

TECA – NEWS CLIPPING

Energy Conservation : It Doesn't Cost. It saves)

20.07.2018

TNERC defers hearings

The Hindu : July 19, 2018

The Tamil Nadu Electricity Regulatory Commission (TNERC) has deferred hearings of cases, after the State government pointed to a Supreme Court verdict which made it mandatory to have a judicial member on the three-member Bench of the regulatory body.

At present, S. Akshayakumar is the chairman of TNERC, while G. Rajagopal and T. Prabhakara Rao are the other two members.

"Hearings scheduled for 06-07-2018 and 10-07-2018 are deferred due to [the] objection raised by Additional Advocate General Arvind Pandian to taking up adjudication, which was endorsed by the counsel for the other side also. The Commission directed the Additional Advocate General to advise the government to obtain clarification from the Supreme Court in this regard expeditiously and inform the Commission," the TNERC said in a daily order.

"Basically, the Supreme Court has held that State Commissions should mandatorily have a judicial member for their adjudicatory work, though it is not essential that the chairman should be a judicial person," said a lawyer.

"The Government of Tamil Nadu placed this position before the Commission. The TNERC asked them [the government] to get the issue clarified in the apex court, since they [TNERC] felt it would not have been the intention to stall proceedings across the country, as only two States have judicial members as part of the Commission," he added.

Ministry panel okays cut in Ennore power plant capacity

The Hindu : July 16, 2018

Committee calls for raising a green belt on 92 acres of land at facility

The Expert Appraisal Committee (EAC) of the Union Ministry of Environment and Forests has approved the reduction in the capacity of the 2x800 MW Ennore SEZ Thermal Power Plant being implemented by BHEL for Tangedco to 2x660 MW.

The committee also directed the project proponent to raise a green belt in 92 acres of land that would now become free following the reduction in the size of the two units.

The recommendations came at the 18th meeting of the EAC on thermal power projects held in the last week of June. The project proposed at Vayalur village was awarded to BHEL by Tangedco in September 2014 as it was the lowest bidder but a consortium went to court seeking the contract to be awarded to it. The legal process ended in October 2016 in favour of Tangedco. The project was held up for more than two years and BHEL had commenced work on October 19, 2016, after the verdict.

Time schedule

"The time schedule for completion of power project is 42 months from LoI (Letter of Intent) and expected to achieve COD (Commercial Operations Date) by 2019-20," the committee noted.



According to the minutes of the meeting, the reduction in the unit size involves reduction in both consumption of resources and pollution levels from the proposed plant.

While the land requirement for the 2x800 MW plants was 500 acres, the reduced capacity requires only 408 acres. The requirements for water and coal also decline considerably, while the project cost is estimated to come down by ₹1,354.11 crore. However, the power generated also is set to decline by 2084.88 MUs.

"The committee noted that all the raw materials and resources requirement and emissions will proportionately reduce when compared with the requirement of 2x800 MW. The committee also directed the company to raise a greenbelt in addition to the green belt stipulated earlier on the 92 acres that would be available following the reduction in the size of the units.

Subsidies in Tamil Nadu have gone up by 30%

Times of India : July 11, 2018

Subsidies in Tamil Nadu have increased by 30% in 2016-17 with the government spending Rs 3,777 crore more compared to previous year, says the CAG report. Subsidy to Tangedco alone went up from Rs 2,885 crore to Rs 4,271 crore as the government announced 100 units for all consumers free after AIADMK won the election. Similarly the government spent Rs 1,626 crore on farmers under a new scheme in that year for giving agriculture inputs. "Tamil Nadu is a welfare state and it is common to provide subsidies to disadvantaged sections of the society. Subsidies are not only dispensed explicitly but also implicitly," said the report on finance department. Explicit subsidised were on a continuous increase. "Explicit subsidies which were Rs 9,952 crore in 2012-13 have increased to Rs 16,092 crore. There are also other subsidies called implicit which are not accounted under the head subsidy," said the report. The implicit subsidies were classified under other heads like grants-in-aid, materials and supplies. Implicit subsidies have come down in 2016-17 compared to previous year. "Being an election year, some of the old welfare schemes like free supply of mixies, fans, goats and sheeps etc were stopped as the AIADMK did not promise these schemes in its manifesto for the 2016 assembly elections. This is main reason for the total expenditure under implicit subsidies coming down," said a senior official

The CAG report criticised the government for hiding the subsidy under other heads. "This accounting does not transparently disclose the nature of expenditure as is required," said the report.

Wind energy reducing reliance on thermal units

Times of India : July 20, 2018

Wind power evacuation reached a new high in Tamil Nadu this year with an average of 4,700MW being used in the grid on Tuesday evening and Wednesday morning. On Wednesday morning, wind power evacuation reached 4,997MW. It brought down consumption of power from state-owned thermal units to less than 2,000MW. Being a wind season and also because of hydro stations picking up generation, Tamil Nadu has shut many thermal units for maintenance. "In the past few days, wind power has been fluctuating. But the total demand was also less than 12,000MW due to rain in many districts. On Tuesday and Wednesday, the demand suddenly shot up and wind power generation also increased," said a senior Tangedco official. Despite wind power being infirm, Tangedco was able to meet the demand without using thermal units, as hydro generation was happening round-the-clock. "This year we have had high evacuation of hydro power. It is the cheapest source of power too. It has helped us make huge savings in power purchase as well as coal purchase, though we are yet to calculate the total savings due to hydro power generation," said the official.



Indian Wind Power Association is aggrieved that Tangedco is not fully evacuating the power its members generate. The evacuation of wind energy is low partly owing to the availability of hydro power. "Fast winds are now continuous and stable. But there is a 30-40% drop in evacuation on certain days," association chairman K Kasturirangaiyan said in a letter to Tangedco chairman. The association wanted Tangedco to take reserve shutdown of thermal units when wind power is available. "The wind power forecast is very good and we want the discom to evacuate as much wind energy as possible and reduce the carbon emission," said Kasturirangaiyan. In 2017, Tangedco created a record in selling wind power to other states. The discom sold 11.938 million units to various states and earned crores as income. This year too, it will sell wind power once the demand comes down, Tangedco source said.

Stressed power sector seeks bailout package

The New Indian Express : July 20, 2018

No consensus yet on stressed power companies; PFC has initiated resolution proceedings on defaulters; Goyal to meet stakeholders soon.

With the Centre failing to come up with a solution for stressed power companies and finance companies already initiating resolution proceedings against defaulting power projects, the power sector has demanded a bailout package and help for projects that are stuck for want of funds. "So far, there is no consensus arrived at regarding the power sector loans. The sector representatives have once again requested the Finance Minister to help out with a bailout package to save stalled power projects. The Finance Ministry is already working on it and will prepare a plan in consultation with the power sector, banks and PMO," a senior official told TNIE.

The power sector approached the government once again after independent power producers faced a setback from the Allahabad High Court, which on July 18 refused to stay the implementation of the controversial February 12 circular by Reserve Bank of India (RBI).

What was more damaging was that the government has not even filed a report on the stressed assets, failing which the court has given two weeks time before taking a final stand. Staying the RBI circular for a month from May 31, the court asked the Finance Ministry to call all related parties to resolve the situation of stress in power companies. However, the sector has got no relief.

Meanwhile, Power Finance Corp has already initiated resolution proceedings against defaulting power projects as per the RBI circular and is expected to conclude the process before August 27. The sector, which is reeling under stressed assets worth ` 2 lakh crore, says the RBI circular will not only kill many power companies, but also stall several large projects. They have therefore reached out to Finance Minister Piyush Goyal, who was himself the power minister formerly. "The minister is working on the solution. He is likely to hold a meeting with all the stakeholders soon. The time of the meeting is not decided yet," the official said.

Rs 2 L cr worth assets in the power production sector currently reeling under stress

Peak power deficit in April-June at 0.7 per cent, says Power Minister R K Singh

Financial Express : July 19, 2018

As much as 170.76 GW electricity was supplied during peak hours against the demand of 171.97 GW during the quarter, resulting in a deficit of 0.7 per cent, he said

Peak power deficit during April-June, 2018-19 was 0.7 per cent while overall electricity deficit stood at 0.6 per cent during the quarter, Parliament was informed today.



As much as 170.76 GW electricity was supplied during peak hours against the demand of 171.97 GW during the quarter, resulting in a deficit of 0.7 per cent, Power Minister R K Singh said in a written reply to Lok Sabha.

Overall, 323.41 GW electricity was supplied against the demand of 325.42 GW during the quarter, which translated into a deficit of 0.6 per cent, as per the provisional estimates of Power Ministry.

In 2017-18, the peak power deficit was 2 per cent while overall electricity deficit was 0.7 per cent across the country.

Last year, Central Electricity Authority (CEA) in load generation balancing report had projected that India would become a power surplus nation.

"All India power supply position indicates that the country is likely to have a peak surplus of 6.8 per cent and energy (electricity) surplus of 8.8 per cent (in 2017-18)," the report said.

India has total installed power generation capacity of 343.89 GW including around 70 GW of renewable energy such as solar, wind and small hydro.

21 nuclear reactors with 15,700 Mw total installed capacity under implementation, says govt

The Economic Times : July 18, 2018

Currently, there are nine nuclear power reactors at various stages of construction which are expected to be completed by 2024-25, Union Minister Jitendra Singh said

Twenty one nuclear reactors with a total installed capacity of 15,700 Mw are currently under construction, the government said on Wednesday.

However, it ruled out increasing the generation capacity of the existing plants.

Currently, there are nine nuclear power reactors at various stages of construction which are expected to be completed by 2024-25, Union Minister Jitendra Singh said in the Lok Sabha.

In reply to questions, he said 12 more reactors were accorded administrative approval and financial sanction in June last year.

The Minister of State in the Prime Minister's Office said that together 21 nuclear power reactors, with an installed capacity of 15,700 MW are under implementation and envisaged for progressive completion by 2031.

Besides, in-principle approval has been given for five sites for setting up nuclear plants, he said during the Question Hour.

These sites are in Jaitapur (Maharashtra), Kovvada (Andhra Pradesh), Chhaya Mithi Virdi (Gujarat), Haripur (West Bengal) and Bhimpur (Madhya Pradesh).

To a query on whether the government was considering increasing the capacity of the existing nuclear power plants, Singh replied in the negative.

"The existing units are operating at their rate capacity. The unit size of indigenous Pressurised Heavy Water Reactors (PHWRs) has already been increased from 220 MW to 540 MW and then to 700 MW, which are now under construction.

"In addition, Light Water Reactors of 1,000 MW have also been introduced with foreign cooperation," the minister said.



Singh also said the government has taken several measures to enable setting up of nuclear power reactors.

These include resolution of issues related to Civil Liability for Nuclear Damage Act and creation of Indian Nuclear Insurance Pool, he added.

Govt Affirms No Shortage Of Coal For Power Sector

Business Standard : July 19, 2018

In the beginning of 2018-19, Coal India Limited (CIL) had a pithead stock of 55.55 Million Tonne (MT) and stock at Power House end was 16.27 MT. In the 1st Quarter of 2018-19, CIL dispatched a record quantity of 122.2 MT coal to Power Sector, thereby achieving a growth of 15% over the dispatch in the corresponding period of last year. The growth in dispatch of coal to Power Sector has helped coal based generation to achieve positive growth of 5.3% in the 1st Quarter of 2018-19.

Coal supplies to Power sector is monitored regularly by an Inter Ministerial Sub Group comprising representatives of Ministries of Power, Coal, Railways, Shipping, Central Electricity Authority, NITI Aayog, CIL etc.

This sub-group has been meeting periodically, at times twice every week, in order to take various operational decisions for meeting any contingent situations relating to Power Sector including critical coal stock position for power plants. A committee of Secretary (Coal), Secretary (Power) and Member (Traffic), Railway Board has been jointly reviewing the coal transportation and supply on a regular basis. The CIL has been advised to work out a definite action plan for higher production & off-take during the current quarter and to ensure that necessary clearances for the existing coal mines are in place which will help in increasing the coal production in the short / medium term and in operationalising the newly allocated coal mines for further increasing production in the medium term. This information was given by the Minister of Railways, Coal, Finance & Corporate Affairs, Shri Piyush Goyal in a written reply to a question in Lok Sabha.

Icra pegs Rs 850 bn subsidy dependence for discoms amid low tariff hikes

Business Standard : July 9, 2018

Rating agency Icra has estimated a subsidy dependence of Rs 850 billion amid low tariff hikes allowed for discoms in 2018-19, and expects improvement in thermal plants capacity utilisation or PLF in near to medium term.

"The domestic electricity demand growth is likely to remain at about 5 to 6 per cent in near to medium term, supported by thrust towards rural electrification, expected recovery in industrial/ commercial segment along with some improvement in the paying capacity of the state-owned distribution utilities," Girishkumar Kadam, Sector Head & Vice President, Icra Ratings, said in a statement.

However, Kadam said the augmentation of domestic coal supply to meet such increase in demand for the IPPs/ Gencos remains crucial, and as a result, any delay in ramping up of coal supplies from domestic sources will lead to increase in the dependence on coal imports as seen during FY2018.

The all India electricity demand growth slowed down to 3.1 per cent on a year-on-year basis in the first two months of FY2019 against the growth of 7.5 per cent reported in Q4 FY2018 and lower than the growth of 5.9 per cent witnessed in the first two months of FY2018, it said.

However, May-2018 witnessed the highest ever monthly electricity demand at all India level. With respect to the distribution segment, the state electricity regulatory



commissions (SERCs) in 21 out of the 29 states have issued tariff orders for FY2019 so far, reflecting reasonable progress in the issuance of tariff orders for the year, it added.

According to Icra, the median tariff hike based on the tariff orders issued in the 21 states remained low at 2 per cent, with the SERCs in seven states not approving any tariff hike and the downward revision in tariff in two states.

"The tariff hikes approved in many of the states remained lower than the hikes stipulated in the UDAY MoUs, signed by these states. The only exception being the SERC in Jharkhand, which approved a steep tariff hike to cover the entire revenue gap.

"This in turn has resulted in higher subsidy dependence for distribution companies (discoms) in few states. The overall subsidy dependence for discoms at all India level is estimated to increase in the range of 7 to 8 per cent on y-o-y basis to Rs 850 billion (Rs 85,000 crore) in FY2019," said Vikram V, Associate Head & Assistant Vice President, Icra Ratings.

In another key development, the draft amendments to the National Tariff Policy propose significant reforms in the electricity distribution business, including emphasis on quality and reliability of supply by the discoms, stricter operating norms, adoption of direct benefit transfer for subsidy payment and moving the consumers from post-paid to pre-paid basis, it said.

While these are positive from the consumer perspective, the implementation of these proposals could face significant challenges and higher funding support requirement for discoms from the respective state governments, Icra added.

Save Energy. Save Money. Save the Planet