

Power Sector in Andhra Pradesh and Telangana during March, 2016

POLICY

Two Andhra Pradesh villages to run completely on solar power

Two villages Andhra Pradesh - Toorputallu and Pedhamyanavanilanka - will be electrified completely on solar power from this year. These two villages were adopted by Commerce and Industry Minister Nirmala Sitharaman under the Sansad Aadarsh Gram Yojna (SAGY). A 2 MW solar power plant will be developed by a private entity and the power generated by the plant will be bought by Andhra Pradesh DISCOM - APEPDCL. The district administration has earmarked the required land. The solar plant will be completed by August 2016.

GENERATION

NTPC invites bids for solar project in AP

NTPC Ltd has invited tenders for 250 MW of solar photo voltaic power project in Kadapa Ultra Mega (1000-MW) Solar Park coming up in Andhra Pradesh. This offer is under National Solar Mission, Phase II, Batch II and Tranche I.

600 MW first unit of Singareni project in Telangana commissioned

The first 600 MW unit of the 2x600 MW (1200 MW) thermal power project of Singareni Collieries Company Ltd in Adilabad district of Telangana was commissioned.

Sembcorp-Gayatri venture to double power capacity at Krishnapatnam complex

Sembcorp-Gayatri venture planned to double the power generation capacity at its thermal power complex located at Krishnapatnam in Nellore district of Andhra Pradesh to 5280 MW, entailing an outlay of Rs. 12,000 crore. This expansion entailing an outlay of about Rs. 12,000 crore, will be much lower than the cost of the project already executed as

most of the infrastructure is already in place, including land. As against Rs. 20,000 crore invested in the 2640-MW phase I, the cost of implementing the proposed expansion will be much lower.

Gas-based power plants say no to subsidy

In the third round of reverse e-auction process for power plants to avail the subsidy to buy costly imported RLNG with support from Power System Development Fund (PSDF) gas based power producers have put near zero bids to procure subsidised RLNG from the government. Due to this government will be saving Rs. 18.29 crore in PSDF.

Earlier the Empowered Pool Management Committee, which decides on subsidy to be released for operating gas-based power plants through a pool of domestic and imported fuel, has cut the subsidy ceiling for stranded plants by about Rs. 1 a unit in Phase III of the R-LNG e-auctions. PSDF Support has been capped at Rs. 0.84 a unit for partially stranded plants (those getting some domestic natural gas) while for fully stranded plants (those getting no natural gas) the ceiling has been fixed at Rs. 0.41 a unit.

In Phase III, power plants will be seeking imported gas to operate their plants between April 2016 and September 2016.

Successful bidders include Konaseema Gas Power Ltd and GMR Rajahmundry Energy Ltd.

AP to add 619 MW solar power capacity by April

Andhra Pradesh will be adding about 619 MW of solar energy by next month, thereby taking the total installed capacity past the 1000 MW. The new capacity under distributed solar power projects is being set up by about 30 developers. The State has about 150 MW solar power generation capacity. 250 MW of solar power capacity is being developed by NTPC in Anantapur district.

Ministry of Power's conditional approval to Bhadradi project

Central government's Ministry of Power conditional approval to sub critical units of Bhadradi Thermal Power Station at Manuguru. According to this approval the project should be commissioned within the 12th plan period, i.e., by 31st March 2017.

The environmental public hearing for the proposed power plant was held on 17th March at Seetarampuram near Manuguru. While elected representatives welcomed the plant others who participated in the public hearing demanded adoption of super critical technology and prompt implementation of rehabilitation and resettlement programme. The Human Rights Forum alleged that the environmental public hearing was held in farcical manner. They pointed out that many people were taken in to preventive custody.

Warehouse rooftops for solar power

The Telangana state government is planning to use warehouse rooftops for installation of solar panels. 330 warehouses are under construction across the state. The state government is in consultation with Rural Electricity Corporation (REC) and other institutions for installation of solar panels on 1.6 crore square feet of area available on these rooftops. This area would be sufficient for 50 MW capacity power plants.

FUEL

ONGC to invest \$5-b to develop deepwater block

The ONGC board has approved a \$5.076-billion (Rs. 34,012 crore) field development plan for a portion of its deepwater oil and gas block in the Krishna-Godavari basin, cluster 2 of the KG-DWN-98/2 block. The investment was expected to lead to total production of 23.526 million tonnes of crude oil and 50.706 billion cubic metres of natural gas.

‘Singareni Collieries breaks records in output, profits

Singareni Collieries Company Ltd (SCCL) is planning to open about 20 new mines in the next five years with a capex of Rs 4,000 crore. This is part of an overall investment plan of Rs 20,000 crore earmarked for fresh acquisitions. Of this, 10 new projects will be opened up in the beginning of next financial year. It is targeting an average growth of 10% as against the earlier average growth of 3%. The coal production will be increased to 85 million tonne with the use of modern technology like longwall and continuous miners in the proposed mining projects.

SCCL has registered a record 15% growth in 2015-16. SCCL reported Rs 1,020 crore net profit as against Rs 490 crore last year. This has led to an increase in turnover from Rs 14,000 crore to Rs 16,500 crore, registering a 17% growth. Coal despatch has shown a growth of 11% this year as against an average growth of 3% in the last five years.

DISTRIBUTION

Power Charges issue raised in the AP Assembly

YSRCP's leader of opposition in AP Assembly Mr. Jaganmohan Reddy criticised the TDP led state government over the increase in power charges. Jagan alleged that even though electricity was available at lesser rate the government is increasing the pressure on the by

purchasing it a higher rate. He alleged that when electricity was offered by the Indian Energy Change (IEE) at Rs. 2.75 per unit and at Rs. 3.77 per unit during evenings it purchased power at Rs. 5.11 per unit.

Telangana power distribution companies propose tariff hike

The Telangana power distribution companies in the annual revenue requirement (ARR) filed with the TS Electricity Regulator Commission, have proposed a hike of 65-72 paise per unit for consumers in the 100-400 unit category and for those above 400 units at Rs. 1 per unit. Consumers with less than 100 units per month have been spared. As per proposals, 80.9 lakh consumers (68 per cent) out of 119.6 lakh consumers will have no tariff hikes. In the case of domestic consumers 60.1 lakh consumers (70 per cent) out of 86 lakh consumers and 20.7 lakh agriculture consumers (100 per cent), 8681 cottage industries (100 pc) will not be affected by the tariff proposals. Haircutting salons have been inducted into a new category and consumption up to 200 units per month has been spared from the hike. In the industry segment, while there is no tariff hike for ferro alloys units, it is proposed to increase the tariff by 7.5 per cent to 10 per cent.

DISCOMs have projected annual revenue requirement of Rs. 30,207 crore and the projected revenue from current tariff is Rs. 21,418 crore leaving a revenue deficit of Rs. 8,789 crore. While the average cost of supply is Rs. 6.44 per unit, average revenue realisation is Rs. 4.56 per unit. This leaves a revenue gap of Rs. 1.88 per unit. The overall revenue increase through proposed tariff hike is expected to yield Rs. 1,958 crore (9.14 per cent).

97% of consumers spared from power tariff hike in AP

Andhra Pradesh Electricity Regulatory Commission's tariff order for financial year. 2016-17 has spared domestic and other segments from tariff hike, while hiking the tariff by 2-4 per cent for industrial and commercial consumers. There is no general increase in tariff for domestic consumers. Energy charges hike for non-domestic consumers is restricted to 2 per cent against 4 per cent proposed by DISCOMs.

While the DISCOMs had indicated at annual revenue requirement of Rs. 28,423 crore, the regulator slashed it by Rs. 1,773 crore to Rs. 26,649.98 crore. Tariff increase is limited to Rs. 216 crore as against Rs. 783 crore proposed by the DISCOMs. As against a proposed increase of 2.75 per cent over last year, it has been limited to increase of 0.81 per cent. The subsidy is limited to Rs. 3,289 crore (only for agriculture) as against Rs. 4,364 crore sought by the licensees.

TS Government Departments Ordered to clear electricity bill arrears

The Chief Minister of Telangana directed all state government departments and institutions including municipalities and village panchayats to pay electricity bill arrears. He also instructed the officials to pay monthly electricity bills in time every month. The outstanding

electricity bill arrears from state government departments are said to be about Rs. 1,600 crore.

GENERAL

A Committee to resolve the issues related to distribution of electricity employees.

A Division Bench of Hyderabad High Court constituted a committee to be headed by a retired Supreme Court judge to resolve issue of division of electricity employees between the two states. The two state governments have selected five officials each as their representatives on the Committee. The Committee had been asked to submit its report before March 31st. The Advocates General of the two states would assist the Committee while the expenses of the Committee would be shared by AP and TS in 52:48 ratio.