

## REChronicles - From the Editor's desk

Hello Readers. Hope you enjoyed reading our previous issue of **REChronicles**.

This month has seen a few interesting happenings in the RE Industry. After the drastic drop in the demand for Non-Solar RECs last month, there was a slight increase in the demand this month. On the Solar REC front, similar to last month there was a drop in demand. However for the first time since the trading began, the supply was higher than demand and the clearing price was the lowest so far.

After successful completion of Phase I bidding, SECI released another RfS for implementation of grid connected rooftop solar PV plants (Phase II) for a total capacity of 11.1MW. After inviting comments in April for setting up 750 MW solar PV plants through VGF route, MNRE released a methodology draft this month for the same. MNRE also released a Draft document on National Offshore Wind Energy Policy – 2013 to develop and deploy offshore wind energy in the country. At state level, Bihar released a final RfP for setting up 150 MW Solar PV projects coupled with pisci-culture. The pre-bid meeting for this is scheduled for 1<sup>st</sup> June. Further information on these updates is in the **Renewable Energy News** section on pg.6 of this issue.

We have, as always put in our best efforts in order to come up with the articles in this issue. We hope you enjoy reading them as much as we did while preparing this issue. Kindly give us your valuable feedback on how we can improve **REChronicles** and make it even more interesting for you to read.

*Happy reading!!*



## REC Trading Update – May 2013

### REC Inventory:

Opening at close to 1.991 Million, May trading session closed with the inventory balance crossing two million – 2.17 Million RECs. The following sections give an update on the Non-Solar and Solar front.

#### Non-Solar

The month of May started with an Opening Balance of 1991136 Non-Solar RECs. Over the course of the month, 232659 Non-Solar RECs were issued thus putting the available number at 2223795. Of these, only 2093090 were put up for trading. Buy bids of 52968, all of which were cleared, led to a closing balance of 2170827. Following table gives the Non-Solar REC Inventory statistics for the last 3 months.

**Non-Solar REC Inventory for Mar-2013 to May-2013 (as on 29-May-2013)**

Month, Year	Opening Balance	REC Issued	REC Redeemed	Closing Balance
March, 2013	1935844	268323	427871	1776296
April, 2013	1776296	259299	44459	1991136
May, 2013	1991136	232659	52968	2170827

#### Solar

Opening at 860 Solar RECs, 3973 were issued over the course of the month thus putting the total available Solar RECs at 4833 all of which were put up for trading. The trading session closed with a Closing Balance of 3130 (highest so far) after the redemption of only 1703 Solar RECs. Following table throws more light on the Solar REC Inventory statistics for the last 3 months.

**Solar REC Inventory for Mar-2013 to May-2013 (as on 29-May-2013)**

Month, Year	Opening Balance	REC Issued	REC Redeemed	Closing Balance
March, 2013	899	2917	3183	633
April, 2013	633	2444	2217	860
May, 2013	860	3973	1703	3130



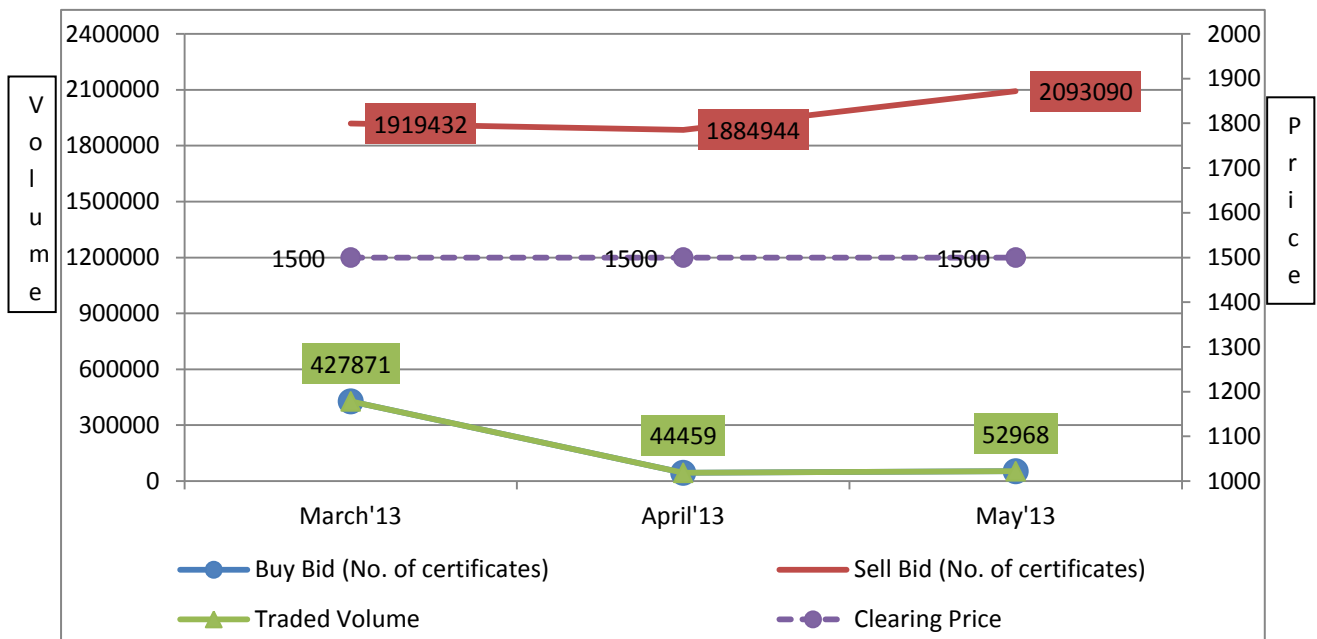
## REC trading:

The number of Non-Solar Buy-bids increased as compared to that of April. Solar REC trading again witnessed a slump of more than 40% in terms of buy-bids. This section has more information on Non-Solar and Solar REC trading along with the forecast for next month.

### Non-Solar RECs Trading:

Despite the number of RECs put up for trading crossing the 2 Million mark, the demand continued to stay low. However, as compared to the previous month the number of Buy Bids this month increased by 19%. As is the trend, all the Buy Bids (52968) were cleared. This resulted in a Trading Value of Rs.7.95 Crores. Clearing Price stood at the usual Rs.1500 owing to oversupply. The graph below shows the trends in Buy Bids, Sell Bids, Traded Volume and Clearing Price for the last 3 months.

**Non-Solar REC trading from March'13 – May'13**



### Forecast for June trading session:

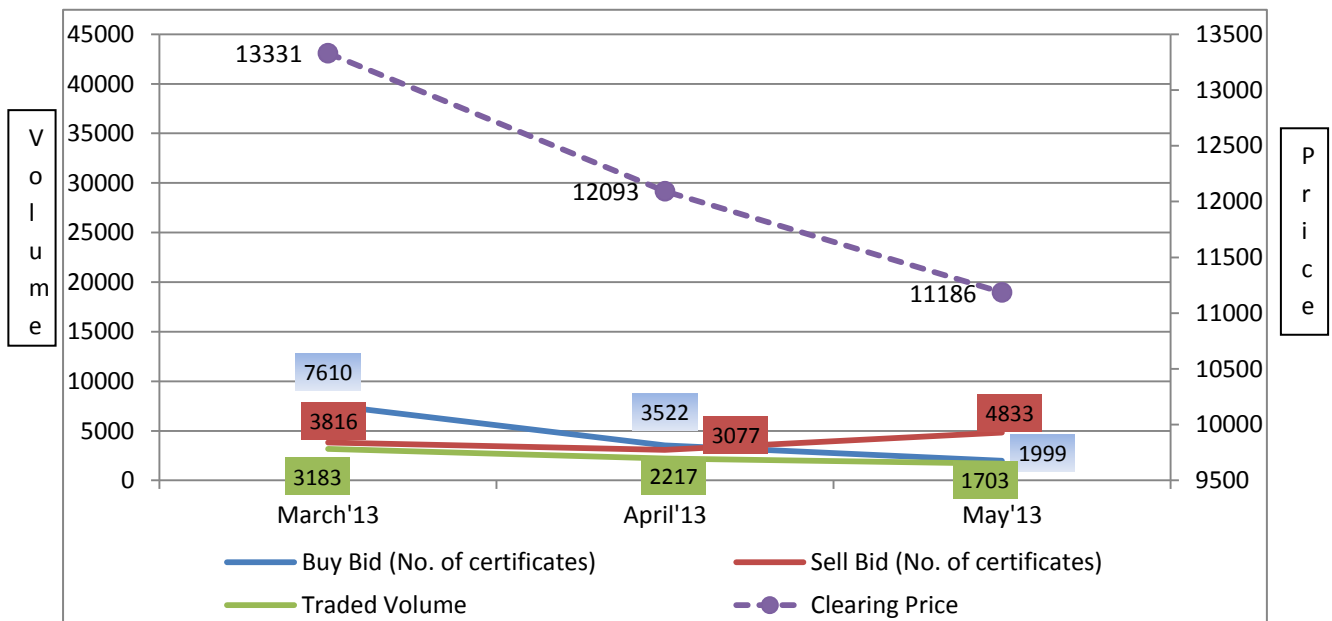
The Non-Solar inventory closed at a balance of a little over 2 Million RECs. Clearing Price is bound to stick to the Floor Price of Rs.1500/REC as the inventory continues to pile up and the demand continues to stay low.



### Solar RECs Trading:

With an increase in the number of Solar RECs issued this month, the supply was higher than demand for the first time since the Solar REC trading began. The total number of Sell Bids was 57% more than that of April and the total number of Buy Bids was about 43% lesser. There was a 7.5 % drop in the clearing price as compared to that of April. This Clearing Price for both the exchanges together stood at Rs.11186, which is the lowest till date. As against 4833 Solar RECs put up for sale, Buy Bids were 1999 and 1703 got cleared resulting in a Trading Value of Rs.1.9 Crore. Clearing prices at IEX and PXIL stood at Rs.11490/REC and Rs.10990/REC respectively. The graph below shows the trends in Buy Bid, Sell Bid, Traded Volume and Clearing Price for the last 3 months.

**Solar REC trading from March'13 – May'13**



### Forecast for June trading session:

With a decent capacity of Solar PV projects registered in the month of May as well, there could be some influx of Solar RECs in June. Also, with the Solar inventory closing at a balance of 3130, it is possible for the supply of Solar RECs to continue to overshoot the demand and the clearing price to further drop as well, unless there is a significant increase in the demand.



## REC Capacity Addition – May'13

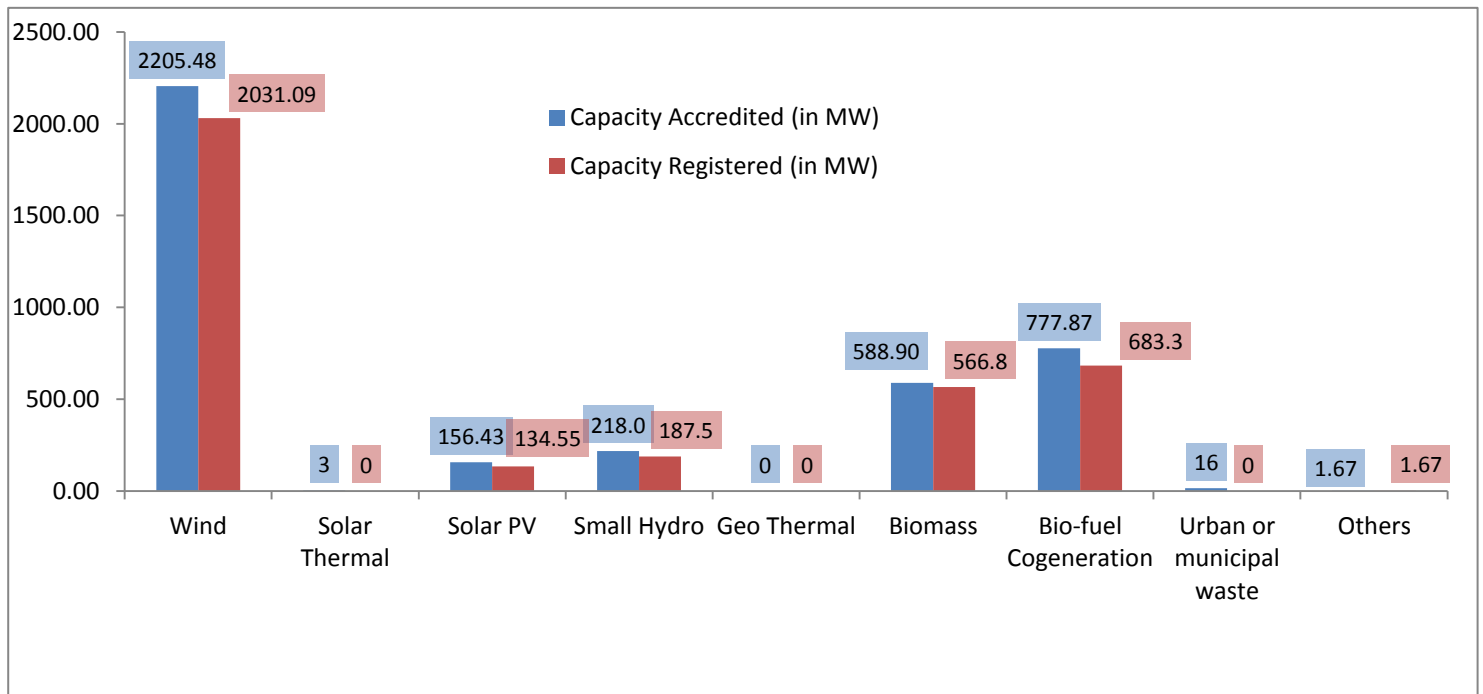
A total of 89.48 MW was Accredited and 71.5 MW Registered during the course of the month.

The tables below indicate the Resource-wise capacity addition in May and the total capacity as on 29<sup>th</sup> May, 2013.

**Capacity Addition (MW) in May (As on 29<sup>th</sup> May 2013)**

S.No.	Source	Accreditation	Registration
1.	Wind	35.55	29.255
2.	Urban or Municipal Waste	0	0
3.	Solar Thermal	0	0
4.	Solar PV	43.925	38.295
5.	Small Hydro	10	0
6.	Others	0	0
7.	Geothermal	0	0
8.	Biomass	0	3.95
9.	Bio-fuel Cogeneration	0	0
	<b>Total</b>	<b>89.475</b>	<b>71.5</b>

**Capacity in MW based on Type of RE Source (As on 29<sup>th</sup> May 2013)**



## Renewable Energy News

### State

#### **Bihar releases the final RfP for 150 MW Solar PV projects coupled with pisci-culture:**

Bihar State Power (Holding) Company Limited (BSPHCL) has issued an RfP for the development of 150 MW Solar PV projects on Chaur (oxbow lakes/ponds/mauns) lands only where pisci-culture shall be undertaken. Such solar PV projects are said to provide shading from high temperature and also help improve the productivity of fisheries. The pre-bid meeting is scheduled for 1<sup>st</sup> June, 2013 and the last date for submission of proposal is 1<sup>st</sup> July, 2013.

More information regarding this is available on our blogpost [here](#).

### National

#### **SECI released an RfS for implementation of grid connected rooftop solar PV (Phase II):**

After announcing a list of successful bidders of Phase I for implementation of grid connected rooftop solar PV plants in April, Solar Energy Corporation of India (SECI) has once again released an RfS as Phase II for a total of 11.1MW ( $\pm 20\%$ ) capacity in six other cities. The bidders will be selected based on the final project cost they offer (in Rs. /W) and the upper limit on project cost is Rs. 90/W. Similar to Phase I, SECI will provide 30% of the project cost as subsidy which will be released in three instalments. The pre-bid meeting was held on 8<sup>th</sup> May, 2013 after which [amendments](#) to RfS were released by MNRE. Last date for submission of bids and the date of Techno-Commercial bid opening is 30<sup>th</sup> May, 2013.

Check out our [blogpost](#) for more details regarding the same.

#### **Methodology (Draft) for 750MW Solar PV projects under JNNSM Phase-II, Batch-I:**

Ministry of New and Renewable Energy (MNRE) has released a draft methodology document for setting up of 750 MW of Solar PV plants through Viability Gap Funding (VGF) route in JNNSM Phase-II, Batch-I. Most of the guidelines mentioned in this draft methodology document are same as those mentioned in the draft guidelines document released on 18<sup>th</sup> April, 2013. However as per this document, the total 750 MW capacity will be divided between Part-A and Part-B projects and domestic content requirement is applicable only for Part-B projects. The final RfS document is awaited based on which bids will be invited by SECI.

[Here](#) is the link to our blogpost for more details regarding this document.



### **MNRE releases Draft National Offshore Wind Energy Policy – 2013:**

For the development and deployment of offshore wind energy in the country, MNRE has released a Draft document on National Offshore Wind Energy Policy – 2013. MNRE will be the nodal ministry and National Offshore Wind Energy Authority (NOWA) shall be established as the nodal agency. The roles and responsibilities of the implementing and monitoring agencies have also been enumerated in this document. This policy document is open for public comments/views/suggestions which can be sent by e-mail latest by 8<sup>th</sup> June, 2013.

Our blogpost for more details can be accessed [here](#).



## To Err is Human

As true as that quote may be, we try to avoid any mistakes in the information we give our readers. The following is a mistake we have identified in the previous issue of REChronicles:

- **Page 3 - REC Trading: Line 1: 'February'** should be replaced with '**March**'

Please correct the same at your end. We have ensured that there are no mistakes in the current issue too. Please bring to our notice any mistakes you identify so that we can publish the same in the next issue for the benefit of all the readers.

Thank you!!

## What next?

We hope that we have met your expectations thus far. If you think we haven't, do write to us or call us on the contact details provided below.

Our next issue will contain:

- RE Trading Update for June
- REC projects capacity addition in June
- Policy Update (If any)
- More interesting and exciting articles on Renewable Energy developments from across the world and India.

## Editorial Team

Pradeep Palelli  
Managing Partner,  
EfficientCarbon

Harini Challapally  
Consultant,  
EfficientCarbon

We would love to hear from you. Drop us an email at [pradeep@efficientcarbon.com](mailto:pradeep@efficientcarbon.com) or give a call on +91-9052224701.

Thank you!





## About EfficientCarbon

EfficientCarbon (<http://efficientcarbon.com/>) is a Hyderabad based company working in the **Energy, Environment** and **Sustainability** domain. We provide focussed services in the following areas:



Our team consists of graduates from reputed institutions such as BITS-Pilani and IFMR-Chennai with several years of experience in companies like Infosys, Godrej and Titan. We are also supported by a team of advisors who, on an average, have more than 25 years of experience in the above mentioned areas.

We have successfully executed several projects for our esteemed clients such as Maha Cements, Andhra Pradesh State Co-operative Bank (APCOB), Ramco Systems, Capital IQ, GTP Granites and Andhra Pradesh Pollution Control Board (APPCB).

### Renewable Energy and REC Advisory:

We have a highly qualified team with expert knowledge on the commercial and technical aspects of various Solar Energy technologies. Also, we pride ourselves in being capable of delivering the best services on the REC front as we are backed-up by a powerful back-end which constantly monitors the REC Market.

### Renewable Energy Certificates

Accreditation, Registration, Issuance and Trading

Financial Analysis for projects

Market Intelligence

### Solar Power Plants

Financial Analysis for Industrial and Grid-scale

Evaluating technology options

Market Assessment and Pre-Feasibility Reports

Preparing Bid documents for tenders

