

# POWER MARKET CAPSULE-225<sup>th</sup> Edition

Issue no: 225<sup>th</sup> –20<sup>th</sup> July 2023

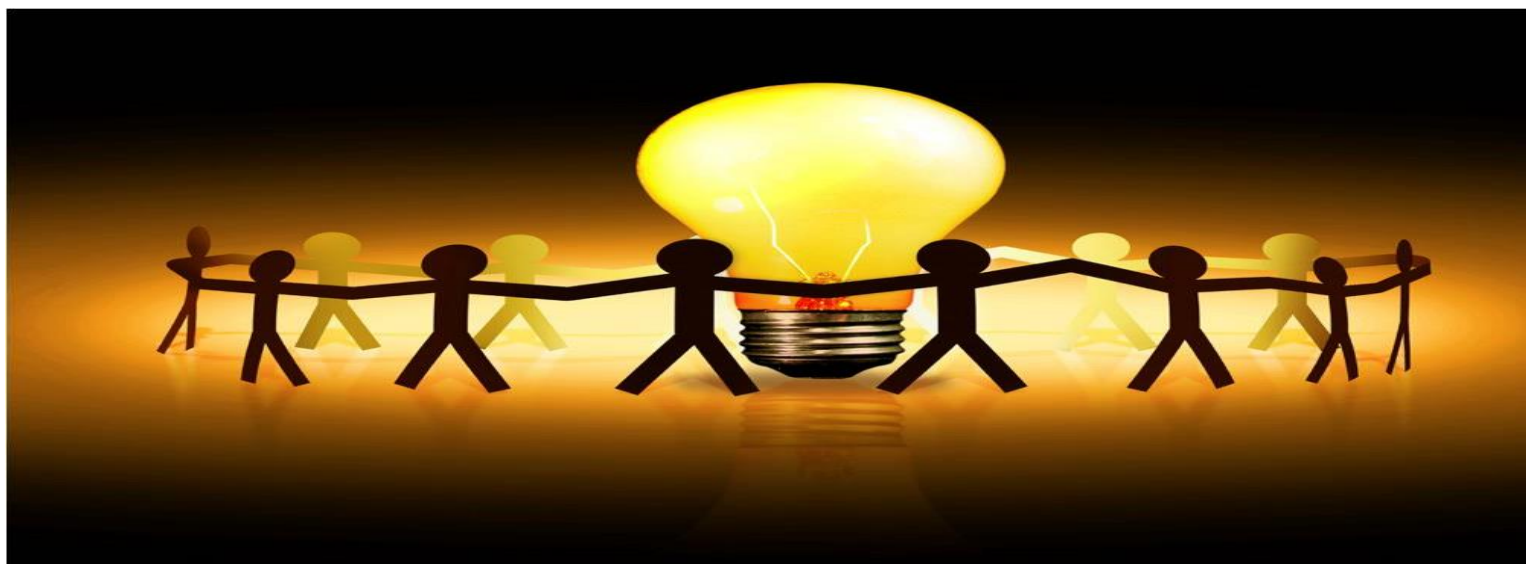
**TPTCL'S E-NEWS LETTER**



## CONTENT INSIDE

- 1. Power Market News.....01-10
- 2. Transmission Charges DICS.....11
- 3. Bilateral Market.....12
- 4. IEX Price Trend.....12-13
- 5. Weather Estimated.....13

**Tata Power Trading Company Limited (TPTCL)**



## Power Market News

### Power consumption up 2% in Q1, lower than expectation

Power consumption across the country increased in the first quarter of 2023-24 by 2% compared to the same period last year. As per data released by the Central Electricity Authority (CEA), the country in the months of April, May, and June consumed a total of 4,07,762 million units against 400448 million units in the same period last financial year.

Despite the increase in the consumption of power in the first quarter, the increase is less than the expectation of the government during the summer months. "The power ministry had estimated the country's electricity demand to touch 229 GW during the summer. But the demand did not reach the projected level in April-May this year due to unseasonal rains. Power consumption was affected in March, April, and May this year due to widespread rains in the country," says a senior CEA official.

Experts say that unseasonal rains in March, April, and May affected the power consumption in the country. However, in June, power consumption grew 4.4% to 139438 million units compared to last year. The peak power demand met, which is the highest supply in a day, rose to 223.23 GW in June 2023. The peak power supply stood at 211.72 GW in June 2022 and 191.24 GW in June 2021.

With the power demand lower than expected, the amount of shortage is also less in the first quarter of this financial year. While in the first quarter of 2022-23, the total shortage was 4,158 million units, in the first quarter of 2023-24, the shortage was 858 million units. "As it started to rain in many parts of the country, we were able to provide power in all states as electricity was available in the national grid. Only due to some local problems, the power supply could not be provided this year," says the official.

Not even a single MW of thermal capacity was added in the first two months of the first quarter. But green energy or renewable energy capacity increased. A total of 1076.74MW of wind and solar energy was added in the first two months of this financial year. Even though no thermal project was commissioned in the first two months, there was no shortage of power supply as discoms depended on Electricity Exchange for their supply.

In the Indian Electricity Exchange, volumes traded on the exchange increased by 10% with 22.2 billion units traded against 21.3 billion units in the first quarter of 2021-22. The volume comprised 20.64 billion units of conventional power and 1.52 billion units of renewable energy. "The growth in volumes was driven by a substantial increase in electricity consumption and the distribution utilities' preference to meet their short-term supply requirements in a competitive and flexible manner through the exchange," says an exchange official.

Recently, the Central Electricity Regulatory Commission approved the introduction of additional term-ahead and green term-ahead contracts 11 days beyond zero-day trading on power exchanges. Earlier, the exchanges were allowed to sell contracts for up to 11 days. With the introduction of longer-duration contracts, the exchanges will now be able to facilitate daily, weekly, and monthly trade contracts for up to three months.

Earlier, the CERC issued terms and conditions for renewable energy certificates (RECs) for renewable energy generation regulations. According to these regulations, renewable energy generating stations, captive power generating stations based on renewable energy sources, distribution licensees, and open access consumers are now eligible to issue REC. [Source](#)

## CEA Revises Methodology to Calculate AT&C Losses

The Central Electricity Agency (CEA) has issued a notification seeking a revision in the methodology adopted for calculating Aggregate Technical and Commercial (AT&C) Losses. Earlier, The central authority issued its guidelines on calculation methodology for the computation of AT&C losses on June 2, 2017.

The addendum of the methodology specified that the collection efficiency of subsidy received and realization from the sale of power together would be restricted to 100 percent. However, the latest order by the CEA said it received feedback from the discoms about the existing methodology. Thus, CEA has amended the same, considering the suggestions from the discoms.

The latest amendment redefined the definition of collection efficiency. As per its revised definition, the CEA said, "Collection efficiency means the actual collection efficiency of subsidy received and realization from the sale of power together in the current financial year," the order said. The CEA said that the existing methodology reduced collection efficiency to 100 percent. It said that the efforts of the discoms in realizing the past dues and liquidation of outstanding subsidies are not being reflected in the calculation of AT&C's loss calculation methodology.

The revised methodology also talked about the computation of AT&C losses. These are related to the calculation of the input energy in a million units, transmission losses, sold energy, revenue from the sale of energy, open access, wheeling, unbilled revenue, and subsidy received against subsidy booked during the year, among others.

Earlier in 2017, the CEA issued detailed guidelines to calculate AT&C losses, claiming that there were variations in the methodology for calculating AT&C due to different ways adopted by various organizations. CEA, with the 2017 order, issued a uniform methodology for calculating the AT&C losses of discoms after discussing the issue by forming a committee comprising representatives from the Ministry of Power, CEA, REC, PFC, and others. [Source](#)

## DISCOMS' Liabilities to Power Generators Rise to ₹596 Billion in June

Distribution companies (DISCOMs) owed power generators ₹867.6 billion (~\$10.5 billion) in overdue payments for the monthly billing cycle at the end of June 2023. The current outstanding dues, excluding the latest monthly dues, are ₹596 billion (~\$7.2 billion). The overdue before the trigger date is ₹270.6 billion (~\$3.3 billion), after which the amount increases to ₹271.6 billion (~\$3.3 million) as the late payment surcharge (LPS) would become applicable.

The trigger date is one month after the due date of payment or two and a half months after the presentation of the bill by the generating company, whichever is later. The DISCOMs are allowed to pay the outstanding in up to 48 instalments. The Ministry of Power recently proposed provisions in the Electricity (Amendment) Rules, 2023, for subsidy accounting and payment and a framework to ensure the financial sustainability of DISCOMs.

Last June, the ministry notified the LPS and Related Matters Rules, 2022, which substantially raised the DISCOMs' cost for delaying payment to suppliers. The new rules provided for an LPS payable on the outstanding sum after the due date at the base rate applicable for the first month of default. The rules say that the rate of LPS for the successive months of default would increase by 0.5% for each month of delay, given that it will not be more than 3% higher than the base rate at any time.

Historically, the poor management of finances by DISCOMs has impeded the growth of the energy sector in India. After at least two decades of bailouts and reform programs, the state-owned utilities continue to be a drag on the electricity supply chain's upstream segments of generation and transmission). Aggregate technical and commercial losses of DISCOMs, however, declined to ~17% in the financial year 2021-22 from 22.32% in 2020-21, according to the data published by the Ministry of Power. [Source](#)

### **Power availability in rural areas has gone up to 22.5 hours in India: Minister R K Singh**

The government has brought about a sea change in the country's power sector in the past eight years, as a result of which the overall power availability in the country's rural areas has gone up from an average of 12.5 hours to 22.5 hours currently, Power and New & Renewable Energy Minister R K Singh has said. He was speaking while chairing the Review Planning & Monitoring (RPM) meeting with States and State Power Utilities on 10 and 11 July here.

He said 185 GW of capacity has been added in this period, transforming the country from power deficit to power surplus, and the government has connected the entire country with a single unified grid capable of transferring 112,000 MW from one corner to another. Also, the government has strengthened the distribution system under DDUGJY and IPDS as well as SAUBHAGYA schemes; constructed more than 2,900 substations, upgrading more than 3,900 substations, added 8,50,000 ckt kms of HT & LT lines, 750,000 transformers and 112,000 ckt kms of agricultural feeders.

"As a result of all this, the power availability in rural areas has gone up from 12:30 hrs in 2014 to 22:30 hrs today; while in urban areas the national average availability is 23:30 hrs. Together we have made the power sector viable. Today all current power purchase dues are paid on time, while the legacy overdues have come down from Rs 139,747 crore to Rs 69,957 crore," he said.

He also said that the national Aggregate Technical & Commercial (AT&C) losses have reduced to 16.5 per cent from 22 per cent and the ACS-ARR gap has come down to 15 paise per unit from 69 paise per unit. This is because most of the state DISCOMs have started implementing reform measures prescribed by the Ministry of Power under its various initiatives like the Revamped Distribution Sector Scheme (RDSS), Additional Prudential Norms and Late Payment Surcharge (LPS) Rules, 2022.

During the meeting, Singh advised all the states to follow Multi-year Tariff regime and undertake prepaid Smart Metering of government offices on priority to overcome the issue of outstanding government department dues. The meeting was also attended by Krishan Pal Gurjar, Minister of State for Power, Secretary (Power), Government of India, Additional Chief Secretaries, Secretaries, Principal Secretaries (Power/Energy) of States, Chairman & Managing Directors of State Power Utilities and officials from CPSEs. [Source](#)

### **Government of Meghalaya, NTPC sign MoU to enhance power supply**

Guwahati: The Government of Meghalaya and NTPC Limited have signed a series of Memorandum of Understanding (MoUs) aimed at enhancing the power scenario in Meghalaya. The signing ceremony took place at New Delhi in the presence of Chief Minister Conrad K Sangma, Power Minister Abu Taher Mondal, Gurdeep Singh, Chairman and Managing Director of NTPC Limited and Sanjay Goyal, CMD, MeECL.

These strategic MoUs mark a significant milestone in the collaborative efforts to uplift the power infrastructure and connectivity across Meghalaya. The agreements encompass the Power Portfolio Management Services (PMS) for Meghalaya Discom, setting up of Pump Storage Power Plants (PSPs),

and implementation of Floating Solar projects in the state. The PMS MoU between the Government of Meghalaya and NTPC Limited will streamline the management and operations of Meghalaya Discom, ensuring efficient distribution of power and improved service delivery to the people.

It also aims at better power portfolio management of MeECL through a team of professionals thus building upon the strength and expertise of the NTPC in this field. It will also lead to judicious utilization of own power resources of MeECL as well as better mix and use of renewable and green energy available in the country.

By leveraging NTPC's expertise in project management, this partnership aims to enhance the overall power infrastructure and reduce transmission losses. Additionally, the MoUs emphasize the development of Pump Storage Power Plant (PSPs) and the deployment of Floating Solar projects in Meghalaya. It also aims at exploring the untapped potential on the small hydro projects.

It will also study the feasibility of setting up the pump storage plants which will generate electricity and the water will be pumped back again to the reservoirs like Umiam so that the water can be used again and again to meet the peak demand. It will also explore the possibility of setting up floating solar power unit in Umiam and other water bodies. This MOU aims at taking Meghalaya ahead in green and clean energy and at the same time aiming at self-sufficiency in power generation.

The establishment of PSPs will strengthen power connectivity, especially in remote areas, while Floating Solar projects will capitalize on Meghalaya's resources to generate clean energy. Chief Minister Conrad K Sangma expressed his optimism about the collaboration, stating, "The signing of the MoU will go a long way in improving the overall power scenario of the state. Our commitment to enhancing power connectivity in Meghalaya is reflected in these positive interventions."

Power Minister Abu Taher Mondal emphasized the significance of the collaboration in addressing the challenges faced by the state of Meghalaya. He expressed his optimism about the positive impact that this partnership would bring to the region. By forging a strategic alliance with NTPC, Minister AT Mondal believes that Meghalaya will be better equipped to overcome the various hurdles it currently encounters in the power sector. [Source](#)

## Peak Power Demand in India Hits Record in June on Extreme Heat

India's peak electricity demand climbed to a record last month, driven mainly by the increased use of cooling appliances to beat the sweltering heat. Power requirement reached 223.3 gigawatts on June 9, a rise of 3.4% from the highest level in 2022, according to data from the power ministry. The peak load surpassed last year's high on several days in the April to June quarter, the hottest period of the year in India.

Still, the peak demand in June was lower than the high of 229 gigawatts the power ministry had forecast, thanks to cooler temperatures in parts of the country that eased the load on coal supplies. Record output at mines has helped lift inventories at power stations by 30% from a year earlier to last for an average of 13 days, well below the desired level but enough to prevent widespread blackouts.

Temperatures generally drop during the June-September rainy season and hydro power output increases, but heavy downpours often flood coal mines, affecting production and transport of the fuel that produces nearly three-quarters of India's electricity. In 2021, prolonged rains, coupled with an unexpected rebound in post-pandemic electricity demand, starved power stations of the crucial fuel and caused one of the country's worst energy crises. [Source](#)

## Norms of captive power generation amended to allow more flexibility

In a bid to boost captive power generation and streamline the norms, the union ministry of power has amended the regulations saying that a captive power user, must hold a minimum of 26% stake in the captive generating plant. According to the new norms, each captive power user, even in a group captive structure has to hold 26% ownership in the captive generating plant. Earlier a minimum of 26% was to be collectively held by captive users.

Further, if the captive power generating plant is set up by an affiliate company, the captive user would have to hold a minimum of 51% ownership in that affiliate company. According to Ramanuj Kumar, Partner at Cyril Amarchand Mangaldas, the move would allow subsidiaries of captive users to set up captive generating plants and benefit from cross subsidy surcharge (CSS) waiver, providing more flexibility to captive users. He, however, noted that more clarity is required for the norms.

"It would have a considerable impact in terms of progress and expansion of the captive generation sector," he said. Further, as per the Electricity (Amendment) Rules, 2023, the period of the license of a distribution licensee would be 25 years. Further, at the end of the 25 years, the license would be deemed renewed unless it has been revoked during the period.

Earlier, the licensees had to apply for renewal of their license after the given timeline. "The licence granted by the Appropriate Commission under section 14 of the Act and the deemed licence under first, second and fifth proviso to said section 14 shall be deemed to be renewed unless the same is revoked: Provided that such renewal, shall be for a period of twenty five years at a time or for a lesser period, if requested by the licensee," said the government notification.

Ramanuj Kumar of Cyril Amarchand Mangaldas said that the move would attract more private players in the power distribution business. "It consequently makes it more attractive for the private sector who wants to invest in distribution business as you are assured of a runway of 50 years as opposed to a runway of 25 years and then you needed to factor in that there could be a contingency when you license could not be renewed. This contingency has effectively been sort of removed. Unless you default big time in terms of compliance with the legal requirements, you could be rest assured that your license could be restored for another 25 years," he said. [Source](#)

## IEX trade volume increases 8% on-year to 8,946 million units in June

Indian Energy Exchange's total trade volume increases by 8% to 8,946 million units (MU) in June compared to the same month a year ago. On a month-on-month basis, the trade volume also rose by 8%, a statement said. Indian Energy Exchange achieved 8,946 MU overall volume in June 2023, including green market trade of 272 MU, 5.33 lakh RECs (equivalent to 533 MU) and 2.44 lakh ESCerts (equivalent to 244 MU), a statement said.

IEX achieved 25,125 MU volume across all segments during Q1 FY24, growing 8% over Q1 FY23, it added. The (average spot power) price during June 2023 was ₹5.37 per unit, declined 17% YoY, while the average market clearing price during the Q1 FY '24 period was Rs. 5.17 per unit, decline of 33% over the corresponding quarter last year, it explained.

"Supply side scenario during the quarter improved due to enhanced coal supply, reduction in e-auction coal prices, and consistently declining imported coal and gas prices. Increased liquidity on the Exchange led to sharp correction in prices, resulting in optimisation opportunities and higher clearance for Discoms & Open Access consumers," it added. As per data published by GRID-INDIA, energy met in the country during June '23 stood at 140 BU, increasing 4.3% on YoY basis.

The day-ahead market (DAM) volume increased to 4,103 MU in June '23 from 4,065 MU in June '22, growing 1% YoY. The DAM segment registered 12,501 MU during Q1 FY24, 11% growth over Q1 FY23 due to improved prices. The average market clearing price was Rs. 5.37/unit during the month, lower by 17% over the corresponding month last year.

The Real-Time Electricity Market (RTM) achieved 2,675 MU volume during June 2023, registering 21 % YoY growth. The Term-Ahead Market (TAM), comprising intra-day, contingency, daily & weekly contracts, and contracts up to 3 months, traded 1,118 MU during June 2023, higher 47% on YoY basis. The total volume on the segment during the quarter was 3017 MU, a marginal decline of 3% over Q1 FY '23.

A total of 5.33 lakh RECs (equivalent to 533 MU) were cleared in the trading session at IEX held on Wednesday, 28 June, with price of Rs. 745/REC. A total of 8.75 lakh RECs (equivalent to 875 MU) were traded during Q1 FY'24. During June '23, 2.44 lakh ESCerts (equivalent to 244 MU) were traded on IEX, at the floor price of Rs. 1,840 per ESCert. A total of 5.69 lakh ESCerts (equivalent to 569 MU) were traded in Q1 FY24. [Source](#)

### **Thermal plants set to reduce pollution with new rules by CEA**

To lower the pollution from coal-based thermal plants, the Central Electricity Authority (CEA) has come out with guidelines to dispose of various types of ash from thermal plants. The CEA guidelines suggest that fly ash can be disposed of through a high-concentration slurry disposal (HCSD) system.

“The generated ash is disposed of in well-designed, constructed, and maintained ash ponds generally in wet slurry form. At a specific location, compared to a wet ash disposal system, a dry ash disposal system may also be suitable. In new projects, due to the inherent benefit of the HCSD system, is being preferred to reduce land and water requirements as well as to prevent contamination of groundwater,” said the CEA report.

Basically, thermal power projects (TPP) are to be provided with systems for 100% dry ash extraction and storage and supply of ash to various entrepreneurs for promoting ash utilisation. “As per MOEF&CC notification, each TPP shall install dedicated dry fly ash silos for the storage of at least 16 hours of ash--based on the installed capacity having separate access roads so as to ease the delivery of ash,” said the CEA guidelines.

Wet disposal in high-concentration slurry form is an advanced system of wet disposal with a fly ash concentration of 60% to 70% of ash by weight. Due to the high concentration of ash, it is pumped through high-pressure slurry pumps to the disposal area and needs steel pipes for conveying the slurry. Flexible pipes are used at the disposal area. Centrifugal pumps have also been implemented for conveying high-concentration slurry to long distances in one plant and have since then been reported to be working satisfactorily.

The dry ash disposal system is entirely different from the wet disposal system. In the dry ash disposal system, furnace bottom ash (FBA) and pulverised fly ash (PFA) are transported in moistened form from hydro bins and silos, respectively, to ash mound sites on fixed belt conveyors in enclosed gantries. In the ash mound area, ash is disposed of by various types of equipment like fixed, extendable, shiftable, and mobile belt conveyors, a crawler-mounted boom spreader, a crawler-mounted bucket wheel reclaimer, and a variety of wheeled and crawler-mounted mobile equipment. At present, it is being used at only one station – National Capital Thermal Power Station at Dadri.

The CEA has recommended that all new plants will use a high-concentration slurry disposal system for ash ponds. The existing plants will carry out a feasibility study to switch over to a high-concentration

slurry disposal system and submit the report and time-bound action plan for construction to SPCBs, said the CEA guidelines.

In the case of ash mounds, a dry ash disposal system, which is a requirement of the process, will be used. Ash ponds are engineered dam and dyke facilities used for the storage of bottom ash and Pulverised Fly Ash (PFA) generated at Thermal Power Stations.

“Ash ponds are also used to enable water to separate from the fly ash slurry. Water from the ash ponds is recycled, reducing the use of fresh water. Ash ponds use gravity to settle out large particulates (measured as total suspended solids) from the thermal power plant,” said the guidelines.

“The combustion of coal in Thermal Power Plant (TPP) produces coal combustion residues (CCRs) which is a collective term referring to fly ash, bottom ash, boiler slag, and fluidised bed combustion ash,” said the CEA report. Most of the fine dust entrained by the flue gases leaving the boiler and collected by fabric filter or electrostatic precipitator is known as precipitated fly ash (PFA), which results in 80% of the total coal combustion.

The rest of the 20% worth of particles, including unburned carbon settle to the bottom of the boiler called bottom ash (BA). Because of economic viability, thermal power stations most widely dispose of both precipitated fly ash and bottom ash together as a slurry to the pond in which it is stored for a longer period. “As the reuse potential of ash has been increasing during recent years, segregated storage of fly ash and bottom ash is likely to gain popularity among power plants considering better economical returns from the sale of fly ash,” said the report.

Presently in India, more than 40,000 hectares of land are occupied for storage of ash. Over a period of time, fly ash disposal can cause problems like large surface setting lagoons for storage, infiltration of transport of water from deposit to the soil, dust carryover in wind from dried lagoons, and leads to ecological and environmental imbalances if proper safeguards are not taken in their design, construction, operation, and maintenance.

In India, about 73% of the total electrical energy is generated from coal-based sources. Annually about 271 million tonnes of ash as solid waste/by-product are released during the process of generation of electricity by combustion of pulverised bituminous, sub-bituminous, and lignite coal.

Indian coal has low calorific value (3500 Kcal/kg), and results in 30-60% of ash content. India’s major source of power, even in the near future, is going to remain coal-based thermal power plants hence, ash disposal would continue to be a subject of a priority since environmental issues hold greater importance in this century.

“Though coal ash has proven to be a resource material for various uses such as earth material, ingredient for cement manufacture, raw material for the manufacture of bricks, tiles, and aggregates, the demand for ash may not at all time match with the supply of ash, which is produced 24x7, as the power plant operates,” said the CEA report.

Recently a state-level analysis by the Centre for Science and Environment (CSE) on compliance with sulfur dioxide emission norms by thermal plants said only 5% of the capacity is meeting the norms currently. Plants in all the eastern states are non-compliant. Very few plants in the remaining regions are meeting the norms, says the analysis.



The CSE analysis is based on the updated Flue Gas Desulfurisation (FGD) status released by the CEA. “The Ministry of Environment, Forest and Climate Change (MoEFCC) issued a notification specifying the emission norms for coal-based power plants in December 2015. Since then, the norms have been diluted for several parameters and deadlines delayed,” said Nivit Yadav, programme director, of the industrial pollution unit, CSE.

As per the CSE analysis, 5% of plants that have so far installed FGDs for controlling SO<sub>2</sub> emissions include 9,280 MW that has been reported to have commissioned FGDs and another 1,430 MW that ‘claim to be SO<sub>2</sub> compliant’.

“We have found that despite five to eight years of extensions in deadlines, 43% of the capacity (Category A, which includes plants within 10 km radius of Delhi-NCR or cities with million-plus population); 11% of the capacity (Category B -- within 10 km radius of critically polluted areas); and 1% of the remaining capacity (Category C) are unlikely to meet the norms by the latest deadlines of 2024, 2025 and 2026, respectively,” said CSE programme officer, industrial pollution unit Anubha Aggarwal. [Source](#)

### **Tariff appeals against state regulators to become costly for cos**

The government plans to make it costly for gencos (generation companies) or discoms (distribution companies) to challenge orders of state electricity regulatory commissions (SERCs), a move that aims to check “non-serious” litigations often used to delay payments but could also impact efforts to seek rightful compensation by entities.

The power ministry’s latest draft amendment to the Electricity Rules says any party seeking to challenge a SERC’s decision regarding recovery of higher costs as a result of ‘change in law’ clause will have to deposit 75% of the payable amount before moving APTEL (Appellate Tribunal for Electricity).

The deposit in case of disputes on other issues will be 50% of the payable amount, says the draft adding that any excess deposit resulting from APTEL verdict will be returned within 90 days, says the draft. But in case APTEL or the Supreme Court deems the appeal frivolous, 18% late payment surcharge will be levied on the appellant. The ministry says the proposal is in accordance with the advice. In its April 20 judgement in a dispute between GMR Warora Energy Ltd and CERC, the apex court had observed the implication of non-essential litigations on consumers and advised the ministry to evolve mechanisms to ensure timely payment and avoid unnecessary litigation.

Arguably, the proposal could improve payment cycles, a bane for the power sector at present. But it is likely to raise the hackles of gencos as an appeal will entail locking up huge sums as deposits, especially for imported coal-based gencos whose bids to seek higher tariffs could involve very large sums such as in the cases of Tata Power and Adani Power.

The latest changes in the rules, amended thrice since they were notified in 2005, also says generation companies and industries setting up captive power plants or energy storage systems will not need a licence to build, operate or maintain dedicated transmission lines for connecting with the grid. This will apply to consumers with a minimum requirement of 25 MW in case of inter-state norms and 10 MW for intra-state lines. This provision will be a positive for green energy, especially green hydrogen projects.

For improved transparency and operational efficiency of distribution companies, the draft caps at 3% the gap -- “for any reason” -- between approved annual revenue requirement and estimated revenue from approved tariffs. It also stipulates that such a gap, along with carrying costs, will have to be liquidated in maximum three annual instalments from the subsequent financial year. On open access charges, the

draft proposes rationalisation through a formula and also caps the charges for short-term access to state transmission lines at 110% of the rates for long-term contracts. The additional surcharge on open access consumers will be 50% of the charges for the same category of consumers. [Source](#)

### **Govt proposes amendments to Electricity Rules, 2005 to make power sector financially sustainable**

India proposes to introduce rules to reduce the gap between the cost of power and the tariff approved by states and to bring down the regulatory assets in the power sector, aimed at financial sustainability of the power sector, according to the draft amendments to the Electricity Rules, 2005 issued by the government.

The move may in the long run lead to higher price of power for consumers but can help the beleaguered power distribution companies (discoms) reduce their mounting losses. Typically, the discoms have struggled with high regulatory assets which represent costs that are deferred for recovery through future tariff revisions. The proposed rule will ensure time bound liquidation of regulatory assets.

Other than this amendment, the draft includes three more amendments as per the notification issued late June 28 by the Ministry of Power (MoP). The second key amendment includes capping the open access charges levied by states. The third asks for doing away with the need for a transmission licence to connect large consumers with the grid. And the fourth is about preventing “frivolous litigations” before the Appellate Tribunal for Electricity (APTEL) by paying at least 50 percent of the payable amount upfront while filing an appeal against any order issued by the appropriate commission.

The ministry has now sought comments and suggestions from stakeholders on the proposed amendments. The government has proposed that any gap between the approved Annual Revenue Requirement (ARR) and the estimated annual revenue from approved tariff will be capped at 3 percent of the approved ARR. At present, there is no such limit and such gaps grow as wide as 20 percent or more in some states.

The tariffs should be cost reflective, the amendment says. “It has been observed that in many states there is large gap in the approved ARR and the estimated revenue on approved tariff. To discourage such practice there is a need to make statutory provisions to avoid such gap. It is also imperative that liquidation of any such gaps in the revenue required and the estimated approved tariff is done in a time-bound manner,” the MoP said in a note on the proposed amendments.

The notification also states that such gap, along with the carrying costs at the base rate of the late payment surcharge, shall be liquidated in maximum three equal yearly instalments from the next financial year. In states where such gap or regulatory asset already exists in discoms under the current notified tariffs, it will have to be liquidated in maximum seven equal yearly instalments starting from the next financial year.

These proposed rules are likely to result in timely tariff revisions by state electricity regulatory commissions (SERCs). It would also make an annual increase in power tariffs across most states inevitable in order to ensure proper financial health of the discoms.

#### ***Capping various open access charges***

Open Access is one of the key features of the Electricity Act, 2003, but its implementation has been slow due to high “open access charges” levied by states. At present, these charges are being arbitrarily levied by states in the absence of a framework, which becomes prohibitive for the commercial and industrial sector (C&I) for offtake of electricity, especially renewable energy.

“Open Access charges need to be reasonable throughout the country. So, it has been proposed to rationalise such charges by prescribing a methodology for computing various open access charges. Basically, we are capping various open access charges so that no state can charge in excess of the normative rate,” Alok Kumar, secretary, Ministry of Power, told.

The notification stated, “The charges for using State Transmission Utilities (STU) network by the consumers availing short-term open access shall not be more than 110 percent of the charges levied on consumers using STU network on long-term basis (not less than seven years).” Besides, it stated that the additional surcharge levied on any open-access consumer shall not be more than 50 percent of the wheeling charges for that category of consumers. “Wheeling charge will be calculated by dividing the Aggregate Revenue Requirement towards wheeling by the energy wheeled during the year,” the draft amendment stated.

### ***No transmission licence to connect Green Hydrogen, RE or ESS projects with the grid***

The proposed rule states that anyone setting up a captive generating plant or an energy storage system (ESS) or a consumer having a load of not less than 25 megawatt (MW) in the case of Inter-State Transmission System (ISTS) and 10 MW in the case of State Transmission System (STS) shall not be required to obtain a licence under the Electricity Act for establishing, operating or maintaining a dedicated transmission line to connect to the grid.

“We received requests from stakeholders to allow large consumers such as Green Hydrogen manufacturers to establish, operate or maintain dedicated transmission lines with ESS without the requirement of licence. Of course, provided they comply with the regulations, technical standards, guidelines and procedures issued under the provisions of the Electricity Act, 2003,” Kumar said. “This amendment has been proposed keeping in mind the green hydrogen hubs or large-scale green hydrogen manufacturers that would come up in the coming years,” he said.

### ***Pay at least 50 percent for an appeal at APTEL***

The government has proposed that any person while filing an appeal before Appellate Tribunal for Electricity (APTEL) will have to pay at least 50 percent of the payable amount as per the order of the appropriate commission.

“Provided that in case of matters related to ‘Change in Law’ as defined in Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021, such payment shall be, 75 percent of the payable amount as per the order of the Appropriate Commission,” read the notification. However, it also states that in case any excess amount is paid by the appellant to the other party(ies) at the time of filing the appeal, the amount shall be refunded along with the interest at the base rate of late payment surcharge within 90 days from the date of the order passed by the APTEL. [Source](#)

## Transmission charges payable by DICs for the billing month of July 2023

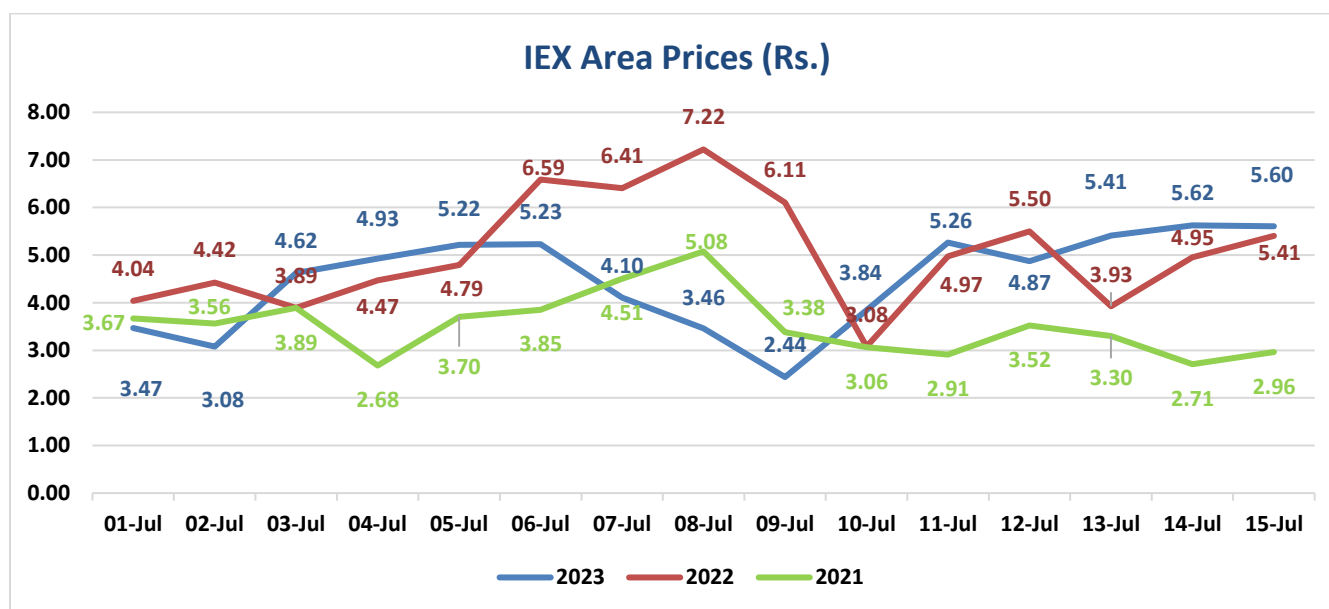
The Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses), Regulations 2020 came into force with effect from 1.11.2020. In these New Regulations, STOA charges will be determined based on monthly state transmission charges and there shall not be any separate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

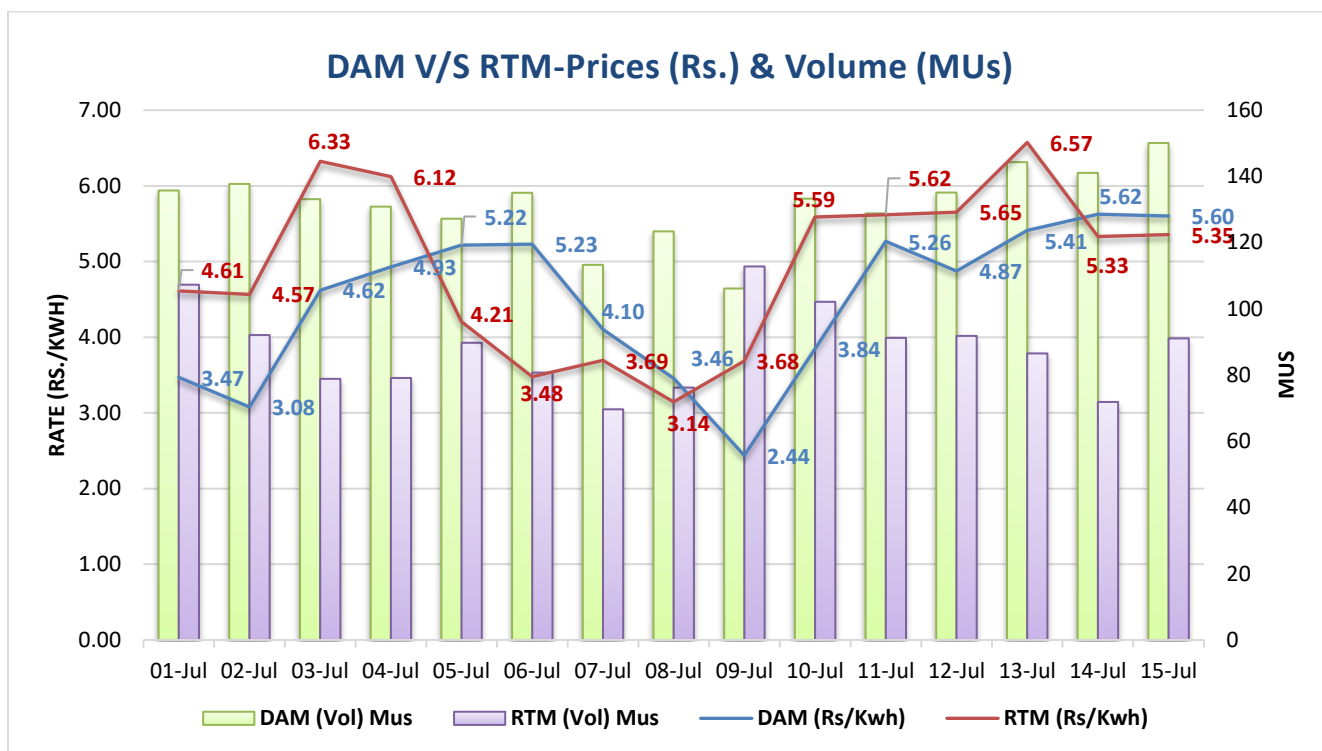
Transmission Charges for Short Term Open Access (STOA)			
Sl. No.	State	Region	STOA rate (paise/kWh)
1	Delhi	NR	48.78
2	UP	NR	53.13
3	Punjab	NR	59.03
4	Haryana	NR	65.76
5	Chandigarh	NR	47.88
6	Rajasthan	NR	51.42
7	HP	NR	43.10
8	J&K	NR	46.15
9	Uttarakhand	NR	52.73
10	Gujarat	WR	42.08
11	Madhya Pradesh	WR	48.13
12	Maharashtra	WR	61.37
13	Chhattisgarh	WR	39.48
14	Goa	WR	52.46
15	Daman Diu	WR	50.08
16	Dadra Nagar Haveli	WR	50.08
17	Andhra Pradesh	SR	81.15
18	Telangana	SR	54.15
19	Tamil Nadu	SR	58.76
20	Kerala	SR	58.17
21	Karnataka	SR	57.61
22	Pondicherry	SR	51.72
23	Goa-SR	SR	43.01
24	West Bengal	ER	52.74
25	Odisha	ER	53.45
26	Bihar	ER	41.24
27	Jharkhand	ER	47.17
28	Sikkim	ER	42.34
29	DVC	ER	44.04
30	Bangladesh	ER	38.55
31	Arunachal Pradesh	NER	42.93
32	Assam	NER	43.78
33	Manipur	NER	44.64
34	Meghalaya	NER	39.91
35	Mizoram	NER	44.79
36	Nagaland	NER	58.85
37	Tripura	NER	47.36

### Bilateral Tender Status

Sl. No.	Tender Quantum (MW)	Supply Period	Time Blocks (Hrs.)	Price (Rs./kWh)	LOI Status
<b>Noida Power Company Limited/Short/23-24/RA/67</b>					
1	25	01.10.2023 to 31.03.2024	00:00 to 24:00	5.49	Awaited
2	40	01.10.2023 to 31.03.2024	18:00 to 22:00	No Participation	
<b>Noida Power Company Limited/Short/23-24/RA/67</b>					
1	25	01.10.2023 to 31.03.2024	00:00 to 24:00	6.74-6.75	Awaited
2	40	01.10.2023 to 31.03.2024	18:00 to 22:00	No Participation	
<b>KSEBL/Short/23-24/RA/64</b>					
1	250	15.07.2023 to 31.07.2023	00:00 to 24:00	4.97-5.22	LOI Issued
2	250	01.08.2023 to 31.08.2023	00:00 to 24:00	5.23-5.45	
3	250	01.09.2023 to 30.09.2023	00:00 to 24:00	5.38-5.42	
4	250	01.10.2023 to 31.10.2023	00:00 to 24:00	5.12-5.95	
5	250	01.11.2023 to 30.11.2023	00:00 to 24:00	5.38-5.46	
6	250	01.12.2023 to 31.12.2023	00:00 to 24:00	5.48-5.5	
7	250	01.01.2024 to 31.01.2024	00:00 to 24:00	5.49-5.6	
8	250	01.02.2024 to 29.02.2024	00:00 to 24:00	5.58-5.82	
9	250	01.03.2024 to 31.03.2024	00:00 to 24:00	6.13-6.5	
10	250	01.04.2024 to 30.04.2024	00:00 to 24:00	6.1-6.24	
11	250	01.05.2024 to 31.05.2024	00:00 to 24:00	6.1-6.24	

### IEX Price Trends





### Weather (Estimated for next fortnight)

City	Max Temp	Min Temp	Precipitation (Probability)
DELHI	35	28	35%
MUMBAI	31	27	61%
KOLKATA	33	28	71%
CHENNAI	35	27	22%

*(Source - Accuweather)*

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

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