



POWER SECTOR

NEWSLETTER | WEEK 26 | JUNE 24



POWER PURCHASE

- **JSW ENERGY SECURES POWER PURCHASE AGREEMENTS (PPAs) FOR WIND AND SOLAR PROJECTS**
 - JSW Neo Energy Limited, a subsidiary of JSW Energy, has secured power purchase agreements (PPAs) for wind and solar projects totaling 1,325 MW.
 - This includes a 1,025 MW wind PPA with the Solar Energy Corporation of India (SECI) and a 300 MW solar PPA with Gujarat Urja Vikas Nigam Limited (GUVNL).
 - The 1,025 MW wind PPA has a tariff of Rs 3.62 per kWh and is contracted for a duration of 25 years.
 - The wind projects will be executed by JSW Renew Energy Eight in Gujarat and JSW Renew Energy Four in Karnataka, with an expected commissioning within 24 months.
 - The 300 MW solar PPA with GUVNL is at a tariff of Rs 2.66 per kWh and also spans 25 years.
 - The solar project will be developed by JSW Renew Energy Ten at Gujarat State Electricity Corporation Limited's renewable energy park at Khavda (GSECL Stage-3) in Gujarat, scheduled for commissioning within 21 months.



POWER PURCHASE



JSW ENERGY SECURES POWER PURCHASE AGREEMENTS (PPAs) FOR WIND AND SOLAR PROJECTS



RENEWABLES



L&T HAS SECURED A SOLAR PROJECT OF 185 MW COUPLED WITH 254 MWH OF ENERGY STORAGE IN BIHAR



Policy and Regulatory



MERC HAS APPROVED COMPENSATION FOR A RENEWABLE ENERGY DEVELOPER DUE TO A CHANGE IN GST RATES



DERC HAS RELEASED GUIDELINES FOR PEER-TO-PEER ELECTRICITY TRANSACTIONS. (JUNE 27)



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RENEWABLES

➤ L&T HAS SECURED A SOLAR PROJECT OF 185 MW COUPLED WITH 254 MWH OF ENERGY STORAGE IN BIHAR

- Larsen & Toubro (L&T) has secured an order to construct a 185 MW solar power project with a 254 MWh battery energy storage system (BESS) in Bihar's Lakshisarai district from Bihar State Power Generation Company (BSPGCL).
- The project tender was issued in December last year, specifying that the BESS must provide a maximum power output of 45.4 MW for four hours.
- 80% of the solar power generated will be injected directly into the grid, while 20% will be used to charge the BESS.
- The project aims to support Bihar's renewable energy strategy, meet increasing energy demands, and combat climate change.
- The BESS will optimize energy use by storing surplus solar energy during off-peak hours and releasing it during peak demand, stabilizing power generation fluctuations, regulating frequency, and providing voltage support to the grid.
- The system's black start capability ensures quick re-energization after outages, enhancing grid reliability.
- L&T, known for its expertise in EPC projects, advanced manufacturing, and services, recently secured another contract for a 100 MW floating solar power project at Getalsud Dam in Ranchi, Jharkhand, from the Solar Energy Corporation of India.





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POLICY AND REGULATORY

» MERC HAS APPROVED COMPENSATION FOR A RENEWABLE ENERGY DEVELOPER DUE TO A CHANGE IN GST RATES

- > The Maharashtra Electricity Regulatory Commission (MERC) ruled in favor of TP Saurya (TPSL), a Tata Power Renewable Energy subsidiary, acknowledging the increase in GST rates as a "Change in Law" event affecting its 300 MW wind-solar hybrid power project.
- > This ruling permits TPSL to claim compensation to mitigate the financial impact caused by the GST rate hike.
- > TPSL secured the project through a competitive bidding process conducted by Maharashtra State Electricity Distribution (MSEDCL) for procuring 500 MW of wind-solar hybrid power in 2021, quoting a tariff of 2.62 INR/kWh.
- > On September 30, 2021, the Ministry of Finance raised the GST rate on renewable energy devices from 5% to 12%.
- > Initially, MERC declined to adopt the discovered tariff, but after TPSL's review petition, the Commission revised the tariff to 2.56 INR/kWh on July 7, 2022. Accordingly, power purchase agreement (PPA) signed between TPSL and MSEDCL on August 3, 2022.
- > TPSL issued a Change in Law notice to MSEDCL on August 12, 2022, regarding the GST rate increase, which MSEDCL opposed.
- > MERC rejected MSEDCL's argument that the GST impact was factored into the discounted tariff, asserting that it would alter PPA conditions post-bidding.
- > The Commission determined the GST rate hike met PPA conditions for a Change in Law event occurring after the bid submission deadline.
- > TPSL is authorized to seek compensation for increased costs due to the GST change, pending a separate petition after project commissioning.
- > Earlier, the Central Electricity Regulatory Commission also permitted compensation claims for GST-related Change in Law events by renewable energy developers.





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DERC HAS RELEASED GUIDELINES FOR PEER-TO-PEER ELECTRICITY TRANSACTIONS. (JUNE 27)

- > The Delhi Electricity Regulatory Commission (DERC) has issued guidelines for secure peer-to-peer (P2P) transactions, allowing prosumers and consumers to sell and purchase electricity directly.
- > Delhi's distribution companies (DISCOMS) filed a petition to determine charges for enabling these transactions, which the Commission addressed through its guidelines.
- > Eligibility for participating in P2P transactions applies to prosumers and consumers with sanctioned loads or contract demands up to 200 kW or equivalent KVA.
- > The renewable energy system installed at a prosumer's end must not exceed 500% of their sanctioned load capacity.
- > Participants can switch between virtual net metering, group net metering, and P2P transactions once per financial year, with termination of previous agreements required.
- > Time-of-day compliant energy meters or smart meters are mandatory for participants, and metering follows DERC regulations.
- > Registration involves technical feasibility checks by DISCOMS within specific timelines, with resubmission and acceptance protocols defined.
- > Scheduling for P2P transactions requires submission at least 8 time blocks in advance, with restrictions on rescheduling.





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- > Billing syncs with DISCOMS' cycles, utilizing meter data for accurate energy accounting and billing.
- > Charges such as wheeling, banking, and cross-subsidy are exempted for renewable energy systems under P2P transactions until March 31, 2027, with capital expenditures covered by DISCOMS.
- > Electricity generated under these guidelines contributes towards Renewable Purchase Obligation (RPO) compliance for DISCOMS.
- > In Karnataka, plans are underway for P2P solar energy trading using blockchain technology, enabling consumers to become prosumers by installing rooftop solar modules and directly selling excess power.

