

## Central Sector

❖ So far, **loans of Rs 1,354.97 billion** have been **sanctioned** and **Rs 463.21 billion** have been **released** to the power distribution utilities by **REC Limited** and **Power Finance Corporation (PFC) Limited**, under the liquidity infusion scheme of Aatma Nirbhar Bharat Abhiyan. The scheme is expected to help discoms clear their outstanding dues towards central public sector undertaking (CPSU) generation and transmission companies, renewable energy generators and independent power producers (IPPs).

❖ The **Ministry of Power (MoP)** has **directed the governments of state and the union territories (UT) to relax performance security and earnest money deposits requirements** for power project bids. It has also asked them to refrain from demanding additional security deposits for abnormally low bids. The performance security has been reduced from 5-10 per cent to 3 per cent of the value of the contract for all existing contracts. The direction is in line with Ministry of Expenditure's notification issued in November 2020. All tenders and contracts concluded by December 31, 2021, would avail this provision, however, the relaxation will not be applicable for contracts under dispute where court proceedings have already started or are completed.

❖ The **union power minister** has **launched the Convergence Energy Services Limited (CESL) Gram Ujala scheme** that seeks to **distribute LED bulbs** at a cost of **Rs 10 per bulb** in the **rural areas of Varanasi**. Under the first phase of the programme, 15 million LED bulbs will be distributed to facilitate energy savings of 2,025 million units per year and CO<sub>2</sub> reductions of 1.65 million tonnes per year. Under the programme, 7 watt and 12 watt LED bulbs with 3 years warranty will be given to rural consumers against submission of working incandescent bulbs. The consumers can exchange a maximum of 5 LED bulbs. So far, 360 million LED bulbs have been distributed and 11.5 million streetlights have been replaced with LED lights across the country.

❖ **NLC India Limited** and **Coal India Limited** have formed a **joint venture (JV)** which will **invest in solar power generation projects of 3,000 MW capacity**. The 50:50 JV, Coal Lignite Urja Vikash Private Limited, will need an investment of about Rs 125 billion for the project. NLC India has invested Rs 0.1 million as its share of equity. The debt equity ratio will be 70:30. The JV will also venture into thermal generation projects.

❖ **Power Grid Corporation of India Limited (Powergrid)** has **acquired** the project special purpose vehicle (SPV) **Bikaner-II Bhiwadi Transco Limited (BBTL)** from the bid process coordinator, PFC Consulting Limited. Powergrid had won the project through tariff based competitive bidding earlier in February 2021. The SPV has been set up to establish the transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under phase-II Part F, on build, own, operate and maintain (BOOM) basis. The entity was acquired for aggregate value of about Rs 205 million.

## State Sector

❖ The **Delhi government** plans to **offer an interest subvention** of up to **5 per cent** through the **Delhi Finance Corporation** on purchase of **electric vehicles (EVs)** in the city. This has been done to encourage the government's policy of offering financial incentives on EVs and to persuade vehicle owners to convert their fleet to electric. The state government is urging commercial vehicle owners to convert half of their fleet to EVs by 2023. Additionally, Delhi government has claimed to have offered an incentive of up to Rs 30,000 for two-wheelers, auto-rickshaws and e-rickshaw, and up to Rs 0.15 million for goods carrier vehicles and cars.

❖ In the **solar auction** conducted by the **Gujarat Urja Vikas Nigam Limited (GUVNL)** for **500 MW** capacity, the winning bidders include **NTPC Renewable Energy**, Actis-backed **Sprng Ujjvala Energy**, **Coal India Limited**, and Tata Power's arm **TP Saurya-a**, which won 150 MW, 120 MW, 100 MW and 60 MW respectively, at a tariff bid of Rs 2.20 per kWh. SJVN had quoted 100 MW at Rs 2.21 per kWh and won 70 MW capacity under the bucket filling method. This is the first solar auction after the basic customs duty announcement by Ministry of New and Renewable Energy (MNRE) on cells and modules.

❖ **Uttar Pradesh Power Transmission Corporation Limited (UPPTCL)** is **planning to build six new substations** of 132 kV, 220 kV and 400 kV capacities in **Greater Noida by 2023**. In addition, it is also planning to upgrade an existing 220 kV substation to 400 kV. The 400 kV substations will be located in Metro Depot and Amarapura each, followed by 220 kV substations in Jalpura and Knowledge Park 5, and 132 kV substations in Ecotech 8 and 10. The facilities, once completed, will cater to the increasing power demand in the region.

## Private Sector

- ❖ **Competition Commission of India (CCI)** has approved the acquisition of **51 per cent** of the equity share capital of **North Eastern Electricity Supply Company of Odisha (NESCO)** by **Tata Power Company Limited** from **Grid Corporation of Odisha Limited (GRIDCO)**. The competitive bidding process was initiated by the Odisha Electricity Regulatory Commission (OERC). The license period is for 25 years. Tata Power will now be serving the whole population of the state of Odisha amounting to nearly 9 million consumers.
- ❖ **Power Exchange India Limited (PXIL)** has launched the **green term ahead market (GTAM)** on its **transaction platform** after receiving approval from the Central Electricity Regulatory Commission (CERC). PXIL holds over 60 per cent market share on an average in the term ahead market (TAM) segment which is expected to increase with the launch of GTAM. It will offer trade in two types of contracts in GTAM, intra-day contracts and any-day contracts in both solar and non-solar segments.
- ❖ **ReNew Power** has commissioned a **300 MW wind project** in the **Kutch** district of **Gujarat**. The project was executed by ReNew's arm, ReNew Wind Energy (AP2), and has a power purchase agreement (PPA) with the Solar Energy Corporation of India (SECI) under wind power project bidding tranche-III. The project will supply power to districts in Haryana and Odisha at Rs 2.44 per kWh. With this project, ReNew's total wind energy capacity increased to 950 MW in Gujarat.
- ❖ **Tata Power-DDL** has announced its **partnership** with **SunMobility** to **set up a network of battery swap points** across **north and northwest Delhi**. The initiative is in line with the Delhi government's Switch Delhi campaign and the partnership aims at setting up a broad network of battery swapping infrastructure that makes swapping accessible to customers at the same scale and ease as conventional refuelling.

## Projects and Ventures

- ❖ **KEC International Limited** has secured **new orders of Rs 14,290 million** across its **various businesses**, including transmission and distribution (T&D). In the T&D sector, KEC International has won orders amounting to Rs 7,010 million from Powergrid and other customers in India, East Asia Pacific and the Americas. Additionally, KEC has secured orders of Rs 440 million for various types of cables in India and overseas.

## Debt and Equity

- ❖ **Adani Green Energy Limited (AGEL)** has signed a **share purchase agreement** for the **acquisition of 100 per cent stake** in **two SPVs** holding **75 MW** operating **solar projects** of **Sterling & Wilson Private Limited** at **Rs 4.46 billion**. The projects, commissioned in 2017, are located in Telangana and have long-term PPA with the Southern Power Distribution Company of Telangana. With this acquisition, the AGEL will increase its operating renewable capacity to 3,470 MW with a total renewable portfolio of 15,240 MW.
- ❖ **JSW Energy** is reportedly **planning to raise up to \$1 billion** in a **maiden dollar bond sale** to **expand its footprint in clean energy projects**. The green bonds proposed to be launched are expected to be compliant with the environment, social and governance theme. The proposed fundraising could take place in one or two tranches. The company will reportedly use the proceeds to fund the acquisition of solar projects in India and refinance high-cost rupee debt taken for the Jaypee Himachal deal.
- ❖ **Edelweiss Infrastructure Yield Plus (EIYP)**, an alternative investment fund by Edelweiss Alternative Asset Advisors, has **acquired 74 per cent stake** in **Engie Group's solar portfolio** in **India**. This would provide EIYP access to a 2 GW pipeline of quality assets that will be developed and constructed by Engie over the next couple of years. This investment is in line with EIYP's strategy to generate regular yield and create value for its investors by taking controlling stake in quality operating infrastructure assets with strong cash flows. As per EIYP, despite Covid-19, this is one of the largest transactions in renewables in the last one year.
- ❖ The **Japan International Cooperation Agency (JICA)** has signed a **loan agreement for JPY 10 billion** with **Tata Cleantech Capital Limited (TCCL)** to support the company to **offer loans to businesses** across India that focus on **renewable energy generation, e-mobility solutions** as well as **energy efficiency**. This loan will be provided through private sector investment finance scheme of JICA and is co-financed with the Sumitomo Mitsui Banking Corporation (SMBC). JICA's loan will support TCCL to mitigate the impact of climate change by offering green finance, which will contribute to decrease the emission of GHG in India.