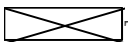
Power Sector in Andhra Pradesh and Telangana during October, 2015

POLICY

CEA to decide on power sharing

The Central Electricity Authority (CEA) was reported to be preparing a draft notification on power sharing and power purchase agreements that would be sent to Telangana and Andhra Pradesh governments for their comments. After receiving the comments, CEA will announce its final decision. While representatives of government of Andhra Pradesh (AP) attended the recent meeting convened by CEA representatives of Telangana did not attend it and sought another date to submit their view point.

Hyderabad HC asks why jobs in power distribution companies are only for Telangana candidates

 The division bench comprising acting Chief Justice Dilip B Bhosale and Justice SV Bhatt of the Hyderabad High Court in response to a petition filed before it directed the Telangana electricity utilities such as TSTRANSCO, TSGENCO and TSDISCOMs to explain under which provision of law they amended the recruitment rules making only Telangana candidates eligible for jobs in these organisations.

GENERATION

States to put solar plants in parks

The Ministry of New and Renewable Energy (MNRE) plans to see 25 solar parks, each with a capacity of not less than 500 MW, developed in the country, so that 20,000 MW of solar power comes in these parks. For this it has set apart Rs. 4,000 crore for giving a grant of Rs. 20 lakh per MW. These parks are to be set up by 2019-20. MNRE has received "consent" for putting up 17,418 MW of solar power plants under the Scheme for Development of Solar Parks and Ultra Mega Solar Power Projects''. According to the Ministry as many as 20 States have sent in their consent for 25 solar parks. These states include AP and Telangana. While AP has shown interest in setting up 3,500 MW across three parks in the districts of Kadapa and Kurnool, Telangana plans to set up parks with a capacity of 1,000 MW.

Solar installations set to quadruple in two years

According to the MNRE the nation has an installed solar capacity of 4,262 MW. Fresh capacity of 4,345 MW expected to come up in 2015-16. Already 518 MW of this was built in the current fiscal. Based on the bids on the anvil, the MNRE expects India to add 10,859 MW in 2016-17 alone. The numbers add up to close to 19,000 MW by March 2017, against the previous target of 20,000 MW by 2022. This capacity addition includes 1,166 MW in Telangana and 350 MW in Andhra Pradesh.

Andhra Pradesh aims to achieve 29,000 MW installed capacity

The GoAP aims to achieve 29,000 megawatt installed capacity of power by 2019 against the present capacity of 10,222 MW. Peak demand for power will increase to 13,500 MW by then as against the present power demand of 6,200 MW. The new generation capacity to be added will be around 18,230 MW. This capacity includes thermal - 7,090 MW, hydel - 1,010, solar - 4,530, wind - 4,000, CGS -1600. AP's power requirement will cross 80,000 million units as compared to its present requirement of around 43,000 MU.

Andhra Pradesh to develop 4,800 MW wind power in 5 years

The GoAP plans to encourage the setting up 4,800 MW of wind power capacity in the State over the next five years, with a potential investment of Rs. 30,000 crore.

Suzlon bags second project with Orange Renewable

Suzlon Group has won a turnkey order for 100.8 MW from Orange Renewable to be installed in a wind park in Beluguppa, Andhra Pradesh. Suzlon will offer operation and maintenance service for an initial period of 12 years through an integrated service package. The project will be commissioned starting FY 2016-17. Orange Renewable is a developer and operator of renewable energy projects with headquarters in New Delhi and a 100 per cent subsidiary of AT Holdings Pte Ltd, Singapore.

Waste to energy plants stalled

In 2007 Hyderabad civic body as a part of addressing the problem of handling solid waste in the city as well as power shortage planed to generate up to 77 MW of power from the solid waste collected every day. It had also signed agreements with three firms to implement the plan. During the last 8 years not a single project is yet to see the light of the day. What is worse even the existing plant (6 MW) downed the shutters. The corporation had agreed to provide 400 metric tonnes of garbage to Selco, which started production in early 2000 and used to generate 6 MW of power. It, however, closed down in 2009 under the pretext of

carrying out repair and renovation works.

Launching Swatch Andhra Pradesh Mission in Guntur the Chief Minister of AP said that within the next year the state government would launch 12 waste to energy power projects in the state wherein 77 percent of waste would be converted into electricity.

Telangana GENCO commissions unit-2 of Lower Jurala project

TSGENCO has commissioned the 40 MW unit-2 of the Lower Jurala Hydro Electric Project on October 5, on the river Krishna. This is part of the 6x40 MW hydel project being implemented by TSGENCO at Revulapally village in Mahabubnagar district.

4000 MW NTPC plant in Telangana

The work on the 4000 MW dedicated thermal power plant for Telangana being set up by NTPC at Ramagundam gained momentum with allocation of 4.73 TMC of water per annum from Sripada Yellampally project. NTPC has already commenced work on the 2x800 MW first stage of the project.

PPA with Chhattisgarh DISCOM

The TSERC called for comments on the PPA between Chhattisgarh State Power Distribution Company (CSPDCL) and TSDISCOMs for purchase of 1000 MW power. There are apprehensions that the consumers of Telengana may have to bear high cost power if PPA is approved as it is. There were also doubts on taking MoU route instead of calling bids for procurement of power. Also, PPA should have been entered with Chhattisgarh Power Generation Company instead of Distribution Company. PPA is being entered in to without assured evacuation mechanism. The proposed Wardha-Maheswaram transmission line will take two years and it would not be possible to transport power from Chhattisgarh but Telangana utilities and consumers in turn will be forced to pay on deemed generation grounds for unused power if the PPA is finalised as it is.

Peak demand in Telengana

Telangana DISCOMs met a peak demand of 6,849 MW on October 16, 2015. This is highest ever recorded peak demand in Telangana. Previous high peak demand was 6,755 MW recorded on March 28, 2015.

FUEL

Singareni Collieries' first half output up by 27% at 27 mt

SCCL recorded a production of 27.20 million tonnes (mt) of coal during this first half year of 2015-16 against target of 25.09 mt, registering 108 per cent output. This was higher by 27.46 per cent over previous year's first half production of 21.34 mt during same period. The mining company despatched 28.34 mt coal, recording 14.55 per cent growth over previous year supply of 24.74 mt.

ONGC-RIL row: RIL pumped out 15% of ONGC gas

According to a draft report by American consultant DeGolyer and MacNaughton (D&M), which inquired into ONGC's charges of RIL pumping out gas from its adjacent block, has indicated that as much as 15 per cent of the gas Reliance Industries (RIL) and its partners pumped out of their KG Basin block could belong to ONGC. The report also confirmed 'reservoir continuity. Of the total reserves in D-1 and D-3, about 15 per cent could belong to ONGC. The reserves in the D-1 and D-3 fields of the Reliance-BP-Niko KG D6 block total 2.9 trillion cubic feet, of which 2.1 trillion cubic feet has already been extracted.

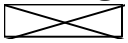
The report seems to have suggested that RIL may have extracted 12-18 billion cubic metres of gas from ONGC's fields, and would need to pay Rs. 12,000 crore in compensation.

RIL to staff: ONGC has no claim in gas row

Responding to the development RIL through a communication to its staff commented that all wells drilled were strictly within (RIL's) KG-D6 block boundaries, as per the development plan approved by the relevant authorities under the PSC (production sharing contract). It also said that migration of oil and gas beyond block boundaries is a natural phenomenon "which the contractor has no means to control". The communication also noted: "The PSC thus provides for the contractor who has incurred capital and operating costs to develop this resource to get compensated for the same from the revenues generated. Given the circumstances, Reliance does not believe that there is a claim of any nature against the organisation."

TRANSMISSION

APTRANSCO to save Rs 1,500 crore by cutting T&D losses



The AP government and electricity utilities in the state have prepared a plan to bring transmission and distribution (T&D) losses to single digit by 2016-17. The AP transmission

and distribution companies have already achieved lowest T&D losses in the country, 11.36 percent. The state government and utilities plan to bring it down to 9 per cent to save Rs 1,500 crore every year. According to a report, in 2015-16, the estimated loss of energy due to T and D losses would be around 7,700 million units worth about Rs 5,300 crore.

Visakhapatnam district has reported 5.42 per cent T and D losses during last financial year. Visakhapatnam has recorded 3.34 per cent transmission and 2.15 per cent distribution losses, the lowest among South Indian states. Anantapur has reported the highest loss of 13. 54 per cent followed by Ongole, Nellore, Tirupati and Kadapa towns. The new capital region consisting of Vijayawada and Guntur has reported 11.95 and 12.17 per cent losses respectively.

APTRANSCO will set up inter-state metering devices to figure out exact losses at 400 kv and 220 kv lines. Under the program, new meters will be installed at all 132 kv, 33 kV and 11 kv sub-stations. Higher capacity conductor will be installed to reduce transmission losses and step-up transformers will be replaced with higher capacity ones.

To further strengthen metering at high voltage lines, high accuracy meters will replace the defective meters. The utilities will also install 615 availability-based tariff (ABT) compatible meters to maximize savings. Apart from reducing the T and D losses, they will also attempt to reduce interruptions in supply. At the current level of interruptions, APDISCOMs are losing cross subsidy of Rs 17.5 per 100 hours of interruption. As per the estimates Rs 10 crore to Rs 30 crore cross subsidy will be saved by each of the electricity circles if it achieves interruption-free power supply.

OTHERS

Hyderabad gets a resource centre to hone skills in solar electronics

The Electronics Sector Skills Council of India (ESSCI) in partnership with the Engineering Staff College of India (ESCI) has set up a Centre of Excellence in Hyderabad. This centre aimed at creating a large pool of talent in the solar photovoltaic and electronics sector. This will impart specialised training on solar technology, installation and maintenance. It aims to serve as an institution of high learning, technological leadership, research, support and training to create a skilled workforce for the solar electronics sector.

The solar sector is expected to employ more than 2,00,000 people over the next few years and the demand for skilled persons is set to go up. The Department of Renewable Energy has earmarked Rs. 220 crore under the Shreya Mission whose objective is to train people and encourage entrepreneurship. In the first phase about 50,000 people will be trained.