

Power Sector in Andhra Pradesh and Telangana during October, 2016

GENERATION

Gamesa to set up two solar projects in AP

Wind turbine manufacturer Gamesa which has entered the Indian Solar sector has signed an agreement with Indian developer Atria Power for the construction of 130 MW of solar power at two locations in Karnataka and Andhra Pradesh. Gamesa will develop two solar power plants, with the capacity of 90 MW and 40 MW. It will be responsible for the design and engineering of the facilities and also operations and maintenance at the facilities. The plants are expected to be commissioned in March 2017. Gamesa Electric will also install 96, 1.37 MW photovoltaic inverters.

Tata Power firm signs PPA for 100 MW solar project in AP

Tata Power Renewable Energy Ltd (TREL) has entered in to a power purchase agreement (PPA) for a 100 MW solar project at Anantapuram solar park in Andhra Pradesh with the Solar Energy Corporation of India (SECI). October 16, 2017 is the Commercial Operations Date of the project. The project was secured by TREL through bidding in the Open category under the Jawaharlal Nehru National Solar Mission (JNNSM).

NTPC work on 1-GW solar park in AP

NTPC Ltd is implementing a one giga watt (GW) solar photo-voltaic power generation park at Kadiri in Anantapuram district in Andhra Pradesh. Of this, Phase 1 of 250 MW has been completed and has begun power generation; the balance 750 MW will be completed by next fiscal. Phase 1 of 250 MW has been executed by Tata Solar (100 MW), Sterling and Wilson (50 MW), BHEL (50 MW) and Lanco (50 MW). Phase II, for 750 MW, is expected to be ready before March 2018.

NTPC Telangana thermal power plant to be ready by February 2020

Works related to NTPC's Telangana thermal power plant is reported to be progressing well. The first unit of 800 MW of 1,600 MW first phase will be commissioned by February 2020.

While BHEL is awarded the boiler package turbine generator package is awarded to Alstom Bharat Forge Ltd. The first phase is expected to cost Rs. 10, 599 crore.

Another Public hearing for Yadadri Plant

The Expert Appraisal Committee (EAC) under the Ministry of Environment Forests and Climate Change has directed TSGENCO to conduct the public hearing again for 4,000 MW Yadadri thermal power plant at Damarcherla in Nalgonda district. The Committee raised doubts about the environmental Impact Assessment (EIA) report submitted by TSGENCO. It drew attention to various paras in the EIA report which were simply replicated from an unrelated text published in an international journal. It also wanted a closure look at the impact of the plant on Tungapadu stream. It directed the TSGENCO to redo the EIA and conduct public hearing again based on the new EIA report.

Rays Power commissioned solar PV project in Telangana

A 5.75 MW solar photo-voltaic project was commissioned by Rays Power Infra in Telangana. With this project, the total portfolio of commissioned projects under Rays Power Infra has gone up to 76 MW in Telangana. The project was undertaken for the company's client Earth Solar and completed within seven months. It was executed by Rays Power Infra on turnkey basis. This project is spread across 27 acres in Medak district.

Suzlon enters JV to set up solar projects

Suzlon group formed a joint venture with Ostro Energy for the construction of a 50 MW solar project at Wanaparthi, Telangana. Ostro energy shall acquire 49 per cent stake in Prathamesh Solarfarms Limited, a special purpose vehicle (SPV) set-up by Suzlon for executing this project. Suzlon will be responsible for the commissioning, comprehensive operation and maintenance services for a period of 25 years.

Suzlon Group formed a joint venture with Canadian Solar and Unisun Energy Group of China for a total of three solar projects of 15 MW each. The project will be based at the sites of Bhainsa, Ramannapet and Kamareddy in Telangana. Canadian Solar shall acquire 49% stake in Avighna Solarfarms Limited and Amun Solarfarms Limited, the special purpose vehicles (SPVs) setup by Suzlon for executing these projects. Unisun Energy Group shall acquire a 49% stake in Vayudoot Solarfarms Limited, a special purpose vehicle (SPV) set-up by Suzlon. Unisun Energy has the option to acquire the balance of the 51% stake in the future in accordance with the relevant rules and regulations. Canadian Solar will provide Suzlon with solar PV modules, arrange project financing and contribute its technology expertise to ensure the commissioning of these projects in the financial year 2017. Suzlon will be responsible for project commissioning and to provide comprehensive operation and maintenance services for a period of 25 years. The Ramannapet project will provide

electricity to Telangana Southern Power Distribution Company Limited and for Kamareddy project will supply power to Telangana Northern Power Distribution Company Limited.

FUEL

KG-D6 gas dispute may cost RIL over \$1.2 billion

Reliance Industries Ltd and one of its partners in the KG-D6 block may have to pay the government about \$1.25 billion as compensation for benefits they derived from the natural gas that allegedly migrated from ONGC's adjacent fields in the KG Basin. The Directorate-General of Hydrocarbons (DGH) had, in its first draft, given the indicative number of \$1.25 billion to the Ministry for Petroleum and Natural Gas. The DGH has been working on the monetary compensation based on the recommendations and model suggested by the single-member Justice AP Shah Committee. The figures have been based on calculations in respect of gas price and volume done on a monthly basis, and after deducting the royalty, cess and profit petroleum that the contractors have paid the government on the produce so far.

ONGC to pick stake in GSPC's KG basin block

ONGC has signed an MoU to acquire a stake and operate the KG Basin block of Gujarat State Petroleum Corp. (GSPC). GSPC shared report of its consultant Gaffney Cline & associates about gas reserves with ONGC. The MoU is non-binding and valid for six months. It doesn't mention the extent of stake ONGC may acquire. If a definitive agreement is signed, GSPC will offer ONGC suitable indemnity. GSPC owns an 80% participating interest in the KG block while Jubilant and Geo Global Resources have 10% each.

The agreement pact provides for a panel of three experts to oversee the transaction. This includes Vijay Kelkar, former oil secretary, and P Shankar, former chief vigilance commissioner. The third slot is yet to be filled. ONGC and GSPC currently have differences over the quantity of reserves in the KG block, the amount of capital and operating expenditure needed, the prices gas and condensate from the KG block can obtain, and the discount rate that should be used to calculate the net asset value. The expert panel will decide on these differences. In the MoU, the two companies have agreed to accept the expert panel's recommendation on valuation and seek their respective boards' approval.

ONGC has appointed Ryder Scott, a consultancy, to independently assess the reserves in the GSPC's block. The consultant's assessment of the Deen Dayal West (DDW) field has to be presented to the expert panel by November 15 and for other discoveries latest by December 31.

Fuel linkage promised for NTPC's Pudimadaka project in AP

The Union Power and Coal Minister Piyush Goyal has assured fuel linkage from CIL for 4,000-MW NTPC project in Pudimadaka in Andhra Pradesh. The Coal Ministry has also agreed to positively consider allocation of alternative coal blocks to APGenco in place of Sarpal-Nupara block earlier allocated which is an underground deep mine with high cost of mining. In the case of dwindling coal stocks of APGenco due to stoppage of supply of coal from Singareni, it was decided that Andhra Pradesh and Telangana will resolve the problem of pending payments and Goyal will seek to resolve the issue.

Singareni Collieries output drops 9% to 4 MT in September

The Singareni Collieries Company Limited (SCCL)'s coal production dropped by 9 per cent to 4.02 million tonnes (mt) in September compared to the same month last year. SCCL had produced 4.44 mt of coal in September 2015. The coal production in the April-September period of the current fiscal was at 26.17 MT, against 27.20 MT in the corresponding period of the previous year. The coal company produced 60.38 MT of coal during 2015-16 and dispatched 58.68 MT of coal to various categories of consumers during FY'16. It set production target of 66.06 MT for the year 2016-17. SCCL operates 30 underground mines and 16 opencast mines.

SCCL to share 23% of profit with workers

The Telangana government announced that employees of (SCCL) would get 23 per cent of its profits. SCCL recorded a profit of Rs 1,066 crore in 2015-16, of which Rs 245 crore would be disbursed among workers i.e.Rs 43,078 per head. Apart from this, the government has decided to give a bonus of Rs 54,000 to each worker on the occasion of Diwali.

TRANSMISSION

Wardha - Ditchpalli transmission line to be ready by December

The Power Grid Corporation India Limited (PGCIL) has agreed to advance the commissioning of Wardha Ditchpalli power transmission line to December, 2016 from March 2017. This will help to improve power supply situation in the state ahead of Rabi season that starts from November. It was reported that once commissioned the 765 KV double circuit transmission line would help bring 2000 MW power to Telangana.

With abundant rains, filling of tanks and check dams this year, the agriculture department has cautioned Transco to be prepared to meet escalating power demand in Rabi season. The

ground water levels rose by about 2.7 metres in almost all districts which is expected to encourage farmers to rely on borewells for irrigation. According to a TSTransco report the power daily demand will cross 9500 MW and might touch 10,000 MW. At present 6400 MW power demand is being met daily. To meet future demand Bhupalapally 600 MW unit and another unit at Kothagudem to generate 800 MW of power were commissioned. The power from Chhattisgarh will help to meet the needs of Rabi and summer season.

DISTRIBUTION

Work apace to put in place electrical network in IGC

Work is apace to equip the buildings in the Interim Government Complex (IGC) with necessary electrical network by the end of November to make the IGC ready for hosting the next sessions of the Legislative Council and Assembly in Amaravati in early 2017. The APSPDCL is supplying nearly 2 MW of power daily to the five blocks that have come up in the IGC. This will go up to 3 MW on completion of construction of the sixth block to accommodate the Legislative Council and Assembly buildings. The APSPDCL is evacuating power to a switching station at the IGC from its 220/132/33KV substation at Tadikonda and 132/33KV substation at Tadepalli, covering a total distance of nearly 35 km (15 km from Tadikonda and 20 km from Tadepalli) through two dedicated 33 KV lines that can carry 10-15 MW.

CM of Telangana directs officials to provide free power connections to 97,000 farmers

Chief minister of Telangana directed officials to provide 97,000 free electricity connections to farmers. This has to be completed during the next seven months. DISCOMs were also directed to display the schedule of providing connections at gram panchayat offices. This would cost about Rs 600 crore. The CM also agreed to provide Rs 2,450 crore to construct new substations to handle increased demand from 5.4 lakh agriculture pumpsets in the coming days.