



POWER SECTOR

NEWSLETTER | WEEK 42 | OCT 24



RENEWABLES

➤ POWERGRID SECURES PROJECT TO EVACUATE 5.5 GW OF RENEWABLE ENERGY FROM RAJASTHAN'S REZ

- Power Grid Corporation of India (Powergrid) has secured a project to evacuate 5.5 GW of renewable energy from the Jaisalmer-Barmer complex in Rajasthan, a significant move to enhance the state's energy infrastructure.
- The project entails constructing a robust high-voltage transmission system, which will be built under a Build-Own-Operate-Transfer (BOOT) model to ensure efficient management and operation.
- The system will include a new 765/400/220 kV pooling substation, along with high-capacity transmission lines and essential bay extensions to support the energy evacuation.
- This initiative is part of India's broader strategy to develop Renewable Energy Zones (REZ), with Rajasthan's REZ targeting an ambitious total capacity of 75 GW.
- The project was awarded by PFC Consulting, highlighting the collaboration between public sector organizations to enhance renewable energy infrastructure.



RENEWABLES

- POWERGRID SECURES PROJECT TO EVACUATE 5.5 GW OF RENEWABLE ENERGY FROM RAJASTHAN'S REZ
- JSW ENERGY SECURES 1,500 MW ENERGY STORAGE CONTRACT WITH MSEDCL
- REINTRODUCED ALMM POSTPONES MAJOR SOLAR OPEN ACCESS INITIATIVES IN INDIA



Policy and Regulatory

- INDIA'S NATIONAL ELECTRICITY PLAN AIMS TO STRENGTHEN TRANSMISSION FOR 500 GW RENEWABLE TARGET BY 2030
- INTEGRATED CLEAN ENERGY POLICY 2024 TARGETS MASSIVE INVESTMENT AND RENEWABLE GROWTH IN ANDHRA PRADESH
- CERC APPROVES TARIFFS FOR 1,500 MW OF SOLAR PROJECTS AMID COMPETITIVE BIDDING
- THE SUPREME COURT HAS REAFFIRMED THE AUTHORITY OF ELECTRICITY REGULATORY COMMISSIONS, RULING THAT THEY ARE NOT OBLIGATED TO FOLLOW DIRECTIVES FROM STATE OR CENTRAL GOVERNMENTS



⚡ POWER SECTOR

NEWSLETTER | WEEK 42 | OCT 24



RENEWABLES

- > The successful implementation of this project is expected to significantly improve Rajasthan's capacity to harness and transmit renewable energy, supporting the state's energy transition goals.
- > This initiative reinforces Powergrid's commitment to developing critical infrastructure that supports India's renewable energy ambitions and contributes to a sustainable energy future.



➤ JSW ENERGY SECURES 1,500 MW ENERGY STORAGE CONTRACT WITH MSEDCL

- > JSW Energy has signed an agreement with the Maharashtra State Electricity Distribution Company Limited (MSEDCL) to develop a 1,500 MW energy storage project, enhancing the state's renewable energy integration capabilities.
- > The energy storage facility will utilize advanced pumped hydro storage technology, which is crucial for managing supply and demand, particularly during peak hours and variable renewable generation.
- > This project is set for a duration of 40 years, ensuring a stable and long-term energy solution that can adapt to the growing needs of Maharashtra's power sector.
- > By implementing this storage solution, JSW Energy aims to improve grid stability and reliability, helping to balance the intermittent nature of renewable energy sources like solar and wind.



POWER SECTOR

NEWSLETTER | WEEK 42 | OCT 24



RENEWABLES

- > The initiative is expected to create numerous job opportunities during the construction and operational phases, contributing positively to the local economy.
- > The project aligns with India's commitment to increasing renewable energy usage and reducing carbon emissions, supporting the transition to a greener energy future.
- > This agreement complements JSW Energy's broader strategy to expand its renewable energy portfolio and enhance its role in India's energy transition.



REINTRODUCED ALMM POSTPONES MAJOR SOLAR OPEN ACCESS INITIATIVES IN INDIA

- > The reintroduction of the Approved List of Models and Manufacturers (ALMM) has postponed around 5 GW of solar open access projects in India, with commissioning now expected in 2025.
- > Despite the setbacks from ALMM, India added 3.6 GW of open access solar capacity in the first half of 2024, showcasing the sector's growth potential.
- > The reintroduction of the Approved List of Models and Manufacturers (ALMM) has postponed around 5 GW of solar open access projects in India, with commissioning now expected in 2025.
- > Indian-made mono PERC modules are about 23.3% more expensive than Chinese modules, leading to increased power purchase agreement (PPA) rates and affecting project viability.



POWER SECTOR

NEWSLETTER | WEEK 42 | OCT 24



RENEWABLES

- > Developers anticipated exemptions from the ALMM after the elections, but the lack of relief has resulted in project delays, complicating timelines.
- > To mitigate rising costs, some developers are implementing tolling agreements with manufacturers, aiming for better control over module quality and availability.
- > While module price reductions and additional capacity help, developers remain focused on ensuring quality and timely delivery of solar modules amid market fluctuations.
- > The open access solar market could stabilize if module prices continue to decrease and supply chain issues are resolved, fostering a more favorable environment for project development.



POLICY AND REGULATORY

INDIA'S NATIONAL ELECTRICITY PLAN AIMS TO STRENGTHEN TRANSMISSION FOR 500 GW RENEWABLE TARGET BY 2030

- > The Ministry of Power (MoP) has unveiled a comprehensive National Electricity Plan focused on enhancing transmission systems to support India's renewable energy targets.
- > The plan outlines ambitious goals to facilitate the transmission of 500 GW of renewable energy by 2030, increasing to over 600 GW by 2032.
- > A crucial aspect of the plan is the inclusion of 47 GW of battery storage and 31 GW of pumped storage to stabilize energy supply and demand.





⚡ POWER SECTOR

NEWSLETTER | WEEK 42 | OCT 24



POLICY AND REGULATORY

- > The initiative aims to establish an extensive network comprising 191,000 circuit kilometers of transmission lines and 1,270 GVA of transformation capacity.
- > The plan emphasizes the implementation of High Voltage Direct Current (HVDC) bi-pole links, inter-regional capacity enhancements, and potential cross-border connections to improve grid efficiency.
- > The required investments for transmission infrastructure are estimated at ₹9.15 trillion by 2032, reflecting the scale and urgency of the initiative.
- > This plan is integral to India's strategy for integrating renewable energy sources into the national grid, ensuring reliability and sustainability in energy supply.

» INTEGRATED CLEAN ENERGY POLICY 2024 TARGETS MASSIVE INVESTMENT AND RENEWABLE GROWTH IN ANDHRA PRADESH

- > To transform Andhra Pradesh into a clean energy hub and achieve net-zero emissions by 2047, the AP state government introduced its Integrated Clean Energy (ICE) Policy on October 17, 2024.
- > The Policy aims to establish the state as a leading clean energy hub, targeting an impressive addition of over 160 GW of renewable energy capacity and attracting investments of approximately ₹10 trillion (around \$118.95 billion).





POWER SECTOR

NEWSLETTER | WEEK 42 | OCT 24



POLICY AND REGULATORY

- > The policy, valid for five years, stipulates that projects achieving financial closure during this period can receive extended implementation timelines depending on the technology and project type.
- > The policy offers various incentives, such as leasing government or private land for up to 30 years (extendable for certain projects), with deemed non-agricultural status granted to lands used for clean energy initiatives.
- > Developers will benefit from waived wheeling charges, exempt cross-subsidy surcharges for specific clean energy projects, and a ten-year reimbursement of electricity duty for renewable energy manufacturing projects.
- > The policy introduces a structured energy banking system, capping capacity at 5% of peak grid demand for FY 2024-25, with a phased increase in capacity introduced annually, optimizing energy injections and withdrawals across defined time slots.
- > The establishment of Renewable Energy Manufacturing Zones (REMZ) is emphasized, with substantial capital subsidies and tax incentives for local production of clean energy technologies, including solar PV, wind turbines, and electrolyzers.
- > The policy includes robust support for green hydrogen projects, offering significant capital subsidies on plant equipment costs and further infrastructure support to enhance the development of green hydrogen hubs within the state.





POWER SECTOR

NEWSLETTER | WEEK 42 | OCT 24



POLICY AND REGULATORY

» CERC APPROVES TARIFFS FOR 1,500 MW OF SOLAR PROJECTS AMID COMPETITIVE BIDDING

- > The Central Electricity Regulatory Commission (CERC) has approved tariffs for 1,500 MW of interstate transmission system (ISTS)-connected solar projects, with rates set at ₹2.57/kWh for four projects and ₹2.58/kWh for one.
 - > Projects were awarded to major developers, including Avaada Energy and ReNew Solar Power (each 300 MW), Engie Energy India (100 MW), SAEL Industries (600 MW), and NTPC Renewable Energy (200 MW).
 - > The projects were the result of a competitive bidding process initiated by the Solar Energy Corporation of India (SECI) on January 18, 2024. The bidders were selected based on a transparent evaluation conducted by a SECI committee.
 - > SECI faced delays in approaching CERC for tariff adoption, which the commission noted as a concern. The SECI plans to adhere to the prescribed timelines in future petitions without waiting for power purchase agreements (PPAs) to be executed.
- 
- > In addition to the tariffs, CERC allowed SECI to charge a trading margin of ₹0.07/kWh under specific conditions, enhancing the financial viability of these projects.
 - > CERC has emphasized the need for SECI to secure capacity ties under PPAs in the future, reinforcing the importance of compliance with regulatory frameworks.
 - > This decision aligns with previous approvals, including tariffs for 1,080 MW of ISTS-connected wind-solar hybrid projects, indicating a continued push for renewable energy integration in India.



⚡ POWER SECTOR

NEWSLETTER | WEEK 42 | OCT 24



POLICY AND REGULATORY

» THE SUPREME COURT HAS REAFFIRMED THE AUTHORITY OF ELECTRICITY REGULATORY COMMISSIONS, RULING THAT THEY ARE NOT OBLIGATED TO FOLLOW DIRECTIVES FROM STATE OR CENTRAL GOVERNMENTS

- The Supreme Court has reinforced the autonomy of electricity regulatory commissions, ruling that government directives are not binding on these regulators, emphasizing their independent adjudicatory role.
- According to the Hon'ble Supreme court, state commissions should be "guided" by government policy but are not obligated to follow government directives under Section 108 of the Electricity Act, 2003.
- The ruling came as part of an appeal by the Kerala government, which sought the Kerala State Electricity Regulatory Commission's (KSERC) approval for power tariffs in seven Power Sale Agreements (PSAs) involving 865 MW.
- KSERC had earlier rejected the PSAs in 2016, citing deviations from the Ministry of Power's standard bidding guidelines and the lack of approvals for those deviations, reiterating its stance in May 2023.
- The Kerala government, citing public interest, issued policy directions under Section 108 to approve the PSAs, arguing that rejection would force them to procure power at higher rates, risking financial strain and a power crisis.
- Under pressure from the government's Section 108 directive, KSERC reversed its stance and approved the PSAs in December 2023, claiming it was bound by the state's directions.
- Generators appealed to the Appellate Tribunal for Electricity (APTEL), which overturned KSERC's approval, ruling that government policy could not override the regulator's statutory functions.
- The Supreme Court agreed with APTEL, asserting that government directives under Section 108 could not supersede KSERC's regulatory decisions or displace its adjudicatory role.
- While the court acknowledged the need for regulatory commissions to consider public interest in tariff approvals, it reinforced that regulatory autonomy should remain uncompromised by government influence.