

# **Power Sector in Andhra Pradesh and Telangana during July, 2015**

## **POLICY**

### **Andhra Pradesh woos Japanese companies**

During Andhra Pradesh Chief Minister's tour of Japan Toshiba has indicated its interest to work in optimising power management and to partner in energy research and the proposed Energy University. During this tour Toshiba, was asked to take up a pilot project in Visakhapatnam on the lines of Fuji Electric in Vijayawada. During this tour Fuji Electric was reported to have submitted a feasibility report on smart-grid project. Sumitomo Corporation was reported to have informed that it completed a feasibility report on 1000-MW Bhavanapadu Power Project in Srikakulam district.

Regarding the Srikakulam's Power project Yoichi Miyazawa of Ministry of Economy, Trade and Industry of Japan (METI) said that they would seek New Energy and Industrial Technology Development Organization's (NEDO) participation, which would perform a feasibility report and assist Sumitomo Corporation.

Japanese SoftBank evinced interest in setting up a solar panel manufacturing unit in Andhra Pradesh. SoftBank also expressed interest in setting up 20GW solar power plant in AP under 'Make in India' initiative.

### **Telangana to get 24x7 power scheme**

The government of Telangana's attempts to get a 'Power for All (PFA)' scheme from the central government PFA scheme aimed at providing 24x7 uninterrupted power supply (except for agriculture) to consumers in the state. The Telangana government had already submitted a detailed project report (DPR) to the Centre. The Central Electricity Authority (CEA), the scheme's nodal agency called state energy department officials for a final discussion on July 30 and 31 at New Delhi.

Power utilities in the state have estimated that about Rs 85,000 crore to Rs 90,000 crore is required for enhancing generation and improving transmission and distribution networks. Of the total cost, nearly Rs 42,000 crore is required for construction of new power plants at Damarcherla, Kothagudem, Manuguru and other places. Another Rs 22,000 crore is needed for improving transmission network while the two power distribution companies need over Rs 20,000 crore for improving the distribution network.

## **Target for roof top Solar PV Plants**

The Government of India has set state wise targets for installation of grid connected rooftop solar PV systems as a part of its plan to achieve 40,000 MW of rooftop solar power by 2022. AP and Telangana are expected to add capacities between 2,000 to 2,300 MW.

## **GENERATION**

### **NTPC-Simhadri to add 1,600 MW capacity**

The NTPC plans to expand the generation capacity of Simhadri thermal power unit at Parawada in Visakhapatnam district from 2,000 MW to 3,600 MW. There are plans to add two more units of 800 MW each. NTPC may need 800 acres for the project which will involve an investment of Rs.5-6 crore per MW.

NTPC-Simhadri also decided to set up 20-MW solar energy power plant within the compound. Under CSR, the company had distributed 48 solar pump sets to social welfare and other residential hostels with net metering facility.

NTPC is also in talks with Rashtriya Ispat Nigam Ltd, at Visakhapatnam for a joint venture to set up a 250x2 MW power plant.

### **Hilliard Energy to set up solar, wind projects in Andhra**

Hilliard Energy Limited has expressed its intent to set up a multi-phase 650 MW solar and wind energy project in Anantapur district of Andhra Pradesh. Hilliard Energy Ltd has expressed the company's interest to set up 150 MW of wind power and 500 MW of solar power, with a possible deviation of 10 per cent on either side. The project cost could be about \$600 million.

### **ReNew Power and Hareon Solar to set up 72mw-solar plant in AP**

ReNew Power had entered into an agreement with Hareon Solar of China to develop a solar project of 72 Mw capacity in Kurnool district of Andhra Pradesh. Hareon Solar would also supply and install its crystalline silicon solar modules to this project. The delivery of 234,161 modules will begin in August 2015 and is scheduled to be completed by December 2015. The schedule for commissioning the project is March 2016.

### **Kurnool solar park to be clubbed with 500-MW thermal plant**

According to the Union Power Ministry the 1,000 MW solar plants coming up in Kurnool district will be part of the bundled power scheme would be clubbed with a 500-MW thermal power project output to bring down overall tariff. 90 per cent of the Anantapur Ultra Mega Solar Park would be dedicated for the AP State. The first phase of 250 MW will be completed by March 2016 and remaining 750 MW by December 2017. This would be the second, fully-dedicated 1,000-MW power plant in the State.

Providing a major thrust to the renewable energy sector in the State, AP is planning to establish 5,030 MW of solar and 4,150 MW of wind energy projects over the next five years.

In addition to 2,000 MW of solar power through two parks, the State has accorded clearance to APGENCO for setting up a 500-MW solar park. The State is contemplating establishing another 500-MW solar park in Anantapur district.

### **Telangana awards three power projects to BHEL on nomination basis**

The Telangana government awarded the turnkey contract of three power projects with aggregate capacity of 6,000 MW, to be built at a cost of Rs 27,360 crore in the state to Bharat Heavy Electricals Ltd (BHEL) on nomination basis, without floating competitive bids. The Telangana government has also taken an in-principle decision to award all upcoming power projects to the government firm on a nomination basis, without calling for competitive bids. The private equipment manufacturers such as Alstom, Bharat Forge, Larsen and Toubro, Toshiba-JSW and others are planning to approach the Competition Commission of India (CCI).

### **Power row between T, AP**

APGENCO has threatened to cut off thermal power supply to TSGENCO if the latter does not pay up electricity dues worth Rs 1,032 crore that it owes to the former.

According to the AP Reorganisation Act, AP and Telangana have to share the total power generated by all thermal and hydel stations in united AP in the ratio of 43.11 and 56.89 respectively. At the same time the distribution of thermal power plants was done on the basis of geographical location and AP got the lion's share of the thermal power generation while Telangana got more hydel power generation. According to APGENCO, TSGENCO has to pay its dues of Rs 2,426 crore and in return former has to pay the later Rs 1,393 crore. On balance TSGENCO has to pay APGENCO Rs 1,032 crore. TSGENCO disputed this. APGENCO is reported to have decided to stop generation to cut down the overall production. This will adversely affect the power supply to Telangana.

### **Land for Damercherla Power Plant**

The Telangana State Forest and Environment Department has given approval for diversion of 4,730.87 acres (1,892.35 hectares) of reserve forest land following the approval granted Union Ministry of environment and Forests for setting up 6,800 MW Damercherla coal based thermal power plant.

## **FUEL**

### **Major uranium reserves found in Srisailam forests**

A joint research team of the Atomic Minerals Directorate (AMD) and Osmania University discovered significant quantity of uranium reserves in the Srisailam forests. The team zeroed in on Chennakesavula Gutta and Padra villages using the latest equipment to detect the precious radioactive element.

Analysis of the samples collected from Chennakesavula Gutta and Padra villages showed up to 202 parts per million of uranium. Also the uranium deposit in Amrabad mandal of Mahbubnagar district has been found to be unique.

### **Singareni Collieries records 13.6 mt output in Q1**

Singareni Collieries Company Ltd (SCCL) has achieved its production target of 13.65 million tonnes of thermal coal during the first quarter ended June 30. During June 2015, the mining company produced 4.46 mt against target of 4.48 mt. In June 2014, it was only 3.71 mt.

The company had produced 9.80 mt during the same period last year. The target in the first quarter this financial year has been achieved in spite of heavy rains in the past few weeks disrupting production in some of the collieries.

Coal supplies were higher by 11 per cent during the first quarter compared to last year. SCCL supplied 13.92 mt during the first quarter against 12.57 mt during the same period last year.

Singareni Collieries Company Ltd has achieved coal production of 4.5 million tonnes during July 2015, against its production target of 3.9 mt, registering 116 per cent of targeted production. During July 2014, SCCL had logged production of 3.6 mt.

### **Apex court seeks Centre's reply on power producers' plea for KG basin gas priority**

A bench of the Supreme Court headed by justice Ranjan Gogoi sought a reply from the Centre on an appeal filed by the Independent Gas-Based Power Producers Association (IGPPA) seeking priority in the allocation of domestic natural gas produced from the RIL operated Krishna Godavari basin. The bench tagged the IGPPA's petition with another plea

filed by a farmers' body, Federation of Farmers Associations, that had challenged the gas allocation policy.

The present policy gives priority to fertiliser plants over power producers for the allocation of gas produced in the country. The IGPPA had challenged a January order of the Andhra Pradesh High Court that refused to interfere with the government's policy decision on the issue, saying the Centre has powers to fix priorities as to which sector would get natural gas produced from the KG basin. The IGPPA argued that the gas from the KG basin was not allotted to them on priority basis but was given to fertiliser units. It wanted a direction to the Centre to frame a policy for the country's energy security.

The PIL by the Federation of Farmers Associations had sought more gas allocation to the power sector so as to ensure "adequate" electricity supply to farmers.

Similar appeals by Welspun Maxsteel, Essar Steel and others are also pending before the apex court. The companies are also seeking a change in priority so that steel producers also get a bigger share of gas from the KG-D6 gas fields operated by Reliance Industries.  
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### **ONGC draws Rs 53,000-crore plan for KG block: Report**

ONGC has launched a programme to drill a total of 45 development wells in the Krishna-Godavari deepwater block KG-DWN-98/2, at an investment of Rs 53,085 crore. This includes setting up a floating, production, storage and offloading (FPSO) system and a fixed offshore platform.

## **TRANSMISSION**

### **Andhra Pradesh to invest Rs 30,000 crore on T&D networks**

Andhra Pradesh's power utilities plan to invest Rs. 30,000 crore in strengthening the transmission and distribution network over the next four years.

Along with this APGENCO has plans to enhance thermal power generation capacity by 3,850 MW by making investments of Rs. 17,340 crore over the next four years. APGENCO had drawn up a blueprint for increasing installed capacity from the existing 11,037 MW to 29,800 MW by March 2019.

The utilities have proposed to the government to install 400 KV sub-stations in each district to improve the voltage profile and deliver quality power to consumers. The plan includes six additional 400 KV sub-stations and twenty-six 220 KV sub-stations and 75 132/33 KV sub-

stations. To cater to the loads of the upcoming new capital near Tulluru, a 400 KV sub-stations at Inavolu and 400 KV sub-stations at Chilakaluripet and Guduwada are planned.

While APGENCO's plan is to focus on super critical boiler units for thermal power generation APTRANSCO's focus is on multi circuit transmission towers to reduce losses and improve efficiency.

### **Central government approves intra-State power transmission systems**

Andhra Pradesh state is included in the plan for creation of an intra-State transmission system in the country approved by the Cabinet Committee on Economic Affairs. This all India plan is estimated cost of Rs. 8,548.68 crore. Rs. 3,419.47 crore, about 40 per cent of the total estimated project cost, will come from the National Clean Energy Fund, another 40 percent through a loan from German development bank KfW, and the remaining 20 per cent will be through State contribution. The activities envisaged under the project includes establishment of 48 new Grid sub-stations of different voltage levels with total transformation capacity around 17100 MVA (Mega Volt Ampere) by installing over 7800 Circuit Kilometres of transmission lines in seven States that includes AP. This plan is expected to facilitate evacuation of renewable power from generation stations to load centres," the statement added.

## **DISTRIBUTION**

### **AP domestic lighting scheme: bids to be opened by July 15**

The bids for the second phase of Domestic Efficient Lighting Programme (DELP) in AP are expected to be opened before July 15. The first phase of DELP covering four pilot districts in AP was completed wherein 56.5 lakh LED bulbs were distributed. The cost of LED bulbs has come down drastically from Rs. 320 per unit when the scheme was taken up earlier to about Rs. 80 at present.

Under DELP scheme in AP 9 watt LED bulbs will be supplied in the place of 7 watt LED bulbs.

### **TS Committee on Solar PV Pumpsets**

The Telangana State government has appointed a Committee of secretaries to formulate a policy on solar powered pump sets in the state. The committee will be headed by the Secretary, department of Energy, and secretary of finance department, MDs of TSGENCO and TSSPDCL and Commissioner of the agriculture department will members. They are expected formulate the new policy on the basis of the guidelines issued by the central ministry of new and renewable energy.

## **GENERAL**

### **Real estate start-up launches solar-powered apartments in IT hub**

A real estate company Supra Builders has built a building with eight apartments in of Hyderabad powered by solar photovoltaic lighting and solar water heating system. This venture with eight apartments of about 1,200 sq ft on a 400 sq yard plot is fully powered by solar photovoltaic system, reducing the dependence on the grid supply. The builder has installed a 12 kilowatt solar roof top facility which illuminates 200 lights, some 40 fans, eight television sets, and computers. It has a 1,000-litre heating system adequate to meet the requirements of the residents.

### **Energy University**

In the case of Energy University planned to be set up in AP a third of the funding for the project will be borne by the State government and its power utilities, another third by the Centre, and the rest by public sector undertakings.