PROJECTS, ENERGY & INFRASTRUCTURE

Monthly update | February 2020

SECTORAL UPDATES – UNION BUDGET

- **Oil & gas**
- **Airports**
- **Inland waterways**
- **Power & electricity**
- **Healthcare**
- **Smart cities**
- **Highways**
- **Railways**

The union budget for the year 2020-21 (**Budget**) has a clear emphasis on infrastructure development and contains a host of announcements for several focus areas

OIL & GAS

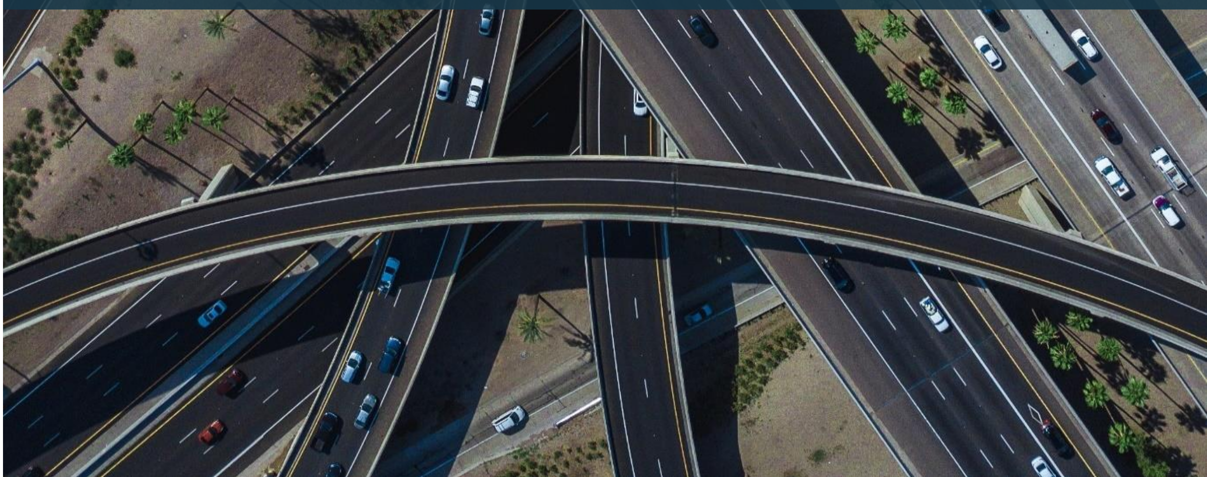
- Proposal for exemption to Indian Strategic Petroleum Reserves Limited from income accruing or arising by an arrangement for replenishment of crude oil stored in its storage facility in pursuance to directions of the Government, subject to the condition of replenishment of crude oil within 3 years
- Proposal to expand the national gas grid from the present 16200 km to 27000 km
- Reforms to be undertaken to facilitate transparent price discovery and ease of transactions

AIRPORTS

- The Budget seeks to introduce measures for improving regional connectivity through new airports and introduction of schemes including 100 additional airports to be developed by 2024, to support the Udaan scheme (which is aimed at making air travel to tier-II and tier-III cities affordable)
- Krishi Udaan scheme to be launched by the Ministry of Civil Aviation to assist farmers in transportation of agriculture products through both international and national routes

INLAND WATERWAYS

- Completion of the Jal Vikas Marg on National Waterway-1, fairway between Varanasi and Haldia
- Connectivity for the 890 km Dhubri-Sadiya stretch to be done by 2022
- Economic activity along riverbanks to be energized as per Prime Minister's Arth Ganga concept
- Converting at least one major port as a company and its listing on stock exchanges
- Increase in the efficiency at ports through a robust governance framework by adopting global benchmarks



POWER & ELECTRICITY

- INR 22,000 crore to be provided for power and renewable energy sector in the financial year 2020-21
- Extend the concessional corporate tax rate of 15% to new domestic companies engaged in the generation of electricity subject to the condition that they start generation by March 31, 2023
- To ease the financial stress in power distribution sector, particularly with regard to the Distribution Licensees, prepaid 'smart meters' to replace conventional meters over the next 3 years to enable
- Removal of exemption from 'Social Welfare Surcharge' on import of solar cells and modules – this will increase the effective rate of duty on imported modules from 20.75% to 21.33%
- In order to address industry apprehension following the announcement that photovoltaic cells and modules would incur customs duty, clarification issued by the Ministry of New and Renewable Energy (MNRE) that the effective basic custom duty would be zero
- Government plans to expand '**Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan**' scheme and help 20 lakh farmers for setting up stand-alone solar pumps, 15 lakh farmers in replacing grid-connected pumps with solar pumps sets as well as enabling farmers to set up grid connected solar power generation capacity on their fallow/barren lands

HEALTHCARE

- The Budget has made provisions for improvement in healthcare services, through direct financial support and for establishment of new healthcare facilities on a Public Private Partnership (**PPP**) basis
- INR 69,000 crore allocated for overall healthcare sector
- INR 6,400 crore (out of INR 69,000 crore) for PM Jan Arogya Yojana (**PMJAY**) which aims to help economically vulnerable Indians who need healthcare services
- Proposed scheme to attach a medical college to existing district hospitals using the PPP mode

SMART CITIES

- INR 27,300 crore has been allocated for the financial year 2020-21 for development and promotion of 'Industry and Commerce', including 5 new smart cities
- These smart cities will be developed in collaboration with State Governments on PPP mode along the lines of GIFT and special economic zones (meant not to solve urban problems but to attract private investment)

HIGHWAYS

- INR 1.70 lakh crore allocated for transport infrastructure and road construction
- Proposal to develop 2,500 km access control highways, 9,000 km of economic corridors, 2,000 km of coastal and land port roads and 2,000 km of strategic highways
- The Chennai-Bengaluru Expressway and the Delhi-Mumbai Expressway and are set to be completed by 2023
- The National Highways Authority of India (**NHAI**) will monetise at least 12 highway stretches – comprising of over 6,000 km of highways – before 2024 to raise finance
- NHAI plans to establish infrastructure investment funds (**InvIT**) after obtaining cabinet approval to help monetize its road assets using capital markets – this involves selection of highways with high-traffic volumes and bundling 3-4 of them under a trust or an SPV

RAILWAYS

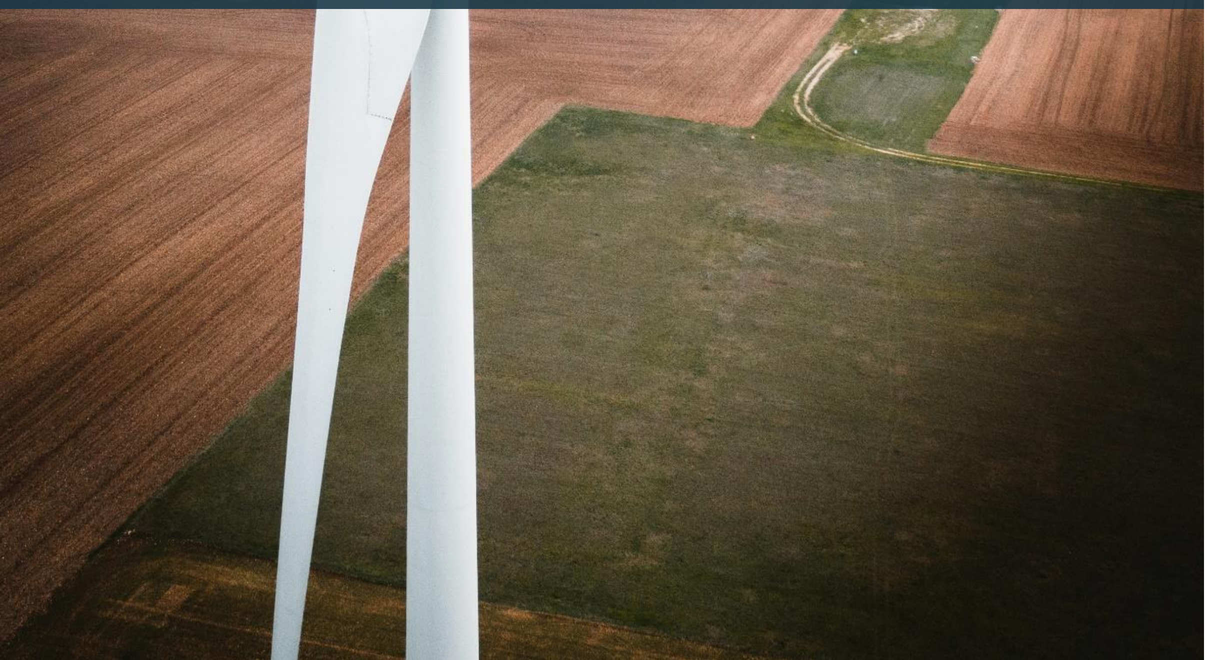
- A 'Kisan Rail' to be setup by Indian Railways through PPP to build a seamless national cold supply chain for perishables (i.e. milk, meat, fish, etc.)
- Introduction of more trains such as Tejas for connecting iconic tourist destinations along with 150 trains which would be run by private operators on revenue-sharing model
- Proposed redevelopment of 4 railway stations across the country on a PPP model
- 148 km long Bengaluru suburban transport project at a cost of INR 18,600 crore with government providing 20% equity and facilitating external assistance up to 60% of the project cost

STATUTORY UPDATES

- **Ports** | Changes approved by the Cabinet to Major Port Authorities Bill, 2016
- **Oil & gas** | Amendment in notification S.O. 1533 (E), dated September 14, 2006
- **Power & electricity** | Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Trading License and other Related Matters) Regulations, 2020 (CERC Regulations)
- **Renewable power** | Second Amendment to Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) (Second Amendment) Regulations, 2016

Changes approved by Cabinet to the Major Port Authorities Bill, 2016

- The Union Cabinet has approved Major Ports Authority Bill (**Bill**), which will replace the Major Port Trusts Act, 1963 which governed country's 12 major ports (Deendayal, Mumbai, JNPT, Marmugao, New Mangalore, Cochin, Chennai, Kamarajar, VO Chidambarnar, Visakhapatnam, Paradip and Kolkata, including Haldia)
- This Bill was earlier introduced in the Lok Sabha in 2016 and thereafter referred to the Parliamentary Standing Committee but got lapsed after the dissolution of previous Lok Sabha
- The amendments inter alia include:
  - The Board of each Major Port shall be entitled to create specific master plan in respect of any development or infrastructure established or proposed to be established within the port limits and the land appurtenant thereto
  - Such master plan shall be independent of any local or State Government regulations
  - For PPP projects, the concessionaire shall be free to fix the tariff based on market conditions
- The Bill will enable swift implementation of decisions and allow major ports to compete with their upcoming private counterparts, which will help in expanding the overall port infrastructure. Further, it will ease settlement of disputes among port users, speed up decision-making in land acquisitions and tariff changes and make Indian ports competitive in international markets with new technologies



Amendment in notification S.O. 1533 (E), dated 14 September 2006

- Ministry of Environment, Forest and Climate Change (**MoEF&CC**) has amended item 1(b) of the schedule within notification S.O.1533 (E), dated 14 September 2006, by issuing an amendment dated January 16, 2020. The amendment focuses on classifying offshore and onshore oil and gas exploration projects as 'B2' projects for seeking prior environmental clearance
- In EIA Notification, 2006, '*offshore and onshore oil & gas ex of land, development and production*' has been covered under schedule 1(b) being category 'A' projects and requiring the preparation of an EIA report, conduct of public hearing and clearance from the MoEF&CC
- Since, the exploration activities have been moved from category 'A' to category 'B2', it will require environmental clearance from the concerned States and will not require preparation of an EIA report or conduct of public hearing
- However, development or production, both on offshore/onshore fields will continue to merit assessment as 'category A'

Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Trading License and other Related Matters) Regulations, 2020 (CERC Regulations)

- Central Electricity Regulatory Commission (**CERC**) has notified new regulations aimed at a complete overhaul of power trading market in the country, including changing the net-worth criteria and trading margin that can be charged by companies
- The CERC Regulations repeal and replace earlier regulations (Procedure, Terms and Conditions for Grant of Trading License and other related matters, 2009 and Fixation of Trading Margin, 2010).
- Primary highlights include the following:
  - Insertion of an elaborate definition of 'back to back contracts' aims to weed out the delay in payment issues being faced in such contracts
  - Revision of definition of 'Banking of Electricity' to bring banking transactions within the purview of the trading activities undertaken by the Trading Licensees and to ensure that the trader completes the banking cycle (includes both contract of supply of power and contract for return of power) for every contract
  - To enable the Trading Licensees to meet the net-worth requirement, the minimum net-worth requirement for category-I Trading Licensees was raised from the existing INR 50 crore to INR 75 crore for a volume of trade between 5,000 million units (**MUs**) and 10,000 Mus; for trade exceeding 10,000 MUs in a year, additional INR 20 crore net-worth is required for every 3,000 MUs
  - Provision of trading margin:
    - Short-term contracts and contracts through power exchanges up to one year – the Trading Licensee to charge a minimum trading margin of 0.0 (zero) paise per kWh and a maximum trading margin of 7.0 paise per kWh; where an escrow arrangement or LoC is not provided, the licensee will not be allowed to charge any margin exceeding 2.0 paise/Kwh
    - Long-term contracts and contracts through power exchanges beyond the period of one year – to be decided mutually between the Trading Licensees, provided, where an escrow arrangement or LoC is not provided, the licensee will not be allowed to charge any margin exceeding 2.0 paise/Kwh
    - Banking of electricity – the Trading Licensee to charge a cumulative trading margin of not less than 0.0 (zero) paise (kWh) and not exceeding trading margin 7.0 paise/kWh
    - Back to back contracts – if escrow arrangement or LoC is not provided by the Trading Licensee for the seller, the licensee to not charge trading margin beyond 2.0 paise/kWh
    - Cross-border trade of electricity – the trading margin to be decided mutually between the Trading Licensee and the seller

Second Amendment to Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) (Second Amendment) Regulations, 2016

- Gujarat Electricity Regulatory Commission (**Commission**) on January 23, 2020, notified Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) (Second Amendment) Regulations, 2020 (**Amendment Regulation**)
- The need of revisiting the Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 (**Principal Regulation**) arose while disposing multiple petitions inter alia for the Commission to address the issues relating to tariff/compensation, rate of surplus energy injected into grid by rooftop solar systems, cap for solar rooftop capacity, metering requirement, etc. Salient features introduced in the Amendment Regulation are as under:
  - The cumulative capacity to be permitted at a distribution transformer shall not exceed capacity of the distribution transformer (the Principal Regulation permitted this up to 65% of the peak capacity of the distribution transformer)
  - The Principal Regulation directed the maximum Rooftop Solar PV System capacity to be 50% of the consumer's sanctioned load or contract demand, but not more than 1 MW. In the Amendment Regulation, the old regulation applies to all consumers other than residential consumers and micro, small and, medium (manufacturing) enterprises (**MSMEs**), for whom the permissible capacity will be irrespective of their sanctioned load or contract demand
  - The Amendment Regulation states that any energy injected to the grid before the commissioning of the project will be deemed as inadvertent power and the consumer will not be eligible to receive any monetary compensation
  - For residential and government consumers, the distribution licensee will purchase excess energy at the rate of INR 2.25/kWh or the rate specified by the Commission for Surplus Injection Compensation (**SIC**); for industrial, commercial, and other consumers, utilizing the energy attribute but not registered under the REC mechanism, the excess energy will be purchased at INR 1.75/kWh
  - Addition of a new definition for MSMEs which was not specified in the Principal Regulation
- This is a welcome move for the renewable industry as rooftop solar is primarily driven by state net-metering policies and the sole aim of introducing the Amendment Regulation is to promote solar rooftop projects and to maintain an equitable balance in the tariff between projects set up exclusively for sale of power to distribution licensees and rooftop projects selling only surplus power

Recent Judgements

- **ACME Kurukshetra and Ors. v. NTPC and Ors.**
- **Tata Power Delhi Distribution Ltd v. Jhajjar Power Ltd and Ors.**
- **Eastern Power Distribution Company of Andhra Pradesh Ltd and Anr. v. GMR Vemagiri Power Generation Ltd and Ors.**

ACME Kurukshetra and Ors. v. NTPC and Ors.[1]

CERC Order dated January 28, 2020 in Petition 188/MP/2017

Background facts

- CERC by virtue of its order dated October 09, 2018 (**Order**) in petition 188/MP/2017 (batch matters) upheld introduction of Goods and Services Tax Act, 2017 (**GST**) as a valid '*Change in Law'* event under the Power Purchase Agreement (**PPA**) of the respective Solar Power Developer companies, herein ACME Entities and accordingly directed NTPC and the relevant distribution companies to make payments to the change in law claims of these ACME Entities
- In absence of payments by NTPC/DISCOMS, ACME Entities approached CERC through a petition under Section 142 of the Electricity Act, 2003 (**Act**) seeking compliance of CERC Order
- Objecting to the petition, NTPC contended that it is only an intermediary, a mere conduit trading company which buys electricity from generators and re-sells the same on a back-to-back basis to the DISCOMs and, therefore, cannot be held liable to pay the monies towards change in law until paid by DISCOMs

Issues at hand

- Whether NTPC and the concerned DISCOMs should be directed to comply with the Order, including payment of Late Payment Surcharge (**LPS**)?
- Whether NTPC and the concerned DISCOMs could be held in violation of the Order and if this petition is maintainable under Section 142 of the Act?

Findings of the Commission

- CERC has held that as per its order dated October 09, 2018, billing and payment between ACME and NTPC are not conditional upon billing and payment between NTPC and the concerned DISCOMs
- Hon'ble Commission further held that the PPA and Power Sale Agreement (**PSA**) being 'back to back' in nature are interconnected, implying thereby that the DISCOMs are liable to pay to the NTPC all that NTPC has to pay to ACME Entities; however, payment to ACME Entities by NTPC is not conditional upon the payment to be made by the concerned DISCOMs to NTPC

[1] HSA represented ACME in this matter

- Importantly, CERC has further clarified that this decision will also be applicable in similar cases wherein the Commission has already allowed GST laws as '*Change in Law*' under Article 12 of the PPAs
- CERC directed NTPC to pay to ACME the due claim along with Late Payment Surcharge through supplementary invoices within 30 days date of the order and claim the same from the concerned Discoms
- *Vis-à-vis* maintainability of the petition, it has held that neither NTPC nor the DISCOMs have refused payments to ACME and the bills have been raised by NTPC to the DISCOMs accordingly; therefore, the NTPC and DISCOMs cannot be held to be in violation of the Order

Our viewpoint: This is a significant order that much needed certainty to the issue of pending payments of Solar Power generating companies in terms of their valid GST claims.

The order also creates a precedent in clarifying that its findings shall be applicable on all the similar cases, thereby benefitting the entire solar power industry (NTPC in compliance of this Order has made the requisite payments to ACME towards change in law claims).

TATA POWER DELHI DISTRIBUTION LIMITED V. JHAJJAR POWER LIMITED & ORS.[2]

CERC order dated February 02, 2020 passed in Petition No. 114/MP/2018

Background facts

- In the instant petition, Tata Power Delhi Distribution Limited (**TPDDL**) sought issuance of directions to Jhajjar Power Limited (**JPL**) and Haryana Discoms to comply with the provisions of Indian Grid Code (**IEGC**) read with the Detailed Procedure (**DOP**) to allow TPDDL to schedule and procure the entire contracted capacity under the PPA from the On-Bar Unit when the second Unit is taken under Reserve Shut Down (**RSD**) and Haryana Discoms do not schedule their entire quantum of power. The provision of RSD under DOP allows that incase 55 per cent of the generation unit's capacity is not scheduled by the beneficiary, then the generator is allowed to take such unit under RSD for operating such unit below 55 per cent will not be technically viable. However, at the same time, DOP provides that in case the requisitioned schedule of a beneficiary, if can be met out by the On-Bar unit (the one which is not under RSD), generator is obligated to supply power from such On-Bar Unit.
- As per the PPA executed between TPDDL and JPL, there was a unit wise allocation of the contracted capacity (being equally divided from Unit 1 and Unit 2 of JPL). JPL was under frequent RSD due to under-scheduling of power by Haryana Discoms. Resultantly, JPL used to often take one of its generating units under RSD. This prejudiced TPDDL since despite requisitioning for the entire contracted capacity, JPL did not accommodate TPDDL's schedule, citing that since there is unit wise allocation, scheduling of power cannot go beyond what has been allocated as per the PPA.
- Further, JPL and Haryana Discoms compelled TPDDL to bear additional fixed and variable charges in case it demands a share more than its unit wise allocation. TPDDL refuted the same on the basis that the units are going under RSD because of under-scheduling of power by Haryana Discoms. Therefore, TPDDL cannot be prejudiced for none of its fault. Reliance was placed on the IEGC and DOP provisions allowing requisition of power. However, there was no clarity as to how scheduling would be done when commercially, there is unit wise allocation.

Issue at hand

- The issue in controversy, in terms of the provisions of DOP, was (a) whether TPDDL is entitled to seek entire quantum of its contracted capacity, regardless of unit wise allocation, when JPL takes on of its generating unit under RSD due to under-scheduling by Haryana Discoms? and (b) whether TPDDL requires to bear additional fixed and variable charges for supply of such power?

Findings of the Commission

- CERC after considering the provisions of PPA read with the IEGC and DOP, held that in case one unit of a generating station is under RSD, the generator would be obligated to schedule to the procurers, their maximum contracted capacity (subject to less/non-requisition of power by the other beneficiary), from the other unit which is in operation, without payment of any additional fixed or variable charges.
- CERC has observed that TPDDL and Haryana Discoms are already bearing their respective fixed and variable charges. In case there is under-scheduling by Haryana Discoms leading to one of the units going under RSD, TPDDL's requisition of power will be accommodated to the extent not being availed by Haryana Discoms. Therefore, no additional financial burden is required to be put on TPDDL.

[2] HSA represented TPDDL in this matter

- It was also observed that the relief sought by TPDDL does not encroaches upon any existing contractual legal rights of the other contracting parties i.e. Haryana Discoms and JPL. In fact, the equities are maintained, where JPL continues to receive its capacity charges and Haryana Discoms and TPDDL continues with their respective obligation to pay the same.

> **Our viewpoint:** This judgment has first time interpreted the DOP in PPAs in cases where unit wise allocation is made – it clarifies the purpose of DOP which is to aid and facilitate eventualities in cases of RSD and to restore balance between the generator's and procurers' interest.

EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LTD. & ANR. V. GMR VEMAGIRI POWER GENERATION LTD & ORS.[3]

Civil Appeal No. 3788-3790/2019

Background facts

- The Power Generators executed PPAs with Distribution Companies (**Discoms**) of erstwhile State of Andhra Pradesh, wherein any dispute arising out of the these PPAs came under the jurisdiction of the former Andhra Pradesh State Electricity Regulatory Commission (**APSERC**)
- It was the understanding of the Discoms and SERCs (Andhra Pradesh and Telangana), that as per Section 105 read with Section 92 and Schedule 12 of the AP Reorganisation Act (which is an exhaustive legislation providing laws for bifurcation of erstwhile State of Andhra Pradesh to newly formed State of Telangana and State of Andhra Pradesh and came into effect on June 02, 2014), all the cases relating exclusively to the State of Telangana shall be transferred to the newly formed Telangana SERC and rest shall stay with the Andhra Pradesh SERC
- However, post bifurcation, the Power Generators started supplying power to both States and, therefore, based on the provisions of Electricity Act, the Power Generators approached CERC for approvals/disputes emerging from the abovementioned PPAs
- Subsequently, by way of a writ petition filed before the Hon'ble High Court of Andhra Pradesh[4], the jurisdiction of CERC was challenged by Discoms and the proceedings before CERC were put on stay. The Hon'ble High Court passed a judgment dated December 31, 2018 wherein it observed that since power generators are providing electricity to two different States, therefore, as per Electricity Act, the CERC shall have the jurisdiction over any proceeding emerging from the said PPAs
- Aggrieved by this order, Discoms filed civil appeal before the Hon'ble Supreme Court

Issue at hand

- Whether the disputes arising out of the PPAs which have been approved by APERC can be decided by CERC?

Findings of the Court

- By way of an Order dated 04.02.2020, the Hon'ble Supreme Court reaffirmed the Hon'ble High Court's view and held that since Power Generators post bifurcation of erstwhile State of Andhra Pradesh are providing electricity to two different States, therefore, as per Electricity Act, the CERC shall have the jurisdiction over any proceeding emerging from the said PPAs
- The Hon'ble Supreme Court further directed CERC to decide the pending petitions filed by such Power Generators in an expeditious manner, within a time limit of 6 months

> **Our viewpoint:** Since all proceedings before CERC and SERC were on stay while the present issue of jurisdiction was being decided, it caused severe financial distress to the Power Generators as they had no forum to approach in case of any dispute or for any approval/offsetting. After a long standstill in the State of Andhra Pradesh, the Power Generators have finally got a go ahead to approach CERC and it has also been directed that such issues be resolved as expeditiously as possible, within an outer limit of six months.

[3] Order dated 04.02.2020 passed by the Hon'ble Supreme Court in Civil Appeal No. 3788-3790/2019

[4] W.P. No. 15848,19894 of 2015 & 22850 of 2016

Recent Developments

- World Bank and Government of India sign USD 88 million loan agreement for implementation of Assam Inland Water
- NHAI seeks flexibility in mode of project award in order to focus on EPC
- India-Russia sign first ever Term Contract to import crude oil to India
- Highways auction: NHAI sets target of INR 1 lakh crore for TOT proceeds till 2025
- Cabinet approves setting up of country’s 13th major port in Maharashtra
- Indian Railways redeveloping major stations
- SECI awards the world’s largest solar-plus-energy-storage tender to Greenko & ReNew Power

World Bank and Government of India sign USD 88 million loan agreement for implementation of Assam Inland Water Transport Project

- World Bank has signed an USD 88 million loan agreement with the Government of India and the Government of Assam to modernize Assam's passenger ferry sector and implement Assam Inland Water Transport Project (AIWTP)
- The AIWTP focuses on improving the passenger ferry infrastructure and its services in the state (there are approximately 361 ferry routes in Assam providing crucial means of transport
- The AIWTP will help develop a modern, efficient and safe river transport system for the large volume of passengers and cargo carried by the vessels – under the project, Assam Shipping Company will operate the government ferries and the Assam Ports Company will provide terminals and terminal services on a common-user basis to both public and private ferry operators

NHAI seeks flexibility in mode of project award in order to focus on EPC

- As per the NHAI Highway Construction Programme, 2017, there is a standard operating procedure according to which 60% of road planning and construction is done under the hybrid annuity model (**HAM**), 30% of the construction projects are proposed as engineering, procurement and construction contracts (**EPC**) and 10% (of the projects are completed under the build-operate-transfer (**BOT**) model
- NHAI has expressed its intent towards awarding projects depending on prevailing market conditions since the 60:30:10 formula is not always implementable
- HAM model requires the Government to invest up to 40% of the project cost while the rest is to be arranged by the project developer, which restricts participation of small players on account of financial incapability and the reluctance of the banks for funding HAM projects because of the developer's inability to provide bank guarantees
- Under the EPC model, the project developer executes the project and is paid by the Government for creation of the asset
- Since the risk involved for a project developer under EPC model is less as compared to HAM model, the Government believes that the EPC model could be a better way of executing the road projects
- This strategy by NHAI will enable the Government to use public funds for asset creation while improving competition in the market, since many small and regional developers will likely be interested in taking the risk of putting a competitive bid
- NHAI is trying to seek approval of the cabinet on this deviation from the standard operating procedure which will allow NHAI slight flexibility in executing these projects

India-Russia sign first ever Term Contract to import crude oil to India

- State run Indian Oil Corporation Limited has signed a first ever Term Contract with Russian oil and gas giant Rosneft, for importing 2 million metric tonnes of Urals grade crude oil during the year 2020
- Sourcing through long term contracts is a part of India's strategy for diversifying the country's crude oil supplies from non-OPEC countries – while addition of Russia as a new source for crude oil imports will help in mitigating the risks arising out of geo-political disruptions, this arrangement will also usher in price stability and energy security
- India's 4 oil and gas public sector undertakings have already submitted expression of interest to Rosneft for participating in the project

Highways auction: NHAI sets target of INR 1 lakh crore for TOT proceeds till 2025

- NHAI has set a target to raise INR 1 lakh crore via monetization of its operational highway stretches over the next 5 years (till 2024-25) under the TOT model, in a bid to find more non-budgetary, non-debt receipts for development of highways
- Recently, the Union Cabinet has given the NHAI the authority to make suitable changes, wherever required, in its asset monetization programme through the TOT model
- Under this model, projects are given on long-term lease basis to domestic and foreign capital investors

Cabinet approves setting up of country's 13th major port in Maharashtra

- The Union Cabinet approved setting up a Major Port at Vadhavan in Maharashtra at a total cost of approximately INR 65,000 crore
- The Vadhavan port will maintain large ships and is expected to house (container ships of 16,000 to 25,000 Twenty-Foot Equivalent Units (**TEU**) capacities) and is proposed to be developed on 'landlord model' wherein an SPV) will be formed with Jawaharlal Nehru Port Trust (**JNPT**) as the lead partner with equity participation equal to or more than 50% to implement the project – while the SPV will be responsible to develop the port infrastructure (including reclamation, construction of breakwater, besides establishing connectivity to the hinterland), all business activities will be undertaken under the PPP mode by private developers

Indian Railways redeveloping major stations

- Through Indian Railway Stations Development Corporation Limited (**IRSDC**), Rail Land Development Authority and other Government agencies, the Ministry of Railways is in the process of revamping and redeveloping railway stations
- The IRSDC has invited request for qualification for redevelopment of stations in Nagpur, Gwalior, Amritsar and Sabarmati, at an indicative cumulative cost of around INR 1,300 crore
- The project aims to restructure and redevelop stations to prevent congestion and streamline the passenger traffic. It will also focus on other aspects outside the stations that can potentially hamper movement in and around them. The facilities proposed shall include non-conflicting entry and exit to the station premises and segregation of arrival and departure of passengers
- The projects will be awarded based on 'design, build, finance, operate, transfer' for a concession of 60 years and for 99 years in case the redevelopment involves a residential component as well
- There would be a nominal user fee for the redeveloped world-class railway stations which may differ across the stations depending on the footfall
- Currently, two railway stations are undergoing similar redevelopment – the Gandhinagar (Western Railway) and Habibganj (West Central Railway) – while contracts for redevelopment of Gomtinagar (North Eastern Railway), Anand Vihar (Northern Railway), Bijwasan (Northern Railway) and Chandigarh (Northern Railway) railway stations have also been awarded

Solar Energy Corporation of India (SECI) awards the world's largest solar-plus-energy-storage tender to Greenko and ReNew Power[5]

- Indian renewables company Greenko Group and Independent Power Producer ReNew Power have won the auction conducted by the SECI for 1.2 GW solar, wind, and energy storage projects – this is the world's largest renewable-cum-energy storage power purchase tender, which was executed through a reverse auction method
- The Projects are expected to have at least two components – an energy storage system component and a renewable energy generating component, which can be a solar system, a wind energy system, or a hybrid system of both technologies
- While Greenko was awarded 900 MW capacity using pumped hydro storage technology to store electricity at an average tariff of INR 4.04 per kWh and a peak tariff of INR 6.12 per kWh, ReNew Power was awarded the remaining 300 MW capacity at an average tariff of INR 4.30 per kWh and peak tariff of INR 6.85 per kWh, using battery storage technology
- Owing to their intermittent and infirm resource-centric nature, renewables have not been able to replace conventional power to fulfill peak load demand of Discoms; therefore, for a renewable source energy producer to bid and meet this criterion for peak power and tariff at extremely competitive price is a significant development and renewable energy sources can now be considered as a viable alternate to coal and gas-based power plants that currently supply close to 80% of India's electricity
- In terms of Renewable Power Purchase Obligations, the Indian government has mandated all Discoms to purchase at least 21% of their total energy requirements from renewable sources by the fiscal year 2021-22 – this new renewables-plus-storage capacity will not only contribute to those mandates, but it will also alleviate Discoms from having to bear the burden of transmission charges and losses

[5] HSA advised ReNew Power on its bid in relation to this project

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