

Central Sector

❖ In a recent letter to state chief secretaries, the **Ministry of Power (MoP)** has strongly recommended that for development of **intrastate transmission systems, tariff-based competitive bidding (TBCB)** should be adopted by the states. This would help reduce the burden on the state governments and lead to reduced tariffs leading to consumers' benefits. States should also take the success lessons from the TBCB adopted in interstate transmission noted the ministry.

❖ The **cabinet committee on economic affairs (CCEA)** has **approved** the **revised cost estimate of Rs 91,293.20 million** for strengthening of intra-state transmission and distribution systems in **Sikkim and Arunachal Pradesh**. This scheme is being implemented by Power Grid Corporation of India Limited (Powergrid), and is expected to be commissioned by December 2021 in a phased manner. The transmission and distribution systems will be owned and maintained by the respective state utilities after commissioning.

State Sector

❖ Kolkata-based **Eminent Electricity Power Company Limited** has submitted its technical bid to **participate** in the **Chandigarh Union Territory's (UT) power privatisation exercise**. The firm has submitted its bid after the UT engineering department extended the bidding date to March 18, 2021. The company has taken part in the bidding process after an amendment was made by the department, which allows new bidders to submit bids and existing bidders to modify theirs. As many as 20 intended bidders purchased the tenders, but only six companies - Sterlite Power, ReNew Wing Energy, NTPC Electric Supply Company Limited, Adani Transmission Limited, Tata Power and Torrent Power, had submitted their bids. With participation of Eminent Electricity, now, seven firms are in the fray in Chandigarh.

❖ The **Jammu and Kashmir government** has **approved** the incorporation of a **joint venture (JV) company, Ratle Hydro-electric Power Corporation** to implement the **850 MW Ratle hydro-electric project (HEP)** on river Chenab in Kishtwar district at an estimated cost of **Rs 52.81 billion**. The proposed JV will have an authorised capital of Rs 16 billion with initial paid up capital of Rs 1 billion, out of which the Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) will contribute Rs 490 million as initial equity. Earlier in January 3, 2021, a memorandum of understanding (MoU) was signed between the government of Jammu & Kashmir, JKSPDCL and NHPC Limited to execute the project.

❖ Under the **one time settlement (OTS)** scheme of the **Meghalaya Power Distribution Corporation Limited (MePDCL)**, an amount of **Rs 192.2 million** has been **collected** from its consumers. The scheme was launched in November 2020 and will end on March 31, 2021, wherein consumers can avail a waiver of 30 per cent of the delay payment charges or 30 per cent of total dues whichever is more beneficial to the consumer. The total dues of MePDCL's customers under various categories is Rs 5.48 billion. Among those who availed of the OTS were industrial units, whose total due amount is Rs 1.35 billion and have paid Rs 144.6 million.

❖ **Odisha Power Transmission Corporation Limited** is **planning** to build a **2x500 MVA, 400/220/33 kV substation**, along with associated transmission lines, in the **Paradeep port area of Odisha**. The utility will be constructing the facilities in the Petroleum, Chemical and Petrochemicals Investment Region, Paradeep, at a cost of around Rs 6.37 billion, with 30 per cent equity support from the government. Post completion, the project will cater to the power demand in the Jagatsinghpur and Kendrapada districts of Odisha.

Private Sector

❖ Private discoms in Delhi, **BSES Rajdhani Power Limited (BRPL)**, **BSES Yamuna Power Limited (BYPL)** and **Tata Power Delhi Distribution Limited (TPDDL)**, have **proposed** to the **Delhi Electricity Regulatory Commission (DERC)** that there should be a **cost reflective, progressive tariff rationalisation** as their combined standalone revenue gap in 2019-20 stood at around Rs 30 billion. The discoms have filed their separate petitions for true-up up to 2019-20 and aggregate revenue requirement (ARR) and tariff for 2021-22, ahead of tariff rationalisation by the DERC in 2020-21. As per the petitions, the standalone revenue gap for 2019-20 has been computed to be around Rs 29.68 billion including Rs 15.65 billion of BRPL, Rs 60.9 million of BYPL and Rs 7.94 billion of TPDDL. Their accumulated revenue gap of the discoms has reached over Rs 500 billion as on March 31, 2020, which includes Rs 286.23 billion of BRPL, Rs 192.13 billion of BYPL, and Rs 38.10 billion of TPDDL. The commission has sought comments from stakeholders by March 26, 2021.

Note: Rs 1 crore = Rs 0.01 billion; Rs 1 lakh = Rs 0.1 million; Rs 1,000 million = Rs 1 billion

- ❖ In an **auction** conducted by **Solar Energy Corporation of India (SECI)** for setting up and supplying **1.2 GW of wind power capacity** in **Karnataka**, **Adani Renewable Energy Holding Fifteen** quoted the lowest tariff bid of **Rs 2.77 per unit** for **300 MW** of capacity. Other winners include Ayana Renewable Power Six which won 300 MW at Rs 2.78 per unit, Evergreen Power Mauritius won 150 MW at Rs 2.78 per unit and JSW Future Energy quoted the same price for 450 MW capacity. Other participants in the bidding were Azure Power India, O2 Power SG PTE, Shirdi Sai Electricals, AMP Energy Green, Tunga Renewable Energy, ReNewVyan Shakti, AMP Energy Green and Halvad Renewable. It is the first pure wind auction in one and a half years and the first fully subscribed wind auction in over two years. The auction discovered tariffs are significantly below the reserve price, showing investor appetite.
- ❖ **Greenko Energy** is **planning** to develop a **Rs 300 billion hybrid project** in **Rajasthan**, of which one will comprise a pumped hydro storage project of 2,520 MW capacity estimated at Rs 118.82 billion. The proposed hydro project is to be developed at Shahpur, Baran district of Rajasthan and is scheduled to be completed by 2023-24. The Greenko Group has a current operational capacity of about 7 GW and a pipeline of about 8 GW.
- ❖ **PTC India Limited** has **signed** an initial **pact** with the **National Productivity Council (NPC)** to jointly explore the prospects in consultancy and project management services in fields like renewable energy, energy efficiency, quality assurances productivity enhancements, and optimisation of technology. PTC India has provided consultancy services to its clients and has also been authorised (under the Government of India) to trade electricity with Bhutan, Nepal and Bangladesh.

Projects and Ventures

- ❖ **Adani Transmission Limited (ATL)** has won an **intra-state power transmission project** in **Madhya Pradesh** for **Rs 13 billion** in the **TBCB** held by **REC Transmission Projects Company Limited (RECTPCL)**. RECTPCL has offered two packages for development of intra-state transmission work in Madhya Pradesh. ATL quoted the winning bid for the first package. The other bidders for the project were Sterlite Power, Dilip Buildcon, Powergrid and Torrent Power. The project aims at boosting power transmission infrastructure in the state. ATL will set up 16 new substations and strengthen the system in the existing power supply network. For the second package, same companies have submitted their bids, but the result is yet to be disclosed.
- ❖ **Transformers and Rectifiers (India) Limited** has **bagged** an **order worth Rs 1.08 billion** from **Powergrid**. With this order, Transformers and Rectifiers's order book stands at around Rs 11.23 billion.
- ❖ **Hitachi ABB Power Grids** in India has **won** an order worth **Rs 1.24 billion** from **Bharat Aluminum Company (BALCO)** to ensure improved **reliability of the power distribution system** at its **Korba plant** in Chhattisgarh. Hitachi ABB will deliver fully-engineered 400 kV gas-insulated switchgear (GIS) substations that will replace an existing apparatus to better assimilate power from BALCO's captive generation plants, delivering it with efficiency to the Korba aluminum smelter.

Debt and Equity

- ❖ **Adani Green Energy Limited** has **raised \$1.35 billion debt** from **12 international banks** for **financing** its **under-construction renewable asset portfolio**. The revolving project finance facility would initially finance 1.69 GW of solar-wind hybrid projects to be set up in Rajasthan. The 12 international lenders, including Standard Chartered Bank, Intesa Sanpaolo, MUFG Bank, Sumitomo Mitsui Banking Corporation, Coöperatieve Rabobank U.A., DBS Bank Limited, Mizuho Bank, Limited, BNP Paribas, Barclays Bank PLC, Deutsche Bank AG, Siemens Bank GmbH and ING Bank N.V will participate for the facility which will be the first green hybrid project loan in India. The funding is expected to help the company scale its capacity to 25 GW by 2025.
- ❖ The **United States Agency for International Development (USAID)** and **US International Development Finance Corporation (DFC)** are jointly **sponsoring loans worth \$41 million** to finance loans to Indian **small and medium enterprises** for **renewable energy**, including rooftop solar projects. USAID and DFC have partnered with New York-based Encourage Capital and two Indian non-banking financial companies, cKers Financial and Electronica Finance Limited (EFL) for this initiative. Encourage Capital has invested \$15 million in EFL using USAID-DFC loan portfolio guarantee to stimulate the rooftop solar market, which represents a \$9 billion market opportunity for SMEs.