TECA – NEWS CLIPPING

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

02.02.2017

UDAY boosts 1st supplementary estimates to Rs 28,943 crore

The New Indian Express: February 1, 2017

Size of the first supplementary estimates for the current financial year 2016-17 has burgeoned to Rs 28,942.69 crore following the State government's decision to join the Ujwal Discom Assurance Yojana (UDAY) of the Centre.

Of the total amount, Rs 22,815 crore has been allocated to take over the debt of Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). This was part of the UDAY scheme agreement. Tamil Nadu would derive an overall net benefit of approximately Rs 11,000 crore through UDAY.

Presenting the first supplementary estimates, Chief Minister O Panneerselvam said the government had decided to convert Rs 4,523.19 crore of outstanding loans, and advances, ways and means advances, interest and penal interest due from TANGEDCO into share capital assistance. He said `3,958.19 crore has been included in the supplementary estimates and the remaining would be met by re-appropriation from savings within the grant.

TN govt to take over Tangedco's Rs 22,815-crore debt

Times of India : February 1, 2017

The Tamil Nadu government on Wednesday presented supplementary estimates for Rs 28,942 crore for the fiscal 2016-17.

Chief minister O Panneerselvam told theassembly that the government had decided to take over thedebt of Tamil Nadu Generation and Distribution Company Limited (Tangedco) amounting to Rs 22,815 crore by sanctioning financial assistance under the Centre's Ujwal Discom Assurance Yojana (Uday).

The state signed a memorandum of understanding with the Union power ministry on January 9, for operational and financial turnaround of the power utility.

The chief minister said the government had also decided to convert Rs 4,523.19 crore of outstanding loans and advances, ways and means advances, interest and penal interest due from Tangedco into share capital assistance.
He said the state had sanctioned Rs 400 crore as ways and means advance to

Tangedco for the restoration of power network and infrastructure damaged due to cyclone Vardah. A sum of Rs 261.69 crore had been sanctioned to the state transport undertakings towards diesel subsidy over and above the allocation of Rs 200 crore made in the revised budget estimates, the chief minister said.

He said Rs 585.45 crore was sanctioned under the state disaster response fund to take up relief and temporary restoration work in the aftermath of cyclone Vardah, and Rs 105 crore for taking up works to mitigate drinking water supply in rural and urban areas due to prevailing severe drought situation.

Power tariff in TN to stay steady

Business Line: January 31, 2017

Electricity prices for the consumer will remain steady in Tamil Nadu for one more year with the utility not seeking any tariff revision from the Regulator while filing the Aggregate Revenue Requirement for 2017-18.

The Tamil Nadu Generation and Distribution Corporation has filed the ARR for the period 2016-17 to 2018-19 today with the Tamil Nadu Electricity Regulatory Commission.

UDAY reprieve

It has taken into account the benefits of the Centre's UDAY scheme which envisages the government taking over the lion's share of TANGEDCO's accumulated debt.

The state government entered into an agreement with the Centre on January 9 to participate in the scheme to rejuvenate cash-strapped state utilities.

TANGEDCO has called for feedback from stakeholders on its ARR petition.

According to the information available on the utility's website, the total ARR for 2017-18 is Rs. 52,277 crore, including power purchase cost of Rs. 25,890 crore; fuel cost of Rs. 9,060 crore; interest outgo of Rs. 5,835 crore; operation and maintenance cost of Rs. 6,999 crore among other expenditure.

Revenue

Its revenue at existing tariff is Rs. 49,827 crore with government grant of Rs. 2,343 crore from financial restructuring. This leaves a gap of Rs. 107 crore.

Tamil Nadu's power consumption during 2015-16 was about 6,500 crore units and is estimated to be growing at about 8 per cent annually.

Tamil Nadu's net benefit under UDAY (Ujwal DISCOM Assurance Yojana) Scheme, is estimated at about Rs. 11,000 crore from savings in interest cost, reduction in transmission losses, interventions in energy efficiency and coal reforms. The state government takes over 75 per cent of the utility's debt of Rs. 30,420 crore.

The balance of about Rs. 7,600 crore will be re-priced or issued as State guaranteed Discom bonds, at coupon rates around 3-4 per cent less than the average existing interest rate.

The state will save about Rs. 950 crore in annual interest cost through reduction of debt and lower interest rates on the balance debt

No proposal by TANGEDCO to hike electricity tariff

The Hindu: February 1, 2017

ARR petition filed by the power utility shows improving fundamentals

No revision in power tariff has been proposed for any category of consumers in the Aggregate Revenue Requirement (ARR) petition filed by the Tamil Nadu Generation and Distribution Corporation (TANGEDCO).

The mandatory ARR petition, which was filed with the Tamil Nadu Electricity Regulatory Commission (TNERC), came up for hearing on Tuesday.

The commission directed TANGEDCO to post the petition on its website for getting feedback from the public before it approves the same.

A senior official of TANGEDCO said the important takeaway from the ARR petition is that the utility is trying to bridge the cost-revenue gap without impacting consumers, particularly domestic. Also, the power utility, which is in the red, would be able to show profit in the coming years.

The ARR petition shows that with TANGEDCO joining the UDAY (Ujwal DISCOM Assurance Yojana) scheme, the cost-revenue gap would come down to Rs. 107 crore for the financial year 2017-18.

The ARR projects total expenditure at Rs. 53,961 crore, which includes cost of power purchase (Rs. 25,980 crore); fuel cost at Rs. 9,060 crore; and interest at Rs. 5,835 crore. On the revenue side, TANGEDCO has calculated earnings of Rs. 49,827 crore through sale of power at existing tariff and government grant towards financial restructuring plan of Rs. 2,343 crore. The benefit of

joining UDAY is the reduction in liability to the tune of Rs. 23,000 crore out of a total of Rs. 30,000 crore, a TANGEDCO official said.

The liability of Rs. 23,000 crore would be taken over by the State government over a period of five years through grants. There will also be a significant decrease in the interest commitment (Rs. 2,900 crore), he added.

Though a negative gap of Rs. 107 crore has been projected in the ARR, if the Return on Equity (RoE) of Rs. 1,425 crore (which is shown as an expenditure) is treated as profit, then TANGEDCO should be able to show a surplus, he said.

Meanwhile, the annual power consumption has been projected to increase by eight per cent for 2016-17 and nine per cent for 2017-18.

NLC draws up big plans for solar power

The Hindu: February 2, 2017

A 130-MW solar plant will come up at Neyveli Township on 650 acres of land

Buoyed by the success of its pilot solar plant, NLC India Ltd. has unveiled plans for installing power plants with net capacity of 500 MW at an estimated cost of Rs. 2,170 crore at various places in Tamil Nadu.

A press release from the NLC said the rollout was part of NLC's Solar Mission of adding 4,000 MW through installation in various parts of the country.

The NLC's solar power thrust ties in with Government of India's National Solar Mission which planned to establish solar power plants with an installed capacity of 1,00,000 MW by 2022.

The NLC, had, on an experimental basis, launched a pilot project of solar power generation with a capacity of 10 MW at the cost of Rs. 75 crore near the Neyveli Air Strip.

The success of the project has now paved the way for adding 130 MW (65 MW x 2) Solar Power Units at Neyveli and the work had been assigned to BHEL and Jackson Engineers Ltd., each with 65 MW.

About 650 acres in north and west side of the Neyveli Township were apportioned for this purpose.

At Andaman Island

NLC is executing a proposal of the Union Ministry for New and Renewable Energy to establish a solar power plant at Andaman & Nicobar Islands by taking up a project to establish a 20 MW Solar Power Plant at Attam Bahar at South Andaman and a 30 MW Solar Power Plant at Kishori Nagar, North Andaman.

As part of the NLC's roadmap to establish 500 MW Solar Power Plant at various places of Tamil Nadu, NLC has floated tenders and obtained quotations from different firms, subject to a minimum formation capacity of 50 MW.

The power thus generated would be given totally to Tamil Nadu Power Generation and Distribution Corporation (TANGEDCO), for which, necessary Power Purchase Agreement had been signed.

Generation in 13 months

It is expected to generate 83 crore units of power per annum, by taking into consideration of 19 per cent of capacity utilisation factor (CUF) on an average. The power would be generated within 13 months, from the date of work order, the NLC said.

Future plans for Neyveli include a new lignite-based Thermal Power Station with a capacity of 1,000 MW as replacement for the existing 60-year-old Thermal Power Station-I (600 MW) which is under progress at Neyveli.

It is planned to set up a lignite-based Thermal Power Plant with a capacity of 2,640 MW at Neyveli, for which the lignite would be spared from the proposed third mine with a generation of 1 crore 15 lakh tonnes per annum.

In addition to this, the company is operating a 1,000-MW coal-based Thermal Power Station at Thoothukudi through NLC Tamil Nadu Power Ltd., a joint venture between NLC India and TANGEDCO.

Meanwhile, tenders have been floated to set up a 250 MW Solar Power Plant in Odisha.

The Centre has allotted a coal mine at Thalapira in Odissa to NLC India Limited. The coal excavated from the mine would be utilised for the proposed 4,000 MW pit-head Thermal Power Plant.

Apart from this, preliminary works are in progress to set up 1,000 MW solar power plant, each in Uttar Pradesh, Madhya Pradesh and Maharashtra.

Under the renewable energy plan, NLC is setting up 34 wind mills with a generation capacity of 1.5 MW, each. Of this, power from 29 wind mills had commenced. It was proposed to set up more wind mills with power generating capacity of 200 MW in Tamil Nadu.

NLC had set a target for generating power with a capacity of 20,971 MW by 2025, which includes thermal power plants and renewable energy projects

Tamil Nadu to get 1st 800MW thermal plant

Times of India : February 1, 2017

The state power utility, Tamil Nadu Generation and Distribution Corporation(Tangedco), will set up its first ever super thermal power plant with 800MW capacity in north Chennai with financial assistance from the Rural Electrification Corporation (REC).

The REC has sanctioned Rs 6,890 crore to Tangedco to set up the power plant and two substations of 765KV and 400KV capacity in and around Chennai. The funding is in the form of a loan, repayable in 20 years. The unit will be the first of its kind in Tamil Nadu as at present only 600MW thermal units are functioning in the state.

The new thermal unit will come up at north Chennai, which already houses several thermal units of varying capacities. "This is stage III of the thermal project in north Chennai and the contract has been awarded to BHEL. We will sign a formal agreement with REC shortly , but the corporation has already sanctioned the amount to Tangedco and Tantransco," a senior Tangedco official said.
REC sources said the entity would financially support the companies in the coming years not only in transmission and distribution projects, but also in the upcoming Udangudi supercritical thermal power project. Further, it will support in other renewable energy , energy conservation, smart grid and automation of power projects in the state.

The new unit will alone cost Rs 6,376 cr and is expected to be commissioned in 2019. The remaining loan amount would be used for setting up of substations to evacuate power generated by the 800MW plant.

Coal supply to the new unit will be mostly from coal mines within the country . "Earlier, coal imported from Indonesia via Ennore and Tuticorin ports was being used by all thermal units of Tangedco. But now, high quality coal is available from Singareni at much lower price.
Singareni will supply coal to the new plant as well. "At present we are paying $60 per tonne, but from February, the price will be $90 per tonne. It is advantageous for us to use indigenous coal," he said.

Meanwhile, REC has also extended financial assistance of Rs 14.2 crore to Indian Institute of Management (IIM), Trichy for installation of 2MW solar panels (SPV) in various locations on the campus.The main objective of the project is to reduce grid energy consumption for achieving a cleaner community and to protect the environment by reducing carbon dioxide emission.The memorandum of agreement was signed by REC and IIM-Trichy in New Delhi.

This startup's TariffAlarm might help you reduce power bill

Times of India: January 27, 2017

Chennai-based Energyly has launched TariffAlarm, which expects to help a household reduce its power bill.

Electricity distribution companies charge different rates per unit for domestic consumers. In Tamil Nadu, if a home user consumes 500 units, he pays Rs 1,200 at Rs 2.40 per unit. However, if he consumes 501 units, he pays Rs 2,100 at a rate of Rs 4.10 per unit.

"Around 70% of domestic consumers come within the 450 to 520 units consumption slab. The problem is most of them do not know when they cross from 500 to 501 and end up paying Rs 800 extra," said Dayal Nathan, founder, Energyly.

TariffAlarm aims at solving this problem by fixing this gadget between the meter and main switch. The home user can set the number of units say 450 or 470 units. When the consumption reaches the set value, an alarm is raised.

The consumer is alerted that he may soon reach 501 units and can switch off unwanted appliances, keep the bill below 500 and end up saving Rs 800 per billing cycle.

Energyly launched TariffAlarm on January 26 in collaboration with Tamil Nadu Electricians Welfare Association (TEWA). TariffAlarm is priced at Rs 999 and is available only for single phase domestic users.

It is a patent pending product and has bagged the runner-up prize in the Make-in-India hackathon conducted by IIT Bombay last year.

Budget 2017: Has FM Jaitley done enough for energy Sector?

The Economic Times: February 2, 2017

The Union Budget 2017-18 has come as a mixed bag for the energy sector. While Finance Minister Arun Jaitley has retained the government's focus on rural electrification, renewable energy and a push for the oil and gas industry, there were no major provisions for other crucial areas of thermal power, wind, hydro and nuclear energy.

Key announcements:

One of the major energy related announcements in today's budget was the merger of Indian state oil companies to create a global behemoth. Jaitley said the government will create an integrated public sector 'oil major' which will be able to match the performance of international and domestic private sector oil and gas companies.

The FM also announced a reduction in basic customs duty for liquefied natural gas (LNG) to 2.5 per cent from 5 per cent. He also said two additional strategic crude oil reserves will be created at Chandikhole in Odisha and Bikaner in Rajasthan to ramp up domestic reserves to 15 MT.

Significantly, this budget also maintains the last year's allocation for the oil ministry's flagship scheme to provide LPG connections to poor households at Rs 2,500 crore. Also, in an indication of things to come, Jaitley identified the ongoing rise in global crude oil prices as one of the key three factors that will be major challenges for the emerging economies, including India.

This year's budget also attempts to maintain focus on rural electrification flowing from Prime Minister Narendra Modi's vision. Jaitley said India was confident of meeting its 100 per cent rural electrification target by May 2018 and allocated a sum of Rs 4,814 crore to its flagship scheme Deen Dayal Upadhyaya Gram Jyoti Yojana.

On the front of renewable energy, the FM said the government would add 20,000 Megawatt by taking up the second phase of solar park development in the country. Stressing on the government's seriousness to focus more on solar energy, he said around 7,000 railway stations would be fed through solar power in the medium term and work has already begun in that respect in 300 stations.

Major misses

While the government maintained its push for the renewable sector, the lack of any relief provision for private thermal generators struggling with huge investments stuck for want of long term PPAs left a part of the domestic industry disappointed. There was not even a mention on thermal power and coal apart from Jaitley's announcement on rural electrification.

The Economic Survey, released on Jan 31, had pointed out to the difficulties being faced by the private power generation sector due to falling tariffs. The survey said private firms were reeling under cost-overrun pressure and PLFs and tariffs in the short-term market are not likely to rise in the near term.

The industry had expected some, if not major, relief in terms of corporate tax and minimum alternate tax (MAT) for the power sector. But there was no such mention in the FM's budget speech. Thermal power producers had also expected some relief in terms of the Rs 400 per tonne clean energy cess that was imposed last year.

Experts also flagged the lack of major provisions for hydro or nuclear energy. The wind power sector had also hoped for a revision of the generation based incentive (GBI) for wind generators which is expiring on 31 March. The oil and gas industry had also demanded a revision of the high crude oil cess -- another demand that remained unheeded in this budget.

Overall, experts said the budget was a mixed bag for the energy sector. Research and ratings agency ICRA said the budget has several favourable proposals such as creation of two more strategic oil reserves projects, reduction in basic customs duty (BCD) on LNG and creation of an integrated oil PSU major. "The creation of additional strategic oil reserves will boost the energy security of the nation. Reduction in BCD on LNG will make LNG more affordable to end users. This is a credit positive for existing regasification terminal owners such as PLL, GAIL and Shell India," ICRA said in a statement.

Experts also said the idea of creation of an integrated oil major is laudable as it will strengthen the business and financial risk profile of the combined entity but integration issues, especially on the HR side, will e key challenges. Globally, the concept of stated-owned oil majors is a well established one, which confers advantages to the stakeholders.

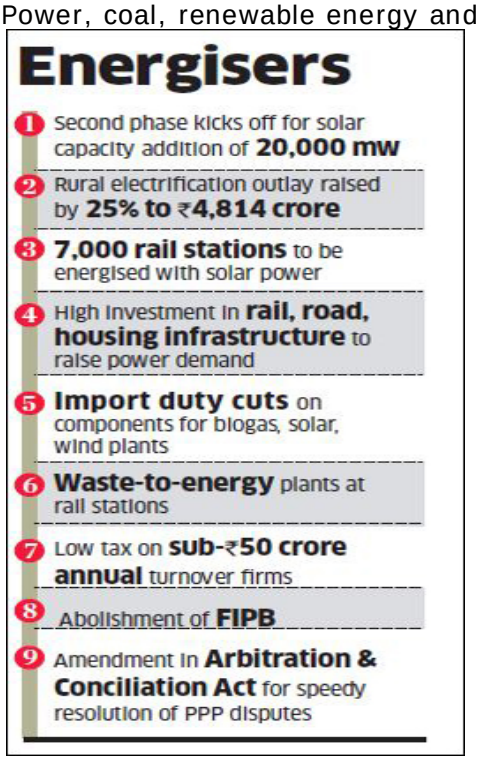
Budget 2017 gives big boost to renewable energy

The Economic Times: February 2, 2017

The Budget has given a boost to renewable energy, announcing another 20,000 mw of solar park development in phase II and a slew of duty reductions on components for fuel cell-based power generating and biogas systems, as well as wind energy equipment.

The Budget announced solar power supply at about 7,000 railway stations in the medium term but a beginning has already been made at 300 stations, said finance minister Arun Jaitley. "Work will be taken up for 2,000 railway stations as part of the 1000 MW solar mission."

Power, coal, renewable energy and mines minister Piyush Goyal was pleased with the proposals.



"Through honest and transparent bidding, we have been able to bring down cost of renewable energy. The power sector is fast moving towards profitability and self-sufficiency with the UDAY programme. Power and mining sectors have received all that we had requested," he said.

Budget 2017: 25% jump in IPDS, DDUGJY funds to ensure 24X7 power for all

The Economic Times: February 1, 2017

The proposal to hike expenditure under IPDS and DDUGJY schemes together by 25 per cent to Rs 10,635 crore as provided in the budget is likely to pave the way for sustainable energy for all. The allocations under the Integrated Power Development Scheme (IPDS) and Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) have been increased by over 25 per cent to Rs 10,635 crore in 2017-18 as compared to budget estimate of Rs 8,500 crore for this fiscal. However, the budget document stated that the revised estimate of these two schemes together, which are meant for increasing efficiency of power transmission and distribution, was Rs 7,874 crore for the current fiscal.

"Today's budget gave a clear indication of the government's focus to achieve 'sustainable energy for all', with two of its critical steps," Schneider Electric India Country President and MD Anil Chaudhry said on the budget that was presented by Finance Minister Arun Jaitley.

He said, "Providing a boost to rural electrification with a 25 per cent increase in the outlay for key power schemes like IPDS and DDUGJY is expected to fast-track the rural electrification drive, which is now planned to be completed by May 1, 2018. Second, (it can be achieved) by strengthening focus on renewable energy forms with inflow of another 20 GW in the next fiscal."

DDUGJY's objectives include separate agriculture and non-agriculture feeders, strengthen and augment sub-transmission and distribution infrastructure in rural areas and rural

IPDS' objective is 24x7 power supply for consumers, reduction of AT&C losses and providing access to all households.

The budget has provided Rs 750 crore for 2017-18 under the head Power System Development Fund. The scheme envisages strengthening of existing distribution and transmission infrastructure by part-funding through grants. It also provides for subsidy to discoms purchasing electricity from stranded gas-based power plants.

The overall budget of Ministry of Power has also been raised to Rs 13,881 crore in 2017-18, from Rs 12,252 crore budget estimate and Rs 10,475 crore revised estimate for the current fiscal.

Similarly, the total expenditure of Ministry of New and Renewable Energy has also been increased to Rs 5,473 crore in 2017-18 from budget estimate of Rs 5,036 crore and revised estimate of Rs 4,360 crore in the current fiscal.

Power Minister Piyush Goyal told PTI that the government's push to rural sector and housing for all initiative will stoke demand of power and help improve plant load factor (PLF).

Save Energy, Save Money, Save the Planet

Please see the website at *www.tecaonline.in* ***for previous issues of TECA News letter***