

Central Sector

❖ The **Central Electricity Regulatory Commission (CERC)** has issued the **Terms and Conditions of Tariff (Second Amendment) Regulations, 2021**. These regulations will be applicable for the five-year tariff period from April 1, 2019 to March 31, 2024. As per the amendment, where a generating company and its beneficiaries or a transmission licensee and its long-term customers have mutually agreed to charge lower tariff in terms of clauses (1) to (3) of this regulation, the said agreed tariff will not be revised upwards at the time of truing up based on the capital cost and additional capital expenditures. Further, where the trued up tariff is lower than the agreed tariff, the generating company or the transmission licensee will charge such trued-up tariff only, and the difference between the agreed and trued-up tariff will be settled between the parties in accordance with clause (4) of regulation 13 of these regulations.

❖ The **CERC** has issued revised procedure for grant of connectivity to projects based on renewable sources to inter-state transmission system, superseding the procedures issued in May 2018. The procedure will be applicable to various applicants covered under the Connectivity Regulations, central transmission utility (CTU), regional load despatch centres (RLDCs), state load despatch centres (SLDCs), state transmission utility (STUs), concerned discoms and renewable energy implementing agencies. The applications for connectivity under the procedure will be processed in two stages- stage-I and stage-II.

❖ The **Ministry of Power (MoP)** has issued **Electricity Late Payment Surcharge (LPS) Rules, 2021**. The new rules will be applicable for power purchase agreements and transmission service agreements in which the tariffs have been determined through competitive bidding. As per these rules, the LPS will be payable on the outstanding payment after the due date at the base rate of LPS for the first month of the default. The LPS rate for the successive months will increase by 0.5 per cent for every month of delay. The surcharge should not be higher than 3 per cent of the base rate at any time. The rule will be applicable when the rate of LPS payable is not higher than the rate specified in the agreement for the purchase or transmission of power. Further, a discom which has a LPS outstanding against a bill after the expiry of seven months from the due date will be debarred from procuring power from power exchange or short-term open access until such bill is paid.

Central Sector

❖ **NTPC Limited** has commissioned a **5 MW solar capacity in Auraiya, Uttar Pradesh**, which is a part of its 20 MW solar power project in Auraiya. With this, the total installed capacity of NTPC and NTPC group has become 52,115 MW and 64,880 MW, respectively. In a separate development, NTPC has been directed by National Green Tribunal, to pay Rs 5.79 million as penalty for environmental damages in Uttarakhand. NTPC was seeking review of an order passed by Uttarakhand Pollution Control Board (PCB) that imposed penalty for violating muck disposal site maintenance norms. NGT dismissed NTPC's plea against the state PCB order.

❖ **Power Grid Corporation of India Limited's 320 kV, 2,000 MW Pugalur (Tamil Nadu) – Thrissur (Kerala) high voltage direct current (HVDC) project has been inaugurated**. The Rs 50.7 billion Pugalur-Thrissur HVDC system is part of the Raigarh-Pugalur-Thrissur 6,000 MW HVDC system and enables transfer of 2,000 MW of power to Kerala through the HVDC station at Thrissur. The state-of-the-art voltage source convertor (VSC) technology has been brought to India for the first time by Powergrid through this project.

State Sector

❖ The **Prime Minister** has dedicated to the nation **709 MW solar power projects** developed by **NLC India Limited in Tamil Nadu** and laid the foundation stone for design, supply, installation and commissioning of a **5 MW grid-connected ground-based solar power plant** at V.O. **Chidambaranar Port**. The 709 MW projects were completed in 2019 and assigned to it by Tamil Nadu Generation and Distribution Corporation Limited. The cost of this project is over Rs 30 billion. The 5 MW solar power plant is being developed by U Solar after it emerged successful in the tender bidding conducted by the Solar Energy Corporation of India (SECI).

❖ The **Gujarat government** has approved an investment of **Rs 40 billion** by **ReNew Saksham Urja Private Limited (RSUPL)**, a subsidiary of ReNew Power Private Limited. RSUPL plans to set up a 2 to 4 GW solar module, cell manufacturing and lithium-ion battery production plant at Dholera. The state government has also approved 100-acre land allocation for the project at Dholera Special Investment Region (DSIR).

Private Sector

- ❖ **Torrent Power** has emerged as the **highest bidder** for a **51 per cent stake** in the **power distribution company** of the **union territories of Dadra & Nagar Haveli and Daman & Diu**. The acquisition is subject to further formalities as prescribed under the tender documents. The bidding for the power distribution business in the UT has been undertaken as part of the government initiative to privatise distribution utilities of UTs to bring in efficiency. Torrent Power currently distributes nearly 16.66 BUs to over 3.65 million customers. With this acquisition, it will distribute nearly 25 BUs to over 3.8 million customers.
- ❖ Independent power producer **Rising Sun Energy** has **won a bid** in the latest **NTPC's auction for developing 190 MW solar power projects** in the **Nokh Solar Park in Rajasthan**. The company quoted a tariff of Rs 2.25 per unit. NTPC had floated the tender in January 2021 to select developers for setting up the projects at the solar park. Reportedly, eight other bidders placed bids for the tender with tariffs ranging between Rs 2.47 per kWh and Rs 2.75 per kWh. NTPC will procure power from the 190 MW solar project by entering into a power purchase agreement with the selected bidder for 25 years.
- ❖ The **board of Essar Power Limited** has **approved an investment of Rs 3 billion** in a **90 MW solar PV power plant** to be set up at **Bhander**, in Datia district of **Madhya Pradesh**. The power plant will be set up across 105 hectares of land and will be executed in two parts of 33.7 MW and 56.17 MW. Electricity generated from this plant will be evacuated at the 132 kV level and is proposed to be connected to the 132/33 kV Bhander substation of Madhya Pradesh Power Transmission Company Limited, and will be supplied to industrial consumers within Madhya Pradesh. The project is expected to be completed by June 2022.

Projects and Ventures

- ❖ **Larsen and Toubro (L&T)** has secured **two EPC orders** to establish over **400 MW of solar photovoltaic projects** in **Gujarat**; and to supply and install HVDC systems in certain districts of West Bengal on turnkey mode. The company has won a 400 kV substation order in Tamil Nadu. In Qatar, it has won an order to install line connected current limiting reactors for the first time in the country's network.

Debt and Equity

- ❖ **NTPC** has **signed a share purchase agreement to buy GAIL Limited's 25.51 per cent stake** in **Ratnagiri Gas and Power Private Limited (RGPPL)**. RGPPL was incorporated in 2005, to takeover and revive the assets of Dabhol Power Company Project. Initially, NTPC and GAIL had 25.51 per cent stake each in the Dabhol project. After the transaction is complete, NTPC would have 86.49 per cent stake in the RGPPL. Earlier in January, NTPC had announced acquiring 35.47 per cent stake in RGPPL from its lenders. Further, NTPC has sold its share of 14.82 per cent, on a fully dilutive basis, in Konkan LNG Limited (KLL), which owns and operates the LNG regasification terminal at Dabhol, marking NTPC's exit from KLL. In another development, NTPC has raised Rs 9 billion by issuing unsecured, redeemable, taxable, listed, rated non-convertible debentures of which the series-I debentures worth Rs 4 billion would mature on February 23, 2024 and the series-II debentures worth Rs 5 billion would mature on February 23, 2026.
- ❖ **REC Limited** has **raised \$500 million** through issuance of **bonds under its \$7 billion global medium-term note programme** which would be used to finance the power sector. The notes will mature on September 1, 2026 and all principal and interest payments will be made in US dollars. The settlement date for the notes is expected to be March 1, 2021. The notes represent direct, unconditional and unsecured obligations of the issuer and will rank pari passu among themselves and all other unsecured obligations of the issuer. The notes will be listed on London Stock Exchange, International Securities Market, Singapore Exchange, Global Securities Market of India International Exchange (India INX) and NSE IFSC.
- ❖ The **central government** has **signed an agreement** with the **Asian Infrastructure Investment Bank (AIIB)** for the **Assam Intra-State Transmission System Enhancement Project**. The estimated cost of the project is \$365 million, of which \$304 million will be borrowed from AIIB and the remaining will be financed by the state government. The loan from AIIB has a grace period of five years and a maturity of 24 years. The project aims to construct 10 transmission substations and lay transmission lines, as well as upgrade 15 existing substations, transmission lines and the existing ground wire to optical power ground wire.