

Power Sector in Andhra Pradesh and Telangana during November, 2016

GENERATION

Public hearing on Kovvada Nuclear Power Plant

The Nuclear Power Corporation of India Limited (NPCL) and GoAP are planning to conduct a public hearing to elicit opinion of the people going to be impacted by the setting up of the nuclear power plant. The public hearing is mandatory to obtain environment clearance.

Suzlon bags contract for 50.40 MW project in Andhra

Suzlon bagged 50 MW wind power project in Anantapuram district in AP. The project consists of 24 units of S95 90m tubular tower with rated capacity of 2.1 MW. The project is scheduled for completion in March 2017. Suzlon will provide comprehensive operation and maintenance for a period of 20 years. It includes dedicated life cycle asset management services to the project. The S9X 2.1 MW platform features the Doubly Fed Induction Generator (DFIG) technology which was reported to be designed to optimally harness available wind resources.

NTPC-BHEL power machinery unit downsized

After six years of its foundation The NTPC-BHEL Power Projects Limited (NBPPPL) the Rs. 6,000-crore joint venture between two public-sector majors — NTPC and BHEL — to manufacture power equipment has finally got into production mode at Mannavaram in Chittoor district of Andhra Pradesh. Under Phase – I the project has seen an investment of Rs. 363.94 crore. The Phase-I investment in the project was reduced from the original Rs. 1,200 crore (EPC and Manufacturing facilities) to Rs. 363.94 crore by curtailing EPC expenditure to Rs. 13.55 crore by shifting to a hiring model. The NBPPPL will go in for Phase-II in 2016-17. The estimated employment opportunities would be 6,100 till the end of fiscal 2016-17, as per a detailed project report. In Phase-I, it would be 1,250. The JV had expected to execute 30 EPC orders and other related projects. The delays have been attributed to infrastructure bottlenecks, such as lack of straight and good roads to handle the giant-sized consignments, and assured water supply. The Boiler, Turbine and Generator (BTG) unit, a vital component of the project, was shifted to Phase-II. NBPPPL, which has an agreement to supply spare parts to the NTPC. It has also signed an MoU with APGENCO for supply of spare parts for coal-and ash-handling plants and other equipment.

Polavaram solar plant launched

A five megawatt canal bund solar plant started operation on Polavaram right canal bund at Gollagudem village of Ungutur mandal in West Godavari district. It was constructed at a cost of Rs. 37 crore. The central government gave a subsidy of 20 per cent. This 5 MW solar plant is expected to reduce 70 tonnes of sulphur dioxide, mono-nitrogen oxides and 7,455 tonnes of green house gas emission. The state government has proposed to generate 10,000 mw of solar energy by 2022. The present solar capacity in the state is about 1,000 megawatt. It will increase to 2,000 megawatt by March, 2017. Power utilities in the state are planning to invest about `20,000 crore to generate 2,500 megawatt of solar and 2,500 megawatt of wind power.

Telangana requests approvals for power projects

The Chief Minister of Telangana requested Union power minister to expedite approvals for 4,000 MW Yadadri and 1,080 MW Bhadradi thermal power projects. Two projects were stalled due to objections from National Green Tribunal and Ministry of Environment. The CM was reported to have said that no violation of environmental aspects had taken place in any of the projects, and requested for speedy approvals. It was contended that there was no environmental issue in the two projects. The 12th plan period has allowed the use of the technology and the state had made huge investments based on the Union environment ministry's assurances. Telangana had already invested about Rs. 1,400 crore in the project in the form of payments for boilers supplied by BHEL.

Bhadradi delisted by the Central government

The Union Ministry of Environment and Forests has delisted Bhadradi Thermal Power Station being developed by TSGENCO at Manuguru in Kothagudem district citing use of sub-critical technology.

Power-sharing dispute: Telangana government plans to approach centre

TSTRANSO was reported to be planning to take the matter related to denial of power at a reasonable rate by AP to the notice of the Central Electricity Authority and Central Electricity Regulatory Commission. In the recent past when Telangana sought 300 MW of power from Andhra Pradesh to tide over severe shortages, the APGENCO asked its counterpart to pay Rs 5.35 per unit when other private generators were ready to supply power at Rs 4.63 per unit. Telangana utilities taking strong exception to this argued that the AP Reorganization Act, 2014 provided that in case of either state becoming power surplus, this state should give a first buy option to other state. AP being a surplus state did not offer us power and when we wanted 300 MW in April and May this year during the peak of the summer. It demanded Rs 5.35 per unit which was higher than the market rate. Telangana argued that when the pooled cost (average cost of power from different sources including share in central stations) is much lower at Rs 4.54, AP should not demand a higher price than the prevailing market rate.

AP sets solar target of 4,000 MW in two years

The government of Andhra Pradesh has planned to generate 4,000 MW of solar power in the Rayalaseema region in the next two years. Three major solar parks are coming up at Anantapuram, Kadapa and Kurnool and in the first phase, 1,250 MW of solar power will be generated. Along with these ten waste-to-energy plants would be set up in the State, seven of them by 2017 and the rest by 2018.

Sembcorp completes first unit of 660 MW in Nellore plant

Sembcorp Gayatri Power Limited (SGPL) (formerly NCC Power Projects Limited) has completed construction of first 660 MW of its 1,320 MW thermal power plant coming up at Krishnapatnam in Nellore district of Andhra Pradesh. The second unit of 660 MW is expected to be complete during the first quarter of 2017. The 1,320-MW coal-fired power plant involves a total investment of approximately \$1.5 billion.

Telangana's solar power generation capacity reaches 3,800 MW

Telangana has so far commissioned 3,800 MW of solar power and 100 MW of wind power. Apart from this nine more locations have been identified to take up wind power projects. The State Government is planning to actively encourage renewable energy and go for Hybrid (wind and solar) generation in the Hyderabad Pharma City and NIMZ.

FUEL

RIL and partners to pay \$1.55 billion for ONGC gas

The Government of India asked Reliance Industries and its partners in the KG-D6 block to pay \$1.55 billion (about Rs. 10,350 crore) as compensation for benefits derived from the natural gas that flowed from ONGC's adjacent fields in the KG Basin on the east coast. The GoI based this on the recommendations and model suggested by the single-member Justice AP Shah Committee. The Directorate-General of Hydrocarbons (DGH) has derived the \$1.55-billion compensation figure after deducting net royalty that the contractors have paid the government and recasting the accounts to factor in profit petroleum for 2015-16 (\$173 million). The figures have been derived based on calculations in respect of gas price and volume, on a monthly basis.

KG-Basin gas: Reliance serves arbitration notice on govt

Disputing the GoI's compensation notice of \$1.55 billion for migrated gas that flowed from ONGC's adjacent fields in the KG Basin, RIL and its partners have sent an arbitration notice. RIL and its partners in the KG-D6 block have sent a notice to the Centre on the grounds that

the compensation claim is based on misinterpretation of key elements of the production sharing contract (PSC), and is without precedent in the global oil and gas industry.

Environmental dangers from extraction of shale gas from KG basin

The KG basin is all set to witness experiments on shale gas reserves hidden inside the earth's surface. The KG basin contains vast reserves of shale gas, which could help the country manage its energy security. But environmentalists caution that extraction of shale gas and oil could kill the delicate ecological balance in the region and even trigger tremors. A public hearing is scheduled for December 6 in Bhimavaram, West Godavari to elicit the views of the residents and experts on the controversial exploration procedure called 'hydro-fracking'. The Centre has proposed to conduct shale gas exploration at five places in the KG basin two exploratory wells each in East and West Godavari and one in Krishna district. According to Dr. K. Babu Rao "Extraction of shale gas through hydro-fracking, which involves sending of water, sand and harmful chemicals under high pressure into the earth to widen natural fractures in the bedrock, is disastrous to say the least. It may trigger tremors, pollute the sea and cause cancers as carcinogens are used in the procedure, which has been banned by several developed countries like France, Bulgaria, Germany and some states in the USA," It was argued that exploration of shale gas from the ecologically fragile delta region will affect the livelihood of thousands of villagers, besides damaging the habitat of various lifeforms including the mangroves.

DISTRIBUTION

Southern Power Distribution Company ties up with MobiKwik

Southern Power Distribution Company Limited in Andhra Pradesh (APSPDCL) has entered into an agreement with MobiKwik, an independent digital wallet provider. This will help electricity consumers within the SPDCL area to make cashless electricity bill payment. Southern Power Distribution Company has a distribution network across six districts and 442 mandals in AP.

Winter brings down power consumption in Telangana

Setting in of winter season has resulted in lower power consumption in Telangana. Power demand, which was around 155mu some time back has declined to 142 mu. Power consumption in the state was reported as 155 mu in October. It has come down to 152 mu on November 5, 2016, which further fell to 142 mu on November 13.

Lower power consumption resulted in reduced burden on power purchases by about 7 to 8 crore per day. TSDISCOMs were buying over 15 mu a day from private power producers to

meet the demand. This has come down drastically to about 2 mu. The energy department is expecting the lowered demand to continue till January 2017, which means power utilities would not need to rely on private power generators for the next two months. This would reduce power purchase cost by about Rs. 200 crore per month. Transco is purchasing power from Simhapuri Power, Meenakshi Power, Myhome, Sagar Cements, Navabharat Ventures, Adhunik, Mahamaya, Sarada Metal, Girija Alloy and ITC wind power companies.

GENERAL

AP ranked best state by World Bank in energy efficiency

The World Bank has ranked Andhra Pradesh as the best state in the country in implementation of energy efficiency and conservation programmes. With an overall score of 42.01, AP has emerged on top followed by Rajasthan with 41.89, Karnataka 39.34 and Maharashtra 39.29 in Energy Efficiency Readiness. Andhra Pradesh achieved an energy saving of 1,500 million units in two years through use of LED lighting. The AP state government has launched a new initiative 'AP Energy Star', making it mandatory to procure only five-star rated appliances like air conditioners, refrigerators, ceiling fans and water pump sets in future. The government also proposes to supply such appliances to consumers on instalment basis at lower prices.