

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO.1473
ANSWERED ON 10.02.2022**

INTEGRATION OF RENEWABLE ENERGY

1473. SHRI SUSHIL KUMAR SINGH:

**Will the Minister of POWER
be pleased to state:**

- (a) the steps being taken by the Government to ensure variable renewable energy integration in the national interconnected grid;**
- (b) the steps being taken by the industry to ensure that DISCOMs clear their dues to Power Generation Companies;**
- (c) whether the Governments has issued any advisory to the State Governments to ensure that they do not renege from already negotiated Power Purchase Agreements (PPAs);**
- (d) if so, the details thereof; and**
- (e) if not, the steps being taken by the Government to ensure that power generation business, especially when it comes to renewable energy, is economically viable?**

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) : The steps taken by the Central Government to facilitate Renewable Energy integration in the National interconnected grid include:

- i. Construction of Intra-State and Inter-State transmission systems for evacuation of Renewable power.**
- ii. Setting up of Regional Energy Management Centers (REMCs) for accurate forecasting of renewable power and assist grid operators to manage variability and intermittency of renewable power.**
- iii. Innovative products like solar-wind hybrid projects, RE projects with energy storage systems and supply of RE power balanced with power from non-RE sources launched to reduce intermittency.**
- iv. Flexibility in Generation and Scheduling of Thermal/Hydro Power Stations through bundling with Renewable Energy and Storage Power.**
- v. Implementation of Green Term Ahead Market (GTAM) and Green Day Ahead Market (GDAM) for sale of renewable energy.**

- vi. **Waiver of Inter-State Transmission Charges on Transmission of the Electricity generated from Solar and Wind Sources of Energy.**

(b) : Following steps, inter alia, have been taken to ensure that DISCOMs clear their dues to Power Generation Companies:

- i. **Ministry of Power vide its Order No. 23/22/2019-R&R dated 28.06.2019 has made it mandatory for Distribution Licensees/Procurers of Power to open and maintain adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements. As per the said Order, National Load Despatch Centre (NLDC) and Regional Load Despatch Centre (RLDC) shall dispatch power only after it is intimated by Generating Company and/or Distribution companies that LC for the desired quantum of power has been opened and copies made available to the concerned Generating Company.**
- ii. **In order to tide over the liquidity problems of the power sector exacerbated by the outbreak of COVID-19, the Government of India announced a Liquidity Infusion Scheme as a part of Aatmanirbhar Bharat Abhiyan on 13th May, 2020. Under this intervention, Rural Electrification Corporation (REC) Ltd. and Power Finance Corporation (PFC) Ltd. are extending special long term transition loans up to 10 years to DISCOMs for liquidating their outstanding dues of Central Public Sector Enterprise (CPSE) Generating Companies and Transmission Companies, Independent Power Producers and Renewable Energy Generators. So far, loans to the extent of Rs. 1,35,497 Crore have been sanctioned and Rs. 1.03 Lakh Crore have been disbursed as on 31.12.2021. The disbursement under the long term transition loans has been linked with DISCOMs undertaking specified reform measures.**

(c) to (e) : Yes, Sir. Government have stated that contracts must be honoured.

The standard bidding guidelines for solar, wind and hybrid projects have specific provision for termination compensation in case of unilateral termination of Power Purchase Agreement (PPA). The guidelines also provide for a three-tier payment security mechanism by way of letter of credit, payment security fund and Tri-Partite Agreement (between the State Government, Reserve Bank of India and Govt. of India).
