TATA POWER

TATA

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TPTCL'S E-NEWS LETTER

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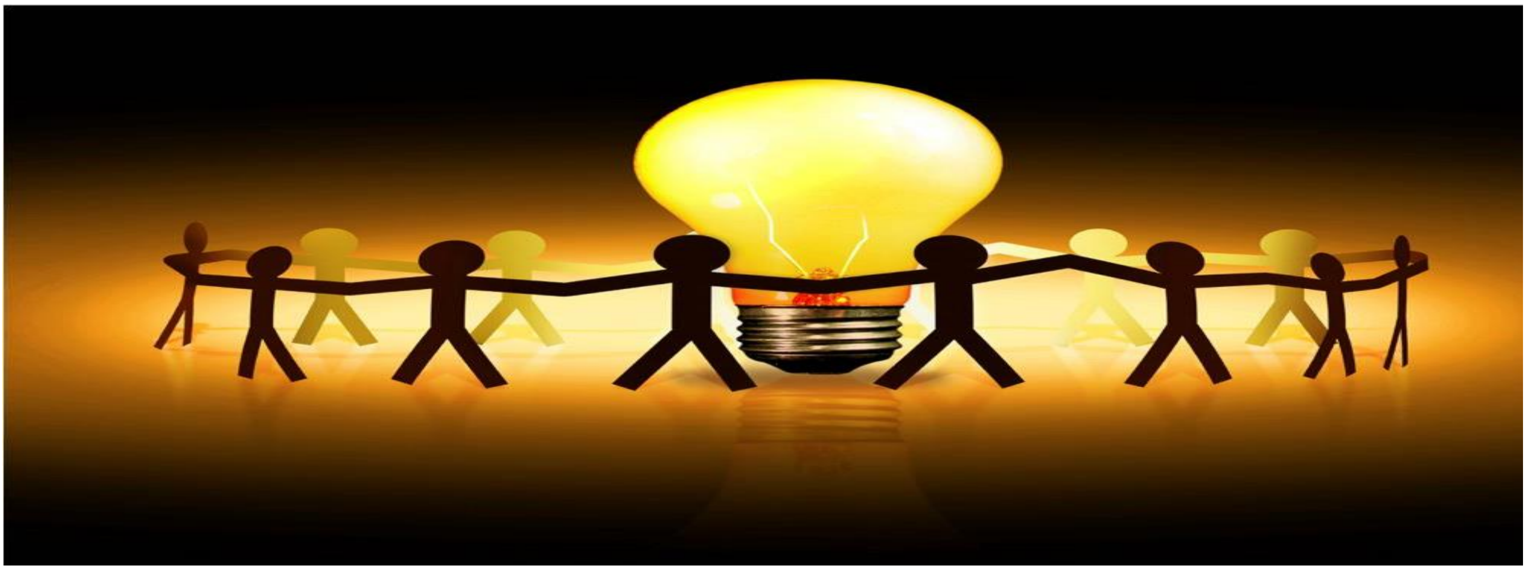
Tata Power Trading Company Limited (TPTCL)



Lighting up Lives!

Power Market News

Power Ministry modifies norms for pass through of cost of imported coal

The Ministry of Power said it has modified norms for pass through of higher cost of imported coal used by domestic thermal plants having power supply agreements with discoms under tariff-based bidding. The ministry, in a statement, said domestic coal-based power plants whose tariffs have been determined under Section 63 of the Electricity Act have raised concerns about the pass through of the increased cost in tariff if imported coal is used.

They requested for a suitable methodology to determine the impact on tariff of mandatory blending of imported coal. The ministry said it has examined the request in detail and a methodology has been finalised in consultation with the Central Electricity Authority (CEA), which was discussed in a meeting held on May 20, 2022 with the stakeholders.

Based on the discussions, it said, "the methodology has been revised to make it in line with the existing methodology being adopted by the CERC (Central Electricity Regulatory Commission)." In light of the present circumstances, and in continuation of the directions to import coal for blending, using the powers under Section 11 of the Electricity Act, the ministry has directed that the methodology shall be used by the generating companies supplying power under Section 63 of the Act (projects won on tariff-based bidding) and state governments/discoms will calculate the compensation due to blending with imported coal.

The mechanism for billing and payment for these plants shall be as per the PPA (power purchase agreement). However, it stated that to enable generating companies (gencos) importing coal with adequate cash flow, the provisional billing shall be done by the gencos on a weekly basis.

Payment of at least 15 per cent of the provisional bill shall be made by the procurers within a week from the date of receipt of bill, it stated. This provisional billing and payment shall be subject to reconciliation during final billing and payment on monthly basis as per the PPA. In case of default of payment of 15 per cent of the weekly provisional bill, the genco shall be free to sell 15 per cent power via the power exchange. The gencos shall ensure blending with imported coal and maintain coal stock as per extant norms and the directions issued by the ministry from time to time, it stated.

This direction is for coal imported for blending by such domestic coal-based power plants up to March 31, 2023. The ministry has issued directions to gencos using the powers under Section 11 of the Act in the light of current circumstances due to sharp increase in electricity demand. It stated that with soaring power demand and power shortage in some areas, the generation needs to be maximised.

The ministry added that despite efforts to increase the supply of domestic coal, there is still a gap between the requirement and supply of coal, because of which the dry-fuel stocks at the generating stations are depleting at a worrisome rate. Taking note of the fact that blending of imported coal to the extent of 10 per cent is not happening as stipulated, the ministry issued directions to all gencos on May 18 that if the orders for import of coal are not placed by them by May 31, 2022 and if the imported coal does not start arriving at power plants by June 15, 2022, the defaulter gencos would have to import coal to the extent of 15 per cent (to meet shortfall of imported coal in Q1) in the remaining period up to October 31, 2022.
Source

India asks power producers to seek weekly payments to manage coal imports

India has asked power producers to bill electricity buyers every week to ensure adequate cash flow as costs surge due to higher imports of expensive coal, according to a federal power ministry letter seen by Reuters. A scorching heatwave and the lowest fuel inventories at power plants in years have forced India to reverse a policy to slash coal imports. The move could put further pressure on power distribution companies that are saddled with debt and already owe billions of dollars to generators.

Power distribution companies had to ensure payment of at least 15% of the provisional bill to electricity producers within a week, the letter dated May 26 to power generating companies and state and federal energy officials read. If power distribution companies defaulted, the power producers could sell 15% of their output to electricity exchanges, the letter read. The ministry was invoking an emergency clause in the federal electricity law to enforce the change in payment mechanism, according to the letter.

Power plants, most of which have long-term agreements with distribution companies to sell electricity at fixed rates, have been allowed to pass on higher costs due to imports. India's power tariffs, set by the respective states, are among the lowest in the world, as state-run distribution companies have absorbed higher input costs to keep tariffs steady. This has left many of these companies deeply indebted. The companies' strained balance sheets have consistently triggered delayed payments to power producers, often hurting cash flow and further investment in the electricity generation sector.

If the distribution companies pay on time it would benefit companies including Adani Power, Tata Power, Reliance Power, Jindal Steel and Power, Torrent Power and Sembcorp. India said it was working on a plan to liquidate financial dues of power distribution companies, adding that the proposal would enable payment of financial dues in instalments. Previous attempts by different governments to reduce debt levels of distribution companies have had little success. ***Source***

India risks another power crisis in July-August: Report on coal stock

A lower pre-monsoon coal stock at thermal power plants in India is suggestive of another power crisis in July-August, independent research organisation CREA has said. The current coal stock stands at 13.5 million tonnes at pithead power stations and 20.7 MT cumulatively at all power plants across the country. "The data compiled from official sources suggest that the coal power plants are in no position to address even a minor spike in the power demand and there is a need to plan for coal transportation well in advance," Centre for Research on Energy and Clean Air's (CREA) latest report 'Failure to load: India's power crisis is a coal management crisis'.

The Central Electricity Authority of India (CEA) has predicted a peak power demand of 214 GW in August. In addition, the average energy demand could also increase to more than what it is in the month of May to 1,33,426 million units (MUs). "The onset of the southwest monsoon will further hamper mining and transportation of coal from mines to power stations... If coal stocks are not replenished to adequate levels before monsoon, the country might be heading towards yet another power crisis in July-August 2022," CREA said.

It also said the recent power crisis in the country was not due to coal production but "distribution and official apathy". "It is evident from the data that coal transportation and management was not sufficient to keep up with the increased demand from the power sector... The trends show that thermal power stations were not adequately stocked despite adequate coal mining," it said.

India saw a record coal production of 777.26 million tonnes (MT) in the financial year 2021-22 against 716.08 MT in FY21, an increase of 8.54 per cent. The country had a total mineable capacity of over 1,500 MT in FY 21-22 while the total production stood at 777.26 MT, approximately just half of its production capacity. Therefore, if there was a real coal shortage, coal companies had the option of simply increasing the production, Sunil Dahiya, an analyst at CREA, said.

"The current situation is not something that started in the recent past... Coal stock at power stations has been reducing consistently since May 2020, barring a few months in between. "The primary reason for the power crisis last year was the inaction of power plant operators to stock adequate coal before the onset of the southwest monsoon. The timing is crucial as the monsoon floods coal mines, hampering their production and transport to power stations," the report stated. ***Source***

Additional 1500 MW of power is in pipeline from India to Bangladesh-Union External Minister Dr S. Jaishankar

Union External Minister Dr S. Jaishankar said additional 1500 MW is in pipeline from India to Bangladesh. Presently 1160 MW of electricity is supplied to Bangladesh. Addressing a “NADI (River) Conclave 2022” in Guwahati, the External Minister said that inside Bangladesh, India is collaborating on a series of road projects, including improving the Ashuganj River Port-Akhaura Land Port Road under an LoC of more than US$ 400 million.

“The road project connecting Baruerhat to Ramgarh on the India-Bangladesh border, which will increase Tripura’s road connectivity with Bangladesh, is also being implemented under another LoC of US$ 80.06 million,” he said. The External Minister said that overland movement of goods is taking place using 28 notified Land Customs Stations (LCSs) and three Integrated Check Posts (ICPs) along the border.
He said that the “Maitree Bridge” over the river Feni connects Sabroom (Tripura) to Ramgarh (Bangladesh) and was opened by the Prime Ministers of the two countries in March of 2021. Cross-border power transmission lines and digital connectivity infrastructure offer additional dimensions of connectivity, Jaishankar said adding that the international gateway between Agartala and Cox’s Bazar in Bangladesh is helping to provide faster internet access and broadband services in Tripura.

“We will be reviewing all these developments and more at the Joint Consultative Commission Meeting with my Bangladesh counterpart in mid-June,” the Indian minister said. The External Minister Minister said that hydropower too offers great scope for cooperation, and this is relevant even more in an era of climate action.

There is an established tradition in this regard between Bhutan and India and a rapidly emerging one now between Nepal and India. A pipeline from Siliguri to Jhapa in Nepal is being explored. And with the launching of RuPay cards, Nepal is getting integrated with the Indian fintech and payment systems. Prime Minister’s visit to Lumbini this month was the most recent occasion to take our cooperation with Nepal forward, He added.

Noting that the Kaladan Multimodal Transit Transport Project is the most significant of those that India has undertaken in Myanmar, Jaishankar said that it is also one of the hardest, both because of topography and because of insurgency. “The project includes a waterway component of 158 km on the river Kaladan, from Sittwe to Paletwa, and a road component of a 109 km from Paletwa to Zorinpui, on the India-Myanmar border in Mizoram. Efforts are underway to make Sittwe Port operational at the earliest." But let me be frank about where we are. We have genuinely struggled with this very complex enterprise but are more determined than ever to spare no effort in getting it done," the External Minister added. Source

Govt invokes emergency clause to allow compensation for 32 GW domestic coal based plants

The government has invoked an emergency clause to allow compensation to 32 Gw domestic coal-based power projects for higher costs due to blending of imported coal till March next year. Power purchase agreements between these plants and the distribution companies have been signed for upto 25 years based on tariff-based competitive bidding under Section 63 of the Electricity Act and do not allow higher prices.

The direction issued under Section 11 of the Electricity Act said that coal imports for blending by power plants are not the level mandated by the government due to lack of clarity on compensation. It said the coal reserves continue to dip. "The methodology shall be used by the generating companies supplying power under Section 63 and state governments to calculate the compensation due to blending with imported coal. The mechanism for billing and payment for these plants shall be as per PPA," the order said.

It said domestic coal based power plants, whose tariff has been determined under section 63 of the Act have raised concerns about the pass through of the increased cost in tariff if imported coal is used and have requested for a suitable methodology to determine the impact of tariff of mandatory blending of imported coal.

"Their request has been examined in detail and a methodology has been finalised in consultation with the Central Electricity Authority, which was discussed in the meeting on May 20, 2022 with the stakeholders. Based on the discussion, the methodology has been revised to make it in line with the existing methodology being adopted by the CERC (Central Electricity Regulatory Commission," it said. For adequate cash flow to power plants, payment of minimum 15% of the provisional weekly bill shall be made by the discoms within a week from receipt of bill from these 32 Gw plants. In case of default, the power plants can sell 15% in power exchange. Section 11 of the Electricity Act provides that the government may, in extraordinary circumstances, ask a generating company to operate and maintain any station in accordance with its directions.

In April, the union power ministry had asked all power plants using domestic coal to import 10% of their fuel requirement and blend it with local coal. The power ministry last week said it would increase the coal import target to 15% for power generating plants that were not following its directive to meet 10% of their fuel requirement with imported coal. The government also invoked Section 107 of the Electricity Act to direct the central power regulator CERC to allow power plants under its watch to increase blending up to 30%. Source

Power Ministry mulls new scheme for discoms to pay off dues; can save Rs 19k cr late payment surcharge

The power ministry said it is working on a scheme for electricity distribution utilities (discoms) to pay off their dues mainly towards gencos, which has the potential to save Rs 19,833 crore on account of late payment surcharge. "The inability of Discoms to pay dues impacts the entire value chain of the power sector. Considering this situation, the Ministry of Power is working on a scheme to mitigate the financial woes of the Distribution Companies (Discoms) that are unable to pay their dues," the ministry said in a statement.

Delay of payments by a discom to a generating company (genco) adversely affects the cash flow of the generating firm, which needs to make provisions for input supplies like coal, and for keeping adequate working capital for day-to-day operation of power plants. As per data available on the PRAAPTI portal, as on May 18, 2022, the discoms' overdues (excluding disputed amounts and Late Payment Surcharge (LPSC)) stood at Rs 1,00,018 crore. The LPSC dues were Rs 6,839 crore.

The proposed scheme would enable payment of financial dues in easy instalments by the discoms. A one-time relaxation is being considered to be given to all the discoms wherein the amount outstanding (includes principal and LPSC) on the date of notification of the scheme will be frozen without further imposition of LPSC. The discoms will be given flexibility to pay the outstanding amount in up to 48 instalments.

The liquidation of outstanding dues in deferred manner without imposition of LPSC will give discoms time to shore up their finances. At the same time, the generating company will benefit from assured monthly payments which otherwise were not forthcoming to them. However, it stated that in case of delay in payment of an instalment by a discom, the late payment surcharge shall be payable on the entire outstanding dues which otherwise was exempted. As a result of the proposed scheme, the discoms will save an amount of Rs 19,833 crore on LPSC in the next 12 to 48 months, the ministry added.

States like Tamil Nadu and Maharashtra, which have large outstanding dues, will save over Rs 4,500 crore each as a result of this measure.

Uttar Pradesh will save around Rs 2,500 crore, while Andhra Pradesh, Jammu and Kashmir, Rajasthan and Telangana will save in the range of Rs 1,100 crore to Rs 1,700 crore. The savings by discoms will ultimately benefit the electricity consumer by reducing the burden of LPSC in the retail tariff, it said. The measure is expected to provide timely liquidation of arrears which is very much important to the gencos than the amount foregone on LPSC.

At the same time, suitable measures are being put in place to ensure that discoms pay their dues to gencos on a regular basis, otherwise supply by the latter will be reduced. Late payment surcharge is levied on the payment outstanding by a discom to a generating company at the base rate (pegged to SBI's Marginal Cost of Lending Rate (MCLR)). The LPSC is applicable for the period of default at base rate for the first month of default and increased by 0.5 per cent for every successive month of delay, subject to a maximum of 3 per cent over base rate at any time. ***Source***

Govt may invoke emergency powers to let power producers step out of PPAs

The government could invoke its emergency powers to make 40 GW domestic coal-based plants continue to generate power when they start blending imported coal even though their power purchase agreements (PPA) do not allow higher fuel costs to be passed on to the buyer. The government would allow these plants to sell electricity on the power exchanges if the states they have PPAs with do not buy costlier electricity generated by them, people aware of the deliberations told ET. In April, the union power ministry had asked all power plants using domestic coal to import 10% of their fuel requirement and blend it with local coal.

The costlier imported coal would raise the cost of electricity generation that under existing agreements cannot be passed on to the buyer. The proposed mandate will ensure these projects operate and sell to distribution companies under their existing contracts or sell on power exchanges if power retailers refuse offtake due to higher costs, they said. The power ministry is working on a methodology to pass-through the higher cost of blending imported coal to the consumers. The directive to these plants could be issued in the next 2-3 days. Section 11 of the Electricity Act provides that the government may, in extraordinary circumstances, ask a generating company to operate and maintain any station in accordance with its directions.

"The Centre considers PPAs as legally binding documents, but in the wake of the emerging national crisis, Section 11 has to be used to prevent mass blackouts and (deflect a) threat to the national grid," a senior government official said. However, legal experts are not convinced about the Centre's jurisdiction in the case of power projects selling to only one state. Such projects fall under the purview of states and their respective electricity regulatory commissions.

Tariffs for these 40-gw coal-based plants across the country were derived through tariff based on domestic coal through competitive bidding under section 63 of the Electricity Act. Power projects of central PSUs and plants with multi-state PPAs fall under the Centre's domain and are overseen by the Central Electricity Regulatory Commission (CERC). The Centre is relying on coal imports to build stocks at power stations amid high demand projections.

The Centre invoked an emergency provision to direct CERC to allow power plants to use coal blended with up to 30% imported content until March next year without having to seek the consent of buyer states. The directive said stocks at generating stations are depleting at a worrisome rate due to the mismatch in demand and supply of domestic coal. On May 5, the power ministry invoked Section 11 to mandate 13 imported coal-based power projects to operate and sell to discoms or on the power exchanges. A panel appointed by the order also decided on benchmark tariffs for six of these projects. ***Source***

No penalty on imported coal-based power plants for default: Government

The government clarified that imported coal-based power plants, which were directed to operate under an emergency legislation earlier this month, would not be penalised for default in case states do not offtake electricity and the average prices on power exchanges are inadequate. This means imported coal-fired power plants now have the option to avoid selling on power exchanges if states that buy power from them refuse to offtake the electricity.

The government invoked the emergency clause on May 5, mandating 13 imported coal-fired stations to operate and either sell to states or on power exchanges. The average power price on the day-ahead market of the Indian Energy Exchange for May 22 was ₹6.5 per unit. The government move, which was aimed at increasing electricity supply and easing pressure off domestic coal, caused anxiety among imported coal-based power plants. They said selling on power exchanges when discovered tariffs were lower could result in losses.

The power companies, however, sought more clarity since these plants need to operate at technical minimum levels and cannot be shut down even in case of no power offtake.

"In case the average MCP (market clearing price) is less than the tariff given under Section 11 or the mutually agreed tariff with the procurer, then the generator will not be bound to sell power in the power exchange. However, if the average MCP is more than the tariff given under Section 11 or the mutually agreed tariff with the procurer, then the generator will mandatorily sell power in the power exchange," the Union power ministry said. According to the clarification, power distribution companies must maintain the unconditional bank guarantees against electricity supply as per their power contracts. ***Source***

Future of decarbonised solutions in India

India is among the world's biggest carbon dioxide emitters, behind China and the United States. The per capita emissions in the country rose from 0.39 metric tons in 1970 to a high of 1.87 metric tons in 2019. While the power sector in India is the highest emitter of greenhouse gases in the country, this can significantly change if it reduces its excessive dependence on coal for energy production. However, the industries next only to the power sector in terms of energy consumption would be difficult to tame.

Reducing greenhouse gas emissions is critical for India as it has already been at the receiving end of the growing imbalance caused by the incessant rise in global temperature. It has been facing severe heat waves, erratic monsoons, compounding sea-level rise and tropical cyclones that cause floods. While some of these changes are irreversible, it is necessary to take immediate and effective steps to contain the emissions. Being a developing nation that cannot radically change its growth strategies, managing carbon dioxide effectively can be a game-changer.

Government initiatives and policies

The Indian government announced at the CoP26 that it would become a net-zero emitter by 2070. It has announced a five-fold policy- Panchmitra to achieve this. Committing to increasing its non-fossil fuel energy capacity to 500 gigawatts (GW) by 2030, it has announced that India would meet 50per cent of its energy requirements through renewable energy by 2030. It further said that India would reduce its carbon emissions by one billion tonnes from now onwards till 2030. The fourth step that the government will take is to reduce the nation’s carbon intensity by 45 per cent by 2030. Escalating its efforts further, India will achieve the Net-Zero targets by 2070. Coming from a developing nation like ours, the target and steps mentioned by the government are laudable. It would need to take mammoth steps to achieve them.

India has been taking other prominent initiatives like the International Solar Alliance, under which it has pledged to increase its solar energy capacity to 175 gigawatts by 2022. While this target was affected due to the pandemic, the government's resolve is bound to increase India's solar capacity soon. The Indian government has entered into an understanding with the French Government, under which it would make a direct contribution of One Million Euros to the alliance. India has also entered into the first trans-national solar grid plan with the United Kingdom.

In addition to the ISA, the Indian government has taken a firm step towards sustainable mobility by formulating several schemes aimed at increasing production and creating the demand for EVs in India. With the increase of electric transport systems, India's fossil fuel burden would reduce further. It would also affect the overall GHG emissions significantly. Furthermore, the government has extended its support for Green Buildings to add to its Net Zero efforts.

Decarbonisation: A difficult yet achievable target

While India has pledged to reduce its carbon emissions by one billion tonnes and reduce the nation’s carbon intensity by 45 per cent by 2030, this can be a herculean task. It is necessary to ascertain the focus areas; plan and create a strategy to achieve it at the earliest. The carbon dioxide that is already present in the atmosphere is one of the major components of the total GHG emissions. However, effective management of carbon dioxide is possible through steps like carbon sequestration. While GHG emissions happen from almost all the segments including, agriculture and households, their large scale management depends on the adoption of sustainable practices. Curbing pollution from sectors like the power sector, transport, and the manufacturing industry is pertinent as their present state of affairs leads to maximum emissions.

Reducing fossil fuel dependency of the power and transport sector: The power sector accounts for around 50per cent of India's fuel-related emissions. It spews out more than one gigatonnes of CO2 every year and accounts for 93per cent of the countries CO2 emissions. More and more steam turbines should replace gas turbines in power plants as these turbines separate the energy source and electrical power generation. It makes them compatible with several fuels sources such as Coal, Biomass, Municipal Waste, unlike gas turbines, gas engines, diesel sets, etc. Moreover, their quick starting time and reliability makes them suitable for energy conservation.

Carbon dioxide sequestration from gas turbines and thermal power plants, in general, can significantly mitigate the emissions. The sequestration process involves a set of technologies that can reduce CO2 release in the atmosphere to a great extent. CO2 emerging from coal-fired power plants can be captured before it releases into the atmosphere. The captured CO2 can then be transported through a pipeline and injected into deep underground locations like a secure abandoned oil field. These locations are identified after a careful study of the subsurface geologic formation.

Furthermore, reducing dependence on coal-based power plants by increasing the reliance on renewable resources like solar, wind, and hydropower can further reduce the CO2 emissions from the power sector. The transport sector that accounts for maximum fossil-fuel consumption generates around 10per cent of GHG emissions. As the country transitions towards sustainable mobility practices, GHG emissions from vehicles would reduce considerably.

Industrial Manufacturing: The industrial manufacturing processes that account for around 20per cent of GHG emissions are hard to abate. India is a developing nation that has been trying to increase its manufacturing capacity year on year. With Make in India, Aatmanirbhar Bhaarat and other such schemes the manufacturing sector is expected to continue its forward leap. In this wake, it becomes necessary to curb pollution and manage and mitigate the CO2 emissions from the manufacturing sector through steps like carbon sequestration. Energy interventions that use green hydrogen will be advantageous in reducing the carbon footprint of this segment. The declining cost of electrolysers provides India with an opportunity to rapidly scale up in this segment. While the government has already launched the National Hydrogen Mission, it is now time for the stakeholders to join hands to chart out a roadmap for streamlining the technology, production and demand creation of green hydrogen in the country.

Industries such as iron and steel, cement and petrochemical industries are energy-intensive and with the current technologies, generating the heat required by these industries through other fuels is mostly impossible. Also, a sudden change of fuel is not possible for these industries due to the involvement of high-cost machinery. Changing the types of machinery at one stage would mean further up-gradation in other steps. The waste to energy recycling process can reduce the carbon footprint of these energy-intensive industries. The cast-off energy from these industries that are in the form of biomass, combustible gases, exhaust heat and the energy from other wastes can be recovered to generate power.

Furthermore, increasing energy efficiency is possible through the use of the Best Available Technologies. Reducing emissions is possible by using sector-specific solutions such as process heating systems, steam systems, electric motors and electronic control systems. The government needs to rapidly restructure its policy level intervention and move ahead from the Perform, Achieve and Trade (PAT) scheme. While the scheme has been successful in unlocking energy efficiency, we must not forget that it is just one part of the decarbonisation process. There are several facets to decarbonisation and the need of the hour is to adopt carbon neutral or carbon negative measures instead of just focussing on energy efficiency. Furthermore, every sector needs to adopt sustainable[This piece was written exclusively f practices and work in tandem with the government to make the net-zero emissions commitment a reality. ***Source***

Nashik: Workers' association calls for 'One Nation, One Grid, One Rule'

Nashik: Calling for strengthening of the energy sector and disposing of the coverage of privatizing authorities organisations within the energy sector, the Akhil Bhartiya Vidyut Majdoor Mahasangh — after its seventeenth triennial All India Convention at Nashik — has burdened on the necessity for 'One Nation, One Grid, One Rule' coverage.

The Mahasangh, which celebrated its golden jubilee at Nashik, has known as for united efforts by the central and state governments to make sure the survival of the federal government industries and safety of shoppers towards the alleged profiteering by capitalists at the price of authorities industries Addressing the gathering, nationwide president of the affiliation R Muralikrishnan, basic secretary Amarsinh Sankhala and workplace bearer Akhtar Hussain,urged the central authorities to evolve insurance policies for the uniform construction of electrical energy era, transmission and distribution firms throughout the nation.

The convention adopted a decision interesting to the Union authorities to take measures to safeguard the industries and likewise the employees concerned. On the identical time, it additionally warned that each one the staff of public sector undertakings throughout the nation can be happening day-long agitation in New Delhi for the anti-labour insurance policies being adopted by the federal government. The decision adopted by Mahasangh throughout its conference contains – restructuring and re-strengthening of an industrial tripartite committee on energy era and so forth.

Akhil Bhartiya Vidyut Majdoor Mahasangh is an affiliation for the staff working within the government-run energy sector throughout the county. ***Source***

Govt mulls scrapping requirement of forest clearance for exploration of blocks

The mines ministry has proposed to do away with the requirement of obtaining forest clearance for exploration of mineral blocks, a move that would lead to auction of more mines and augment the country's mineral output. The proposal requires further amendments in the Mines and Minerals (Development and Regulation) Act and the ministry has sought comments from the stakeholders on the proposed changes.

"Accordingly, a provision my be inserted in the MMDR Act to provide that any reconnaissance or prospecting operations undertaken within the period specified in MMDR Act in a forest land shall not be considered as diversion of forest land for non-forest purpose under the Forest Conservation Act, 1980," the ministry said in a note. Reconnaissance Permit (RP) is granted for preliminary prospecting of a mineral through regional, aerial, geophysical or geochemical surveys and geological mapping.

Prospecting Licence (PL) means a licence granted for the purpose of undertaking search with a view to exploring, locating or proving mineral deposits. In a bid to enable auction of more blocks and to enhance production of minerals, more exploration is required to be conducted, the note said.

A high-level committee of NITI Aayog had earlier recommended that "there should not by any requirement of forest clearance for undertaking exploration." Ministry of Environment, Forest and Climate Change had issued a consultation paper on the proposed amendments in the Forest (Conservation) Act, 1980 and invited comments/suggestions of state governments and public on the same.
As stated in the consultation paper, survey and investigation activities such as reconnaissance and prospecting operations (exploration) do not cause any perceptible change in the forest land or the

biodiversity thereon. No permanent diversion of forest land for non-forest activities is required for such activities and these activities are for short duration of 3-5 years.

Also, the ratio of conservation of exploration activities to mining activity is 100:1.

"In order to enable auction of more blocks and to enhance production of minerals, more exploration is required to be conducted. Mining operations can be undertaken in an area only after the existence of mineral is established in the said area," the ministry said adding that necessary forest clearance would anyway be taken before start of mining operations. Further, state governments may prescribe the manner of granting permission for carrying out such reconnaissance or prospecting operations. ***Source***

TN to replace digital power meters with smart meters

Chennai: The Tamil Nadu Generation and Power Distribution Company (Tangedco) is in the process of replacing digital power meters with smart meters. This is to help the consumers get information on consumption, tariff, bill due date, and penalty for defaulting on payments in the mobile numbers of the consumers. The department is bringing in smart meters to replace digital power meters to avoid human intervention in collecting meter readings and to deploy remote disconnection and reconnection of services.

Sources in Tangedco told IANS that the Industrial Technical Consultancy Organisation of Tamil Nadu (Itcot) has been assigned to prepare a preliminary technical report on replacing the present digital power meters with smart meters. Tangedco officials said that the project report will be submitted in a few months and work will commence immediately after that. The smart meters costing Rs 6,000 to Rs 7,000 would be offered free of cost to the consumers and as a pilot project, the department has installed smart meters at Thiagaraja Nagar in Chennai. However, the meter reading is still being taken manually as software development is still under process.

Tangedco and Tamil Nadu government is expecting funding support from the Government of India. Sources in the department told IANS that the central power ministry had promised financial support for the project but it was put on hold due to the pandemic. The Tangedco has already submitted a reworked proposal to the Central government to totally bear the expenses of the project that would benefit the people immensely and reduce human intervention in even disconnection and reconnection. ***Source***

Power ministry urges coal ministry to nudge CIL, SCCL to scale up output by 10-12 per cent

The power ministry has urged the ministry of coal to take steps for increasing output by 10 to 12 per cent from Coal India Ltd and its arm Singareni Collieries Company Ltd (SCCL) this fiscal year as electricity outages are hurting economic revival. "Power ministry has asked the coal ministry to raise CIL's and SCCL's output for the power sector by at least 10-12 per cent in the current financial year to ensure uninterrupted power supply and prevent any outages that could hurt country's economic revival," a source said. The source also informed that power ministry has informally taken this matter up with coal ministry and a formal communication in this regard will be made soon.

Coal stocks at 155 non-pit head thermal plants with total capacity of 164GW were 25 per cent of the normative level on May 23, 2022. The stock is being monitored by the Central Electricity Authority (CEA).

According to the CEA data, the 155 plants with over 164GW generation capacity, had coal stock of 14,233 thousand tonnes against normative level of 57,195 thousand tonnes. Coal is transported from mines to non-pit head thermal plants located hundreds of kilometers away.

The sources told that while coal production from power sector's captive mines is expected to go up by 43 per cent to 120 million tonnes in the current financial year, the output from CIL and SCCL is likely to go up by only 4-6 per cent. For FY22 the CIL provided 540 million tonnes of coal to the power sector while SECL provided another 53.65 million tonnes.

According to projections, coal dispatches to power sector are expected at 565 million tonnes by CIL and 57 million tonnes by SCCL in the current financial year. It is observed from the data that while captive coal mines of power sector have made efforts to raise production by as much as 40 per cent in the current financial year, the mining firms under coal ministry should raise output by at least 10 to 12 per cent to iron out supply crunch, the sources added. ***Source***

India lets power plants blend up to 30% imported coal to avoid a grid collapse

The Centre has invoked an emergency provision to direct the Central Electricity Regulatory Commission (CERC) to allow power plants to use coal blended with up to 30% imported content until March next year without having to seek the consent of buyer states. The directive said stocks at generating stations are depleting at a worrisome rate due to mismatch in demand and supply of domestic coal. Stocks of coal on May 17 were at 20 million tonnes, adequate for eight days at current consumption levels. Sources said the directive is an enabling provision since many state-owned distribution companies are not letting power plants blend imported coal with domestic coal as that will see tariffs increase substantially.

The power ministry had on April 28 asked all power plants to import 10% of the coal they need to build stocks amid projections of record power demand. Power minister RK Singh said in an interview last week that 10% blending of imported coal would result in a 50 paise per unit increase.

"In the present emergent crisis of power shortage on account of inadequate supply of domestic coal, it is imperative that the generating companies should be allowed to use higher proportion of imported coal for blending in compliance with decision taken by the ministry of power, subject to technical feasibility, without any requirement of prior consultation with beneficiaries," according to the direction issued under Section 107 of the Electricity Act. May not go down well with states

"This will serve larger public interest by enabling higher generation of power in the country to meet the electricity demand of the consumers," it said.

Under CERC rules, 30% is the outer limit allowed for blending purposes. As per power purchase agreements, plants need the consent of consumers for coal blending. The power ministry diktat said permission by CERC, the power regulator, to generating companies will ensure adequate generation capacity and maintain grid security besides reliability of supply. The directive will facilitate the use of more imported coal by central public sector units such as NTPC and plants in contracts with multiple states that fall under the CERC's purview.

The power ministry has suggested that state power regulatory commissions issue the same directive. But this may not go down well with states. Rajasthan Chief Minister Ashok Gehlot alleged that the Centre was forcing states to purchase imported coal, which costs three times that produced in the country, for blending. He urged the Centre to scrap the requirement to purchase imported coal, saying his state may have to bear a ₹1,736 crore burden if it purchases the fuel from overseas.

The All India Power Engineers Federation said the Centre should bear the additional cost since the coal crisis is not the fault of the state power generating houses. ***Source***

Govt may ask RBI for power projects window

The government may ask the Reserve Bank of India (RBI) to allow banks and financial institutions to lend working capital to imported coal-fuelled power plants that have been classed as non-performing assets so that they can resume generating power, officials aware of the deliberations said. This comes follows the power ministry directing two power sector lenders -- state run Power Finance Corporation (PFC) and REC Ltd -- to arrange loans for up to six months to financially stressed imported coal-based (ICB) power generation plants to enable them to restart generation.

The reported move comes at a time when the country is going through a severe power crisis due to lower availability of coal and high power demand with the early onset of summer. The loans availed through the special window would have to be given priority in terms of repayment to the banks, experts said. Experts were of the view that for banks to be able to give loans to these plants, RBI may have to restructure the existing loans for more loans to pour in.

Sumit Khanna, Partner & National Head, Corporate Finance & Restructuring Services at Deloitte said: “One option can be restructuring of loans, and the other option is that the NPA status is kept there (for the previous loans) and a new loan is allowed for a short period and the amount is put into an escrow account for further use." Several of the imported coal-based power plants are not working to their full capacity amid financial stress and the high cost of coal in the international markets.

Earlier this month, the power ministry asked all imported coal-based plants to start operating at 100% capacity, saying these plants need working capital to buy coal and start generating power in order to restart their operations. ICB plants have a total capacity of 17,600 MW but only around 10,000 MW is operational. The ministry had also mandated blending of 10% imported coal by power plants to meet soaring demand. Power demand spiked last month leading to fears of a crisis situation with low availability of coal and railway rakes to transport the mineral to plants.

Although, the power demand has softened since then and the shortage seems to have eased, temperatures have begun rising again. The maximum demand met in a day has again crossed the 200 GW mark. it was 201.74 GW. The highest peak demand met this year was 207.11 on 29 April. The total stock at the power plants tracked by the Central Electricity Authority was 20.78 million tonnes, less than a third of the required 66.49 million tonnes. Of the 173 plants under the ambit of CEA, 79 plants based on domestic coal are running on critical stock, with less than 25% of the requirement. Another 10 imported coal plants are also surviving on critical coal invetory levels. ***Source***

Transmission charges payable by DICs for the billing month of Jun’22

The Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses), Regulations 2020 came into force with effect from 1.11.2020. In these New Regulations, STOA charges will be determined based on monthly state transmission charges and there shall not be any separate injection and drawl PoC charges, for STOA. Further, DISCOMs having long term Access are not required to make any payment against POC charges for STOA transaction.

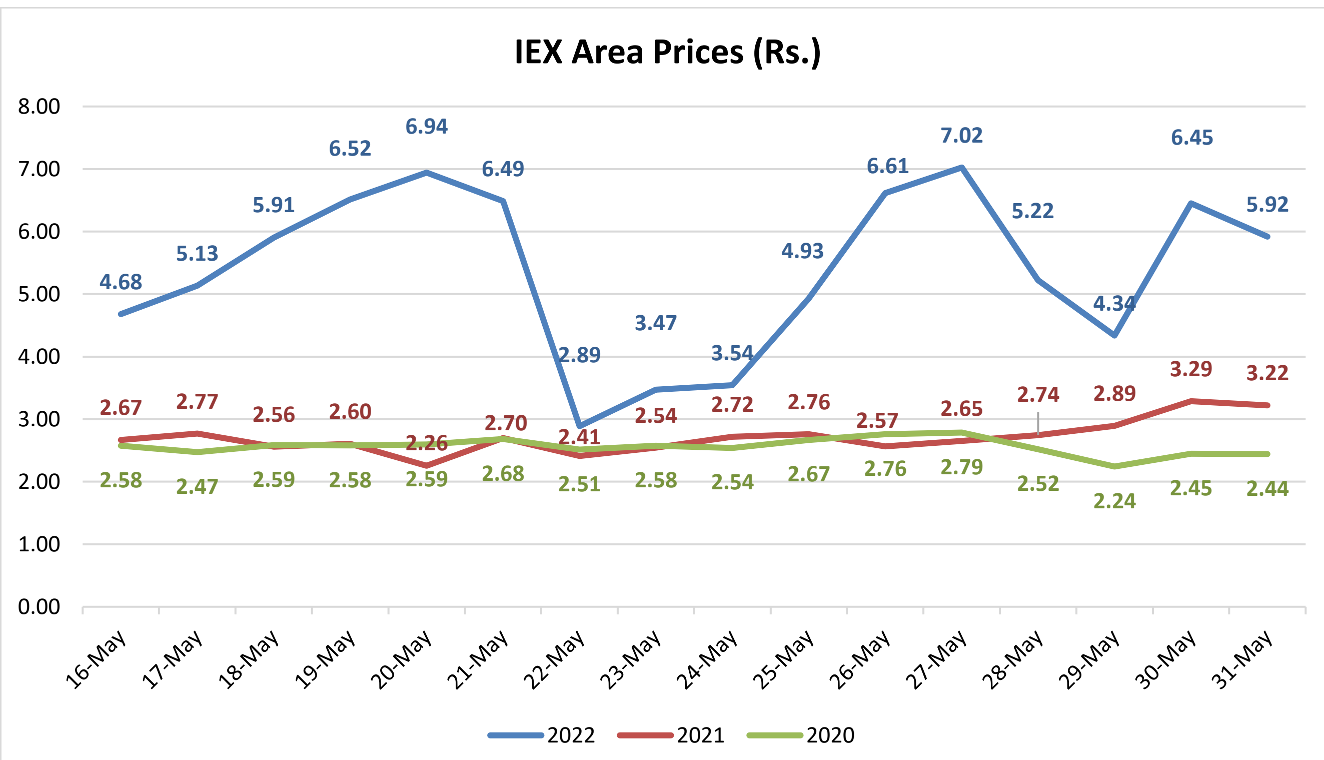
Transmission Charges for Short Term Open Access (STOA)			
Sl. No.	**State**	**Region**	**STOA rate (paise/kWh)**
1	Delhi	NR	43.14
2	UP	NR	49.38
3	Punjab	NR	44.64
4	Haryana	NR	49.21
5	Chandigarh	NR	41.91
6	Rajasthan	NR	45.44
7	HP	NR	39.91
8	J&K	NR	41.46
9	Uttarakhand	NR	51.71
10	Gujarat	WR	43.25
11	Madhya Pradesh	WR	44.09
12	Maharashtra	WR	54.16
13	Chhattisgarh	WR	40.70
14	Goa	WR	45.21
15	Daman Diu	WR	45.19
16	Dadra Nagar Haveli	WR	47.24
17	Andhra Pradesh	SR	60.79
18	Telangana	SR	42.57
19	Tamil Nadu	SR	45.31
20	Kerala	SR	44.08
21	Karnataka	SR	44.91
22	Pondicherry	SR	37.61
23	Goa-SR	SR	31.84
24	West Bengal	ER	55.16
25	Odisha	ER	49.08
26	Bihar	ER	43.46
27	Jharkhand	ER	50.86
28	Sikkim	ER	40.50
29	DVC	ER	43.88
30	Bangladesh	ER	38.17
31	Arunachal Pradesh	NER	42.70

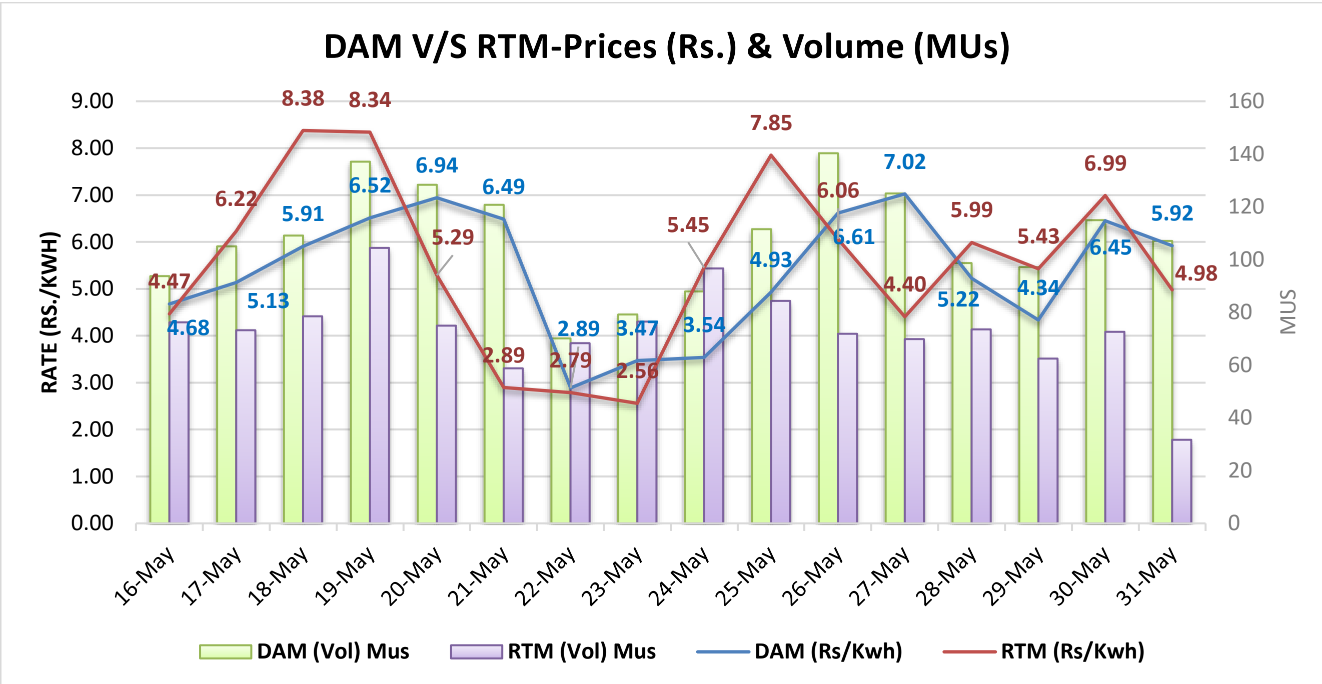
32	Assam	NER	41.05
33	Manipur	NER	41.86
34	Meghalaya	NER	38.33
35	Mizoram	NER	41.77
36	Nagaland	NER	59.22
37	Tripura	NER	46.19

Bilateral Tender Results: -

Sl. No.	Tender Quantum (MW)	Supply Period	Time Blocks (Hrs.)	Price (Rs./kWh)	LOI Status
Tata Power Delhi Distribution Limited/Short/22-23/RA/69					
1	250	01.06.2022 to 15.06.2022	00:00 to 24:00	6.49-7.15	LOI Issued
2	100	16.06.2022 to 30.06.2022	00:00 to 24:00	7.14	
3	150	01.07.2022 to 15.07.2022	00:00 to 24:00	6.03-6.13	
NUPLLP/Short/22-23/RA/71					
1	3	01.07.2022 to 15.07.2022	00:00 to 24:00	5	Awaited

IEX Price Trends





Weather (Estimated for next fortnight)

City	Max Temp	Min Temp	Precipitation (Probability)
DELHI	40	30	8%
MUMBAI	32	28	65%
KOLKATA	36	29	30%
CHENNAI	36	28	30%

(Source - Accuweather)

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Editorial team: Biswajit Mondal (Specialist-Short Term, Utility Marketing) Mob No-9717533211