

# **Power Sector in Andhra Pradesh and Telangana during January 2016**

## **POLICY**

### **AP to pilot supply of energy-efficient 5-Star rated fans**

The Andhra Pradesh government has taken steps to launch a pilot project of energy efficient fans. Under this programme, Bureau of Energy Efficiency (BEE) rated five star fans will be distributed to the consumers and the amount spent by the government for supply of fans will be recovered from the consumer's electricity bills, upfront or over a period of 24 months. Domestic consumers will be offered two fans, commercial entities five fans and institutional users 10 fans each. During the tenders called for the programme, the supply price of a five star rated fan has worked out to Rs. 955 as against the market price of Rs. 1,500 each. In the pilot project, it is proposed to offer one lakh fans. If all the one lakh fans are deployed, the State Distribution Company is estimated to save about Rs. 5.81 crore per annum at Rs. 3.95 per unit.

### **State govt waives power bill arrears**

The Telangana state government announced waiving electricity bill arrears for consumers who use up to 100 units a month in the Greater Hyderabad Municipal Corporation area. The arrears, including delayed payment surcharge (DPS) totalling Rs 52.42 crore, will be paid by the government to the Southern Power Distribution Company Limited. For consumers in the GHMC area who use more than 200 units per month and have electricity bill arrears, the DPS will be waived if the actual charges are paid before March 31. For consumers in the rest of the state, the waiver will apply only to the DPS irrespective of power consumed by their households as long as the dues are paid before March 31. The announcement was made just a few days before the polls to the GHMC council.

### **Pre-paid meters:**

The Telangana government also ordered every office to install a prepaid electricity meter before April 1 to bring in energy usage discipline and minimise wastage. Various state government departments including gram panchayats, owe DISCOMs a total of Rs 1,923 crore. All state government departments are directed to pay their power dues before March 31 and start afresh with prepaid meters from April 1.

## **GENERATION**

### **Reliance Power seeks to exit Krishnapatnam project**

Reliance Power was reported to have written to the Andhra Pradesh government about its plan to exit the stalled 4,000 MW Ultra Mega Power Project at Krishnapatnam in Nellore district.

Reliance had won the bid set up the plant quoting a tariff of Rs.2.33 a unit for 25 years. However, in 2011, Reliance Power sought a renegotiation of the power purchase agreements following changes in mining regulations in Indonesia, main source of coal for the plant. In the absence of any progress in the project AP utilities sent a notice to Reliance saying that it would invoke the bank guarantee in 2012. But on application the Delhi High Court restrained the AP utilities from taking any coercive steps.

Now Reliance Power has suggested that the dispute could be resolved on the lines of Talaiya UMPP in Jharkhand. Last year Reliance Power exited the Talaiya Ultra Mega Power Project on the grounds of non-availability of land and issues related to forest clearances. Under the settlement, Reliance Power got Rs. 114 crore in compensation and bank guarantees of Rs. 800 crore. While accepting the termination of the agreement the procurers of Talaiya UMPP have and agreed to purchase the entire shareholding in the project Special Purpose Vehicle.

Reliance Power has told the Andhra Pradesh government that issues pertaining to Krishnapatnam UMPP can also be resolved similarly by purchasing the ownership of the project SPV and returning the performance bank guarantees of Rs. 300 crore.

### **Krishnapatnam Power plans thermal projects**

A CVR Group company Krishnapatnam Power Corporation has signed an MoU with GoAP to build 2780 MW (3X660 MW and 1X800 MW) capacity thermal power projects with an investment of Rs. 16,680 crore. The project is proposed to be located in Tamminapatnam Mommidi villages, close to the Krishnapatnam Port in Nellore District.

### **520 MW Hindujas' project near Vizag commissioned**

Bharat Heavy Electricals Ltd has commissioned a 520-MW coal-based thermal generating unit of the Hinduja Group near Visakhapatnam in Andhra Pradesh. This is a part of the 2x520-MW Vizag Thermal Power Project of Hinduja National Power Company Ltd.,

### **Lanco starts 371MW unit in Andhra Pradesh**

Lanco Kondapalli Power Limited has operationalised a 371 MW unit at Vijayawada in Andhra Pradesh. "Lanco Kondapalli Power has successfully declared Commercial Operations Date (COD) for its expansion capacity of 371 MW (Phase III B Project) with effect from January 9, 2016," A 371 MW unit of the power project had already been made operational in August last year. This Combined Cycle gas-based power project is being developed in three phases.

### **NTPC to set up 2,250 MW solar plant in AP**

The public sector NTPC plans to set up a 2,250 megawatt solar plant in Andhra Pradesh. as a part of its proposed investment of \$10 billion to set up 10 GW of renewables within the next five years. NTPC's move comes after France and India launched an international solar alliance seeking to mobilize more than \$1 trillion by 2030 across the world. That followed the German government's 1.5 billion-euro support over five years to support India's solar energy expansion.

### **Suzlon receives 197.40 MW order**

Wind turbine manufacturer Suzlon has received a 197.40 MW order from a renewable energy generating company. The order is for the installation of 47 wind turbines of S97-120 m hybrid tower and 47 wind turbines of S111-90 m tubular tower with rated capacity of 2.1 MW each and will be executed in the Anantpur district in Andhra Pradesh by February 2017.

### **600 MW Kakatiya thermal plant stage-II commissioned**

The 600 MW Kakatiya thermal power plant Stage-II at Bhoopalapally in Warangal district of the State was commissioned taking the installed capacity of the project to 1100 MW. The work on the plant began in 2009 with an estimate of Rs. 4,334 crore at Chelpur village near Bhupalapally. Boiler light up of the second phase plant took place on May 31, 2015. On October 22 trial run of the project took place. Synchronisation of the project began on 29<sup>th</sup> December and full capacity was obtained on 31<sup>st</sup> December 2015.

### **Telangana power utilities ink pacts with NTPC, SCCL**

Telangana State power utilities have entered into power purchase agreements with NTPC and Singareni Collieries Company Limited (SCCL). While Telangana will procure 1,600 MW from NTPC Ramagundam thermal power project, it has inked pact to secure 1,200 MW from the thermal power plant of Singareni Collieries. It has been agreed that the purchase cost from NTPC will be based on tariffs approved by the Central Electricity Regulatory Commission. In case of supply of power from the SCCL plant, the tariff would be as per the approvals made by the TS State Electricity Regulatory Commission.

## **Bhadradri Project**

In response to a petition filed by HRF the National Green Tribunal an expert team from the MoEF will be visiting the project site of Bhadradri project in Khammam district to inspect the site. NGT imposed a stay on further work at the project site and the High Court also refused to lift the stay orders of NGT.

## **Jurala Hydro electric plant**

40 MW third unit of Jurala hydro electric plant was commissioned on 4<sup>th</sup> January.

## **GMR commissions 5 MW solar unit at Hyderabad airport**

GMR Hyderabad International Airport Limited has commissioned a 5 MW solar power plant for its captive consumption and plans to gradually scale the capacity up to 30 MW within the next three years. The solar plant set up with an outlay of Rs. 25 crore has started generating around 25,000 units per day to meet the airport's power demand during the day time. It will help meet about 30 per cent of the airport's terminal requirement. During the next phase the capacity of the project would be ramped up by 7 MW to eventually reach 30 MW, thereby meeting the entire requirement of the airport and its related establishments.

## **FUEL**

### **ONGC gets green nod for Rs 53,000-crore KG basin infrastructure project in Andhra Pradesh**

### **Krishnapatnam Port, Petrogas in LNG MoU**

Petrogas Pvt Ltd, a joint venture between Isomeric Holdings Bhd of Malaysia and LEPL Ventures Pvt Ltd (LEPL) of Vijayawada, has signed a facilitation MoU with Krishnapatnam Port Company Ltd and the Andhra Pradesh government for the setting up of a re-gasification and floating storage terminal at Krishnapatnam port at an investment of over \$500 million. "Petrogas will construct 5 million tonnes per annum (MTPA) capacity re-gasification and storage plant and ancillary facilities like floating LNG storage tanks and a re-gasification unit in the first phase, In phase-2, 5 MTPA capacity will be added.

## **TRANSMISSION**

### **AP set to complete phase-I of Green Energy Corridor**

Andhra Pradesh will be completing phase-I of the Rs.2,000-crore Green Energy Corridor, by March 2016, aimed at strengthening the evacuation network for renewable energy projects. To facilitate wind power transmission of 3,150 MW, a Green Energy Corridor is being developed. In the phase one, a Corridor to support 2,000 MW is being set up with an outlay of Rs. 2,085.4 crore. The project is funded by Rural Electrification Corporation. The evacuation facility for existing and proposed network has already been approved for 3,000 MW. During the Twelfth Plan, the State expects to take the solar capacity to 5,258 MW.

## **DISTRIBUTION**

### **Andhra Pradesh power supply revenue gap at Rs.5,148 crore**

The annual revenue requirement (ARR) filed by APDISCOMs with the State Electricity Regulatory Commission shows a revenue deficit of Rs. 5,148 crore. This gap would have to be met partly by government subsidy and the remaining may have to be passed on to consumers, subject to the regulator's nod. The proposal assures 24 hours power supply to all consumers and seven hours of free power supply to agriculture consumers. The ARR for 2016-17 is pegged at Rs. 28,423 crore and the projected revenue from current tariff is Rs. 23,275 crore, leaving a revenue deficit of Rs. 5,148 crore.

While the average cost of supply of power is Rs. 5.60 per unit, the average realisation is Rs. 4.59 per unit, leaving a revenue gap of Rs. 1.01 per unit. The total energy availability from long term sources is 66,839 million units but the requirement is about 57,565 mu. The State has surplus of 9,274 million units and plans to sell 7,142 million units.

To simplify the grouping of consumers, DISCOMs suggested Group A, where the annual consumption is 600 units, Group B with annual consumption of 600 units and above and up to 2400 units and Group C with consumption of more than 2400 units per annum and all three phase connections. The submission shows that the consumer security deposit is proposed to be increased from the current two-month charges to 75 days charges for effective working capital management.

In calculating the ARR, the utility has taken 100 per cent power allocation to the State from the 1,040 MW Hinduja National power project and Krishnapatnam project, power allocation from APGENCO and TSGENCO hydel stations based on geographical location and 46.11 per cent power allocation from all other stations as per the State reorganisation.

## **GENERAL**

### **HC stays power sector AEEs recruitment**

The Hyderabad High Court directed the Telangana government and TRANSCO, GENCO and DISCOMs, not to finalise the selection process in the recruitment of assistant executive engineers (AEE). The bench comprising acting Chief Justice Dilip B Bhosale and Justice S V Bhatt gave this interim direction while hearing petitions that challenged the state government's norms allowing only Telangana candidates to be recruited for the posts.