

# **Power Sector in Andhra Pradesh and Telangana during September 2014**

## **POLICY**

### **Andhra Pradesh signs agreement for 24x7 power supply**

The GoAP signed a memoranda of understanding with GoI for implementation of 24X7 'Power for All' (PFA) scheme to provide uninterrupted power for domestic, commercial and industrial consumers in the state. This includes three major projects to produce 2,500 MW of solar power in Rayalaseema.

Besides this MoUs were signed between GoAP and NTPC for setting up 2,500 MW solar power plants in Kadapa and Kurnool, and for setting up 4,000 MW thermal power project at Visakhapatnam. For this UMPP the NTPC would invest ` 20,000 crore. For this plant the GoAP allotted 1,200 acres of land. The NTPC will set up a 1,000 MW solar power plant at Kadiri in Anantapur district with an investment of ` 7,000 crore. For this solar project the state government allotted 5,500 acres. At Panyam in Kurnool district NTPC Vidyut Vyapar Nigam Limited (NVVNL) a subsidiary of NTPC would set up a 1,000 MW solar power project and a 500 MW plant at Galiveedu in Kadapa district.

By 2019 AP is expected to have 27,000 Mw of installed capacity, three times that of the present capacity in the state,

NTPC will develop the projects in a phased way at locations allocated by the state government on a build-own-operate (BOO) basis. The central government will bear about 50% of the project costs while the rest will come from the state government and other agencies.

### **AP to unveil solar, wind policy**

According to K Vijayanand, Managing Director of APGENCO and CMD of APTRANSCO to give a focussed approach to renewable energy sources in AP the state government would soon come out with Solar and Wind Power policies. The wind power potential was pegged at 10,000 MW. The government would set up ultra mega solar parks with an installed capacity of 2500 MW in the Ananthapur, Kurnool and Kadapa districts. Utilities have targeted to achieve renewable potential of nearly 9,180 MW by 2018-19. Besides this the DISCOMs have finalised

bids for procurement of 2,000 MW of power for the period June 2015 to May 2016. Bids have also been called for procurement of 2,400 MW on long term basis.

## **GENERATION**

### **Rays Power to set up solar park in Andhra Pradesh**

Rays Power announced plans to set up a 50 MW solar power generation park within six months in Andhra Pradesh. They aimed to complete this project by January 2015. The company already invested Rs. 20 crore of the Rs. 300 crore overall project cost.

### **TPCIL achieves boiler light up**

Thermal Powertech Corporation India Ltd (TPCIL) has achieved boiler light up for first phase of its 1,320-MW thermal power plant at Krishnapatnam in Nellore district. The unit was expected to be synchronised to the grid by the end of the year.

### **NTPC invites bids for solar parks**

NTPC Ltd invited bids for setting up of a 1,000-MW solar projects in Andhra Pradesh. The bids include development of 250 MW of five blocks of 50 MW each of solar PV projects in Anantapur district.

### **BHEL to build two power plants in Telangana**

BHEL will execute two coal based thermal projects in Telangana on an engineering, procurement and construction (EPC) basis. These are 800-Mw plant at Kothagudem and 1,080-MW plant at Manuguru. The projects will be executed within three years. The 4x270-Mw Manuguru project would be executed in two years and the Kothagudem unit would be executed within three years.

### **APDISCOMs to initiate bidding process for procurement of 2,000 MW**

The APDISCOMs have initiated long-term bidding process for the procurement of about 2,000 MW of power.

The Andhra Pradesh Government will be entering into a MoU with Tata Power Delhi Distribution Limited to exchange latest initiatives in Information Technology in the Distribution Management System and handling consumer grievances.

### **Cost of East Coast Energy's Plant in Srikakulam escalates**

East Coast Energy's 1,320 MW (2 x 660 MW) supercritical unit in Srikakulam district of Andhra Pradesh is facing a cost overrun of a whopping 42% on account of the delay in implementation of the project by about three years coupled with foreign currency fluctuations on the imported cost of various equipments. While the project was earlier proposed to be commissioned by September 30, 2013, it will now be on board only by September 15, 2016, with the revision in the project cost from Rs 6,570 crore to Rs 9,343.15 crore.

### **AP allots 1,200 acres for NTPC's 4,000-Mw plant**

The GoAP allotted 1,200 acres of land near a special economic zone at Pudimaka village in Visakhapatnam district to NTPC for setting up a coal-based 4,000-Mw (5X800-Mw) super critical thermal power station. The land is being allotted on a long lease basis of 33 years. This power project entails an investment of around Rs 20,000 crore. NTPC hoped to complete the project by March, 2019.

### **Telangana invites bids to buy 500 MW of solar power**

The Southern Power Distribution Company of Telangana Limited has convened a pre-bid meeting on September 5 for procurement of 500 MW of solar power in Telangana. The last date for submission of bids was September 26.

### **REC to provide Rs 20,000 crore for Telangana power projects**

The Rural Electrification Corporation (REC) would provide funds to the tune of Rs 20,000 crore for power generation and transmission and distribution projects coming up in Telangana.

## FUEL

### **Coal stockpile clogs Vizag port due to rake shortage**

The Visakhapatnam port is facing a serious difficulty in evacuating imported coal for want of rail wagons. The railways were able to supply only nine rakes as against the requirement of 16 rakes each day.

### **Singareni colliers employees to get big bonus**

The employee of the Singareni Collieries Company will get a bonus of Rs. 40,000 each coinciding with the Dasara festival. The huge bonus was extend on the lines of CIL, amounting to Rs. 24 crore, about 20 per cent of the profit. The Telangana government also approved employment of 3,100 people whose requests were pending.

### **AP CM wrote to PM supporting gas price pooling**

Andhra Pradesh Chief Minister N Chandrababu Naidu had written to the Prime Minister asking to expedite pooling of natural gas prices to make available affordable fuel to power plants. Pooling of natural gas prices involves pooling or averaging out the price of costly imported gas (LNG) with cheaper domestically produced gas. He made this request in the background of AP having 7,000 MW of stranded gas based electricity generation capacity, due to stoppage of supply of gas from RIL's KG-D6 fields.

### **Gas panel submits report, recommends less than disputed price**

A Committee of Secretaries looking at the new gas prices submitted its report to the Ministry of Petroleum and Natural Gas. It was reported to have a price less than what the Rangarajan Committee had recommended — \$8.4 per unit. Every dollar increase in gas price would raise urea production cost by Rs 1,370 per tonne, electricity cost by 45 paise per unit, compressed natural gas prices by Rs 2.8 per kg and piped natural gas rates by Rs 1.8 per standard cubic metre.

### **Centre defers decision on new gas price, again**

The GoI postponed the announcement of new price of domestically produced natural gas to November 15. Earlier, the Government had deferred the decision by three months on the grounds that it had just come to power and the subject needed more discussion.

## **OTHERS**

### **LED street lights in Hyderabad**

GHMC has initiated a Rs. 1.2 crore project in association with GoI's Energy Efficiency Services Limited. This project includes installing 748 LED street lights in Hitech City area.

### **Solar Pumpsets**

Under a GoI's scheme 3,500 farmers in AP and Telangana will be supported to install solar PV pumpsets. These pumpsets will be distributed in the ratio of 58:42 between AP and Telangana. Farmers will be supported in installation of 5 HP pumpsets. While GoI will provide 30% subsidy the state governments are expected to provide additional 15% subsidy will be provided by the state governments. Attempts will be made to see that the beneficiary need to bear cost of about 15 to 20% of the cost only.