

December 2023 ISSUE 125

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### About Kreate Global

- Kreate Global (formerly known as Mittals Group) was established in 1977 and is now one of the leading business players in Power Trading, Commodity Trading, IT Solutions, LED manufacturing, and Solar Energy services.
- A part of Kreate Global, Kreate Energy (I) Pvt. Ltd (Formerly known as Mittal Processors Pvt. Ltd.) is one of the leading real time power solution providers in India. We offer services in the field of Renewable Energy, Power Trading & Energy Management to various clients across the country & abroad.

#### Kreate Energy (I) Pvt. Ltd Power Trading Summary

##### Electricity Transaction in Million Units (MUs) in November 2023

Banking & Return	0.0
Power Sales & Bilateral	7.19
Power Exchange	50.57
RE Power	7.12
<b>Total</b>	<b>64.88</b>
REC traded (Exchange)	14079
REC traded (Bilateral)	2000
ESCERTS	0.0

### Updates of Previous Month:

#### POWER

- [HC disposes of plea against erection of electric pole for Goa Tamnar Transmission project.](#)
- [Average power purchase cost increased by 71 Paise only between FY 22 and FY 23.](#)
- [Power ministry to revise rules, cracking down on late electricity payments.](#)
- [Second home-built 700 MW nuclear plant at Kakrapar achieves first criticality.](#)
- [Indian Energy Exchange to launch Long Duration Contracts of 11-months soon.](#)
- [India on track to add 517 GW power capacity by 2031-32: Power minister R K Singh.](#)
- [Smart Metering to transform power sector, reduce losses: Minister R K Singh.](#)
- [California regulators vote to extend Diablo Canyon nuclear plant operations through 20230.](#)
- [Rail would need over 30 billion units of power after full electrification: Govt.](#)
- [Average power purchase cost rises 71 paise/unit in FY22-23.](#)
- [Bolivia signs \\$450-mn lithium deal with Russia.](#)
- [ADB fuels Uttarakhand's power upgrade with \\$200 million loan pact.](#)
- [PM Modi determined to triple nuclear power capacity in next decade: IAEA chief.](#)
- [India records 8.9% increase in electricity production, peak demand reaches 243 MW.](#)
- [Jakson Group inaugurates advanced Genset manufacturing plant in Maharashtra, enhancing.](#)
- [DP World Cochin launches SIG Mainline Service, boosting India's trade links with southeast asia and middle east.](#)
- [Meeting held to discuss power sector issues in N-E; all states take part.](#)
- [India's power consumption grows nearly 9 pc to 1,099.90 billion units in April-Nov.](#)
- [Centre allocates 1972 MW extra power to Jammu & Kashmir.](#)
- [ata Power hits 1 trillion mark, spearheads clean energy transition.](#)
- [Photo rejections in power bills drastically down in Maharashtra: Fadnavis.](#)
- [Ukraine urges people to save energy after plant hit.](#)
- [Ten industrial giants gearing up to invest Rs 1.11 lakh crore to set up units in UP.](#)
- [Electricity demand grows 8.5 pc in Apr-Oct; supply rises 8.8 pc: RK Singh.](#)

#### RENEWABLE

- [Sembcorp inks deal with Japanese firms to export green ammonia from India.](#)
- [Bihar invites bid for 185 MW Solar Plant, 254 MW battery storage in renewable push.](#)
- [Shaping the Future: Experts advocate integrated research and policy for climate solutions.](#)
- [India boosts power generation capacity significantly over decade, aims for sizable RE expansion.](#)
- [Ministry of Power proposes regulatory changes to speed up solar PV installations meter testing.](#)
- [Gui top beneficiary of Rooftop Solar Programme since '19.](#)
- [India gets bids for green hydrogen, electrolyser incentives.](#)
- [Minister Khuba urges solar industry: Keep prices fair, avoid misusing customs duty.](#)
- [Indian solar industry still heavily reliant on Chinese imports.](#)
- [US Treasury unveils rules for clean energy manufacturing subsidy.](#)
- [Suzlon secures 100.8 MW wind power project order for Gujarat.](#)
- [Sterling and Wilson Renewable Energy raises Rs 1,500 cr.](#)
- [COP 28 success: India's balancing act on the energy landscape and climate commitments.](#)
- [Adani Group cash reserves rise 13.7 pc to Rs 45,895 cr.](#)
- [Meghalaya wins prize in national energy efficiency index: minister.](#)
- [BluPine Energy ties up Rs 511 crore green loan for Gujarat solar project.](#)
- [Essar, Gujarat Govt ink three MoUs totaling Rs 55,000 crore for energy, power, and ports.](#)
- [Adani Green Energy announces incorporation of 2 step down subsidiaries.](#)
- [Tata Power's TPRMG recognized for clean energy initiative in rural India by World EF.](#)
- [Sembcorp awarded 300-MW solar project in India.](#)
- [Zetwerk to supply solar modules to NTPC-REL.](#)
- [UltraTech targets 85 per cent green energy in total mix by 2030.](#)
- [Tata Power Renewable Energy inks pact to build 13.2 MW group captive solar plant.](#)

## Power Sector News Updates

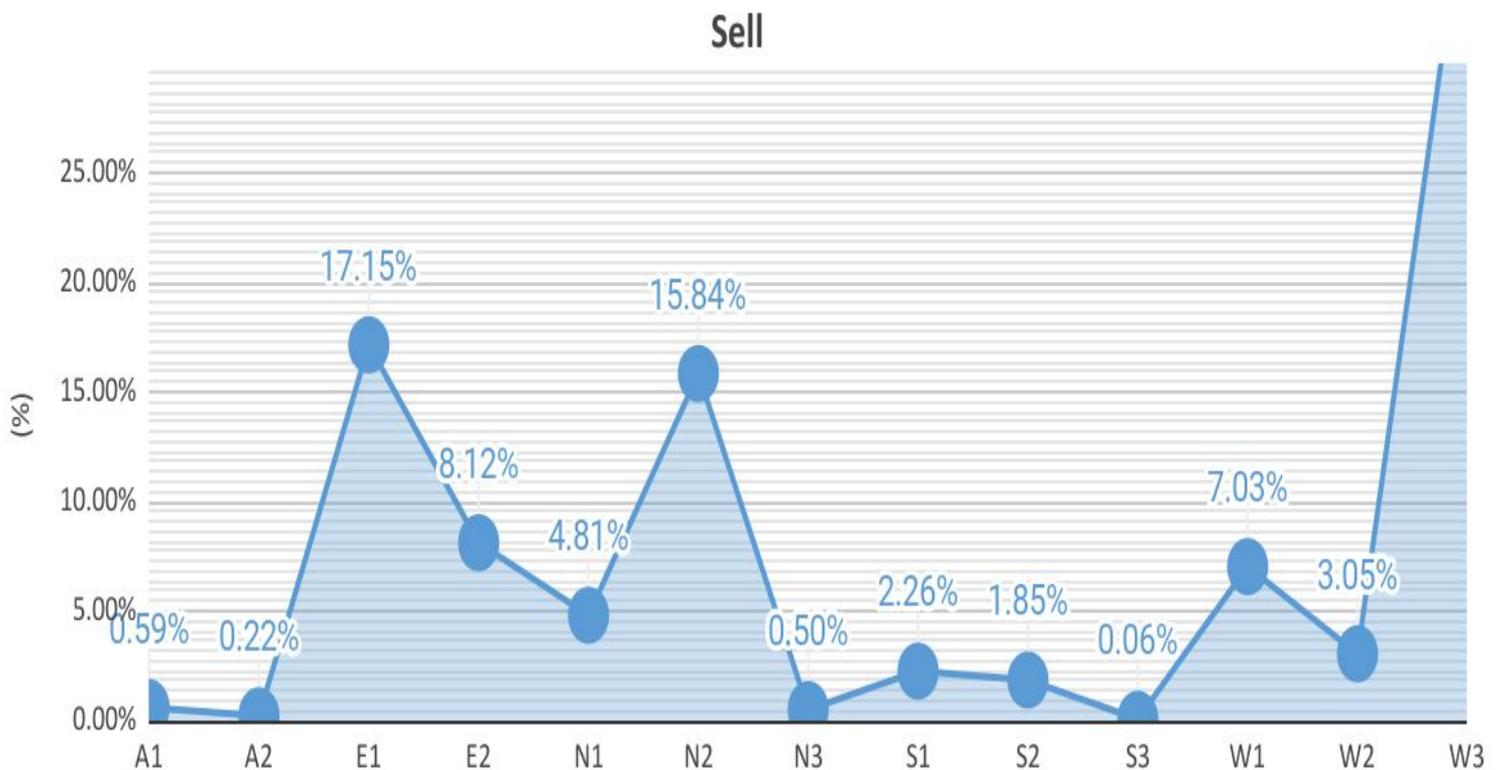
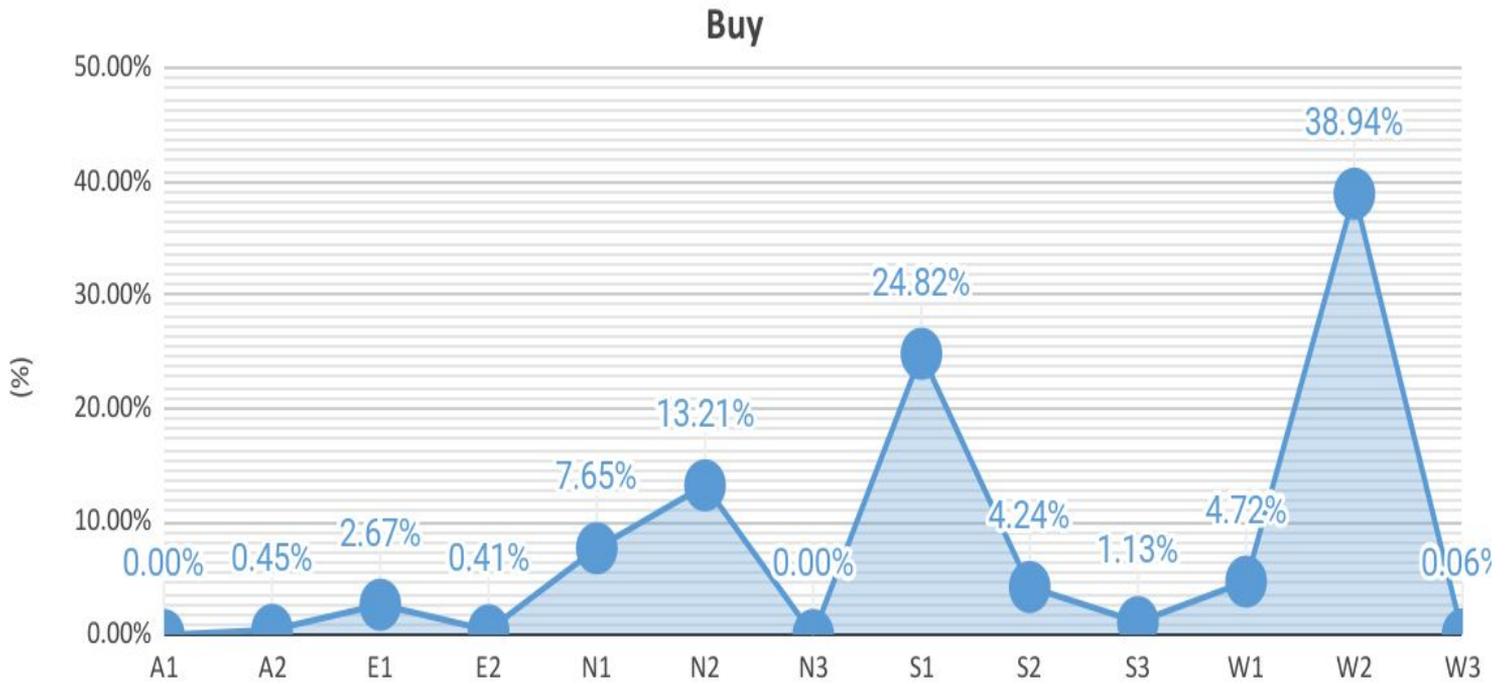
## COAL

- [Coal use to decline next year after record high in 2023: IEA.](#)
- [India's coal demand to rise by 8% in 2023, bucking global downward trend: Report.](#)
- [Coal ministry hits Rs 34,524 crore in GeM procurement, tops target by 162%.](#)
- [India to slash coal power capacity to 33% by 2030: Minister RK Singh.](#)
- [Indian Railways' coal transport ambitions could derail network modernization: Reports.](#)
- [Coal ministry issues vesting orders for 6 mines, signs agreements for 2 more.](#)
- [Coal mine accident kills 3 in northern China's Shanxi province, a major coal-producing region.](#)
- [CBI carries out searches in ECL coal pilferage case.](#)
- [Govt ramps up mineral exploration, fuels self-reliance drive with direct projects.](#)
- [Coal India capex rises 7.6% on year so far in FY24.](#)
- [NMET-funded 11 mineral blocks auctioned, six under process: Coal minister.](#)
- [Power sector imports 35 MT coal during Apr-Oct; 13.6 MT for blending: RK Singh.](#)
- [Surge in domestic coal output puts India on path to energy independence: Coal minister.](#)
- [Govt aims to boost coal output to 1.5 billion tonne by 2030: Joshi.](#)
- [Opinion: Thermal coal prices diverge as Japan, S.Korea buy more, China, India less.](#)
- [India's copper demand to outstrip global growth, domestic sector to remain stable.](#)
- [India's coal imports drop over 4% to 148 million in April-October period.](#)
- [No coal power plant in India receives lending second consecutive year: Analysis.](#)
- [How China cleaned its filthy air while India continues to choke.](#)
- [Kazakhstan buys ArcelorMittal subsidiary after fatal accident.](#)
- [Opinion: The good and bad bits about China's backup coal system.](#)
- [There's a way to quit coal without wrecking jobs and communities.](#)
- [India's coal import drops 5 per cent in April-September period to 125.21 MT](#)

## Electric Vehicles

- [Omega Seiki to launch roadside assistance program for three-wheelers.](#)
- [Hero MotoCorp acquires extra 3% stake in Ather Energy for Rs 140 cr.](#)
- [Revamp Moto joins with Bolt.Earth for EV efficiency enhancement.](#)
- [AT&T to buy Rivian electric vehicles in pilot deal to cut cost, emissions.](#)
- [Kia India draws up aggressive biz plan; to jack up production, widen sales network.](#)
- [Hindustan Zinc begins EV trucks deployment at mines.](#)
- [Entire BEST fleet to have clean energy-powered buses by 2027: Minister Samant.](#)
- [Delhi LG, CM to flag off 500 electric low-floor DTC buses on Thursday.](#)
- [Setback for Tesla: Govt says there's no proposal to provide subsidy on import duty on EVs.](#)
- [Adopting Electric Vehicles and Energy Conservation for a Greener Tomorrow.](#)
- [Big investors spur consolidation, growth in EV charging sector.](#)
- [Setback for Tesla: Govt says there's no proposal to provide subsidy on import duty.](#)
- [Taiwan's Gogoro plans to rev up India investment to make electric 2-wheelers.](#)
- [Kinetic Green launches e-scooter Zulu priced at INR 94,990, and new brand identity.](#)
- [India's plan for 50,000 e-buses on its roads gets US support.](#)
- [Need to follow consistent EV policy, no need for company-specific sops: FICCI EV.](#)
- [Tata Motors to hike prices of its commercial vehicles from January 2024.](#)
- [China may achieve circular economy in EV batteries before EU, US: study.](#)
- [Ola Electric begins delivery of new S1 X+ priced at INR 89,999.](#)
- [Need to generate demand, setup holistic ecosystem for EV growth: Sulajja Firodia motwani.](#)
- [Bharat Petroleum, Tata Electric Mobility join forces to install 7000 EV chargers across india.](#)
- [Olectra Greentech receives Rs 62.8 cr order for e-bus supply](#)
- [EV retail sales grow 25.5 pc to 1,52,606 units in November, says FADA.](#)

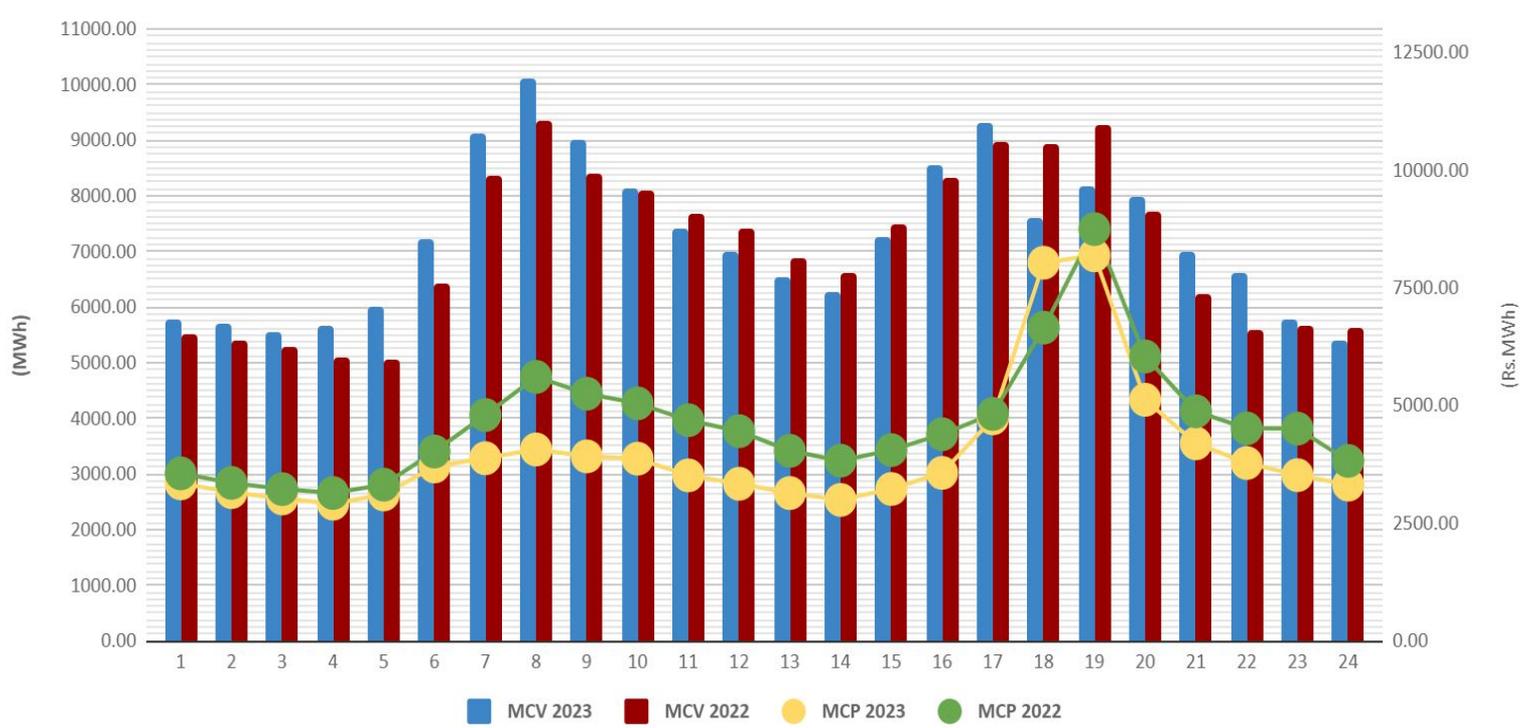
### Regional Share of Power Traded at IEX in November-2023:



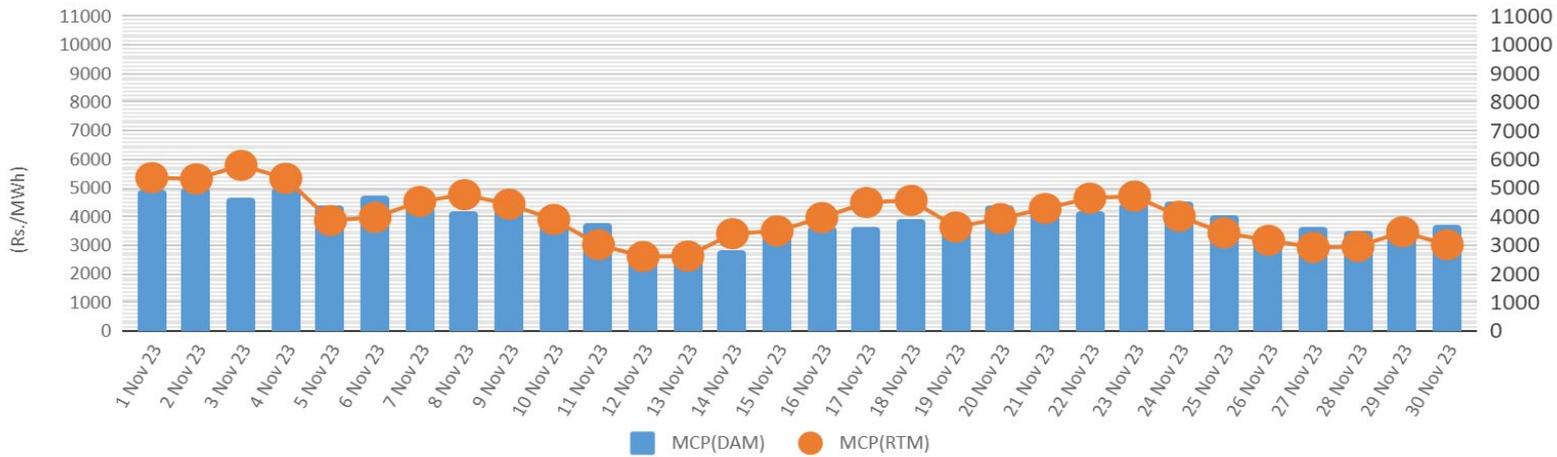
### Power Prices: Year-on-year comparison at IEX for November 2023:



### Average Hrs Market Clearing Volume( Y-O-Y) (MCV) Vs. and Price (MCP) for November 2023:



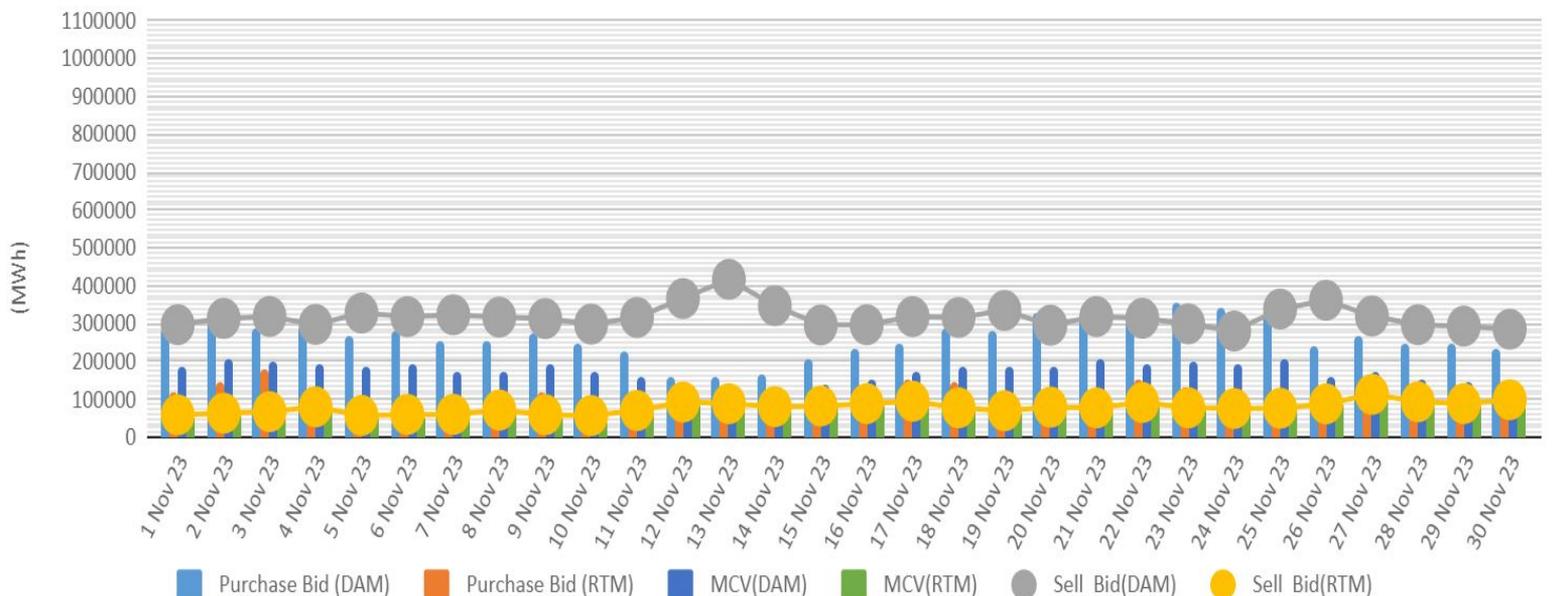
### Power Prices: DAM VS RTM at IEX for November 2023:



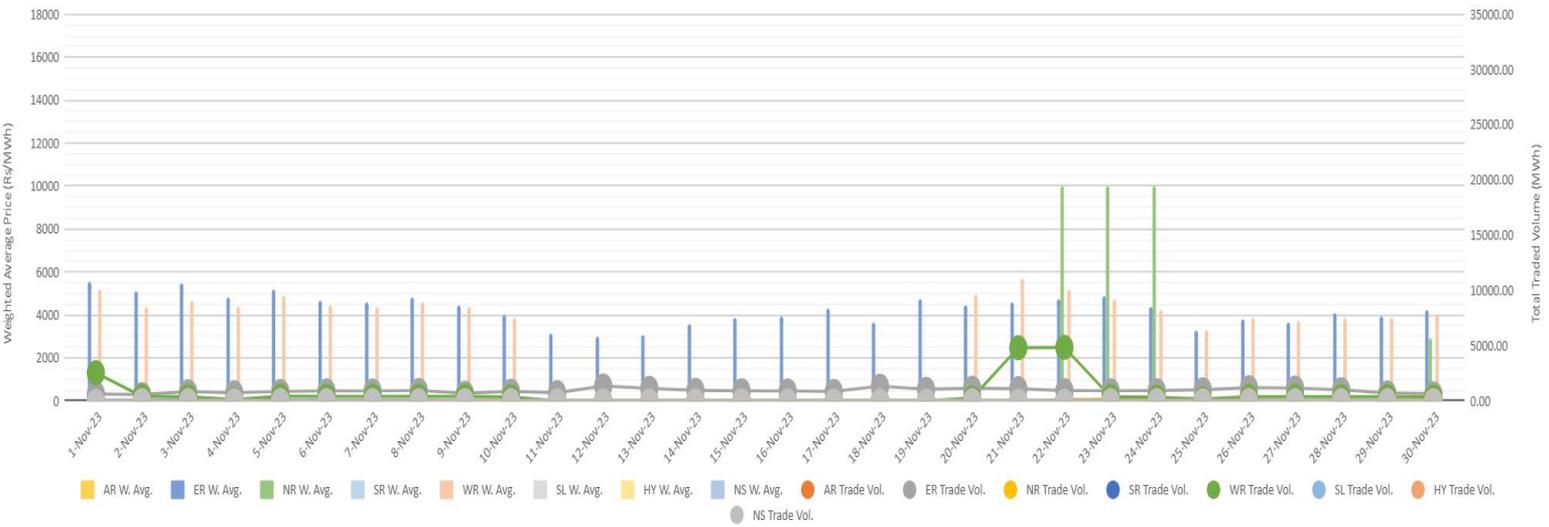
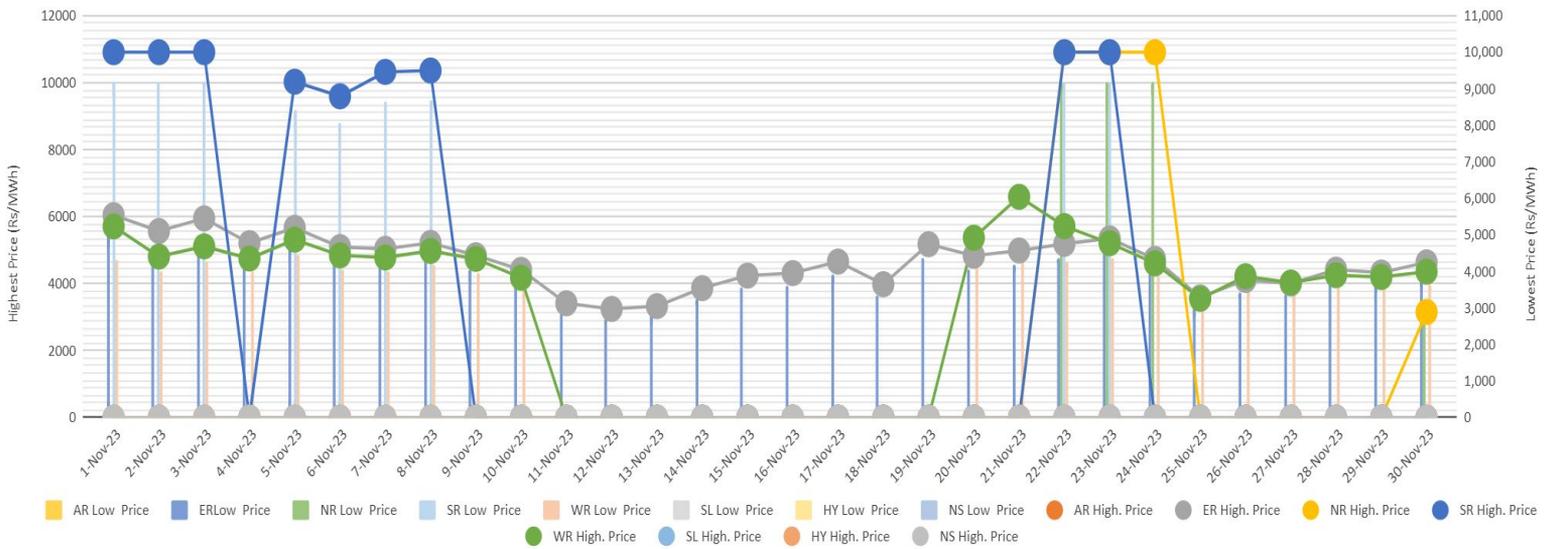
### Power Volumes: DAM VS RTM at IEX for November 2023:



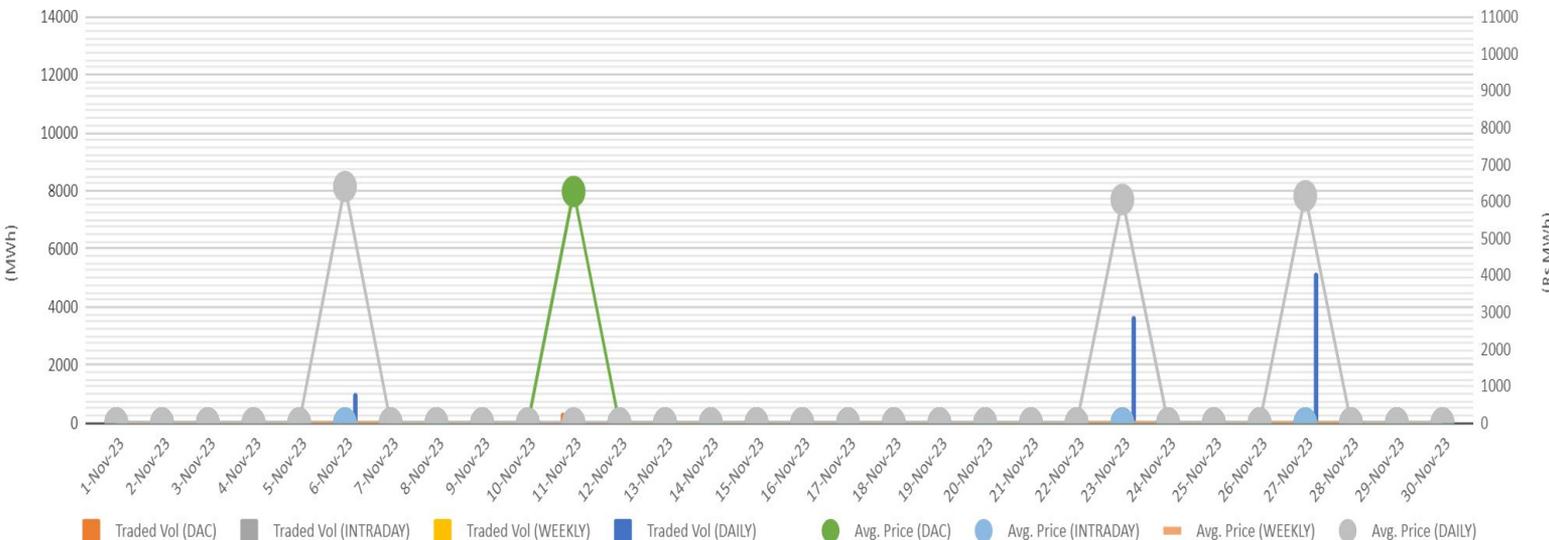
### Power Sale, Purchase & MCV: DAM VS RTM at IEX for November 2023:



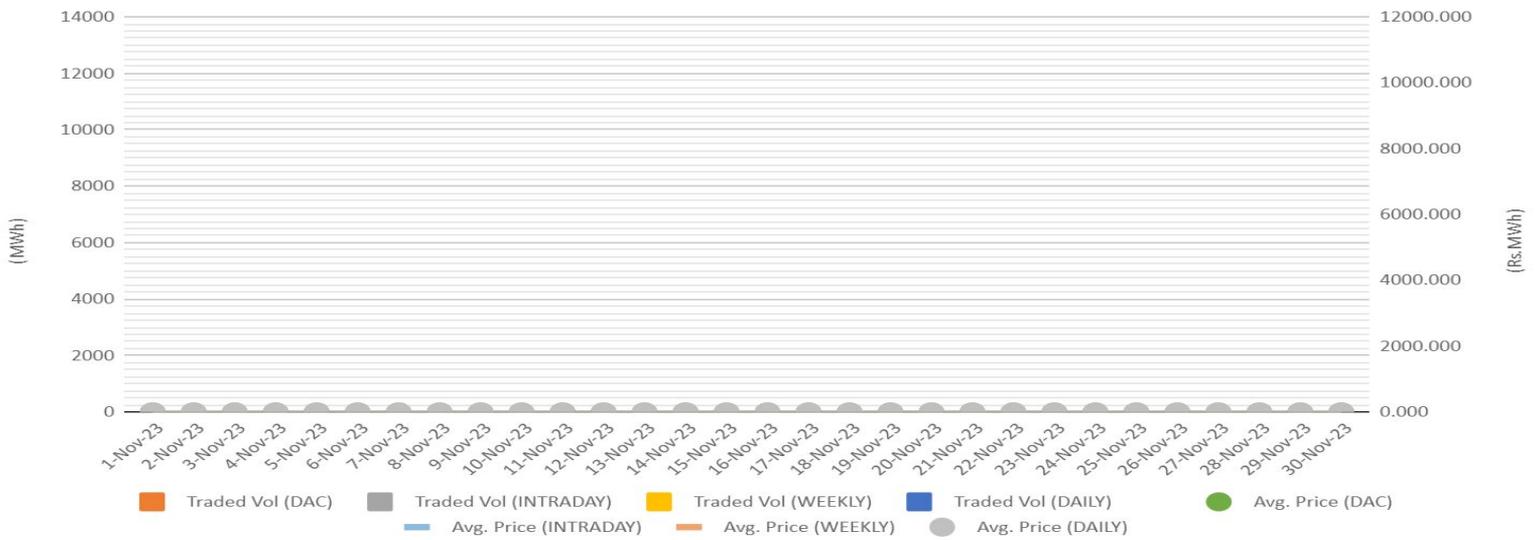
## GTAM : DAC Volume Vs Prices at IEX for November 2023:



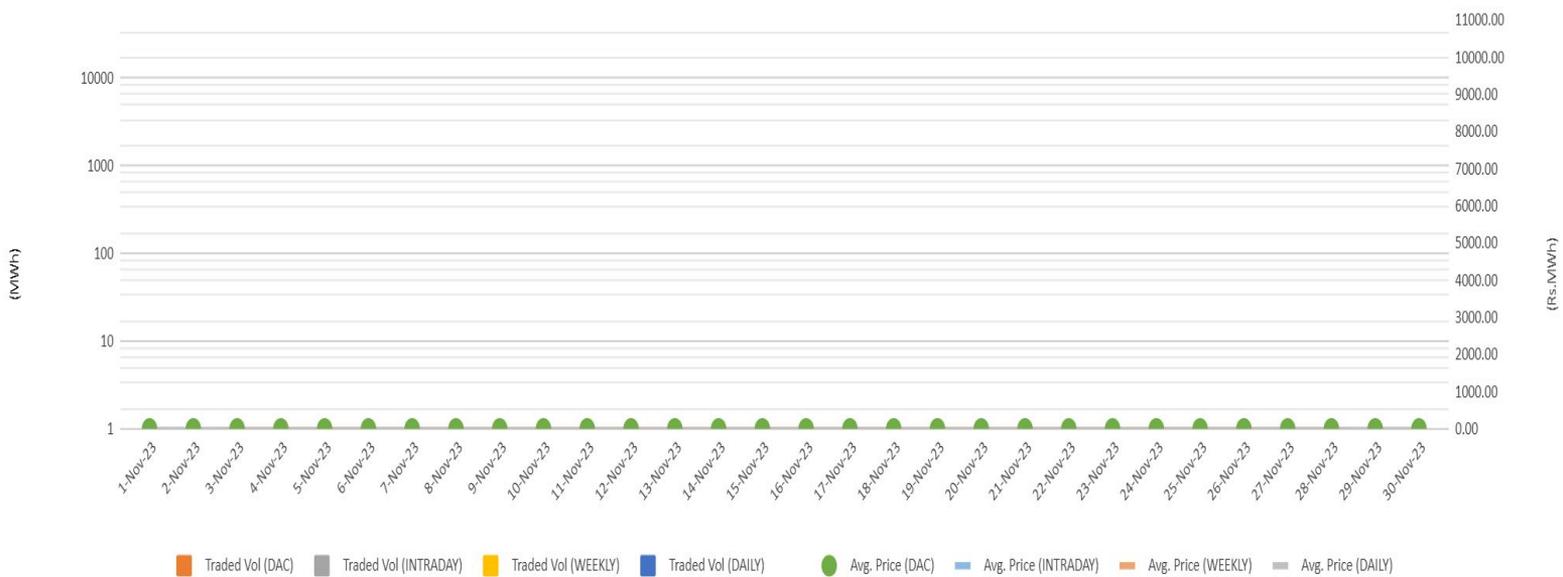
## GTAM : Non-Solar Volume Vs Price (Trade Date Wise) at IEX for November 2023:



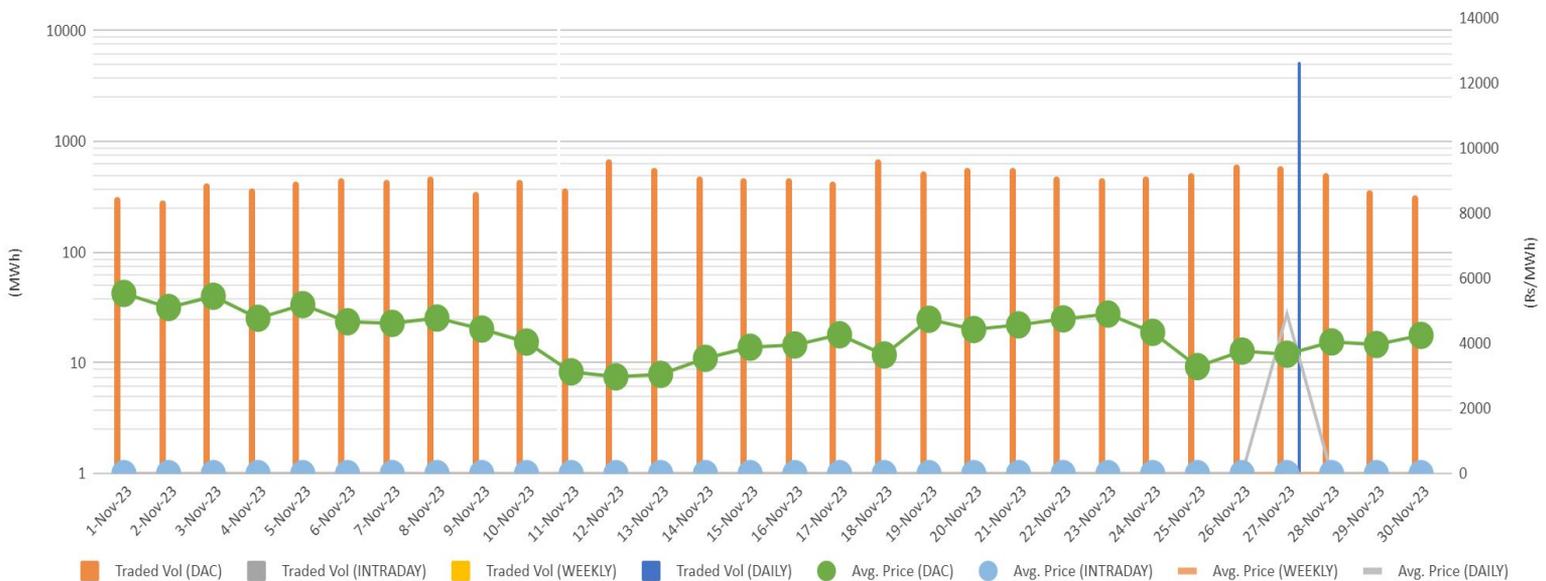
## GTAM : Solar Volume Vs Price (Trade Date Wise) at IEX for November 2023:



## GTAM : Hydro Volume Vs Price (Trade Date Wise) at IEX for November 2023:

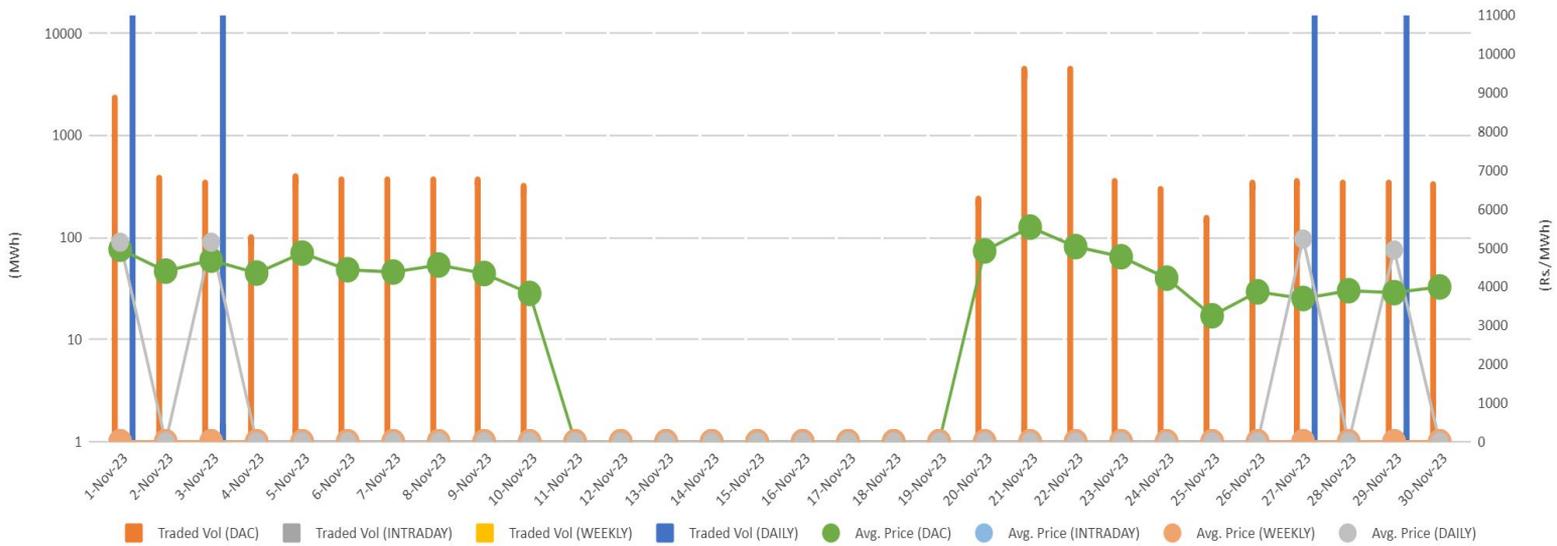


## GTAM : Eastern Volume Vs Price (Trade Date Wise) at IEX for November 2023:





### GTAM : Western Volume Vs Price (Trade Date Wise) at IEX for November 2023:



### Regulatory Affairs:

## HPX : Applicability of penalty for forced outage of generators

### The key highlights of this circular are as follows:

According to the Exchange Rules, Bye Laws, and Business Rules, schedule revision is generally not allowed except in cases of force majeure and transmission constraints imposed by the system operator. Penalty clauses for schedule revision were introduced to protect the interests of both parties by ensuring the sanctity of the contract and avoiding reductions in scheduling quantities.

However, with the enactment of the IEGC 2023 regulation and according to clause 49(7), schedule revision is allowed in cases of forced outage of a unit of a generating station or ESS in the context of bilateral transactions. In such cases, sellers, traders, or any other agency selling power from such units must immediately inform the RLDC/SLDC about the outage. They should also request a revision of the declared capacity and schedule, along with an estimated time of restoration.

The revision on account of forced outage will be implemented by the RLDC/SLDC on a pro-rata basis for all bilateral transactions. As forced outage is allowed as per the Grid code and is implemented by the RLDC, no penalty shall be applicable to the seller for contracts entered under ADSS/TAM/GTAM/HPTAM/Contingency/Intra. This modification will be effective from the delivery date of November 1st, 2023.

It's important to note that any charges incurred by the seller, such as transmission charges (ISTS, STU), scheduling and operating charges, and application fees, during the application phase for the period of the outage will still be the responsibility of the seller.

## MoP : Provision of banking of power feature under the PUSH Portal

### The key highlights of this circular are as follows:

This is to inform you that the PUSH Portal now offers a feature allowing states to declare and offer surplus power for a specific period. Other states facing power deficits can request and acquire this surplus power by initiating a requisition on the portal, subject to a mutual agreement for the same duration. This enhances efficient power management and distribution among states.

The salient features of the provision of the banking of power feature under the PUSH portal are as below-

- The States undergoing for Banking Mechanism shall enter into bilateral agreements outlining the terms, conditions, and tariffs for power banking.
- The States shall obtain consent/permission of the NLDC/RLDCs/SLDCs before undergoing any type of Bilateral Agreement.
- NLDC/RLDCs/SLDCs shall check the Availability of the Transmission Corridor for power flow between the states and these activities are out of the purview of the PUSH portal.
- No trading charges or trading margin shall be levied on the states undergoing Banking of the power through the PUSH Portal.

### Regulatory Affairs:

- Role of PUSHp portal in banking of power: - The PUSHp Portal functions as a matchmaking platform for power banking, excluding matters related to Banking Regulations, Bilateral Agreements, Banking Charges, and Transaction charges. States must adhere to CERC and SERC regulations on power or energy banking and obtain consent/permission from NLDCs, RLDCs, and SLDCs for such transactions.
- The PUSHp Portal provides a dedicated interface/tab called "Intimate" on each beneficiary's page. Clicking on this tab reveals sub-tabs such as "Depositor/Surplus State," "Bank/Deficit State," and "View Depositor/Surplus & Bank/Deficit State." States can use these sub-tabs to declare their surplus power for a specific period or request surplus power in a deficit scenario, based on mutual agreements. The information submitted is accessible to the respective states, facilitating efficient power management and distribution.

The steps for availing the provision of the Banking of Power feature under the PUSHp Portal is attached in Annexure-1.

### **MoP : Advisory to all States/ GENCOs regarding participation in CIRP of NCLT for taking over of Stressed Thermal Power Assets**

#### **The key highlights of this circular are as follows:**

Ministry of Power has issued an Advisory to all States/ GENCOs regarding participation in CIRP of NCLT for taking over of Stressed Thermal Power Assets.

The revival of stalled thermal power assets to the benefit of all stakeholders including power procurers, end consumers, creditors, etc. In accordance with the thrust accorded by the Hon'ble Minister of Power & NRE, central PSUs under the administrative control of the Ministry of Power viz. NTPC, NHPC, SJVN, PFC, REC, etc., have been successfully involved in resolving various stressed power assets under IBC either through direct participation in the Corporate Insolvency Resolution Process (CIRP) as a Resolution Applicant or by way of Lenders' backed Resolution Plan (LbRP). Participation of Central PSUs has ensured that significant public investments and national resources stuck in stressed power assets are resolved and revived, providing much-required capacity addition with definite cost and time savings in comparison to a greenfield investment. This has enabled the availability of power at competitive prices to the end-consumers from stalled power project that would have otherwise been lost/scrapped due to devaluation/liquidation.

It is requested that state-owned Generating Companies (GENCOs) be encouraged to participate in the Corporate Insolvency Resolution Process (CIRP) of stressed power assets, especially those of strategic importance to their respective states. Participating in the CIRP under the National Company Law Tribunal (NCLT) route offers the benefit of a "clean slate" principle, protecting GENCOs from unexpected liabilities related to pre-admission issues. The approved resolution plan becomes binding on all stakeholders, including statutory claimants.

Stressed power projects commonly face challenges such as insufficient capital investment, coal supply disruptions, working capital issues, and delayed receivables under power purchase agreements. GENCOs' involvement can help address these challenges and expedite the revival of these assets. Their operational expertise can contribute to quicker project implementation, and working with government agencies can reduce turnaround time. This would also aid states in meeting their rising power demand cost-effectively and gain better control over the generated power.

List of stressed Projects ready for takeover-

### Regulatory Affairs:

S.No.	Project Details	Capacity (MW)	Status
1	Rattan India Power Ltd - 5 X 270 MW TPP, Maharashtra	540	NCLT Status - Admitted; Resolution Process Stayed  Operational Status — Commissioned Units  Tentative Timelines- May be operational in 4 months during Q1, CY2024
		810	Operational Status — Commissioned  Tentative Timelines- 3 units to take more than a year to be available during CY2025.
2	Coastal Energen Pvt. Ltd  2 x 600 MW Imported coal-based TPP, Tamil Nadu	1200	NCLT Status - Admitted; Resolution process is in advanced stage  Operational Status - Both the units are already operational;
3	KSK Mahanadi Power Co. Ltd  6 x 600 MW TPP, Chhattisgarh	1800	NCLT Status — Admitted; Resolution Process Stayed  Operational Status — Three units (i.e. 1800 MW) are commissioned & operational.
		1800	Tentative Timelines: The remaining 3 units are expected to be operational by CY 2026
4	Shri Maheshwar Hydel Power Corporation Ltd.,  10 X 400 MW Hydel, Madhya Pradesh	400	NCLT Status - Admitted; Resolution Plan underway  Operational Status - Incomplete Project  Tentative Timelines — All units expected to be operational in 2-3 years post-resolution
Total		6,550	

## IEX : Modification in modalities of REC Trading from November 2023

IEX has issued a circular for modification in modalities of REC Trading from November 2023.

Accordingly, as per Hon'ble CERC's directions, Members are requested to note the following modalities for the REC trading session at the IEX platform from the REC Trading Session to be conducted on 8th November 2023 onwards

There is No Change in the Contract Symbol it is as existing i.e. "REC".

RECs will be allocated to the buyers based on the double-sided uniform price auction matching methodology. There will be no bifurcation of the allocated quantity of RECs with respect to the source of origin in the REC Purchase Certificate issued by the Exchange.

The interim arrangement of accepting preference from Buyers (Solar & Non-Solar type) and the allocation of quantity based on buyer preference shall be discontinued.

### Regulatory Affairs:

## **CEA : Require comments on draft procedure Verifying the captive status of such generating plants, where the captive generating plant (CGP) and its captive user(s) are located in more than one state**

CEA has notified the draft procedure for verifying the captive status of such generating plants, where the captive generating plant (CGP) and its captive users are located in more than one state.

The suggestions/objections/comments on verifying the captive status of such generating plants, where the captive generating plant (CGP) and its captive users are located in more than one state are Invited by MoP by 01 Dec 2023.

Hence, in view of the above, you all are requested to kindly provide your comments on verifying the captive status of such generating plants, where the captive generating plant (CGP) and its captive users are located in more than one state by 26 Nov 2023.

As per the draft, verification of the status of CGP and captive users will be done on an annual basis and CEA will be the verifying authority. The CGP shall submit an application along with the requisite documents to the verifying authority. The CGP and captive users shall furnish an affidavit not after September 30. Verifying authority shall issue communication about the status of CGP and captive users within two months from the receipt of the application along with the requisite documents complete in all respects. The Regional Load Dispatch Centre, State Load Dispatch Centre, and distribution licensee, in whose area the CGP or captive user is located, shall extend necessary assistance to the verifying authority in the verification of the captive status of the generating plant and its user(s). Furthermore, each unit of CGP shall have a separate Interface Meter with a real-time communication facility with RLDC and/or SLDC as per the specifications provided under the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended from time to time. The CEA has sought comments, and suggestions, on the draft procedure, by December 1, 2023.

### **The key highlights of this Draft are as follows:**

#### **Section 9: Captive Generation**

Provided that the supply of electricity from the captive generating plant through the grid shall be regulated in the same manner as the generating station of a generating company.

Every person, who has constructed a captive generating plant and maintains and operates such plant, shall have the right to open access for the purposes of carrying electricity from his captive generating plant to the destination of his use.

Provided that such open access shall be subject to the availability of adequate transmission facility and such availability of transmission facility shall be determined by the CTU or the STU.

Provided further that any dispute regarding the availability of transmission facility shall be adjudicated upon by the Appropriate Commission.

#### **Requirements of Captive Generating Plant**

Not less than twenty-six percent of the ownership is held by the captive users.

Not less than fifty-one percent of the aggregate electricity generated in such plants, determined on an annual basis, is consumed for captive use.

Provided further that in case of association of persons, the captive user(s) shall hold not less than twenty-six percent of the ownership of the plant in aggregate and such captive user(s) shall consume not less than fifty-one percent of the electricity generated, determined on an annual basis, in proportion to their shares in ownership of the power plant within a variation not exceeding ten percent.

### Regulatory Affairs:

#### **Central Electricity Authority (CEA) shall be the Verifying Authority.**

The Verifying Authority shall verify the captive status where CGP is located in one State and at least one of its Captive users located in another State and also fulfills the conditions of CGP.

The Verifying Authority shall verify the fulfillment of conditions in regard to the captive status or otherwise, and intimate the status to the concerned Distribution licensees SLDC, CGP, and Captive users.

#### **General Conditions**

- The consumption of electricity by the Captive users shall be either directly or through the Energy Storage System.
- The consumption of electricity by a subsidiary company of a company that is a Captive user shall also be admissible as captive consumption by the Captive user.
- The consumption of electricity by a holding company of a company that is a Captive user shall also be admissible as captive consumption by the Captive user.
- In case of any change in ownership structure during the year under consideration, a statement having the details of the change in the ownership structure along with the relevant documentary evidence shall be submitted to the Verifying Authority along with the submission of the application for verification of the status of CGP and Captive users.
- The CGP and its Captive users shall ensure that at any point of time in a year, not less than 26% of the ownership with voting rights of the generating plant/station or the units identified for captive use, as the case may be, is held by the Captive users and they consume not less than 51% of the electricity generated on annual basis.
- In case the CGP is owned by the Cooperative Society, then the members of the society shall collectively satisfy not less than 26% of the ownership with voting rights and consume not less than 51% of the electricity generated on an annual basis for captive use.
- The test of proportional consumption in the case of Association of Persons SPV1 (where applicable) shall be on actual consumption of electricity generated provided it is not less than 51% of electricity generated, determined on an annual basis, in proportion to the shares in ownership of the power plant within a variation not exceeding ten percent.
- Verification of ownership and consumption for any change in the captive user in a year shall be for each corresponding period of change i.e. by considering the proportionate generation for the corresponding period and the energy consumed by the captive user.

#### **Procedure for verification of Status of CGP and Captive users**

- Verification of the status of CGP and Captive users shall be on an annual basis.
- The CGP shall submit an application along with the requisite documents to the Verifying Authority.
- The CGP and Captive users shall furnish an affidavit not after 30th September as per format enclosed at Schedule I to the Verifying Authority enclosing therewith the details as specified in the format(s) regarding their annual electricity generation, captive user-wise consumption and equity share holding during the previous year.
- Verifying Authority shall issue communication about the status of CGP and Captive users within two months from the receipt of the application along with the requisite documents complete in all respects.
- The RLDC, SLDC, and Distribution Licensee, in whose area the CGP or Captive user is located, shall extend necessary assistance to the Verifying Authority in the verification of the captive status of the generating plant and its users.
- 

#### **Criteria for verification of ownership**

- In respect of captive users, the users shall hold not less than 26% of the equity share capital having voting rights throughout the year.
- In respect of Cooperative Society, the Members of the society shall collectively satisfy not less than 26% of the ownership throughout the year
- In respect of AoP, the captive uses shall hold in aggregate not less than 26% of the ownership/paid-up equity share capital with voting rights throughout the year.

### Regulatory Affairs:

## Chhattisgarh : Intra-State Open Access second amendment Regulations, 2023.

The CERC has issued a second amendment order for Intra-State Open Access Regulations, 2023.

### **Amendment of Clause 33 (6) (iii) -Clause 33 (6) (iii) shall be substituted.**

Such surcharge shall be based on the current level of cross-subsidy of the tariff category/tariff slab and/or voltage level to which such consumers, belong or are connected, as the case may be. It is to be calculated based on the average cost method by taking the difference between the average tariff for such supply voltage for the consumer of the subsidizing category and the average cost of supply for the licensee subject to the ceiling limit of 20% of adjusted average cost of supply for that year.

Example: Suppose, the cross-subsidy surcharge worked out for FY 2024-25 is 200 paise per kWh and the adjusted average cost of supply for FY 2024-25 is Rs. 6.75/kWh. Then 20% of the adjusted average cost of supply will be Rs. 1.35/kWh. Here, the computed cross subsidy surcharge of 200 paise/unit is more than 20% of the adjusted average cost of supply i.e. 135 paise/unit. Therefore, the cross subsidy surcharge for FY 2023-24, will be 135 paise/unit."

Clause 33 (6) (iv) and Clause 33 (6) (v) shall be omitted.

## MoP : Commercial Coal Mine Auctions Totally Transparent, Fair & Based on Methodology

MoP has issued a Press Release for Commercial Coal Mine Auctions Totally Transparent, Fair & Based on Methodology.

The Ministry of Coal in India clarified that after the cancellation of 204 coal mines in 2014, coal mines have been auctioned through a transparent mechanism for various end uses, including power and non-regulated sectors. The government aimed to boost domestic coal production and reduce coal imports by introducing a commercial mining policy in 2020. To ensure its successful implementation and expedite decision-making, an Empowered Committee of Secretaries (ECoS) was formed, consisting of members from the Department of External Affairs, the Department of Legal Affairs, the Ministry of Petroleum and Natural Gas, and the Ministry of Coal. This policy shift marked a significant step in India's efforts to enhance coal production and decrease its dependence on coal imports.

According to the methodology for commercial coal mine auctions, if there are fewer than two technically qualified bidders for a mine in the first attempt, the auction for that mine is annulled. A second attempt at the auction can be initiated with the approval of the Competent Authority. However, if there is only one bidder in the second attempt, the matter is referred to the Empowered Committee of Secretaries (ECoS) for a decision on mine allocation. So far, 11 coal mines have been allocated to different bidders based on a single bid after the second attempt of auction, with ECoS approval. This allocation is based on factors such as transparency in the auction process, the reasonableness of the offer, and the number of rounds the mines have been offered. It's worth noting that many mines received no bids despite multiple rounds of offers.

### Regulatory Affairs:

S. No.	Name of the Coal Mine	State	Successful Bidder	Final Offer submitted by the bidder	Vesting/ Allocation Date	Tranches in which mine was before the final Allocation	Tranches in which mine was subsequently put for auction
1	Kuraloi (A) North	Odisha	Vedanta Limited	15.25%	3/9/2021	Nil	1st round of commercial auction
2	Gondbahera Ujheni East	Madhya Pradesh	MP Natural Resources Private Limited	5.00%	10/10/2022	Nil	2nd round of commercial auction
3	Tokisud Block II	Jharkhand	Twenty-First Century Mining Private Limited	5.00%	8/2/2023	Nil	2nd round of commercial auction
4	Ashok Karkatta Central	Jharkhand	Moonpie Metaliks Private Limited	6.50%	Vesting Order Not Yet Issued	Nil	3rd round of commercial auction
5	Kasta (East)	West Bengal	Jitusol Developers Private Limited	5.00%	12/12/2022	Nil	3rd round of commercial auction
6	Marki Barka	Madhya Pradesh	Birla Corporation Limited	6.00%	17-01-2023	1st	3rd round of commercial auction
7	Barra	Chhattisgarh	Bharat Aluminium Company Limited	5.00%	12/12/2022	2nd	3rd round of commercial auction
8	Maiki North	Madhya Pradesh	Maiki South Mining Pvt. Ltd.	5.00%	12/12/2022	Nil	3rd round of commercial auction
9	Alaknanda	Odisha	Rungta Sons Private Limited	5.00%	12/12/2022	2nd	4th round of commercial auction
10	Choritand Tiliaya	Jharkhand	Rungta Metals Private Limited	11.25%	8/6/2023	1st, 2nd & 4th	5th round of commercial auction
11	Sitanala	Jharkhand	JSW Steel Limited	5.00%	8/6/2023	3rd & 4th	5th round of commercial auction

From the above auctioned 11 coal mines, only one coal mine i.e. Gondbahera Ujheni East coal mine has been successfully won by the Adani Group i.e. MP Natural Resources Pvt Ltd. Other mines have also been successfully auctioned to others at the same percentage revenue share at which Gondbahera Ujheni East was auctioned.

Commercial coal mine auctions are a tremendous success. Since, the first auction of commercial mining in 2020, a total of 91 coal mines have been successfully auctioned during a short period of three years in seven tranches under commercial coal mining. Out of these 91 coal mines, nine coal mines have received all the permissions and five coal mines have started production. Production during FY 23 from commercial mines was 7.2 million tonnes (MT).

Further, no correlation has been established between Cavill Mining Pvt Ltd and Adani Group. Also, as per the provisions of the Tender Document, the affiliate shall mean, a person who, directly or indirectly:

(1) Controls such Bidder.

(2) is Controlled by such Bidder;

(3) is controlled by the same person, who directly or indirectly, controls such Bidder. or (4) is an Associate Company of such Bidder.

In this case, it cannot be established that Cavill Mining Pvt Ltd is an affiliate of Adani Group. Furthermore, in case a misrepresentation has been found at any stage of the auction process, the Ministry of Coal has a right to take appropriate actions as per clause 5.12 of the tender document.

The auction of coal blocks to the private and public sectors is conducted as per the CMSP and MMDR Acts in a transparent, open, and accessible process.

### Regulatory Affairs:

## PXIL : Updated Penalty Charges (structure) on default of Bilateral Contracts

PXIL has issued a circular for Updated Penalty Charges (structure) on default of Bilateral Contracts

All bilateral products of the Exchange are traded as a firm delivery contract; the Revision of the schedule for such products shall be as per approved Byelaws and Business Rules of the Exchange. The Penalty (Charges) Structure is applicable to all Term Ahead (Bilateral Transactions) including Any Day One-sided (Reverse Auction) and Uniform Price step Auction (Daily, Weekly, Monthly), Intraday, Day Ahead Contingency Contracts. The applicable penalty charges on member(s) who had defaulted would be as under.

Curtailment of trade, if any, by the Power System Operators (SLDC/RLDC/NLDC) due to a forced outage of the unit, Transmission constraint, or force majeure, shall not be treated as default.

Non-timely application by the Members/clients to their respective SLDC(s) for concurrence resulting in non-receipt of concurrence (SLDC).

Delivery Days	Penalty Amount	Exchange Administrative charges	Amount Credited to Settlement Guarantee Fund (SGF) Account
All including intra-day, Day-ahead, Any day single sided with Reverse Auction and Uniform Pricing for Daily, Weekly, Monthly Contracts	Respective Pre-bid margin for the product of the buyer or seller whichever is higher capped at Rs. 100/MWh	Lower of 10% of Penalty Amount or Rs.10000	Penalty Amount minus Exchange administrative charges

- The penalties shall be forfeited from the pay-outs and /or settlement or ledger account balances and/ or deposits of the defaulting members/clients.
- In case the pay-outs / balances/deposits of the defaulting member /client are not sufficient, the exchange shall raise a Demand Note to the extent of the amount of penalty not already recovered from such deposit.
- The defaulting member/client is obligated to make good the demanded amount within 3 working days, failing which the defaulting member shall be declared a defaulter under 5.10 and 1.5 of the APPENDIX-1 of the Business Rules of the exchange, extant Regulations and laws and prosecuted accordingly. The penalty amount received less deduction transmission charges / statutory/regulatory dues already paid or payable and less deduction of the PXIL transaction charges of the exchange shall be transferred to the Settlement Guarantee Fund (SGF) and shall be a part of SGF.

### Forced outage by seller

- In case of a forced outage of a generating plant/unit resulting in a revision of the schedule by the Load Dispatch Centre, the original schedule becomes effective from the estimated time of restoration of the unit. However, the transmission charges as per the original schedule continue to be paid for two days by the Seller and Buyer.
- In such cases, a portion of the transmission charges paid by the Buyer becomes nonrefundable from the respective Load Dispatch Centre due to the curtailed schedule. Under such circumstances, the Exchange shall debit the non-refunded transmission charges of the Buyers from the Seller and credit it to the Buyer.

### Regulatory Affairs:

#### Revision request by Buyer/Seller other than forced outage

- The Exchange shall not revise the schedule once the application for scheduling has been made. In case the schedule is revised on account of reasons other than forced outage of the unit, Transmission constraint, or force majeure, a penalty shall be imposed on defaulting Member or Client, as the case may be.
- The penalty amount will be equivalent to shortfall in contracted quantity at the rate of 20% of the trade price i.e.  $([\text{contracted quantity} - \text{delivered quantity}] * \text{trade price} * 0.20)$  or as may be specified by the Exchange from time to time. The penalty amount shall be passed on to the counterparty as compensation after adjustment of applicable charges, if any, and deducting administrative charges for the Exchange which will be 5 % of the penalty amount subject to a minimum of Rs.10,000/- (Rupees Ten Thousand Only) (excluding taxes). The penalty amount shall be passed on to the Counter party at the end of the contract duration or at the time of cancellation of the contract.”

#### Non-payment of obligation/requisite Margin not maintained by the buyer

- In case, the buyer does not maintain the sufficient margin required for the product, the Exchange may apply to the RLDC / SLDC for cancellation of schedule and levy penal charges on the defaulting member who has not maintained the specified margin.
- The Exchange may apply to the concerned RLDC/SLDC for cancellation of the trade. The defaulting Member's Transmission charges so refunded by the LDC (RLDC/SLDC) to the Exchange in lieu of the cancellation of trade shall be forfeited.
- In case of default of contract obligation by the party, the refund of balance transmission charges as received from the transmission system operator shall be paid to the counterparty (non-defaulting) after deduction of the Exchange transaction charges.

### **CERC : Uploading of Monthly Information on the website of Trading Licensees**

CERC has issued an order for Uploading of Monthly Information on the website of Trading Licensees-reg.

The Commission's staff consistently monitors the trading licensees' websites to ensure the regular updating of monthly information, as required by regulations. They have engaged in both telephonic and email communications with the licensees, urging them to comply with the stipulated requirements and post the necessary updates promptly.

Due to a significant increase in the number of trading licensees following the introduction of the Trading Licence Regulations 2020, a comprehensive review was conducted to assess the status of monthly information updates on their websites. The review revealed that some licensees are not consistently updating information, while others face issues such as non-functional websites or lack of data/download options. Additionally, discrepancies were noted in the available data. An annex containing the status of information submission by all trading licensees as of November 7, 2023, has been provided.

The Commission has been informed about the non-compliance of regulations by certain trading licensees, as outlined in the Annexure. In response, the Commission emphasizes the expectation for all trading licensees to adhere to the regulations both in letter and spirit. A directive has been issued to these licensees, instructing them to upload information on their websites in a timely manner, as specified in the regulations. Failure to comply may result in penal action in accordance with relevant provisions. Furthermore, the concerned licensees are directed to upload past data in prescribed formats (month-wise until October 2023) on their websites by November 30, 2023. They are also instructed to address discrepancies in the available data, with communication sent to specified email addresses for acknowledgment.

Moreover, in the interest of market participants, it is suggested that the trading licensees should strive towards building the necessary technological capabilities to provide data through API to the Commission and other market participants on a regular basis-

### Regulatory Affairs:

#### Market News: Market coupling of power exchanges by FY24-end

This news is only for knowledge purposes, Financial Express has issued news for Market coupling of power exchanges by FY24-end

Market coupling” of power exchanges proposed by the Union power ministry earlier this year, is likely to come into force by the end of FY24, an official source said, denying any plans to put the plan on hold.

“The proposal should have been implemented by now but the work is in process,” a Central Electricity Regulatory Commission (CERC) official said. “We have received the comments and it (the order) should come out by the end of the year.”

Market coupling is meant to have uniform prices across multiple exchanges, and foster competition in the fledgling sector. Still, only 7% of the power generated in the country is sold via exchanges.

After the CERC drafted the regulation early in June, the Indian Energy Exchange (IEX), the largest power exchange platform handling more than 90% of the power deals, raised objections to the same as the move could undermine the exchange’s market power. While competitors say IEX’s early mover advantage should not be allowed to be unchallenged, the largest exchange maintains that it has gained strength with the technological edge.

“The public hearing is done and we have also received the comments. It (the implementation) might have been delayed amid other regulations and draft policies,” the official said.

Apart from IEX, India has two more power exchanges – Hindustan Power Exchange (HPX) and Power Exchange of India. Currently, the National Load Despatch Center (NLDC) acts as a market coupler for a small market.

Market coupling is a process wherein all the collected bids from all power exchanges are matched to determine a uniform market clearing price for the Day Ahead Market (DAM) Real-time Market (TAM) or any other market as notified by the CERC. Though one of the objectives of the scheme is the optimum use of transmission networks, many experts citing global examples have opined that these goals may not be met.

Additionally, CERC is likely to come out with its Terms and Conditions for tariff determination for power companies for the period 2024-2029 by the end of March next year.

“We determine a multi-year tariff for every five years and the terms and conditions for the tariff calculation for companies in the next five years i.e. 2024-2029 shall be released by March,” the official said.

CERC had last month extended the applicability of current Renewable Energy tariff norms till March 31, 2024. The commission has started the process of reviewing the RE Tariff Regulations for the next Control Period (2024-2029), it had said in a notification earlier.

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Further, talking about the implementation of the Automatic Distribution Management System and its efficiency in the Indian market, the official said that the rate of implementation of the system is slow in the country and requires a boost.

“Its (ADMS) implementation in India is slow but we are engaging states to work on its better implementation.” Automatic Distribution Management System helps states in better demand forecasting and estimation systems to minimize deviations from the allocated schedules for electricity consumption.

### Regulatory Affairs:

## Uttarakhand : Green Energy Open Access Regulations, 2023

UERC has issued Green Energy Open Access Regulations, 2023.

These Regulations shall come into force from the date of their publication in the Government Gazette.

### Eligibility criteria for Green Energy Open Access-

A consumer who has contracted demand or sanctioned load of 100 kW or more, either through a single connection or through multiple connections in the name of the same consumer aggregating 100 kW or more located in the same electricity division of a distribution licensee, shall be eligible to take power through GEOA and there shall be no limit for other customers including Captive consumers, RE generators, etc., drawing/supplying power under GEOA.

### Nodal Agency

SLDC Uttarakhand shall be the Nodal Agency for the grant of GEOA for the short-term and the STU shall be the Nodal Agency for the grant of GEOA for the Medium-term and long-term.

### Procedure for Grant of Green Energy Open Access

The application format and applicable Bank Guarantees/Fee/Charges etc. shall be prepared by the Nodal agency within a period of 30 days from the date of notification.

All the applications for registration of the GEOA complete in all respects, shall be submitted on the portal setup by the Central Nodal Agency and these applications shall get routed to SLDC.

SLDC shall process and recommend the applications for registration within 5 working days for new applications and within 2 working days for renewal of registration through the GOAR Portal.

An application for availing of Green Energy Open Access can be made through the GOAR portal only by the registered customers.

No application for open access shall be denied unless the applicant has been given an opportunity of being heard in the matter by the Nodal Agency and all orders denying open access shall be speaking orders.

### Green Energy Open Access Charges

The charges to be levied on Green Energy Open Access customers shall be as follows-

Transmission charges, Wheeling charges, Cross subsidy Surcharge, Standby charges wherever applicable, Banking charges, Application fees/SLDC fees/Charges, scheduling charges, deviation settlement charges, and reactive energy charges.

Provided that the cross-subsidy surcharge for Green Energy Open Access Consumers purchasing green energy, from a generating plant using renewable energy sources, shall not be increased, during twelve years from the date of operating of the generating plant (using renewable energy sources), by more than fifty percent of the surcharge fixed for the year in which open access is granted.

The cross-subsidy surcharge shall not be levied in case distribution access is provided to a person who has been availing green power from the plant established as a captive generation plant for his own use.

Provided also that no additional surcharge shall be applicable to embedded consumers of distribution licensees who opt for Green Energy Open Access.

The cross-subsidy surcharge and additional surcharge shall not be applicable in case power produced from a non-fossil fuel-based Waste-to-Energy plant is supplied to the Open Access Consumer.

The cross-subsidy surcharge and additional surcharge shall not be applicable if green energy is utilized for the production of green hydrogen and green ammonia.

The additional surcharge shall not be applicable in case electricity is produced from offshore wind projects, which are commissioned up to December 2032 and supplied to the Open Access Consumers.

Reactive Energy Charges: The Green Energy Open Access customer shall pay for the reactive energy in accordance with provisions of the State Grid Code notified by the Commission.

Collection of Charges: The Charges in respect of Green Energy Open Access customers shall be payable directly to the Nodal Agency and Distribution licensee.

### Regulatory Affairs:

#### **Banking Facility and Charges**

The banking facility including injection of surplus energy and drawal of banked energy shall be subject to scheduling.

The Banking Charges shall be adjusted in kind @ 8% of the energy banked.

The permitted quantum of banked energy by Green Energy Open Access consumers shall be at least 30% of its total monthly consumption of electricity from the Distribution Licensee.

Provided that the credit for banked energy shall not be permitted to be carried forward to subsequent billing cycles and the credit for energy banked shall be adjusted during the same billing cycle.

Provided further that, the energy banked during peak hours (TOD slots) shall be permitted to be drawn during peak as well as non-peak hours (TOD slots) by paying banking charges.

The unutilized surplus banked energy shall be considered as lapsed at the end of each billing cycle. However, the RE Generating Station would be entitled to Renewable Energy Certificates to that extent.

#### **Curtailment Priority**

STOA customers other than Green Energy Open Access customers shall be curtailed first Next, MTOA, and Next, LTOA followed by Green Energy Open Access customers.

#### **Ministry of Coal : Reviews of Coal Production from Commercial & Captive Mines**

Ministry of Coal has released news for reviews of Coal Production from Commercial and captive Mines.

The total coal production from captive/commercial coal mines during the period 1st April 2023 to 20th November 2023 was around 80 MT indicating a y-o-y growth of 23% from the same period of FY 2022-23. During the year 2023-24, 145 MT is expected to be produced from these mines which will reduce the import of coal into the country.

### Energy Requirement :



### Energy Supplied :



### LEADERSHIP THOUGHT

“A leader is best when people barely know he exists, when his work is done, his aim fulfilled, they will say: we did it ourselves  
Lao Tzu”

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