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

19.11.2015

TN leads in rooftop solar installations

The Hindu : November 19, 2015

After achieving some remarkable progress in wind energy, Tamil Nadu seems to be scripting a success story in rooftop solar segment.

The State has outperformed all its peers in rooftop solar installations. As of October 2015, India's rooftop solar installations stood at 525 MW. With installed capacity of 76 MW, Tamil Nadu topped the rooftop solar capacity addition in the country, according to a report of Bridge to India, a global renewable energy consulting firm.

INDIAN ROOFTOP MARKET - 2015

Installed capacity of top ten States where rooftop solar installations are contributing to their respective power grids

	Industrial	Commercial	Residential	Total
Tamil Nadu	34	23	19	76
Maharashtra	27	13	12	54
Gujarat	19	12	13	44
Uttar Pradesh	10	10	16	36
Karnataka	16	9	9	34
Rajasthan	14	12	6	32
Andhra Pradesh	10	14	8	32
Telangana	8	13	7	28
Delhi	5	12	3	20
Punjab	5	11	4	20



SOURCE: BRIDGE TO INDIA

(figures in MW)

Industrial segment in the State is racing ahead in solar rooftop installations. The segment contributed 34 MW to the total rooftop capacity of the State.

This development should provide some relief to the Energy Department in the State as increasing adoption of rooftop solar in industrial segment will result in slow rise in power consumption. Commercial and residential segments in the State contributed 23 MW and 19 MW respectively.

“Tamil Nadu's sterling performance, especially in the industrial segment, can be attributed to high consumer awareness, high industrial and commercial tariffs, and wide gap between



energy demand and supply in the highly industrialised State,” said Vinay Rustagi, Managing Director, Bridge to India.

Industry experts pointed out that the shortfall in power supply in the State as well as fast approaching nationwide grid parity (the cost of power generated by the rooftop system is less than or equivalent to the cost of power from the electricity board) for all rooftop segments, particularly the commercial and industrial segments were also the key factors for robust growth in rooftop solar installations in the industrial category.

Tamil Nadu is one of the 14 States that have achieved grid parity (without accelerated depreciation benefit) in the industrial rooftop segment. For commercial rooftop also, Tamil Nadu is ranked among the top States in achievement of grid parity.

The other leading States are Maharashtra (54MW), Gujarat (44 MW) and Uttar Pradesh (36MW).

An elusive grid link: The widening North-South divide

The Indian Express: November 18, 2015

In the first seven months of the current fiscal, the average of the spot prices in the two southern regions was over 75% higher compared to the electricity price in the rest of country.

On August 17, 2014, Prime Minister Narendra Modi had ‘dedicated to the nation’ the Raichur-Solapur 765kV second circuit transmission line, a key grid link between the southern region and the rest of the country that was expected to alleviate the woes of the power-starved south. Fourteen months to the date, the south continues to struggle for power, something that is adequately reflected in wide difference in the spot power tariff between the two transmission sub-regions of the south and the rest of the country.

Spot power tariffs on the IEX, India’s largest power exchange, show that the tariffs in the south and the rest of the country were nearly at par till the end of 2009-10, from when it started showing a divergent trend. The short-term power prices in the southern region has surged since, largely on account of transmission constraints bottling up electricity flows to the southern region. In the first seven months of the current fiscal, the average of the spot prices in the two southern regions was over 75 per cent higher than the electricity price in the rest of India.

DEMAND PROFILE OF SOUTHERN REGION

STATE PEAK DEMAND [MW]

	FY2011-12	2012-13	2013-14	2014-15
Andhra Pradesh/ Telangana	13,917	14,582	14,072	7,144+7,884
Karnataka	10,347	10,124	9,940	10,001
Kerala	3,505	3,578	3,671	3,760
Tamil Nadu	12,421	12,736	13,522	13,663
Pondicherry	335	348	351	389
Southern Region	38,121	38,767	39,015	39,094



As a result of inadequate transfer capacity, the southern region is facing huge power shortage often exceeding more than 4,000 MW as all the states are facing shortages to various extents, resulting in rolling power shutdowns even in major cities like Bengaluru, Hyderabad and Chennai in addition to the most affected rural sectors.

AVERAGE PRICE (₹/MWHR)

FINANCIAL YEAR	S1	S2	ROI*
2008-2009	7,298.33	7,298.88	7,289.95
2009-2010	4,813.89	4,856.26	4,794.33
2010-2011	4,370.34	4,536.28	3,477.32
2011-2012	5,129.04	5,280.10	3,315.85
2012-2013	6,863.42	7,290.56	3,067.28
2013-2014	4,734.41	5,572.75	2,523.24
2014-2015	5,106.70	5,931.24	3,184.76
2015-2016**	4,238.79	5,059.94	2,646.20

*Rest of India Average Price calculated by averaging N1,N2,N3,
W1,W2,W3,E1,E2,NER1 and NER2 Bid Area Prices*

***Data till Oct-2015 on the IEX*

S1: Southern region 1

S2: Southern region 2

Despite the Raichur-Solapur 765kV transmission line having a rated capacity for wheeling 4,000 MW of power flows (even after factoring in a contingency of one line under outage), transmission constraints continue to bottle up power flows to the southern region as a number of the close to a dozen associated transmission lines on either sides of Raichur and Solapur have been delayed. Latest estimates indicate that it might be tough to increase the power transfer capacity between the western region and the southern region till 2018 as the critical evacuation lines are delayed due to RoW issues. Experts point to the possibility of associated lines coming up if efforts were to be made.

Power system transfer capability indicates how much inter-area power transfers can be increased without compromising system security. A conservative estimate of power transfer capability may enhance the security of the system but may deprive the power transfer to the needy resulting into poor power supply to consumers and generation capacity getting stranded.

There is plenty of unmet potential demand in the southern region, which has been one of the preferred destinations of investment for over two decades, alongside the western region. Apart from tourism and information technology, the south has also emerged as a manufacturing hub for auto and many other industries. After the Electricity Act, 2003,



implementation of open access in transmission and evolution of electricity market, the southern states started importing power from the rest of India through the inter-regional links, and increasing congestion started to become visible on these links from 2008.

A large number of independent power producers came up during 2008 to 2010 with proposals to set up thermal power projects based on imported coal in coastal Tamil Nadu and Andhra Pradesh, creating an illusion that south was heading towards surplus. However, a large number of projects did not take off and others were delayed. As a result, the regional capacity addition has not been enough to meet the growing demand. Compounding the problem was the fact that the Krishnapatnam UMPP and Tamil Nadu UMPP failed to take off while the Kudankulam atomic power plant and NLC-TN JV plants have been delayed and have been commissioned only recently.

Government may invite bids by January to allocate Rs 36,000 crore Tilaiya ultra mega power project

The Economic Times:

The government may invite bids as early as January to allocate the Rs 36,000 crore Tilaiya ultra mega power project (UMPP) that was abandoned by Reliance Power, a senior official said.

This is made possible by the decision of the states, which would have purchased electricity from the plant in Jharkhand, to compensate the company to avoid prolonged litigation. Dragging the issue to court would have delayed re-allotment of the project. After the states and the company have reached an agreement for compensation of about Rs 150 crore, Reliance Power now expects return of bank guarantees for Rs 600 crore from the states and Rs 208 crore from the coal ministry. Sources familiar with the matter said the company has written to state utilities that once the compensation is paid and bank guarantees are returned, the settlement can be filed in court.

ET had reported on October 20 that most of the 18 utilities in 10 states, which had contracted to buy power from the project, had agreed to compensate Reliance Power as per the provisions in the contract. According to a senior government official, state power distribution companies in a meeting held on November 3 agreed to compensate Reliance Power with Rs 114 crore and other related expenditure of Rs 35 crore. After this is done, the issue of bank guarantee of Rs 208 crore will go to the coal ministry, he said.

"Once the PPA (power purchase agreement) is terminated, Tilaiya can be auctioned by January in the plug-and-play mode as announced in the budget this year," the official said. "The project has all clearances and land-related problems are likely to be sorted out soon. The coal ministry will separately take a stand on returning bank guarantees for Kerandari B&C coal blocks attached to the project."

Tariff policy to make discoms efficient, boost investment: Piyush Goyal

The Economic Times: November 18, 2015

The new tariff policy will boost the regulatory mechanism and bring efficiency in the functioning of discoms, even as the proposed framework will help attract investments in the power sector, Union Minister Piyush Goyal said today.

"The policy will reflect a concern to environment and encourage renewable energy. It will encourage faster roll out of investment in the sector," Goyal told reporters here.

Power Ministry is in the process of getting approval from Union Cabinet for its new electricity tariff policy. The central government had approved the Tariff Policy under the provisions of Electricity Act, 2003, in 2006.



Goyal said that the new policy will strengthen the regulatory mechanism so that discoms become more efficient and conscious towards their duties to consumers "It will also help India's energy security by planning in advance for the requirements for tomorrow. Several unique aspects which have not been touched in the past are being brought out in this policy," he added

Earlier, Goyal had indicated that the new tariff policy will give a big push to electricity generated from renewable energy sources and address concerns related to environment.

The proposed tariff policy is aimed to provide incentives to renewable energy projects as well as efficient use of resources by power generation plants based on conventional sources of energy like coal-based thermal projects

Policy on coal linkages likely in 15 days: Govt

Business Standard: November 18, 2015

Minister Piyush Goyal had said in September the Power Ministry is finalising framing new tariff policy, which will soon be placed before Cabinet for approval

To ensure fuel supply to power plants, the proposed policy for coal linkages is likely to be finalised within a fortnight, the government said today.

"Coal linkages policy is likely to be finalised in 15 days," Power Secretary P K Pujari told reporters on the sidelines of a function organised by India Energy Forum.

The Secretary also said that efforts are being made to seek Cabinet's approval on the amended power tariff policy in another 15 days.

Power and Coal Minister Piyush Goyal had said in September that the Power Ministry is at the final stage of framing the new tariff policy, which will soon be placed before the Cabinet for approval.

"We are finalising the contours of the (power) tariff policy. We will soon take the proposal for tariff policy to the Union Cabinet for approval", Goyal had said.

The Centre had approved the tariff policy under the provisions of Electricity Act, 2003, in 2006. The government, Pujari said, will call bids for two domestic coal-based ultra-mega power projects (UMPPs) next month and another two by March, 2016. "But we intend to do (bidding of) four (UMPPs) before the financial year," Pujari said. The UMPPs that could be offered include Bedhabahal in Odisha and Deogarh in Jharkhand. He further said that the signing of agreements with state governments and their power distribution utilities under the Ujjwal Discom Assurance Yojna may begin in next seven to 15 days.

"We are in the process of finalising the OM now. We are already discussing with states....May be in the next seven-15 days we will start getting the details of it and start signing the MoU."

"During the discussion of this proposal most of the state governments having discoms in the financial distress position had shown the willingness to join. We presume that all of them will join", Pujari said.

In a bid to rescue almost bankrupt state electricity retailers, the Cabinet had earlier this month approved a scheme for rejig of Rs 4.3 lakh crore debt of the utilities besides measures to cut power thefts and align consumer tariff with cost of generating electricity.

The rescue plan called Ujjwal Discom Assurance Yojna or UDAY provides "a permanent resolution of past as well as potential future issues of the sector" and empowers the utilities to break even in the next 2-3 years, Goyal had earlier said.

Govt to amend Atomic Energy Act to boost nuclear power sector



Economic Times: November 18, 2015

Seeking to fast-track nuclear power projects in the country, the Union Cabinet today decided to amend the Atomic Energy Act to enable Nuclear Power Corporation of India Ltd (NPCIL) to enter into joint ventures with other public sector undertakings (PSUs).

"The amendment has been brought in to facilitate the fast expansion of the nuclear power, utility and establishment, and this is living up to India's commitment of using nuclear energy for peaceful purpose," Jitendra Singh, Union Minister of State for the Prime Minister's Office, which looks after the Department of Atomic Energy (DAE), said.

"Since we realise that the nuclear reactor projects have to be expedited... in order to meet the requirements of electricity and energy in India, the constraint that was being faced was in terms of financial implications.

"...Also in the terms of the NPCIL not being able to enter into joint ventures with other PSUs and companies because of the existing nature of the Companies Act, which did not provide for this kind of provision for government sector companies," Singh added.

Singh said the move will help in getting funds for big ticket projects. Concern over lack of financial resources has been raised by the Department of Atomic Energy (DAE) frequently. The amendment will enable NPCIL, which is one of the PSUs of DAE, to enter into joint ventures with other government undertakings.

"With the amendments, we are facilitating entry of NPCIL for joint ventures with other PSUs. For example, a PSU with the Ministry of Power can collaborate with NPCIL and could help in common objective of power generation network. Significantly this does not imply any financial constraint on the part of the Department of Atomic Energy. On the contrary, it will enable it to raise finances from the other side," Singh said.

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