

# **Power Sector in Andhra Pradesh and Telangana during February 2017**

## **POLICY**

### **AP to introduce ‘Solar Farming’**

The Energy Department of Government of Andhra Pradesh is planning to launch the scheme ‘Solar Farming’. Under this scheme existing pump sets will be replaced with energy- efficient solar pump sets that will enable generation of power. After utilising the power required for drawing water to his field, the farmer could pump the remaining energy into the grid and thereby earn income. A farmer could generate about 9000 units of power from a solar pump set per annum, taking an average of 300 sunny days. The price for this power will be fixed with the approval of APERC. This will be an extra income to the farmer. Government of India’s Energy Efficiency Services Ltd (EESL) would be the implementing agency for this scheme.

About Rs 3,000 crore would be required to launch this scheme. The Cost of 5 HP solar pump set has come down from Rs 5 lakh to r Rs 3.2 lakh and the price is expected to drop further. The Centre would provide 30 per cent subsidy for these pump sets. In the first phase, the Energy Department will replace one lakh pump sets this year. The scheme will from May this year. Under the scheme, there will be no cost to the farmer. Moreover, he will be making money by generating power besides fulfilling his energy requirement.

### **Pre-paid electricity meters for AP government offices**

APDISCOMs will install pre-paid electricity meters in all the government offices in P from the next financial year in order to avoid power bill arrears problem. APDISCOMs have to get arrears of Rs. 1,800 crore from the government departments. The government offices have to recharge the power bill meters on a monthly or quarterly basis. The tendering process for installation of pre-paid meters will begin from the next financial year.

## **GENERATION**

### **Games's Rs. 1,000-cr wind parts plant in Nellore inaugurated**

Gamesa India's Rs. 1,000-crore blade and nacelle manufacturing facility was inaugurated at Nellore. Gamesa so far has invested Rs. 500 crore to set up a plant that will make blades for its flagship product, G 114-2.0. The remaining Rs. 500 crore will come up in due course, for a factory to make nacelles — the 'box' on top of windmills, which houses the electricity-producing generators.

In addition, the plant will make inverters for solar power plants. The plant has created 500 jobs, a number that will double in three years.

Gamesa has signed an MoU with the government of Andhra Pradesh to facilitate investments of Rs. 17,500 crore to create 2,500 MW of wind, solar and wind-solar hybrid power plants.

### **Tata Power Renewable Energy's 15 MW solar plant in Telangana synchronised**

Tata Power Renewable Energy Ltd, has synchronised its 15 MW solar plant at Bellampally in Telangana. The project was won by the company in the Phase 1 bidding process in Telangana, and its commissioning is reported to be in keeping with the conditions and timelines in the PPA. The solar plant has been built over 80 acres of land and includes an 18 km transmission line. Sale of power from solar plant has been tied up under a 25 year Power Purchase Agreement with the Northern Power Distribution Company of Telangana Ltd at a tariff of Rs. 5.72.

### **New Wind power installations in AP may reach 2,500 MW this year**

This year Andhra Pradesh will see installations of around 2,500 MW wind power plants.

### **Telangana to achieve 3 GW solar capacity by year-end**

Telangana state will be crossing the 3,000 MW solar power generation capacity by the year-end, up from 1,070 MW installed capacity at present. These are the projects which have been tendered and under execution. They are expected to be commissioned as per schedule given to the developers. Those tendered out during 2014-15 have been executed and those offered later for development are under execution. The projects awarded during 2015 are expected to be commissioned before August.

The State is planning to add another 2,000 MW solar power generation capacity over the next three years. Once the projects under execution are implemented tenders for new projects will be floated.

About 300 MW of wind power will also come up in the state.

The state will be able generating over 15 per cent of the total energy from renewable energy sources

### **Meenakshi Power, Simhapuri Energy wins bids for imported coal-based power**

In a recent bidding for a 1000 MW imported coal based power project the AP state received winning bids from Meenakshi Power and Simhapuri Energy at the rate of Rs. 4.5 per unit for 600 MW. Simhapuri would be contributing 400 MW and Meenakshi 200 MW. There will be a cap on coal price. The capping was indexed to the Indonesian coal price. Over and above that price the pass through of fuel cost will not be allowed.

## **FUEL**

### **ONGC gets gas price guarantee from Gujarat for the GSPC deal**

The Gujarat government has given an assurance to ONGC that the latter will get at least \$6/mmBtu for the gas from the Deen Dayal-West (DDW) block in the Krishna Godavari basin in the first year of production. The assured price will see staggered increments every year — it will touch \$6.9/mmBtu in the fifth year and remain at that level during the remaining life of the asset. The move to offer a price guarantee is expected to help ONGC and state government-owned Gujarat State Petroleum Corporation (GSPC) to conclude the announced acquisition of the latter's 80% stake in the asset by ONGC by March 31. Under a deal signed earlier, ONGC will pay debt-laden GSPC \$1.2 billion for the stake.

### **Domestic natural gas price set to rise by 8 per cent from April this year**

India's domestic natural gas price is expected to rise by 8 percent to \$2.7 per unit for the six months period beginning April 2017 from the current \$2.5 per unit. This is further set to increase to \$3.1/mmBtu in the second half of FY18 due to increase in the price of the reference price index constituents.

## **Singapore-based arbitrator on panel for RIL-ONGC case**

Singapore based arbitrator Prof. Lawrence Boo was named as the presiding judge of a three member arbitration panel that will go in to the validity of government's demand of \$ 1.55 billion compensation from RIL for unfairly producing ONGC gas. GoI named former Supreme Court Judge G.S. Singhvi as its nominee on the three member arbitration panel. RIL and its partners have named former UK High Court Judge Bernard Eder to the panel.

## **Shale gas exploration in K-G basin opposed**

The ONGC has been accused of violating provisions of the Environment (Protection) Act, 1986, and also Environment Impact Assessment (EIA) notification, 2006 in its attempts to take up shale gas exploration in the Krishna-Godavari basin in Andhra Pradesh.

The Human Rights Forum pointed out that no attempt was made to educate the public about the devastating consequences of such exploration, especially on water security and food security. Toxic chemicals, many of them carcinogenic, would be used in the process of exploration and methane will also be emitted into the air. Many of the European nations were not taking up shale gas exploration and instead banking on renewable sources of energy.

The Ministry of Environment and Forests (MoEF) had not yet given environmental clearances and the Pollution Control Board had also not yet given the go-ahead. But the ONGC has already started work on the project at two of the sites, Andaluru in Veeravasaram mandal of West Godavari and Modugumudi of Mandavalli mandal in Krishna district.

## **TRANSMISSION**

### **PGCIL Transmission line in Telangana completed**

The TSTRANSCO announced the successful installation and test charge of two new 400 kv feeder bays at the 400 kv Dichpally sub-station. The PGCIL has also announced the completion of the Wardha-Dichpally transmission line to evacuate power from Chhattisgarh. With this, Telangana is ready to receive power from the 765 kV Nizamabad substation under the Wardha Hyderabad transmission scheme. This will help to evacuate 1,000 mw power from Chhattisgarh from March second week.

## **GENERAL**

### **Water Board to utilise solar power to cut down on bills**

The Hyderabad Metropolitan Water Supply and Sewerage Board (HMWS&SB) has planned to go solar to save electricity bills. For this, the HMWS&SB is seeking an allotment of Rs. 50 crore funds in the state budget for the coming financial year. The Water Board's monthly power consumption is between 120 and 150 Mega Watt (M W).

At present the HMWS&SB is paying nearly Rs 55 crore monthly power bills for power consumption in pumping and distributing the network from Godavari phase-I and Krishna phases I,II and III. Power is also consumed for running sewerage treatment plants (STPs) located at various places in the city. During summer the monthly power bill will increase to Rs 70 crore.

Utilising solar power instead of grid electricity is expected to bring down power bills.

### **GHMC plans solar plants on rooftops to cut power bills**

The Greater Hyderabad Municipal Corporation (GHMC) is planning to install grid connected rooftop solar-powered plants in a phased manner.

In the first phase 44 of 942 buildings owned by the GHMC have been identified for these installations. These solar power units are expected to meet nearly 47% of its energy consumption. It was estimated that a monthly amount of Rs. 52.5 lakh will be saved with the installation of solar panels on its properties.

The project will be extended to all its offices as well as other structures like stadia owned by it. The GHMC had called for 'Expression of Interest' from consultancy services for survey and preparation of a feasibility report and a detailed project report with bidding documents for installation of roof-top power solar plants in September 2016 and two bidders M/s. TUV South Asia Pvt Limited and M/s. The Energy and Resources Institute were declared qualified.

The corporation has also decided to open outlets in the next couple of days for selling LED bulbs at a discounted rates in all zonal and circle offices.