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Tamil Nadu tops renewable energy capacity addition: Assocham-EY paper

Business Standard: June 1, 2016

With addition of new capacity of Renewable Energy (RE) in Tamil Nadu, RE's projected contribution to reach even 72% of its peak demand by 2022, according to a joint Assocham-EY paper.

The state has an installed capacity of over 8,300 Mw of non-conventional energy, which is about 40% of the total capacity installed including the conventional sources of thermal and hydro.

The problem remains about a huge gap between the installed RE capacity and its actual generation. Against the 40% ratio of the installed capacity, the RE sources supply just about 14% of the state's peak demand, thanks to inadequate infrastructure to evacuate the power to the grid and the natural limitations, said in the report.

The Assocham-EY paper pointed out that against peakelectricity demand of 29,975 Mw, the projected installed capacity of the RE resources would be 21,508 Mw.

Assocham, Secretary General, D S Rawat said: "Let us give credit to the state for a laudable work done in the area of non-conventional energy.The other progressive states in the area of RE are Gujarat, Rajasthan and Rajasthan. But the interest is still limited to a few states. If only rest of the states follow and exploit the abundant natural resources of wind, energy and bio-mass, India can be on top of the world league for green economy."

Tamil Nadu is adding capacity beyond its demand."This beckons for a robust market mechanism to accommodate RE power within the state and also explore market mechanism to trade its power to the RE deficit states," the paper suggested.

Moreover, aggressive increase in the state RE capacity explains that the state should sufficiently use conventional capacity indigenously or through bilateral trade agreements for balancing the variable RE.

8300 MW

installed capacity of the State

It is 40 per cent of the total capacity installed, including the conventional sources of thermal and hydel power

Study says TN would meet 72% of its peak demand by 2022

KEY INDICATORS

1. Targeted RE capacity in 2022 is 21,508 MW. That works out to nearly 72% of the peak demand (29,975 MW) for 2022

Currently, the State's ongoing/ proposed conventional power projects are meant to generate more than 7712 MW

2. As per Solar Policy 2012, the State was supposed to add 3000 MW by 2015. It achieved 119.06 MW by that year

3. Untapped wind potential is 14152 MW. TN plans to add around 4300 MW by 2022 to achieve cumulative wind target of 11900 MW by 2022

4. Untapped solar potential in State is 17.67 GW. Target is 8884 MW by 2022

5. Of the 35776.96 MW of present solar installed capacity, almost 84% is concentrated in TN, Rajasthan, Gujarat, Andhra, K'taka, Maharashtra

Curb on sale of power by private stations goes

The Hindu: June 2, 2016

The State government has revoked its earlier direction to private power stations within the State allowing them to sell power only to the Tangedco.

A G.O. pertaining to the rescinding of the directions which were notified under Section 11 of the Electricity Act, 2003, was issued dated May 31. A senior official of Tangedco said the G.O. to withdraw the order was issued under Section 11 (1) of the Electricity Act 2003 notified on October 10, 2014, which prohibited all private power stations from supplying electricity to purchasers outside the State or even private consumers directly. Instead all power generated should be sent to the State grid for supply to Tangedco or any other open access consumers within the State.

The official said the revocation order was taken by the government after considering the surplus power available in the State to the tune of 12,500 MW to 15,500 MW, excluding wind and solar power. The G.O. follows the Tangedco's proposal to stop purchasing electricity under short-term power purchase agreements, which was sold at a cost of Rs. 5.05 per unit. The official said this move would help in better evacuation of wind power even as the private power generators who were tied up with Tangedco would not be able to insist on compulsorily purchasing their power.

Earlier order wanted all power generated to be sent to State grid for Tangedco

Power transmission losses rise in Tamil Nadu

Times of India: May 23, 2016

The Tamil Nadu Electricity Board's (TNEB) transmission and distribution losses have gone northward over the past four years, a reply to an RTI query revealed.

The unwelcome losses have taken place even as the demand for power in the state has hit an all-time high of 15,000MW.

In response to an RTI filed by OnlineRTI.com, TNEB said it lost 17,538.83 million units (MU) in 2011-12 and 20,966.74MU in 2014-15. The transmission losses were mainly on account of leaks and inefficient transmission and distribution of power.

Though TNEB has one of the lowest transmission losses in the country it still loses crores of rupees in the process. According to the RTI reply, the board lost a total of 79,037.76MU of power in transmission since 2011.

TNEB's debt by the 2015-16 fiscal was around Rs 80,000 crore. A TNEB official said transmission losses are minimal when compared to total power generated.

"For instance, TNEB's energy generation has increased from 75,818MU in 2011-12 to 94,128 MU in 2014-15 so there has definitely been a rise in transmission losses compared to the previous years, which is not unusual," he said.

The RTI reply, however, said there is a shortfall between energy generated and energy sold by TNEB. This is probably because more than 20 lakh farm power connections across the state do not have meters and there are innumerable instances of power theft by households, commercial establishments and political parties.

India won't need extra power plants for next three years, says government report

Economic Times: June 2, 2016

India won't need any new power plants for the next three years as it is flush with generation capacity, according to a government assessment.

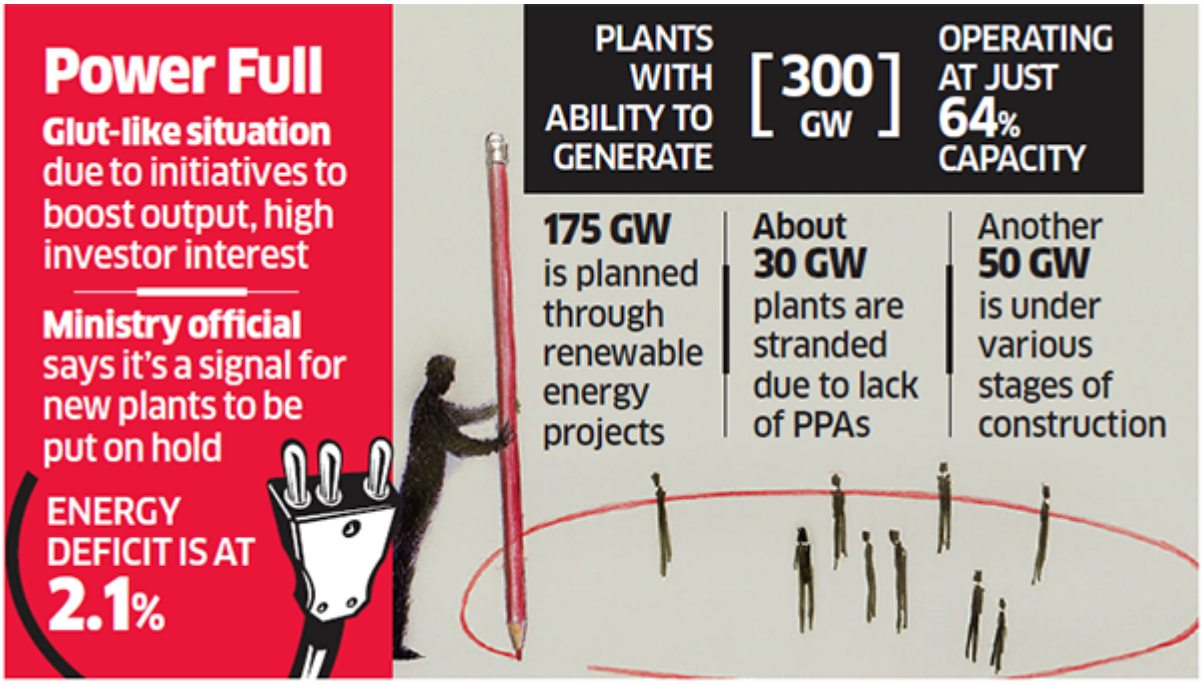
But, ironically, more than a third of the country's population still lives without power.

The country can manage for the next three years with existing plants that are currently under-utilised, and those that are under construction and upcoming renewable energy projects, assessment made by the power ministry for reviewing the National Electricity

Policy shows. The policy, originally issued in 2005 as a roadmap to the Electricity Act of 2003, is being altered in the backdrop of changes in the power sector.

Demand for electricity is not likely to rise substantially in the next three years and hence India is expected to be power sufficient without any addition.

This clearly signals that any thermal power plant that is yet to begin construction should back off," a power ministry official said.



India has power plants with capacity to generate 300 GW. These are operating at 64% capacity because of inability of state distribution utilities to purchase electricity and sluggish economic growth.

About a tenth of the total capacity is stranded due to lack of power purchase agreements while another 50 GW is under various stages of construction.

Meanwhile, there are plans to build renewable energy capacity of 175 GW by 2022. India's per capita electricity consumption, though increasing, is lowest among the BRICS nations and about one-third the world's average. The energy deficiency is a low 2.1%, but experts feel latent demand from remote areas is not being accounted for.

The glut-like situation is a result of the previous government's initiatives to boost electricity generation, coupled with high investor interest the sector had witnessed.

Demand for electricity is likely to pick up after 2019 as the scheme to revive distribution utilities and village electrification programmes start yielding results, the official said.

Ten states have joined the government's Ujwal Discom Assurance Yojna and the Centre plans to electrify 18,000 villages by May 2018.

Issues surrounding project clearances, coal, finance and poor health of distribution companies had hampered the growth of the sector, driving away investors.

Experts said companies have put new projects and expansion plans on hold. This may lead to huge deficits in the period after 2019 as power plants take several years to be commissioned.

A survey released on Monday by Assocham and PwC said once demand begins to overtake supply, India's power deficit may rise to 5.6% in 2021-22 from 2.1% now. "Need of the hour is to find ways to utilise capacity already created and in the pipeline rather than add to backlog," said Ashok Khurana, director-general of Association of Power Producers.

"We should start building our coal-fired thermal assets now. When demand increases post-2020, we are ready with an energy mix of coal, solar, wind and hydro," said Ratul Puri, chairman of Hindustan Powerprojects.

Only 5% tariff hike allowed by state power regulators in 16 states

Economic Times: June 1, 2016

ICRA says average power tariff hike in 16 states has been a modest 5% only against proposed revisions ranging between 5% and 33%. Rest of the states have not declared revised tariffs for the year yet.

State Electricity Regulatory Commissions have made a modest progress in issuing tariff orders for the year. However, ICRA notes that distribution utilities in large states like Rajasthan, Tamil Nadu and West Bengal are yet to file tariff petitions for FY2017, let alone secure issuance of tariff orders. Rajasthan and Tamil Nadu have substantial revenue gap and accumulated debt levels.

Sabyasachi Majumdar, senior vice president at ICRA Ratings said: "We believe that this delay in tariff filings and issuance process may not be due to lack of willingness on part of the key stakeholders to address issues arising out of tariff-related issues. The delay can be attributed to the proposed implementation of UDAY, which resulted in some uncertainty about quantifying the impact of the scheme on the cost structures of power distribution companies and hence on tariff requirements.

"In addition, the recently held assembly elections could also have led to delays in the tariff determination process for FY2017 in the states like Assam , Kerala, Tamil Nadu and West Bengal," he said.

According to ICRA, lower hikes by the regulators can be attributed to factors such as allowable fixed costs being lower than projected level, power purchases allowed in line with approved aggregate technical and commercial loss reduction trajectory and allowed true-up expenses for the past period being lower against the projected level in some cases. Further, limited tariff hike is accompanied by higher subsidy dependence as seen for utilities in states such as Bihar and Karnataka

"The overall subsidy dependence for FY2017 for the state owned distribution utilities at all India level is estimated at Rs 75,700 crore, a 7% increase against the previous fiscal. It is estimated to account for about 19% of the revenue requirement approved for utilities during FY2017. Increase in subsidy can be attributed to increased subsidy for utilities in Bihar, Karnataka and Maharashtra", Majumdar said.

ICRA further notes that subsidy dependence in other states like Andhra Pradesh , Gujarat, Haryana, Madhya Pradesh , Punjab, Rajasthan, Tamil Nadu, Telangana and Uttar Pradesh continues to remain significant owing to highly subsidised and free power supply scheme to agriculture and to some sections of domestic consumers in these states.

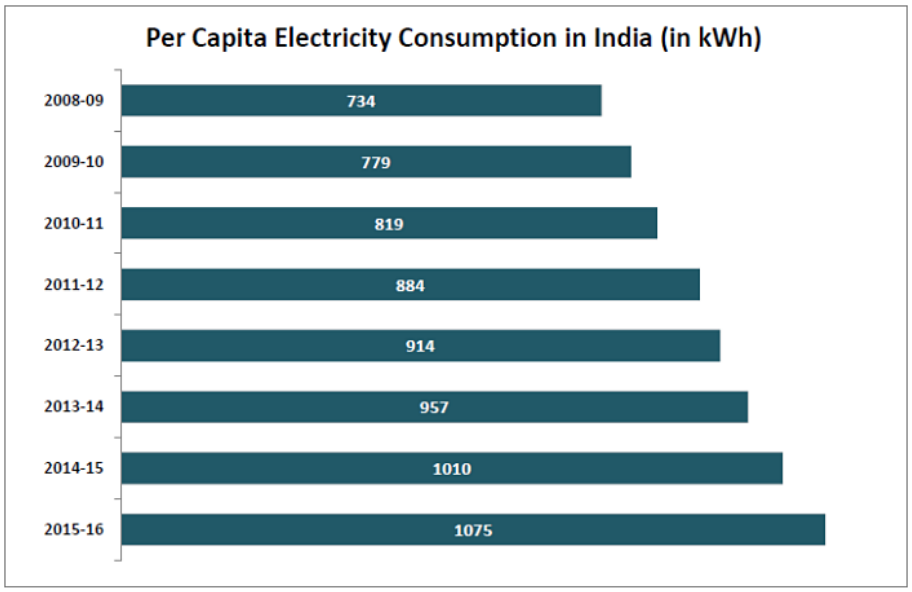
In ICRA's view, timeliness and adequacy of subsidy support to utilities from their respective state governments remains extremely crucial, given the delays observed in quite a few states in the past.

India's per capita electricity consumption is 1/3rd of the world average

The per capita electricity consumption in India has been increasing continuously over the last decade because of the significant improvement in electrification of villages. Still, India is far behind when compared to the rest of the world. India's per capita electricity consumption is the lowest among BRICS nations and is just 1/3rd the world average.The highest is in the Union Territories, and Bihar records the lowest at 1/6th the national average. Electrification of remote villages is still a priority item on the agenda of successive governments. While significant progress has been made, there is still a long way to go. India's per capita electricity consumption is lowest among the BRICS nations. It is also about 1/3rdthe world's average per capita electricity consumption.

Per Capita Electricity Consumption up 46% in 8 years

India per capita electricity consumption has been continuously increasing over the years. From 734 kWh in 2008-09, the per capita consumption has reached 1075 kWh in 2015-16, an increase of 46% in 8 years. The per capita consumption has been increasing at an average of 6% every year. The per capita consumption crossed 1000 kWh in 2014-15 for the first time. The highest increase in the per capita consumption during these 8 years has been in 2011-12 where it grew by almost 8%.



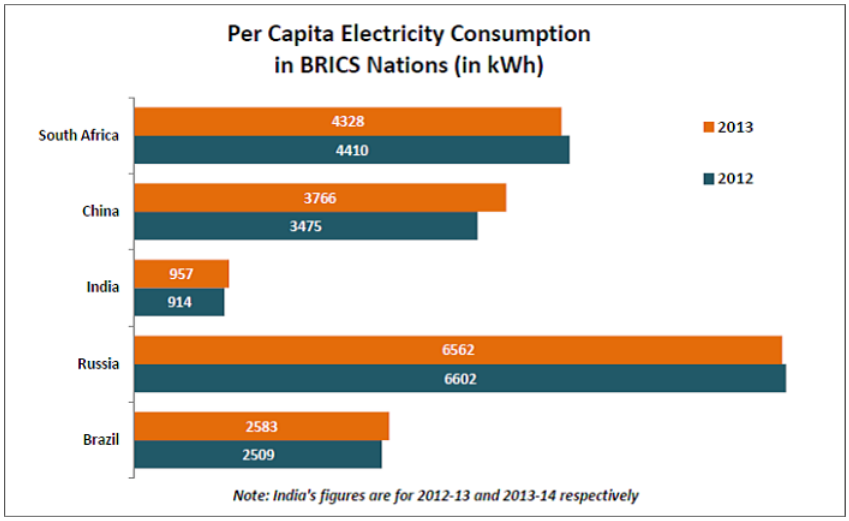
Wide variation across states

As per the latest available consumption figures by states (for 2012-13), there is wide variation across states in the consumption pattern. The highest per capita consumption is in the Union Territories. Among the states, the per capita consumption in Puducherry, Goa, Punjab, Gujarat, Haryana and Delhi is way above the national average. Bihar has the lowest per capita consumption which is almost 1/6th the national average. Per capita consumption in all the north eastern states is below the national average. The per capita consumption in states like West Bengal, Madhya Pradesh, Kerala, Uttar Pradesh & Jharkhand is also below the national average.

India's per capita consumption is the lowest among BRICS Nations

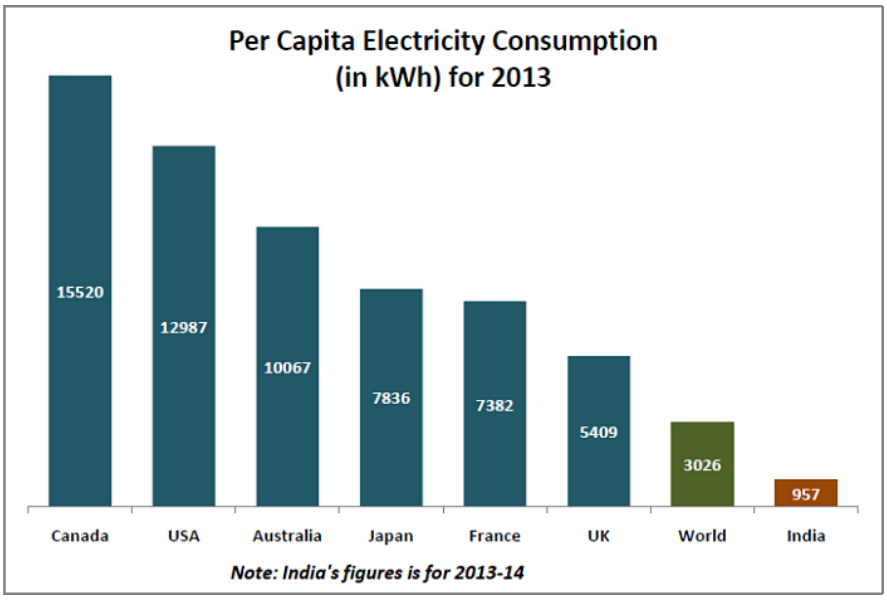
As per the latest available information, India's per capita electricity consumption is the lowest among BRICS nations. Russia has the highest per capita electricity consumption

among the BRICS nations which is more than 6 times that of India. China's per capita consumption is also more than 3 times that of India. South Africa's is more than 4 times and Brazil's per capita consumption is more than 2.5 times that of India.



India's per capita consumption is 1/3rd the World average

Compared to some of the developed countries of the world, the per capita electricity consumption in India is very low. India's per capita consumption is 1/3rd of the world average and is just 10% of that of Australia. It is just 7.5% that of USA and 6.6% of Canada. The per capita consumption in UK also is more than 5 times that of India.



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