

Power Sector in Andhra Pradesh and Telangana during August 2014

POLICY

Five grids planned to power up Andhra Pradesh

Speaking after the State presentation, the Andhra Pradesh Chief Minister N Chandrababu Naidu during Budget session in the Assembly said that the State plans to develop five grids. Power is one of these five grids. Others are water, gas, road and fibre optic.

Indian State Of Andhra Pradesh Plans To Add 5,000 MW Solar Power Capacity by 2019

The AP government was reported to be working on a comprehensive renewable energy policy that would see 5,000 MW of solar power and 4,000 MW of wind energy capacity installed by 2019. To initiate the process the government recently issued a tender for 500 MW solar power capacity.

Major public sector companies are also reported to be planning to set up large-scale solar power projects. NTPC Limited and NRVN Limited have plans to install 1,000 MW of solar power projects in the state.

Andhra Pradesh to get 24x7 power supply from October 2

The AP government announced a plan to supply 24x7 electricity to all domestic, commercial and industrial users from October 2. Agriculture sector would get seven-hour non-stop power supply daily and would be increased to nine hours later. 2551 un-electrified villages in different districts of the state would be electrified in the next five years. It also plans to generate over 6,100 MW of

power in the next five years. This includes generation of 4,400 MW of thermal power and 400 MW of hydro power in the next five years. Along with this 1,300 MW of solar power capacity will be developed in Anantapuram and Guntur districts. The state government also decided to allot 500 acres of land in Anantapuram district for setting up a 100 MW solar farm.

GENERATION

Andhra Pradesh bridges demand-supply gap

The AP State has bridged the demand-supply gap in power of 22 million units per day by augmenting supplies from NTPC (177mw), Simhapuri (130 MW), other States (75 MW) and Krishnapatnam thermal power project, which was fully synchronised by July 20.

APGENCO to shut some thermal power plants for maintenance

The APGENCO announced that it would take up overhaul of a 500 MW and two 210 MW units at Dr Narla Tatarao Thermal Power Station in Vijayawada, and another 210 MW unit at Rayalaseema Thermal Power Station. The shut down schedule was been communicated to Southern Regional Power Centre and the Central Electricity Authority. These units require about 15 to 30 days for the proposed overhaul. A 500 MW unit of NTPC at Simhadri would also be closed for 35 days to overhaul.

Power generation from Srisailam and Jurala projects

Huge monsoon-fuelled inflows from the upper riparian States of Maharashtra and Karnataka into Andhra Pradesh and Telangana have begun to fill up reservoirs and provided a major boost for the farm sector and hydel power generation at the Srisailam and Jurala projects. Power was being generated at these plants both in AP and in Telangana. Power generation at the Srisailam reservoir would continue till inflows come in.

According to TSGENCO over 800 MW was being generated. This included 180 MW at Jurala and about 750 MW of 900 MW in Srisailam.”

First Solar to set up solar power project in Telangana

First Solar Inc (FSLR), a US-based thin film solar module manufacturer and developer of solar projects, plans to build a 45-Mw capacity solar power generation project in Telangana through its Indian subsidiary - First Solar India. Telangana was chosen for the project due to very good solar radiation in the state. The project includes construction at two different sites in Mahabubnagar district and is expected to commence commercial operation by May 2015. It will supply electricity to the Southern Power Distribution Company of Telangana State Limited (TSSPDCL) at a tariff of Rs 6.49 a unit for a period of 20 years. The power purchase agreement was reported to be signed in June.

CEA meet fails to break deadlock over power sharing

The row over power sharing between Andhra Pradesh and Telangana is likely to continue for some more time as a crucial meeting convened by the Central Electricity Authority failed to break the deadlock between the two States.

Telangana turns to solar power

The Telangana DISCOMs called for bids to set up a 500 MW capacity solar power plant in Adilabad district. The TSSPDCL has called for Request for Selection to set up solar power units through competitive bidding. The bids would be finalized by the end of September and the solar power units will become operational within 10 months. The selected bidder would set up the solar power generation units by getting all clearances and permissions from local bodies and the Centre. The developers would set up the units on build-own-operate basis and supply power through inter connectivity to the substations for a period of 25 years.

3 MW solar plant for Andhra Sugars

Tata Power Solar has commissioned a 3-MW solar power plant for Andhra Sugars in 45 days. Built as part of the Renewable Purchase Obligation and for their captive consumption, the plant is based at Andhra Sugars, Chemicals & Fertilisers Division, Kovvur.

AP rejects APERC orders on PPAs

The Andhra Pradesh government has rejected the AP Electricity Regulatory Commission orders ruling that Power Purchase Agreements (PPA) between APGENCO and DISCOMs are valid.

The government rejected the orders on two counts. Firstly, APERC has no jurisdiction on the issue now as the two successor States -- Telangana and Andhra Pradesh -- constituted their respective Electricity Regulatory Commissions on July 31 and August 1 and issued orders.

Secondly, it did not follow the principles of natural justice by giving orders unilaterally without taking the views of the Andhra Government..

Chinese company to set up power plant in Telangana

A delegation from Dongfang Electric Corporation (DEC) of China met CM of Telangana and expressed keenness to participate in the state government's efforts to increase power generation capacity in the shortest time possible and in an effective way. DEC offered to set up world class power generation with a capacity of 660 to 1,000 MW in the shortest time. The delegation said that the project finance would be arranged on mutually agreed terms and conditions.

Adani assurances to Telangana on power shortages

Gautam Adani, Chairman of Adani Group told Telangana Chief Minister K Chandrasekhara Rao that they would be in a position to supply power to all the power-starved States.

Reliance power approaches Andhra Pradesh government to revive Krishnapatnam UMPP

Reliance Power approached the GoAP to revive a 4,000 MW ultra mega power project proposed at Krishnapatnam on India's east coast. In the past its lead electricity procurer, APSPDCL, served notices threatening to terminate power purchase agreements for defaulting on project implementation and supply of power as agreed upon. Under the PPA while proposal, Andhra Pradesh and Telangana will get 50% of the power generated by the UMPP, other states Tamil Nadu, Karnataka and Maharashtra will share the remaining power equally. The power procurers from the four states met recently and discussed about appointing a consultant to examine Reliance Power's proposal.

Solar projects to come up in AP

The state solar policy proposed to facilitate the installation of about 5,000 MW of solar power generation. NTPC is expected to sign up with the AP State for a 1,000 MW park, while NVVNL will facilitate 1,000 MW. SECI has agreed to support these initiatives and also help in setting up another 500 MW. The State was expected to secure Rs. 500 crore from the Centre to promote solar energy. The state government identified land in Anantapur, Kadapa, Kurnool and Chittoor

districts for solar energy projects. Under the proposed solar policy single-window clearance would be provided to the projects. Along with this an escalation clause of 3 per cent every year, for 10 years would be included. This was done based on feedback from developers and lack of response when Rs. 6.49 per unit was offered in the past. The Government expects to commission 800 MW of solar power by next year, and 1,200 MW in the second year, and 1,500 MW each in the third and fourth years respectively.

Along with these the state government was planning to expedite the construction of 800 MW of additional capacity in Krishnapatnam, 800 MW in Vijayawada Thermal Power Station and plans to develop a 960 MW hydel power house at the Polavaram multi-purpose project.

Telangana claims ownership of Krishnapatnam Thermal Project, Andhra dismisses it

Citing the shareholding pattern of DISCOMs, the Telangana government has claimed ownership of the 800 MW thermal project at Krishnapatnam. The project was planned when the state was united. At that time, a separate corporation called AP Power Development Corporation Limited (APPDCL) was created to fund the project. The erstwhile APGENCO was the major shareholder in the APPDCL with 51 per cent shares, followed by CPDCL with 29.37%, SPDCL with 9.84%, NPDCL 7.06%, EPDCL 6.99% and AP government 4.78 per cent. Post bifurcation, these figures were changed as per the formula created by the ministry of power, and the assets of APGENCO and APTRANSCO were distributed between the two states. The special purpose vehicle (SPV) that was formed to fund Krishnapatnam project was also split. Thus, the Telangana government got the majority share in APPDCL. While Telangana GENCO got 27.49 per cent, the two DISCOMs -southern DISCOM and northern DISCOM in Telangana -got 16.82 and 7.02 per cent respectively. The AP government's share was trimmed to 46.69 per cent, with APGENCO's share pegged at 23.51 per cent and eastern and southern DISCOMs getting 6.99 and 13.39 per cent respectively. But AP has rejected this, stating that the project is located in its state.

FUEL

Natural gas production declines 9% in July

Domestic natural gas production fell in July. In July, natural gas production was 2.739 billion cubic metres as against 3.008 billion cubic metres in the same month last year. ONGC's natural gas production fell by nearly 9 per cent as output from Andhra Pradesh fell because of the GAIL pipeline blast.

Gas pricing: Reliance Industries not to withdraw arbitration notice

RIL chose not to withdraw an arbitration notice sent to the Centre in May for the latter's failure to keep the promise of new gas price from April. RIL contended that the GoI was not within its right to sell gas at below market price. It argued that PSC commands the contractor to sell gas at competitively determined arm's length price.

Singareni Collieries enters partnership with RITES

Singareni Collieries Company Ltd (SCCL) has concluded an MoU with RITES for extending rail infrastructure facilities at the mining areas of the company in Telangana. Coal transportation from the mines to its power project is proposed through a dedicated railway system with RITES, which also can be used for supply of fuel oil and reverse transport of fly ash. Other projects include construction of a railway line from Koyagudem mine to Bethampudi station and development of a railway siding near Rebbana for Golet mines.