

Power Sector in Andhra Pradesh and Telangana during June 2014

POLICY

24X7 Electricity Supply in Andhra Pradesh

The Union government has announced that Andhra Pradesh (AP) state has been chosen for the implementation of uninterrupted 24X7 power supply. The decision was announced on June 8 when Chandrababu Naidu took oath as the CM of AP.

AP to take up energy saving

As a part of ensuring guaranteed power supply in the state the GoAP decided to accord top priority to energy efficiency measures. The State Energy Conservation Mission (SECM) was directed to formulate a separate action plan for implementing short-term and long-term programmes. Energy Efficient Services Limited (EESL), of the Ministry of Power has come forward to investment in energy efficiency programmes in AP.

GENERATION

Andhra Pradesh Cancels Power Purchase Agreements

APGENCO has written a letter to the AP Electricity Regulatory Commission (APERC) notifying its decision to cancel all the existing Power Purchase Agreements (PPAs). As a result the electricity generated by the power plants within AP will not be transmitted to Telangana. This was despite the direction of the Union power ministry to AP to maintain status quo on the sharing of electricity. As per the AP Reorganization Act, AP and Telangana should share the power that was produced in united Andhra Pradesh in the ratio of 43.89 and 56.11. Following

APGENCO, EPDCL and SPDCL also informed the APERC that they would not be honouring the PPAs. The GoAP also instructed the Krishnapatnam Thermal Power Plant too not to share the power with Telangana.

The Southern Regional Load Dispatch Centre based in Bangalore directed the Telangana and AP governments to maintain status quo on power sharing until the Union power ministry takes a final decision on the same.

The APERC refused to consider the request made by APGENCO to cancel certain PPAs for power plants located in AP. The APERC was unable to consider the request since it was not made by the parties who filed the PPAs before the commission.

The AP State Load Dispatch Centre (APSLDC) had written a letter to the Southern Regional Load Committee (SRLDC), Bangalore, and the National Load Dispatch Centre (NLDC), Delhi, justifying the cancellation of PPAs. It pointed out that the PPAs were not valid as the APERC had not given its consent to them.

The Telangana government was apprehensive that APGENCO's decision would result in a loss of 600 Mw of power it was entitled to according to the AP Reorganisation Act.

Two days after the APERC had rejected APGENCO's request for cancellation of the PPAs, the APGENCO had again written letters to all the four DISCOMs and the APERC that it would not honour the PPAs. Two of the four DISCOMs are in Telangana.

The government of Telangana also began efforts to counter the move by the GoAP to cancel PPAs. Telangana Chief Minister directed the officials to collect all the relevant material and submit the same to the union government. He has asked Principal Secretary, Energy to stay in New Delhi for few days for discussion with union government officials. The official already held talks with the union power secretary and NTPC authorities. The government is also exploring the possibilities of purchasing power from available resources. There has been a positive response from two or three places in this regard, it said.

On the other hand, G0AP was thinking of taking legal recourse to ensure that their move to cancel PPAs sails through. According to its officials the ERC was not the final authority and that they might approach the court for justice. The AP cabinet also decided to harden its stance on

the issue of cancellation of PPAs. The cabinet felt was of the opinion that the government was not bound to honour any PPA that had not been approved by the APERC.

Facing Power Crisis AP to Source Electricity from Karnataka and TN

To tide over the power deficit the GoAP initiated procurement of additional power from various sources. Orders have been placed for 300 MW, out of which 100 MW from Karnataka would be flowing from July 1. For the remaining 200 MW, efforts were being made to get the consent of TN. The Central Generating Stations (CGS) will be giving 65 MW additionally as per a corrected ratio of the CGS share between the two states. The government was also targeting saving at least 15 to 20 percent of energy in future through energy conservation and energy efficiency measures.

Centre allocates 177-Mw additional power to Andhra Pradesh

The Department of Power, GoI agreed to allocate an additional 177-Mw of power from NTPC's Jajjar power plant to AP.

At the same time centre allotted 100 MW from the same plant to Telangana.

Telangana to buy 1000 Mw from Chhattisgarh

The Telangana state has sought 1,000-Mw of power from Chhattisgarh, and the Chhattisgarh state government was examining the proposal. Telangana wanted to reach a long-term agreement with Chhattisgarh for power purchasing. The new state expected Chhattisgarh to supply power to it for the next 25 years.

AP to expedite power projects

The Krishnapatnam Unit I of 800 MW, which has already been commissioned, is expected to generate about 300 MW by month end and operate in full capacity by July. The boiler light up of Unit II was completed and was expected to be commissioned by September this year. And another 600 MW unit of Rayalaseema thermal power project would be commissioned by December next year.

As part of the expansion projects, the REC and PFC have in principle agreed to extend a loan of Rs. 7842 crore for Dr NTPS Stage V of 800 MW in Vijayawada and Krishnapatnam Stage II of 800 MW in Nellore. While the total cost of these two units is about Rs. 10,462 crore, these will fund Rs. 7842 crore.

Telangana to develop 1,000 MW solar park

The Telangana Government decided to set up 1,000 MW solar power generation park in Mahabubnagar district. This project will be implemented by Telangana Industrial Infrastructure Corporation in partnership with the Solar Energy Corporation of India (SECI). About 5,000 acres will be needed to set up the park. The Government's role will be limited to facilitation and creation of necessary support infrastructure. The developers of projects will bring in their investments.

Rays Power sets up 10 MW solar plant in Telangana

Rays Power Infra has announced the commissioning of a 10 MW solar plant at Midjil in Mahabubnagar district of Telangana State. The project has been set up at an investment of Rs. 65 crore. The plant is estimated generate 18 MU annually. The generated power will be sold at competitive market prices, and would be supplied to corporate offices in Hyderabad. It is considered to be the largest third-party open access project in the State. Developers claim that the project was completed within 100 days.

BHEL stops work at AP power station

BHEL stopped work at the 2x800 MW Damodaram Sanjeevaiah Thermal Power Station in Krishnapatnam as it alleged that Andhra Pradesh Power Development Corporation Ltd (APPDCL) has imposed a fine of Rs. 240 crore for liquidated damages (LD) without assessing reasons for the delay. It said that the delay was due to the shortcomings of the other contractors on site.

Telangana to have surplus power in 3 years

The Telangana Government has appointed D Prabhakar Rao as the Chairman and Managing Director of Telangana Generation Corporation Ltd (TGenco).

The Telangana Power Generation Corporation Ltd (TGenco) proposed to add 8,000 MW of generation capacity in the coming three years, and pull the state out of the present shortage of 2000 MW. These include 600 MW plant at Bhupalapally and Jurala Hydel project with 360 MW with combined cost of Rs. 5,643 crore. Other plants with total capacity of about 5360 MW are being planned involving a cost of Rs. 28,897 crore. The proposed plants include 800 MW expansion plant at Kothagudem Thermal Power Station, 800 MW at Bhoopalapally expansion,

1320 MW from a project at Ramagundam, 600 MW at Sattupally and gas based plants with capacity of 1000 MW each at Karimnagar and Shankarapally.

FUEL

Naidu Lobbies in Delhi

In response to AP Chief Minister N Chandrababu Naidu's lobbying with central ministers the central government run NTPC has agreed to let the State government use its racks by the Railways for transportation of coal to produce 500 MW additional power in Andhra Pradesh thermal power projects in the next 2-3 months.

The coal ministry has issued instructions to the Western Coal Fields, Maharashtra to enter into a MoU with APGENCO for allocation of 400,000-tonnes of coal to the state thermal power projects.

Decision on gas price increase put off for 3 months

The Cabinet Committee on Economic Affairs (CCEA) on Wednesday deferred a decision by three months implementing the Gas pricing guidelines were notified on January 10, though it did not junk or modify the pricing formula notified. The implementation was deferred in the past due to the model code of conduct for the general elections. For every \$1 rise in the price of gas, the fertiliser subsidy is expected to rise Rs 3,155 crore and the power sector's losses will increase Rs 10,040 crore a year.

Scores killed after major blast at GAIL pipeline in Andhra Pradesh

Explosion in a gas pipeline belonging to GAIL in Nagaram village in Amalapuram mandal in East Godavari district on 27th June led to death of scores of people. Many were also injured in the blast. Blast occurred in an 18-inch pipeline of the company near to the ONGC (Oil and Natural Gas Corporation Limited) refinery complex - Tatipaka Refinery located near the village. Following the explosion supply of gas has been cut off. This pipeline feeds gas to Lanco's Kondapalli power plant near Vijayawada. Flames spread in a radius of one kilometre opposite the gas collection station of ONGC at the village. The villagers complained that the GAIL

authorities did not take proper precautionary measures and in the past also there were several incidents of gas leak in the area.

DISTRIBUTION

APERC rejects Amara Raja's power distribution license request

The APERC rejected Amara Raja Infra's application for power distribution license for distributing power to various units in its proposed industrial park, expected to come up in Chittoor district in about 500 acres.

OTHER

AP power regulator releases draft grid code for two States

The APERC released two draft regulations - Electricity Grid Code Regulation 2014, for Andhra Pradesh and Telangana seeking comments and suggestions. These regulations lay down the rules, guidelines and standards to be followed by various agencies and participants in the intra-State transmission system. These regulations are meant to plan, develop, maintain and operate the intra-State transmission system, a part of the Southern Region Grid System, in a reliable and efficient manner.