

# **Power Sector in Andhra Pradesh and Telangana during July, 2016**

## **POLICY**

### **GoAP to take over 75% of DISCOM loans in two tranches in 2 years**

Under the Ujwal Discom Assurance Yojana (UDAY) scheme the Andhra Pradesh State government will take over 75 per cent of the DISCOMs' debt within two years. The State will take over 75 per cent of the DISCOMs debt as on September 30, 2015 over the two years – 50 per cent during 2015-16 and 25 per cent in 2016-17. The State will issue bonds in the market or directly to the respective banks and financial institutions holding DISCOMs' debt. Proceeds realised from the bonds issue will be transferred to the DISCOMs, which in turn will discharge the corresponding amount of banks and towards debt. The transfer of funds raised by the State will be as a grant. In case the State is not able to absorb the interest burden of the entire grant amount immediately, the transfer of grant can be spread over three years. AP DISCOMs have total loans of about Rs. 14,720 crore as on September 30, 2015, wherein the capex loan is Rs. 3,712 crore, working capital loans Rs. 8,461.76 crore and the balance of bonds related liability Rs. 2,546 crore.

## **GENERATION**

### **2 new units of Lower Jurala hydel project commissioned**

The Telangana Power Generation Corporation (TSGENCO) has begun operations of the Unit 3 and 4 of Lower Jurala Hydro Electric Project (6x40 MW). The average loads during test on Unit 3 is 41.3 MW and Unit 4 is 41.55 MW.

### **BHEL bags Rs 437 crore order for solar power projects**

BHEL has bagged contract for setting up 15 MW Solar Photovoltaic (SPV) power plant at Ordinance Factory premises at Medak, Telangana for Bharat Electronics (BEL).

Last year, BHEL had bagged contract from NTPC for 50 MW SPV power plant each at Anantapur in Andhra Pradesh and it has been already commissioned.

### **Hinduja commissions 1,040 MW project in Vizag**

Hinduja National Power Corporation Limited (HNPCL) on 25<sup>th</sup> July announced commissioning of its 1,040 MW (2x520MW) coal based thermal power project at Palavalasa village in Visakhapatnam district of Andhra Pradesh. The project has secured coal allocation from Mahanadi Coalfields Ltd, a subsidiary of Coal India Ltd. The project cost is around \$1.25 billion and is being financed by a mix of debt and equity. A State Bank of India-led consortium of 15 Indian banks is the lender to the project. The entire power generated by this project is being supplied to APDISCOMs.

### **NGT orders criminal action against TSGENCO**

The southern bench of the National Green Tribunal (NGT) has ordered criminal proceedings against TSGENCO officials for illegally initiating construction of the 1,080 MW Bhadradi Thermal Power Station in Khammam district without procuring the mandatory environmental clearance. The NGT directed the Union ministry of environment, forests and climate change (MoEF & CC) to take "appropriate criminal action [against TSGENCO] under Section 15, 16 and 17 of the Environment (Protection) Act of 1986" for failing to comply with the norms of the Act. According to this Order the action must be initiated "within a period of four weeks" from the day of the order and the prosecution be "completed expeditiously". The Act allows for imprisonment "for a term which may extend up to five years" and fine of up to Rs 1 lakh.

The NGT also directed Telangana Pollution Control Board to take penal action against the officials of TSGENCO who are responsible for such activity under the Water Act and Air Act, and such action shall be initiated within four weeks. According to the rules such construction activities need a 'Consent to Establish' certificate from the concerned pollution control board before commencement of any work. The TSGENCO did not care to obtain such orders.

## **GENERAL**

### **HC dismisses plea filed by linemen**

Justice A Ramalingeswara Rao of the Hyderabad High Court on 27<sup>th</sup> July dismissed a plea challenging the letter issued by the Telangana government according permission to regularise services of 1,175 contract junior linemen (JLM) working in TSDISCOMs. The judge gave this order in a petition filed by T Saidulu and 13 other JLMs of Nalgonda district seeking directions to authorities to stay all further proceedings relating to regularisation of contract JLM posts. The petitioners alleged that the issuance of letter under the guise of settlement was arbitrary as it was arrived at without considering the pendency of cases before the Supreme Court. They urged the court to set aside relevant proceedings. After perusing the material on record, the judge noticed that the letter of the state energy department had clearly mentioned that the regularisation of services was subject to outcome of cases pending before the High Court and Supreme Court and dismissed the plea.

## **Andhra Pradesh leading in LED deployment**

In Andhra Pradesh more than two crore LED bulbs had been distributed so far in the State and LED street lights had been installed in 42 out of the 111 urban centres in the State. “More than four lakh street lights had been replaced in the State out of 5.5 lakh lights and the rest would be completed by the end of September.