying higher may benefit.
 - > According to another source, allocating power supply to distribution companies on a company-specific basis could enhance reliability. This approach would ensure consistent supply even during planned or forced unit shutdowns, as any capacity reduction would be spread across a larger base.



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RENEWABLES

- » **GAIL HAS INAUGURATED A 10 MW GREEN HYDROGEN PLANT IN MADHYA PRADESH**



Policy and Regulatory

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RENEWABLES

» GAIL HAS INAUGURATED A 10 MW GREEN HYDROGEN PLANT IN MADHYA PRADESH

- > GAIL (India) Ltd has commissioned its first green hydrogen plant in Vijaipur, Madhya Pradesh, marking a significant move into new energy by the nation's largest natural gas transmission and distribution company.
- > The plant has a capacity to produce 4.3 TPD (tons per day) of hydrogen using 10 MW PEM (Proton Exchange Membrane) Electrolyzer units powered by renewable energy, with hydrogen purity reaching 99.999% and produced at a pressure of 30 Kg/cm².
- > Initially, the hydrogen will be utilized alongside natural gas for internal processes within the existing Vijaipur plant, with future plans for retail distribution in nearby areas via high-pressure cascades.
- > GAIL is also establishing approximately 20 MW solar power plants, including both ground-mounted and floating, at Vijaipur to meet the green power requirement for the 10 MW PEM Electrolyzer.





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POLICY AND REGULATORY

» GERC MANDATES THAT POWER COMPANIES MUST REIMBURSE SOLAR DEVELOPERS FOR ANY OVERCHARGES

- > Gujarat Electricity Regulatory Commission (GERC) has mandated Uttar Gujarat Vij Company, Gujarat Energy Transmission Corporation and the Energy and Petrochemicals Department to reimburse excessively charged amounts to solar developers.
- > The reimbursement is related to various billing elements such as cross-subsidy surcharge, additional surcharge, wheeling charges, wheeling losses, transmission charge, transmission loss, and handling of surplus energy.
- > GERC ruled that developers are eligible for relief due to delays caused by Gujarat power entities and the COVID-19 pandemic.
- > Petitioners, including Arka Energy, Aditya Energy, Asandas and Sons, and Sainest Tubes, filed petitions seeking compliance with the Gujarat Solar Policy, 2015, and the GERC order of 2015.
- > Disputes arose over charges like cross-subsidy surcharge, additional surcharge, and wheeling losses on energy supplied from solar projects to consumption sites.



- > Delays in equipment procurement and installation were attributed to reasons including COVID-19 pandemic-related issues and lockdown restrictions.
- > The solar project was commissioned on August 7, 2020, after overcoming various challenges.
- > Petitioners sought refunds for undelivered equipment payments, citing government memorandums on project commissioning extensions and policy amendments.
- > They also requested refunds for excessive billings and repayment of dues with interest to various developers.