



**PTC India Ltd.**

# **Long Term Transactions**

18<sup>th</sup> July 2007

- PTC as an instrument for promoting investments
- Power Market as a facilitator of Investments
- Nature of PTC Transactions
- Long Term Contracts

# PTC as an instrument for promoting investments



- PTC's mission is built on the premise of:
  - Attracting investment in power sector
  - Promoting development of long term capacity

# PTC as an instrument for promoting investments

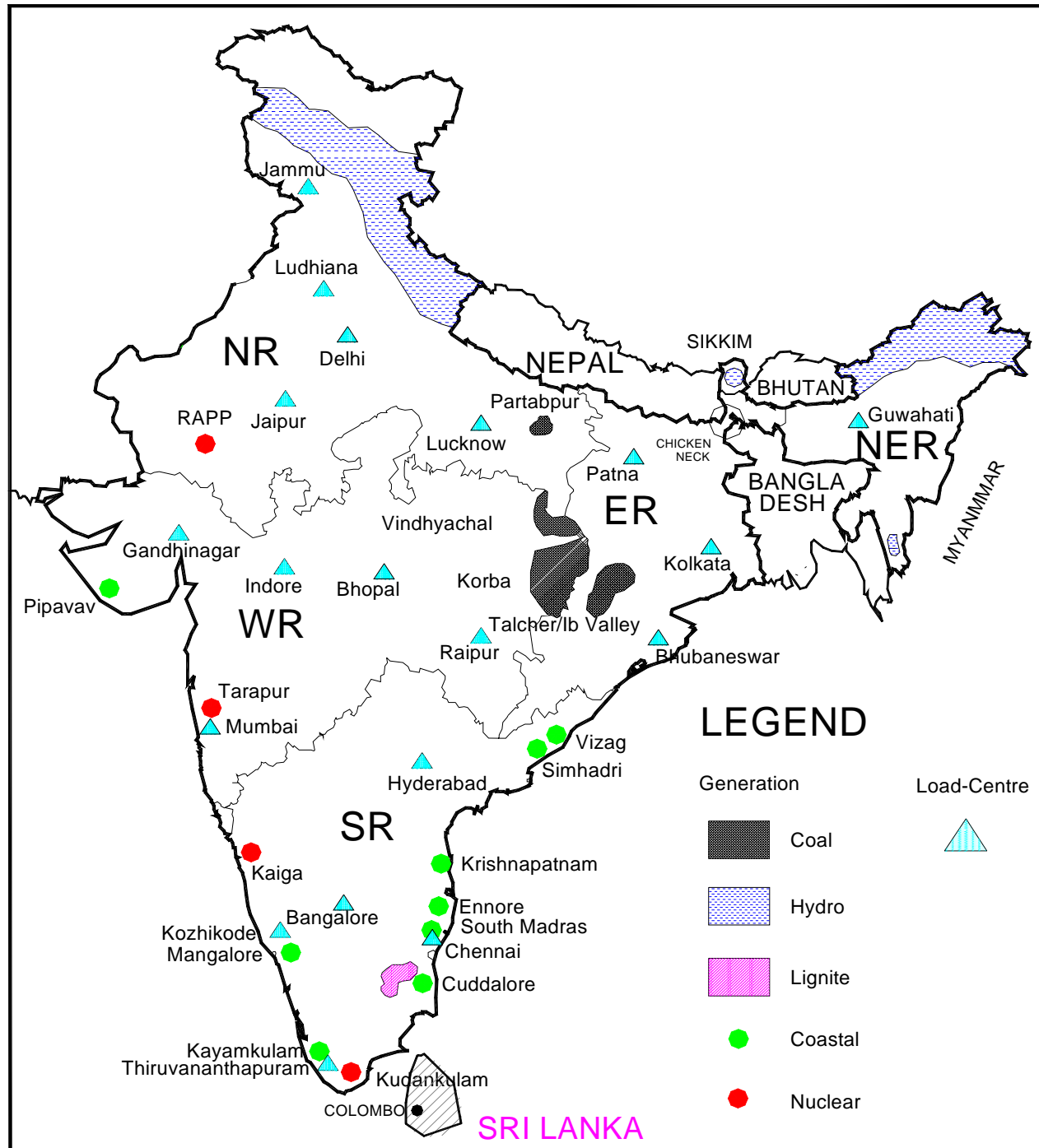


## ■ Generation

- Large hydro in Northern, Eastern and North-Eastern Region as well as in Nepal and Bhutan
- Utilization of small hydro/wind
  - PTC as an Aggregator
  - Access to wider market
  - Standby arrangements / credit enhancement
- Coastal coal-based generation
  - Coal shortages are projected in domestic production
  - Support through fuel linkage based on imported coal

## ■ As an aggregator of capacities, PTC expects to provide:

- Economies of scale
- Better price discovery and terms of supply
- Better optimization of supply including stability



# PTC as an instrument for promoting investments



## ■ Transmission/Inter-regional Capacities

- Integrated development of transmission system towards formation of national grid and laying large capacity transmission lines from remote areas to load centers viz. evacuating hydro-generation sources from North-Eastern Region to say NR and WR would be more economical
- Investment decisions, however, depend on the consent of beneficiaries, thus delaying much-needed investments in transmission.
- As an aggregator of demand, PTC can act as a 'guarantor' to the transmission agency, and payment of transmission charges to encourage such investments which have long term benefits.

## Power Market as a facilitator of Investments



- For the developer, capital funding from lender becomes easier as he has the strength of a market intermediary to lend support.
- Small capacity plants will find it easier to tie up their capacities for long term; with increased number of off-takers they would also be able to participate in the spot market.
- The market will provide signals for establishment of new generating plants and locational prices for the development of transmission links.

## Nature of PTC Transactions



- Long Term Project capacity tie-up for base load requirements
  - From 10 Years to 35 years at competitive tariffs
- Long Term Open Access co-ordinated by PTC
- Sale of Power
  - Negotiated route basis
  - Competitive Bidding

# Long Term Contracts



- PTC's long term contracts , status as on date

Sl. No.	Nature of Contract	Project/Utilities	Capacity
1	Power Purchase Agreements (PPAs)	21 Projects	7984 MW
2	MoUs for Long Term Purchase	31 Projects	15,829 MW
3	Power Sale Agreements (PSAs)	5 State Utilities	3036 MW
4	MoUs for Long Term Sale	8 State Utilities	2200 MW
5	Long Term Open Access	1 Project	300 MW

# Long Term Contracts



- Fuel Matrix, status as on date

Sl. No.	Type of Fuel	Power Purchase Agreements	MoUs for Long Term Purchase
1	Coal	3912 MW (61%)	5349 MW (87 %)
2	Hydro	2913 MW (36 %)	250 MW (2 %)
3	Gas	100 MW (1 %)	1770 MW (11 %)
4	Wind	129 MW (2 %)	0 MW (0 %)
	<b>Total</b>	<b>7984 MW</b>	<b>15,829 MW</b>

## Long Term Contracts



- Company has signed a couple of MOUs with developers on tolling concept wherein the power plants would generate power using imported coal supplied by PTC and supply power to PTC.
- 12 (twelve) projects for which PTC has signed agreements to purchase power on a long term basis, have already commenced construction work at the project site.
- Company is participating in competitive bidding in States like Haryana, Punjab and Karnataka for sale of power.

Projects tied-up include Small, Medium and Large sized projects

### ■ Case Study: 750 MW West Seti Hydro Electric Project

- **Location** – Nepal
- **Developers** - M/s Snowy Mountain Engineering Corporation of Australia.
- PPA Initialled with PTC for sale of entire 750 MW
- The project is likely to achieve financial closure during 2007-08.
- project which would offer peaking power for 7 to 8 hours in a day
- MoU for sale of power signed with 3 States in India namely, Haryana, Uttar Pradesh and Punjab.

## Contribution of PTC to Indian Power Sector



- PTC is making all efforts to contribute to the capacity addition program in the country
- The unique position of PTC in Indian Power Sector would help in achieving the desired objective.

**Thank you...**