

**UNIVERSITY OF PETROLEUM & ENERGY STUDIES, DEHRADUN**

**End-semester Examination – April -2017**

**Name of the Program – MBA – Power Mgt. - Fourth semester**

**Max Marks – 100**

**Duration – 3 Hours**

**Course Title –Global Power Business**

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**Section A – 30 Marks ( Each question carry two marks)**

**Attempt all questions. Each question carries two marks.**

1. Explain pooled power trading.
2. Name power and gas regulator of UK.
3. Describe problems faced by power utilities in any developing country.
4. National RE Policy 2006 of India was notified by -----
5. The Electricity Act 2003 does not repeal -The Energy Conservation Act 2001- why?
6. Name 3 top Nuclear Power producing country in the world.
7. Explain what do you mean by “Electricity is a concurrent subject”?
8. Differentiate MCP and ACP.
9. Contract for Differences - explain.
10. What do you mean by Financial Transmission Rights?
11. Explain GTR.
12. What do you mean by Nordpool power market?
13. Name two major countries famous for quality and quantity of Hydro-power in the world.
14. Other than trading margin which is most important factor for power trading as per you?
15. What are the roles of ISOs in any Power Trading Market in the world?

**Section B (40 Marks) Attempt any two questions (Each question carry 20 marks)**

1. Differentiate between conventional and non-conventional energy trading globally. Critically evaluate large scale renewable integration to Indian power grid.
2. What do you mean by Distribution Reforms? Explain it globally - taking examples of few countries at least one successful and one failed. Critically evaluate it Indian context.
3. Elaborate major issues, challenges & opportunities in electricity market development in any developing countries with special suggestions for solving these in Indian context.

4. Critically analyze and evaluate the role of the Nu-power for the power generation in future in power hungry countries like India, Japan or China.
5. Explain present and future expected power scenario in any of these two countries – USA, UK, Germany, China, any one from Norldpool, France, Australia, Argentina and South Africa.

**Section – C - 30 Marks - Attempt all two questions ( Each question carry 15 marks)**

**Case Study: CERC moots compensatory tariff for Mundra UMPP**

The Central Electricity Regulatory Commission (CERC) in its path-breaking order has asked Tata Power promoted Coastal Gujarat Power Limited (CGPL) and procurers to set down a consultative process to find out an acceptable solution in the form of compensatory tariff over and above the tariff decided under the power purchase agreement (PPA) to the Mundra ultra mega power project (UMPP).

This is to mitigate the hardship arising out of the need to import coal at benchmark price on account of Indonesian Regulations.

CERC delivered order on Tata Power's petition filed under sections 61, 63 and 79 of the Electricity Act, 2003 for establishing an appropriate mechanism to offset in tariff the adverse impact of the unforeseen, uncontrollable and unprecedented escalation in the imported coal price due to enactment of new coal pricing Regulation by Indonesian Government and other factors in the matter of Mundra UMPP.

The respondents include Gujarat Urja Vikas Nigam Limited, Maharashtra State Electricity Distribution Company Limited (MSEDCL), Ajmer Vidyut Vitaran Nigam Limited, Jaipur Vidyut Vitaran Nigam Limited, Jodhpur Vidyut Vitaran Nigam Limited, Punjab State Power Corporation Limited, Haryana Power Generation Corporation Limited and the Ministry of Power.

Tata Power had argued that in view of Indonesian Regulations and escalation in international coal prices, it was supplying power to the procurers by purchasing coal at a higher price than what was agreed in the Coal Supply Agreements without any adjustment of tariff and is consequently stated to suffer a loss of Rs 1873 crores per annum and Rs 47,500 crores over a period of 25 years.

CERC in its order asked Tata Power and respondents to constitute a committee within one week from the date of order consisting of the representatives of the Principal Secretary (power/managing directors of the distribution companies) of the procurer states.

Besides, the committee would also comprise of the Tata Power chairman or his nominee, an independent financial analyst of repute and an eminent banker dealing and conversant with infrastructure sector. The nominees of financial analysts and banker be selected on mutual consent basis.

CERC said the committee would go into the impact of the price escalation of the Indonesian coal on the project viability and obtain all the actual data required with due authentication from independent

auditors to ascertain the cost of import of coal from Indonesia and suggest a package for compensatory tariff which can be allowed to the Tata Power over and above the tariff in the PPAs.

The committee while recommending the compensatory tariff would consider the net profit less government taxes and cess earned by the petitioner's company from the coal mines in Indonesia on account of the benchmark price due to Indonesian Regulation corresponding to the quantity of the coal being supplied to the Mundra UMPP be factored in full to pass on the same to the beneficiaries in the compensatory tariff. Moreover, the possibility of sharing the revenue due to sale of power beyond the target availability of Mundra UMPP to the third parties may be explored.

**Question – 1. Summarize and analyze the case given with latest decisions.**

**Question -2. Critically evaluate PPA in these cases. Suggest what needed to be done?**