

# TECA – NEWS CLIPPING

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

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## **Pay dues or no electricity: Centre tells Tamil Nadu**

The News Minute.com

Union Power Minister RK Singh said the ministry has also written to Andhra Pradesh, Telangana and Maharashtra to ensure timely payment to renewable power companies.

The central government has told the Tamil Nadu Generation and Distribution Corporation (TANGEDCO) that it will not be able to purchase power from the private power companies unless they settle their outstanding amounts due to them.

According to a report in the Times of India, the Central government told the Parliament that a meeting of the distribution companies (discoms), including TANGEDCO, was convened recently, in which the discoms were informed about this decision. Informing this in the Lok Sabha, Union Power Minister RK Singh said that the power companies had complained about the delay in payment by discoms, following which the government has issued the order to TANGEDCO.

According to the order, the generation and distribution companies shall intimate the Load Dispatch Centres (LDC) about a letter of credit for the required quantity of electricity demanded. This intimation shall mention the period of electricity supply also. Only after the LDCs receive this intimation from companies shall they dispatch power.

The power companies are eligible to encash the Letter of Credit after the grace period of the payment expires. The minister also said that the ministry has written to Andhra Pradesh, Telangana, Tamil Nadu and Maharashtra to ensure timely payment to renewable power companies.

TANGEDCO has been facing losses in the last few years, due to which the payments to wind power generation companies have been delayed. TANGEDCO's losses for the financial year 2014-15 was a little over Rs 12,750 crore. This amount was brought down to around Rs 5,750 crore in 2015-16 after the state revised the power tariffs. The outstanding debt was further reduced to Rs 4,350 crore in 2016-17. However, this debt burden increased the next year due to the gap between the cost and the revenue of TANGEDCO. The Pay Commission revision has added further pressure on TANGEDCO, which reportedly added Rs 1,317 crore to its expense accounts.

## **Power distribution companies paying more on short-term contracts**

The Economic Times : July 15, 2019

*Discoms have paid much higher tariffs to buy power on short-term contracts over the last few months and this has raised questions over prudent power procurement*



State electricity distribution companies have paid much higher tariffs to buy power on short-term contracts over the last few months, shelling out a few thousand crore rupees more than they did for spot market buys. This has raised questions over prudent power procurement at these power distributors at a time when many are cash-strapped due to rising electricity costs.

States have bought power at an average rate of Rs 6 per unit from November 2018 to May 2019, according to an ET analysis of short-term power purchases on the Centre's e-bidding portal DEEP.

In some cases, they have bought power at around Rs 12 per unit for a block of 10-15 days, an analysis of the letters of intent of such power purchases at the portal showed.

During the same period, average trading prices at the India Energy Exchange (IEX) was about Rs 3-3.5 per unit.

Maharashtra State Electricity Distribution Company could have saved up to Rs 160 crore for power purchased in November, December, March, April, May and June, according to rough estimates.

Tamil Nadu discoms could have saved up to Rs 452 crore for purchases in February, March, April and May. Telangana has incurred up to Rs 534 crore more for power procured via DEEP portal in January, February and March.

States prefer the government's bidding portal over power exchanges to avoid last minute uncertainties in availability, said an executive of a Madhya Pradesh discom

### **No Free Power, First Pay & then Get Electricity, says RK Singh**

ET Energy World : July 16, 2019, 07:58 IST

*India is moving towards a new regime where a power consumer would pay first and then get power supplies, which would eventually deal with the issue of non-payment in the sector, Union minister RK Singh said Monday.*

India is moving towards a new regime where a power consumer would pay first and then get power supplies, which would eventually deal with the issue of non-payment in the sector, Union minister RK Singh said Monday. The minister also made it clear that states can give free power to certain sections of society but they would have to pay for it from their own budget.

"That is what we are going to do. We are putting a connect between payment and delivery. You make the payment first and then you will get the power... there is no such thing as free power. You cannot produce power without an investment," Singh said addressing at 20th Annual Day of PTC India here.

He further said, "Power has a cost and somebody has to pay for it. If you want to give free power then go ahead. But you (states) have to pay for it from your budget. That is what we are going to do."

Elaborating about the non-payment which was one of the main reasons for the stress in the power sector, Singh said, "There was a disconnect between sustainability considerations and immediate political considerations in many states.

"People felt, it will pay dividends if you give free power to various segments. They (states) are not willing to actually recover the price of power for political gains. But a system like that is not sustainable. That also shows that



government (centre) has not taken steps to ensure that sustainability come to fore."

He was of the view that states cannot have a system whereby they distribute free power and do not collect the price of the power.

He stressed that the basic requirement of sustainability of the sector is, establishing a connection between payment and delivery.

Speaking about coal availability, he said, "Second big thing is that you (power generator) would get coal (supply) without bothering about power purchase agreement. Anybody should be free to set up a generating unit and get coal."

In the existing system, power generators must have long term power purchase agreements (PPAs) with discoms to get coal linkage. This caused stress in the power sector. A large number of operational power plants starved for the dry fuel in the absence of coal.

The minister said, "Why should anybody require PPA to generate power. They can sell in the market. That is the system we are aiming at. That will ensure efficiency and sustainability. That will do away with all the reasons for stress in the power sector. The basic cause of the stress was non-payment and non-availability of coal."

### **Switching to renewable energy can drive up energy poverty: Study**

**The Economic Times : July 15, 2019**

*The study published in the journal 'Energy Research & Social Science' found that renewable energy consumption reduces carbon emissions more effectively*

Switching to renewable energy sources from fossil fuels can help reduce carbon emissions but at the expense of increased energy inequality, claims a study.

The study published in the journal 'Energy Research & Social Science' found that renewable energy consumption reduces carbon emissions more effectively when it occurs in a context of increasing inequality. Conversely, it reduces emissions to a lesser degree when occurring in a context of decreasing inequality.

The study of 175 nations from 1990 to 2014 supports previous claims by researchers who argue that renewable energy consumption may be indirectly driving energy poverty.

Energy poverty is when a household has no or inadequate access to energy services such as heating, cooling, lighting, and use of appliances due to a combination of factors: low income, increasing utility rates, and inefficient buildings and appliances.

Julius McGee, an author of the study said that in nations like the United States where fossil fuel energy is substituted for renewable energy as a way to reduce carbon emissions, it comes at the cost of increased inequality. That's because the shift to renewable energy is done through incentives such as tax subsidies.

"People who are just making ends meet and can barely afford their energy bills will make a choice between food and their energy," McGee said. "We don't think of energy as a human right when it actually is. The things that consume the most energy in your household -- heating, cooling, refrigeration -- are the things you absolutely need."



Alternatively, in poorer nations, renewable sources of electricity have been used to alleviate energy poverty. In rural areas in Southeast Asia and sub-Saharan Africa, a solar farm can give the agrarian community access to electricity that historically never had access to energy, McGee said.

"That's not having any impact on carbon dioxide emissions because those rural communities never used fossil fuels in the first place," he said.

"We really need to think more holistically about how we address renewable energy," McGee said. "We need to be focusing on addressing concerns around housing and energy poverty before we actually think about addressing climate change within the confines of a consumer sovereignty model."

## **Government to pay damages to consumers for load sheddings: Power Minister**

**Live Mint: July 14, 2019**

*"The government will pay damages (to consumers) if load sheddings happen," the Union Power Minister said without elaborating.*

Union Minister R K Singh Sunday said the aim of the Centre is to have "One Nation One Grid" and pay damages to consumers in case of load sheddings. The government will soon go ahead with structural reforms to achieve the objective of "One Nation One Grid", Finance Minister Nirmala Sitharaman had said in her budget speech earlier this month.

"The government will pay damages (to consumers) if load sheddings happen," the Union Power Minister said without elaborating.

The ministry would seek the Union Cabinet's nod for the power tariff policy in next few days, which would provide for penalty for unscheduled power cuts except in the case of technical faults or act of God (natural calamities), Singh had said on the day of tabling the Union budget.

Finance Minister Nirmala Sitharaman had announced in the budget that a package for the power sector would soon be brought by the government.

The government intends to provide '24X7 Power to All' at affordable rates. Therefore, there would be a provision in the tariff to cap transmission and distribution losses. Once the tariff policy is approved, the distribution companies would not be allowed to pass on these losses beyond 15 per cent.

After inaugurating the Power Grid Vishram Sadan at the Rajendra Institute of Medical Sciences (RIMS) here Sunday, Singh said, "Before 2014, many people whose houses did not have electricity used to think whether they would ever get it. Now these deprived people have electricity at their homes."

The Centre is focusing on Vishram Sadans (rest houses) where patients from poor economical background would be treated, he said.

The Power Grid Corporation of India Limited has the authority to construct such Vishram Sadans, he said. Singh suggested that a 100-bed Vishram Sadan be constructed at the RIMS. A trauma centre was also inaugurated at the RIMS.

## **Renewable energy sector adds 2,151 MW in Q1**

**Business Line : July 11, 2019**



Total clean energy capacity crosses 80 GW; solar power continues to be the major driver

The renewable energy sector's new capacity addition during the first quarter of this fiscal was higher at 2,151 MW when compared with the capacity addition of 1,541 MW in the year-ago quarter.

Also, the June quarter of this fiscal saw total installed capacity of the Indian renewable sector cross 80 GW (80,000 MW), according to the Union Ministry of New and Renewable Energy (MNRE) data.

The solar power sector continues to be the major driver of new capacity growth in the clean energy segment with a share of 1,369 MW (including 1,115 MW of ground-mounted and 254 MW of rooftop capacities) during April-June 2019 period. However, this capacity addition was marginally lower when compared with 1,371 MW of capacity achieved in the year-ago period.

Wind power

In a sign of some improvements in the sector, wind power segment added about 743 MW of new capacity when compared with 148 MW during Q1 of previous fiscal.

As on June 30, 2019, total grid-connected installed renewable power capacity in India stood at 80,467 MW (71,325 MW in Q1 of last year)

The cumulative capacity of wind power stood at 36,368 MW. The solar segment is in the second position with a total capacity of 29,549 MW (includes both ground-mounted and rooftop).

Biomass (both bagasse co-generation and non-bagasse co-generation) segment had a total capacity of 9,806 MW. Small hydro and waste-to-power accounted for 4,605 MW and 138 MW, respectively.

The MNRE has fixed a total capacity addition target of 11,802 MW for 2019-20 (15,602 MW was fixed as a target in 2018-19) and solar is expected to be the highest contributor with about 8,500 MW (ground-mounted 7,500 MW and rooftop 1,000 MW) of new capacity, followed by wind (3,000 MW), biomass (250 MW) and small hydro (50 MW).

Among the States, Karnataka, driven by the solar power sector, continues to be the leader in the renewable sector with a total installed capacity of 13,943 MW, followed by Tamil Nadu (13,142 MW), Maharashtra (9,342 MW), Gujarat (9,324 MW), Andhra Pradesh (8,062 MW) and Rajasthan (7,998 MW).

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