

Power Sector in Andhra Pradesh during November 2013

POLICY

AP to halve power tariff for poultry industry

The Chief Minister of AP announced that poultry industry will be charged Rs. 2.80 per unit of electricity in the place of present charge of Rs. 5.60 per unit.

CCEA nod for amendments to DISCOM financial revamp plan

The Cabinet Committee on Economic Affairs (CCEA) has approved amendments to the scheme for financial restructuring of State power distribution companies to enable the financial turnaround of the State distribution companies in Jharkhand, Bihar and Andhra Pradesh. Utilities in these three states were facing financial difficulties and were keen to participate in the scheme could not do so due to the difficulties in meeting certain requirements of the restructuring scheme. To enable these three States to participate under the scheme, the cut-off date for reckoning the eligible amount of short-term liabilities for issuance of bonds/reschedulement by lenders is now shifted to March 31, 2013 from March 31, 2012. The scheme will be available to these States up to 31 December 2013 unless extended by the Union Government.

GENERATION

NREDCAP installs solar PV unit in CM's camp office

A solar photovoltaic system of 40 kilo watt installed over the roof of Chief Minister's Camp Office. The energy load of the camp office is 60 KW (excluding A/Cs). The system works from 9 a.m. to 5 p.m. on direct solar and 5 p.m. to 9 p.m. on battery charged by solar energy. According to the New and Renewable Energy Development Corporation of Andhra Pradesh (NREDCAP), the total capacity of renewable energy sanctioned in the State including wind, solar, bio-mass based and mini-hydro was 4,357 MW. During 2012-13 and 2013-14 about 1,444 MW capacity was installed. Out of this, up to the year 2010, 107 MW of wind energy capacity was installed. In the last three years, it has gone up to 500 MW. Under the State Solar Power Policy, NREDCAP has installed about 25 MW under captive and third party sales.

Engineering college goes solar

Padmasri Dr B.V. Raju Institute of Technology in Narsapur, about 50 km from Hyderabad, installed and commissioned a 100 kW solar photovoltaic rooftop plant. The project is the first-of-its-kind among all the JNTU-affiliated colleges in Andhra Pradesh. This Rs 1.3 crore project is installed under the Jawaharlal Nehru National Solar Mission (JNNSM) Phase-III programme through NREDCAP. Ministry of New and Renewable Energy (MNRE), provided a subsidy of 30 per cent.

AP seeks Centre's backing for renewable energy projects

The Ministry of New and Renewable Energy of GoI agreed to consider a proposal of Andhra Pradesh Government to support its efforts in strengthening the evacuation network for renewable energy projects, including wind farms. It agreed to consider the request State's request to provide matching grant in aid for a comprehensive evacuation network of about 3150 mw wind power plants in Kurnool, Kadapa, Anantapur and Rangareddy districts. About 1000 MW of wind power generating capacity is expected to be commissioned by 2013-14. The State Government is planning to add around 6900 MW of non-conventional energy projects during XII Plan. Of this, 5000 MW is expected to come from wind power farms and about 1200 MW from solar energy.

According to a study, the State has potential for 14,497 mw of wind power generation. While the wind power installed capacity is 564.09 MW, feasibility clearance on the existing network has been issued for evacuation of 1098 MW. The State has issued feasibility for evacuation on the proposed network for about 1970 MW.

While the State now has an installed solar power generation capacity of 61.24 MW, it expects fresh capacity addition under the Solar Policy. Of the recently concluded bidding process for 1000 MW of solar power generation capacity, distribution companies have entered into power purchase agreements for 147 MW and Letters of Intent for another 142 MW have been issued.

RPower approaches PFC

Reliance Power Ltd (RPower) was reported to have approached Power Finance Corporation Ltd (PFC) for loan of Rs2, 500 crore for its 2,400-MW Samalkot (Andhra Pradesh) plant. RPower had in the past approached PFC for funding for the Samalkot project. But for want of a bank guarantee it was not accepted. PFC had asked RPower to furnish a bank guarantee, as there was uncertainty over availability of domestic natural gas. Reliance Power did not provide the bank guarantee at that time. Though there was no change in the situation PFC was considering the loan request, as RPower has cited the Government's initiative to make gas available through pooling mechanism for power projects that are stalled. The company also requested the Power

Ministry of GoI for its support while seeking this loan. The Samalkot power station will cost Rs 11,000 crore. Of this, Rs 3,300 crore will be equity funding and the remaining Rs 7,700 crore will be debt. Till now, RPower has tied up loans of about Rs 3,000 crore.

Nuclear Power Corporation of India Ltd (NPCIL) is planning to hold gram sabhas in Kovvada and Kotapalem villages on 27th and 29th of November respectively on land acquisition for the proposed nuclear plant in the area. NPCIL sought to acquire 1,000 acres of land from private people to construct 10,000 ME nuclear power plant.

The GoAP approached the GoI to permit generation of **additional 40 MW power from solid waste** at Jawaharnagar dump yard. This is in addition to the initial proposal to generate 40 MW power from the same site.

FUEL

CM wants issues over gas units resolved

Chief Minister directed the officials to speed up large infrastructure projects including the A.P. Gas Distribution Corporation's Floating Storage and Regasification Unit by resolving issues relating to their implementation. For APGDC-Trunk Pipelines MoU has already been signed and public notification for bidding for Kakinada-Visakhapatnam-Srikakulam pipeline and Ennore-Nellore has been issued. The Petronet LNG Project which intends to develop LNG Terminal at Gangavaram Port with an outlay of Rs 4,500 crore having a capacity of 5 million tonnes a year with a provision to expand up to 10 MTPA.

Blocks given up by RIL to be put under NELP X.

The Centre is planning to include the blocks given up by the RIL and Cairn India under the proposed NELP X round. This includes KG-D6 block relinquished by RIL. RIL has so far relinquished about 16% of its D6 block.

RIL shuts 10th well in D1, D3; output drops to all-time low

RIL has shut down 10th well in the gas fields of KG-D6 block due to high water ingress, resulting in gas output declining to 8.73 mmscmd in the week ending November 17. RIL has shut well no. B7 on the main producing fields of D1 and D3. Together with 3.32 mmscmd from MA oilfield total output from KG-D6 was 12.05 mmscmd.

D6 gas field: Arbitrator will decide dispute over output decline

The merit of the reason cited by Reliance Industries Ltd for the fall in production at its KG Basin gas fields will now be decided by an arbitrator. Since the block oversight committee has not reached a consensus, they have mutually decided to leave it to the arbitrator. While RIL, along with BP and Niko, its partners holds that the reason for the fall in output is geological, the Government nominees on the panel feel it is because the contractors have not drilled the committed number of wells.

RIL to increase KG-D6 gas output

RIL would repair a third of the wells shut at its main gas field in the eastern offshore KG-D6 block to boost output in the first quarter of 2014. The company is mobilising a drilling rig for the D1&D3 fields “to commence a three-well workover programme that is expected to increase the volumes from this field in the fourth quarter of the financial year,” said Niko Resources, a minority partner in the KG-D6 block. workovers will “contribute” to an increase in gas production. BP Plc of UK holds the remaining 30 per cent in KG-D6. A development well, MA-8, has been spud at the MA field. "The well is expected to be on-stream in December. The well and the workovers will help reverse the drop in output at KG-D6.

Cairn India to invest on east coast fields

Cairn India will commence exploration work at its offshore block in the KG Basin. Cairn had received regulatory nod for the minimum work programme (MWP) for the block facilitating exploration. The investment commitment in the block by Cairn would be about Rs. 500 crore. The company requested the ministry to limit its work commitment to 65% of its planned MWP as the Cabinet Committee on Investment declared 35% of the block as no-go area.

Gas price hike: Reliance agrees to give bank guarantee

Reliance Industries Ltd was reported to have agreed to the Government condition of a bank guarantee that will allow it to charge higher gas price from April 2014. The new proposal says

the contractor will have to furnish a bank guarantee after which it will be eligible for revised gas pricing. The company will forego its bank guarantee if found to be deliberately suppressing gas output.

Expert Committee defers clearance of Petronet's LNG project in Andhra Pradesh

The Expert Appraisal Committee under the MoEF has deferred clearance of land-based Liquefied Natural Gas (LNG) terminal at Gangavaram Port in Andhra Pradesh for want of compliance reports. The terminal consisting of 10 million tonnes per annum LNG import, storage and re-gasification facilities is being developed by Petronet LNG Limited. The EAC Citing pollution issues that were raised during public hearing on the project advised the company to obtain report on compliance status of EC/Consent conditions from the AP Pollution Control Board and regional office of Ministry of Environment and Forests (MoEF), Bengaluru.

TRANSMISSION

ALSTOM: T&D India wins two substation orders from AP Transco

APTransco awarded two air-insulated substation projects to Alstom T&D India to strengthen the power supply in the state. The total value of the contracts is approximately Rs. 130 crore. Alstom's 400 kV air-insulated substations will help meet energy demand by transporting the power produced at Hinduja National Power Corporation Limited's (HNPCL) 1,040 MW coal-based thermal power plant in Vishakhapatnam district. The first order worth Rs. 66.9 crore is to supply of the 400 kV air-insulated substation at Suryapet in Nalgonda district and the second order worth Rs. 63.3 crore is to supply of the Kamavarapukota 400 kV air-insulated substation in the West Godavari district.

APTRANSCO - open access power to industries

APTRANSCO is contemplating allowing open access power purchases (1 Mw and above) by industries from third parties to meet their energy needs. To take this forward it is planning to hold a high-level meet with the Federation of Andhra Pradesh Chambers of Commerce and Industry, Confederation of the Indian Industry and the Federation of Indian Chambers of Commerce and Industry to take their suggestions. According to APTRANSCO around 400 industrial consumers purchased power under the expensive power scheme (EPSS) which was

earlier approved by the state Electricity Regulatory Commission (APEREC), This was implemented from February 2013 to June 2013. According to APTRANSCO officials electricity consumption in the industrial sector in the state had increased to 34.93 per cent in 2012-13 from 14.99 per cent during 2001-02.

DISTRIBUTION

State to invest more in HVDS supply network

According to a news report the State government has so far invested about Rs 2739 crore towards setting up of High Voltage Distribution System (HVDS) to support about 8 lakh farm sector services to help in reducing the energy losses and provide quality supply.