

# **RE** MONTHLY UPDATE

*April, 2020*

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## Tenders

- About 3,673 MW of renewable tenders are issued in April 2020, including- 3,500 MW of utility scale solar tenders, 100 MW BOS tender, 45 MW rooftop solar tender, 15 MW of floating solar tenders and 3 MW of O & M tender.
- Auction is completed for about 2,000 MW of tenders.

## New RFS Issued

Tender Name	Technology	Capacity (MW)	Tender Scope	Other details	Bid submission date
<a href="#">SECI, 2500 MW, Karnataka, Solar, ISTS-X</a>	Solar	2500	PD	EMD: INR 0.4 million/MW/Project	29-May-2020
RITES, 1000 MW, Zonal Railways Across India, Solar	Solar	1000	PD	EMD: INR 1 million	29-June-2020
<a href="#">SECI, 15 MW, Telangana, SSCL, Floating Solar</a>	Floating Solar	15	EPC	EMD: INR 10.7 million	18-May-2020
<a href="#">BHEL, 100 MW, Telangana, BOS</a>	BOS	100	BOS	EMD: INR 2.76 million	27-Apr-2020
<a href="#">MPMKVVCL, 45 MW, Madhya Pradesh, Solar, Residential Consumers</a>	Rooftop Solar	45		EMD: INR 0.3 million	29-May-2020
<a href="#">Power &amp; Electricity Department, 10 MW, Mizoram, Solar</a>	Solar	10	PD	EMD: INR 0.4 million/MW	28-May-2020
<a href="#">KPCL, 3 MW, O&amp;M, Karnataka, Solar</a>	Solar	3	O&M	EMD: INR 0.124 million	4-May-2020

Source: JMK Research

## Retendered/ Date extension

Tender Name	Technology	Other details	Bid submission date
<a href="#">NTPC, Rajasthan, 735 MW, BOS, Mar</a>	BOS	Bid Security: INR 50 million	19-May-2020

<a href="#">SECI, Diglipur, North Andaman, 4 MW Floating Solar Project with 2 MW BESS, Jan 2020</a>	Floating Solar	EMD: INR 5.4 million PBG: INR 10.08 million	4-May-2020
<a href="#">NTPC, 1,200 MW, Solar, Pan India, Feb 20</a>	Utility scale solar	EMD: INR 0.4 million/MW	28-May-2020
<a href="#">SECI, Telangana, 34 MW, SCCL Plant, Mar 2020</a>	Solar	EMD: INR 30.872 million	13-May-2020
<a href="#">SECI, Telangana, 32 MW, SCCL Plant, Mar 2020</a>	Solar	EMD: INR 20.956 million	15-May-2020
<a href="#">NTPC, 600 MW, Wind, Pan India</a>	Wind	Bid Security: INR 0.6 million/MW	25-May-2020
<a href="#">SECI, Pan India, 1200 MW, Hybrid, Tranche- III, BOO Basis, Jan 2020</a>	Hybrid	EMD: INR 0.5 million/ MW/ Project PBG: INR 2 million/ MW/ Project	15-May-2020

Source: JMK Research

## Result announced/ Bids submitted

Tender name	Status	Capacity tendered (MW)	Capacity allotted/ bid submitted (MW)	Bidders/ winners details
<a href="#">NHPC, 2,000 MW, ISTS-I, Solar PV Project</a>	Project allotted	2,000	2,000	SoftBank: 600 MW (INR 2.55/kWh) O2: 380 MW (INR 2.55/kWh) Axis Ventures:400 MW (INR 2.55/kWh) Eden:300 MW (INR 2.55/kWh) Avaada:320 MW (INR 2.56/ kWh)

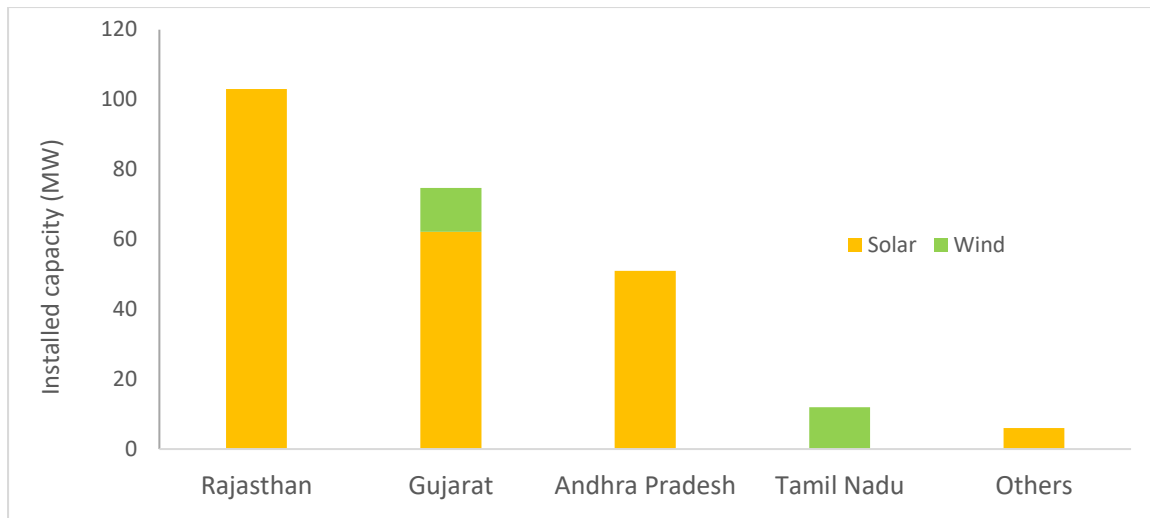
Source: JMK Research



## Projects Commissioned

In March 2020, about 222 MW of new solar capacity and 25 MW of new wind capacity is added.

**State-wise installations in solar and wind during March 2020**



Source: MNRE, JMK Research

## List of recently commissioned projects

Project developer name	Technology	Capacity (MW)	Tender name	State	Date of commissioning
Adani Solar	Solar	50 MW	PPA with SECI at INR 2.54/kWh	Rajasthan	Apr 2020
Gajavelli Spinning Mills Pvt Ltd	Wind	2 MW	Captive	Andhra Pradesh	Apr 2020
Chitturi Projects Pvt Ltd	Solar	1 ME	Captive	Andhra Pradesh	Mar 2020

Source: JMK Research

### [Vikram Solar bags 300-MW solar project in Rajasthan from NTPC](#)

Vikram Solar, bagged a 300 MW solar plant project for Rs 1,750 crore from National Thermal Power Corporation Limited (NTPC) under the CPSU-II scheme. The solar plant would be spread across 1,500 acres in Rajasthan and is slated to be completed in 18 months.

### [China's Trina Solar secures 100-MW contract with SunSource Energy](#)

Chinese solar panel manufacturer, Trina Solar, on Thursday said it has secured its first 100 MW contract in India for its new solar modules with energy and storage solutions provider, SunSource Energy. The firm would start the shipment of modules in the fourth quarter of 2020. This is the first 100-MW-plus contract in India for Trina Solar's new Vertex modules that have a conversion efficiency rate of up to 21 per cent and can deliver more than 500 Watt of power from the front surface.

### [Tata Power Solar receives LoA for NTPC project worth Rs 1,730 cr](#)

Tata Power Solar received the Letter of Award (LoA) to build the 300 MW CPSU-II for NTPC at an all-inclusive price of Rs 1,730.16 crore. Tata Power Solar is an integrated solar company and a wholly-owned subsidiary of Tata Power. The company had bagged the said order in an auction held on February 21, 2020.

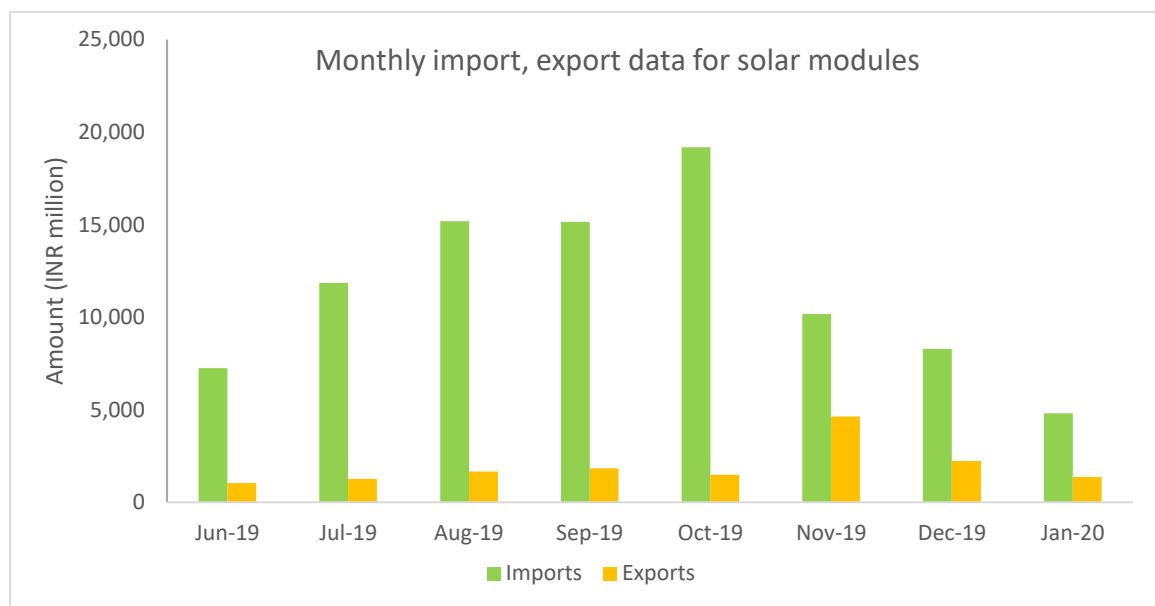
## Investments/ Deal

Date	Company name	Deal type	Sector	Asset (MW)	Acquirer/ Investor	Deal value	Stake Acquired
27 April 2020	Shapoorji Pallonji	M&A	Solar	317 MW	KKR	INR 1554 Crore (\$204 million)	100%
29 April 2020	MYSUN	Equity (Pre Series A funding)	Solar		Existing Investors	INR 32 Crore (\$4.26 million)	

Source: JMK Research

## Monthly import-export statistics

Monthly imports have fallen sharply by about 42% in Jan 2020 compared to Dec 2019 imports.

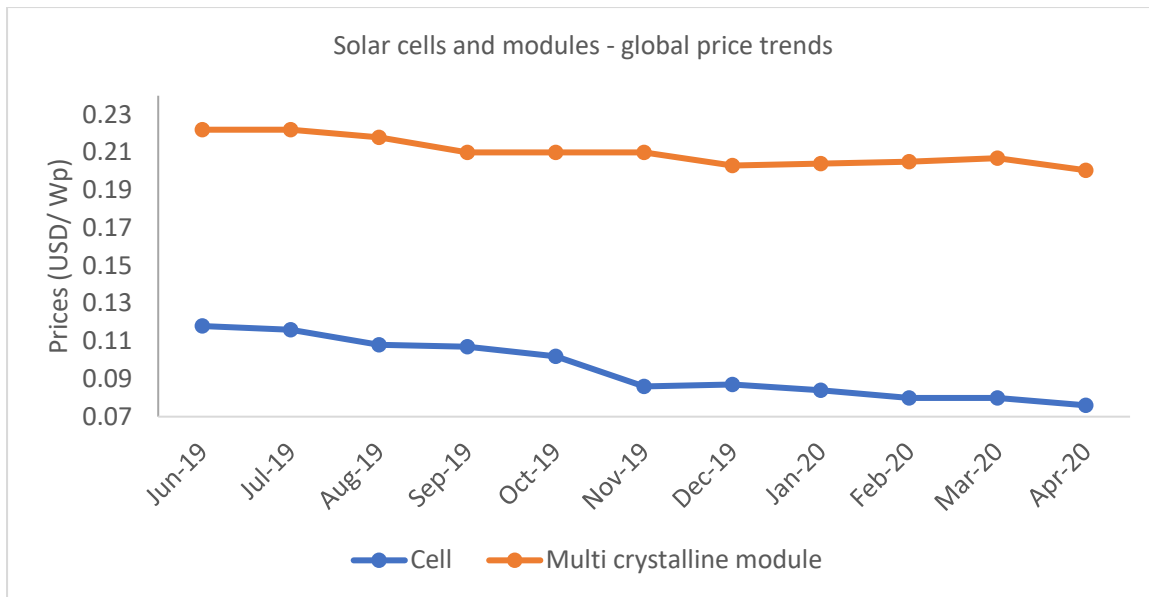


Source: Ministry of Commerce, JMK research

\*From Feb 2020- April 2020, import and export figures are not yet released by the Ministry

## Global Price Trends

In April 2020, module prices have fallen by 3% compared to March 2020 data.



Source: EnergyTrend, JMK Research

## Policy and Regulation

### [MERC order on exempting grid support charges in Maharashtra](#)

- No grid support charges (GSC) to be levied until rooftop solar capacity in Maharashtra reaches 2 GW
- Consumers having sanctioned load up to 10 kW shall be exempted from GSC.
- Approved GSC charges are HT consumers- INR 1.45/ kWh and LT consumers- INR 2.33/ kWh. 50% concession applicable on these charges
- Banking charges for HT Consumers will be 7% and for LT consumers to be 12%
- Additional fixed charges on behind the meter rooftop solar exempted with emphasis on registering such installation primarily for grid security

### [Extension of validity of Renewable Energy Certificates \(RECs\)](#)

- To avoid demand supply imbalance in the REC market, CERC has decided to extend the validity of RECs which have expired or due to be expired between 1<sup>st</sup> April, 2020 and 30<sup>th</sup> September, 2020 up to 31<sup>st</sup> October, 2020.
- This includes about 1,30,500 RECs (34,768 Solar and 95,732 Non-Solar) which were issued prior to 01.04.2017, have expired as on 1<sup>st</sup> April 2020. Another 32,069 RECs (674 Solar RECs and 31,395 Non-Solar RECs) which were issued after 01.04.2017 and are due to expire within the next six months.

### [Clarification regarding timely payment and Must run status for RE plants](#)

In the lockdown owing to Covid 19 pandemic all over India, MNRE issued “must run” status for renewable Energy generating stations. In addition to this, Ministry said that,

- MNRE clarified that the payment to RE generators needs to be done on the regular basis despite earlier notice of moratorium of three months to make payments.
- The must run status will remain same throughout the lockdown period and ministry reiterated that any curtailment but for grid safety reason will lead to deemed generation.
- Already DISCOMs have been given enough relief like moratorium period to make payment as per earlier notice of Power Ministry.

### [Closure of Atal Jyoti Yojana Scheme Phase II](#)

Atal Jyoti Yojana phase II scheme was launched by MNRE on December 18, 2018 which was valid for one year. Earlier, this scheme was extended for a period of one year till March 31, 2021. But, In the wake of Covid 19 outbreak across the country, government has decided to close the second phase of AJAY scheme since the progress of implementation of this scheme was extremely low. As of April 1, 2020, only 1,35,677 solar street lights were installed out of 3,04,500 total units to be installed under this scheme, which is approximately 44.5% of the aggregate number.

### [Off-Grid and Decentralized Solar PV Program Extended to March 31, 2021](#)

The Ministry of New & Renewable Energy has extended the third phase of Off grid and Decentralized Solar Photovoltaic programme till the end of March 2021. This programme aims at installation of solar street lights in the region where there is no facility for street lighting systems through grid power.

- MNRE set the target of installation of 118 MW of solar power capacity under phase III of this programme.
- Financial outlay of Rs. 2760 million for installation of 50 MW in FY 2018-19 and Rs. 3800 million for installation of 68 MW in FY 2019-20 has been already approved.
- During this extension period FY 2020-21, sanction for the installation of solar street light projects will only be available in the northeast region.
- In addition to this, ministry will issue detailed guidelines for implementation and subsidy disbursement mechanism under RESCO model, separately.

### [MNRE grants blanket extension of Lockdown plus 30 days for RE projects](#)

In order to provide relief to RE stakeholders on account of outbreak due to Covid 19, MNRE has granted blanket extension of lockdown plus 30 days for normalization of all RE projects. MNRE will treat this lockdown as Force Majeure and may grant suitable extension for RE projects. And further added that there will be no requirement of case to case examination and no need to ask for any evidence for an extension due to lockdown. Due to spread of corona virus in many countries across world, the supply chain of renewable energy implementing agencies is disrupted abruptly.

### [MNRE addresses Invoicing Issues faced by RE Generators due to Corona virus Pandemic](#)

While addressing to the problems that are being faced by RE generators due to this Covid 19 pandemic situation, MNRE has issued guidelines for billing and invoicing for solar, wind, hybrid, small hydro, biomass power generating stations. And asked them to submit hard copies of invoices within 15 days of the lift of national lockdown.

MNRE provided guidelines for billing/invoicing for RE Power Generating Stations:

- For billing done through Regional Energy Account (REA) or State Energy Account (SEA), invoices may be accepted through email and due date may be calculated as per terms of PPA
- For billing done through Joint Meter Reading (JMR), if JMR is available, invoices may be accepted through email and due date may be calculated as per terms of PPA
- If in case, JMR cannot be signed due to lockdown, RE power developer should take photograph of meter reading and thus generated invoice may be accepted.
- Alternatively, DISCOM may opt to pay on the basis of invoice for the same month of previous year, if it is lower.
- And for newly commissioned projects, DISCOMs may opt to pay on the basis of invoice of previous month, if it is lower.



### [Implementation of CPSU scheme phase II for setting up 12 GW Grid connected Solar PV Projects](#)

MNRE has appointed Indian Renewable Energy Developing Agency (IREDA) as the new implementing agency for setting up of 12GW Grid connected solar Photo Voltaic projects. The scheme was earlier being overseen by Solar Energy Corporation of India. Total capacity of 12 GW to be added in 4 years period, from FY 2019-20 to FY 2022-23. The amendments made under this scheme as follows:

- Usage charges under this scheme should not exceed Rs. 2.8/unit and will be exclusive of any other third-party charges like wheeling charges, transmission charges etc. Earlier this usage charge was Rs. 3.5/unit.
- The maximum Viability Gap Funding (VGF) allowed has been set at Rs. 0.7 Cr/MW. MNRE will timely review this VGF amount.
- The scheme has mandated to use domestically manufactured solar photovoltaic cells and modules as per the specifications fixed by MNRE.
- IREDA will be entrusted to conduct bidding amongst the government producers for allocation of solar power projects with VGF as a bidding parameter to select project proponent.
- For projects up to 500 MW capacity, time period for commissioning of solar power projects increased from existing 18 months to 24 months from the date of letter of award.
- In the projects more than 500 MW capacity, project up to 500 MW capacity needs to be commissioned within 24 months and remaining capacity needs to commission in next six months.
- An additional clause is involved in this scheme, IREDA can also allot solar power projects of up to 50 MW to the interested entity at L1 (lowest tariff bid) rate.

### [Proposal by CERC for New Forbearance Price and Removal of Floor Price for RECs](#)

Central Electricity Regulatory Commission has issued a proposal to establish Forbearance and Floor price for Renewable Energy Certificates. Under the existing system, the prices RECs were quoted as shown in table, which were based on tariff discovered through competitive bidding up to February 2017, which were published by MNRE.

#### Existing prices for Renewable Energy Certificates

	Non-Solar REC (Rs./ MWh)	Solar REC (Rs./ MWh)
<b>Forbearance Price</b>	3,000	2,400
<b>Floor Price</b>	1,000	1,000

Source: CERC

In the period, January 2019 to March 2020, tariff discovered through competitive bidding was Rs. 2.74/kWh and that for wind projects was Rs. 2.85/kWh. Accordingly, CERC has proposed to reduce the prices. Forbearance price is reduced up to Rs. 1000/MWh for both solar and non-solar RECs. Further, CERC states that in order to promote the sale of RECs, floor price is no longer required.

#### Proposed prices for Renewable Energy Certificates

	Non-Solar REC (Rs./ MWh)	Solar REC (Rs./ MWh)
<b>Forbearance Price</b>	1,000	1,000
<b>Floor Price</b>	0	0

Source: CERC

### [Summary of Draft Electricity Amendment – 2020](#)

Ministry of Power has issued a draft for the amendment of Electricity Act 2003 and advised stakeholders to submit their comments, suggestions and objections till the deadline June 5, 2020.

The highlights of the amendments proposed to include in Electricity Act, 2003 are as follows,

1. This Act may be called the Electricity (Amendment) Act, 2020.
2. As per sub-section (2) of section 1 Act shall be extended to whole India, removing earlier special status given to J&K (In line with removing of article 370 in August 2019)
3. In section 2, clause (15a) is added mentioning Cross border trade. It will now cover
  - Import or Export of electricity from India and any other country
  - Transaction related to electricity passage through India in transit between two other countries
 In earlier act, there was no mention of cross border trade and it was driven by policy guidelines rather than the statutory status. This will now open new avenues as statutory amendment will add more sanctity to transactions related to cross border trade.
4. In section 2, clause (17a) is added mentioning introduction of Distribution Sub-Licensee, which will include the following:

- Person recognized and authorized by Distribution Licensee
- Shall require permission from State Electricity Regulatory Commission
- No requirement of separate license from State Electricity Regulatory Commission

As a new category of licensee has been defined under distribution licensee, which has similar operational characteristics of Distribution Franchisee. This may be beneficial to outsourced agencies which DISCOMs employed for various roles like meter reading, billing, revenue collection etc. and adding them under the distribution sub-licensee ambit which would make them more accountable towards their work.

5. After section 3, the following section is included (3A) which states the formulation of National Renewable Energy Policy by Central government in consultation with State governments. Its objective would be to:

- Promote generation of electricity from renewable sources of energy, and
- Prescribe minimum % of purchase of electricity from renewable and hydro sources

This will provide special attention to Renewable Energy Development in the country and reducing ambiguity in RE implementation plan by Centre and different states. Since States would also be part of such consultative framework, it would be difficult for them to breach their policy commitment. This also pays special emphasis considering hydro under renewable and specifying a minimum percentage as Hydro Purchase Obligations and would help in promotion of hydro power.

6. In section 14 for the seventh proviso, the following proviso shall be substituted,

- Franchisee shall not be required to obtain any separate license

Under Electricity Act 2003, there is no requirement of license for franchisee, however, there has been question on legal status of franchisee and this amendment may help removing such regulatory uncertainty for they can work as distribution licensee and distribution sub-licensee.

7. In section 26 of the principal Act, after sub-section (3A) additional roles to NLDC as follows

- Responsible for optimum scheduling and dispatch in the country across different regions
- Scheduling and despatch in accordance with the contracts
- Monitor grid operations
- Authority for carrying out real time operations of the national grid

- The NLDC may give such directions and exercise such supervision and control as may be required for the safety and security of the national grid and for ensuring the stability of grid operation throughout the country.
- Every Regional Load Despatch Centre, State Load Despatch Centre, licensee, generating company, generating station, sub-station and any other person connected with the operation of the power system shall comply with the directions issued by the National Load Despatch Centre

The proposed amendment helps in defining the role of NLDC with more precision and thus empowers them to issue instructions with respect to grid related matters, across national geography for grid safety and stability.

8. In section 28, clause (a) of sub-section (3) and in section 32 of clause (a) of sub-section (2), is added –

- No schedule or dispatch of electricity unless adequate security of payment is provided as per the contract

This is in line with the guidelines issued by MNRE earlier, thereby instructing Discoms to open LC for the power procured from the generators. Mentioning the same in Electricity Act would help in greater enforcement of contracts and helps such enforcement by way of creating payment security mechanisms. This will also help in managing the payment risk at present looming large on Gencos and IPPs.

9. In section 38 of the principal Act, for sub-clause (ii) of clause (d) of subsection and in section 39 of the principal Act, for sub-clause (ii) of clause (d) of subsection (2) added

- Transmission Charges under open access may be specified by Central Commission and surcharge may be specified by State Commission. if required by the Appropriate Commission to be collected by it.” (Earlier both functions were with Central Commission)

It withdraws powers of levying of any surcharge by DISCOMs or transmission utilities unless the same is required by Commission. This may bring some control over Discoms, who have earlier demanded to levy several charges against the open access consumers.

10. In section 42 of the principal Act, Open Access shall be allowed on payment of a surcharge and wheeling charges.

- In addition to the Intra-state transmission charges determined by SERCs and,
- Inter-state transmission charges determined by CERC

It specifies allowing open access upon payment of explicit surcharge, wheeling charges and transmission charges. This points needs more clarification, as it does not specify whether Discoms can allow/deny open access, if these charges are paid.

11. In section 42 of the principal Act for the third proviso to sub-section (2),

- Reduction in surcharges and cross subsidies by SERCs in the manner as may be provided in the Tariff Policy (earlier it was as specified by State Commission).

The proposed amendment withdraws the powers of state electricity regulatory commission to progressively reduce CSS and mandates them to abide by National Tariff Policy to reduce the CSS. This is a positive step towards further strengthening the Open Access framework.

12. In section 42 of the principal Act for the third proviso to sub-section (2),
- Manner of payment and utilization of surcharge shall also be specified by SERCs
- Addition of the new provision, will help in removing ambiguity with respect to the modalities and recovery of open access charges by DISCOMs, which sometimes was not an appropriate way and now it will need regulatory approval.
13. In section 49 of the principal Act, the following section is included: -
- Agreement with respect to supply or purchase or transmission of electricity by Generating company an agreement with a licensee for supply, purchase or transmission of electricity on terms and conditions, including tariff and adequate security of payment
- The proposed amendment expands the scope of existing provisions to include not only the open access agreements but also the contracts with respect to supply, purchase and also for transmission of electricity. Also, the proposed provisions enforce the contractual obligations of payment security mechanism in all such kind of transactions not only in open access but also in contracts of generator with licensees.
14. After section 49 of the principal Act, section 49A shall be inserted, namely: -
- Central government may prescribe rules and guidelines for facilitating cross border trade of electricity. Central commission may require to make regulation for such trade.
- As discussed in previous provisions, the mention of cross border is as per the statutory status rather than guided by policy guidelines. Now this amendment provides statutory status to cross-border regulations of CERC which was issued to as per MOP guidelines.
15. In section 61 of the principal Act
- i. in clause (g), the word “progressively” shall be omitted and for the words “specified by the Appropriate Commission” the words “as provided in the Tariff Policy” shall be substituted;
  - ii. in clause (h), after the words “from renewable” and before the words “sources of energy”, the words “and hydro” shall be inserted.
  - iii. In clause (i) , after the words “ tariff policy”, the words “and National Renewable Energy Policy” shall be inserted.
- The proposed amendment necessary provision in respect to reduction of CSS, that has been the grey area in past several years and it reduces the discretionary power of SERCs as they are not able to reduce the CSS in the previous years.
- Inclusion of hydro power under renewable energy and also under National Renewable Energy Policy, details the importance of hydro power in coming years, as India is on the path of reduction of CO2 emissions in line with the COP-21 framework.
16. In section 62 in sub-section (1) after clause (d), the following proviso shall be included before the existing provisions, namely:-
- “Provided that the Appropriate Commission shall fix tariff for retail sale of electricity without accounting for subsidy, which, if any, under section 65 of the Act, shall be provided by the government directly to the consumer;”
- This amendment states that fixation of tariff for retail sale of electricity without accounting for subsidy and the subsidy disbursement will be made through DBT mechanism directly in consumers

account. This is replication to the model that provided subsidies directly to consumers account for the LPG cylinders.

Payment of subsidy directly to the consumer by the state government and licensee shall charge the consumers as per the tariff determined by the Commission.

Through this provision tariff setting will be more rational and now DISCOMs would not be able to manipulate the data under the ambit of subsidies provided to the consumers and hide their inefficiencies.

This was highly mandated as SERC won't find shelter of prospective subsidy assurance by state government, and also SERC do not now have to consider differentiating tariff setting for different consumers on basis of load factor, power factor, voltage, total consumption as per guidance under Tariff Policy and not as per their discretion.

However, the practical implementation of subsidy disbursement through DBT mechanism, will pose a challenge to Discoms in quantifying the significant numbers of unmetered consumers.

17. In section 62 in sub-section (1) after clause (d), the following proviso shall be included before the existing provisions, namely:-

- for the words “and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government:”, the words “the amount of subsidy directly to the consumer and the licensee shall charge the consumers as per the tariff determined by the Commission.” shall be substituted;

The provision mandates subsidy release in advance by the respective state governments through mechanism similar or otherwise to DBT directly to consumers and also removes any directions of future assurance or deferment of subsidy to be considered in tariff setting. Till date this has been used as a tool for political gains by the state governments.

18. Section 63 of the principal Act, the following sub-section shall be inserted, namely:-

- The Appropriate Commission shall, after receipt of application complete in all respects, adopt the tariff so determined in a timely manner but not later than sixty days from the date of application:
- Provided that on expiry of sixty days from the date of application, if it is not decided by the Appropriate Commission, the tariff shall be deemed to have been adopted by the Appropriate Commission”

The proposed amendment fixes the timeline for SERC to adopt tariff discovered under Section 63 (competitive bidding) within 60 day of application else it shall be deemed to have been adopted by the appropriate commission. This reinforces the commitment and timelines prescribed under the SBDs by MNRE, from time to time.

In several instances, it has been observed that the projects were commissioned but scheduling of power was not done, due to the lack of tariff adoption by respective SERC. With new proviso in place, it will reduce such kind of ambiguity.

19. Section 77 (i) sub-section and section 84 of the principal Act – (1) (Qualifications for appointment of Members of Central Commission): --- (1) The Chairperson and the Members of the Central Commission shall be persons having adequate knowledge of, or experience in, or shown capacity

in, dealing with, problems relating to engineering, law, economics, commerce, finance or, management and shall be appointed in the following manner, namely:

- one person having qualifications and experience in the field of engineering with specialisation in generation, transmission or distribution of electricity;
- one person having qualifications and experience in the field of ~~finance~~ law;
- two persons having qualifications and experience in the field of finance, economics, commerce, public policy, law public policy or management:

Provided that not more than one Member shall be appointed under the same category under clause (c).

The proposed amendment removes the requirement of consultation with Chief Justice for appointment of legal member or chairman.

The proposed amendment is to include the directive of courts on mandatory inclusion of judicial member in regulatory bodies. The amendment further expands the scope for people having credentials in public policy for being eligible to be member of commission.

The proposed amendment mandates one member mandatorily from legal background.

20. Section 78. (Constitution of Selection Committee to recommend Members) following shall be included---

- The Central Government shall, for the purposes of selecting the Members of the Appellate Tribunal and the Chairperson and Members of the Central Commission, Electricity Contract Enforcement Authority, State Commissions, and Joint Commissions, constitute a Selection Committee consisting of –
  - Judge of Supreme Court as Chairperson
  - Secretary-in-charge of Ministry of the Central Government as Member
  - Chief Secretaries of two State Government as Member
  - Secretary-in-charge of Ministry of the Central Government dealing with power as Member

The proposed amendment empowers the central government over states for the purpose of the appointment of members and chairperson of Electricity Contract Enforcement Authority, SERC or JERC. The chief secretaries of two state governments has been considered, to avoid this being considered as breach of states power.

Members of Selection Committee will be on rotation basis with chief secretary of respective states in alphabetical manner starting from Andhra Pradesh, Arunachal Pradesh and so on.

The proposed amendment ensures the appointment process to start much before retirement of member, chairperson for agencies specified in act and no position is left vacant and hampering the functions of the respective committees.

21. In section 82 of the principal Act “(7)

- If there is no chairperson and member in a State Commission to perform its functions, the Central Government may, in consultation with the state government concerned, entrust its functions to any other State Commission or Joint Commission, as it deems proper.”.

This empowers the central government to appoint other state commission to work for other states in addition of host state. In past there have been instances that the quorums of the members in State Commission was incomplete hence hampering the functioning of the commission and delaying the decision-making process.

22. Section 109 is added for formation about ELECTRICITY CONTRACT ENFORCEMENT AUTHORITY (ECEA). Summary of the Section 109 is as below:

- a. The proposed amendment provides statutory status and delineates the key roles, responsibilities of Electricity Contract Enforcement Authority (ECEA).
- b. ECEA shall be appointed by Central Govt.
- c. ECEA shall have sole authority and jurisdiction to adjudicate upon matters regarding performance of obligations under a contract related to sale, purchase or transmission of electricity, provided that it shall not have any jurisdiction over any matter related to regulation or determination of tariff or any dispute involving tariff
- d. For contracts to be part of jurisdiction of ECEA, the same need to be filed with respective commissions within 30 days of contract conclusion.
- e. There will be atleast 6 member ECEA with 2 or more from judiciary and 3 as technical members. With chairman of ECEA always as High Court Judge.
- f. ECEA will operate through benches across country with each bench having atleast one judicial member and technical member
- g. Term of Members shall be upto 67 years of age at maximum
- h. ECEA shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908 but shall be guided by the principles of natural justice and, subject to the other provisions of this Act,
- i. The ECEA shall have powers to regulate its own procedure jurisdiction to adjudicate upon matters regarding performance of obligations under a contract related to sale, purchase or transmission of electricity.
- j. Every contract between a generation company and a licensee shall be filed with the Appropriate Commission within 30 days of the said contract having been concluded.
- k. An order made by the ECEA under this Act shall be executable by it as a decree of civil court
- l. Any person aggrieved by any decision or order of the Electricity Contract Enforcement Authority, may, file an appeal to the Appellate Tribunal within sixty days
- m. Grievance against ECEA can be dealt by APTEL
- n. CERC and SERCs shall not adjudicate upon matters referred under Electricity Contract Enforcement Authority

23. Section 142 is introduced

- Penalty to be imposed to the tune of fifty paise per kilowatt-hour for the shortfall in purchase of renewable and hydro power in the first year of default, one rupees per kilowatt-hour for the shortfall in purchase in the second successive year of default and at the rate of two rupees per unit for the shortfall in purchase continuing after the second year” as specified by central agency.

The proposed amendment goes long way in enforcing RPO compliance. Giving administrative rights to Commissions for levying penalty on DISCOMs who fail to comply with the RPO and HPO obligation.

The penalty trajectory would as follows:

- i. 0.50 Rs/kWh for the shortfall in the first year of default
- ii. 1 Rs/kWh for the shortfall in the second year of default
- iii. 2 Rs/kWh after second year of default

24. In section 146 fines for non-compliance of the order or directions given by SERC, ECEA, APTEL within the stipulated timelines

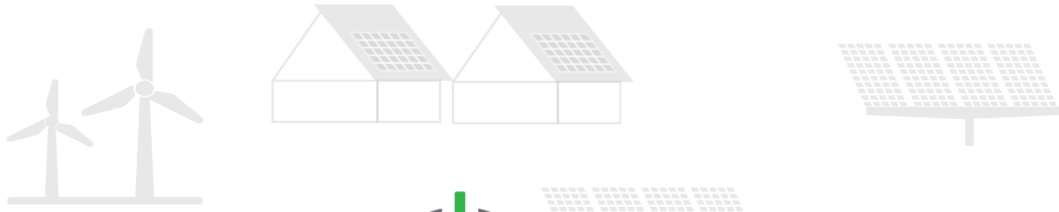
- It states that Whoever, fails to comply with any order or direction given under this Act, shall be punishable with imprisonment for a term which may extend to three months or with fine, which may extend to INR 1 Crore rupees (earlier it was INR 1 lakh), or with both in respect of each offence and in the case of a continuing failure, with an additional fine which of 1 lakh par day (earlier it was five thousand per day)

The proposed amendment increases amount of penalty for non-compliance of orders and directions of electricity forums.

25. As per this act, under various sections additional powers are given to Central Government:

- i. Minimum %age of purchase of electricity from renewable and hydro sources of energy,
- ii. Allowing and facilitating cross border trade of electricity and any matter related to it,
- iii. Laying down the modalities of bundling of renewable energy (including hydro) with thermal
- iv. Renewable Generation Obligation
- v. Payment security mechanism





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E: [contact@jmkresearch.com](mailto:contact@jmkresearch.com)

M: +91-7428306655

A: 27/2C, Palam Vihar,  
Gurgaon, Haryana-India

W: [www.jmkresearch.com](http://www.jmkresearch.com)