



# POWER SECTOR

NEWSLETTER | WEEK 35 | AUG 24



## POWER PURCHASE

### » ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION (APERC) ISSUED KEY ORDER FOR RENEWABLE ENERGY PROJECTS

- > The Andhra Pradesh Electricity Regulatory Commission (APERC) has issued a key order addressing deemed generation losses for renewable energy projects in the state.
- > The order specifically affects solar and wind power projects that have suffered losses in power generation due to grid unavailability or other interruptions.
- > Deemed generation losses refer to situations where power generation is disrupted due to factors outside the control of renewable energy producers, such as grid outages or curtailments. The order sets guidelines for compensation and responsibility for these losses.
- > This decision is significant for renewable energy producers in Andhra Pradesh as it specifies the conditions under which they can claim compensation for generation losses caused by grid issues.
- > The APERC order provides clarity on how such losses will be treated, offering support to solar and wind developers facing production interruptions due to grid-related challenges.



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- ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION (APERC) ISSUED KEY ORDER FOR RENEWABLE ENERGY PROJECTS



## RENEWABLES

- CABINET APPROVES Rs 41.36 BILLION CFA FOR 15,000 MW HYDRO PROJECTS IN NER
- JSW ENERGY SIGNS PPA WITH BESCO FOR 300 MW SOLAR POWER PROJECT



## Policy and Regulatory

- NCT RECOMMENDS PROJECTS WORTH Rs 225.4 BILLION FOR MoP'S APPROVAL
- MoP ISSUES DRAFT GUIDELINES FOR TBCB FOR PROCUREMENT OF STORAGE CAPACITY FROM PSP





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- > The order outlines a clear method for determining the compensation owed to power producers. It considers factors such as the duration of grid outages, the capacity of the affected renewable energy projects, and the current tariffs. This system is designed to offer a fair framework for compensating producers for the losses they incur.
- > The order also addresses the potential effects on electricity tariffs within the state. Since compensating for deemed generation losses might influence the cost of power procurement, there could be a corresponding impact on the tariffs paid by consumers. The APERC aims to strike a balance between the interests of renewable energy producers and consumers.
- > The APERC's decision is a key policy measure that could shape the regulatory landscape for renewable energy in Andhra Pradesh. By resolving issues around deemed generation losses, the commission seeks to provide greater certainty and stability for investors and developers in the renewable energy sector.
- > The order is anticipated to promote further investments in renewable energy in Andhra Pradesh by reducing the risks tied to generation losses caused by grid problems. It aligns with the state's broader objectives of expanding renewable energy capacity and ensuring a reliable supply of clean energy. The APERC's stance on deemed generation losses represents a significant move toward supporting the growth of solar and wind power producers, offering clear compensation mechanisms and fostering a more stable business environment in the state.







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## RENEWABLES

### ➤ CABINET APPROVES Rs 41.36 BILLION CFA FOR 15,000 MW HYDRO PROJECTS IN NER

- The Union Cabinet has approved the Ministry of Power's (MoP) proposal to provide central financial assistance (CFA) to North-eastern state governments to support their equity participation in hydropower projects.
- These projects will be developed through joint ventures (JV) between state entities and central public sector undertakings (CPSUs).
- The scheme, with a total outlay of Rs 41.36 billion, aims to develop 15,000 MW of hydroelectric capacity in the North-eastern region, funded by a 10% gross budgetary support from the Ministry of Power.
- The grant for the state's equity portion will be capped at 24% of the total project equity, with a maximum of Rs 7.50 billion per project, while maintaining the equity ratio between the CPSU and state government at the time of grant disbursement.
- The scheme will be implemented from 2024-25 to 2031-32.







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## RENEWABLES

### ➤ JSW ENERGY SIGNS PPA WITH BESCOM FOR 300 MW SOLAR POWER PROJECT

- JSW Renew Energy Twenty Limited, a subsidiary of JSW Energy Limited, has signed a power purchase agreement (PPA) with Bangalore Electricity Supply Company Limited (BESCOM) for a 300 MW solar project awarded by Karnataka Renewable Energy Development Limited.
- Under the agreement, JSW Energy will supply electricity at a tariff of Rs 2.89 per kWh until the year 2043-44.
- The project will be situated in the Pavagada Solar Park in Karnataka and is expected to be completed within 18 months.



## POLICY AND REGULATORY

### ➤ NCT RECOMMENDS PROJECTS WORTH RS 225.4 BILLION FOR MoP'S APPROVAL

- The National Committee for Transmission (NCT) has recommended transmission projects worth Rs 225.4 billion for approval by the Ministry of Power (MoP).
- One major project is the Rs 69 billion Gujarat offshore wind project, which aims to transmit power from proposed offshore wind farms along the Gujarat coast.





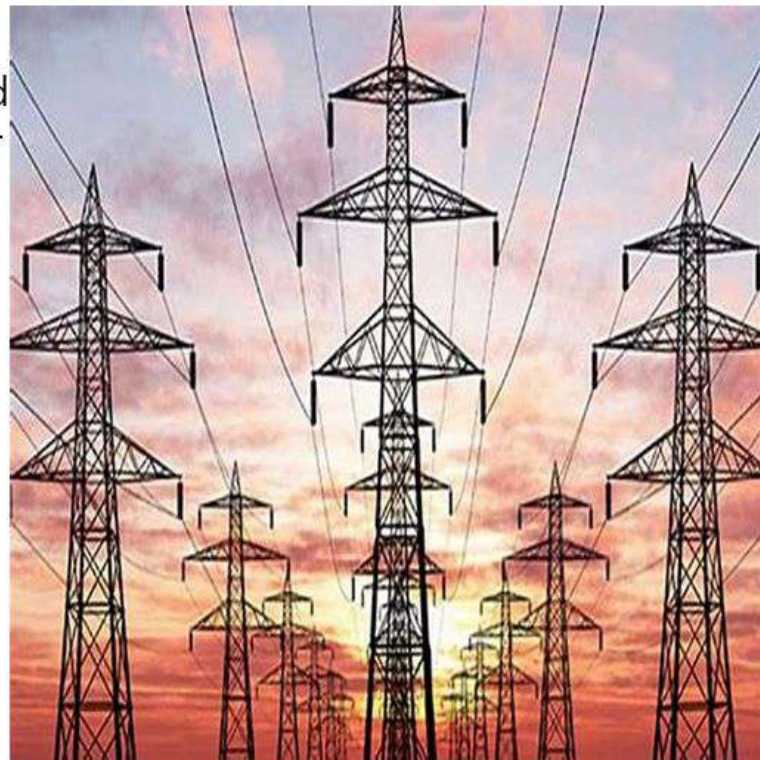
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## POLICY AND REGULATORY

- > Another key project is the Rs 62.42 billion Tamil Nadu offshore wind project, focused on building transmission infrastructure for offshore wind energy along the Tamil Nadu coast.
- > The committee has also proposed a Rs 16.63 billion project to upgrade transmission infrastructure in the Western Region, primarily to handle power from upcoming pumped storage projects.
- > Additionally, Rs 5.87 billion has been allocated for the augmentation of the Bhuj-II Substation, aimed at increasing transformation capacity and adding bus reactors.



## MoP ISSUES DRAFT GUIDELINES FOR TBCB FOR PROCUREMENT OF STORAGE CAPACITY FROM PSP

- > The Ministry of Power (MoP) has released a draft for tariff-based competitive bidding (TBCB) to procure storage capacity or stored energy from pumped storage plants (PSP).
- > The draft outlines a single-stage two-part bidding process with technical and financial bidding phases for procuring storage capacity from PSPs.
- > For on-river PSPs, operations must begin within 66 months of signing the power purchase agreement (PPA), while off-river PSPs must be completed within 48 months of signing the PPA.
- > Developers can start operations early with a 15-day notice, and the first phase of commissioning must include at least 50% of the total project capacity or 50 MW, whichever is lower.





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## POLICY AND REGULATORY

- > The government proposes two modes for procuring storage capacity from PSPs:
- First mode: For PSPs on government-specified sites, the procurer can choose a site mentioned in the bidding document. If the site is owned by the government or a government entity, the project will be developed on a build, own, operate, transfer (BOOT) basis for 25-40 years.
  - Second mode: The bidder can supply storage capacity from a PSP developed on a self-identified site or an already commissioned PSP. These projects will be developed on a finance, own, operate (FOO) basis for a period of 15-25 years.

