

## Central Sector

❖ The **Ministry of New and Renewable Energy (MNRE)** has **released guidelines** for the **production-linked incentive (PLI) scheme** to **promote manufacturing of high efficiency solar modules** namely **‘National Programme on High Efficiency Solar PV Modules’**. According to the guidelines, the PLI scheme will be implemented by MNRE with Indian Renewable Energy Development Agency (IREDA) being the implementing agency. The beneficiaries will be selected through a transparent bidding process. Greenfield and brownfield solar PV module manufacturing units will be eligible for participation under the scheme. The union cabinet has approved an outlay of Rs 45 billion for a period of five year for the scheme.

❖ The **Ministry of Environment, Forest and Climate Change (MoEFCC)** has **issued draft notifications** for **thermal power plants (TPPs)** for **disposal of fly ash and bottom ash**. The notification mentions that power plants should supply fly ash to nearby construction units free of cost, if they have been unable to dispose the ash through other means. The TPPs shall also issue notices to nearby user industries to inform them about the availability of surplus fly ash. Construction unit at the distance of a 300 km radius or less of the TPPs will be responsible for utilisation of the fly ash if they do not have pre-existing tie-ups. The notification also proposes a penalty of Rs 1,500 per tonne on the fly ash user industries for non-compliance and a penalty of Rs 1,000 per tonne on power generators if the residue is not disposed in time.

❖ The **Ministry of Power** has **issued the draft National Electricity Policy (NEP) 2021**. The new policy focuses on improving the health of electricity distribution companies, implementing cost reflective tariff structures, and managing the rising share of intermittent renewable energy in the system. The new policy also focuses on improving the quality of electricity supply and increasing the share of indigenous equipment used across the power value chain. It also emphasizes on increasing private participation, especially in the power distribution segment.

❖ The **renewable energy certificates (RECs) market shrank** to **0.92 million RECs** in **2020-21**, as **against** trading of **8.92 million** and **12.6 million RECs** recorded in **2019-20** and **2018-19** respectively. An inventory of 6.06million RECs has been piled up till March 31, 2021, includes 0.77 million solar and 5.28 million non-solar green certificates. The REC or green certificate trades were suspended in July 2020 after the Appellate Tribunal for Electricity (APTEL) decided to postpone the trading by four weeks while hearing three separate petitions related to an issue of fixing floor and forbearance prices of RECs by the Central Electricity Regulatory Commission (CERC). This also impacted the ability of distribution companies to meet their renewable purchase obligation (RPO).

❖ **NTPC Limited** has **invited bids** for **development of interstate transmission system (ISTS)-connected wind-solar hybrid projects of 600 MW capacity**. NTPC will develop the hybrid power projects through its wholly-owned subsidiary NTPC Renewable Energy Limited. The scope of work comprises design, engineering, manufacture, supply, erection, testing, commissioning, and proving the guaranteed performance parameters for the projects. The offered projects should be hybrid of two resources (wind and solar) where the rated power capacity of one source should be at least 33 per cent of the total offered hybrid project capacity. The projects can be connected to a single injection point or separate injection points in the ISTS network.

❖ **As per** the daily stock data of **Central Electricity Authority (CEA)**, as many as **38 power plants** of **46,720 MW combined capacity** have **coal stock** for **less than seven days** reflecting **shortage of dry fuel**. However, CEA in its latest report for April 22, 2021, has stated that out of the 135 power plants of 166,406 MW capacity monitored by it on a daily basis, none is facing critical or supercritical coal stock situation. Reportedly, CEA has stated that power plants having less coal stock due to outstanding dues or supply more than the committed quantity or not lifting offered coal or bridge linkage or new linkage are not shown as having critical or supercritical coal stock.

## State Sector

❖ The **Tamil Nadu Generation and Distribution Corporation (TANGEDCO)** has **cancelled** an **EPC contract** of **Rs 4,442.75 billion** with **BGR Energy Systems**, for **setting up of 660 MW Supercritical Ennore Thermal Power Station Expansion Project**. The award has been cancelled by TANGEDCO because of non-

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

submission of bank guarantees for security deposit and performance bank guarantee by the company. TANGEDCO has forfeited the earnest money deposit of Rs 50million. BGR has moved the Madras high court requesting for annulment of the cancellation of the award and consequent direction to accept bank guarantees as per the government's instructions issued in the wake of the pandemic.

❖ The **Andhra Pradesh high court** has **directed discoms** to **file an affidavit** on the **objections raised** by the **renewable energy generating companies** regarding **pending payments, before June 28, 2021**. In March 2021, the high court had directed the Southern Power Distribution Company Limited and Eastern Power Distribution Company Limited to file an affidavit by March 31, 2021 with information on their dues to the RE generations and when they intend to clear them. The discoms had claimed that payments per the court orders had been made up to December 31, 2020 whereas the generators claimed that the order was not completely complied with, and some deductions were made without specifying the reason.

❖ The **Uttarakhand Electricity Regulatory Commission (UERC)** has **approved a proposal** by **Uttarakhand Power Corporation Limited (UPCL)** to **increase the retail power tariff** in the **state**. The retail power tariff for domestic consumers with over 200 units of electricity consumption has been increase by Rs 0.25 per unit. The new tariff will be effective from April 1, 2021. Besides this, the commission has introduced a prompt payment rebate of 1.25 per cent on the monthly bill in case of payments through digital modes such as credit cards, debit cards, UPI, and internet banking within 10 days from the date of issuance of the bill or bill date.

## Private Sector

❖ **Brihanmumbai Electric Supply and Transport (BEST)** has **obtained approval** of the **Maharashtra Electricity Regulatory Commission (MERC)** to **procure 400 MW wind-solar hybrid power** from **Solar Energy Corporation of India (SECI)**. According to the power sale agreement (PSA), the power will be procured at a tariff of Rs 2.41 per kWh with a trading margin of Rs 0.07 per kWh for 25 years.

❖ The **Central Electricity Authority (CEA)** has **permitted uprating** of **Karcham Wangtoo hydro electric project** owned by **JSW Hydro Energy Limited**, a fully-owned subsidiary of JSW Energy Limited, from **1,000 MW to 1,091 MW**. The uprating will be undertaken in a phased manner i.e. 1,000 MW to 1,045 MW in the first phase for two monsoon seasons in CY 2021 and CY 2022, and to 1,091 MW thereafter.

## Debt and Equity

❖ The **public issue** of **Powergrid Infrastructure Investment Trust**, the first InvIT offering by a state-owned entity, **garnered 10 per cent subscription** on **April 29, 2021**, the **first day** of the **issue**. The issue received bids for 43.2 million equity shares against issue size of 425.4 million shares. The portion of the share sale reserved for qualified institutional investors was subscribed by 3 per cent on the day one, while that reserved for non-institutional investors was subscribed by 20 per cent. Earlier on April 28, 2021, PowerGrid InvIT raised nearly Rs 34.80 billion from anchor investors. It allotted units of the InvIT at Rs 100 a share, the upper end of the price band for the public offer to 47 institutional investors.

❖ **Fourth Partner Energy**, Hyderabad-based solar energy firm, has **received Rs 2.50 billion investment** from UK's development finance institution, **CDC Group**. Capital from CDC Group will be in the form of non-convertible debentures and will be utilised by Fourth Partner Energy for expanding its solar portfolio. CDC's investment will support India's clean energy transition and enable provision of cleaner energy to businesses. CDC's investment will fund about 217 MW greenfield renewable power generation in India, which will avoid 258,000 tonnes of annual carbon dioxide emissions.

❖ **Jindal Steel and Private Limited (JSPL)** has **accepted a binding offer** from **Worldone Private Limited** to **divest 96.42 per cent stake** in **Jindal Power Limited (JPL)**. The divestment is in line with JSPL's objective to continuously reduce debt, focus on India Steel business and reduce carbon footprint by almost half. The equity value is an all-cash offer of Rs 30.15 billion for 96.42 per cent stake in JPL including 3,400 MW coal-fired power plants in Chhattisgarh and other non-core assets owned by JPL.