

# POWER MARKET CAPSULE-205<sup>th</sup> Edition

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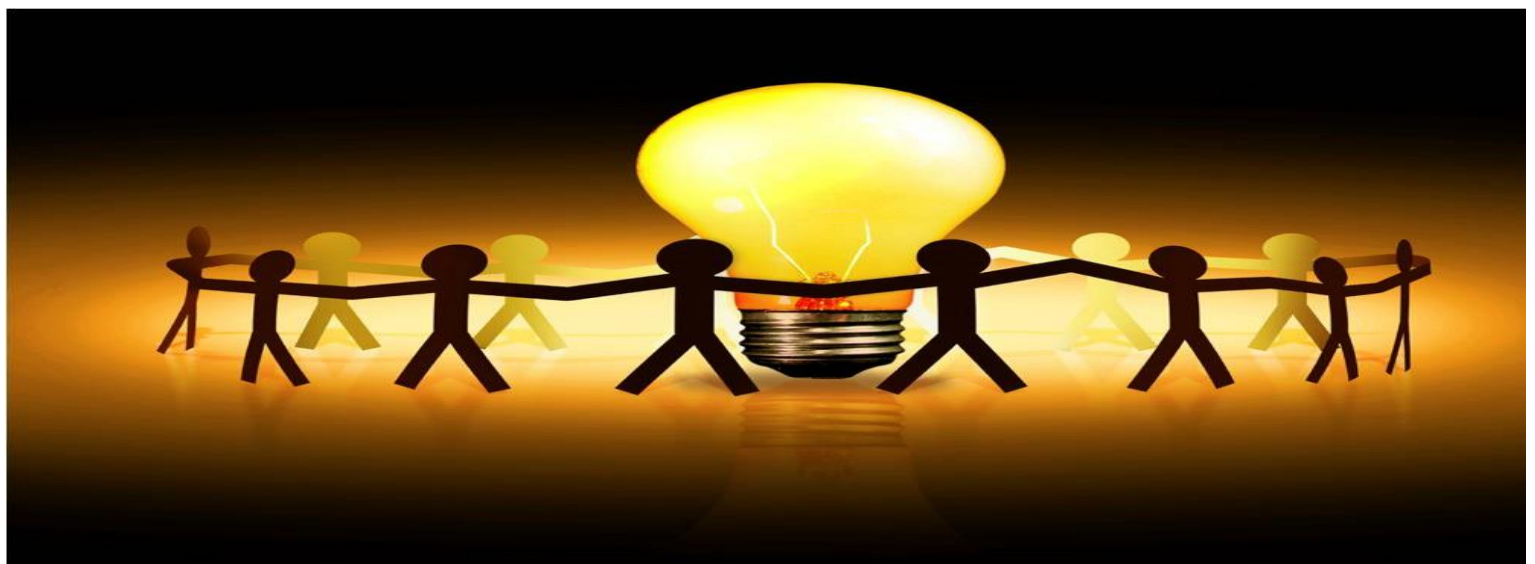
TPTCL'S E-NEWS LETTER



## CONTENT INSIDE

- 1. Power Market News.....01-11
- 2. Transmission Charges DICs.....11-12
- 3. Bilateral Market.....12-13
- 4. IEX Price Trend.....14
- 5. Weather Estimated.....15

Tata Power Trading Company Limited (TPTCL)



## Power Market News

### India's power consumption grows by 2% to 130.35 bn units in August

India's power consumption grew marginally by nearly 2 per cent year-on-year to 130.35 billion units (BU) in August 2022, according to the power ministry data. Power consumption in August last year was recorded at 127.88 BU, higher than 109.21 BU in the same month of 2020. However, the peak power demand met, which is the highest supply in a day, in August 2022 dipped to 194.94 gigawatt (GW). The peak power supply stood at 196.27 GW in August 2021 and 167.52 GW in August 2020.

Power consumption and demand were affected in August 2020 due to the impact of lockdown restrictions that were imposed to curb the spread of coronavirus. The peak power demand met was 177.52GW in August 2019 (pre-pandemic period). Similarly, power consumption in August 2019 was 111.52 BU. According to experts, power consumption and demand remained subdued in August due to rains across the country under an active monsoon. Power consumption as well as demand would grow steadily in coming months in view of normal economic activities and the festive season, they opined. [Source](#)

### IEX total trade volume dips 18% to 7,805 mn units in Aug

The total trade volume of Indian Energy Exchange (IEX) registered an 18 per cent annual decline in August to 7,805 MU (million units). The total trade volume in August 2021 was at 9,538 MU, an IEX statement said. However, on a month-on-month basis, IEX registered a 9 per cent growth in August. In July 2021, the total power trade volume was 7,151 MU.

The total trade volume of 7,805 MU in August, 2022, comprised 6,517 MU in the conventional power market, 437 MU in the Green Power Market, and 851 MU (8.51 lakh Certificates) in the REC Market, according to the statement. The average clearing price in the Day-Ahead market increased 2 per cent YoY (year-on-year), from Rs 5.06 per unit in August'21 to Rs 5.17 in August '22.

The supply-side constraints continued due to high prices of imported coal, fuel shortage and increased e-auction prices, it said. The Day-Ahead Market volume at 3,529 MU, registered a flat growth on a month-on-month basis. Although imported coal prices remained high, increased hydro and renewable energy generation resulted in the market clearing price lowering by 5 per cent on a month-on-month basis at Rs 5.17 per unit.

The Real-Time electricity market achieved 2,265 MU volume during the month, registering a 22 per cent YoY and 6 per cent month-on-month growth.

The highest single-day volume of 104 MU was achieved on August 16, 2022. The Term-Ahead Market, comprising intra-day, contingency, daily & weekly contracts, traded 723 MU during August, registering a 17 per cent y-o-y growth and 64 per cent m-o-m growth. A total of 8.51 lacs RECs (renewable energy certificates), an increase of 79 per cent MoM, were cleared in the trading session at IEX held on Tuesday, August 30, 2022.

The REC volume comprised 4.18 lacs non-solar RECs with clearing price at Rs 1,000 per REC. It further said that increased inventory of solar RECs saw the clearing price reaching floor-level at Rs 1,000 per REC, with 4.32 lacs solar RECs traded during the month. There was no REC trading session in the corresponding period last year, due to a stay order dated July 20, 2020, as issued by the Appellate Tribunal of Electricity. [Source](#)



## India electricity demand seen growing 7.2% annually till 2026/27

India's power demand grew at a little over 4% during the five years ended 2021/22.

The Central Electricity Authority (CEA), an advisory body to the federal power ministry, said in a draft plan India would add power generation capacity of 165.3 gigawatts (GW) over 5 years ending march 2027, most of which would be renewable energy.

New solar plants would make up 92.6 GW and wind power would make up 25 GW, while coal-fired capacity already under construction would account for 25.8 GW and nuclear plants for another 7 GW, the CEA said. India will also retire 11 coal-fired plants with a combined capacity of 4.62 GW over five years ending march 2027, the government said.

Still, coal would remain the mainstay of India's power generation and requirement of the fuel for power generation is seen rising 3.8%, according to the draft plan. Despite being the world's third largest greenhouse gas emitter, India's per capita emissions are much lower than most Western countries. India, along with China, accounts for a lion's share of global renewable energy addition. [Source](#)

## Electricity distribution companies' outstanding dues towards gencos to be eliminated by 2026, says Power Minister

Outstanding dues of electricity distribution companies (discoms) towards gencos, which remains over Rs 1 lakh crore at any point of time, will be eliminated in the next four years, Union power minister R K Singh said. The government has converted the total outstanding dues of discoms toward gencos (power generator companies) into Equated Monthly Installments (EMIs).

These EMIs have maximum tenure of four years and thus the total outstanding dues of discoms would be nil by 2026. "The total outstanding dues of the discoms towards gencos is around Rs 1,13,000 crore. These dues would be totally cleared by 2026," Singh told PTI. Singh explained that the government has put a very robust payment security mechanism for the power sector knowing about the perennial issue of bulging dues of discoms toward gencos.

He informed that the power ministry has put in place late payment fee Electricity, (Late Payment Surcharge and Related Matters) Rules, 2022 (LPS Rules 2022) which would trigger snapping of discoms' access to power exchanges for procuring supplies in case of non-payment of late payment surcharge. Earlier in August this year, state-run Power System Operation Corporation Ltd (POSOCO) had asked three power exchanges -- IEX, PXIL and HPX -- to restrict electricity trading by 27 discoms in 13 states for non-payment of late payment surcharge.

The directive from POSOCO to Indian Energy Exchange (IEX), Power Exchange of India (PXIL) and Hindustan Power Exchange (HPX) was given to restrict trade of electricity by utilities of 13 states, including those in Maharashtra, Madhya Pradesh, Rajasthan, Karnataka, Andhra Pradesh, Telangana, Tamil Nadu, Bihar, Chhattisgarh and Jharkhand.

The action was taken under the Electricity (Late Payment Surcharge and related matters), Rules 2022 notified by the power ministry in June, 2022. Under the payment security mechanism, state utilities can be barred from trading on electricity exchanges for non-payment of dues and other charges to gencos. The POSOCO, a public sector enterprise under the Union power ministry, manages integrated operation of the Indian power system.



The minister explained that the discoms also buy power from exchanges to meet their demand in short term. He further said that the ministry has also put in place mechanisms to restrict their access to long term electricity supplies under the power purchase agreements signed by them with gencos.

Discoms generally ink PPAs (Power Purchase Agreements) for supply of electricity by gencos for 25 years under long-term arrangements. Singh said that now we have made it clear that if a discom does not pay then their access to long term power supply under PPAs would decrease by 10 per cent after every 30 days from the Inter State Transmission System (ISTS or national grid, supplied largely by central utilities and private sector). Therefore, he exuded confidence that the perennial issue of bulging discoms' outstanding dues towards gencos would be eliminated in the next four years. [Source](#)

### **Electricity grid to be future ready, insulated from cyber attacks: RK Singh**

India's power network will soon be more future-ready and insulated from cyber attacks with the provision of routine inspections and timely action under the Electricity Amendment Bill, Union Power Minister RK Singh said. Cyber attract threat has been an issue and the government did all what it takes to address that. Now through the Electricity Amendment Bill 2022, the power ministry has made a provision for inspection of the national electricity grid for maintaining cyber hygiene in the network.

Talking to PTI, Singh said, "We are facing cyber-attacks on our power transmission system. We know from where those are emanating. We have provided (a safeguard) for that, which requires inspection regularly. We need to follow cyber hygiene. "Therefore, we are empowering our central (national) load dispatch centre so that it can do inspections and give directions. We have one grid in the country and if there is some issue in one corner of the nation then the entire grid can collapse. That is why this provision is made."

The bill provides for amending section 26 of the Act so as to strengthen the functioning of the National Load Despatch Centre for ensuring the safety and security of the grid and for the economic and efficient operation of the power system in the country. Earlier this year in April, Singh admitted that there were cyber-attacks on the national power grid.

"These were probing attacks in December, January and February. They did not succeed. But we are aware," he had said. According to the reports earlier this year, the hackers had targeted seven Indian state centres responsible for carrying out electrical dispatch and grid control near a border area. [Source](#)

### **Electricity Amendment Bill 2022: A mixed bag**

The government introduced the Electricity Amendment Bill 2022 in the Lok Sabha recently, and, as expected, the proceedings were not smooth. Though the Bill has been referred to the Parliamentary Standing Committee for Energy, states fear that the Centre is encroaching into their domain in power sector governance. Their biggest grouse is against the proposal to give additional distribution licences in an area already serviced by a distribution company (discom). The licence will be deemed to have been granted if the state electricity regulatory commission (SERC) does not take any action within the stipulated time.

Some of the fears of the states are misplaced. The proposal doesn't tantamount to encroaching into the their domain because it pertains to policy matters. The Centre is well within its rights to suggest additional licences because power is a Concurrent subject. The feasibility of multiple licences is, however, another issue. The fact is that till we do away with commercial losses, remove cross-subsidies and have complete metering right from the periphery of a discom to the consumer, we really cannot have multiple licences.



That said, some provisions in the Bill do give an impression that the Centre is attempting to undermine the states. Amongst them is the clause pertaining to applicants seeking a distribution licence in more than one state. It states that the Central Electricity Regulatory Commission (CERC), and not the SERC, will grant the licence. This is problematic because a SERC is likely to be more aware of the field-level conditions in a state than its central counterpart. Even if an applicant applies for licences in several states, they should be processed by the SERCs concerned — wherever necessary, these agencies should consult each other. Moreover, the agency that grants the licence should also administer it.

Second, the Bill has a provision empowering the Centre to give directions directly to the SERCs. Till now, the CERC received instructions from the Centre and the SERCs were under the state. The new Bill enables the Centre to bypass state governments. It's not surprising that this is a matter of concern for the states.

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Third, the Bill has made a small change in the composition of the committee for selection of Chairman/members of the SERCs (amendment of section 85). Instead of having Chairman CEA/Chairman CERC as the third member, it will now be a nominee of the central government at the level of additional secretary.

Actually, the fears of encroachment did not begin with the Bill. Concerns were raised when earlier versions of the Bill were introduced. The enactment of the Electricity (Rights of Consumers) Rules, 2020 aggravated the fears. These rules spoke of matters solely related to distribution which, no doubt, is a state subject.

However, not everything is regressive about the Bill. The first relates to states renegeing on power purchase agreements (PPAs), especially those with renewable power producers. Renegotiation of such PPAs has become a fraught issue. The Bill states that if PPAs are renegotiated, the affected party has to be compensated within 90 days from the date of submission of the petition.

Second, new tariffs have to be made applicable from the beginning of the financial year. New tariffs often come into force in the middle of the financial year (due to delays in the issuing of orders by SERCs). This means that discoms do not earn their full revenues leading to cash flow problems. Third, the Bill has proposed a reduction in the time for processing tariff petitions from 120 days to 90 days. This is a welcome step. Fourth, regulatory commissions have been given suo motu jurisdiction if tariff petitions are not filed within 30 days of the stipulated time. This too is a step in the right direction. Fifth, the Bill talks about ensuring a payment security mechanism before dispatch. This will ensure that dues to generators do not swell up to unmanageable levels. Sixth, the Bill proposes to give more teeth to the national load dispatcher. We need to strengthen the load dispatcher for the smooth functioning of the grid, especially with a huge renewable capacity — where intermittency of generation is a major issue — in the offing.

There is, however, a major omission in the Bill. The government had declared the Railways to be a deemed distribution licensee in 2014 under the third proviso of Section 14 of the Electricity Act 2003. In layman's terms, this proviso states that a government department transmitting, distributing or trading in electricity will be deemed as a licensee under the Act. Since the railways was never transmitting, distributing or trading in electricity but was a bulk consumer, it should not have qualified to be a deemed distribution licensee. The railways does not perform several other tasks expected of a distribution licensee. The submission of a tariff petition for instance. The exception made for the railways had led to demands for a similar licence from entities such as the metro rail and ports. This was the time to take corrective measures. We seem to have missed the bus. [Source](#)

## How utilities can take advantage of data driven transformation

The Indian utilities sector is at an interesting crossroad today. On one hand, while demand is growing, the sector is still plagued by significant inefficiencies. The Government is keen to reform the industry by urging the industry to improve efficiencies by cutting down losses during transmission and distribution. Industry experts opine that the Indian power sector's T&D losses have been over 20 per cent of generation, which is more than twice the global average.

Technology can play a huge role in reducing these losses. For example, using analytics, utility firms can accumulate real-time data from diverse equipment and generate intelligent insights, that help companies anticipate and predict equipment-related failures. Analytics can also be used to analyse aggregate data from multiple systems (SCADA, Substation Systems, Distribution Systems and Advanced Meter Infrastructure). The analysed data can be used to generate accurate insights for proactive maintenance of assets and avoiding downtime due to overloading, theft, or equipment failure.

### ***The importance of integration***

For analytics to work effectively, the data must be updated and be in the right format to be analysed. This is a huge challenge, for most sectors, and specifically, the utilities sector, where data is stored in silos. Hence, for this sector, integration is all encompassing. It must happen automatically, reliably, and efficiently so that processes can be built on real time data. IDC predicts that 80 per cent of worldwide data will be unstructured by 2025, hence energy companies must rethink their information governance strategy.

Structured data (e.g., information collected from online forms) is simple to manage, but unstructured data (e.g., voice conversations, rich media assets, billing documents, etc.) is much more complex and often sits in various places, such as legacy systems. With unstructured data stored in legacy systems, the maintenance of these applications can be costly, and a challenge for employees to access.

With critical information being stored on these legacy systems—such as manual hard drives and slow-to-use networks—employees lack productivity and collaboration as their time is spent unable to access the right data anytime and anywhere. Delivering energy services to Indians is the primary goal for the utilities sector, so integration is key to connecting all moving parts to ensure this.

So, the question energy suppliers should be asking is “how can we enable integration that connects information flows?” The answer is to modernise these outdated systems, as the results will improve energy operations and ensure the right data is accessible to employees and customers.

### ***Challenges with legacy systems***

Many companies hold onto legacy systems for compliance since years of data are stored on them, as it can be a challenge to migrate other systems based on the compatibility that these applications have with modern technologies. As such, there are bound to be more issues than solutions when holding onto outdated infrastructure. Moreover, the data stored on legacy systems aren't always accessible to employees, which makes the employee user experience not encouraging. And in a time where “hybrid work” is the new buzzword, accessibility to data regardless of location is essential.

Digital transformation should make the process of information flow and the accessibility to data easier. Once energy companies recognise this, only then can there be a greater emphasis on the customer experience.

The key to modernising legacy systems is decommissioning. The first step is extracting data, followed by analysing legacy data structures. By collecting disparate types of data from various servers, energy companies can re-evaluate the way they store data. The next step is to archive information depending on structured or unstructured data – this is to distinguish the type of data an organisation has. The final step is decommissioning the legacy application entirely. Once the decommission phase is complete, organisations need to implement a scalable information management solution that allows for continued growth and expansion of data. This is particularly important for energy companies given the sheer volume of data they manage.

### ***How the cloud can play a critical role***

The adoption of cloud technologies enables integrated information ecosystems. It enables employees, company stakeholders and consumers to have visibility into the right data needed.

The cloud can also be used as the right platform for building a cohesive platform for enabling organisations to aggregate data and seamlessly personalise experiences and communications. This in turn, can be used to understand customer behaviour and emotions to continuously improve experiences, communications, and the customer journey.

Cloud technologies facilitate the business to govern data and information securely through integration. In turn, integration allows for the utilities sector to leverage information holistically which is needed to counteract the use of working on out-dated legacy systems that delay business processes. For India's utilities sector, which is looking at battling huge inefficiencies, integration can play a big role in improving visibility and analysis of data across different systems, which in turn, can help firms in this sector bring in an analytical approach to running their businesses. [Source](#)

### **'Power prices to decline on easing demand'**

Power prices in the country are likely to fall going ahead with demand expected to ease in the coming months, said Rohit Bajaj, head of business development at Indian Energy Exchange (IEX). In an interview, he said the coal stock situation has also improved, which would support an anticipated spurt in demand for power during September-October. Edited excerpts:

### ***How has 2022 been for IEX as the power sector has largely been eventful?***

The year has been good in terms of revival of demand. We have seen demand come in very big numbers. Overall, countrywide, we have seen over double-digit growth in the first five months, which is very positive but our realization in terms of conversion of demand into our volume is little less. This year, we have seen almost 20% more demand coming to our platform but the problem is there are sell-side and supply-side constraints, due to which we are not getting a clear volume. Our transaction fee is on the basis of the final quantum getting cleared.

Prices of imported coal have increased almost 200% of what it was last time (year)...and this is resulting into discovery of very high prices. With all these things in place, we are meeting more than 90% of the demand from domestic coal. The remaining part we are importing. All these factors have resulted in high prices this year.

Overall, we are almost flat in terms of volume till August. There is no growth till now. But, going forward, we expect things are going to reverse. Due to government intervention, 2-3 things have happened. First of all, we are seeing major increase in coal production. With over 25% increase in coal production on year-on-year (YoY) basis and more than 20% increase in dispatches to power plants in first four months, coal stock availability at power plants has increased. It was about 7 days few months back and it has increased to an average of 11 days now.



***What is your outlook for the September-October when another crunch situation is expected?***

In September and the coming months, high demand is going to be there. Because, this is the time agriculture load is going to be there. But our preparedness is much better than March-April when average price went up to ₹10 (per unit). We are much better prepared in terms of coal stock position, not many plants are under maintenance, people have deferred their maintenance, availability of plants is much better as compared to March-April. Several imported coal-based plants are running.

We believe that the worst is behind us. Though demand is going to be there in the coming months, coal stock position is much better. So, prices will not probably go to that level. It has started to ease out now. It will only improve going forward. November onwards, the overall demand will be less. In September, the hydro generation will continue to be there. That is also supporting us in a big way.

***Your target for last year was 100 billion units. What is your target for this year?***

Till now, we have seen good demand growth of over 10% which will continue as economy is growing. This year, in the initial 4-5 months, we were facing supply-side constraints which have started to ease now as coal supply and inventory position is improving. Last year, we did (traded) 100 billion units. This year, we expect that as prices will come down, participation will increase further as state discoms will start to optimize their portfolio by buying from exchange and replacing costlier power. The prices have come down. In April, it was ₹10, this month it is close to ₹5. That way it has come down drastically and this trend is likely to continue and we can expect growth momentum to be there again.

***What has been the share of renewable energy share this year?***

There is tremendous potential in green energy. Percentage of green energy put together, traded this year is about 8% of electricity. Today, some of the renewable rich states, those who are meeting their RPO fully and have surpluses they are selling. States like Karnataka, Andhra Pradesh, Telangana, these are the three major states on the sell side and buyers are many including all the northern states...So, less seller, more buyers...this is a restraining factor here.

***What new products and services are you planning to launch product or services going ahead?***

Yes, one is ancillary services. The regulation is there and the date of commencement will be notified by the regulator. We expect that in another 4-5 months we would be in a position to launch this. Ancillary market is one where you are actually reserving the capacity. The system operator is buyer of capacity. All the generators who have surplus are seller of this capacity. They place their bids, system operator will keep the capacity with itself and whenever there is more demand and requirement for more power and supply is less, then they will give instruction to start supplying. This is ancillary services. Globally also this is very popular concept and widely used.

We are also working on a concept for gross bidding. We are going to launch that also. Gross bidding is a tool which help the distribution company in optimising their portfolio. You can identify which is your highest cost variable power and you can sell all that power on exchange and the buyer which is there corresponding to his requirement can buy from the market. This is widely used in Japan and Europe. We have applied for approval to the regulator CERC and once we have the approval in place we will launch. In 3-4 months, we should be in a position to launch this. There is also lot of work going to have capacity contracts which are not there in India till now.

***What are your plans regarding battery storage?***

It is little far-fetched. We are getting prepared. In battery storage, exchanges are providing very good solutions globally. There are very good options which are there. We are aware of those options. We are also working in those directions but it will take some time. Because even today the commercial viability





of batteries is being questioned. It will take couple of more years for it to be commercially viable. But yes, exchanges will play a very big role. There are concepts of auto-bidder where exchanges will provide you the flexibility of picking up lowest prices. They are available globally, this kind of solutions will be available in India also.

### ***Do high discom dues impact you?***

We have been operational for so many years. None of the cases we have seen any default in the payment. So we know that there is a situation where financial situation is not very good but since till now exchange are only part of their total procurement and this part is not very high. All India average is 7.7%, there are state which buy 15% also from exchange. So, till now we have not faced any difficulty in taking money from the distribution companies. They are buying and paying in time.

LPS (late payment surcharge) rules are where they have to clear all their pending dues to ensure that they participate in exchange market. So few weeks back there were 13 defaulting states which were barred from participation in exchanges and this happened after 75 days period after June 3 got over, that particular day 13 states were at default. within 2 -3 days everybody paid. It is good for the sector, good for everybody because it will lead to better collection efficiency. Somewhere it will improve the system as whole.

### ***Does the barring of discoms from exchanges under LPS norms affect your operations?***

No. We get to know in the morning and we deactivate them (their trading). They cannot participate. But most of the time before 12 pm they get approval as they clear the dues. We have not seen any impact.

[Source](#)

## **Power demand will be higher next year, challenges ahead: Minister RK Singh**

The govt will direct the regulator to retain Rs 12 per unit ceiling on power exchanges and will launch a high-price market specifically for gas-fired and battery storage plants in 3 months, power and renewable energy minister RK Singh said. Blending of imported coal will continue when required to avoid blackouts, he told Sarita Singh & Vinay Pandey in an interview. Edited excerpts:

### ***Post monsoon power demand has set in. How is the coal stock situation at power stations now?***

Despite blending, the domestic coal stocks have come down from 24 million tonnes (MT) to 21 MT this month. Every day decline is happening. If you look at only domestic coal, the gap between arrivals and consumption is 2.5 lakh tonne (LT) to 3 LT tonnes per day. We had directed all companies to blend when stocks went down to 7 MT, but when coal stocks went up, we removed legal binding to import and blend. Central gencos came back to us 15-20 days back, saying 5% blending is not sufficient, so they may be allowed to blend at 10%. Again, a few days back, they came and said we have to blend more to which we agreed. The coal situation is something dynamic and we have to accept and live with it like we have been doing since 2005. I have asked my ministry to list out 10 items on the Coal India side, which need attention, and 10 items from the railways side. Improved logistics can increase 20 rakes per day.

### ***Power demand is expected to be on the rise in the long run. How are we prepared?***

Power demand next year will be higher. We have challenges ahead of us. We are bringing gas-based capacity to play. I am going to come out with a separate market for gas-based plants, where the price will be high, but at least power will be available. People are willing to take that (electricity at that price). The market will take not more than two months to be set up. The gas-based capacity will have to import gas, which will take another month.



Right now, spot R-LNG prices are at \$50 per mmBtu but long-term agreements can be done at \$16-20 per mmBtu and the electricity tariffs will be around at ₹9-10 per unit. Even today, the cap is ₹12 per unit in power exchange. I am not going to remove the cap. We will let it be there. The separate market for gas and battery storage will allow power to be sold even at ₹20 per unit. But renewable energy will not be allowed to go there. If I make it free, everybody will migrate there. People whose actual cost is ₹2 per unit, they will be getting over ₹12. That's not fair.

The second thing is I am adding storage with renewables so that I have round-the-clock power supply. I have come out with one bid under which the levelised cost came at ₹9.13 per kWh. If we add another ₹2.50 per unit cost of renewable energy, it will come to ₹12. When there is scarcity, people buy power at ₹12 per unit, but that's a bit high. We are going to give some subsidy on that, and this will take 18 months to be set up. We will come out with a similar bid soon. The third thing done is allowing bundling of coal and renewable power.

We are also planning to aggregate power demand for 5,000-6,000 MW and bid for plants that do not have PPAs. We have also asked the ministry of coal to allocate linkage for that. That's in process.

***Over the long term, what are the plans to ensure electricity availability?***

In the longer term, we will have to think of adding more capacity based on hydro, wind, and solar. We have seen the world going back to coal. I have 27 GW thermal capacities under construction, of which 5-6 GW will come soon. Next year, about 10-12 GW will be added. As far as coal is concerned, I have made up my mind. I don't mind blending because blending has been happening since 2009-10. Load shedding will not happen whether blending will happen at 5%, 10%, 12%. Power costs will increase by 50 paise but there will be no blackouts.

***Solar project developers are finding it difficult to get solar modules at an affordable price after demand spike and tariff and non-tariff barriers the government has announced to promote local manufacturing. How is the government looking at the situation, especially in the wake of NDC targets?***

A lot of solar capacity is stuck because module prices have gone up, because of disruption. To encourage solar manufacturing, we took a few measures. We announced tariff barriers good one-and-a-half years in advance so that manufacturing capacity can come. Capacity addition of 30 GW is happening but will take a year's time. Domestic manufacturing capacity prices have gone up and developers who have taken their bids are finding it unviable. But this is a temporary phase.

However, for bids that happened before the announcement, we are considering reimbursing customs duty to such developers. That would need some arrangements that need to be figured out. Another proposal is to treat all imports for such projects as project imports. Then the applicable customs duty will be 5% instead of 40%. Then that 5% will have to be a pass-through in tariffs. We are mulling all these options. I have met both the developers and manufacturers and asked for some surveys. It's not all one-sided. A call will be taken in 7-10 days. Solar projects which have been bid out after the announcement, if they find module supplies are constrained, they can pay customs duty and import.

***The Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 allow anyone to set up renewable energy plants anywhere. What are your expectations with this framework?***

In renewable energy, we have opened the doors enabling everybody to set up. If one sets up before 2025, we will give free transmission for 25 years. I have written to all major industries that you can significantly lower your power costs by setting up renewable energy captive plants and getting free transmission. Their power costs will come down from ₹9 per unit to ₹2.5 per unit.



Power distribution companies started paying soon after their access to short-term market was cut off under LPS rules. Are there any more steps in offing to fix the sector? The payment security mechanism was a decisive step. Another decisive step is all the conditions we have put on our lending and disbursement and sanctions from central schemes. So that will help. [Source](#)

## Ministry aims to enhance coal production to 1. 23 billion tonnes by FY25

In view of the emerging fuel shortages during high power demand months, the coal ministry has hastened the process to enhance coal production with target of reaching 1.23 billion tonne fuel production over next two years by FY25. The Ministry of Coal is in the process of enhancing coal production to ambitious target of 1.23 Billion Tonne (BT) by FY 2024-25 (including CIL & Non-CIL coal blocks) to ensure energy security of the country, a coal ministry statement said on Wednesday.

At this level of production, it is expected that fuel imports may not be required and domestic production would become sufficient to meet all exigencies including catering to full needs of power plants even in high demand months. In order to support the vision, Coal India Ltd (CIL) has adopted an integrated planning approach by strengthening evacuation infrastructure for one billion tonne production and seamless transportation of coal to the end users.

North Karanpura Coalfield is a major coalfield in Jharkhand State, falling within the command of Central Coalfields Limited (CCL) having coal resource of about 19 billion tonnes. CCL has projected production contribution of about 135 Million tonne by FY25, out of which about 85 MT is likely to be produced from North Karanpura Coalfield from several Greenfield/brownfield coal mining projects, like Amrapali (25 MT), Magadh (51 MT), Chandragupta (15 MT), Sanghmitra (20 MT, etc.

Presently, coal evacuation from the North Karanapura coalfield is covered by Barkakana-Daltonganj branch railway line of the East Central Railway connecting Gomoh and Dehri-on-Son via Barkakana loop. Additional railway line has been created by CCL, i.e. Tori - Shivpur (44.37km) double railway line. The development of third line on the same alignment is under construction at an additional capital of Rs. 894 Crores, which is likely to be operationalized by May2023.

Further, Shivpur-Kathautia, new rail line of 49km, has been envisaged and is being constructed through formation of project specific SPV, which shall provide another exit for coal evacuation via Koderma to the trunk railway line from Howrah to Delhi. Construction of Tori-Shivpur-Kathautia Rail line envisaged by Ministry of Coal under PM - Gati Shakati initiative is likely to provide coal evacuation capacity of about 125 MT by rail and play major role in eliminating coal transportation by road. [Source](#)

## Coal ministry slashes interest on late payment of royalty, rent

The government has reduced the rate of interest levied on delayed payment of royalty, rent and fee from coal mines, a move that would give a fillip to ease of doing business. The coal ministry has amended the Mineral Concession Rules, 1960 (MCR) aimed at decriminalising its provisions.

The Centre has been taking action in a bid to reduce compliances for business and citizens, the coal ministry said in a statement. "To further promote and boost the 'Ease of doing business' policy of the government, the amendment in MCR decriminalised 68 provisions whereas penalty has been reduced for 10 provisions of MCR," it said.



MCR relates to the application and grant of mineral concessions such as reconnaissance permit, prospecting license, and mining lease. These concessions are pre-condition for development and operationalisation of mines, necessitating many compliances. For adjusting additional or shortfall royalty, express provision has been brought in.

“Further, rate of penal interest on delayed payment of rent, royalty, fee, or other sums due to the government has been reduced from 24 per cent to 12 per cent,” it said. The provisions, the ministry said, is likely to provide the much-needed economic relaxations in the coal sector. [Source](#)

## Transmission charges payable by DICs for the billing month of September'22

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

Transmission Charges for Short Term Open Access (STOA)			
Sl. No.	State	Region	STOA rate (paise/kWh)
1	Delhi	NR	53.51
2	UP	NR	58.19
3	Punjab	NR	53.23
4	Haryana	NR	64.46
5	Chandigarh	NR	44.50
6	Rajasthan	NR	56.47
7	HP	NR	42.16
8	J&K	NR	44.59
9	Uttarakhand	NR	58.01
10	Gujarat	WR	42.01
11	Madhya Pradesh	WR	44.72
12	Maharashtra	WR	49.48
13	Chhattisgarh	WR	38.42
14	Goa	WR	50.41
15	Daman Diu	WR	47.35
16	Dadra Nagar Haveli	WR	47.35
17	Andhra Pradesh	SR	55.56
18	Telangana	SR	42.26



19	Tamil Nadu	SR	41.51
20	Kerala	SR	44.32
21	Karnataka	SR	49.01
22	Pondicherry	SR	40.44
23	Goa-SR	SR	33.69
24	West Bengal	ER	51.35
25	Odisha	ER	48.57
26	Bihar	ER	45.59
27	Jharkhand	ER	53.35
28	Sikkim	ER	40.23
29	DVC	ER	46.53
30	Bangladesh	ER	36.36
31	Arunachal Pradesh	NER	43.89
32	Assam	NER	46.92
33	Manipur	NER	44.78
34	Meghalaya	NER	38.11
35	Mizoram	NER	43.82
36	Nagaland	NER	58.80
37	Tripura	NER	49.16

### Bilateral Tender Results: -

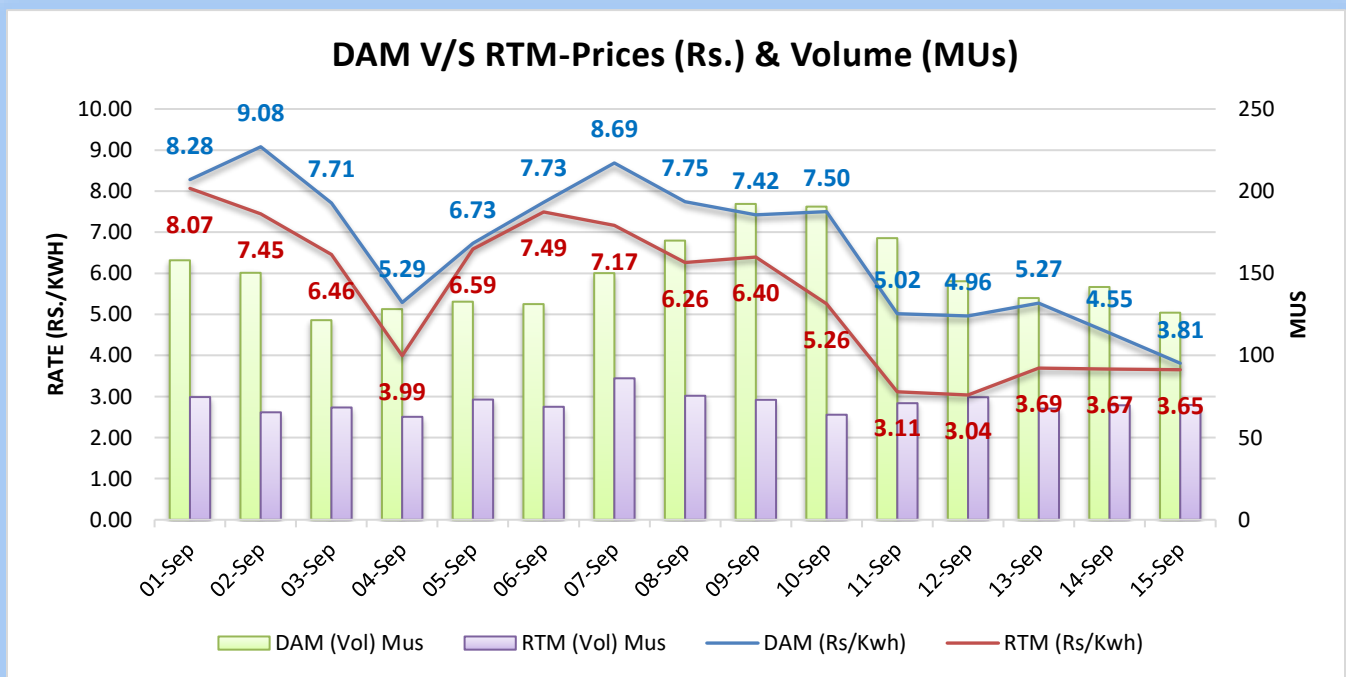
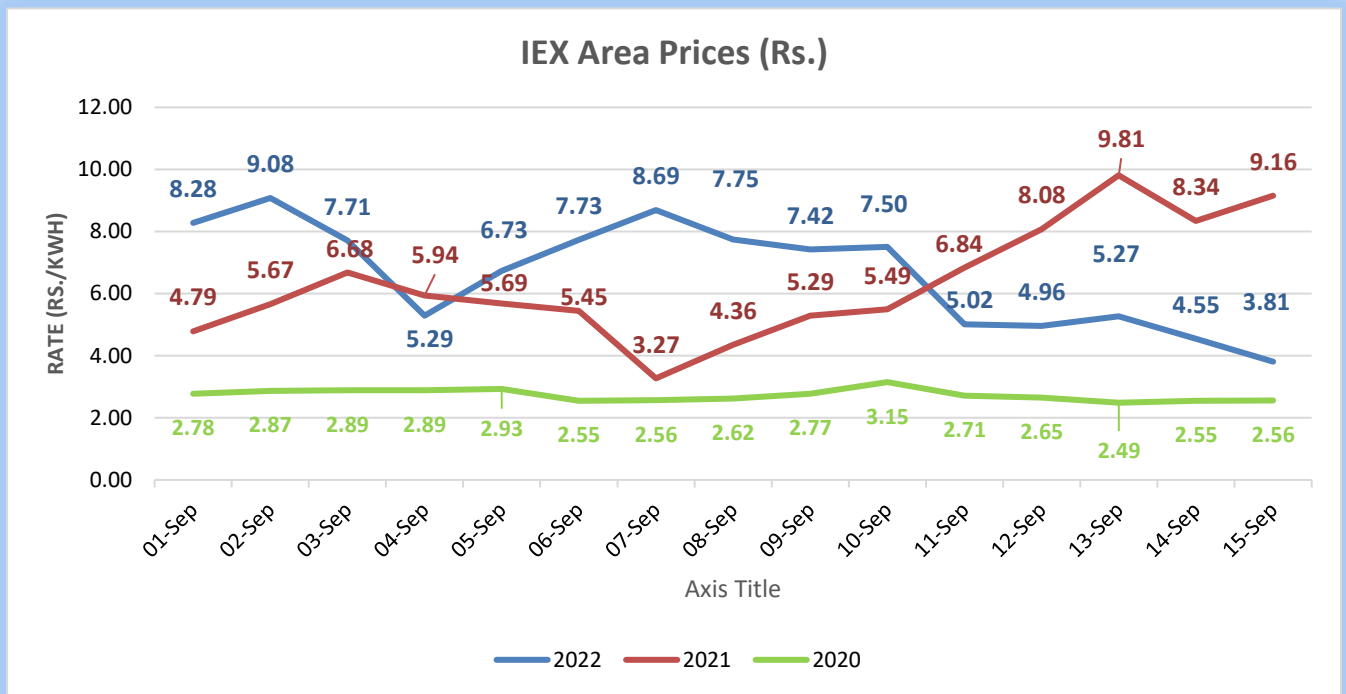
Sl. No.	Tender Quantum (MW)	Supply Period	Time Blocks (Hrs.)	Price (Rs./kWh)	LOI Status
<b>GUVNL/Short/22-23/RA/143</b>					
1	500	19.09.2022 to 30.09.2022	19:00 to 23:00	-	LOI not issued
2	500	01.10.2022 to 21.10.2022	19:00 to 23:00	-	
3	500	19.09.2022 to 01.10.2022	18:00 to 06:00	12.45	
4	500	01.10.2022 to 31.10.2022	18:00 to 06:00	12.45	
<b>PFC Consulting Limited/Short/22-23/RA/146</b>					
1	2000	19.09.2022 to 30.09.2022	00:00 to 05:00	13.32- 15.00	LOI not issued
2	2500	19.09.2022 to 30.09.2022	19:00 to 24:00	15.00	
<b>Torrent Power Limited/Short/22-23/RA/144</b>					



1	70	01.10.2023 to 31.03.2023	00:00 to 24:00	8.50-10.19	Awaited
<b>PSPCL/Short/22-23/RA/141</b>					
1	500	01.11.2022 to 30.11.2022	05:00 to 19:00	7.97-12.00	Awaited
2	500	01.12.2022 to 31.12.2022	05:00 to 19:00	7.97-12.00	
3	500	01.01.2023 to 31.01.2023	05:00 to 19:00	7.97-12.00	
4	500	01.02.2023 to 28.02.2023	05:00 to 19:00	7.97-11.50	
5	500	01.03.2023 to 31.03.2023	05:00 to 19:00	7.99-12.00	
<b>Andhra Pradesh Power Co-ordination Committee (APPCC)/Short/22-23/RA/145</b>					
1	900	01.11.2022 to 30.11.2022	18:00 to 22:00	11.15	Awaited
2	1500	01.12.2022 to 31.12.2022	07:00 to 10:00	10.12	
3	900	01.12.2022 to 31.12.2022	18:00 to 22:00	11.15	
4	1500	01.01.2023 to 31.01.2023	07:00 to 10:00	10.12	
5	900	01.01.2023 to 31.01.2023	18:00 to 22:00	11.15	
6	1500	01.02.2023 to 28.02.2023	07:00 to 10:00	10.12	
7	900	01.02.2023 to 28.02.2023	18:00 to 22:00	11.15	
8	1100	01.03.2023 to 31.03.2023	00:00 to 24:00	10.12	
9	1500	01.03.2023 to 31.03.2023	07:00 to 10:00	10.12	
10	900	01.03.2023 to 31.03.2023	18:00 to 22:00	11.15	
11	1100	01.04.2023 to 30.04.2023	00:00 to 24:00	10.12	
12	1500	01.04.2023 to 30.04.2023	07:00 to 10:00	10.12	
13	900	01.04.2023 to 30.04.2023	18:00 to 22:00	11.15	
14	1500	01.05.2023 to 31.05.2023	07:00 to 10:00	10.12	
15	900	01.05.2023 to 31.05.2023	18:00 to 22:00	11.15	
<b>Tata Power Delhi Distribution Limited/Short/22-23/RA/154</b>					
1	200	16.09.2022 to 30.09.2022	00:00 to 24:00	8.70-17.99	LOI not issued
2	200	16.09.2022 to 30.09.2022	00:00 to 03:00	-	
3	200	16.09.2022 to 30.09.2022	18:00 to 24:00	-	
4	200	01.10.2022 to 15.10.2022	00:00 to 24:00	10.99-17.99	
5	200	01.10.2022 to 15.10.2022	00:00 to 03:00	-	
6	200	01.10.2022 to 15.10.2022	18:00 to 24:00	-	
<b>GUVNL/Short/22-23/RA/149</b>					
1	500	19.09.2022 to 30.09.2022	00:00 to 24:00	10.49-18	LOI issued for Oct 22 upto Rs. 8.87/kWh
2	500	01.10.2022 to 31.10.2022	00:00 to 24:00	8.92-10.4	



### IEX Price Trends



## Weather (Estimated for next fortnight)

City	Max Temp	Min Temp	Precipitation (Probability)
DELHI	33		23 30%
MUMBAI	32		25 50%
KOLKATA	33		26 65%
CHENNAI	32		26 45%

*(Source - Accuweather)*

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