# **Power** Weekly Newsletter

July 05, 2021 – July 11, 2021

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

**Central Sector** 

- The Ministry of Power (MoP) has permitted discoms to exit power purchase agreements (PPAs) after completion of the term of the agreements. This clarification has come after the Central Electricity Regulatory Commission (CERC) recently passed an order stating that BSES Yamuna Power Limited and BSES Rajdhani Power Limited were within their right to stop purchasing costly power from NTPC Dadri power plant after it had completed 25 years of useful life in late 2020. The move would also help the discoms to meet their renewable power purchase obligations (RPO) as mandated by the Delhi Electricity Regulatory Commission. The MoP had notified the PPA exit guidelines on March 22, 2021 enabling discoms to either continue or exit from PPAs from such projects which have completed 25 years since the commissioning.
- India has sent its first export consignment of 4,000 tonne of coal to Bangladesh's 1,320 MW Rampal power plant in Khulna, after Coal India Limited's (CIL) policy amendment in June 2021 allowed traders to export coal obtained from e-auction. The coal exported was of below 2,200 gross calorific value and it was purchased under spot e-auction from Dahibari siding of Bharat Coking Coal Limited.
- NTPC Vidyut Vyapar Nigam Limited (NVVNL) has floated tenders to invite bids for the deployment of hydrogen fuel cell electric buses in Delhi and Leh. These e-buses would have zero emissions as the hydrogen would be generated from renewable energy and electrolysis to split water. The green hydrogen would be supplied to the buses by NTPC Renewable Energy Limited.
- The central government has set up a concentrated solar thermal based test rig facility at Hyderabad. The facility will help the solar industry test capability and performance of solar thermal components like solar receiver tubes, heat transfer fluids, and concentrating mirrors. The testing facility will validate indigenous components by assessing their performance at varying operating parameters such as flow rates of heat transfer fluids, operating temperature and pressure, among others and different direct normal irradiance conditions. The facility has been set up by the International Advanced Research Centre for Powder Metallurgy and New Materials (ARCI).
- ❖ SJVN Limited (SJVNL) has completed the tunnel excavation work of 4.3 km long head race tunnel of the 60 MW Natiwar Mori Hydro Electric Project (NMHEP) in Uttarakhand. The NMHEP has the generation potential of 265.5 MUs per year, of which the state of Uttarakhand will get 12 per cent as royalty. Transmission of electricity generated from the project, which is expected to be commissioned by April 2022, will be done through a 37 km transmission line constructed by SJVNL.

#### **State Sector**

- ❖ Punjab is facing a power crisis in the ongoing paddy season when the demand of power is the highest. Aggravating the crisis in the state, two 660 MW units of Talwandi Sabo power plant have shut down due to technical issues while some units of Punjab State Power Corporation Limited's Ropar and Lehra Mohabbat also developed snags but rectified later. Power availability is also affected due to low reservoir levels resulting in less hydro power. The discom is resorting to power purchase in the exchanges to tide over the shortage. In a separate development, the Punjab government has begun the process to terminate/renegotiate five PPAs supplying costly power to the state. Two PPAs were signed with GVK Power and Damodar Valley Corporation. PSPCL has also filed petitions with Punjab State Electricity Regulatory Commission for scrapping three other PPAs with Anta, Auraiya and Dadri thermal power plants of NTPC.
- The Telangana State Electricity Regulatory Commission (TSERC) has issued a notification for implementing the TSERC (Smart Grid) Regulations, 2021. The objectives of the regulation are to enable integration of various smart grid technologies and measures to bring about economy, improve efficiency in generation, transmission, and distribution licensee operations, manage the transmission and distribution networks effectively, enhance network security, integrate renewable and clean energy into the grid and microgrids. The regulation would be enforced from the date of its publication in the Telangana Gazette.
- The Uttarakhand government has decided to provide 100 units of electricity free of cost every month to domestic consumers in the state. There are about 1.3 million consumers in the state which consume 100 to 200 units of electricity. Resultantly, those who use 100 units per month will be given electricity free of cost,

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while those using 101 to 200 units per month will get a 50 per cent discount. Additionally, the dairy, horticulture and agricultural consumers, will now be brought into the domestic category from the commercial category.

## **Private Sector**

- The Multi Commodity Exchange of India (MCX) and European Energy Exchange (EEX) have signed a memorandum of understanding (MoU) to share expertise on electricity derivative products, in areas such as knowledge sharing, education and training and organising events. Earlier, in November 2020, MCX had entered into an agreement with the Indian Energy Exchange Limited (IEX) to launch electricity derivatives which would be linked to spot electricity prices of IEX on the MCX trading platform. The electricity derivatives would help in hedging price variation related risks and managing large power procurement competitively.
- ❖ Tata Power Delhi Distribution Limited (TPDDL) has signed a pact with California based AutoGrid for deploying artificial intelligence based smart energy management system. TPDDL and AutoGrid will jointly launch a behavioural demand response programme for company's residential customers. The pilot project expects to reduce energy consumption from peak hours to leaner demand periods by offering incentives to consumers. In the first phase, the programme will be initiated for a period of three months, from July 1 to September 30, 2021 with 4,000 residential consumers with smart meter connections.
- ❖ GE Renewable Energy has produced its 44,444th wind turbine blade at LM Wind Power's wind turbine blade manufacturing sites in India. These blades have been manufactured in the two factories located near Bangalore, Karnataka and in Vadodara, Gujarat. LM Wind Power's operations in India began in 1994 in Hoskote near Bangalore with the production of 13.4-meter blades. Today, the length of the blades produced exceeds 80 meters. Since the start of its operations in India 27 years ago, LM Wind Power has designed and manufactured blades which have helped install over 11 GW of wind power capacity. Currently, about 70 per cent of blades manufactured in its factories in India are exported.
- ❖ Tata Power has installed the first-ever fast DC electric vehicle (EV) charger at Kevadia in Gujarat. EV users can access this charger through Tata Power's EZ Charge application which offers a seamless user interface allowing EV owners to locate, navigate, book, charge, pay and check the availability of the nearest echarging stations in real-time.

## **Projects and Ventures**

- ❖ Tata Power has been empaneled and won a contract worth Rs 4 billion from the Kerala State Electricity Board Limited (KSEBL) to develop 84 MW solar rooftop capacity for domestic consumers in Kerala. As a part of this agreement, the company will implement projects through KSEBL of 64 MW for individual households with solar capacity ranging from 3 kW − 10 kW; and 20 MW for residential / housing society projects with solar capacity ranging from 11 kW-100 kW. The company has won this capacity in a bid announced by KSEBL in February 2021 under the Soura Subsidy Scheme in Domestic Sector, Kerala, in line with the Phase II Subsidy Programme of the Ministry of New and Renewable Energy. The project has to be commissioned within three months of receipt of an order from individual residential customers.
- \* ACME Solar Holdings Limited and ReNew Solar Power have emerged as the lowest bidders in the Maharashtra State Electricity Distribution Company Limited's (MSEDCL) auction to procure power from 500 MW of solar photovoltaic projects (Phase VI) on a long-term basis. ACME Solar Holdings has won 300 MW quoting Rs 2.42 per kWh, while ReNew Solar Power won 200 MW quoting Rs 2.43 per kWh.

## **Debt and Equity**

NTPC Limited has planned an investment of about Rs 2.5 trillion over the next ten years for expanding renewable energy (RE), a large part of which would come from the market through public offer. NTPC has proposed mega listing of its RE subsidiary, NTPC Renewable Energy Limited, in the next fiscal (2022-23) to raise resources to fund its initiative. The company has also increased its RE generation addition target from 30 GW to 60 GW by 2032. In another development, NTPC has planned to reduce coal-based generation to half of its capacity in a decade. It is also aiming for a 10 per cent reduction in net energy intensity by 2032. NTPC aims to have equal proportions of thermal and renewable mix over next decade.