TATA POWER

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TPTCL'S E-NEWS LETTER

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Tata Power Trading Company Limited (TPTCL)

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Power Market News

State discom dues to Central PSUs cross Rs.20,000 crore

The outstanding dues of power utilities of state governments and UTs payable to Central PSUs stood at over Rs.20,000 crore, as per latest statistics released by Central Electricity Authority. As of October 31, 2022 (the latest data available), the total dues by government power utilities to Central PSUs had reached Rs.20,719 crore. These dues are those that are outstanding for more than 45 days, and include principal amount and late payment surcharge. This outstanding amount has not changed much from that in the previous year. On October 31, 2022, such dues were Rs.20,913 crore. However, there has been a marked change in the constitution of this list.

Here are some observations:

- Total dues by Tamil Nadu as of October 31, 2022 stood at Rs.7,295 crore, accounting for over 35 per cent of the aggregate dues. In 2021, this southern state had much lower dues of Rs.4,283 crore.
- Dues by UT of J&K fell from Rs.5,780 crore in 2021 to Rs.2693 crore in 2022 – both as of October 31.
- Karnataka and Madhya Pradesh were two other instances of outstanding dues falling considerably between 2021 and 2022. From Rs.2,425 crore as of October 31, 2021, outstanding dues of Karnataka utilities dropped to Rs.540 crore as of the same date in 2022. Likewise, dues of Madhya Pradesh utilities fell from Rs.1,335 crore to Rs.342 crore, by the same comparison.
- In the case of Bihar, outstanding dues ballooned from just Rs.74 crore as of October 31, 2021 to as much as Rs.1,638 crore on the same date in 2022.

It should be noted that these are “outstanding” dues that have remained unpaid beyond the grace period of 45 days. State power utilities also owe dues within the grace period, which are termed as “current” dues. This story discusses only outstanding dues and that too, payable to Central PSU generators like NTPC, NHPC, Damodar Valley Corporation, Nuclear Power Corporation of India, etc.

State power utilities also owe monies to other generators like independent power producers (private sector generators) and to renewable energy developers.

Total Dues

According to information available on the PRAAPTI portal (accessed on January 11, 2023), state power utilities owe a total of Rs.78403 crore to all entities put together. Of this amount, Rs.25,253 crore was “outstanding”, which is overdue by over 45 days. The remaining Rs.53,150 crore was “current” in that it falls within the grace period of 45 days. ***Source***

CEA announces disaster management plan for power sector

The Central Electricity Authority (CEA) has announced the disaster management plan (DMP) for the power sector in a bid to evolve a proactive and integrated approach to strengthen disaster mitigation, readiness, emergency response, and recovery efforts.

“The DMP provides a framework and direction to the utilities in the power sector for all phases of the disaster management cycle (Mitigation, Preparedness, Response, and Recovery). It is intended to guide all agencies within the sector with a general concept of potential emergencies and roles and assignments before, during, and following emergency situations,” CEA said. The plan comes close on the heels of the Government investigating instances of land subsidence in Uttarakhand’s Joshimath, the gateway to pilgrimage sites, such as Badrinath and Hemkund Sahib. Environmentalists blame it on rampant unplanned construction by locals and government agencies, as well as over population.

The issue of land subsiding in the hilly state of Uttarakhand also raises concerns on the fate of India's attempts to increase hydropower generation. The DMP is also in conformity with the ten-point agenda articulated by Prime Minister Narendra Modi in his inaugural speech at the Asian Ministerial Conference on disaster risk reduction in November 2016.

The DMP is also in conformity with the ten-point agenda articulated by Prime Minister Narendra Modi in his inaugural speech at the Asian Ministerial Conference on disaster risk reduction in November 2016. It includes investing in risk mapping globally, creating a network of universities working on disaster-related issues, leveraging social media and mobile technologies for disaster risk reduction, as well as building local capacities for disaster management, reduction, and relief.

Power infrastructure

The CEA emphasised that to estimate threats to power infrastructure, it is pertinent that fragility and vulnerability analysis is carried out for civil structures like buildings, tall structures, foundations in the generation infrastructures, towers, gantry structures, and foundations in transmission and distribution facilities.

"Accurately assessing climate risks is difficult because of the uncertainty in predicting the level and timing of climate threats. While uncertainty caused by climate change is unavoidable, electric utilities can manage risks by considering different climate scenarios and potential impacts on their assets, the investment options available, and the robustness of the proposed options," it added.

CEA stressed that risk assessment of electric power generation stations, transmission, distribution, and grid operations infrastructure is an important step in ensuring reliable power supply and quick restoration even in times of extreme weather events and natural disasters.

"Aim of such analysis is to evolve methods for finding quantitative risk involved in power wheeling networks to devise effective strategies for prevention, mitigation, response, and recovery. Risk analysis involves vulnerability assessment of electrical establishments, including its equipment and hazard assessment of the site/region of interest," the plan added. This will be helpful for policy and decision-makers to evaluate strategies and measures for critical infrastructure planning and protection.

Social media

Social media has become a vital tool aiding the Government to jump into action to exact locations, disseminate information to a wider audience, know the ground reality, and so on. It could be useful for rescue, rehabilitation, and relief during disaster management, CEA said in the plan document.

It suggests the use of social media for emergencies and disasters on an organisational level to be conceived of in two broad categories. First, social media can be used passively to disseminate information and receive user feedback via incoming messages, wall posts, and polls. Second involves the use of social media as an emergency management tool for conducting emergency communications and issuing warnings; monitoring user activities and posts to establish situational awareness and, using uploaded images to create damage estimates, among others. ***Source***

India expects utilities' annual coal demand to surge about 8 per cent after renewables shortfall

India expects its power plants to burn about 8 per cent more coal in the fiscal year ending March 2024, according to a senior government official and a power ministry presentation, after the country missed its 2022 renewable energy goal by more than 30 per cent.

The world's third-largest energy consumer and emitter of greenhouse gases has been clinging to coal for energy security as it tries to get its economy back on track after a COVID slowdown and stave off power shortages that led to idled factories and villages without electricity during a blistering heatwave.

India expects utilities' coal demand to reach 821 million tonnes in 2023-24, according to the presentation. The government official said that would be about 8 per cent more than demand during this fiscal year. Two government officials familiar with the matter said that because of COVID constraints, India added only 120 gigawatts (GW) of renewable energy to its power grid by 2022, short of its target of 175 GW.

At the same time, an uptick in economic activity and the heatwave during the first quarter triggered a surge in power demand - an increase the government expects to persist in 2023- 24, according to the senior official and the presentation, seen by Reuters. India is expected to produce 1,255 terawatt-hours (tWh) of power using coal in 2023-24, the official said, compared with 1,180 tWh of power from coal this fiscal year. The government hopes to add 16 GW of renewable energy in the next fiscal year, a 13 per cent increase in current installed capacity.

The federal power ministry did not immediately respond to a request seeking comment, but has said India would continue to depend on coal but gradually cut down on its usage. Staterun Coal India, which accounts for 80 per cent of India's coal production, is seen supplying 620 million tonnes to the power sector in 2023-24, compared with a projected 580 million tonnes in 2022-23, according to the presentation, made to the federal power minister on Dec. 29.

Coal India, the world's largest miner, is expected to produce 770 million tonnes of coal in 2023-24, leaving it with more to sell at higher margins to the non-power sector. India is expected to produce about 735 million tonnes of domestic coal in the 2022-23 fiscal year, according to the presentation.

The government has estimated that the coal demand can't be met through domestic sources and because of logistical challenges, and has asked power plants to import 6 per cent of their requirement. Availability of trains for transportation of coal were at least 11 per cent short of targets on an average during both the first and second half of the 2022-23 fiscal year, according to the presentation. The federal push to increase imports by the world's second largest coal importer could drive up global demand prices as China ends its zero-COVID policy and attempts to ramp up industrial activity.

China and India together account for three-fourths of electricity consumption in Asia-Pacific, with coal fuelling more than 70 per cent of India's power generation. Coal-fired power plants, which account for more than three-fourths of India's use of the polluting fuel, ramped up generation by about 10 per cent in 2022 to address higher demand. Utilities would need 453 trains during the first half of 2023-24 for domestic and imported coal to be transported, 68 trains more than the December average of 385 trains, according to the presentation. ***Source***

Power demand increases as industrial activity picks up

Power generation in the country grew by 10% in the first nine months of 2022-23, with the thermal power generation up 10% and renewables growing at 19%. Demand will surge over the next 6-7 months, with the onset of summer and good prospects for the Indian Manufacturing Index (PMI), say experts.

According to the Central Electricity Authority's (CEA) provisional data up to November 2022, the total energy requirement was 1017 BU and the availability was 1012 BU, a fall of just 5,691 million units or -0.6%. India generated 1,491.9 billion units (BU), with a growth of 7.9% in 2021-22 after two successive years of less than 1% growth due to Covid-19 issues. S&P Global's India's purchasing managers index (PMI) for manufacturing, released a few days ago, rose to a 26-month high of 57.8 in December. It was aided by the highest increase in new orders and production in the last two years.

The power generation growth in India rebounded to double-digits in Nov-Dec 2022, leading to 8% YoY generation growth during Q3 FY23. Generation was flattish on October 22 due to heavy rains. The last two months of the previous year saw double digit generation growth.

Generation from thermal units for the quarter was up 7.3% year-on-year (YoY), while renewable energy generation was up 25% YoY. On a 3-year CAGR basis, generation is up 5.5%, with thermal/RE growth at 5.3%/16%, respectively. No major growth is seen in the nuclear/hydro verticals during the 3-year period, observes an Emkay research report. "We expect demand to see continued surge over the next 6-7 months, with the onset of summer. Indian manufacturing PMI remains strong and, hence, demand growth is expected to stay buoyant," says the report.

Data for several years suggest the second half of the year is usually favourable for thermal units due to summer, even growing by 106% when compared to the first half of the year. "We believe that as demand sees traction, companies with large under-utilized capacity such as NTPC would benefit," say researchers at Emkay. NTPC's generation grew only 2% in the third quarter largely due to low utilisation during October 2022. NTPC plans to add 18 gigawatt (GW) of projects (thermal, hydro and RE) over the next 3 years. ***Source***

UP Power Corporation Limited proposes 18% tariff hike for urban domestic consumers

The UP Power Corporation Limited submitted a proposal to the UP Electricity Regulatory Commission (UPERC), suggesting a hike of around 18 per cent in power tariff for urban domestic consumers. Electricity companies proposed an increase in power tariff by 18 to 23 per cent. According to the proposal, per unit electricity charge for domestic rural consumers will be increased from Rs 3.50 to Rs 4.35 (first 100 units). Meanwhile, if the power consumption goes beyond 300 units, a hike from Rs 5.50 per unit to 7 per unit has been proposed.

Similarly, for urban domestic consumers, the maximum rate has been upped from Rs 6.50 per unit to Rs 8 per unit if the power consumption goes beyond 300 units. The decision on the power tariff is awaited. Power tariff in UP was last increased in 2018-19. ***Source***

India, Sri Lanka to start top-level G2G talks on power transfer link

India and Sri Lanka plan bilateral talks on the “highest degree” for setting up a power transmission link between the two neighbours, two people aware of the developments said Public sector transmission main Power Grid Corporation of India has already ready a preliminary report for the proposed undertaking, they mentioned. The talks happened towards the backdrop of financial disaster within the island-nation final yr, which noticed crippling power shortages.

“The Indian authorities is constant its efforts by its embassy in Sri Lanka. The ministry of power and vitality of Sri Lanka can be in contact with the Indian High Commission. Now, either side are of the view that talks may have to be held on the highest political degree,” said one of the two officials mentioned above. The second official said: “The preliminary report is ready with Power Grid and it is ready to start work, given the wheeling charges are assured after power is supply.

The PSU can start working on the detailed project reports and when the approval is received for the project.” The deliberate G2G talks are aimed toward renewing the momentum for a undertaking that has been delayed for a number of years now. Further, plans for a subsea cable, which was earlier thought-about, have now been dropped given the excessive value this could incur.

The interconnection between the nationwide grids of each the nations would now be completed by overhead powerlines. Sri Lanka has long-term plans for renewable supply of vitality; nonetheless, a number of situations of power outages have been witnessed previously few years with quite a lot of prolonged power cuts in 2022 due to unavailability of coal to function thermal power vegetation.

Around a fortnight again, the engineers' union of the Ceylon Electricity Board warned of additional power cuts of up to 10 hours a day in January if coal provides don't arrive in time. The union additionally famous that hydro power tasks wouldn't have the option to meet the necessities as it's a lean part when it comes to rainfall until March. The nation has been making efforts to enhance the vitality infrastructure and meet the power necessities. The Sri Lankan authorities can be in talks with Russia for cooperation in nuclear vitality. ***Source***

CEA proposes monitoring of mini and microgrids

Central Electricity Authority (CEA), as part of its comprehensive monitoring and planning activities, has proposed to begin monitoring of mini and microgrids.

In a recent communication addressed to Principal Secretary (Energy), Additional Secretary (Energy) and Secretary (Power) of all Indian states, CEA has advised the addresses to direct the power utilities of their states to furnish information on sub-megawatt captive power plants. Such power plants would constitute the basis of mini and microgrids that CEA proposes to monitor.

The information sought includes, among other things, name of grid; type of grid (mini or micro); implementing agency; location; state; installed capacity (in kw); type of generation resource; voltage level; annual electricity generation; connected load; number of consumers; tariff, etc. CEA is expecting that the required information is furnished before January 10, 2023.

Background

It may be mentioned that the second meeting of the Steering Committee under the Chairmanship of Secretary (Power) for setting up an Energy Data Management Unit (EDMU) in Bureau of Energy Efficiency (BEE) was held on November 16, 2022.

With respect to the supply side of electricity, it was highlighted, among other things, that captive power plants of less than 1 mw capacity were neither captured nor published by CEA. It was therefore decided that CEA would develop a database on decentralized mini and microgrids. The CEA communication discussed above is the body's first step in this direction.

Current Monitoring

CEA, an autonomous body under the Union power ministry, currently conducts exhaustive monitoring of both capacity and generation of power plants across all fuel types. Of late, CEA has also started reporting generation from renewable energy sources – a subject that falls under the Ministry of New & Renewable Energy. CEA also conducts detailed monitoring of other aspects of the value chain like power transmission and power distribution. ***Source***

Govt asks utilities to import 6% of their coal for nine months

India's power ministry has asked utilities to import 6% of their coal requirement until September, according to a letter seen by Reuters, warning that domestic supplies could be curtailed if import targets are not met. Coal accounts for more than 70% of India's power generation, with coal-fired plants accounting for more than three quarters of India's use of the polluting fuel.

India expects domestic coal supply of 392 million tonnes during the six months to the end of September and expects coal availability to fall short of demand by 24 million tonnes, according to the letter sent to heads of energy departments of states and managing directors of all utilities. "Energy demand has increased sharply and it is expected to remain at increased level during first half of 2023/24," a power ministry official said in the letter.

India's coal-fired power output has increased much faster than any other country in the Asia Pacific since Russia's invasion of Ukraine, derailing efforts to cut emissions. ***Source***

Discoms' outstanding dues to gencos nearly halved to Rs 62,681 cr in Jan

Total outstanding dues owed by electricity distribution companies (discoms) to power producers almost halved to Rs 62,681.68 crore in January, compared to Rs 1,21,030 crore in same month in 2022. Experts said this substantial reduction in the discoms' total outstanding is mainly due to various steps taken by the government, like implementation of late payment surcharge rules and providing facility of equated monthly installments (EMIs) to utilities.

According to the portal PRAAPTI (Payment Ratification And Analysis in Power procurement for bringing Transparency in Invoicing of generators), the total outstanding dues of discoms stood at Rs 62,681.68 crore in January, 2023, which included Rs 25,526.42 crore overdue amount, that was not cleared even after 45 days of grace period offered by generators. In January 2022, the total outstanding dues of discoms stood at Rs 1,21,030 crore, which included the total overdue amount of Rs 1,01,357 crore.

Power producers give 45 days to discoms to pay bills for electricity supply. After that, outstanding dues become overdue and generators charge penal interest on that in most cases. The PRAAPTI portal was launched in May 2018, to bring in transparency in powerpurchase transactions between generators and discoms. The portal has been revamped recently. Earlier in November, 2022, the power ministry had stated that with the implementation of Electricity (LPS and Related Matters) Rules, 2022, remarkable improvement has been seen in recovery of outstanding dues of Suppliers including Generating Companies, Transmission Companies and Traders.

The total outstanding dues of States which were at Rs 1,37,949 crore as on June 3, 2022, have been reduced by Rs 24,680 crore to Rs 1,13,269 crore with timely payment of just four EMIs, it had stated. For payment of EMI of Rs 24,680 crore, five states had taken a loan of Rs 16,812 crore from Power Finance Corporation (PFC) and REC Ltd and eight states had opted to make their own arrangement, it has stated.

Distribution companies are also paying their current dues in time to avoid regulations under the rule. Distribution companies have paid almost Rs 1,68,000 crore of current dues in the last five months, it had said. Based on the results achieved so far, it is expected that strict implementation of the LPS Rules will bring back financial viability of the power sector in the country and would attract investment to ensure reliable 24x7 electricity to consumers, it had stated.

"This Rule has not only ensured that the outstanding dues are liquidated but has also ensured that the current dues are paid in time. It may be seen that the Rule has played a vital role in ensuring the financial discipline in Discoms," the ministry had said. To give relief to power generation companies (gencos), the Centre enforced a payment security mechanism from August 1, 2019. Under this mechanism, discoms are required to open letters of credit for getting power supply. ***Source***

Local carbon credit trade likely to kick off in July-September: Power Secretary

India may take a look at the primary trade of carbon credit in July-September, whereas the registry for credit could possibly be accomplished in the subsequent 3-4 months, energy secretary Alok Kumar informed ET. “For carbon credit market, we have set a very tough target for ourselves. A lot of groundwork has to be done,” he stated in an interview.

The Energy Conservation (Amendment) Bill, 2022, which inspires the usage of inexperienced hydrogen and renewable vitality, and promotion of carbon buying and selling was cleared by Parliament in December. The power ministry can be taking measures to meet larger electrical energy demand in summer time, Kumar stated.

To keep away from a gas disaster at energy vegetation in peak season, which begins mid April and lasts typically until May finish, the facility ministry has taken steps to guarantee enough inventory. During the height

season, the onus of assembly demand is especially on coal and gas-based energy vegetation as hydro electrical energy era is low till mid-April.

The energy ministry has requested NTPC and Gail (India) to work out modalities to change the “pattern” of contracted supply of gasoline to energy vegetation by rising the quantity throughout the peak months. The ministry can be working with Gail to see if a few of its clients can swap part of their gasoline provides with the facility sector. “So, for that, we are in discussion with Gail, and we will be able to finalise the gas supply by the end of this month so that we have sufficient lead time,” he added.

To keep enough coal at energy vegetation, mixing of imported coal will likely be allowed in a calibrated method to guarantee enough home provides throughout the larger demand interval. “We are very sure we will be able to handle the coming demand of power,” Kumar stated.

One of the key challenges with gas provide at energy models is logistics. Considering the restrictions of current infrastructure, the facility, coal and railway ministries have labored out a rail-ship-rail mode to transport coal in the height demand season. “We are targeting to transport close to about 12 rakes per day through Paradip port. It will go to the Western coast and there onwards to the northern power plants. This is less expensive than imported coal,” Kumar stated.

Budget proposals

The energy ministry’s inputs for the upcoming Budget are largely on vitality transition. The ministry has proposed a viability hole funding for battery storage which quantities to practically Rs 3,000-4,000 crore, Kumar stated. The ministry has additionally advised a coverage framework for pumped-storage hydro energy tasks.

Another suggestion is for transmission strains from Ladakh to Haryana, which is able to help direct transmission of 13,000 MW of inexperienced energy. Interest subvention for micro, small and medium enterprises for vitality effectivity tasks can be a part of the ideas despatched to the finance ministry, Kumar stated.

Electricity Amendment Bill

The energy ministry will pace up processes for getting the Electricity (Amendment) Bill, 2022, cleared as soon as the Parliamentary Standing Committee on Energy’s suggestions on the identical come in, Kumar stated. The Bill, which was launched in the Lok Sabha final 12 months, is at the moment being studied by the committee, as provisions equivalent to a framework to enable shoppers to select amongst completely different service suppliers, had been opposed.

“There is not any privatisation of energy distribution corporations, and we’re not altering the possession of them,” Kumar stated. “There is nothing in opposition to farmers in the Bill. There is not any subsidy being taken away. Even in tariff [provisions], the state authorities can provide subsidies the best way they’re giving presently,” he stated. ***Source***

Counting electricity into GST

Improving the business environment is key to India’s development. Indian economic ambitions cannot be realized without cheap and reliable electricity for industry. According to the International Energy Agency (IEA), the electricity cost faced by the Indian industry is much higher as compared to other countries. For energy-intensive industries, high electricity prices play a crucial role in increasing their cost of doing business and adversely affecting their global competitiveness.

One of the main reasons for the high electricity prices faced by Indian industries is the exclusion of electricity from GST. The exclusion of electricity from GST means that there is no mechanism to get an input tax refund

for taxes paid on the inputs used for generating electricity. It is important to note that in India the applicable GST rate on coal is 5 per cent. In addition, 5 per cent GST is also payable on transportation of coal by trains. Since electricity is out of the purview of GST, this entire amount is passed on by generators to end consumers as power producers cannot claim credit for taxes and cess paid on coal and transportation of coal. All this leads to a high electricity tariff.

Industries, the end-users of electricity, not only face high electricity prices but they also do not get any input tax refund for the taxes paid on electricity, which is an input in their production. It is important to note that electricity is one of the key inputs in the industrial production and no input tax credit for it ultimately makes the Indian products expensive and less competitive internationally. Besides the high electricity costs because of the no-input tax credit and cascading tax effect, industries also bear the brunt of cross-subsidy. Cross subsidization of electricity is charging higher prices from industrial users to make up for under-charging from residential consumers and agriculture. This further adds an extra layer of pricing for the industry.

Totalling up all of these effects (no input tax credit, tax cascading and cross-subsidy) could lead to increased costs and lower margins for several industries, particularly the energyintensive industries. For the textile industry, for example, these embedded taxes amount to about 2 per cent of the price. Therefore, it's high time to subsume electricity into GST.

Subsuming electricity into GST will not only make the input tax credit available to energyintensive industries but will also end the cross-subsidization of electricity prices. If electricity is subsumed under GST, then all sectors across all states will pay a uniform GST tax. Moreover, as per Article 279A (5) of the Constitution, electricity can be easily subsumed into GST without requiring any amendment in the constitution; it can be done just by the recommendation of the Goods and Services Tax Council.

NITI Aayog has also recommended subsuming electricity into GST. Currently, the state VAT on electricity varies across states and also across sectors within a state. The think-tank has also recommended doing away with this system of differential electricity state VATs and replacing it with a uniform 18 per cent GST on electricity across all states and sectors.

NITI Aayog arrives at a 16.6 per cent revenue-neutral rate for electricity across states; this rate ensures that the country as a whole doesn't lose on revenue if electricity is subsumed under GST. Indeed, some of the states will lose revenue if electricity gets subsumed under GST. But with any GST rate above 16.6 per cent, the center's CGST collection from electricity will be more than enough to compensate the states for their losses. To compensate the states losing tax revenues due to this alteration, the think tank has come up with a very comprehensive three-stage compensation plan as well. With the compensation mechanism in place, no state will suffer any loss in its revenue due to the inclusion of electricity into GST.

Moreover, subsuming electricity into GST will not only reduce the cost of doing business for Indian industries but will also put an end to the massive distortions and inefficiencies in the use of electricity by the agriculture and residential sector due to the availability of power to them at either zero or very low prices. Therefore, subsuming electricity into GST becomes important.

Now, the question arises if subsuming electricity into GST can lead to such tremendous improvements in economic efficiency and ease of doing business, why has the government not undertaken this reform so far? The answer lies in the political difficulty of ending the cross-subsidy. Currently, the agriculture and domestic sectors in most states are paying either zero or very little tax on electricity; but, if electricity gets subsumed under GST, all the sectors (including agriculture and residential sector) will have to pay uniform rate of tax (say 18 per cent GST). To make this reform politically feasible, the government may consider providing direct cash transfers to farmers and poor households in lieu of power subsidies.

Moreover, it is important to note that the existing power subsidies (for the agriculture and residential sector) are highly regressive in nature as well. Tongia (2021) argues that in India the richer households capture much more in benefits from these power subsidies than the poorest. Because upper-income households consume a lot more energy-consuming appliances and gadgets than poor ones. Providing cash transfers to the poor instead of power subsidies to all households and farmers may prove to be a better equity instrument. Therefore, we believe that subsuming electricity into GST will not only improve economic efficiencies and reduce the cost of doing business but will also help the government to more efficiently serve its equity objective. ***Source***

CERC relaxes conditions on ISTS waiver

In a recent order, Central Electricity Regulatory Commission (CERC) has offered more relaxation with respect to waiver of ISTS-related transmission charges. The order has given a six-month extension, from the original December 31, 2022 to the revised June 30, 2023, for waiver applicable to energy generation from renewable sources for the use of the interstate transmission system (ISTS).

It may be recalled that there is a waiver on transmission charges for use of ISTS, for a period of 25 years, applicable to renewable energy generation (solar and wind) for projects that have started commercial operations during the period December 31, 2018 to December 31, 2022. There are other accompanying conditions such as the generation capacity eligible for ISTS waiver should be awarded through the tariff-based competitive bidding route, and that PPAs for the sale of electricity from such projects should be in place.

Background
The “Central Electricity Regulatory Commission Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020” were notified on May 4, 2020, and came into effect from November 1, 2020.

One specific regulation — officially “Regulation 13(1)(c)” – provides for waiver of ISTS-related charges. The timeline envisaged under this regulation has now been revised to June 30, 2023, as discussed in this story.

Separate Instrument
It is important to note that the above-mention timeline of December 31, 2022, is also under consideration for extension under a separate instrument called “Draft Central Electricity Regulatory Commission (Sharing of InterState Transmission Charges and Losses) (First Amendment) Regulations, 2022” that was notified on June 1, 2022, and a draft supplementary amendment dated August 18, 2022, to the First Amendment.

However, since this amendment and its notification is envisaged to take some more time, CERC came up with this extension to June 30, 2022 (as discussed in this story) as an interim measure. ***Source***

Transmission charges payable by DICs for the billing month of January'2023

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	45.50
2	UP	NR	51.21
3	Punjab	NR	42.74
4	Haryana	NR	55.05
5	Chandigarh	NR	40.97
6	Rajasthan	NR	69.19
7	HP	NR	41.32
8	J&K	NR	42.80
9	Uttarakhand	NR	54.28
10	Gujarat	WR	49.77
11	Madhya Pradesh	WR	50.66
12	Maharashtra	WR	53.11
13	Chhattisgarh	WR	36.47
14	Goa	WR	46.51
15	Daman Diu	WR	50.74
16	Dadra Nagar Haveli	WR	50.74
17	Andhra Pradesh	SR	63.42
18	Telangana	SR	48.22
19	Tamil Nadu	SR	48.48
20	Kerala	SR	51.05
21	Karnataka	SR	52.30
22	Pondicherry	SR	43.38
23	Goa-SR	SR	41.57
24	West Bengal	ER	40.33
25	Odisha	ER	49.19
26	Bihar	ER	42.20
27	Jharkhand	ER	47.21
28	Sikkim	ER	38.96
29	DVC	ER	45.04
30	Bangladesh	ER	34.55

31	Arunachal Pradesh	NER	39.68
32	Assam	NER	38.85
33	Manipur	NER	41.35
34	Meghalaya	NER	41.51
35	Mizoram	NER	40.50
36	Nagaland	NER	52.74
37	Tripura	NER	45.37

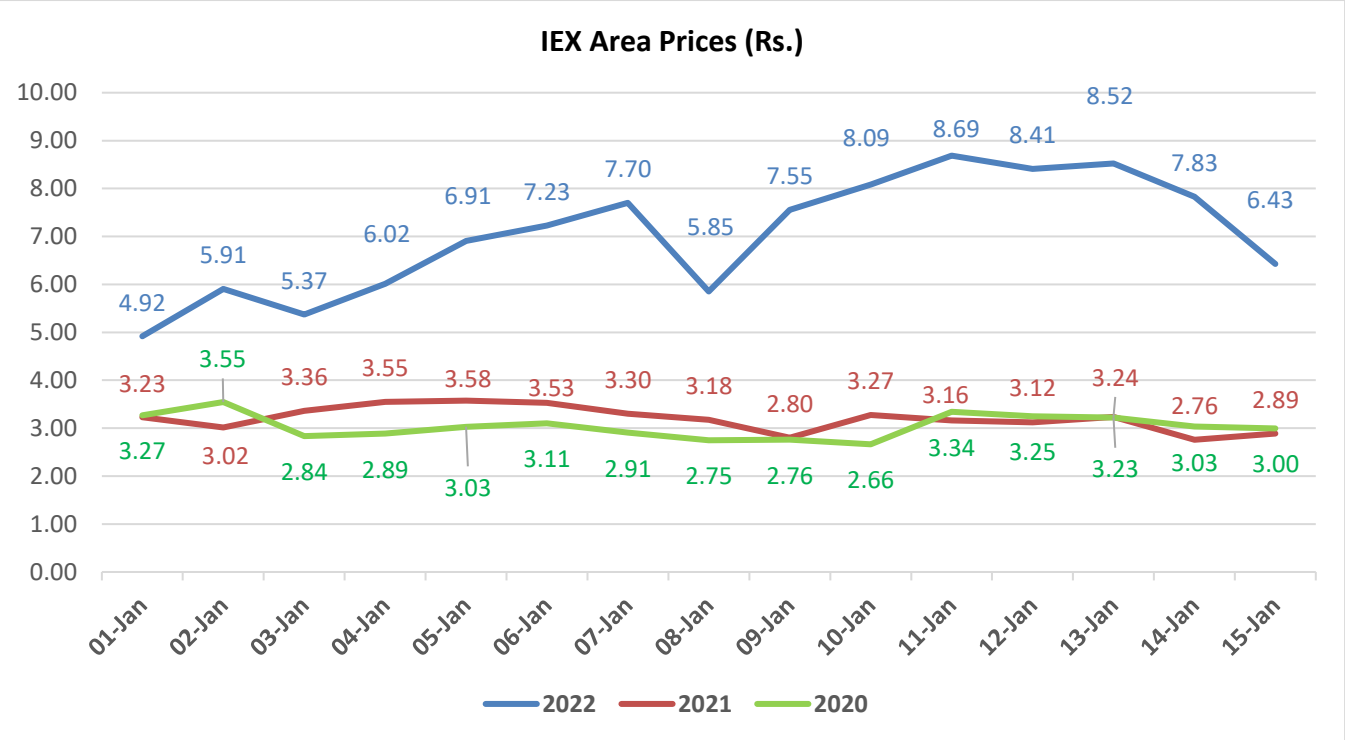
Bilateral Tender Results: -

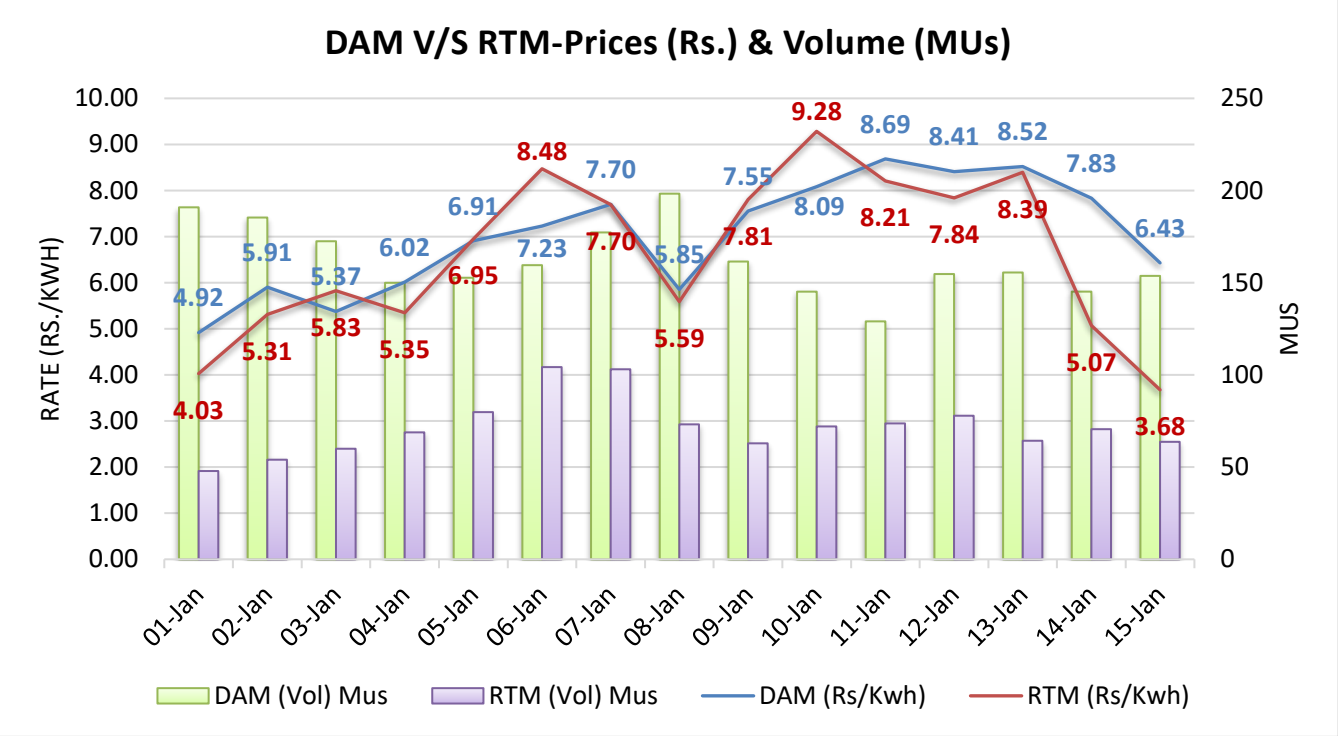
Sl. No.	Tender Quantum (MW)	Supply Period	Time Blocks (Hrs.)	Price (Rs./kWh)	LOI Status
PSPCL/Short/22-23/RA/202					
1	500	01.01.2023 to 31.01.2023	07:00 to 17:00	6.26-9.5	Awaited
2	500	01.02.2023 to 28.02.2023	07:00 to 17:00	6.78-8.25	
3	500	01.03.2023 to 31.03.2023	07:00 to 17:00	8.86	
Torrent Power Limited/Short/22-23/RA/208					
1	70	16.01.2023 to 31.01.2023	00:00 to 24:00	8.49	Awaited
2	150	16.01.2023 to 31.01.2023	07:00 to 22:00	11.94	
3	170	01.02.2023 to 14.02.2023	00:00 to 24:00	8.49	
4	200	01.02.2023 to 14.02.2023	07:00 to 22:00	11.94	
5	170	15.02.2023 to 28.02.2023	00:00 to 24:00	7.75-9.33	
6	250	15.02.2023 to 28.02.2023	07:00 to 22:00	11.94	
7	170	01.03.2023 to 15.03.2023	00:00 to 24:00	8.82-9.43	
8	250	01.03.2023 to 15.03.2023	07:00 to 22:00	11.94	
9	70	16.03.2023 to 31.03.2023	00:00 to 24:00	8.82	
10	350	16.03.2023 to 31.03.2023	07:00 to 22:00	11.94	
11	475	01.04.2023 to 30.04.2023	00:00 to 24:00	8.82-9.65	
12	275	01.04.2023 to 30.04.2023	09:00 to 22:00	11.94	
13	75	01.05.2023 to 31.05.2023	00:00 to 24:00	8.85	
14	150	01.05.2023 to 31.05.2023	09:00 to 22:00	11.94	
15	75	01.06.2023 to 30.06.2023	00:00 to 24:00	8.54	
16	150	01.06.2023 to 30.06.2023	09:00 to 22:00	11.94	
17	375	01.07.2023 to 31.07.2023	00:00 to 24:00	8.31-8.52	
18	300	01.07.2023 to 31.07.2023	09:00 to 22:00	11.94	
BEST/Short/22-23/RA/210					
1	100	01.02.2023 to 31.01.2024	00:00 to 24:00	6.4	Awaited

TPCL/Short/22-23/RA/205					
1	50	01.04.2023 to 30.04.2023	00:00 to 18:00	10.25	Awaited
2	150	01.04.2023 to 30.04.2023	18:00 to 22:00	11.98-12.96	
3	50	01.05.2023 to 31.05.2023	00:00 to 18:00	10.25	
4	150	01.05.2023 to 31.05.2023	18:00 to 22:00	11.98-12.96	
5	50	01.06.2023 to 30.06.2023	00:00 to 18:00	9.75	
6	150	01.06.2023 to 30.06.2023	18:00 to 22:00	10.98-12.96	
HPSEBL/Short/22-23/RA/196					
1	100	01.01.2023 to 07.01.2023	07:00 to 13:00	11.7	Awaited
2	75	01.01.2023 to 07.01.2023	13:00 to 17:00	11.7	
3	150	01.01.2023 to 07.01.2023	20:00 to 22:00	11.7	
4	100	08.01.2023 to 15.01.2023	07:00 to 13:00	11.7	
5	75	08.01.2023 to 15.01.2023	13:00 to 17:00	11.7	
6	150	08.01.2023 to 15.01.2023	20:00 to 22:00	11.7	
7	100	16.01.2023 to 22.01.2023	07:00 to 13:00	11.7	
8	75	16.01.2023 to 22.01.2023	13:00 to 17:00	11.7	
9	150	16.01.2023 to 22.01.2023	20:00 to 22:00	11.7	
10	100	23.01.2023 to 31.01.2023	07:00 to 13:00	11.7	
11	75	23.01.2023 to 31.01.2023	13:00 to 17:00	11.7	
12	150	23.01.2023 to 31.01.2023	20:00 to 22:00	11.7	
13	125	01.02.2023 to 07.02.2023	07:00 to 13:00	11.7	
14	125	01.02.2023 to 07.02.2023	13:00 to 17:00	11.7	
15	125	01.02.2023 to 07.02.2023	20:00 to 22:00	11.7	
16	125	08.02.2023 to 15.02.2023	07:00 to 13:00	11.7	
17	125	08.02.2023 to 15.02.2023	13:00 to 17:00	11.7	
18	125	08.02.2023 to 15.02.2023	20:00 to 22:00	11.7	
19	125	16.02.2023 to 22.02.2023	07:00 to 13:00	11.7	
20	125	16.02.2023 to 22.02.2023	13:00 to 17:00	11.7	
21	125	16.02.2023 to 22.02.2023	20:00 to 22:00	11.7	
22	125	23.02.2023 to 28.02.2023	07:00 to 13:00	11.7	
23	125	23.02.2023 to 28.02.2023	13:00 to 17:00	11.7	
24	125	23.02.2023 to 28.02.2023	20:00 to 22:00	11.7	
25	175	01.03.2023 to 07.03.2023	07:00 to 13:00	-	
26	175	01.03.2023 to 07.03.2023	13:00 to 17:00	-	
27	275	01.03.2023 to 07.03.2023	20:00 to 22:00	-	
28	175	08.03.2023 to 15.03.2023	07:00 to 13:00	-	

29	175	08.03.2023 to 15.03.2023	13:00 to 17:00	-	
30	275	08.03.2023 to 15.03.2023	20:00 to 22:00	-	
31	175	16.03.2023 to 22.03.2023	07:00 to 13:00	-	
32	175	16.03.2023 to 22.03.2023	13:00 to 17:00	-	
33	275	16.03.2023 to 22.03.2023	20:00 to 22:00	-	
34	175	23.03.2023 to 31.03.2023	07:00 to 13:00	-	
35	175	23.03.2023 to 31.03.2023	13:00 to 17:00	-	
36	275	23.03.2023 to 31.03.2023	20:00 to 22:00	-	
PSPCL/Short/22-23/RA/206					
1	1000	10.06.2023 to 30.06.2023	00:00 to 24:00	8.93-10.7	Awaited
2	1000	01.07.2023 to 31.07.2023	00:00 to 24:00	8.43-10.7	
3	1000	01.08.2023 to 31.08.2023	00:00 to 24:00	8.30-10.7	
4	1000	01.09.2023 to 30.09.2023	00:00 to 24:00	8.43-10.7	
5	1000	01.10.2023 to 20.10.2023	00:00 to 24:00	8.98-10.7	

IEX Price Trends





Weather (Estimated for next fortnight)

City	Max Temp	Min Temp	Precipitation (Probability)
DELHI	22	10	15%
MUMBAI	29	20	1%
KOLKATA	29	16	1%
CHENNAI	31	23	11%

(Source - Accuweather)

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