

Power Sector in Andhra Pradesh during January 2011

POLICY

The Government of India has approved a new policy for allocation of power to be generated by upcoming central power generating stations earmarking 50% share to the state where the plant will be located as opposed to the present share of 33%. As a part of this changed policy Andhra Pradesh will get 2000 MW power from NTPC's upcoming new 4000 MW plant at Visakhapatnam.

POWER GENERATION

13 companies filed bids for Case – 1 bidding for supply of 2,000 MW of power. Evaluation of the bids is in progress. The total capacity offered by the 13 companies is about 8,040 MW. The Chief Minister of AP in a meeting with the power department officials seems to have advised them to explore the possibility of securing all the 8,040 MW capacity as it would help in faster industrialisation.

The fourth unit of the 220 MW Kaiga nuclear power plant belonging to Nuclear Power Corporation of India and located in the state of Karnataka has started power generation. Andhra Pradesh also has a share in the power generated at this unit.

About 3,000 farmers, fisherfolk and residents of nearly 40 villages around Kakarapally in Srikakulam district staged a protest rally and meeting at the construction site of the 2,460 MW thermal power plant being set up by East Coast Energy Private Limited. The protestors raised slogans against the plant. They are opposing the plant because of its adverse environmental impact on their villages that also affects their livelihoods.

Reliance Power, a part of the Reliance-Anil Dhirubhai Ambani Group (R-ADAG), is planning to expand the generation capacity of its coal-fired UMPP at Krishnapatnam (4,000 MW) by 50%. The additional capacity of 2,000 MW at this UMPP would be sold at market prices.

Telugu Desam Party leader Mr. Revanth Reddy opposed allocation of 1.5 TMC of water from river Krishna to a thermal plant proposed to be set up in Mahabubnagar district by Seshadri Power and Infrastructure Limited. He pointed out that an all party meeting in the district opposed this allocation in the past and as a response to it the allocation was stayed on 28th October 2010. But recently the department of irrigation vacated this stay and confirmed the water allocation.

Land survey for setting up of 1,400 MW nuclear power plant in Srikakulam district was completed. The plant at present requires 2,375 acres. Lands from Kovvada, Chinna Kovvada,

Ramachandrapuram and Tekkali villages are being acquired for this plant. This plant will result in displacement of about 1,500 families. Tripartite talks are said to be on between the Nuclear Power Corporation of India, the state government and the villagers on resettlement and rehabilitation. The alternative land for rehabilitation of the villagers was said to be already identified.

An Advisor in the central Ministry of Environment and Forests had written a letter on 25th January 2011 to the AP State Coastal Zone Management Authority to identify violations of the Coastal Regulation Zone notification within four months and initiate action. An upcoming power plant near Visakhapatnam may be affected by this if earnest action is taken on this.

FUEL

The Director General of Hydrocarbons has expressed reservations over fall in production of gas in D1 and D3 fields in Andhra offshore belonging to Reliance Industries Limited. The company is producing about 45 MCMD of gas against the target of 53 MCMD. It has directed to drill four more wells and reach the target production by end of March 2011. The fall in gas output is a matter of concern because the central government had made gas allocations based on the expected gas generation.

Petroleum and Natural Gas Regulatory Board (PNGRB) seems to have issued notices to the Reliance Gas Transportation Infra Limited (RGTIL) for delay in laying the 1100 kilometer Kakinada-Haldia gas pipeline though it was awarded the project way back in 2007. PNGRB also issued fresh Expression of Interest (EoI) notification to take up this project. The AP Gas Infrastructure Corporation Limited (APGICL) submitted EoIs for pipeline between Kakinada and Srikakulam. RGTIL is of the opinion that without increase in gas output in the KG basin it will be risky to take up this project.

Reliance Industries Limited is planning to set up a LNG terminal at Kakinada with an investment of Rs. 5,400 crore to facilitate import of LNG.

Godavarikhani 11 incline mine of the Singareni Collieries Company Limited achieved national record production of 66,229 tonnes of coal in a single month – December 2010.

POWER DISTRIBUTION

The DISCOMs in the state obtained approval for availing a loan of about Rs. 990 crore from JICA for HVDS in 16 districts covering 2.24 lakh pump sets.

Four DISCOMs in the state issued public notices on 12th January 2011 on electricity tariff proposals for the year 2011-12. These proposals envisage power requirement of 87,381 MU and annual revenue requirement (ARR) of Rs. 28,287.74 crore. As part of new tariff proposals the

DISCOMs suggested reducing the minimum charges to the domestic consumers with connected low of above 250 V to Rs. 25 from Rs. 50, increasing the charges for advertisement hoardings to Rs. 7.50 per unit and introduction of seasonal tariff for HT consumers. After the new tariff proposals the DISCOMs will be left with a deficit of Rs. 5,951.85 crore.

OTHER ISSUES

Work on construction of the NBPPPL, a joint venture of NTPC and BHEL to manufacture power generation machinery at Srikalahasti in Chittoor district started on 7th January 2011. This project is planned with an investment of Rs. 6,000 crore.

Bharat Heavy Electricals Limited (BHEL) and Bharat Electronics Limited (BEL) have formed a joint venture to manufacture solar cells and modules with manufacturing capacity of 250 MW. The unit will be set up at Fab City, Hyderabad. The unit is proposed with an investment of Rs. 2,000 crore and is expected to provide employment to 1,000 persons directly.

Brighton Energy, US-based heavy equipment and forged steel manufacturing firm, is planning to set up a manufacturing unit at Nakkapalli near Visakhapatnam spread over 800 acres of land with an investment of about Rs 2,724 crore. This unit will manufacture components for nuclear power plants. Brighton is planning to set up the facility in 24-30 months and employ about 2,500 highly-skilled engineers. This would also create indirect jobs for about 100,000 people through vendors and other ancillaries at the main facility. A captive power plant is also planned to meet the energy requirement of this plant and the company also request for allocation of natural gas for this project.

POWER PLANTS WITH ENVIRONMENTAL CLEARANCE ISSUED UPTO 31.07.2010.

Sl. No.	Name of the Developer	Fuel	Capacity (MW)	Location
1	Shravana Power Projects Pvt. Ltd.	Biomass	6.0	Thakkalapally (V), Yacharam (M), Ranga Reddy District
2	Steel Exchange India Limited	Coal		Malliveedu & Sreerampuram (Villages), L.Kota (M), Vizianagaram District
3	MY HOME Industries Ltd.	Coal	9 Captive	Mellacheruvu (V), Nalgonda District
4	Penna Cement Industries	Coal	77	Ganeshpahad (V), Damaracharla

	Ltd.		Captive	(M), Nalgonda District
5	Rohit Extractions Pvt. Ltd.		Captive	Halebidu(V), Alur (T.Q), Kurnool dist.
6	Lalitha Aditya Power projects Pvt. Ltd.	Biomass	7.5	Musullakunta (V), Nallajerla (M), West Godavari District
7	PSR Green Power Projects (Pvt), Ltd.	Biomass	7.5	Marikal (V), Danwada (M), Mahaboobnagar District
8	Shalivahana Projects Ltd.	MSW	10	Rebladevpalli (V), Sultanabad (M), Karimnagar District
9	Sirius Overseas Pvt. Ltd.	Co-Generation	9	Peddapuram (V), East Godavari District
10	Shravana Power Projects Pvt. Ltd.	Biomass	6	Thakkalapally (V), Yacharam (M), Ranga Reddy District
11	Pinakini Power Projects Pvt. Ltd.	Biomass	6	Dommaru Nandyala (V), Tadipatri Road, Mylavaram (M), Kadapa District
12	Theja Energy Ltd.		NA	Mellachervu (V) and (M), Nalgonda District
13	Sriba Industries Ltd.	Gas	31	Chigurukota (V), Mudinepalli (M), Krishna dist.
14	Hema Sri Power Projects Ltd.	MSW	12.6	Vibhalapuram (V), Mothey (M), Nalgonda District
15	Bilasraika Sponge Iron India Pvt Ltd.		10 captive	Gundlapotlapalli (V), Balanagar (M), Mahaboobnagar District
16	Sri Sarvaraya Sugars Ltd.	Co-gen		Mundlamuru (V), Mundlamuru (M), Prakasam District
17	Parry Infrastructure Co. Pvt. Ltd.	Co-gen		Vakalapudi (V), Kakinada Rural Mandal, East Godavari District

Source: APPCB's website, accessed on 3rd January 2011

**LIST OF POWER PLANTS FOR WHICH
ENVIRONMENTAL CLEARANCE IS PENDING AS ON
31.07.2010.**

Sl. No.	Name of the Developer	Fuel	Capacity (MW)	Location
1	Chandi Ispat Pvt. Ltd.		Captive	Hattibelgal (V), Aluru (M), Kurnool District.
2	Shalivahana Power Corporation Ltd.	Coal	300	Achalapur (V), Tandoor (M), Adilabad District
3	Neco Met Power Pvt. Ltd.		Captive	SEZ (Multi Product), Menakuru (V), Nayudupeta (M), SPS Nellore District
4	The India Cements Ltd.	Coal	55 Captive	Wadapalli (V), Damarcherla (M), Nalgonda District
5	Lakshmi Balaji Power Pvt.Ltd.	Gas	495	Cherial (V), Sangareddy (M), Medak District
6	Nagarjuna Fertilizers and Chemicals Ltd.	Natural Gas	55	Kakinada, East Godavari District
7	Facor alloys Ltd.	Coal	45 Captive	Chinthapallipeta, Shreeramnagar, Garividi mandal, Vizianagaram District
8	Bright Light Energy Ventures (P) Ltd.	Gas	440	Balabhadrapuram (V), Bikkavolu (M), East Godavari District
9	Kakatiya Crystals Energy Ventures Pvt.Ltd.	Gas	400	Appalanarasimhapuram (V), Nelakondapally (M), Khammam District
10	Pedavegi Power Pvt.Ltd.	Gas	400	Pedda Vegi (V & M), West Godavari District
11	The Andhra Sugars Ltd.	Coal	120	Saggonda (V), Gopalapuram

				(M), West Godavari District
12	The Chodavaram Co-Op Sugars Ltd	Co-gen.	22	Govada (V), Chodavaram (M), Visakhapatnam District
13	Panduranga Energy Systems Pvt.Ltd.	Gas	470	Chintavari Palem, Biccavolu, East Godavari District
14	VBC Ferro Alloys Ltd.	Coal	135	Bodepalli (V), Sirpur (M), Adilabad
15	Suryavanshi Spinning Mills Ltd.	Coal	25	Kallam (V), Lingala Ghanpur(M), Warangal District
16	MECWEL Power Pvt. Ltd.	Coal	300	Vellaturu (V), Mellacheruvu (M), Nalgonda District
17	Gomathi Energy (P) Ltd.	Coal	30	Madavelli (V), Dhaigam (M), Adilabad District
18	Sravanthi Industries Pvt.Ltd.	Gas	480	Agiripalli (V), Agiripalli (M), Krishna District
19	Kakatiya Crystals Power (India) Pvt. Ltd.	Gas	400	Nallabandagudem (V), Kodad (M), Nalgonda District
20	Devee Power Corporation Ltd.	Gas	440	Chikkala (V), Chagallu (M), West Godavari District
21	Kamineni Steel & Power India Pvt. Ltd.	Gas	220	Yellareddyguda (V) and Cheruvugattu (V) Narketpally (M), Nalgonda District
22	The Singareni Collieries Company Ltd.	Coal	270	Jallipalle (V), Kamanpur (M), Karimnagar District
23	Nekkanti Power Pvt. Ltd.	Coal	60	Krishnapatnam Special Economic Zone, SPS Nellore District
24	Kesoram Industries Ltd.	Coal	33.2 Captive	Basantnagar (V), Ramagundam (M), Karimnagar Dist
25	Mata Energy Ltd.	Bio mass	8	Revuru (V), Mellacheruvu (M),

				Nalgonda District
26	Raghuram Cements Ltd.	Coal	70 Captive	Nallalingayapalle (V), Kamalapuram (M), Kadapa District
27	XL Telecom & Energy Ltd.	HSD	12 captive	Fab City, SEZ, Ravirala (V), Maheshwaram (M), Ranga Reddy District
28	Venkataraya Power Pvt. Ltd.	Gas	4	Kesavadasupalem (V), Sakinetipalli (M), East Godavari District

Source: APPCB's website, accessed on 3rd January 2011

NOTE: the plants whose EC is pending as on 31-07-2010 but which are mentioned in the list of proposed plants mentioned in the December 2010 Update are:

Namratha Bizili Pvt.Ltd. Pentakota (V), Payakaraopeta, (M),. Visakhapatnam District Thermal Power Plant - Coal based (150 MW)

Greenko Godavari Power Projects Pvt.Ltd. Vetlapalem (V), Samalkot (M), East Godavari District Gas, (240MW)

NCS Sugars Ltd., Lachchayapeta (V), Sitanagaram (M), Vizianagaram Dist Thermal Power Plant - Coal based (300MW)

Sri Maa Mahamaya Power Ltd., Srirampuram (V), L. Kota (M), Vizianagaram District, Thermal Power Plant - Coal Based (60 MW)

SBQ Steels Ltd., Ankulapaturu (V), Chillakuru (M), Nellore District. Thermal Power Plant - Coal based (300MW)

List of Generating stations planned during XII Plan in AP

Sl. No.	Name of the plant	Fuel	Capacity MW	Location
1	GENCO/Krishnapatnam	Coal	(2x800 MW) 1600	Nellore
2	GENCO/IGCC plant at Dr. Narla Tata Rao TPS(JV)	Coal	182	Krishna

3	Vodarevu UMPP	Coal	(5X 800MW) 4000	Prakasam
4	GENCO/Srikakulam TPS (JV)	Coal	(4X600MW) 2400	Srikakulam
5	GENCO/Kakatiya Stage II	Coal	(1X 600MW) 600	Warangal
6	GENCO/Kareemnagar Gas Project	Gas	(1X600 MW) 600	Kareemnagar
7	GENCO/Sattupalli TPS	Coal	(1X600MW) 600	Kareemnagar
8	GENCO/Rayalaseema TPS Stage IV	Coal	(1X600MW) 600	Kadapa
9	GENCO/Lower Jurala	Hydel	(5x40MW) 200	Mahaboobnagar
10	Kadapa Nuclear Power Plant(JV)	Nuclear	(2X1000MW) 2000	Kadapa
11	M/s. GVK	Gas	800	East Godavari
12	M/s. Gauthami	Gas	800	East Godavari
13	M/s. Vemagiri/GMR	Gas	768	East Godavari
14	M/s. Konaseema	Gas	820	East Godavari
15	M/s. Lanco	Gas	366	Krishna
16	M/s. Spectrum	Gas	1350	East Godavari
17	M/s. Reliance Infra.	Gas	1200	East Godavari
18	M/s Encore Power (P)Ltd.	Gas	500	Krishna
19	M/s RVR Power Projects	Gas	20	West Godavari
	Total		19406	

Source: Committee for Consultation on the Situation in Andhra Pradesh (Justice Srikrishna Committee) Report 2010.