

# TECA – NEWS CLIPPING

(Energy Conservation : It Doesn't Cost. It saves)

04.10.2018

## **Amendment bill casts shadow over free electricity scheme**

The Hindu : October 2, 2018

### **Proposes Direct Benefit Transfer, irrespective of the provider of subsidy**

The Central government's draft amendment bill on the Electricity Act, if adopted in its present form, may compel the Tamil Nadu government to scrap the existing scheme of free power supply for farmers, hut-dwellers and sections of domestic consumers.

Proposing changes to Section 45 (power to recover charges) and Section 65 (provision of subsidy by State government), the draft bill specifically states that in respect of subsidy to any category or class of consumers, "it shall be through Direct Benefit Transfer [DBT]." This will be applicable regardless of who the provider of subsidy is, be it the Central government or the State government.

In Tamil Nadu, the scheme of free power supply for farmers and hut-dwellers has been in force for over 30 years. Over time, other categories, such as handlooms and powerlooms, were also covered. For the last two years, domestic consumers have been covered by the scheme. Their consumption of the first 100 units is exempted from bi-monthly power bills. The Central government has circulated the draft bill to States and other stakeholders for feedback.

Another aspect of the bill is its prescription on elimination of cross subsidy within three years. Besides, the overall extent of cross subsidy should not be more than 20% and the proposed annual reduction should not be less than 6%.

But in Tamil Nadu, a high tension consumer, i.e., an industrial unit or an educational institution, on an average, paid between ₹7.5 and ₹8 per unit, depending upon usage, as against the average cost of supply of ₹5.85 per unit, (as worked out by the Tamil Nadu Electricity Regulatory Commission in its tariff order of August 2017), said a power expert. With a large number of consumers receiving subsidy, and despite the State government's financial assistance of ₹7,643 crore towards tariff subsidy, the Tamil Nadu Generation and Distribution Corporation was said to have suffered losses to the extent of ₹3,000 crore during 2017-18. "This is why the reduction and eventual elimination of cross subsidy is extremely difficult in the State," the expert said.

Electricity Minister P. Thangamani said the State government was yet to firm up its position on various provisions of the draft bill. "A high-level discussion, involving Chief Minister Edappadi K. Palaniswami, will take place. But I can assure you that the government would support only those provisions which are beneficial to our State," he said.



## Key Government Policy Announcements for India's Renewable Sector in September 2018

Mercom India : October 3, 2018

Even after a year and a half, GST clarifications are still trickling in

Here is a roundup of key policy announcements made by central government and state agencies in the renewable energy sector in the month of September 2018.

### Central Agencies

The Central Electricity Regulatory Commission (CERC) has published regulations for ISTS (Inter-State Transmission System) implementation in the official gazette. These regulations are expected to help in the timely development of ISTS in India. ISTS is of utmost importance for the growth of solar and wind as all areas do not have the same solar potential or land availability.

The Central Electricity Regulatory Commission (CERC) has issued an order stating that the enactment of GST laws is covered as Change in Law under Article 12 of the power purchase agreements (PPAs). The CERC issued the order while responding to separate petitions filed by Prayatna Developers Private Limited and Azure Power.

The Ministry of Power has issued a revised proposal for amendments to the Electricity Act 2003. The revised proposal is open for comments up to October 22, 2018. In the revised proposal, the Ministry of Power has included ample provisions for renewable energy generation and distribution. The act will be called the Electricity (Amendment) Act 2018. It will apply to the entire country except Jammu and Kashmir.

### States

The Authority of Advance Ruling (AAR) for the state of Uttarakhand has ruled that the supply of solar inverter, controller, battery, and solar panels fall under the definition of 'solar power generating system' and therefore the applicable rate of Goods and Services Tax (GST) on supply of these items will be five percent and treated as 'composite supply'.

The Tamil Nadu Electricity Regulatory Commission (TNERC) has fixed ₹3.97 (~\$0.0549)/kWh as the pooled cost of power purchase that the Tamil Nadu Generation and Distribution Corporation (TANGEDCO) will pay to the generators of non-conventional energy sources (NCES).

The Tamil Nadu Energy Development Agency (TEDA) has issued the Draft Solar Energy Policy for the year 2018. The policy aims to establish an ecosystem that translates the country's solar energy vision into enabling policy systems and processes and create a single window system for technical support, funding support, and project clearance.

The Maharashtra Electricity Regulatory Commission (MERC) has rejected the proposal made by Maharashtra State Electricity Distribution Company Limited (MSEDCL) to approve the levy of additional surcharge (wheeling charges) for rooftop solar projects in the state. The MERC was reviewing a petition filed by MSEDCL.

The Maharashtra Electricity Regulatory Commission (MERC) has announced open access charges for consumers in the state. These charges are applicable from September 1, 2018. MERC fixed the open access charges in response to a petition filed by Maharashtra State Electricity Distribution Co.

The Joint Electricity Regulatory Commission (JERC) for the state of Goa and union territories has issued Electricity Supply Code Regulations for 2018, detailing the obligations of distribution licensees (DISCOMs) and consumers toward each other. The code also



specifies a set of practices that must be adopted by the DISCOMs to provide efficient, cost-effective, and consumer friendly service to the consumers.

## Spot power rate at decade high of Rs 18 per unit

The Economic Times : October 3, 2018

Spot power prices shot up to a record Rs 18 per unit on Wednesday as many states bought large volumes at high prices to meet rising demand while supply languished.

This is the highest spot power price since exchange trading began a decade ago. On Wednesday, 214 power sellers offered 11,000 MW between 6.45 pm and 7 pm. More than double the number of buyers at 547 wanted to buy a total 14,500 MW propelling them to quote high prices in an effort to make sure they are allocated the volume they have asked for, raising prices at the exchange in the process. "States have been asked by the centre to make sure load-shedding is minimal.

Power Play	OCT 3, 2018	PURCHASE BID (MW)	SELL BID (MW)	CLEARED VOLUME (MW)	MCP (₹/MWh)
	Total (MWh)	332,367.33	288,111.85	268,920.83	-
	Max (MW)	15,706.50	12,892.70	12,115.00	₹18.00044
	Min (MW)	11,684.40	10,878.30	10,123.00	₹4.34933
	Average (MW)	13,848.64	12,004.66	11,205.03	₹7.12395

As total volume of power on offer, at around 13,000 MW, is unlikely to rise in the short term, buyers have quoted prices that are as high as Rs 20 per unit to make sure they win the quantum of power they require," said Rajesh K Mediratta, director of business development at the India Energy Exchange

During the same day, 221 sellers offered to sell 11,166 MW between 7.15 pm and 7.30 pm. Some 555 buyers wanted to buy a total 15,000 MW of power. Eventually, 11,152 MW of power was contracted for sale at Rs 18 per unit. While Rs 18 per unit was the highest price during the day, the lowest was Rs 4.35 per unit during off-peak hours.

During the day average offer for sale was for 12,000 MW for any 15-minutes time slab and demand stood at around 13,850 MW pulling up average prices to Rs 7.12 per unit from Rs 2.8 a unit a month ago. The maximum sell bid in a 15 minute time block touched 15,782 MW while the purchase bid touched 16,708 MW and the cleared volume reached as high as 13,983 MW.

Sabyasachi Majumdar, group head — corporate ratings at ICRA said spot rates rose because of high demand, lower generation from wind and hydro sources as well as coal scarcity.

"We expect prices to remain firm in the medium term due to increased power demand with more focus on reliable power supply amid upcoming elections. On coal front, the issue is more of logistics availability than production."

Pankaj Batra, former chairperson at Central Electricity Authority said: "With withdrawal of monsoon, wind and hydro power generation has gone down. Power consumption from air conditioning equipment has reduced in the north due to drop in day and night temperatures. Power is now flowing towards west from northern states where the weather is warmer."

The exchange also saw record volume of 306 million units of power (12,750 MW average round the clock basis) for delivery last Saturday.

With increased demand for thermal power due to festive season and warmer weather at certain states, coal stocks at power plants have also started to dwindle.



Stocks at present will hardly last seven days while some 22 power plants have been officially declared to have critical coal stocks.

## **India targeting 40% power generation from non-fossil fuels by 2030: PM Modi**

**Business Standard** : October 2, 2018

Modi says he sees an investment potential of Rs 700 billion to Rs 800 billion in solar manufacturing

India is targeting 40 per cent of electricity generation from non-fossil fuel-based resources by 2030 as it looks to tap vast solar and wind potential to replace reliance on polluting coal to meet its energy needs, Prime Minister Narendra Modi said Tuesday.

Modi said he saw the 121-country International Solar Alliance as the future OPEC for meeting energy needs of the world.

Oil cartel Opec led by Saudi Arabia currently meets close to half of the world's oil needs.

Speaking at the first Assembly of the ISA here, he said the solar power will play the same role that oil wells have played over the past few decades in meeting global energy needs.

Humans have in the last 150-200 years relied on resources trapped below the earth's surface for meeting energy needs. But for a secure future, resources available above the ground like solar and wind energy need to be harnessed, he said.

Modi said 50 Gw of renewable energy will be soon added to existing capacity and non-hydro renewable will contribute 20 per cent of total energy.

"This is the right time to invest in solar manufacturing," he said, adding that he saw an investment potential of Rs 700 billion to Rs 800 billion in solar manufacturing.

The prime minister said 310 million LED bulbs save 40,000 million units of electricity and Rs 160 billion in a year.

He said 2.8 million solar pumps can save 10 Gw of electricity every year.

## **Which city in India has the cheapest power?**

**Energy World** : October 3, 2018

***Our analysis shows that consumers in Maharashtra have the highest power bills across all categories of consumption while Delhi has the most progressive tariff structure***

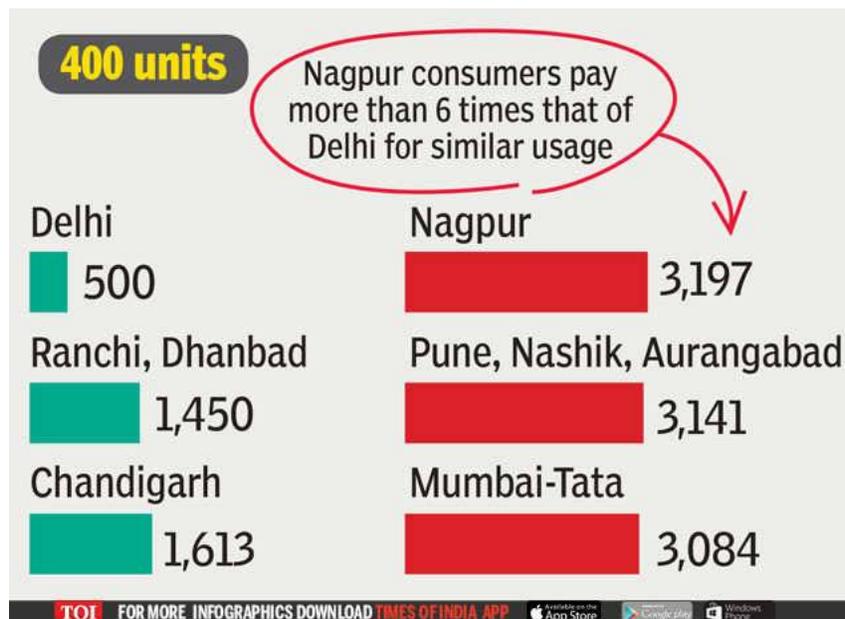
### ***Energy World:***

To understand just how much Indians pay for power, TOI studied power tariffs for 52 of India's 53 million-plus urban agglomerations based on the latest tariff orders of state electricity regulatory boards that cover over 50 such cities. The only city we had to leave out for dearth of data was Srinagar. Our analysis shows that consumers in Maharashtra have the highest power bills across all categories of consumption while Delhi has the most progressive tariff structure, rewarding low electricity consumption while levying exponentially higher fares for higher rates of power usage. Here are the details...

### **400 UNITS**

Delhi's tariff structure is the one best designed to incentivise power saving, giving big subsidies to people with low consumption while making excessive users pay more than many other cities.

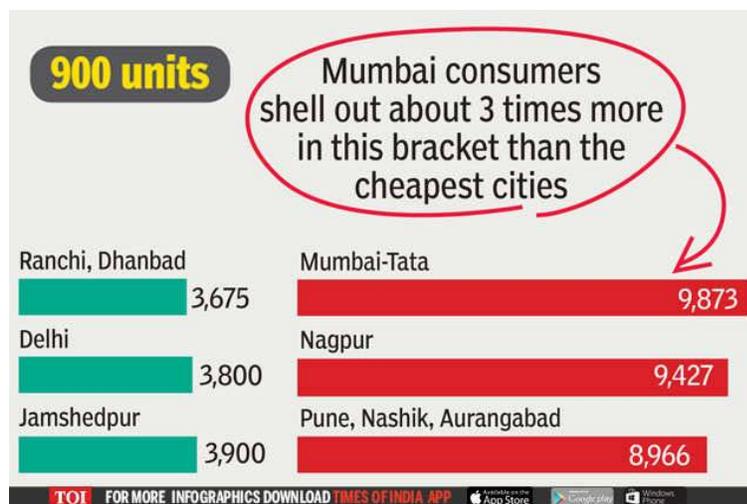
Subscribers in Delhi who consume up to 400 units pay as low as 500 in energy costs (excluding fixed charges), far lower than any of the other cities analysed.



Though, Ranchi is the second cheapest in this slab, but users there pay 1,450 for a similar rate of consumption, about three times that of Delhi.

### 900 UNITS

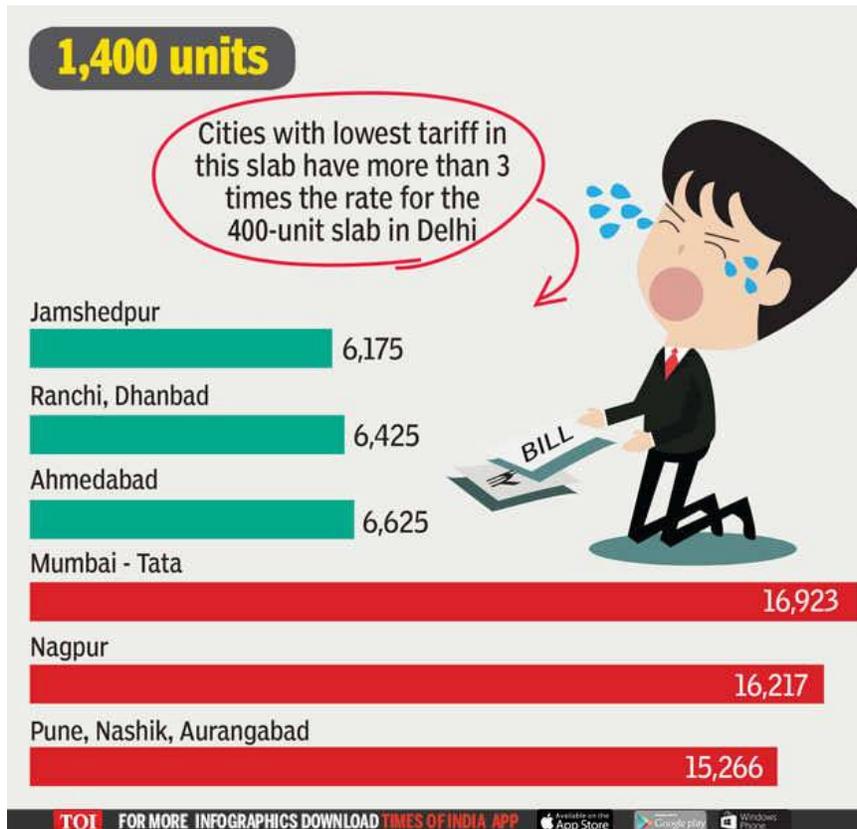
At a higher consumption level of 900 units, Delhi no longer remains the cheapest with consumers in Ranchi paying the lowest rates at variable charges. In contrast, Mumbaikars buying electricity from Tata Power have to pay 9,873, the highest among these cities. Once again, cities in Maharashtra dominate the top of the list.



### 1,400 UNITS

For this level of power usage, Delhi is not even among the five cheapest cities. This class of consumers would pay 6,175 as variable charges in Jamshedpur, about 1,200 less than in Delhi. The other cheap cities at this consumption level are in Jharkhand, Gujarat and

Chandigarh while people in Maharashtra, led by Mumbaiers who buy electricity from Tata, pay the most.



All tariffs as on September 18, 2018

## Maharashtra installs over 4.34 lakh agricultural pumps in four years

Energy World : October 3, 2018

***The project to provide power supply to farm pumps at high voltage was launched this year in May.***

State energy minister Chandrashekhar Bawankule on Sunday gave a presentation before chief minister Devendra Fadnavis on the achievements of the three state-run power companies in the past four years. Bawankule said the biggest achievement by the ministry was that installation of over 4.34 lakh farm pumps in the state between November 2014 and August 2018.

He added that the project to provide power supply to farm pumps at high voltage was launched this year in May.

On the generator front, large number of thermal generation units were commissioned during this period at the Chandrapur, Koradi and Parli power plants. Several solar plants were also commissioned by Mahagenco. MSEDCL signed power purchase agreements (PPAs) with solar power producers at very cheap rates.

Another big achievement, the minister cited was that there was no load-shedding during this period in the state. There may have been some sparse power breakdowns in a handful of places but the MSEDCL was able to meet power shortfall whenever it arose.



According to the presentation, around 111 villages that had not been electrified in March 2017 were provided with power supply by March 2018. The central government had announced Saubhagya Yojana in October 2017. At that time, 7.58 lakh households did not have power supply. Within one year, 6.35 lakh households had been provided with a power connection. The remaining 1.23 lakh households will be provided connections by December this year.

***Save Energy. Save Money. Save the Planet***