

# **Power Sector in Andhra Pradesh during May 2011**

## **POWER GENERATION**

The magisterial inquiry ordered by the state government of Andhra Pradesh (GoAP) in to the death of two persons in police firing on 28<sup>th</sup> February in Vaddithandra village where people from nearby villages had gathered to protest against setting up of 2,640 MW coal based thermal plant at Kakarapalli in Srikakulam district by East Coast Energy Pvt Ltd. The villagers are apprehensive that the proposed plant not only causes irreparable damage to the ecology but also adversely impacts the livelihoods of the people from surrounding villages who largely depend on agriculture and fishing. Villagers also allege that police were harassing villagers for participating in the movement against the thermal power plant.

In Sompeta in Srikakulam district people continued their protest against the thermal plant to be set up by NCC in different forms. The relay hunger strike crossed 550 days. On 30<sup>th</sup> May Paryavarana Parirakshana Samithi (PPS), Coastal area Fishermen United Front and leaders of various political parties organised road blockade on the national highway at Buragam in Kanchili mandal against the proposed thermal power plant.

In a meeting held on 11<sup>th</sup> May 11 left parties working in the state resolved to fight against the merchant power policy of the state government. They said that in the name of promoting power generation by the private sector the state government was handing over vast stretches of precious land running in to thousands of acres to the private companies adversely affecting the local communities and ecology. As part of their campaign against the power policies of the state government they proposed to hold public meetings at Srikakulam on May 26 and Nellore on June 5.

The state government divided the head works of Polavaram dam on Godavari river in two parts dealing with irrigation and electricity. Each package would be dealt with by irrigation department and APGENCO respectively. The project involves setting up of 960 MW hydro power generation units.

Justice B. Prakasha Rao and Justice V. Eswaraiah comprising a Division Bench of the Andhra Pradesh High Court admitted a writ petition questioning setting up of nearly 24 coal based thermal power plants around Krishnapatnam in Nellore district. The land to be gobbled up by these power plants include lush green paddy fields and lands giving two crops in a year. The petitioner argued that conversion of agriculture lands in to industrial units was against EIA manual. The writ petition was filed by Bezawada Govinda Reddy.

The newly set up Kakatiya Thermal Plant at Bhupalapalli village in Mulug Ghanpur mandal of Warangal district is already playing havoc with the people in surrounding villages. People of

Dubbalapally which is one kilometer away from the plant is bearing the major brunt of this plant. Every household in the village was covered with layers of fly ash. On 17<sup>th</sup> of May winds which brought tones of fly ash in to the village covering building including panchayat office. Vexed with the apathy of the officials the villagers staged protest in front of the APGENCO office on 18<sup>th</sup> May and also stopped staff and coal laden trucks and other vehicles entering in to the plant.

Raji Power Projects limited proposed to set up a 6 MW mini hydel power plant at Kuntala water falls in Adilabad district. But there was stiff opposition from the local population against this plant as it affects their livelihood. Particularly tribal population, which depends on the water from this would be deprived of livelihood opportunities. This waster body was also closely linked to their cultural life. Though the proposal surfaced in 1999 it was not taken up due to opposition from the locals. This Telangana Vidyavantula Vedika, representing intellectuals of Telangana region took initiative in organizing a round table on the proposed mini hydel power plant at Nirmal on 30<sup>th</sup> May.

Chief Minister of GoAP approved sanctioning of 1,431 posts in APGENCO to address staff shortages. The posts to be filled up include 350 assistant engineers, 881 junior plant attendants, and 110 lower division clerks.

Works at 4000 MW ultra mega power plant at Krishnapatnam taken up by Coastal Andhra Power Limited belonging to Anil Ambani group have come to a standstill. According to the original plan power generation from this plant was expected to commence in 2013. This appears unlikely now. The reasons for stoppage of works were not made public. One of the reasons could be escalating construction costs. Out of nearly Rs. 1600 crore spent on the plant Rs. 1200 had gone for land acquisition and preliminary works.

The APERC continued its hearing on Konaseema Power Company's claim for Rs. 1,411 crore for delay in gas availability for power generation at its plant. Hearings were held on 2<sup>nd</sup> and 23<sup>rd</sup> May. During these hearings K. Narayana of CPI, M. Venugopala Rao, M. Thimma Reddy of PMGER and representatives of various political parties contended that as fuel risk was with the developer consumers should not be burdened with loss alleged to be incurred by the developer.

Because of doubts over gas availability in KG basin gas fields GVK Power and Infrastructure limited put the expansion of its two gas based power plants – Gauthami Power II and Jeegurupadu III on hold. These two plants were expected to cost Rs. 6,000 crore. Until now the company had spent Rs. 200 crore on land acquisition and advances to contractors.

## TRANSMISSION

APTRANSCO plans to spend Rs. 6,000 crore by 2014, i.e., Rs. 1,500 crore every for four years to transmit 17,000 MW peak demand by 2014. The present peak demand was stated to be 11,829 MW. This was stated by MD of APTRANSCO in a press conference on 4<sup>th</sup> May 2011. As a part of extension and strengthening of transmission network 4 numbers of 400 kV substations, 37 numbers of 220 kV substations, 125 numbers of 133 kV substations are going to be built by APTRANSCO. The transmission network extension is being planned in keeping with the needs of development of the identified growth corridors in the state. The MD of APTRANSCO reported that during 2010-11 year 76,450 MU of power was transmitted. Transmission losses were reduced from 4.68 percent to 4.4 percent. The network availability also increased to 99.82 percent from 99.80 percent. The works related to evacuation of power from APGENCO's new power plants – Kothagudem, Bhupalapally- Stage II, Krishnapatnam, RTPP – Stage IV, and Singareni are under way

APTRANSCO is planning to erect two numbers 765 kV substations in the state for the first time. One of it will be located at Hyderabad and another one will be set up at Vadarevu in Prakasam district.

## DISTRIBUTION

The four DISCOMs in the state had approached the APERC to permit them to recover Rs. 1,777 crore through FSA for the last quarter of 2010. Increase in coal prices, reduction in gas supply and resultant purchases from the open market were said to have led to increase in power purchase costs.

A Social Audit of Rajiv Gandhi Grameen Vidyudikaran Yojana conducted by BREDS of Srikakulam and Greenpeace in some villages in Srikakulam district had shown that the programme had failed to improve existing power supply. There were cases where connection was provided but there was no power supply. Bills were issued with out reading of the meter that led to inflated bills. The villagers were receiving power for 6 to 8 hours in a day. The presence of basic infrastructure did not help to improve the situation with intervention under RGGVY. Participants at the public hearing demanded improved, better quality and consistent power supply.

During a meeting on 17<sup>th</sup> May the Chief Minister of AP asserted that free power supply to agriculture would continue till 2014. He said that the state government was spending Rs. 27,000 crore on free power supply.

DISCOMs in the state would be spending about Rs. 8,000 crore on erecting 1,400 33 kV substations in the state.

The Andhra Pradesh State Human Rights Commission directed APCPDCL to pay Rs. 2 lakh to Mr. Venkata Ramanaiah for the death of his nine year old daughter. The girl died of electrical shock when she came in contact with a high tension wire in May 2006.

APCPDCL is planning to upgrade network covering high income consumers to improve services to them. Under this upgradation the selected substations will be equipped with auto-closers and sectionalisers to minimize the unplanned power cuts and feeder trips. Power Finance Corporation will support this with a loan of Rs. 100 crore under APDRP.