

Power Sector in Andhra Pradesh during March 2014

POLICY

Existing PPAs to continue

The existing power purchase agreements with GENCO power plants as well as with Central generating stations shall continue till their agreement period expires. The power under existing PPAs is divided among four DISCOMs in the ratio of Central Power Distribution Company Limited (CPDCL) 46.06 per cent, Northern Power Distribution Company Limited (NPDCL) 15.87 per cent, Southern Power Distribution Company Limited (SPDCL) 22.27 per cent and Eastern Power Distribution Company Limited (EPDCL) 15.80 per cent. The unallocated power produced by Central generating stations will be distributed between the two states based on actual energy consumption in respective region in last five years. The ratio is Andhra Pradesh 47.83 per cent and Telangana 52.17 per cent.

Power deficit shrinks

According to CEA demand for electricity shrunk in Andhra Pradesh in February 2014 over the same period last year. This, however, does not mean that there were no power cuts.

GENERATION

SECI to set up 1,000-MW park in AP

Solar Energy Corp of India (SECI) will set up a 1,000-MW solar park on 5,000 acres in Mahboobnagar district with an investment of Rs. 8,000-10,000 crore. The entire capacity is expected to come up over the next 18 to 24 months. Works will start with an initial outlay of Rs. 600 crore. The developers will be chosen through competitive bidding. Most solar units in the park will be of 10 MW. SECI has entered into an agreement with Andhra Pradesh Industrial Infrastructure Corporation for the facilitation of land. SECI has entered in an agreement with the Japan International Cooperation Agency for raising funds for the initial infrastructure development.

Solar units at government hospitals in Hyderabad

The state government with the help of SECI is planning to set up solar PV plants at four government hospitals — Osmania, Gandhi, Niloufer and Fever. Besides meeting part of their requirements these plants were expected to save them up to Rs. 24 lakh per annum in electricity bills.

Simhadri achieves 84 per cent PLF

NTPC's Simhadri plant achieved a plant load factor of 84 per cent during the current fiscal compared to 91 per cent during the last year due to coal shortage. The plant requires about 12 million tonne coal a year, but received 10 million tonne. Of this, about 20 per cent was imported coal. NTPC has proposed to set up another 4,000 Mw (5x800 MW) power station at Pudimadaka village in Visakhapatnam district. For this, it has already signed a power purchase agreement with the state government with 50 per cent power share to home state. NTPC is also planning to expand the existing plant by 660-800 MW. It has sought 200 acres from the state government adjacent to its existing plant to facilitate the new unit.

Rays Power Infra to set up solar park in AP

Rays Power Infra planning to set up a solar park near Hyderabad, spread over 25 acres. It will offer clients ready-to-use infrastructure for setting up the projects, wherein units of 1 MW onwards can be commissioned. They plan to supply power to offices, banks, industries, star hotels from their park . They expect to supply power at around Rs. 7 per unit.

FUEL

Gas price hike put on hold

The Election Commission directed the Petroleum and Natural Gas Ministry to defer notification of the new gas price, which was to take effect from April 1. Any new decision will come only after the general elections.

AP court sends notices to Centre, RIL, CBI in KG gas case

Responding to a PIL filed by Palem Srikanth Reddy, Convenor of the Janapaalana Party, a division bench of The Andhra Pradesh High Court directed issue of notices to the Centre and State Governments, Reliance Industries, Director-General of Hydrocarbons and CBI on the allocation gas fields in the KG basin, gas pricing mechanism and related issues. The PIL sought probe into the KG Basin gas allocation to RIL and the company's alleged attempts to scuttle the chances of the State to get gas from this source. Lack of gas has forced the State to purchase power at high prices which is passed on to consumers, he said.

Reliance discoveries approved without enough appraisal, says CAG

The CAG has said that the Ministry of Petroleum and Natural Gas and DGH approved notification of new gas discoveries in RIL's KG-D6 block without enough appraisal. According to CAG the production sharing contract stipulates that a contractor should submit an appraisal programme to assess the extent of the discoveries. There was no appraisal in respect of D1 and D3 gas discoveries as required under PSC. The operator moved directly from discovery to commercial operation.

Natural gas production from RIL's KG-D6 drops again

According to the DGH after two months of increase natural gas production from RIL's KG-D6 block has again started to decline. Output which has increased to 13.63 mmcmd in February has decreased to 13.28 mmcmd this month.

RIL may surrender 2 more blocks

RIL was reported to be considering returning two more blocks to the Government in the next few months. The reasons cited by the company for surrendering the blocks include lack of economic viability and uncertain Government policies. RIL won bids for 45 blocks. Out of these RIL already surrendered 39 blocks.

DISTRIBUTION

Tariff hike put on hold

The State Election Commission (SEC) on Friday restrained the AP Electricity Regulatory Commission (APEREC) from passing a revised electricity tariff order. APEREC sought consent from SEC whether to pass the tariff from April 1. The SEC directed APEREC to maintain status-quo and not to pass the Retail Supply Tariff Order 2014-15 as long as the Model Code of Conduct will be in force till mid-April, in connection with the ongoing elections to municipal bodies and MPTCs/ZPTCs. The SEC had notified the municipal elections on March 3, MPTC elections on March 4 and ZPTC elections on March 10. The entire poll process will be over by mid-April. Accordingly, APEREC has decided to put on hold the proposed hike in power tariff for various categories till the election process is completed. According to its order the existing tariff for all the categories would continue from April 1 until further notice.

OTHERS

'Power cut' to several ex-ministers

Andhra Pradesh Central Power Distribution Company Limited (APCPDCL) stopped electricity supply to ministers' quarters on as the roads & buildings (R&B) department failed to pay power dues to the tune of Rs 24 lakh.

FAPCCI's concerned over power cut

The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI) has expressed concern over the announcement of power cuts and power holidays to the industry. FAPCCI stated that in spite of their repeated requests to make arrangements for continuous power supply to the industry for the past four months, the power department had failed to take any measure to save the industry in the state.