

Power Sector in Andhra Pradesh and Telangana during December 2014

Policy

GoI and GoAP ink MoU to provide 24x7 power in the state

The power ministry of GoI has signed a memorandum of understanding with the GoAP under its 'Power for all' initiative. The scheme aims to cover the entire state by October 2016. It aims to provide quality, reliable and affordable power to all domestic, commercial and industrial consumers. The government plans to cover the entire state in a phased manner by October 2016 and provide all unconnected households access to electricity in phases by March 2017. Representatives of the central and state governments will meet regularly to review the progress of the programme over the next five years.

Generation

Sileru power dispute in Centre's court

The Godavari River Management Board (GRMB) decided to refer the dispute between Andhra Pradesh (AP) and Telangana over the ownership of the 460MW Lower Sileru hydro-electric power station located in mandals that were recently transferred from Telangana to AP. While Telangana officials contended that the project site was in Khammam when AP was divided into two states, but after the recent amendment to the AP Reorganization Act 2014, it was transferred to Andhra Pradesh, and it should not be construed as change of project ownership; the AP officials pointed out that as per the Act all projects were allotted to two states on the basis of physical location and Sileru should not be an exception. Also while the Telangana officials wanted to know the amount of power generated and quantity of water utilised by Andhra Pradesh, the AP officials did not provide the details and argued that the GRMB had no purview to discuss issues related to power.

Kudankulam nuclear power to cost 4.29/unit

According to Nuclear Power Corporation Ltd (NPCIL) 1,000MW the unit 1 of Kudankulam nuclear power plant went commercial from midnight of December 31. The price of power from this plant was set at Rs. 4.29 per unit. The total cost of setting up two units of the nuclear power plant at Kudankulam has escalated from 13,000 crore to 16,000 crore. Share of Andhra Pradesh from this plant will be 50MW.

AP prepares three-year plan for power capacity addition

The AP government is planning to add additional power generation capacity of 15,869 MW by 2018-19. According to the proposed power plan the additional generation capacity includes thermal (3,240 MW), Central Generating Stations (1,949 MW), solar (3,150 MW), wind (7,030 MW) and others (500 MW). Power consumption is expected to increase at around 15 per cent per annum.

APTransco initiates long-term purchase bidding

The APTRANSCO initiated the process of procurement of 2,400 MW power on long term basis. The DISCOMs would enter into a 25-year power purchase agreement with the power developers selected through bidding process. Power from these plants would be procured from June, 2016. The selected plants need to have coal linkage from Coal India Limited (CIL) supplemented by imported coal and should have COD (Commercial Operation Date) before December, 2016. The minimum bid capacity has been reduced to 8 per cent (192 Mw) from the earlier 20 per cent (480 Mw).

NTPC invites bids for Pudimadaka project

NTPC is planning to set up the 4,000 MW (5 X 800 MW) ultra mega power project, based on steam coal of origin other than India, at Pudimadaka, Visakhapatnam district. NTPC has invited bids for long-term procurement of imported coal for this thermal power plant. This procurement would be through international competitive bidding process. As per the bid request, the annual coal requirement of power plant is estimated to be around 14 MMTPA. The plant is likely to come into operation during FY 2018-19.

NTPC Ltd also initiated the process of identifying a consultant for this plant. This power plant is estimated to cost of Rs. 20,000 crore. NTPC has invited consultancy packages for detailed pre-award and post-award engineering activities for the project. The pre-award activities include finalisation of basic design, review of report prepared by NTPC and interface with the Environment Impact Assessment agency. Then the consultant has to carry out hydrological and other studies and assist in technical bid evaluation as well.

AP committee to expedite Polavaram project

The GoAP plans completion of the multi-purpose Polavaram project by 2018. The state government constituted a high-powered committee to closely monitor the progress of the project the state Chief Secretary would head the committee and have principal secretaries of irrigation, energy and finance departments as members. The State Government expects that the forest department clearance is likely to be received soon. Following this the state government plans to complete land acquisition.

Thermal Powertech synchronises first unit to grid

Thermal Powertech Corporation India (TPCIL) has synchronised its first 660-MW unit of its power plant with the grid. The plan was expected to commence commercial operations of this unit from the beginning of January, and the full plant was expected to be completed by mid 2015. TPCIL has also secured fuel supply agreements with Mahanadi Coal Fields and Indonesia-based PT Bayan Resources for supply of coal to its super critical coal-fired power plant.

Review of solar parks' progress in AP

The Ministry of New and Renewable Energy (MNRE) and the World Bank have reviewed the progress of Andhra Pradesh Government's plan to set up 2,500-MW capacity solar parks in the State. The GoAP had entered in to agreements with the Power Ministry, MNRE, NTPC Ltd and Solar Energy Corporation of India for setting up of the large solar power parks in Anantapur, Kadapa and Kurnool districts. The World Bank has come forward to provide Rs. 125 crore for the proposed projects initially and another Rs. 325 crore by March 2015 to enable the State government to create necessary evacuation line for the proposed parks. The Power Grid Corporation will be entrusted with the mandate to develop the line.

The State government also planned to set up 6,000 solar-powered pump sets as a pilot initiative. This project will have subsidy and funding support from Power Finance Corporation, the statement said.

AP to partner with Japanese banks for power projects

According to AP chief minister Japanese Softbank had indicated its willingness to fund solar power plants in AP and the Japanese lending institutions like JICA and JBIC are willing to fund the 4,000 mw ultra super critical thermal power project being proposed in joint venture with the Sumitomo Corporation at low interest rates. This plant is expected to come up in Srikakulam district.

Telangana identifies site for thermal power projects

The Telangana government has proposed to develop thermal power plants, with total capacity of 7,600 MW, in Damacharla in the Nalgonda district. This includes a power project of NTPC and ultra mega power project by TS Genco. The location for new projects in Nalgonda was decided based on rail connectivity and water availability from Krishna river. NTPC also proposed further capacity addition of 1,600 MW near the existing Ramagundam super thermal power project. TS Genco is planning to independently develop thermal power generation capacity of about 6,000 MW. Of this, it will have four units of 270 MW in Khammam district. Other sites for new plants are under finalisation.

Telangana to expedite power projects

The Government of Telangana expects that the environmental clearances for setting up power projects with total installed capacity of 7600 MW in Nalgonda district of the State would be secured soon. BHEL expects to complete the Rs. 3,810-crore, 800-MW Kothagudem power plant within two years and Rs. 4,200 crore, 1080-MW Manuguru power project in three years. The State issued a cheque of Rs. 350 crore to BHEL as a part of the funding for the implementation of these projects. While the designs for both the plants have been completed, civil works are expected to start in these two projects. The Chief Minister of Telangana directed the Singareni Collieries Company Ltd to expedite 1200 MW project being developed by it at Jaipur in Adilabad district.

Telangana: Greenko expresses interest to develop 800 MW renewable energy

A team of officials from renewable energy company Greenko met Telangana Chief Minister K Chandrasekhar Rao and expressed their interest in setting up capacity of 800 MW by 2018. The Greenko team requested the Chief Minister to facilitate in getting the necessary land for the proposed renewable energy projects and other clearances.

National thermal Power Corporation (NTPC) in association with National Hydro Power Corporation (NHPC) and Solar Energy Corporation of India (SECI) is planning to set up 500 MW **solar power plant in Adilabad** district. They have initiated the process of identifying land for this plant.

Fuel

RIL to relinquish KG basin gas block

RIL decided to relinquish its Krishna Godavari basin gas discovery block, KG-D3 because of operational restrictions imposed by the defence ministry. These restrictions affect 38 per cent of the block (1,242 sq km affected out of 3,288 sq km of block area) with a number of prospects lying in this affected area. RIL is reported to have conveyed that the previously announced access restrictions imposed by the defence ministry rule out any further exploration/development activities in the impact zone area and inhibited the contractor from undertaking any further work and investment in the unrestricted area of the block due to anticipated increase in cost and risk. RIL in the past was reported to have made four consecutive gas discoveries with close to 500 billion cubic feet of in-place reserves in block.

Besides this, uncertainty in long-term natural gas pricing also forced RIL to take this decision. While the gas producing companies were expecting Rs 8.4 per million British thermal unit the government arrived at a much lower price of Rs 5.61.

UK judge as arbitrator in gas dispute

RIL has named former UK Judge Sir Bernard Rix as its arbitrator in the KG Basin D6 cost recovery dispute with the government, in place of former Chief Justice of India S P Bharucha, who quit last week.

Transmission

BHEL commissions new generation transformer

BHEL has commissioned its first indigenously developed phase-shifting transformer at Kothagudem Thermal Power Station in Telangana. The new generation transformer will be used to control and improve power flow between 400kV and 220kV networks in either direction by shifting the phase as the system requires. This improves transmission efficiency.

Distribution

AP to address power theft

A recent survey by power utilities in AP showed that power utilities were losing Rs 900 crore per annum on the basis of an estimate of even 3 per cent of Commercial losses at Rs 6 for every unit. The survey identified that the commercial losses incurred by Discoms was because of theft of energy, unauthorised use of electricity, improper metering, improper meter reading and billing practices. In order to minimise the losses and to provide financial relief to the Discoms, The Andhra Pradesh government would soon set up a special mechanism to curb permanently the growing menace of power pilferage in the State. A special vigilance teams would be formed to make surprise checks and book cases in theft-prone areas. The Discoms were told to gear up and prepare time-bound action plans and make all out efforts to prevent theft in their respective areas.

Andhra Pradesh promotes LED bulbs

The GoAP had taken several steps under DSM-based efficient lighting programme (DELP). One of the measures includes replacement of inefficient sodium vapour street lights with energy efficient LED (light-emitting diode) lighting system. It was estimated that implementation of the DELP programme alone will save around 500 Mw (or 12 million units per day). So far 8,20,000 LED bulbs have been distributed in Guntur district in Phase-I and is planned to be extended to the entire state. Under DELP LED bulbs are being provided at a nominal price of Rs 10 each as against the market value of around Rs.400.