

POWER MARKET CAPSULE-176th Edition

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TPTCL'S E-NEWS LETTER



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Tata Power Trading Company Limited (TPTCL)



Power Market News

India's express power delivery surpasses 1 billion units

India's express electricity delivery real-time market (RTM) has surpassed the one-billion-unit monthly mark and grown to over 1% share in the country's total generation within a year of its launch, becoming the preferred crisis management and cost-saving tool in the hands of large power users. Barring the biggest power trader, PTC India, the RTM has outdone top established trading agencies including arms of NTPC, Adani Power, Tata Power and GMR Energy, showed market monitoring reports released by the Central Electricity Regulatory Commission (CERC).

Launched in June 2020, RTM has changed the landscape of the short-term electricity market, helping the Indian Energy Exchange gain a majority 51% share in pandemic-struck 2020-21 against 39% in the previous financial year. Due to an edge in the newly launched term-ahead market, Power Exchange India gained 3.9% market share in 2020-21 against 1.9% in the previous year. Share of power exchanges in the total short-term electricity market rose to 54.5% from 39.3% in the previous year, outshining bilateral power contracts often tagged as non-transparent. [Source](#)

Electricity (Amendment) Bill likely to be introduced in Monsoon session: R K Singh

The Electricity (Amendment) Bill 2021, which enables power consumer to choose from multiple service providers as in the case of telecom services, is likely to be introduced and pushed for passage in the Monsoon session of Parliament beginning in July. Participating in the virtual Bloomberg NEF (BNEF) Summit, Power and Renewable Energy Minister R K Singh said the bill seeks to delicense distribution of electricity. "We proposed to delicense distribution of electricity just like the generation. The Cabinet note on the bill was circulated and all concerned ministries have approved it. But law ministry has one or two queries," Singh said.

He exuded confidence that it would be sent for the Union Cabinet approval soon and hopefully be introduced and pushed for passage in the forthcoming Monsoon session of Parliament. The Monsoon session is likely to commence on July 19 and conclude on August 13. The proposal to seek the Cabinet approval for the Electricity (Amendment) Bill 2021 was circulated in January this year and the draft law was to be pushed for passage in the Budget session. The bill seeks to delicense power distribution to reduce entry barriers for private players for creating competition in the segment, which would ultimately enable consumers to choose from multiple service providers.

The bill also prescribes the rights and duties of electricity consumers. The minister further said the penalty for non-compliance of renewable purchase obligation (RPO) would be increased. Under the RPO, discoms and other large consumers are required to buy certain proportion of renewable energy prescribed by their respective regulators. They can also buy renewable energy certificates to meet the RPO obligation. Earlier on many occasion, the minister had expressed dismay over persistent non-compliance of RPO norms, especially by state utilities. Singh also said the Cabinet proposal for the National Green Hydrogen Mission has been circulated with concerned ministries and would soon be sent to Union Cabinet for approval.

Regarding Reliance Industries' recent announcement of investing Rs 75,000 crore in the green energy sector, the minister said, "It is music to my ears." For the renewables space, he said the government is in the process of introducing "green tariff". Green tariff will help the discoms supply electricity generated from clean energy sources like solar or wind at a cheaper rate as compared to power from conventional fuels like coal. [Source](#)



Rs 3.03 lakh crore power scheme in Cabinet

The Rs 3.03 lakh crore power distribution reforms scheme announced in Budget this year will be considered by the Union Cabinet on Wednesday, sources said. The five-year revamped reforms-based, result-linked power distribution scheme of financial assistance to discoms will target infrastructure creation and system up-gradation.

Of the total allocation of Rs 3,03,058 crore, the central share will be Rs 97,631 crore, finance minister Nirmala Sitharaman said on Monday. "We expect it is one of the major reforms with state specific intervention in place of one size fits all," she said. The participation under the scheme will be contingent to pre-qualification criteria like publication of audited financial reports of power distribution companies, upfront liquidation of state government's dues and subsidies to discoms and non-creation of additional regulatory assets.

The scheme is expected to install 25 crore smart meters, 10,000 feeders and 4 lakh km of low tension overhead lines. The government proposes to merge ongoing works of Integrated Power Development Scheme, Deen Dayal Upadhyay Gram Jyoti Yojana and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya). Sitharaman said states have already been allowed additional borrowing for four years upto 0.5% of Gross State Domestic Product annually (Rs 1,05,864 Cr for 2021-22) subject to carrying out specified power sector reforms.

During the Budget speech in February this year, Sitharaman said, "The viability of distribution companies is a serious concern. A revamped reforms-based result-linked power distribution sector scheme will be launched with an outlay of ₹3,05,984 crores over 5 years. The scheme will provide assistance to discoms for infrastructure creation including pre-paid smart metering and feeder separation, upgradation of systems, etc., tied to financial improvements." [Source](#)

Jharkhand to ink pacts with power producers for 3,040 MW electricity

The Jharkhand government is in the process of finalising pacts with several power producers for sourcing 3,040 MW electricity, an official statement said on Friday.

Demand for power in the state is currently at 2,050 MW and likely to grow to 3,440 MW in the next 10 years. "The process of signing agreements with authorities of power plants installed in the state is in the final stage. Under this, 500 MW will be available from North Karanpura, 2,040 MW from PVUNL, 100 MW from floating solar and 400 MW from Adani Power," the statement said. Chief Minister Hemant Soren chaired a meeting of the officials of the Energy Department and said there is a need to take concrete steps to increase electricity generation by assessing the demand in future. He directed the officials to ensure an uninterrupted and quality power supply.

The Energy Department has set a target to reduce the transmission and distribution loss from 45 per cent at present to 20 per cent in the coming days. The statement said pre-paid smart meters will be installed in the urban areas of Ranchi, Jamshedpur and Dhanbad. The process of buying 6.5 lakh smart meters is on, it said. The number of customers in the state without any meter or faulty meter is estimated at 15 lakh, it added. [Source](#)

Can smart meters turn around discoms?

Smart meters could just be the nutraceuticals India's moribund electricity distribution companies (discoms) need. The good news is that the smart meter programme has got off to a good start. The note

of caution expressed by experts is that the rollout needs to be carefully done, avoiding pitfalls. The numbers are heartening. India plans to instal 250 million smart meters by 2022 at a cost of ₹3 lakh crore. About 2 million smart meters have been installed under different initiatives in Uttar Pradesh, Bihar, Rajasthan, Haryana, and Delhi, but mainly through the public sector company EESL, which pays for the meters initially and later recovers the cost from the discoms over a period of time. EESL has so far installed 1.58 million smart meters.

But first, what exactly are smart meters? Broadly speaking, smart meters can communicate data to the discom. However, a good smart meter does a lot more. The Central Electricity Authority's (CEA) technical specifications say that smart meters should have features such as bidirectional communication, integrated load limiting switch, remote firmware upgrade, net metering, and prepaid, post-paid, and time-of-day tariff features, over and above the measurement of electrical energy parameters. As such, with smart meters a discom can manage its operations better.

Information on EESL's 'National Smart Meter Program Dashboard' reveals tremendous benefits: 11-36 per cent reduction in AT&C [aggregate technical and commercial] losses and 21 per cent improvement in billing efficiency or ₹301 per month per meter (though experts of energy think-tank Prayas Energy have questioned this figure, wondering if arrears collected have been counted in). From 11 lakh smart meters, discoms have seen additional revenues of ₹264 crore, it says.

The great leap forward

The leap from 2 million to 250 million is not going to be easy. Up till now, EESL has driven the movement with its pay-as-you-use model. This model calls for huge upfront investment by what is known as an 'Advanced Metering Infrastructure Service Provider', and no company other than EESL has succeeded in India so far. For the movement to reach its goal, discoms will have to get into the act.

In a perspective paper on smart metering, experts at Prayas Energy — Manabika Mandal, Shweta Kulkarni, Aditya Chunekar and Narendra Pai — call attention to a number of pitfalls along the way.

First, who will bear the cost of smart meters — the consumers or the discoms? Since discoms stand to gain financially — consumers gain mainly through potentially better service — they should foot the bill. But their poor financial health stands in the way. Prayas experts point out that the UP discoms had, during the rollout in 2018, clearly mentioned that the costs would not be recovered from consumers. But they went back on their word, petitioning the State electricity regulator for defraying the costs through an annual increase in tariff. Rajasthan and Bihar also want consumers to pay, but there is bound to be resistance to this. As Prayas notes, "for consumers, installation of smart meters means more control over consumption through records of their consumption history", but that is not the same as more money in the pocket.

Consumer-centricity

Second, experts also point out that unless the movement is made consumer-centric, rather than discom-centric, it will not go on well. There are a number of aspects to consumer-centricity. For example, they should be given sufficient notice before the meter disconnects the power supply, especially in the case of pre-paid meters (which the government is keen on). Also, there is the issue of data — access and privacy. Consumers should have access to their own data collected by smart meters. As regards privacy — it is an uncharted territory. "High-resolution smart meter data, through analysis and inference, has the potential to reveal personal information of consumers such as occupancy, appliance usage patterns and

even sensitive information such as entertainment preference,” says Prayas. Consumers need to be reassured of data privacy.

Besides, the consumer should see some tangible benefits from smart meters. One possibility is the automatic compensation for power outages exceeding a certain period of time — something that is envisaged in the Ministry of Power’s Electricity (Rights of Consumers) Rules, 2020. It is, of course, up to the state governments to adopt the Rules. Some, like Maharashtra, have incorporated automatic compensation through ‘supply codes’. Assurance of steady supply and compensation for outages is one good way to get consumers’ buy-in for smart metering. So, there is a long way to go. Getting it right is the way for getting it done. [Source](#)

India's coal import rises 30% to 22 million tonnes in April

India's coal import rose 30.3 per cent to 22.27 million tonnes in April amid supply concerns and demand for pre-monsoon restocking of dry fuel. The country had imported 17.09 million tonnes of coal in April last year, according to a provisional compilation by mjunction services, based on monitoring of vessels' positions and data received from shipping companies.

"India's coal and coke imports in April 2021 through the major and non-major ports are estimated to have increased by 30.3 per cent over April 2020... Imports in April 2021 stood at around 22.27 million tonnes (MT) as against 17.09 MT imported in April 2020," it said. "The demand for pre-monsoon restocking and supply concerns led to a surge in coal import during the month under review. Recently, tightened supply in overseas markets have firmed up prices. This factor coupled with the onset of monsoon is expected to keep the volumes in check in the near term," Vinaya Varma, MD & CEO, mjunction services Ltd, said.

Mjunction -- a joint venture between Tata Steel and SAIL -- is a B2B e-commerce company and also publishes research reports on coal and steel verticals. Of the total imports in April, the volume of non-coking coal was 15.32 MT, against 12.28 MT imported in April last financial year. Coking coal volume was 4.74 MT, up against 3.23 MT imported in April last fiscal. During the 2020-21, total coal and coke imports stood at 215.92 MT, about 12.6 per cent lower than 247.10 MT imported during FY'20. [Source](#)

Coal-bearing states need alternative revenue sources: TERI

As India plans to transition away from coal for its energy demand, it needs to look for alternative revenue and livelihood sources for those associated with the industry, especially states for whom coal forms a major part of their revenues, The Energy and Resources Institute (TERI) said in two working papers on Thursday.

TERI said that the diversification of revenue sources for such states and their workforce can be undertaken by establishing industrial parks, solar parks, and battery energy storage projects. According to the International Energy Agency (IEA), coal consumption in India is projected to peak from 2030-2035, after which there will be a decline. However, as the papers point out, close to 1.2 million people in India are dependent on the coal sector, of which 355,000 are employed in coal mines.

While a transition towards sustainable forms of energy is much warranted, there is a growing concern related to labour displacement in the existing coal value chains, TERI said.

To mitigate the fallout of loss of such a huge source of revenue, the papers suggest the promotion and diversification of the industrial establishment of coal-bearing states away from the traditional reliance on



coal revenues. This would help promote enhanced levels of economic activity, large-scale employment integration and address the missing industrial gap in the economy, TERI added. [Source](#)

Electricity derivatives are set to transform India's power sector

India consumes about 1,300 billion units on an annual basis. The captive power consumption is of course not included herein, and this only represents the formal grid connected capacity. The short-term power market is about 11-12% of India's power sector accounting to 140 billion units of the total. The Exchanges led electricity markets which commenced in the year 2008, has now been playing a central role in the power procurement strategy of 60+ distribution utilities and about 5000+ 1MW and above industrial and commercial consumers, referred to as the open access consumers. As per the recent power market statistics by the central regulator – CERC dated November'20, the Exchange now represents 50% share of India's short-term market and represents immense potential for further growth and development. The exchange market underpins core values such as the competitive prices, transparency, efficiency, flexible power procurement and payment security.

In Europe and other developed economies, the Exchange markets represents more than 50% of energy consumption. India's Exchange market has been pretty simplistic delivery-based electricity market comprising of round the clock real time market, the day-ahead market and various other term-ahead products for trade on the same day upto 11 days forward. Recently, the exchange also introduced trade in renewable energy through specific term ahead contracts in both solar and non-solar segments.

The government clearly intends to deepen and evolve India's power market. A case in point is a recent agreement between the power ministry and the finance ministry, which paves way for introduction of longer duration forward delivery-based contracts up to 365 days on the power exchanges as well as the financially settled derivatives on the commodity exchanges. As per the understanding arrived between the two ministries, the jurisdiction of non-transferable specific delivery contracts will be in the purview of central regulator, CERC & while the derivative contracts that will be traded on commodity exchanges will be within the purview of SEBI. This understanding settles the decade-long jurisdictional litigation between the two key regulators, CERC and SEBI which awaits final adjudication in the Supreme Court. The understanding arrived at between the two departments will help the honourable Supreme Court to notify the formal order which will catalyse the introduction of longer duration electricity delivery and derivatives contracts, marking phase 2 of the power markets development in the country.

Ushering a Paradigm Change

Electricity is part of 91 commodities notified by Government on which a derivatives contract can be introduced. The derivatives would lead to a paradigm change in how electricity is bought and sold in India. It will facilitate the distribution utilities, generators and industries with long term exposure in electricity to take forward positions, through financially settled derivative contracts and hedge price variation related risks and managing large power procurement portfolios in the most efficient, transparent, flexible, and competitive way. The market-based price signals, demand forecasting and analysis would unleash a huge potential for large utilities and industries to optimise the cost of procurement. The most important part in designing of a futures contract is the final settlement price (FSP). The spot power prices discovered at IEX have been the most competitive benchmark for the power sector value chain as well as the short-term electricity market over the past 12 years. The spot power prices thus provide a strong bedrock for settling of derivative contracts on the stock or a commodity exchange. The annual size of the India's electricity market is approximately Rs 500,000 crores. Even if just 5% to 10% market participates in the derivative market, to begin with, the opportunity size is huge.



Managing Price Risks

As India evolves from an emerging power market to a thriving one, the hedging instruments such as derivatives can significantly reduce price risk exposures for market participants like generators, buyers and load serving entities. Also, the underlying market will witness higher trading volumes with participation from hedgers who otherwise do not participate in the delivery-based markets. Hedging of risk enables market participants to manage large portfolios in the most optimum way. Further, a derivative contract at commodity exchanges could be converted into a delivery-based contract on power exchanges closer to the time period of requirement.

The Global Story

In European market, derivatives are highly evolved and have been playing a key role in more than twenty power markets across Europe. Some of the electricity futures markets in Europe are Belgian Power Futures, Czech Power Futures, Dutch Power Futures, French Power Futures, German Power Futures, Italian Power Options, UK Power Futures etc. Most of these future markets are traded on European Energy Exchange (EEX) with standard contracts for Base load, Peak & Off-peak load for long term and short-term maturity. It has been observed that derivatives led to decline in the power tariffs by 4 to 6 % in the countries such as Italy, Netherlands, and Spain. Hence, electricity derivatives in European Market resulted in greater competitiveness in price discovery and also lowered the tariffs. Apart from this, there was a significant reduction of price volatility in spot markets. For example, base and peak spot prices in France saw volatility reducing from 87% to 27% and 155% to 27% respectively. In the developed power markets, the electricity derivatives have been quite successful.

The Energy Shift

India is at a cusp of an energy transformation and is marching towards ambition of 450 GW of installed green capacity by 2030. Energy markets have a key role to play in realising the national green aspirations. As per the draft National Electricity Plan 2021, the Government of India is committed to introduce suitable market mechanisms to deepen the spot markets by enhancing its percentage share to about 25% during the year 2023-24. These mechanisms may include capacity markets and several new market segments that will introduce competition, flexibility and efficiency in procurement as well as address the rigidity in of the present long-term power purchase agreements driven commercial arrangements. Increase in the share of renewable generation might potentially lead to greater volatility in spot prices and hence various derivative contracts such as forward physical, future physical and future contracts would be required to help large participants hedge their price risks. The derivatives coupled with other innovative market segments will help large participants to manage their power portfolio in the most optimum manner. [Source](#)

Overseas participants on Indian power exchanges to rise soon

Indian power exchanges may soon host a larger number of buyers and sellers from neighbouring countries with the operationalisation of cross-border sale and purchase of electricity for which regulations have already been issued by the Central Electricity Regulatory Commission (CERC) and Central Electricity Authority (CEA) has notified the procedures.

At present, the country's largest power exchange Indian Energy Exchange (IEX) has begun trading of electricity hosting participants from Nepal on its platform. IEX head of business development, Rohit Bajaj told IANS that potential for cross border power trading was immense and soon its platform could host participants from Bangladesh and Bhutan with whom India already has a power transmission line.

"We started this market on April 17 and already we have traded 150 million units electricity. The potential is good for buy deals from electricity deficient countries such as Nepal and Bangladesh while sell options could come from Bhutan. We expect more overseas participators to join the exchange platform for trading given the competitive price discovery that it allows.

"This is one step forward towards the development of regional markets. With better connectivity in coming years, the cross-border trading could also include countries such as Myanmar and Sri Lanka," Bajaj added. After Nepal, the plan is that Indian power exchanges start hosting buyers and sellers from countries such as Bhutan and Bangladesh. This could be followed up by bringing participants from Myanmar and Sri Lanka.

Such participation from overseas entities on Indian exchanges would not be direct but through any electricity trading licensee of India. Trading will be through bilateral agreement between two countries, bidding route or through mutual agreements between entities. In case of Nepal, NTPC Vidyut Vyapar Nigam (NVTN) is the trading partner that has enrolled Nepal Electricity Authority (NEA) cross border trading upto 350 MW now.

"Myanmar and Sri Lanka is also being explored now but it will take some because we do not have connectivity with Sri Lanka and have very limited connectivity with Myanmar. With Sri Lanka deep sea cabling is being explored," Bajaj told IANS. Experts point out that cross border transactions would only be successful once the monopoly of state distribution entities is broken and a multi-buyer-multi-seller market is developed for trading for efficient price discovery.

Though correct estimates are yet to be made, industry sources said that there could be demand for 300 to 400 MW from cross border trade in the spot market initially. Currently, just about 3,000 MW of power is traded in the South Asia region among seven countries including India, Bhutan, Bangladesh, Nepal, Pakistan, Sri Lanka and Myanmar.

India annually imports about 1,200-1,500 MW power from Bhutan and exports about 1,200 MW to Bangladesh, 500 MW to Nepal and 3 MW to Myanmar. A vibrant power exchange market with ability to trade in spot market for consumers in domestic as well as overseas market would also be good news for power generators as they could tide over any situation of low demand in the domestic market to transfer capacities overseas. [Source](#)

Power ministry extends timeline for transmission charges waiver for RE

The power ministry on Friday announced the extension of timeline by two years for waiver on inter-state transmission charge for electricity generated from solar and wind sources. Now, the waiver would be available till June 30, 2025. Earlier, it was applicable till June 30, 2023. Besides, the waiver would now be available for Hydro Pumped Storage Plant (PSP) and Battery Energy Storage System (BESS) projects also.

"The Ministry of Power has issued an order today for extension of the waiver of Inter-State Transmission system (ISTS) charges on transmission of electricity generated from solar and wind sources for projects to be commissioned up to 30th June 2025," a power ministry statement said.

Further, it said that the order promotes the development of solar, wind, Hydro Pumped Storage Plant and Battery Energy Storage System, trading of RE in the power exchanges and seamless transmission of RE power across the states. According to the statement, the waiver of inter-state transmission charges on

transmission of the electricity generated from solar and wind sources of energy that was available to solar and wind projects commissioned up to June 30, 2023 has now been extended till June 30, 2025.

The waiver of ISTS charges has also been allowed for Hydro PSP and BESS projects to be commissioned up to June 30, 2025, it said. This will promote the Hydro Pumped Storage Plant and Battery Energy Storage System projects for meeting the balancing requirement of the grid caused due to large scale integration of Renewables in the Electricity Grid i.e. around 450 GW by 2030.

The waiver of transmission charges has also been allowed for trading of electricity generated/ supplied from Solar, wind, PSP and BESS in Green Term Ahead Market (GTAM) and Green Day Ahead Market (GDAM) for two years i.e. till 30th June 2023. This is expected to encourage the RE trade in the power exchanges. The volume of renewable energy trade in the power exchange is expected to increase further. An opportunity to minimise the curtailment of RE as the RE developers will also have the option to sell power in the power exchanges and get instantly paid on the day of delivery of power itself.

The buyers of renewable energy will also have an opportunity to sell their surplus power in the power exchanges or allow in advance the sellers to sell in the power exchange. The order is futuristic as it also allows the waiver of transmission charges for RE trade in the Green Day Ahead Market (as part of the integrated Day ahead market). CERC, POSOCO and the power exchanges are working on it in mission mode to operationalise this product in the power exchanges by end of August 2021.

It has also been clarified that an intra-state transmission system which is used for the conveyance of electricity across the territory of an intervening State as well as conveyance within the state which is incidental to such inter-state transmission of electricity, shall be included for sharing of inter-state transmission charges.

Any waiver of inter-state transmission charges that applies to inter-state transmission systems shall also be applicable to such parts of the intra-state transmission. The transmission charges of such intra-state transmission system shall be reimbursed by the CTU as is being done for ISTS system. Concerned Regional Power Committee may through studies identify such lines. Thus, India paves way for energy transition from Fossil fuel to Non-fossil fuel by giving incentive for power trade from Renewable, Hydro PSP and Energy Storage.

This amendment Order will be a boost to renewable energy and also a step forward to achieve the targets of Government of India in meeting the international obligations towards climate change, it added. [Source](#)

India has made significant progress on energy transition, says Power Secy Alok Kumar

India has registered significant progress on developing key areas of the power sector including energy access, supply, transmission and attracting private sector participation apart from achieving energy transition goals like setting up of renewable energy capacity, power secretary Alok Kumar has said.

"India has achieved significant progress, which has been recognized internationally, in terms of universal access to electricity for villages and households. We have also overcome the period of shortages in terms of the capacity to supply power," he said, speaking at the Economic Times Energy Leadership Summit. Power and renewable energy minister delivered the Chief Guest address at the event. Other key speakers at the conference include environment minister Prakash Javadekar, coal minister Pralhad Joshi, and Petroleum Secretary Tarun Kapoor.

Kumar also said the country has been able to build a very robust transmission grid which is acting as the backbone of its power supply reliability and has created huge opportunities for market development. "Another very notable achievement is our success in energy transition in terms of our progress on meeting commitments on renewable energy's share and improving energy intensity of the economy," Kumar said.

Another key success area was the greater participation of the private sector in generation, transmission and distribution segments, he said, adding that private participation in transmission has brought down the tariffs by around 30 per cent and currently the country has a pipeline of Rs 70,000 crore projects allotted to the private sector for building inter-state transmission lines. The country has also achieved rapid progress on power market development and improving the efficiency of its coal fired power plants with the installation of super critical units and also better utilization of captive coal mines. [Source](#)

Power ministry disagrees with coal ministry's proposal to offer coal through e-auction to all sectors

The union power ministry on Wednesday has disagreed with the union coal ministry's proposal to e-auction coal from Coal India to cater to all sectors including power with the non-regulated sectors like steel, aluminium, cement amongst others. The ministry has agreed that the proposal is forward-looking and futuristic but the coal industry is not matured for the market-based discovery of price.

The RK Singh-led ministry has said that clubbing of all e-auctions in one window will increase prices of coal and eventually increase the cost of electricity generation, burdening the electricity consumers. It highlighted that any increase in electricity price will be detrimental to the government's aim to provide affordable power to consumers.

It also raised the concerns that the power sector may get a lesser quantity of coal due to aggressive bidding by the non-regulated sector companies. Even the private power sector companies are opposed to the idea of clubbing all e-auctions by coal companies, proposed by the coal ministry.

The power ministry has requested the coal ministry to keep the special forward auction window for the power sector to be kept outside the single-window auction proposal. The coal ministry brought in the single window e-auction proposal with an aim to bring in a level playing field and a single reserve price, as dual pricing leads to market distortion. It has also proposed to offer coal transport under single window e-auction only through rail mode. [Source](#)

India's power consumption grows 9.3% in first half of June

Power consumption in the country grew by 9.3 per cent in the first half of June to 55.86 billion units (BU), indicating a slow recovery in commercial and industrial electricity demand, according to power ministry data. Power consumption was recorded at 51.10 BU in the first half of June last year (June 1 to 15), the data showed.

According to experts, the recovery in power consumption and demand was slow in the first half of June despite the low base of last year, which indicates a slow recovery in commercial and industrial demand. In the entire June last year, power consumption slumped by nearly 11 per cent to 105.08 BU from 117.98 BU over the same month in 2019, mainly due to fewer economic activities amid COVID-induced restrictions.

Experts are of the view that the recovery in power demand and consumption in the rest of June is not likely to be robust because of the early onset of Monsoon. In the first fifteen days of May (from May 1 to 15) this year, power consumption was 55.23 BU despite lockdown restrictions imposed by many states amid the second wave of COVID-19.

Thus, a month-on-month comparison indicates that power consumption grew marginally by 1.14 percent in the first half of June. Peak power demand met or the highest supply in a day witnessed a growth of over 6.6 per cent in the first half of June at 174.09 GW (recorded on June 9), compared to 163.30 GW on June 11 last year.

Peak power demand met in the first half of June 2019 was 182.45 (recorded on June 14). The peak demand in the entire June (2020) slumped to 164.98 GW from 182.45 GW in the same month in 2019. Experts believe robust recovery in commercial and industrial power consumption as well as demand is likely from July onwards as many states are easing local restrictions amid a decline in number of daily new positive cases of COVID-19.

Last year, the government had imposed a lockdown on March 25 to contain the spread of coronavirus. The lockdown was eased in a phased manner, but had hit the economic and commercial activities and resulted in lower commercial and industrial demand for electricity in the country. Power consumption in April 2021, saw year-on-year growth of nearly 38.5 per cent. The second wave of COVID-19 started in the middle of April this year and affected the recovery in commercial and industrial power demand as states started imposing restrictions in the latter part of the month.

Power consumption in the country witnessed a 7.9 per cent year-on-year growth in May at 110.17 billion units (BU) despite a low base in the same month of 2020. In May this year, peak power demand met or the highest supply in a day touched the highest level of 168.78 GW and recorded a growth of over 1.5 per cent over 166.22 GW (peak met) recorded in the same month in 2020.

Power consumption in February this year (leap year) was recorded at 103.25 BU compared to 103.81 BU a year ago. In March this year, power consumption grew nearly 22 per cent to 120.63 BU, compared to 98.95 BU in the same month of 2020. After a gap of six months, power consumption had recorded a 4.6 per cent year-on-year growth in September 2020 and 11.6 per cent in October 2020. In November 2020, the power consumption growth slowed to 3.12 per cent, mainly due to the early onset of winters. In December 2020, it grew by 4.5 per cent, while this was 4.4 per cent higher in January 2021. [Source](#)

PFC incorporates new subsidiary for power transmission project

Power Finance Corporation (PFC) has incorporated a new step-down subsidiary that will act as a special purpose vehicle for a power transmission scheme to be developed under the TBCB regime.

In a stock exchange communication, PFC said that its wholly-owned subsidiary PFC Consulting Ltd (PFCCL) has, in turn, incorporated a wholly-owned subsidiary “Mohanlalganj Transmission Ltd”. This company will act as a special purpose vehicle to develop a transmission scheme to be developed under the tariff-based competitive bidding (TBCB) mechanism. The scope of the transmission scheme would be construction of 400/220/132kV GIS substation at Mohanlalganj (Lucknow, Uttar Pradesh) with associated 400kV lines, and other 765kV and 400kV LILO lines at 765kV GIS Substation Rampur and 400kV LILO (Quad Moose on Monopole) at 400kV GIS Substation Sector 123 Noida.

PFCCL will act as the bid process coordinator and select a developer using the TBCB modality. The SPV will be transferred to the selected developer who will develop the project under the build, own, operate



and maintain (BOOM) route. This scheme, estimated to cost around Rs.950 crore would be an intrastate project aimed at improving the transmission network in Lucknow, Uttar Pradesh. According to information available with T&D India, PFCCL has already initiated the selection of the developer, through a global competitive bidding process.

Performance in FY11

In an independent announcement, PFC said that under the AatmaNirbhar discom liquidity support announced by the Government of India, PFC and its subsidiary REC have together sanctioned Rs.1,34,782 crore, so far, while disbursements stand at Rs.78,855 crore.

PFC also said that 25 per cent of its stressed book was resolved in FY21. Gross NPA ratio saw a sharp reduction of 238 bps from FY20. The current GNPA ratio is at 5.70 per cent against 8.08 per cent in FY20. [Source](#)

Transmission charges payable by DICs for the billing month of July'21

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	44.21
2	UP	NR	49.91
3	Punjab	NR	47.11
4	Haryana	NR	57.79
5	Chandigarh	NR	39.95
6	Rajasthan	NR	56.32
7	HP	NR	40.01
8	J&K	NR	42.89
9	Uttarakhand	NR	49.21
10	Gujarat	WR	42.00
11	Madhya Pradesh	WR	44.90
12	Maharashtra	WR	51.93
13	Chattisgarh	WR	37.08
14	Goa	WR	48.74
15	Daman Diu	WR	41.99
16	Dadra Nagar Haveli	WR	44.35
17	Andhra Pradesh	SR	63.40
18	Telangana	SR	40.17

19	Tamil Nadu	SR	46.17
20	Kerala	SR	43.76
21	Karnataka	SR	45.39
22	Pondicherry	SR	38.76
23	Goa-SR	SR	34.91
24	West Bengal	ER	44.15
25	Odisha	ER	50.51
26	Bihar	ER	49.31
27	Jharkhand	ER	48.26
28	Sikkim	ER	38.37
29	DVC	ER	44.56
30	Bangladesh	ER	36.71
31	Arunachal Pradesh	NER	42.39
32	Assam	NER	40.38
33	Manipur	NER	40.38
34	Meghalaya	NER	38.62
35	Mizoram	NER	44.05
36	Nagaland	NER	60.80
37	Tripura	NER	48.80

[Click source for other region POC charges. \(Source- CERC\)](#)

Bilateral Power Market

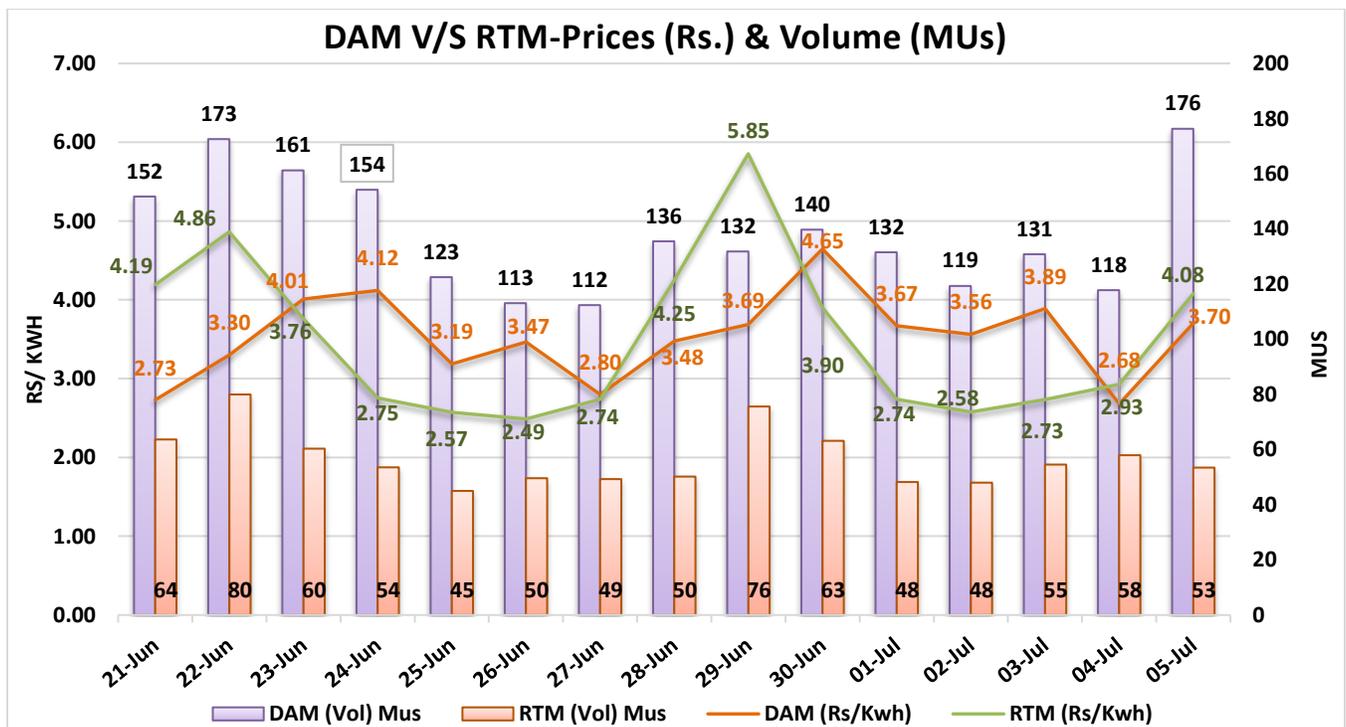
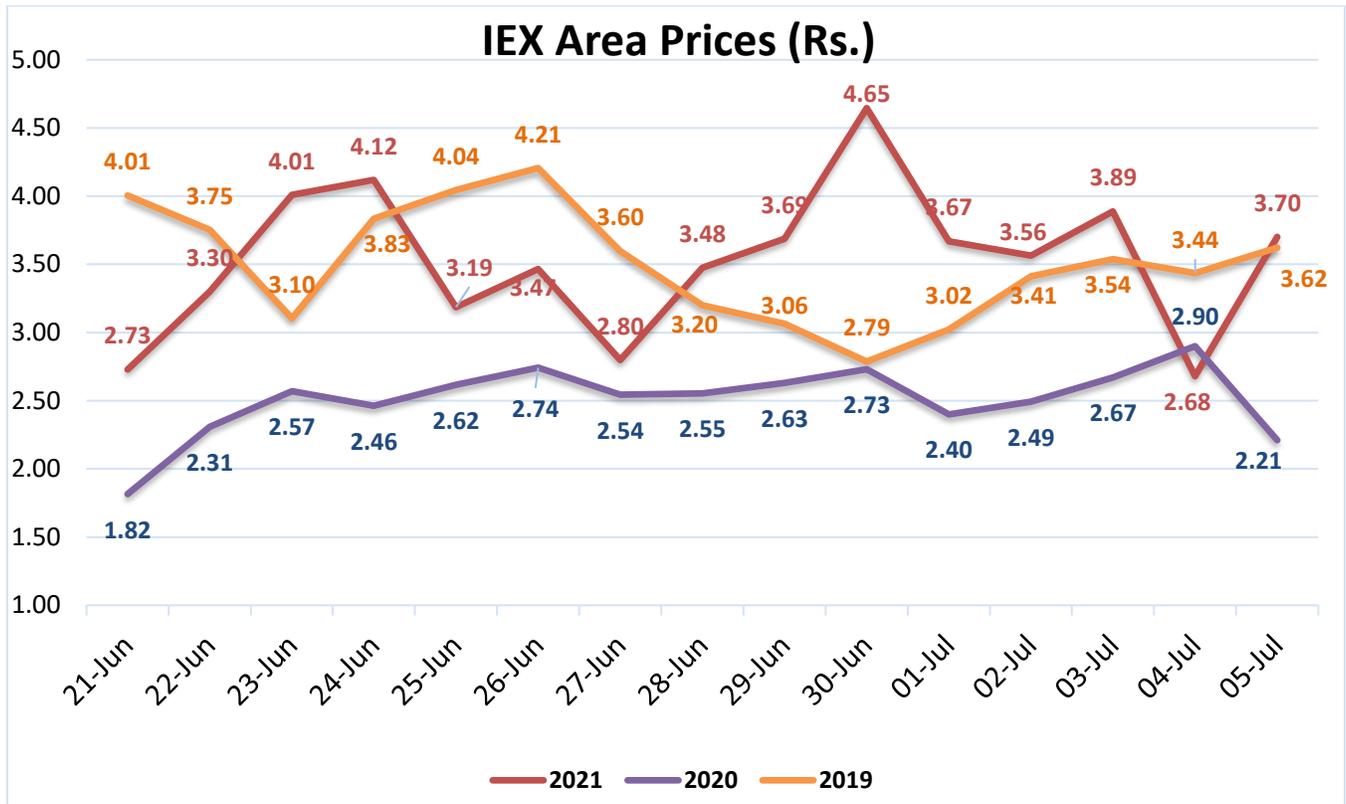
Result of various tenders:-

MSEZL/Short/21-22/RA/10				
Sl. No.	Quantity(MW)	Period	Time Block (Hrs.)	Price (Rs./KWh)
1	3	18.07.2021 to 17.01.2022	00:00 to 24:00	3.53
HARYANA POWER PURCHASE CENTRE(A JOINT FORUM OF UHBVN&DHBVN)/Short/21-22/RA/14				
Sl. No.	Quantity(MW)	Period	Time Block (Hrs.)	Price (Rs./KWh)
1	500	01.07.2021 to 31.07.2021	00:00 to 24:00	3.15 - 3.17
2	500	01.08.2021 to 31.08.2021	00:00 to 24:00	3.1 - 3.2
3	500	01.09.2021 to 30.09.2021	00:00 to 24:00	3.3 - 3.4

[Source](#)



IEX Price Trend



Commodity Price Indices

Name	Description	Unit	Price
Australian Thermal Coal	Calorific Value- 6,300 kcal/kg (11,340 btu/lb), less than 0.8%, sulphur 13% ash; previously 6,667 kcal/kg (12,000 btu/lb), less than 1.0% sulphur, 14% ash	USD/ MT	107.04
Coal, Indonesia	Coal Indonesia	USD/ MT	92.41
Coal, Colombia	Colombian Coal	USD/ MT	83.44
Crude Oil (Petroleum)	Crude Oil (petroleum), simple average of three spot prices; Dated Brent, West Texas Intermediate, and the Dubai Fateh, US Dollars per Barrel	USD/Barrel	66.40
Diesel	New York Harbor Ultra-Low Sulphur No 2 Diesel Spot Price	USD/Gallon	2.12
Heating Oil	New York Harbor Conventional Gasoline Regular Spot Price FOB	USD/Gallon	1.93
Natural Gas	Natural Gas, Natural Gas spot price at the Henry Hub terminal in Louisiana, US Dollars per Million Metric British Thermal Unit	USD/MMBTU	3.749
Jet Fuel	U.S. Gulf Coast Kerosene-Type Jet Fuel Spot Price FOB	USD/Gallon	1.87

(Source: ICMW METI Bloomberg Index Mundi)

Weather (Estimated for next fortnight)

City	Max Temp	Min Temp	Precipitation (Probability)
DELHI	35	28	61%
MUMBAI	30	27	72%
KOLKATA	32	27	56%
CHENNAI	35	26	41%

(Source - Accuweather)

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