

Power Sector in Andhra Pradesh and Telangana during August, 2016

POLICY

Government of AP to promote conservation of energy

The state government of Andhra Pradesh has decided to spend Rs 1,000 crore every year on energy efficiency activities with the financial help of Energy Efficiency Services Limited (EESL) with an aim to take AP to the top in the country in energy efficiency measures by 2022. The state government would disseminate information on precautions to be taken by common consumers to save energy and reduce their electricity bills. The energy saving would help reduce pollution and protect natural resources.

The government would spend Rs 688 crore on distribution of 2.32 crore LED bulbs to domestic consumers, Another Rs 31 crore would be spent on LED-based streetlights. 2 lakh five-star rating fans would be distributed with an expenditure of Rs 8 crore. Old pump sets would be replaced with energy-efficient ones. These would be replaced in a phased manner across the state. These pump sets would help reduce electricity consumption by nearly 30-35 per cent in agriculture sector. Farmers will not be charged for this.

Telangana to start Green Incubation Centre for cleantech firms

The Telangana government is planning to set up a Green Incubation Centre (Green Hub) to promote green and clean technologies. The centre will be located at EPTRI campus, Hyderabad. Some international players in this area will be roped into to this initiative. There are also plans to access Green Energy Fund.

Over 3,800 MW solar PV projects will be implemented by June 2017. Nine sites have been identified in the state to set up wind power projects and the State is at advanced stage of finalising a new wind power policy. The State will also come out with detailed norms on solar and wind hybrid projects.

GENERATION

Governments of India and US initiate steps for nuclear plants in AP

India and the US deciding to immediately commence the work on engineering and site design, and make an early conclusion of a competitive financing package for construction of six reactors of 1000 MW capacity by American company Westinghouse at the proposed

nuclear plant in Andhra Pradesh. The issue of the nuclear power plant was one of the key items on the agenda for the second round of Strategic and Commercial Dialogue between the two nations. The contractual arrangements will be finalised by June 2017.

Orient Green to add capacity at AP wind farm

Orient Green Power Ltd., the wind power unit of the Shriram Group of Industries, has plans to add 47 MW of capacity to its existing 50.54 MW wind farm at Tadipatri in Andhra Pradesh. Its total wind portfolio currently stands at 429 MW. Capacity addition was made possible with the infusion of Rs 250 crore of fresh equity with about Rs 100 crore from the Edelweiss Group and the remaining from the promoters, Shriram Ventures Ltd. Out Rs 320 crore of debt needed for the project the company had tied up Rs 200 crore from banks, while the rest is also being arranged.

Tata Solar commissions AP project

A 100-MW solar project was commissioned by Tata Power Solar for NTPC in Anantapur district of AP. This solar project was commissioned using domestically manufactured solar cells and modules. The plant is expected to generate nearly 160 million units (kWh) of energy per year. The plant was commissioned 3 months ahead of the stringent schedule. The plant was built on a 500-acre site.

Gamesa bags 40 mw order for AP wind farm

Gamesa bagged an order to install wind turbines with total capacity of 40 mw project from KCT Renewable Energy to be set up at Molagavalli in Andhra Pradesh. Gamesa will supply 20 turbines of 2 mw each which use technology for low wind sites. The project will be commissioned by March 2017.

GE to invest \$31 mn in Mytrah wind energy project

GE Energy Financial Services has agreed to invest \$31 million in Mytrah Vayu (Tungabhadra) Private Limited (MVTPL) to support development of 200 MW wind energy project in Andhra Pradesh. GE will invest up to 49 per cent of the capital of MVTPL.

10 waste-to-energy plants to come up in AP

10 urban civic bodies in AP will be entering into agreements with private players to produce about 66 mw of power from garbage. Four private power generating firms have come forward to set up the power plants. Jindal and Essel companies would be taking up three plants each while 'Envicare' and 'Nexus Novas' would handle two each. The respective local bodies will provide land and garbage to the companies. The government would buy back power generated by these plants at Rs 7.5 per unit for 25 years. After expiry of the agreement, the firms will hand over the plant in running condition as well as the land to the civic bodies.

Representatives of two local bodies - Tadepalligudem and Machilipatnam - signed memoranda of understanding (MoUs) with Essel group. As per the agreement signed by Machilipatnam municipality, 4 mw plant would be set up by Essel at Rudravaram village on the outskirts of the town. The civic body would supply 196 metric tonnes of garbage every

day. Similarly, 5 mw power plant would be set up at Tadepallegudem. The Tadepallegudem municipality would supply about 342 metric tonnes of garbage to the waste-to-energy plant.

Guntur, Vizianagaram, Tirupati, Nellore, Anantapur, Kadapa and Kurnool Municipal Corporations are in the final stages of concluding agreements with private companies.

First Solar commissions 130 MW of solar power plants

First Solar Power India announced the commercial operation of 80 MW and 50 MW solar power plants in Andhra Pradesh and Telangana respectively. Electricity generated by the two projects will be purchased by the Southern Power Distribution Company of Andhra Pradesh and the Telangana State Southern Power Distribution Company under 25-year power purchase agreements.

PM lays foundation of NTPC plant in Telangana

Prime Minister Narendra Modi laid the foundation stone for the Rs. 10,599-crore 1600 MW NTPC super thermal power plant to come up in Ramagundam, the first phase of NTPC's Telangana Super Thermal Power Project (STPP). The project is being set up in the available land in the premises of NTPC's existing Ramagundam station. As per the AP Reorganisation Act 2014 NTPC shall establish a 4000MW power facility for the new state of Telangana. Ministry of Coal allotted Mandakini-B coal mine in Odisha to NTPC for this plant. As an interim arrangement till the development of this mine, tapering coal linkage for Telangana Phase-I (2X800 MW) shall be provided from WCL.

Prime Minister also dedicated the 1200-MW thermal power project of Singareni Collieries Company Ltd developed in Adilabad district of the State with an outlay of Rs. 7,000 crore.

Rays Power Infra commissions 25 MW solar plant

Solar energy firm Rays Power Infra commissioned 25 MW Solar PV park in Telangana.

New units of Jurala hydel project commissioned

The Telangana Power Generation Corporation (TGENCO) has begun operations of the Unit 3 and 4 (each 40 MW capacity) of Lower Jurala Hydro Electric Project (6x40 MW). The average loads during test on Unit 3 is 41.3 MW and Unit 4 is 41.55 MW. With TSGENCO adding 80 MW to the grid through these two units, it would be in a position to supply 120 MW from Jurala during peak hours and additional power during overflow in the river.

FUEL

Shah Committee confirms gas migration from ONGC block to RIL block

The Justice AP Shah committee in its report to the Ministry of Petroleum and Natural Gas has confirmed gas migration from ONGC's east coast block in the KG basin to the Reliance Industries Ltd's block. The single-member committee had been constituted by the Ministry after American consultant DeGoyler and MacNaughton (D&M) had said in its findings that there had been gas migration from ONGC to RIL. An independent consultant, D&M, was appointed by the Delhi High Court to look into the matter, based on which the Ministry was asked to take appropriate action. D&M's report, submitted to the Ministry in October 2015, was referred to the Justice Shah Committee.

KG Basin: Oil ministry disallowed \$380 million more in cost recovery and slaps \$51.6-mn profit petroleum penalty on RIL

The Government of India had disallowed Reliance Industries Ltd (RIL) from recovering a cost of \$380 million relating to RIL's Krishna Godavari basin gas production for 2014-15 for not meeting output targets. The total cost recovery disallowed so far stands at \$2.756 billion. Following this the oil ministry of GoI demanded \$51.6 million as extra profit share for 2014-15. On a cumulative basis, the additional profit petroleum the government has sought so far has reached \$246.9 million. This represents 8.9% of the aggregate disallowed cost.

CAG reports \$1.6 bn excess cost recovery by RIL

The Comptroller and Auditor-General of India (CAG) has pegged "excess cost recovery" from RIL's KG-D6 gas block at \$1,547.85 million or Rs 9307.22 crore. This implies that RIL owes the central government about \$1.6 billion. These are findings from 2011-'12 and 2014.

The in its report pointed out that 831.88 sq km of KG-D6 area needs to be taken away from RIL as per the contract and cost of discoveries it had relinquished should not be allowed to be recovered from sale of oil and gas from the block.

Krishna Godavari floating LNG terminal approved

GoAP's Energy, Infrastructure and Investment Department has approved setting up of the \$750 million project by The Krishna Godavari LNG Terminal. With this the Krishna Godavari LNG Terminal has secured in-principle nod for setting up a Rs. 5,000 crore floating LNG Terminal with a capacity of 7.2 MMTPA over two phases in the offshore of Kakinada Deep Water Port in Andhra Pradesh. While phase I entails an outlay of \$550 million (Rs. 3,685 crore) and phase II \$200 million (Rs. 1,350 crore).

KGLNG, is a special purpose vehicle (SPV) created by the American company Vessel Gasification Solutions Group Inc (VGS Group Inc), New Jersey, along with CAVELLO of Texas and EXMOR of Belgium to establish this LNG Terminal.

DISTRIBUTION

GoAP to provide power subsidy to spinning mills

The GoAP is planning to bring down power tariff to spinning mills in the state in order to revive the textile industry. This would impose burden of Rs 400 crore on the state government. A cabinet sub-committee headed by finance minister Yanamala Ramakrishnu has formally moved a proposal to offer power at Rs 2 per unit to the spinning mills. The spinning mills provide employment to four lakh people in the state, but several mills are on the verge of closure due to heavy losses. Besides this lakhs of cotton farmers and workers depend on the survival of the textile industry.

The committee also decided to recommend to the government to allow the ferro alloy industries to clear debts in two years. These industries owe Rs 300 crore to the power distribution companies in the state.