

IEX & FICCI WEBINAR ON Challenges in Sourcing Cheaper Electricity for Industries in Rajasthan

- *Shri Parsadi Lal Meena, Hon'ble Minister for Industry, Government of Rajasthan addresses the webinar.*
 - *The deliberations focused on the role of Open Access in enabling industries in Rajasthan to procure electricity at a lower cost, leading to the industrial revival post COVID-19.*
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Jaipur, Tuesday, 12 January 2021

The Indian Energy Exchange, India's premiere energy trading platform powered by state-of-the-art technology, in association with the Federation of Indian Chambers of Commerce & Industry (FICCI), organized a webinar on "**Challenges in Sourcing Cheaper Electricity for Industries in Rajasthan**" on 12 January 2021. **Shri Parsadi Lal Meena, Hon'ble Minister for Industry, Government of Rajasthan** graced the webinar as the Chief Guest and highlighted various measures being taken in the state to support industrial growth and attract investments.

Shri Parsadi Lal Meena, Hon'ble Minister for Industry, Government of Rajasthan said "The Government is committed to facilitate ease of doing business (EoDB) and help industries become competitive. We will consider making open access affordable. The State Government has set up a single-window system in which 14 department officials are providing permissions in 100 different areas related to industries. MSMEs can avail permissions easily through the Raj portal without having to run around to different offices. During 2019-2020, RIICO has received an investment of Rs. 1400 crores from the auction of industrial plots via e-auction."

Shri Rohit Bajaj, Head-Business Development & Senior VP, Indian Energy Exchange said, "Competition in sourcing the electricity is a norm being pursued globally. In India too competition in power supply is being encouraged although for select set of consumers. The power exchanges have consequently emerged as the most competitive option for procuring power in the most flexible and efficient way. In fact, almost all the distribution utilities and more than 4500 commercial and industrial consumers all over India are part of the Exchange's eco-system and are already leveraging low power prices on the Exchange and accruing significant financial savings. The commercial & industrial consumers in Rajasthan can also benefit from Exchange procurement as the State Government endeavours to put policy enablers in place and revive industrial and economic growth. Through the recently introduced real time power market, power can be delivered in an hours' time and the green market is assisting market participants to buy and sell the renewable energy as per their requirement."

Shri Rohit Gupta, Managing Director, Rajasthan Urja Vikas Nigam Ltd in his special address said, "Electricity cost is a major input to the overall cost of industries. Electricity cost in Rajasthan is higher as compared to other States due to the financial position of the power discoms which is linked to the consumer mix of the State. The Department is planning to look into areas like - access to rebates, making timely payments to the generators, operational efficiency of thermal plants, etc. to reduce the overall procurement cost."

Presenting at the webinar Shri Anujesh Dwivedi, Partner, Deloitte India said, “Open Access was envisaged as a key reform in the Electricity Act 2003 for introducing competition in the electricity industry at the retail level. Cheaper power through Open Access can contribute significantly in improving attractiveness of Rajasthan vis-à-vis other states in the country, for getting new investments”.

Shri Ashok Kajaria, Chairman, FICCI Rajasthan State Council &, CMD, Kajaria Ceramics Ltd said that as industrial activity resumes after CoVID there is a need to fight the slowdown and attract new investments to the State. For this, the reduction of operating cost especially electricity cost can help in the growth of industries. Rajasthan can look into the best practices being adopted by other States.

The industrial sector contributes a significant share to the Rajasthan’s GDP, with the state being known as a major contributor to textile and cement production in the country. With the state aspiring to become a preferred investment destination and existing industries looking towards quick post COVID-19 revival, improving the overall operational costs for the industries is a critical factor in the industrial growth. Encouraging Open Access in Rajasthan can help industries reduce their electricity costs, thereby, enabling them to improve their operational efficiency.

The Electricity Act 2003 allows consumers with connected load of 1 MW and above to procure electricity through open access. This option allows sourcing of competitively priced electricity and power directly from power generators, traders, or through the power exchanges. Based on an assessment of large electricity intensive industries, it is estimated that procurement of cheaper electricity through Open Access can lead to potential cost savings of up to Rs. 3,000 crores for industries in Rajasthan.

ABOUT IEX

IEX is the first and largest energy exchange in India providing a nationwide, automated trading platform for physical delivery of electricity, renewable power, renewable energy certificates and energy saving certificates. The exchange platform enables efficient price discovery and increases the accessibility and transparency of the power market in India while also enhancing the speed and efficiency of trade execution. In August 2016, the Exchange received ISO Certifications for quality management, Information security management and environment management. The Exchange is now a publicly listed company with NSE and BSE. IEX is approved and regulated by Central Electricity Regulatory Commission and has been operating since 27 June 2008.

For further details, log on to: www.ixindia.com

ABOUT FICCI

Established in 1927, FICCI is the largest and oldest apex business organisation in India. A non-government, not-for-profit organisation, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry. It serves its members from the Indian private and public corporate sectors and multinational companies, drawing its strength from diverse regional chambers of commerce and industry across states, reaching out to over 2,50,000 companies. FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.



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