

Power Sector in Andhra Pradesh during May 2013

POLICY

State's energy offtake higher than national average

The per capita energy consumption in Andhra Pradesh at 1,019 units is above the national average per capita consumption of 879.2 units. The gap between consumption and supply had gone up. To address this the State government was reported to have charted out a five-point agenda. These include enhancing power generation to optimum capacity, reduction in transmission, distribution and commercial losses, effective implementation of energy conservation and efficiency programmes, promoting green energy by renewable energy sources and comprehensive communication strategy involving stakeholders.

State to offer 20% extra subsidy to solar units

Government of Andhra Pradesh will offer 20 per cent subsidy in addition to the 30 per cent subsidy offered by the Union Government for rooftop solar units with net metering.

AP Transco has agreed to provide connectivity for 779 MW of solar power for industries having captive power plants.

GENERATION

Hinduja National Power to commission one unit by October

The first unit of (2x520 MW) 1,040 MW Hinduja National Power Corporation Ltd was reported to be ready for power generation by October-November 2013. The second unit of 520 MW would be commissioned by early next year. The HNPCL was reported to be trying to run this plant as a merchant power plant. The plant was to be executed by late 1990s but got delayed due to various reasons. The plant is located near Visakhapatnam in Parwada area.

To ease power crisis, AP to add 4,000 MW capacity by March

Andhra Pradesh was poised to add over 4,000 MW of power generation capacity by March 2014. The new capacity addition would include 1,600 MW project at Krishnapatnam, 600 MW from Bhupalapally of APGENCO, 1,040 MW of HNPL. In addition to these AP will get a share from NTPC Tuticorin project and NTPC joint venture project at Vallur in Tamil Nadu.

AP a laggard in green energy

Greenpeace in its report “Powering Ahead with Renewables: Leaders and Laggards” listed Andhra Pradesh as one of the worst-performing states on the Renewable Power Purchase Obligation (RPPO) index.

AP goes for short-term purchase of additional 300 MW

APDISCOMs had taken steps to purchase of additional 300 MW power from May 31 through short-term power purchase arrangements. This was aimed at meeting the increasing demand. The DISCOMs had secured APERC for calling tender for short term procurement of power to overcome the shortfall. Following tenders on the e-procurement platform for purchase of 2,000 MW power, 12 bidders participated. They quoted between Rs 4.66 per unit to Rs 7.54 per unit depending upon the location of the plant and the region. The DISCOMs were reported to have convinced generators to sell their power at Rs 5.45 per unit.

FUEL

Reliance Industries KG-D6 output drops to below 15 mmscmd

Natural gas production at RIL’s KG Basin offshore fields dropped to less than 15 million standard cubic metres per day, the lowest level since starting output in April 2009. RIL produced a total of 14.83 mmscmd from Dhirubhai-1 and 3 (D1&D3) gas fields and MA oil and gas field in the KG-DWN-98/3 in the week ended May 26.

Shell signs port services pact for LNG terminal in AP

On April 11, Shell and Kakinada Seaports (KSPL) signed the port services agreement, setting out the commercial arrangements underlying the development and operation of the required port facilities for the entire duration of the project. The project will be the first LNG import terminal on the East Coast, and the terminal will start with a capacity of up to 5 million tonnes a year, expandable to over 10 mt a year. Shell has established the project company - Andhra LNG Pvt Ltd to develop, implement and operate the LNG import and regassification terminal.

With dip in gas output, RIL to take up new projects in D6 block

Reliance Industries is planning to invest over \$5 billion to reverse the trend of falling gas output from its KG-D6 fields. With gas output dipping to an all-time low, the company has decided to undertake a series of projects. The new projects in KG-D6 block would be undertaken over the next three to five years. The investment is to help develop around 4 trillion cubic feet of discovered natural gas resources. RIL is planning to tap into its existing discovered resource base by advancing its planning for the next wave of projects in its KG-D6.

Delays in green nod to hurt GSPC's project in AP

Delay in getting green clearances for laying underground gas pipeline through 10 km stretch near Coringa Sanctuary may affect Production in the Gujarat State Petroleum Corporation's (GSPC) KG basin till October. The \$1.8-billion project is scheduled to be operational in June. This project was estimated to give peak output of 5.7-8.6 mmcmd. The GSPC-operated consortium (GSPC 80 per cent, Jubilant 10 per cent, GeoGlobal 10 per cent), has already set up two offshore production platforms, and is expected to complete the sub-sea pipelines before the monsoon hits East coast in June.

New uniform gas price

Veerappa Moily recommends new uniform gas price, likely to be in range \$6-7 per mmbtu

Displaying a significant shift in stance from his earlier view, Veerappa Moily, Union minister for petroleum, told ET that the petroleum ministry has recommended a new uniform gas price which could be in the range of \$6-7 per million metric British thermal unit (mmbtu) and not as high as \$8-\$8.5 per mmbtu. He said the new price recommendation has been done according to the formula suggested by the Rangarajan panel and the petroleum ministry has sent a formal proposal stating the same to the Cabinet Committee on Economic Affairs that has been constituted to take a final decision on the issue.

Gigantic scam in gas price revision process for KG D-6 basin

A senior CPI leader and MP Gurudas Dasgupta had alleged that the finance ministry, the oil ministry and the Planning Commission colluded to push Mukesh Ambani-owned Reliance Industries' KG-D6 gas price to more than the rate proposed by the Rangarajan Committee. Gurudas Dasgupta told reporters "Thrice the secretary petroleum (Vivek Rae) had opposed it (gas price hike proposal) and thrice it was returned. It is pending with the petroleum minister, so it's time to speak of irregularity by (Veerappa) Moily, the same way A Raja (former telecom

minister) had done. If Moily's formula is agreed to, it would result in a loss of Rs 76,000 crore".

DISTRIBUTION

Left parties have expressed concern over the latest proposals submitted by APDISCOMs to impose FSA to the extent of Rs. 1,137 crore to the APERC. This in addition to the FSA burden of Rs. 12,167 crore during the last four years.