

Power Sector in Andhra Pradesh and Telangana during February 2016

POLICY

GoAP to expand energy efficient pump set programme

The GoAP had decided to expand the energy efficient pumpset scheme all over the state. The state government would take up replacement of more than 15 lakh conventional pump sets with energy efficient ones estimated to cost Rs. 50,000 each in a phased manner. This is, among other things, expected to lead to significant energy savings. The cost of replacement will be borne by the state government and DISCOMs without burdening the farmers. This decision comes after the successful implementation of the EEPS scheme in Rajanagaram mandal of East Godavari district. An audit of 142 pumpsets that were replaced on a pilot basis showed that energy savings to the extent of 20.38 mu was achieved.

GENERATION

Sembcorp launches 2,640MW power project in Nellore

Singapore based Sembcorp Industries in association with Gayathri Group launched a 2,640-MW power project complex. This is built at a total cost of Rs. 20,000 crore. The complex houses two 1,320MW super critical coal-fired power plants. The first plant — Thermal Powertech Corporation India Ltd (TPCIL) — commenced full operations last September. The second plant, NCC Power Projects Ltd (NCPPL), is expected to be fully operational by the end of this year.

Around 67.4% of TPCIL is owned by Sembcorp, while the rest is owned by Gayatri Energy Ventures. As for NCCPP, 49% is owned by Sembcorp.

NCC close to divesting power plant stake to Sembcorp

NCC is at an advance stage of divestment of its stake in the 1,320 MW power project coming up at Nellore in Andhra Pradesh to Sembcorp Industries of Singapore. The company is both an EPC contractor and developer of the thermal power plant coming up through a venture with Sembcorp, NCC and Gayatri Projects. The company expects the unit one of 660 MW to be commissioned by March 2016 and unit two of 660 MW by June 2016. The company expects to divest its stake and agreements have been inked with Sembcorp.

AP to add 2000 MW additional power generator capacity

The APGENCO had initiated steps to add 2,000 MW additional power generation capacity in the state. The APGENCO has embarked on a major expansion which will include new projects at Krishnapatnam (800 MW), Vijayawada (800 MW) and Rayalaseema Thermal Power Project (600 MW) in Kadapa. The two 800 MW expansion projects each at Krishnapatnam and Vijayawada are likely cost an estimated Rs. 5,600 crore each. The Kadapa project in Rayalaseema is at advanced stage of implementation and is likely to be ready by the year end.

AP Transco seeks exit proposal from Reliance Power on KUMPP project

The Transmission Corporation of Andhra Pradesh (AP Transco) has asked Reliance Power to submit a “clear exit proposal” for termination of the 4,000 megawatt (MW) Krishnapatnam Ultra Mega Power Project (KUMPP) in the Nellore district. Before that the AP Transco held a meeting in Hyderabad involving all stakeholders of the project to consider the Reliance Power proposal. Reliance Power had submitted a proposal to the Andhra Pradesh government last month seeking to exit KUMPP as it could not take up the project originally sanctioned way back in 2007. KUMPP did not move much in the last nine years as Reliance delayed the project citing non-availability of coal and escalation of costs though the state government allotted 2,400 acres in Krishnapatnam.

SunEdison plans to offload equity in 500 MW Andhra Pradesh project

Lack of transmission lines hits power re-allocation from Delhi to Telangana

Consequent to the Delhi government’s proposal to re-allocate its share of costly power to other States Telangana is the only State that has come forward to buy the expensive re-allocated power. Last November, Telangana agreed to purchase 926 MW from NTPC’s Dadri power plant, which included Delhi’s share of 91 MW, and 1,067 MW from Aravali’s Jhajjar power plant, which included Delhi’s share of 693 MW. But that power could not be evacuated due to lack of transmission lines. There is a transmission constraint and Power Grid Corporation of India Ltd has not yet completed the lines, power cannot be evacuated.

TS not to claim power from Hinduja second unit

The Telangana government has decided not to stake claim for power from Hinduja National Power Corporation Limited's plant near Visakhapatnam.

While AP was not willing to give up the claims of the State in the two ongoing projects in Telangana at Jaipur in Adilabad (600 MW) and Bhoopalpalli in Warangal district (1,200 MW) the Telangana government ruled out giving power to Andhra Pradesh from the two stations.

Thermal Powertech in purchase pact with Telangana DISCOMs

Thermal Powertech Corporation India (TPCIL) has signed a long-term power purchase agreement (PPA) with the Telangana power distribution companies. Under the power purchase agreement, 570 MW will be sold to power distribution companies of Telangana for 8 years. Together with the 500 MW supplied to the Andhra Pradesh and Telangana distribution companies under a 25-year power purchase agreement, TPCIL has secured more than 85 per cent of its net total generating capacity under long-term power purchase agreements.

TPCIL commissioned its first 660 MW unit in March 2015 and second 660 MW unit in September 2015. TPCIL is 67.4 per cent owned by Sembcorp Utilities, a wholly-owned subsidiary of Sembcorp Industries, and 32.6 per cent by Gayatri Energy Ventures, a wholly-owned subsidiary of Gayatri Projects Limited.

TSERC's approval to TSDISCOMs' proposal to buy 570 MW power for 8 years at a tariff of Rs. 4.15 per unit is being questioned. This comprises of fixed cost of Rs. 2.64 per unit and variable cost of Rs. 1.51 per unit. In the past the same company had offered to supply at a tariff of Rs. 3.58 per unit. TSERC approved this PPA without any PPA. Questions were also raised on the way this PPA was finalised.

Power deal with Chhattisgarh to cost Telangana more Rs 1,050 crore

During public hearing on PPA with Chhattisgarh DISCOM it was pointed out that the Telangana DISCOMs' 1,000-MW deal with Chhattisgarh would lead to an additional burden of over Rs 1,050 crore on consumers in the state every year.

The power purchase agreement runs for 12 years, which would mean a total burden of Rs12,600 crore over the period. Because of this unit price of power might go up to Rs. 6 compared to average norm of about Rs. 4 per unit of electricity.

Experts and representatives of political parties who participated in the public hearing faulted the TSDISCOMs for taking the MoU route, instead of opting for competitive bidding. Further power availability from Chhattisgarh plant will be limited by congestion in transmission network.

TSERC approved 2000 MW solar power

TSERC approved TSDISCOMs' purchase of 448 MW solar power at the rate of Rs. 5.72 per unit and 1500 MW at the rate of Rs. 5.59 per unit.

FUEL

ONGC seeks higher price for deepwater KG-basin block

ONGC asked the GoI for a higher price for natural gas from its deepwater block in the Krishna Godavari basin. ONGC asked the government to offer a higher price for the gas that KG DWN 98/2 can produce. They contend that at \$4.2 per million British thermal unit, developing the 98/2 block is not viable.

The company had prepared a field development plan for KG-DWN-98/2, however, the Directorate General of Hydrocarbons had asked for a revision to lower the cost estimate. The work on preparing fresh cost estimates is still on and could be ready in the next few days.

Singareni Collieries to take up 10 new mines next fiscal

Singareni Collieries Company Ltd (SCCL) has plans to open 10 new mines in 2016-17. It aimed at increasing the coal output from the targeted 60 million tonnes this fiscal to 66 million tonnes. As a part of it SCCL is in the process of planning, securing Government approval, land acquisition, while taking care of relief and rehabilitation of people in these mining areas. Apart from nine mines located with the State, the company is also working to commission the Naini Coal Block allocated in Odisha. The nine mines include Bellampalli Open Cast (OC) 2, Kasipet 2, Shanthi Khani Continuous Miner, Koyagudam OC 2, JVR OC 2, Manuguru OC, KTK OC 2, PVK Continuous Miner and KK OC. By the addition of 10 new mines including Naini coal mine on Odisha, which alone has potential for about 10 MT, the company expects to quickly ramp up output.

Singareni Collieries recruits 11,600 youths this fiscal

Singareni Collieries Co Ltd (SCCL) has recruited 11,600 youth so far this year fiscal, and plans to induct 2,000 more in a phased manner.

GENERAL

LED bulbs help cut power bill in Andhra Pradesh

According to a survey conducted by expert-teams from Andhra University and Engineering Staff College of India (ESCI) replacement of incandescent bulbs by LED ones helped the electricity consumers of the four districts in AP save between Rs 250 and Rs 550 each in their electricity bills depending upon their power meter slab. The Andhra Pradesh government has saved 421 million units of energy in a year in domestic sector by using 57.03 lakh LED bulbs in four districts of Guntur, Anantapur, Srikakulam and West Godavari. The actual average energy saving per bulb is 73.7 units. The projected savings was 55.65 units.

The target is to install 1.87 crore LED bulbs which is expected to reduce peak demand in the state grid around by 500 MW and energy savings of 1200 MU - 1400 MU annually in AP.

Hyderabad city's hunger for power growing

According to the officials of TS Southern Power Distribution Company Limited (TSSPDCL) demand for power in Hyderabad city touched 45 million units (MU) a day in February, which is about 2,200 Mega Watt, and is likely to touch 58 MU during the peak summer. This is because temperatures this year are expected to be higher than normal. Generally, the demand in Greater Hyderabad is around 40 MU a day in February. It touches 45 MU only in April and close to 50 MU per day in May. The highest power demand recorded during summer last year was 53 MU on May 27, 2015.

According to the officials the demand has been rising since the first week of February. On February 2, the power consumption stood at 40 MU, and on February 3 it was 43 MU. From the very next day, the demand reached 44 MU. On February 11, it touched 45 MU, which was the highest in this month.

Of the total demand from the entire TSSPDCL area covering Hyderabad, Ranga Reddy, Medak, Mahbubnagar and Nalgonda, 75% of the power is being supplied in Greater Hyderabad.

LED bulbs to be distributed in Telangana

The Telangana New and Renewable Energy Development Corporation Limited (TNREDCL) decided to distribute LED bulbs to all households in Medak and Nizamabad districts. Under this programme every household will be provided with two LED bulbs of 9 watts capacity.

TSSPDCL official held for bribery

Anti-Corruption Bureau (ACB) personnel arrested S Prabhulal a line inspector of TSSPDCL for taking Rs 13,000 bribe from A Ravinder a farmer to install a meter at his farm in Hayatnagar on 18th February.

TSERC advisory on staff

TSERC issued an advisory to the electricity utilities in Telangana to issue instructions to their respective employees that without prior approval from their employers no employees shall appear or enter in to any correspondence relating to the utilities business and present before the Commission in any manner relating to their business. Doubts were raised on Commission's jurisdiction to issue such an advisory. It was pointed out that for the past 15 years utility employees, individually as well as collectively, were participating in the public hearings.