

RE projects that commence ahead of schedule can now sell in exchanges

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The Ministry of New & Renewable Energy (MNRE) has allowed solar power projects that have started operations before the scheduled commencement of supply date (SCSD) to sell power in exchanges or via bilateral agreements, subject to certain conditions.

The Ministry, through a notification, said solar power generators will be permitted for commencement of supply of power corresponding to full or part contracted capacity, even prior to SCSD.

However, the developer will have to give a 15 days advance notice to the end procurer and intermediary procurer regarding the advance



SHINING BRIGHT. The move is positive for projects, but unlikely to bring any major shift in performance

commissioning of full or part capacity, it added.

"The end procurer and intermediary procurer shall give acceptance for availing of such power within 15 days from the date of service of notice. In case both the end procurer and intermediary procurer do not give their acceptance to purchase

power within the stipulated period, the developer can sell the power to the extent not accepted by the end procurer and intermediary procurer in the power exchanges or through bilateral arrangements," the notification said.

If both the end procurer and intermediary procurer accept the purchase power, they will be given priority to access the power. In such instances, both procurers will be charged a tariff equal to the Power Purchase Agreement (PPA) tariff.

'NO MAJOR SHIFT'

Welcoming the development, ICRA VP and Sector Head Vikram V said the exercise would not result in a major shift in the performance of generators.

"In a scenario where these projects commission before

the timeline, having an option to sell the power in the exchanges is a positive for them, if the offtaker under the PPA is not willing to off-take such power. While this is a positive development for such projects, it is unlikely to bring in a major shift in their performance as most of the cases the projects are delayed from their CoD timeline," he explained.

"In case of multiple project components and if one or more such component (wind or solar or other RE power generating system) is ready for injection of power into the grid, but the remaining component is unable to commence supply of power, the generator will be allowed to commence supply of power from such component which is ready outside the ambit of PPA," the notification said.