TATA POWER

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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 trade volume rises 37% to 27.6 BU at IEX in December quarter

Power trade volume at Indian Energy Exchange (IEX) rose 37 per cent year-on-year to 27.6 billion units (BU) in the December quarter, mainly due to higher electricity consumption. "During the quarter (October-December), volumes on the Exchange grew by 37 per cent YoY (year-on-year) with 27.6 BU volumes traded versus 20.1 BU in Q3 FY21.

The growth in volumes was driven by a substantial increase in electricity consumption as well as the resurgence of trading in RECs and ESCERTs," an IEX statement said. According to the statement, the real-time market continues to be one of the fastest-growing electricity market segments on the exchange, achieving a growth of 70 per cent y-o-y, with 4.8 BU of volumes traded during the quarter.

The green market, including the day ahead and term ahead market, cumulatively traded 1.2 BU during the quarter and contributed 5 per cent to overall electricity volumes. On the REC (renewable energy certificate) front, a total of 38.28 lakh certificates and 2.86 lakh energy saving certificates (ESCERTs) were traded during the quarter. IEX posted a nearly 39 per cent year-on-year rise in consolidated net profit to Rs 80.73 crore in the December quarter and also announced a 100 per cent interim dividend for this fiscal at the rate of rupee one per share with the face value of rupee one. ***Source***

24x7 power supply in country soon: R K Singh

Patna: Union minister of power, new and renewable energy R K Singh said 24x7 electricity supply would be ensured in both urban and rural areas of the country soon. Singh said while the national average of power supply for rural areas is 22 hours, it is 23 hours in urban areas. “Since all the households have been provided with electricity connection in the country, the government is now planning to take power to each and every agricultural field,” Singh said while addressing an event virtually to flag off four ambulances provided by state-run NTPC to Indira Gandhi Institute of Medical Sciences (IGIMS) here. The minister announced that two more such ambulances would be provided to IGIMS as a request in this regard was made by state energy minister Bijendra Prasad Yadav.

The four ambulances which were flagged off have facilities like auto loading stretcher, wheelchair-cum-stair chair, transport ventilator, syringe infusion pump, multi parameter monitor, vacuum splint, portable oxygen cylinder with regulator and emergency kits. Apart from the four ambulances, the NTPC had earlier given 10 more ambulances to IGIMS. The minister recalled some of NTPC’s major contribution in the health sector, including construction of a rest house for attendants of patients at IGIMS, cancer screening facilities in various districts and MoU with AIIMS-Patna to construct a burn ward with an expenditure of Rs 21.06 crore.

Singh said power plants installed in Bihar have the capacity to produce 7,750MW electricity. “More plants with 1,980MW capacity are under construction,” he added. State energy minister Yadav thanked Singh and NTPC for providing ambulances to IGIMS. State health minister Mangal Pandey said the cabinet has already given its nod for advance life support ambulances (ALSA) in each black and process for the procurement of 1000 such ambulances is already on.

“The government will ensure that an ambulance reaches one’s doorstep within 20 minutes of call in case of urban areas and 30 minutes in case of rural areas,” Pandey said. NTPC CMD Gurdeep Singh, health department additional chief secretary Pratyaya Amrit, energy department principal secretary Sanjeev

Hans, NTPC director (HR) Dillip Kumar Patel, NTPC regional executive director (East-1) Vijai Singh and IGIMS director Dr N R Biswas were present on the occasion. ***Source***

Power firms finalize models for asset monetisation plan

Three state-run power companies, NTPC Ltd, NHPC Ltd and Power Grid Corp. of India Ltd (PGCIL), have firmed up a mix of models to realize the maximum value from their hydropower and renewable energy transmission and assets as part of the National Monetization Pipeline (NMP) plan, Union power secretary Alok Kumar told Mint. These models include creating a holding company and then divesting stake in the holding company, cashflow monetization, and setting up infrastructure investment trusts (InvITs), Kumar said. The power sector comprises 14% of the total assets on offer under NMP. Power transmission assets total 28,608 circuit km for monetization, accounting for ₹45,200 crore. Power generation assets totalling 6 gigawatts (GW) of hydropower and renewable energy assets account for ₹39,832 crore.

“It will be a mix of models. Somewhere it will be InvIT model. Somewhere it will involve creating a holding company and then divesting stake in the holding company and somewhere it will be say cashflow monetisation. So, there will be three-four models, whatever is suitable for the assets concerned. The basic goal is that there shall be no loss of value of public assets," Kumar said.

InvITs are trusts that manage income-generating infrastructure assets, typically offering investors a regular yield and a liquid method of investing in infrastructure projects. The InvIT route was proposed by the government as an alternative fundraising route for state-run companies to manage their funding requirements without having to depend on government support.

“We have been given some targets according to the NMP. All three of our companies, NTPC, NHPC, and PGCIL, are to meet the targets. So, they have prepared detailed action plans. They have also settled down on the models that they will follow for asset monetization and we are on track to achieve our targets so that there is no value loss of the assets and we realize the best possible value of these assets," Kumar said.

“We are in continuous touch with Niti Aayog and the ministry of finance. We have had several meetings and there are certain taxation issues and certain permissions to be taken, so we are working with Niti Aayog and the finance ministry. As far as the ministry of power is concerned, we are completely on track on asset monetization targets," Kumar said. In addition, India’s largest power generation utility, NTPC, is in talks with state-run SAIL Ltd to sell its stake in NTPC-SAIL Power Co. Pvt. Ltd (NSPCL), a 50:50 joint venture, to the steel maker as reported by Mint earlier. NSPCL, which was formed in March 2001, supplies electricity to Chhattisgarh, besides the Union territories of Dadra and Nagar Haveli, and Daman and Diu, as well as SAIL.

The joint venture took over the captive power plants of SAIL’s steel plants at Durgapur in West Bengal, Rourkela in Odisha, and Bhilai in Chhattisgarh. State-run firms under the Union power ministry had made a capital expenditure of ₹40,395.34 crore till December and have also met 80% of ₹50,690.52 crore capex target for FY 2021-22. India’s electricity availability has increased to 22 hours in rural areas and 23.5 hours in urban areas, according to power and new and renewable energy minister Raj Kumar Singh. As part of its energy transition efforts, India is also working toward electrification of the economy by developing action plans for greening of electricity. ***Source***

Privatisation is the way forward to regulate coal industry hit by price hike, shortages, say experts

With a rise in coal prices and shortage of supply in the wake of disruptions from Indonesia, the private sector seems like a viable option for the country to emerge from an impending crisis, experts and industry leaders say. “The participation from the private sector is always welcome, as a larger number of participants would not only enhance supply but would also infuse competition,” Vinaya Varma, MD, mjunction Services Ltd, said.

However, at present, private sector participation can only be in the form of increased production from the captive blocks. “It will take some time for the commercial miners to kick-start production from the allotted blocks. As a matter of fact, captive coal production has already shown a healthy growth of over 32 percent year-on-year to around 62 million tons till December 2021,” Vinaya Varma told Financial Express Online.

Coal shortage eases a bit, for now

The shortage of coal that the country’s power plants faced during September-October 2021 has eased to some extent, primarily due to decreased power demand in winter, and increased coal production. Coal stock at the power plants has increased to 23 million tonnes as of December 27, 2021, from 9 million tonnes as of October 26, 2021, according to the Central Electricity Authority of India (CEA). But the Ministry of Coal will have to strategise on increasing the production in the country itself before the demand peaks again.

Earlier, in 2020, Prime Minister Narendra Modi opened up the coal industry to the private sector after removing restrictions on the end use of coal by promulgating Mineral Laws (Amendment) Ordinance, 2020. This was aimed at meeting the demand of dry-fuel in downstream sectors by enabling wider participation in the auction of coal mines. PM Modi had said that India has the world’s fourth largest coal reserves, and the country should become a net exporter of coal.

In order to attract investments in coal mining, the government has also reduced upfront payments, relaxed payment schedules and offered rebates in revenue shared with the government for early production. India will spend Rs 500 billion for creating infrastructures around coal mining and the country is targeting gasification of 100 million tonnes of coal by 2030.

Why privatisation?

Coal from Indonesia accounts for nearly half of India’s annual coal imports, and with the country imposing a month-long ban on January 1 on coal exports, India witnessed a sudden surge in prices as also shortage in supply. Even as Indonesia started easing restrictions by January 20 with 139 companies being allowed to ship the fuel overseas, it already has had an impact on the prices and the volatility in the market has created uncertainty for Indian buyers. Also, due to this, the shortage will most likely continue in January and February as it will take time for Indonesia’s shipments to return to its usual levels.

According to consultancy firm Argus Media the prices of the popular GAR 4,200 kcal/kg (NAR 3,800 kcal/kg) grade of coal was at a historical high of $154.21/t on 22 October 2021 after a historical low of $22.40/t on 11 September 2020. The market was last assessed at $60.41/t fob Kalimantan on 31 December 2021.

The Indonesian ban on coal exports has had industry players and experts rethink India’s dependence on imports and opening up of the sector to private players is one promising step in this direction. However, this will take time to show results. Madan Sabnavis, Chief Economist, Bank of Baroda, said, “Private participation will help but that would take time for output to materialize. There has been interest shown

by private players which should help to augment supply. However, the economic viability in the long run for use of coal as fuel is the main issue. Also given the change in focus to renewables, the interest may be limited as potential investors will weigh options."

Even when the private entities are allowed to enter the industry now, a lot of regulatory work stalls the process, a private sector executive who wishes to remain anonymous, told Financial Express Online. Also, privatisation will further give a boost to competitiveness in the segment. "While in the short run, Coal India will run the show since it sets price benchmark, going forward, prices will be more competitive," said Madan Sabnavis. ***Source***

India to shut down thermal power plants in phases

In a bid to fulfil the commitment made by the Prime Minister Narendra Modi at the Glasgow Environment Summit two months ago that India would become carbon neutral by 2070, the Centre has decided to phase out the India's thermal power plants. While speaking at the Energy Summit organised by the Indian Chamber of Commerce that Union Energy Secretary Alok Kumar said to achieve a carbon balance, the country will have to switch to an alternative system within 50 years. All thermal power plants in the country will be shut down by 2070 to reduce carbon emissions.

Switching to renewable energy would reduce the toxicity of carbon emissions. A guideline is being prepared to make use of solar energy, compressed biogas, hydrogen and battery power instead of thermal power, which presently accounts for more than 60 percent of India's total installed power generation capacity. The decision to completely stop the production of coal in the power sector will be implemented. The current thermal power generation is two lakh megawatts per day. In order to end this completely in 50 years, at least 4000 MW of thermal power will have to be reduced every year.

The centre aims to generate five lakh megawatts of solar power instead of thermal power. At present, solar power generation is only one lakh megawatt. The Union Ministry of Power hopes that the battery technology will be developed in such a way that it can store large amounts of energy. Battery storage facilities may be similar to power substations. During the daytime, solar energy can be stored in the batteries and then it can be distributed later during night.

The Centre also hopes to develop hydrogen technology for power plants to generate electricity. The turbine that produce electricity can be powered by compressed biogas (CBG) and hydrogen. Modi had said at the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow that environmentally conscious lifestyle choices can go a long way in tackling climate change. He urged to make 'Lifestyle for Environment' a global mission. He also said that India is working very hard on tackling climate change related issues. Closing down 20-year-old thermal power plants can save Rs 53,000 crore over five years, according to an analysis by Climate Research Horizon. Old coal-fired thermal plants use more coal to produce power, said the study. ***Source***

India's march towards prepaid energy metering

The Union power ministry has targeted to completely migrate towards prepaid metering over the next few years. The tangible target is to install 25 crore prepaid meters in phases, with the first phase ending on December 31, 2023. This has been envisioned under the **Revamped Distribution Sector Scheme (RDSS)** announced in July 2021.

T&D India, in this special study, tries to understand the challenges involved in this exercise. India today has a sizeable population of smart meters — estimated at some 32 lakh, as of December 9, 2021. As against this, the population of prepaid meters, as of the same date, is only around 4.21 lakh. (**Read separate T&D India story on prepaid meters**)

The main objective of the study is to understand the technicalities involved whilst dealing with the existing population of smart meters, which are not of the prepaid type.

As one can readily appreciate it is the "prepayment option" embedded in a smart energy meter that makes it a "prepaid smart meter". By default, a smart energy meter is assumed to be of the post-paid type. Hence, while every prepaid meter is a smart meter, every smart meter need not be a prepaid meter.

T&D India got in touch with Gautam Seth, Joint Managing Director, HPL Electric & Power Ltd, to gain insights into the issue. HPL Electric is a prominent manufacturer of energy and industrial meters, with a major market share in India's energy metering market. The company also has to its credit the achievement of being the first domestic company to introduce Narrow Band Internet of Things (**NB-IoT**) technology in energy meters.

Giving an overview of his company's track record, Gautam Seth noted, "We work hand in hand with India's Smart Meter National Programme (SMNP). We have so far installed slightly more than 1.3 million smart meters, spread across states like Uttar Pradesh, New Delhi, Haryana, and Bihar. We have also received orders for the prepaid meters across the country."

On a finer technical note, Seth observed that smart meter could come with or without the prepayment option. "We supply smart meters with the prepayment option that can be enabled whenever required." Smart meters can also contribute towards energy efficiency and load-balancing as they provide for remote controlling (by the power utility) of electricity consumption, Seth explained.

Coming to India's prepaid metering goals, it can be appreciated that the existing population of non-prepaid smart meters (of around 32 lakh) is quite small when compared to the overall goal of 25 crore prepaid meters. The smart meters already installed are not necessarily equipped with the prepayment feature.

It must be appreciated that when India embarked on smart meters, as part of its pilot Smart Grid projects, the prepayment feature was not stressed upon. It was only with time that the inherent benefits of prepaid meters were recognized and such meters eventually became part of the national agenda. During the first wave of the pandemic, when issuance of physical bills was practically impossible, some state power utilities in Bihar, for instance, that had deployed prepaid meters did not have to face any loss in revenue. On the other hand, most utilities were grappling not only with issues like delayed bill dispatch, provisional billing and lower revenue realization, but they also had to contend with mounting consumer dissatisfaction.

Will there be challenges in converting conventional smart meters to prepaid ones? Yes, admitted Gautam Seth. "Some challenges that we have faced included Smart Grid interoperability, setup and design of the program, integration of the existing ICT (Information & Communication Technologies) system with the new system, among others." Despite this, Seth emphasized that HPL Electric was committed to improving smart meter technologies, thanks to its strong R&D foundation.

In summary, converting the existing installed postpaid meters to prepaid ones could be achieved in two ways – converting the existing meter to prepaid through hardware/software intervention, or replacing the meter altogether.

Coming back to India's installed base of smart meters (non prepaid), of the 32.86 lakh units, Uttar Pradesh has a dominant share of 35 per cent. States to follow include Rajasthan (12 per cent share), Bihar, Haryana (11 per cent each), Delhi (8 per cent) and Madhya Pradesh (7 per cent). Most of these installations have been the result of the Smart Meter National Programme (SMNP), spearheaded by nodal agency Energy Efficiency Services Ltd (EESL). Speaking of northeastern states, Assam is slated to be a big beneficiary of smart metering. Currently, this state has 1.85 lakh smart meters, including a small component of prepaid meters. A major prepaid meter rollout is also currently underway in Assam.

RDSS Can Be A Big Boost

The Revamped Distribution Sector Scheme (RDSS) is expected to give a major boost to smart meter manufacturers, system integrators and other coordinating agencies. This is more so because under this scheme, the power utility (state government-owned discom) is not expected to make any upfront payment. It is the "developer" that will be implementing the project. The developer (which could very well be the smart meter manufacturer itself) will be paid on a monthly basis.

The Union power ministry expects the cost borne by the project developer could be easily met from the discom's increased revenue collection, which will accrue as a result of prepaid metering.

Besides, the Central government will also contribute by way of part-financing of fixed costs as well as through incentives. The Centre's assistance would be a maximum of Rs.900 per meter for "other than special category" states/UTs, and Rs.1,350 per meter for "special category" states/UTs. Those states/UTs installing prepaid meters before December 31, 2023—the closing date of the first phase—will get an additional incentive of up to Rs.450 per meter for "other than special category" states/UTs and Rs.675 per meter for special category states/UTs.

Expressing his views on this innovative financing model, Gautam Seth noted, "This model can potentially encourage vendors that are generally unwilling to supply to certain states owing to payment-related concerns. HPL sees RDSS as a great opportunity." ***Source***

Govt launches portal to share key performance indicators of coal sector

The government announced the launch of a portal, 'Koyla Darpan', to share key performance indicators related to the coal sector. The portal was launched by Coal Secretary Anil Kumar Jain, the Ministry of Coal said in a statement. As an initial step, the portal has key performance indicators like coal/ lignite production, coal/ lignite offtake, exploration data, central sector schemes, status of coal stock at thermal power plants, allocation of blocks, monitoring of major coal mines, and coal price, the statement said.

Senior officials of the coal ministry and PSUs (through videoconferencing) were present at the event. Suggestions/ views were given by the officers to make the portal more user-friendly, it said. ***Source***

Use of biomass pellets to generate power picks up in NCR

The use of biomass pellets along with coal to generate electricity has picked up pace around the national capital region (NCR), where 50% of thermal power plants have already launched the co-firing process, power ministry data showed. But nationally, only about 40 out of over 180 coal-fired plants of 25 megawatt (MW) and above have started using biomass pellets for power generation.

This comes after the power ministry on October 8 last year notified a policy mandating all coal-fired power plants to use biomass pellets as at least 5% of fuel mix (with coal) to generate electricity. The policy was first notified in November 2017, but in October last year, the “revised policy for biomass utilisation for power generation through co-firing in coal-based power plants” was issued, making it mandatory for all coal-fired plants to use such pellets and increase the percentage of biomass to 7% from November this year.

The policy, broadly named SAMARTH (Sustainable Agrarian Mission on use of Agro Residue in Thermal Power Plants), intends to encourage farmers to convert crop stubble into pellets rather than burning it. The plan is likely to find a mention in the upcoming Union Budget on February 1 as the government is planning to launch a website and logo for SAMARTH.

Stubble burning is rampant in Punjab, Haryana, Uttar Pradesh, Rajasthan and Madhya Pradesh and becomes a major contributor of air pollution in Delhi-NCR in the months of October and November every year. More than three months after the revised policy was notified, data from the power ministry, seen by HT, showed that until December 31, at least six of the 12 coal-fired power plants located in a radius of 300 km of NCR have started mixing biomass pellets with coal for power generation. These six plants together used about 20,303 metric tonnes (MT) of biomass until December 31.

A plant-wise breakup showed that NTPC Dadri in Uttar Pradesh has used maximum biomass pellets (19,504 MT), followed by NTPC plant in Mauda, Maharashtra (18,223 MT). “It has been observed that NTPC has emerged as a leader in biomass usage, having co-fired nearly 58,000 MT of biomass, while tendering a total of 10.7 MMT (million metric tonnes) over short-term and long-term basis,” the power ministry said in a statement.

Overall, nearly 59,000 MT of biomass has been co-fired in thermal power plants across the country till date. A ministry spokesperson said that tenders for 12 MMT are at different stages for short-term and long-term duration. “Out of this, the biomass co-fired in the NCR region stands nearly at 21,000 MT and tenders floated in the region are about 5.50 MMT. Contracts have already been awarded for more than 1.1 million MT of biomass pellets,” the spokesperson added.

Among the states, the Haryana state generation company has been able to co-fire around 550 MT of biomass in two stations and float tenders worth 1.1 MMT. However, officials acknowledged that the mandate is yet to pick up in most coal-based power plants across the country. “Some of the public and private generating companies have also started co-firing small quantities of biomass in Punjab, Uttar Pradesh and Maharashtra. The results so far are encouraging and there is still a long way to go before the country can achieve its target of 5-10% co-firing in all plants. This will be achieved with active participation of all central/state Gencos and Independent Power Producers (IPPs),” read the ministry’s statement.

Government estimates suggest that the SAMARTH programme could help farmers earn approximately ₹15,000 crore annually. At present, 51.7% of India’s power generation comes from coal-based thermal power plants that use around 700 million tonnes of coal every year. A 5% blend of biomass pellets will result in around 35 million tonnes less of coal being burnt.

At the 2021 United Nations Climate Change Conference (COP26) in Glasgow in November, Prime Minister Narendra Modi pledged to cut India’s carbon emission by 1 billion tonnes by 2030. The commitment also includes meeting 50% of India’s energy requirements from renewable energy by 2030

and increasing non-fossil fuel power generation capacity to 500GW (gigawatt) by the end of this decade. ***Source***

Time to introduce electricity derivatives

Energy fuels economic growth and electrical energy is a critical component of every nation's energy mix. India is no exception. Currently ranked third largest in the world, electricity generation in India has witnessed a remarkable growth, particularly in the last 10 years with overall installed generation capacity increasing at an average annual rate of 8.8 per cent from 2010 to 2020, reaching 370 GW in March 2020. The national peak demand has grown at an average rate of 4.4 per cent to reach 184 GW during the same period, according to Central Electricity Authority. The rate of national access increased from 43 per cent in 2000 to about 95 per cent in 2019, according to International Energy Agency's report 'India 2020 Energy Policy Review'.

Reform measures
To be sure, the Indian electricity market has undergone significant restructuring and reforms during the past three decades. The twin objective was to scale up expansion in generation and distribution as well as make the market transparent, competitive and efficient.

Experiences in India and in many countries suggest that as reforms progress and competitiveness increases with restructuring and unbundling of the electricity sector, costs of procurement of electricity reduces while the quality and stability of power availability improves.

One nation, one grid
The electricity market in the country however remains fragmented both at the retail level as well as in wholesale trading. One of the important steps taken to overcome this problem was synchronisation of regional grids into one national grid at one frequency. India has indeed achieved this by pursuing a 'one nation one grid' policy, making the country the world's largest national synchronous grid.

Meanwhile, a slew of policy reforms oriented towards creating an efficient and transparent electricity trading system across the country has been in the works. The reform process began in the 1990s, with unbundling and liberalisation of the sector. A landmark reform was the enactment of the Electricity Act 2003, which removed licensing for generation and introduced open access for transmission and distribution.

Integration of the market
This development fostered competition and paved the way for integration of the electricity market across the country. An offshoot of open access transmission was the introduction of power trading on spot exchanges, which facilitated transparent price discovery in electricity markets.

Electricity trading on spot exchanges has picked up momentum quickly and the volume of electricity traded on power exchanges increased at an average annual growth rate of about 25 per cent while that transacted through bilateral transactions increased at an annual growth rate of about 7 per cent from 2009-10 to 2018-19, according to the Central Electricity Regulatory Commission. With gradual opening up, the power markets have become increasingly competitive and transparent. At the same time, the market has witnessed an increase in the volatility in electricity prices, exposing stakeholders to price risks.

Reducing volatility

The average annualised volatility in electricity prices was about 41 per cent on an average during the last five years, enough to adversely affect the margins and economic viability of users and producers of this commodity. Indeed, electricity prices are inherently volatile due to their unique physical attributes manifested in the free market in this commodity.

As such, key stakeholders including generation companies, power distributors, load serving companies and myriad user industries that seek certainty in their costs and revenues from the use/sale of electricity, need effective hedging mechanisms for efficient price risk management. Under the circumstances, creation of and access to appropriate risk management instruments for hedging of electricity prices becomes essential. As has been witnessed in many developed electricity markets around the world, risk management using Futures and Options on electricity is one of the most effective and popular ways to manage this risk.

Further, given the transparency of well-regulated exchange-traded derivatives market, it is important to use hedging instruments traded on exchange markets. This will facilitate and further advance a transparent and competitive electricity market in the country while reducing uncertainties and costs.

Transparent derivatives markets are also known for providing efficient platforms for price discovery which is one more reason for using exchange-traded electricity derivatives market for the development of this sector. With the recent legal resolution of the regulatory jurisdictional issues connected to trading of electricity derivatives in India, it is hoped that Indian securities market will soon witness the launch of financial derivatives on electricity. This is sure to meet a long-pending demand for a product that addresses risk management associated with electricity. Chandrashekhar is a policy commentator and commodities market specialist and Dey is Assistant Vice-President, MCX India. Views expressed are personal. ***Source***

PFC, REC may bid for stressed assets

The two dedicated power sector financiers Power Finance Corp (PFC) and REC Ltd are considering bidding for stressed power assets to prevent large haircuts on their loans during resolutions. The state-run companies propose to float a consortium of lenders and state-run power developers to acquire and operate such stressed assets, sources in the government said. "The lenders have incurred large haircuts in the past resolution processes for even good projects, which are nearly commissioned, have power purchase agreements and assured coal supplies. The two companies are looking at bidding for the stressed projects during resolution," a senior official said.

Another official said the companies are considering partnering with other central power sector entities for technical know-how to run the acquired projects. "We are looking to participate in a consortium with other CPSEs in stressed asset resolution," he said. The two financiers PFC and REC have so far have stayed away from taking over power projects or assets. "However, as there are only a few bidders each time for power plants and as the interest in coal-based generation diminishes, there could be further deterioration in their valuations. Hence, both lenders are mulling these opportunities to prevent losses," the official quoted first said.

While most of the 34 identified stressed assets in the power sector have been resolved, the two lenders propose to save key projects including Lanco Amarknatak and KSK Mahanadi from severe undervaluation. NTPC's bid for Avantha Group's 600-Mw Jhabua plant is by far the highest on a per-megawatt basis under stressed asset resolutions in the power sector. Lenders could recover 40% of their

loans at ₹3.2 crore per MW NTPC offered against the construction cost of ₹6 crore for new projects. Adani Power had valued it at about ₹750 crore, or ₹1.25 crore per MW.

Adani Power had won GMR Infrastructure's 1,370 MW coal-based power plant in Chhattisgarh, offering to take over its debt at ₹3,530 crore, or ₹2.58 crore per MW. It paid a nominal ₹1 for the equity component. Tata Power-backed Resurgent Power paid about ₹6,000 crore, or a little over ₹3 crore per MW, for the 1,980 mw Prayagraj Power plant in Uttar Pradesh. Hong Kong-based Agritrade Resources bought SKS Power's 1,200 MW Binjkote power plant for ₹2,170 crore, valuing it at ₹1.8 crore per MW.

PFC and REC have also discussed the possibility of setting up an assets management company to takeover viable projects through bidding or change of management route. However, that plan has been dropped now. REC Ltd had in 2018, in the middle of the large stressed assets crisis, proposed Power Asset Revival through Warehousing and Rehabilitation, or 'Pariwartan' scheme, to warehouse around 20,000 MW stressed projects under an asset management company to protect their value and prevent distress sale. The scheme did not take off. ***Source***

Coal India committed to meet 'elevated' demand of power sector: Official

Mining major Coal India Ltd is committed to meet the elevated demand of the dry fuel from the power sector, including coastal plants dependent on imports, a company official said. The miner had hoped the demand would ease by December last year, but that did not happen, he said. We are committed to catering to the coal needs of the power sector, be it domestic or those dependent on imports, despite CIL being stretched, a senior company official told PTI when asked whether it was capable of plugging the gaps arising out of Indonesian supply disruptions. We have already started supplying some amount of coal to the coastal plants to cut down on imports, he added.

Indonesia had banned coal exports since January 1 due to domestic shortages and the impasse still prevails. This has led to a surge in prices in the international market. India imports 5-9 million tonnes of coal per month from Indonesia, officials said.

The world's largest miner is trying to keep up to the demand by dispatching over 1.75 million tonnes of coal per day to the power sector, they said. India's power consumption grew by 4.5 per cent in December 2021 to 110.34 billion units (BU) over the same period a year ago, according to power ministry data. In the first 16 days, Coal India's average daily production stood at 2.35 million tonnes. It is targeting 670 million tonnes of production in the 2021-22 fiscal. Till January 16, the total ouput was at 445 million tonnes. ***Source***

Transmission charges payable by DICs for the billing month of February'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.

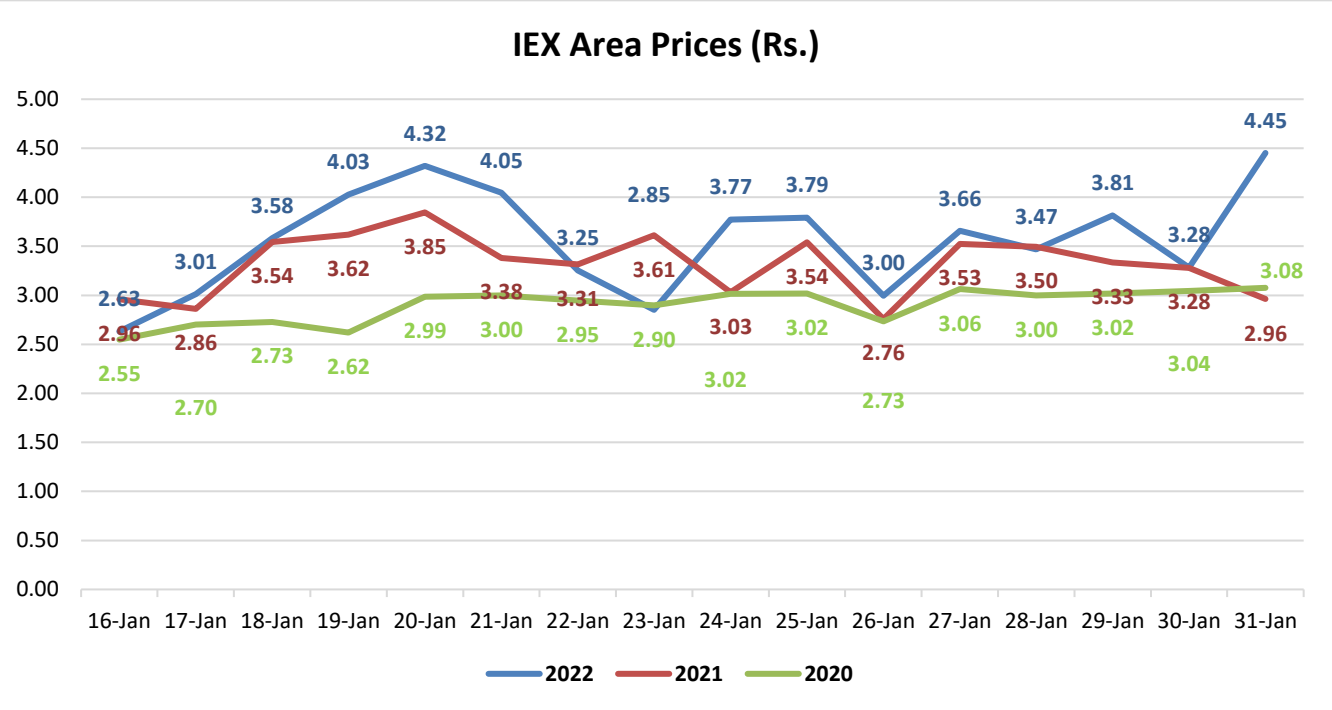
Transmission Charges for Short Term Open Access (STOA)			
Sl. No.	**State**	**Region**	**STOA rate (paise/kWh)**
1	Delhi	NR	41.96
2	UP	NR	49.06
3	Punjab	NR	47.39
4	Haryana	NR	55.07
5	Chandigarh	NR	39.13
6	Rajasthan	NR	61.70
7	HP	NR	40.61
8	J&K	NR	46.34
9	Uttarakhand	NR	54.26
10	Gujarat	WR	46.91
11	Madhya Pradesh	WR	48.80
12	Maharashtra	WR	48.74
13	Chhattisgarh	WR	36.73
14	Goa	WR	44.17
15	Daman Diu	WR	42.49
16	Dadra Nagar Haveli	WR	47.00
17	Andhra Pradesh	SR	56.44
18	Telangana	SR	41.00
19	Tamil Nadu	SR	44.11
20	Kerala	SR	42.34
21	Karnataka	SR	44.47
22	Pondicherry	SR	36.85
23	Goa-SR	SR	30.01
24	West Bengal	ER	37.98
25	Odisha	ER	48.20
26	Bihar	ER	43.19
27	Jharkhand	ER	43.66
28	Sikkim	ER	36.96
29	DVC	ER	42.45
30	Bangladesh	ER	32.80

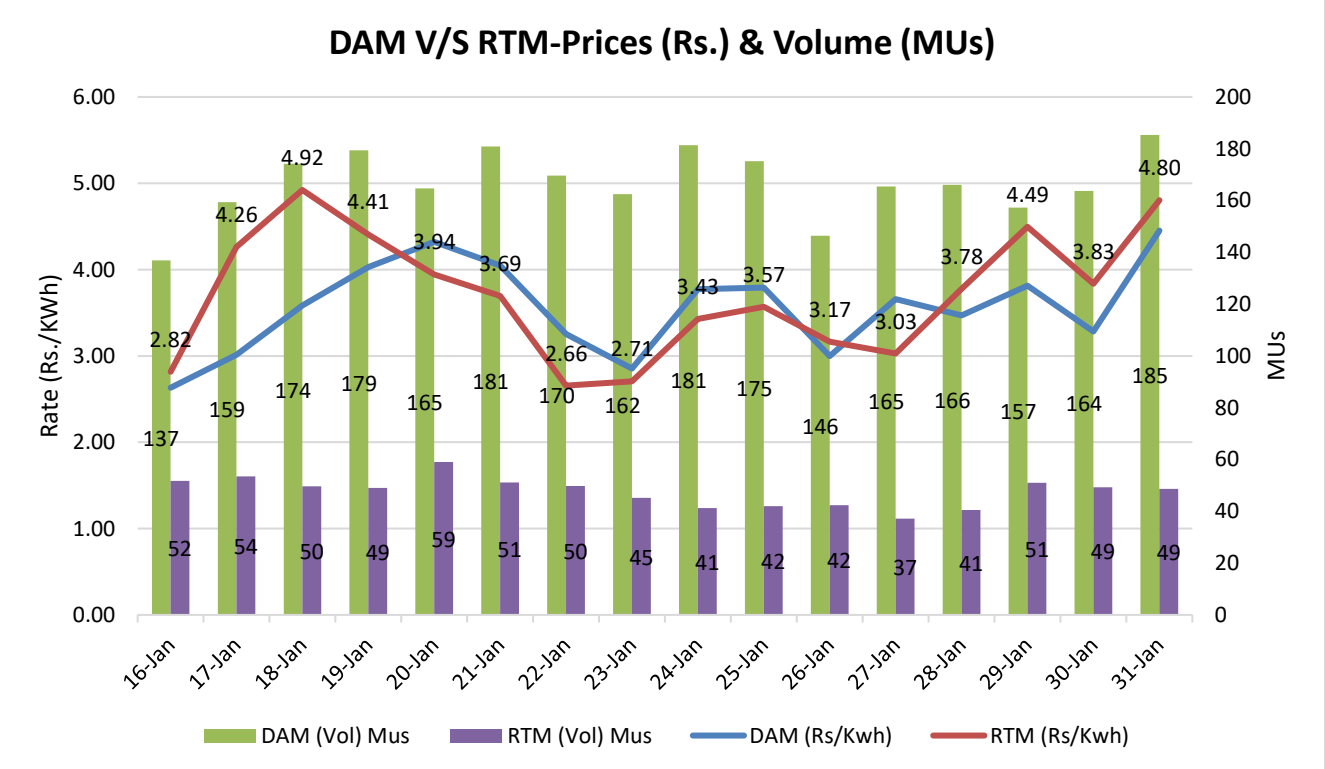
31	Arunachal Pradesh	NER	39.60
32	Assam	NER	37.87
33	Manipur	NER	41.81
34	Meghalaya	NER	37.41
35	Mizoram	NER	41.93
36	Nagaland	NER	56.86
37	Tripura	NER	42.92

Bilateral Tender Results: -

S. No.	Tender Quantum (MW)	Supply Period	Time Block (Hrs.)	Price (Rs. /KWh)	LOI Status
PSPCL/Short/21-22/RA/88					
1	500	10.06.2022 to 30.06.2022	00:00 to 24:00	4.38-4.95	Awaited
2	500	01.07.2022 to 31.07.2022	00:00 to 24:00	4.15-4.2	
3	500	01.08.2022 to 31.08.2022	00:00 to 24:00	4.11-4.2	
4	500	01.09.2022 to 30.09.2022	00:00 to 24:00	4.43-4.63	
5	500	01.10.2022 to 20.10.2022	00:00 to 24:00	5.07-5.87	
PFC Consulting Limited/Short/21-22/RA/98 (UPPCL)					
1	1100	01.05.2022 to 31.05.2022	00:00 to 06:00	3.9-7	LOI issued up to Rs 5.00/kWh (Night Blocks) Rs. 6.00/kWh (Peak Blocks)
2	1200	01.05.2022 to 31.05.2022	18:00 to 24:00	4.99-10	
3	1500	01.06.2022 to 30.06.2022	00:00 to 06:00	3.59-7	
4	1500	01.06.2022 to 30.06.2022	18:00 to 24:00	4.79-10	
5	600	01.07.2022 to 31.07.2022	00:00 to 06:00	3.39-5.39	
6	1000	01.07.2022 to 31.07.2022	19:00 to 24:00	5.29-10	
7	700	01.08.2022 to 31.08.2022	00:00 to 06:00	3.49-5.85	
8	1000	01.08.2022 to 31.08.2022	19:00 to 24:00	5.89-10	
9	300	01.09.2022 to 30.09.2022	00:00 to 05:00	3.79-4.2	
10	400	01.09.2022 to 30.09.2022	19:00 to 24:00	6.29-7.5	
TATA POWER DELHI DISTRIBUTION LIMITED/Short/21-22/RA/93					
1	55	01.05.2022 to 31.05.2022	08:00 to 18:00	5.04	Awaited
2	55	01.06.2022 to 30.06.2022	08:00 to 18:00	5.04	
3	55	01.07.2022 to 31.07.2022	08:00 to 18:00	5.04	
4	55	01.08.2022 to 31.08.2022	08:00 to 18:00	5.04	
5	55	01.09.2022 to 30.09.2022	08:00 to 18:00	5.04	
AEML/Short/21-22/RA/110					
1	293	01.07.2022 to 31.07.2022	00:00 to 24:00	4.03-4.05	Awaited
2	293	01.08.2022 to 31.08.2022	00:00 to 24:00	4.03-4.05	
3	293	01.09.2022 to 30.09.2022	00:00 to 24:00	4.21-5.25	

IEX Price Trends





Weather (Estimated for next fortnight)

City	Max Temp	Min Temp	Precipitation (Probability)
DELHI	16	9	0%
MUMBAI	29	18	0%
KOLKATA	24	16	6%
CHENNAI	31	22	13%

(Source - Accuweather)

TPTCL offers comprehensive consultancy for Connectivity Long term Medium Term & short term Open Access- For details please contact px@tatapower.com; For any suggestions and feedback Please write to us on pmc@tatapower.com

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