

## 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. The demand for Non-Solar RECs saw an increase this month as well. On the Solar REC front, similar to last month, there was a drop in demand. More interestingly, the clearing price for both the exchanges was Rs.9300/REC (floor price) for the first time.

On the national policy front, MNRE has revised the bench mark costs for projects participating under 'Off-grid and Decentralized Solar Applications Programme' under JNNSM during 2013-14. After much speculation about Domestic Content Requirement (DCR), the Government has decided that DCR would be applicable to 75% of the total 750 MW solar projects to be built through Viability Gap Funding under JNNSM Phase-II, Batch-I. At the state level, Tamil Nadu Generation Corporation as a response to its solar bidding has received letters of commitment from developers for a total of 690 MW.

In Andhra Pradesh, APTRANSCO is reported to have received responses for 350 MW for its solar bidding. Punjab Energy Development Agency opened the financial bids for its RfP issued for 300 MW Solar PV projects and the total capacity of the financial bids opened was 251 MW. This week, Rajasthan Renewable Energy Corporation Limited (RREC) has issued a draft RfP to undertake the selection of solar power producers for setting up of 50 Projects, each of 1 MW capacity. 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 – June 2013

### REC Inventory:

Opening at close to 2.17 Million, June trading session closed with the inventory balance of 2.41 Million RECs. The following sections give an update on the Non-Solar and Solar front.

#### Non-Solar

The month of June started with an Opening Balance of 2187511 Non-Solar RECs. Over the course of the month, 293094 Non-Solar RECs were issued thus putting the available number at 2480605. Of these, only 2388934 were put up for trading. Buy bids of 72486, all of which were cleared, led to a closing balance of 2408119. Following table gives the Non-Solar REC Inventory statistics for the last 3 months.

**Non-Solar REC Inventory for Apr-2013 to Jun-2013 (as on 26-Jun-2013)**

Month, Year	Opening Balance	REC Issued	REC Redeemed	Closing Balance
April, 2013	1776296	259299	44459	1991136
May, 2013	1991136	249343	52968	2187511
June, 2013	2187511	293094	72486	2408119

#### Solar

Opening at 3130 Solar RECs, 2802 were issued over the course of the month thus putting the total available Solar RECs at 5932 all of which were put up for trading. The trading session closed with a Closing Balance of 4453 after the redemption of only 1479 Solar RECs. Following table throws more light on the Solar REC Inventory statistics for the last 3 months.

**Solar REC Inventory for Apr-2013 to Jun-2013 (as on 26-Jun-2013)**

Month, Year	Opening Balance	REC Issued	REC Redeemed	Closing Balance
April, 2013	633	2444	2217	860
May, 2013	860	3973	1703	3130
June, 2013	3130	2802	1479	4453



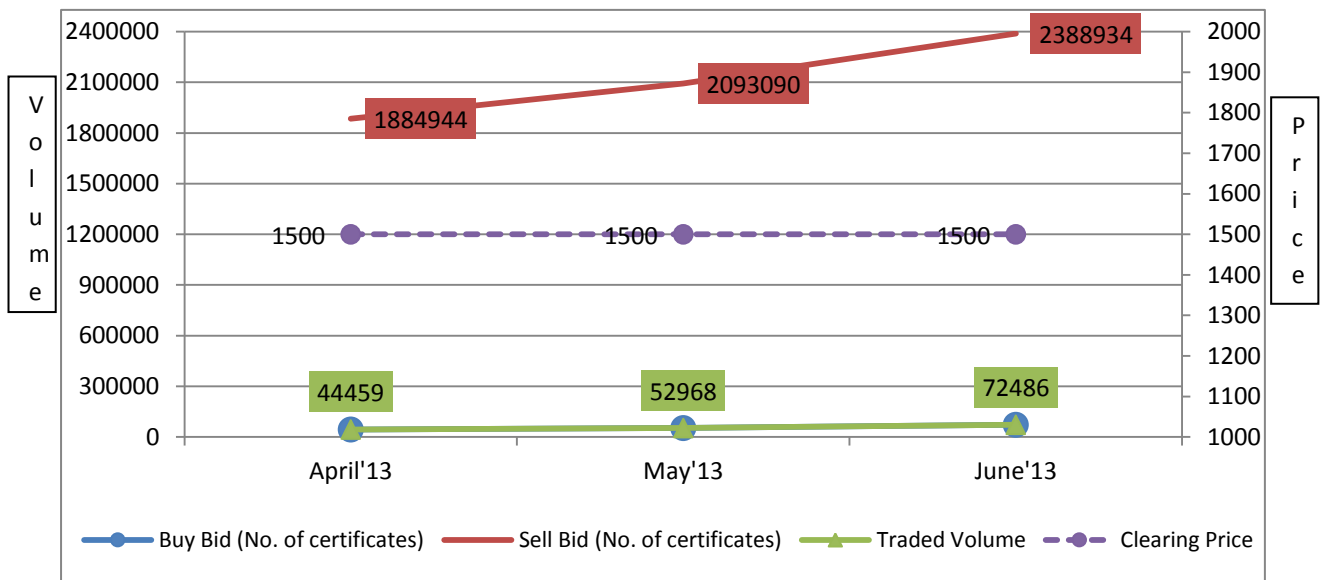
## REC trading:

The number of Non-Solar Buy-bids increased as compared to that of May. Solar REC trading again witnessed a slump in terms of buy-bids and for the first time the clearing price stood at floor price – Rs.9300. This section has more information on Non-Solar and Solar REC trading along with the forecast for next month.

### Non-Solar RECs Trading:

The demand for non-solar RECs continued to stay low, however as compared to the previous month the number of Buy Bids this month increased by 36.8%. As is the trend, all the Buy Bids (72486) were cleared. This resulted in a Trading Value of Rs.10.87 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 April'13 – June'13**



### **Forecast for July trading session:**

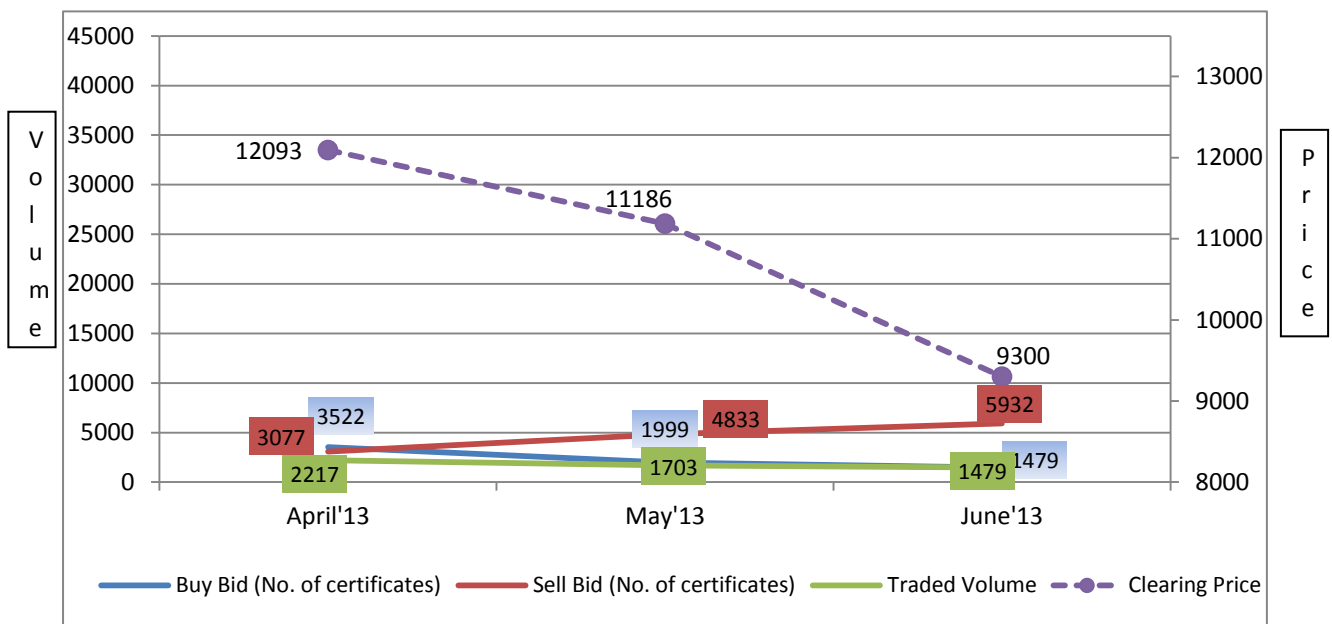
The Non-Solar inventory closed at a balance of 2.41 Million RECs. Clearing Price is bound to stick to the Floor Price of Rs.1500/REC as the inventory continues to pile up and the demand continues to stay low.



### Solar RECs Trading:

Similar to last month, the supply of solar RECs was higher than their demand. For the first time since Solar REC trading began, the clearing price for both the exchanges touched the floor price – Rs.9300/REC. The total number of Sell Bids was 22.7% more than that of May and the total number of Buy Bids was about 26% lesser. Also for the first time, all the Buy Bids (1479) got cleared resulting in a Trading Value of Rs.1.37 Crore. The graph below shows the trends in Buy Bids, Sell Bids, Traded Volume and Clearing Price for the last 3 months.

**Solar REC trading from April'13 – June'13**



### Forecast for July trading session:

With a decent capacity of Solar PV projects registered in the month of June as well, there could be some influx of Solar RECs in June or the coming months. Similar to the trend noticed in non-solar RECs, all the solar REC buy bids got cleared this month and there is a possibility of this trend continuing in the coming months as well. Also, with the solar inventory closed at a closing balance of 4453, it is possible for the supply of Solar RECs to continue to overshoot the demand and the clearing price staying at the bottom, unless there is a significant increase in the demand.



## REC Capacity Addition – June'13

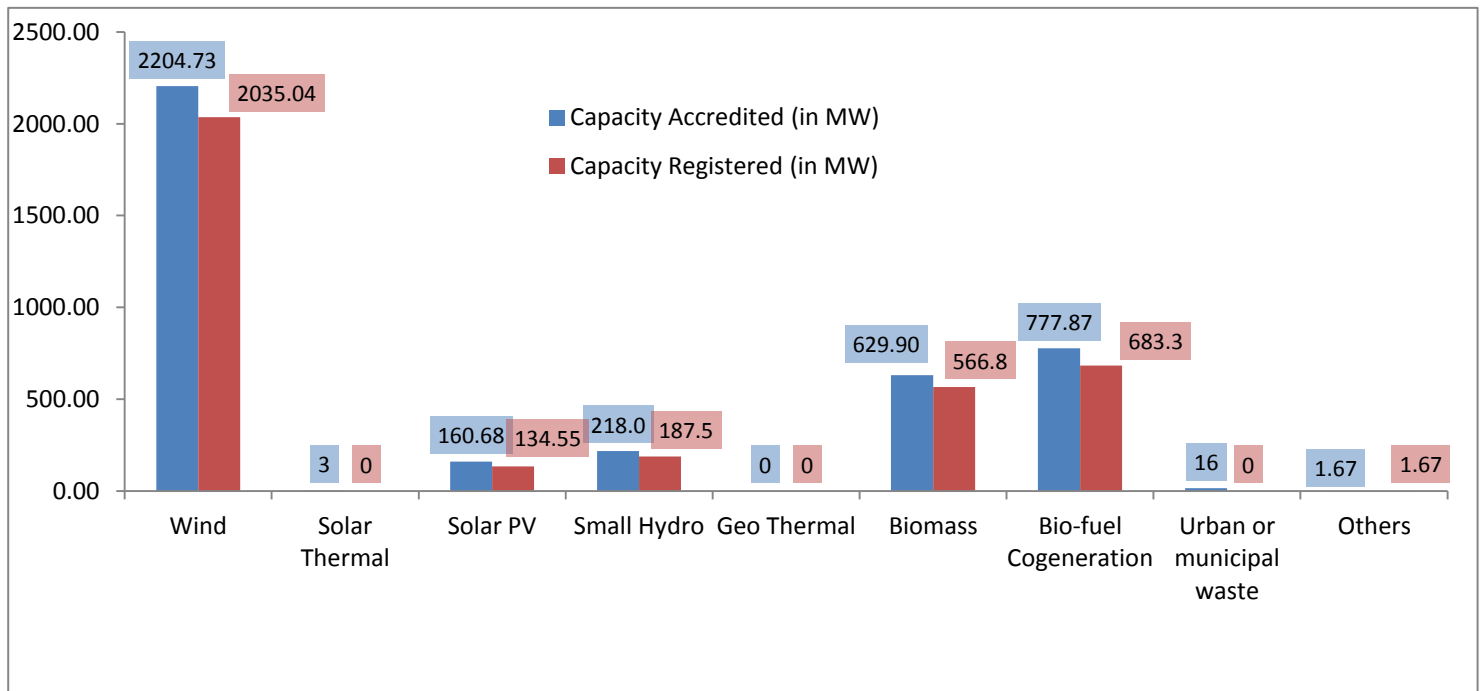
A total of 44.25 MW was Accredited and 20.58 MW Registered during the course of the month.

The tables below indicate the Resource-wise capacity addition in June and the total capacity as on 26<sup>th</sup> June, 2013.

**Capacity Addition (MW) in June (As on 26<sup>th</sup> June 2013)**

S.No.	Source	Accreditation	Registration
1.	Wind	0	4.7
2.	Urban or Municipal Waste	0	0
3.	Solar Thermal	0	0
4.	Solar PV	3.25	15.88
5.	Small Hydro	0	0
6.	Others	0	0
7.	Geothermal	0	0
8.	Biomass	41	0
9.	Bio-fuel Cogeneration	0	0
	<b>Total</b>	<b>44.25</b>	<b>20.58</b>

**Capacity in MW based on Type of RE Source (As on 26<sup>th</sup> June 2013)**



## Renewable Energy News

### *National*

#### **Revision of Off-grid and decentralized solar applications bench mark cost for 2013-14:**

The Ministry of New and Renewable Energy (MNRE) has released an amendment to the bench mark cost for projects participating under 'Off-grid and Decentralized Solar Applications Programme' under JNNSM during 2013-14. A downward revision of the bench mark costs has been made for SPV power plants – both with and without battery bank.

Check out our [blogpost](#) for these bench mark costs and more details regarding the same.

#### **75% of 750MW Solar PV projects through VGF to be built with DCR:**

After much speculation about Domestic Content Requirement (DCR) for solar projects to be built through Viability Gap Funding (VGF) under JNNSM Phase-II, Batch-I, the Government has decided that DCR would be applicable to 75% of the total 750 MW projects. This information was published in The Hindu Business Line on June 12<sup>th</sup>, 2013.

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

### *State*

#### **Tamil Nadu solar bidding – Developers convey willingness to set up 690 MW:**

Tamil Nadu Generation Corporation (Tangedco) as a response to its solar bidding has received letters of commitment from developers for a total of 690 MW. This was reported in an article published in The Hindu on 1<sup>st</sup> June, 2013. Until early May, the number of developers who were issued Letters of Intent (LOI) was 30 for a total capacity of 260 MW. This number went up to 53 by the time the deadline for submission of proposals ended (31<sup>st</sup> May, 2013 at 5p.m).

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

#### **APTRANSCO receives responses for 350 MW:**

As per the article published in Business Line on 6<sup>th</sup> June, 2013 APTRANSCO received responses for 350 MW. According to the information available, only 7 bidders (contributing to 53 MW) seem to have accepted without any conditions. The remaining 297 MW from 27 bidders were accepted subject to conditions such as change in location, capacity and if possible price too. Rumours are abuzz that APTRANSCO might extend the tariff acceptance date by a month in order to receive more acceptances; however official announcement on this is yet to be made.

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



### **Punjab 300 MW Solar PV bidding – Financial bids opened:**

Financial bids of the techno-commercially qualified bidders for the RfP issued by Punjab Energy Development Agency (PEDA) for 300 MW Solar PV projects were opened on 14<sup>th</sup> June, 2013. The total capacity of the financial bids opened was 251 MW with 51 MW for Category-I and 200 MW for Category-II. WAA Solar Pvt. Ltd was the L1 for two projects in Category-I and Azure Urja Pvt. Ltd was the L1 for two projects in Category-II.

A complete list of companies and more details about this bidding are available on our blogpost [here](#).

### **Rajasthan – Draft RfP for 50 SPV projects (1 MW each):**

Rajasthan Renewable Energy Corporation Limited (RREC) has issued a draft RfP to undertake the selection of solar power producers for setting up of 50 Projects, each of 1 MW capacity. These projects are to be connected at 11 kV voltage level to the nearest 33/11 kV GSS of Discom(s). Out of the 50 projects to be set up through this competitive bidding process – 20 projects are proposed to be set up in Jaipur Discom, 14 projects in Ajmer Discom and 16 projects in Jodhpur Discom. The last date to seek clarifications or suggest amendments is 5<sup>th</sup> July, 2013 and the pre-bid meeting is proposed to be held on 15<sup>th</sup> July, 2013.

Our blogpost for more details regarding this document 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. We are happy to inform that there were no mistakes identified in the previous issue of REChronicles.

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

## Editorial Team

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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

