



**POWER FACTOR**

**IN-HOUSE NEWS COMPILATION: April 2014**

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## Energy

### Exchange Price Index: April 2014

IEX : No Transactions

PXIL:

### Summary

| April         |                           |         |         |
|---------------|---------------------------|---------|---------|
| Sub<br>Region | Area Clearing Price (ACP) |         |         |
|               | Min                       | Max     | Avg     |
| S2            | 2000.00                   | 5500.00 | 3484.43 |

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## THE ECONOMIC TIMES

### India to see a big rise in power demand this year

By Mitul Thakkar, ET Bureau | 29 Apr, 2014, 04.00AM IST

NEW DELHI: Electricity demand in India may go up substantially this year as forecasters predict the possibility of an extended summer. Moderate weather in April, however, has kept power consumption almost flat in a month when demand usually starts picking up. Thunderstorms and showers in parts of the country this month brought relief for distribution companies that have limited paying capacity and face congestion in power transmission.

However, the possibility of El Nino, a weather condition that usually affects monsoon rains in India, may trigger higher power demand for irrigation towards the fag end of summer. Delayed or scanty rains would reduce water levels in reservoirs, hurting operations of hydropower stations and possibly exacerbating the power situation. In April, power demand was flat compared with the same month in the past couple of years. Rajasthan, Haryana and Punjab did not procure much power from the market to meet short-term requirements as moderate weather kept electricity demand in control. Despite this sluggish demand, electricity prices on trading exchanges increased to about Rs3.70 a unit from Rs3 in March. It will swell further as summer intensifies and consumers demand more power for cooling, said an electricity trader based in Ahmedabad.

"Demand for electricity starts going up from April but this time demand went up only marginally," said a top executive of a state utility, citing higher usage of electronic gadgets in households and commercial establishments for the rise as moderate weather helped keep cooling demand in check.

However, he expects consumption to start gaining momentum soon. "According to weather projections, we are expecting an extended summer and higher electricity demands to continue till August instead of July," he said. He expects the picture to

become clearer "as we go closer to monsoons". India may face acute power shortage if the monsoon reaches late and triggers demand for more power when thermal power stations are shut and hydroelectric projects generate less, he said.

Tata PowerBSE -1.68 % Delhi Distribution, which distributes power in parts of the capital, is expecting demand to go over 6,100 MW in Delhi this year. "Last year, the Central Electricity Authority projected Delhi's electricity demand to go up to 6,063 MW but it remained limited to 5,653 MW. We are expecting it to rise to 6,100 mw in view of the El Nino condition that may delay monsoons," said Chief Executive Praveer Sinha. The company didn't see any change in supplies during April.

Commenting on the demand and supply scenario, Indian Energy Exchange director for business development Rajesh Kumar Mediratta said: "Since 2009, India has added close to 70,000 MW of generation capacity, which would have been good enough to take care of the country's power demands if we had built adequate transmission capacities. A substantial chunk of power generated in India remains locked in certain regions due to lack of evacuation capacities." The last time India witnessed El Nino conditions were in 2009, when monsoon rains were poor.

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## **TIMES OF INDIA**

### **Poor southwest monsoon lowers wind, hydro power generation**

C P Sajit,

TNN | Jul 19, 2012, 07.14AM IST

COIMBATORE: The delay in the onset of southwest monsoon has not only affected the production of wind energy but also power production which has reduced drastically in the last two days, from 75 million units per day to just 16 million units on July17. Consequently, the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) has appealed to the people on Tuesday to bear unscheduled power cuts in the coming days



NEW DELHI, April 24, 2014

Updated: April 24, 2014 18:56 IST

### **Experts predict below normal monsoon**

P. SUNDERARAJAN

The Indian economy could be in for more trouble in the coming days, with weather experts predicting below normal rainfall this year during the south-west monsoon across the country barring the north-east and the eastern parts.

The outlook came at the end of a two-day brain storming session, attended by a panel of national and international experts, organised under the aegis of the World Meteorological Organisation.

Called the South Asian Climate Outlook Forum [SASCOM], the panel included experts from the US's National Centers for Environmental Prediction, UK's Met Office, the Japan Meteorological Agency, and the International Research Institute for Climate and Society, apart from the WMO and the meteorological agencies of various south Asian countries.

The India Meteorological Department hosted the event.

"Below-normal rainfall is likely over broad areas of western, central and south western parts of South Asia and some areas in the northeastern-most parts of the region," the experts said in a statement.

It was based on their analysis of the possible scenario for the entire south Asian region by assessing the prevailing global climate conditions and the forecasts from different climate models from around the world.

A map released along with the consensus statement shows that there is a 45 per cent possibility of rainfall being below normal for peninsular India and 40 per cent for central and north-west India.

### **El Nino phenomenon**

The experts have come to their conclusion based on indications that there was a strong possibility of the development of El Nino phenomenon this year.

The El Nino condition, which is known to weaken the south Asian monsoon circulation and adversely impact rainfall over the region, develops when the waters in the equatorial pacific region becomes warmer than normal.

During February through early parts of March, the conditions in the region were on the borderline of La Nina, the opposite of El Nino, when the waters are cooler than normal.

But, a subsequent warming trend over the region through the middle of the current month has caused the conditions to become warm-neutral and forecasts from almost all prediction models indicate that the warming trend could continue leading to the development of El Nino during the monsoon season.

### **IMD forecast today**

“There is strong consensus among the experts about the possibility of evolution of an El Nino event during the summer monsoon season,” the statement noted.

When asked about the outlook, the Director General of IMD would only say that the outlook was for the south Asia region as a whole.

“We will come out with our forecast for the country tomorrow [Thursday].”

## Business Line

### PTC India

MAULIK TEWARI

Market leader PTC India is the largest trader in the short-term power market



### PTC India



The company is cashing in on the demand-supply mismatches in power. This is expected to continue.

#### **April 27, 2014:**

Power trading volumes in the country have been on the rise, and one of the key beneficiaries has been the state-run PTC India.

The company, promoted by power majors NHPC, NTPC, PowerGrid and PFC, has seen its volumes grow by 26 per cent to 27,645 million units (MUs) in the nine-month period ending December 2013.

This is reflected in PTC India's earnings, which have almost doubled during this period. Recovery of dues from some of its customers too has helped. Over the past year, the PTC stock has risen 21 per cent. But it is still a buying opportunity for long-term investors.

At the current market price of ₹67, the stock discounts its estimated book value for 2014-15 by 0.7 times. This is lower than its five-year average of 1.03 times. Also, the company's business prospects seem sanguine.

PTC India is the country's leading power trading agency, connecting power buyers and sellers. It is also the nodal agency for cross-border power trading.

Short-term power volumes, the company's mainstay, are expected to grow in the coming years, thanks to the demand-supply mismatch for electricity in the country. Also, long-term trading volumes, which are more stable and where margins are not capped, are expected to pick up. The company's balance sheet is also robust with zero debt.

#### **Growing volumes**

PTC India is the largest power trading company with a 30 per cent share in the short-term power market. It acts as a link between those that have surplus power and those facing a deficit.

It buys short-term power surpluses of state utilities, independent power producers and captive power plants and sells them to customers (mainly state utilities) that face a deficit. For these short-term trades, it earns a margin, which has been capped at 7 paise per unit (on the sale price) by the power sector regulator. For the half-year ended 2013, it made a gross margin of 4 paise per unit.

Besides, it enters into long term power purchase agreements with operational and yet-to-be commissioned plants for assured supply.

To ensure stability in sales volumes, it enters into long-term sales contracts with customers such as state distribution utilities. The gross margin on such sales can be around 7 paise per unit or more depending on the contract. While sales under long-term contracts have shown growth it is those under short-term (less than one year)

contracts that still account for close to 60 per cent of the total volumes. With margins on short-term trades capped, volume growth holds the key here. Long-term sales volumes in 2013, at 3,771 MW, were three times that of those in 2010-11.

PTC India is well-placed to benefit from the power demand-supply imbalance in the country, to which there seems no resolution in the near future. According to data from the Central Electricity Authority, the power supplies in almost all States are short of what is required. In fact, the one major factor that has kept many state power utilities from increasing their power purchases has been their poor financial health.

With many state distribution utilities now hiking tariffs, as mandated by the Centre's financial restructuring plan, the situation is set to improve. With power procurement costs being passed on to the consumer, state utilities may not be forced to curtail purchases.

### **Betting on the long-term**

PTC India is working towards increasing its volumes from medium- and long-term (over one year) contracts.

Unlike short-term contracts, the trading margins on these contracts are not subject to an upper limit. Increasing the volumes under such contracts will aid revenue growth.

During the year, the company signed a 25-year power sale agreement with Uttar Pradesh Power Corporation for 390 MW which will be operational from 2015-16 onwards.

It also received letters of intent for sale of 1,100 MW power on long-term basis from state utilities in Rajasthan, UP and Tamil Nadu. In the quarter ended December 2013, the company commenced supply of 250 MW of power to Bangladesh.

As on December 2013, it had power sale pacts for an aggregate capacity of 7,000 MW. The company also had power purchase agreements (PPAs) for a capacity of 11,000 MW, having cancelled PPAs worth 3,500 MW during the year on account of delays in statutory approvals and commissioning schedules.

### **Financial performance**

Boosted by higher trading volumes, PTC India posted a revenue of ₹8,662 crore for the nine-month period ending December 2013 — up 30 per cent from the year-ago period. It was also able to recover dues of ₹778 crore from UP Power Corporation and ₹118 crore from Tamil Nadu Electricity Board. Its net profit, at ₹182 crore, was almost double of that in the year-ago period. The operating and net profit margins, at 3 per cent and 2 per cent respectively, were up one percentage point each. Good growth prospects of PTC India Financial Services, a 60 per cent subsidiary of PTC India, will also help boost earnings.

The subsidiary's net profit doubled to ₹161 crore during the nine-month period ending December 2013, compared to the year-ago period. Its outstanding loan book grew 67 per cent year-on-year to ₹3,354 crore.

(This article was published on April 27, 2014)

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## THE ECONOMIC TIMES

### GE invests \$24 million in Welspun's MP solar plant

By Shreya Jai, ET Bureau | 26 Apr, 2014, 02:58AM IST

NEW DELHI: General Electric (GE) is entering India's clean energy sector with a \$24-million investment in India's largest solar power plant, the 150 mw project of Welspun Renewable Energies in Madhya Pradesh.

India's vast potential for solar power had also prompted Goldman Sachs to invest about \$320 million in Sumant Sinha-promoted ReNew Power last year in two phases, making it the largest investment so far in Indian renewable energy generation industry.

Asian Development Bank (ADB) invested \$30 million in NSL Renewable Power in May 2013.

India's clean energy sector attracted investments of \$7.8 billion in 2013, 80% of which was through domestic investors, though the amount of foreign funding is rising.

GE is entering India under its clean energy investment initiative totalling \$10 billion. The 150 MW solar power project worth 1,185 crore is owned and operated by Welspun Renewable Energies(WREPL). The project has 885 crore of debt and rest as equity.

"This is the first and only investment by a private equity company in the project. The promoters' money in this project was in form of debt, so we have reduced our debt in the project by the amount pumped in by GE," said Vineet Mittal, vice-chairperson, WREPL.

"Indian solar sector is increasingly catching the eyes of foreign equity investors. Global investors are finding the Indian solar story worth putting their money and risk," said Mittal.

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## TIMES OF INDIA

### Mahagenco fly ash utilization unsatisfactory @ 63%

[Ashish Roy](#), TNN | Apr 28, 2014, 12.29 AM IST

NAGPUR: Mahagenco has been frequently hauled up by environmentalists for not taking measures to control air pollution. The company has always defended its

conduct by saying that poor quality coal makes it difficult to do that. Now, a Central Electricity Authority (CEA) audit has revealed that even fly ash utilization by Mahagenco is far below the minimum expected level.

Ideally, the entire fly ash should be used, but CEA considers performance by companies in the range of 75% to 100% utilization as satisfactory. However, Mahagenco's utilization figure is 63%. The national average is 55.6%. The biggest power producer NTPC has a very poor record of 43% utilization.

While many generation companies fare even worse, there are some utilities, mostly private, that use the entire fly ash. CEA has compiled data for 66 companies for the first half of 2013-14. Sixteen power utilities have used the entire fly ash generated by them. Twenty-one have used up 75% to 100% while the remaining 29 are below 75% usage. Mahagenco falls in the third category.

During this period, Tamil Nadu has achieved fly ash utilization level of more than 98% while Delhi, Gujarat, Jharkhand, Punjab, Rajasthan and West Bengal achieved fly ash utilization level of more than 70%.

The average fly ash utilization of Mahagenco reached 63% in the first quarter of 2013-14 because Koradi and Parli used the fly ash generated in earlier period. The figure for Koradi was 168% and Parli 127%. Other than these two plants, Nashik had the best figures with 70% followed by Khaparkheda at 67%. The poor performers are Chandrapur (43.5%), Bhusawal (44%) and Paras (29%).

The performance of some private power plants in Maharashtra, commissioned four to five years ago, is quite satisfactory. Wardha Power's Warora plant used all the fly ash it generated, JSW Jaigad (96%), Trombay (94%), GMR Warora (98.5%) and Dahanu (91%). The plants that had started a few months ago had poor record of ash utilization during first half of 2013-14. These include Mihan, Mouda, Butibori and Tiroda.

Mahagenco's poor pollution control mechanism has led to discharge of fly ash slurry from Koradi and Khaparkheda plants into Kanhan and Kolar rivers, creating a health hazard for citizens of Nagpur. TOI had highlighted this in a series of articles in January 2013, forcing Mahagenco to take some remedial measures.

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## Business Standard

**Lower prices pushed coking coal import up 18% in FY14**

**Average coking coal prices remained around \$111-\$118 a tonne throughout year in global markets, sharply lower than \$140 a tonne in 2012-13**

**Sadananda Mohapatra | Bhubaneswar**

**April 22, 2014** Last Updated at 22:33 IST

Indian steel producers imported 33.1 million tonnes of coking [coal](#) in 2013-14, an increase of 18 per cent over the previous comparable period, taking advantage of a price slump, said traders and analysts.

[Coking coal](#) is converted into coke for use as a fuel to smelt iron ore. Average prices were \$111-\$118 a tonne through the year in global markets, sharply lower than the \$140 a tonne in 2012-13. "The lower rate was the primary reason why imports surged," said an official of Neelachal Ispat Nigam, a steel billet and pig iron producer in the Kalinganagar steel complex in this state's coastal area of Jajpur.

However, the rising imports did not all go to steel production. Quite a few plants produced coke out of it to sell to other parties, he added.

With 7.5 mt imports, Mormugao was the largest landing port for coking coal from abroad, followed by Paradip with 7 mts. Visakhapatnam retained the third spot with import of 6.9 mt, data from the Indian Ports Association showed.

India annually buys 30-32 mt of coking coal, mostly from Australia. Home production meets only 10 per cent of the requirement. However, in 2012-13, imports slipped below 30 mt due to higher cost.

The rising coking [coal import](#) also reflected an improvement in India's crude steel output. According to World Steel Organisation data, crude steel production rose five per cent to 81 mt in 2013, compared with 77.3 mt in the 2012 calendar year. However, Indian steel demand rose only 0.6 per cent in the year. Coke traders said apart from using coke to produce hot metal, many plants preferred to stockpile the material, fearing a later price rise.

"When prices hit around \$100 a tonne, steel plants just try to increase their stock in anticipation of a future price rise. The rising imports of coking coal and a normal steel production growth indicates steel units have equal focus on production and inventory," said Ganesh Natarajan, chief executive officer of [Ennore Coke](#).

Global coking coal prices have been under pressure for a year, with China and Japan having reduced their orders.

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## Business Standard

[CERC issues power trading license to Parshavnath Power](#)

Press Trust of India | New Delhi

April 24, 2014 Last Updated at 16:59 IST

Electricity regulator CERC has granted an inter-state power trading license to Parshavnath Power Projects Private Ltd.

"Parshavnath Power Projects meets the net worth requirements specified by CERC for grant of licence and has fulfilled other conditions," the Central Electricity Regulatory Commission said in an order.

The balance sheet submitted by the company on September 30, 2013, showed its net worth was Rs 2.66 crore.

"Any entity applying for the trading license should have net worth of Rs 1 crore," CERC said in its order.

Parshavnath Power Projects stated in an affidavit that it will not apply for a power transmission license without surrendering the trading license.

Parshavnath Power Projects is a wholly owned subsidiary of Parshavnath Power, which has a presence in power generation (thermal, hydro, solar and wind), transmission and distribution.

Meanwhile, the CERC withdrew permission to the National Power Exchange to start power trading business. This follows the company's decision to wind up and not renew the license for setting up a power exchange.

National Power Exchange is jointly promoted by NTPC, PFC and NHPC and private sector Tata Consultancy Services.

At present, there are two power bourses in the country, Indian Energy Exchange and Power Exchange India.

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**BusinessLine**

### **Where's the coal to run power plants?**

PRATIM RANJAN BOSE

The de-allocation of coal power blocks will impact power generation. Modi magic cannot alter this fact

"Faith consists in believing when it is beyond the power of reason to believe," Voltaire famously said.

An Indian banker recently mulled over this piece of wisdom when the promoter of a stressed power generation utility sought a “couple of weeks more” to start repaying his loan. “Everything will be alright once Modi-ji is in power,” the creditor said.

It is unclear if Narendra Modi will indeed make it to the hot seat. But if he does, he will have to pull off a Rambo act to help the next government in Delhi clear up the monumental mess the UPA will leave behind, particularly in the energy and infrastructure space.

Take the case of coal. After taking charge in 2004, the UPA dished out over 40 billion tonnes of coal assets to captive miners without a semblance of transparency. The exercise added a mere 15 million tonnes of production in a decade and gifted the UPA with a major scandal to boot.

### **Back to drawing board**

To safeguard itself from legal action, the Congress-led government is now in a hurry to de-allocate nearly half of the 64 assets distributed across nearly 200 private companies between 2005 and 2009. Also revoked are a large number of the 70 captive blocks mindlessly allotted to state-owned companies with hardly any assessment of their ability to develop such assets.

This means the next government needs to start from scratch. Considering the long gestation period in developing mining assets, production will therefore be delayed by another decade. Meanwhile, the new Land Acquisition Act will put fresh hurdles in the way of developing coal assets. So, regardless of who comes to power in May, captive coal production may only inch ahead over the next five years.

But that is just one part of the story.

Nearly half of the 130 blocks allotted to either the private or public sector went to fuel power projects. Approximately 11,000 MW of such capacities are now facing an uncertain future, as most of them failed to develop the assets in time.

To add to the problem, the Centre has de-allocated some of these blocks as the allottees delayed developing them.

There is no way these utilities can be catered to by Coal India Ltd. Because, in an equally irresponsible act, the Government forced the national miner to commit supplies to 78,000 MW of power capacities — far in excess of CIL’s production potential.

Since CIL did not have the requisite capacity, it lowered the supply commitment from 90 per cent to 65 per cent of requirement, forcing new utilities to depend on costly imported coal.

Even this would not have created too serious a problem had all the power stations been operating in a regulatory tariff regime. But the UPA thought differently.

It mandated that distribution utilities go for fixed-tariff based bidding to enter into power purchase agreements (PPAs), thereby blocking every avenue to pass on any rise in fuel costs.

Approximately, 48,000 MW of new private sector capacities, including 12,000-14,000 MW based on imported fuel, entered into such agreements to supply power at levelised tariffs for seven to 25 years.

A few such PPAs have been implemented. The rest are on hold because, all too soon, the impossibility of the agreement became apparent.

To bail out the private promoters from the impending crisis, the Central Electricity Regulatory Commission recently prescribed another controversial solution. Two producers working with imported coal have now been offered compensatory tariffs, opening the floodgates for the 19 other projects (mostly domestic coal-based capacities) to seek tariff revision through the backdoor.

### **Idle capacity**

While such actions may give power sector investors a short-term breather, it is highly probable that allowing all the projects to charge higher tariffs will spark a slew of legal disputes.

Also, it remains to be seen whether there will be enough buyers for this costlier power.

Unofficial estimates suggest nearly 27,000 MW of new capacities are lying idle with Central, State and private sector utilities, as distribution companies have shown little interest in purchasing electricity at over Rs 3 a unit.

However, this price is too low for new capacities to survive. With nearly 20,000 MW capacity addition expected this fiscal, the problem of low demand for power generated from imported coal is likely to continue. "India will not experience a coal crisis for the next couple of years," observes the banker quoted earlier.

But there can be no escaping idle assets in power generation – Modi or no Modi.

(This article was published on April 23, 2014)

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**THE ECONOMIC TIMES**

### **Promoters shelve plans for India's third electricity exchange**

By ET Bureau | 23 Apr, 2014, 04.00AM IST

NEW DELHI: The promoters of National Power Exchange Ltd (NPEX) have decided to wind up what would have been the country's third electricity exchange. State-run

NTPC, NHPCB and Power Finance Corporation (PFC) had joined hands with private IT services provider TCS in 2007 to launch the exchange which got a permission from the electricity regulator two years later to trade electricity in the short-term market.

The two power exchanges operational in India, Indian Energy Exchange (IEX) and Power Exchange of India Ltd (PXIL), account for trading of nearly 3% electricity generated in the country. "NPEX could have been India's first electricity exchange but the promoters could not take it forward despite being the early entrant. Also, they could not work in tandem and PFC ended up acquiring stake in PXIL while other partners were indecisive," an industry executive said.

The Central Electricity Regulatory Commission said in an order on April 17, "Since the group of promoters of NPEX has recommended for voluntary winding up of the company and board of NPEX has decided not to renew the licence for setting up and operation of the Power Exchange, the commission is of the view that the permission accorded to NPEX for setting up and operation of Power Exchange should be withdrawn."

Three years after granting approval, the regulator had observed that the promoters did not progress further on setting up the exchange and asked them to place on record the progress they had made. The regulator also sought definite action plan and firm date of commencement of operations at the exchange. However, the promoters sought more time from the regulator. Subsequently, last month, NPEX promoters decided to voluntarily wind up the company and not to seek renewal of their licence for short-term electricity trading.

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## **TIMES OF INDIA**

### **Power sector urges govt not to allow procurement of sub-standard Chinese equipments**

[Piyush Mishra](#), TNN | Apr 22, 2014, 06.19PM IST

AHMEDABAD: At a time when 30% of the recent capacity addition in Indian power generation sector has been made through use of Chinese equipments, the inefficiency of the installed equipments has become a major cause of concern. If projection made by one of the leading players in the Indian power sector is anything to go by, 1% inefficiency in the operations of these equipment, with collective capacity of 18,000 MW, for their entire life span of 30 years, can cost the country Rs 1 lakh crore.

At a press conference organized by Indian Electrical & Electronics Manufacturers Association (IEEMA) in city on Monday, the stakeholders of the power equipment

manufacturing industry urged the government to take some major initiatives to spur the growth of the industry and the power generation sector as well, which is very crucial for the economic growth.

Raj Eswaran, president, IEEMA said, "Chinese equipments have been used for about 30% of the recent capacity addition in power generation sector. But operations of these power plants have indicated that these equipments are not as efficient as the equipments manufactured by the domestic industry. So while going for new capacity addition, rather than considering the cost of procurement only, we should take into account the actual cost of ownership."

Highlighting the major demands of the association, Vishnu Agarwal, vice-president, IEEMA said, "The government is supposed to clear infrastructure projects worth Rs 6 lakh crore, out of which 50% projects are from power sector. So these projects should be cleared at the earliest."

Expressing concern over the use of Chinese equipment in the power sector, Sunil Misra, director general, IEEMA, said, "It is beyond doubt that the Chinese equipments are sub-standard, but that is not the only concern. Once installed, we need Chinese spare parts and manpower for the maintenance of the power plants on regular basis. In case of any major political conflict between the two countries, this supply can be disrupted and lead to shortage of power supply, which is very crucial for the common man, defence forces and economic growth as well."

Misra also said that as per projections made by one major player in the industry, 1% inefficiency in the operations of Chinese equipments, with collective capacity of 18,000MW, for their entire life span of 30 years, can cost the country Rs 1 lakh crore.



RAJAHMUNDRY, April 22, 2014

Updated: April 22, 2014 21:44 IST

### **It's wait and watch for gas-based power plants**

B. V. S. BHASKAR

*All eight private power plants have shut down due to acute gas shortage*

Six gas-based power projects in East Godavari district with a combined capacity of 5,000 MW have shut down their units due to acute shortage of gas. One of the projects has even started selling gas turbines and other units from its plant. The government, on its part, has said that gas supply is possible only after July.

"We don't know what policy the next government will adopt on gas supply to private power plants. It will take at least two months to put all private power plants in the region on track if we start the gas supply by May-end," says G. Satyanarayana, General Manager, Gas Authority of India Limited (GAIL).

The idle plants due to shortage of gas are GMR's Vemagiri (850 mw), GVK's Jegurupadu Extension (440 mw) and Gauthami (250 mw), Konaseema Gas Power (750 mw) Reliance (450 mw) and Spectrum (450 mw).

The GMR's barge mounted gas-based power plant was originally commissioned at Mangalore in 2001. After operating with naphtha as fuel till April 2010, the barge was moved in July 2010 to Kakinada in Andhra Pradesh, where it was modified and commissioned to operate on natural gas. The GMR Group's Vemagiri plant commenced commercial operations in February 2008. The plant was initially allocated gas from GAIL and later it changed to RIL D-6.

The story of GVK, Jegurupadu, is more or less the same, but it was started much earlier. It started generation in 1996 with a capacity of 235 MW and in 2007, and an attempt was made to expand it. A month ago it barely produced 60 MW and now, the plant is completely closed down.

The GAIL has thrown up its hands citing non-availability of gas from different sources, including failure of D-6 Block of the Reliance Gas.

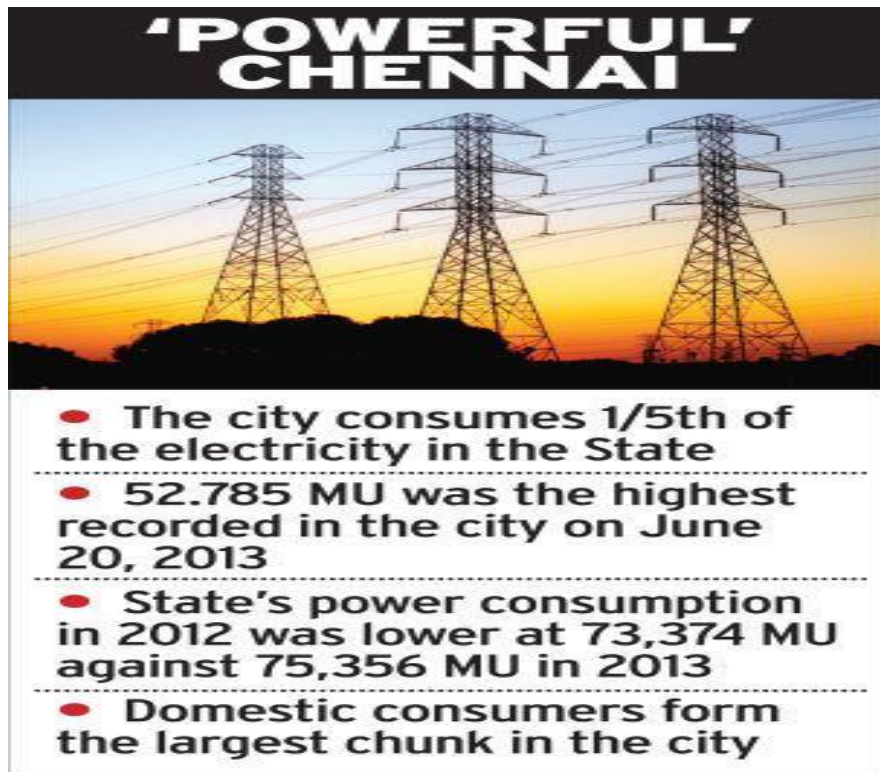
Reliance Infra in Samalkot, established in 1996, immediately started operating with 235 MW and the first unit running successfully till date. Based on GAIL supply, the old unit generates to its capacity only once in three months and its present capacity is 50 to 100 MW for its own use.



CHENNAI, April 22, 2014

Updated: April 22, 2014 01:34 IST

**Chennai consumes 20% of the power of the State**



*MU: million units*

*Source: TANGEDCO*

R. SRIKANTH

The pattern of average electricity consumption in the city has remained stagnant, at 20 per cent, during the past two years, going by the data provided by the Tamil Nadu Generation and Distribution Corporation Limited (Tangedco). But power managers feel a city, which consumes one-fifth of the electricity of the State, has a big say in the power shortage faced by Tamil Nadu.

Citing the peak evening demand of 3,000 megawatt (MW) in the State, a senior Tangedco official confirms that the city's part was 1,500 MW. This shows that domestic consumers having air-conditioners play a major role in the consumption pattern.

S. Gandhi, president of the Power Engineers Society of Tamil Nadu, has said that while industries that consume around 37 per cent follow energy economy because of the constant load factor, the domestic sector stands second, with its consumption growing from 23 to 30 per cent in the past three years. On the other hand, he says, consumption for agricultural purposes has come down from 27 per cent to 18 per cent, and commercial supply stand at 11.50 per cent.

The data also show that the peak power consumption is for four months between May and August, with the city consuming the highest during June. During 2012, the State consumed 73,374 Million Units (MU) as against 73,356 MU during 2013, with the city consuming the highest (52,785 MU) on June 20, 2013.

A Tangedco official says it is because June is the month when the summer peaks. But what is surprising is that the consumption in the State during the past two years has come down, compared with the consumption of 77,637 MW during 2011.

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## THE ECONOMIC TIMES

### NMDC almost done with due diligence for Indonesia coal mine

By PTI | 18 Apr, 2014, 06.00PM IST

NEW DELHI: Iron ore miner NMDC has almost completed due diligence for a thermal coal mine in Indonesia owned by Shree Renuka Sugars which it plans to buy primarily for trading purposes.

"Due diligence on the asset owned by Indonesian stock exchange-listed PT Renuka Coalindo Tbk is almost finished and the report is likely to come by the end of the current month," a senior NMDC official told PTI.

After evaluating the due diligence report, officials of the state-owned company will visit the mine in Jambi province of Sumatra for a first-hand assessment and based on their feedback, a decision on the acquisition will be taken, he said.

Shree Renuka Energy, a Shree Renuka Group company, owns the mine through its listed subsidiary PT Renuka Coalindo Tbk.

The concession for the Jambi Prima Coal Mine, spread over 1,000 hectares, was acquired by the company in 2008 and production started in April 2010.

According to Shree Renuka Energy's website, it is one of the largest coal mines in the Jambi region, with resources of 120 million tonnes. Current production of 1 million tonnes of coal per annum is expected to be ramped up to 5 million tonnes a year by FY17.

"NMDC does not need thermal coal at this point of time. The acquisition is mainly for trading purposes and not for internal consumption. India needs a lot of thermal coal. The acquisition is aimed at minimising the supply deficit," the official said.

However, the company may use coal from the mine after its proposed 500-MW power plant in Uttar Pradesh goes on stream in about three years. NMDC has been allocated thermal coal mines to feed these plants.

India's coal imports may rise to 185 million tonnes by 2017 amid a widening demand-

supply deficit, according to the draft paper of the Planning Commission for the 12th five-year Plan.



## Four sub-stations to boost Chennai power supply

T. RAMAKRISHNAN

**MORE POWER FOR CHENNAI**

- Four high-capacity substations proposed
- Meant to facilitate higher power flow from generation plants
- Each substation to have **400-KV** capacity
- To come up in **Korattur, Manali, Guindy and Sholinganallur**
- Funding mainly from Japan International Cooperation Agency
- Plan to commission all by **2017**
- One more substation planned in **Pulianthope**

*They will be set up at Korattur, Manali, Sholinganallur and Guindy with funding from JICA*

Chennai will receive more electricity in a few years with four high-capacity sub-stations being planned in the city.

Now, the city and its neighbouring areas account for 3,000 megawatt (MW), equivalent to one-fourth of the State's average demand of 12,000 MW. The figure is likely to go up in the coming years.

These substations, to be set up at Korattur, Manali, Sholinganallur and Guindy, will form part of the Japanese International Cooperation Agency (JICA)-aided project. Of the project cost of Rs.5,000 crore, the JICA gives Rs. 3,500 crore in assistance, with the rest coming from the Tamil Nadu Transmission Corporation, an official says. "Associated transmission lines will also be laid."

### Better power flow

Each station, with a capacity of 400 KV (kilovolt), will ensure better power flow to load centres, besides helping to achieve stability in grid operation. All the substations will be commissioned by 2017.

At present, there are four such stations, but all of them are located on the outskirts of the city: Sriperumpudur, Sunguvar Chatram, Almathi and Kalivandapattu.

## One more in Pulianthope

Going by the rule of thumb that one 400-KV station handle the load of 750 MW, the new stations will take care of 3,000 MW. If this were to be added to the existing stations, the total will go up to 6,000 MW. Furthermore, one 400-KV station has been planned at Pulianthope, and this will be outside the JICA programme. Another in the city is also being proposed, the official says, hoping that these stations, once commissioned, will meet the requirements for 10 years.

As part of the JICA programme, there will be one more 400-KV substation, which will come up at Karamadai, on the outskirts of Coimbatore.

Also, fourteen 230-KV substations will be established across the State, one-half of which will be in southern districts.

## Transmission projects

On the status of the three major transmission projects, the official says one linking Kayathar in Tuticorin district with Sholinganallur, and another linking Tiruvalam in Vellore district to Mettur in Salem are expected to be commissioned in the next few months.

The project to link Thappagundu in Theni district to Salem is likely to go on steam by June 2015. While the Kayathar-Sholinganallur line is likely to be ready in a few weeks, work on the Tiruvalam-Mettur line will be completed by June. These projects are estimated to cost Rs. 4,450 crore.

The Kayathar-Sholinganallur and Thappagundu-Salem projects are essentially meant for renewable energy. Each line is capable of evacuating at least 2,000 MW, the official adds.

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## TIMES OF INDIA

### No demand for power, Warora plant shut down

[Ashish Roy](#), TNN | Apr 17, 2014, 01.53 AM IST

NAGPUR: The dream of several companies to earn a lot of money by setting up power plants has gone sour, as they are unable to find buyers for the electricity generated by them. The latest casualty is Wardha Power Company Limited's (WPCL) 540MW power plant at Warora.

The plant has been closed down since April 1 due to lack of demand for power. The three-year power purchase agreement (PPA) with Reliance Energy ended on March 31 and the latter did not renew it, since its own 600MW plant at Butibori was lying idle.

Sources in the company said WPCL had to buy a lot of coal from the open market, which had pushed up its cost. "It's a buyers' market now, and only power plants that

have full coal linkage can survive. To add to our woes, MSEDCL, a discom, has started selling its surplus power," a source said.

The official version attributes the shut down to some technical problems due to which some units had to be taken out for maintenance, plus some other problems. The official couldn't give any time frame for the plant to restart.

The website of Maharashtra State Load Dispatch Centre (MSEDCL) reveals the true picture. The 135MW unit no. 1 is offline due to turbine vibration while the remaining three 135MW units do not have any schedule, which means there is no order for purchasing power.

The Warora plant, an undertaking of KSK Group, was the first private power station to come up in the state after the ill-fated Dabhol plant. It was commissioned in June 2010. However, its woes began just before it was commissioned.

The company had signed a PPA for 270MW with Mumbai-based company Viraj Profiles Limited, which wanted to utilize the power for captive usage. The remaining 270MW was to be sold to various industries in the state. However, due to some differences, the PPA was cancelled.

MSEDCL purchased some power from Wardha Power and the company also sold some in the open market. Finally, in early 2011, it got a three-year contract to supply 300MW to Reliance Energy Limited (REL), which distributes power in suburban Mumbai.

Another power plant in Warora, GMR's 600MW, has been put up for sale as the GMR Group is not in good shape. Talks are going on with Tata Power and some other power companies in this regard.



### Steel cos strike spot deals for coking coal

Tuesday, 15 April 2014 - 8:30am IST | Place: Mumbai | Agency: DNA

Dhwani Pandya

Only sourcing 60% of requirement through long-term deals as spot coking coal prices have fallen significantly below long-term prices

Indian steelmakers are increasingly sourcing their coking coal requirements from spot market as spot prices have substantially fallen below long-term prices in the last two quarters.

From being completely dependent on long-term contracts, steelmakers are now sourcing only 60% of their coking coal requirements through that route, an official from a leading unlisted steel company said.

If the price differential between spot and long continues, they may even bring down long purchases to 30-40%, according to industry experts.

Coking coal, considered relatively stable commodity price-wise, has been seeing some severe price fluctuation in global market due to increased supply and fall in demand from China.

For the April-June, most Indian steelmakers are likely to sign coking coal contracts at a six-year low of \$120 per tonne. But spot market price has come down even further to \$107-108.

"Since October, long-term agreements (LTA) for coking coal are being signed at a premium of \$5-\$7 to the spot prices. Prices in spot market have fallen rapidly. Increased availability of coal mainly due to less absorption from China and US have brought down spot prices," Prakash Duvvuri, head of research at OreTeam, a Delhi-based iron ore research firm, said.

At present, China is facing an overcapacity of steel, due to which the production of the alloy has slowed.

Following the slump, China is expected to import only 620-625 million tonne (mt) as against an earlier expectation of 630 mt. Even the US is now moving more towards Direct Reduction Iron (DRI) steel making using shale gas rather than buying coking coal.

Giriraj Daga, senior analyst with Nirmal Bang Securities, said LTAs for coking coal were signed at \$143 in January-March when spot price averaged at \$135.

"It seems that availability of coking coal from smaller players especially from South Africa has increased which has lead to this sharp fall in spot prices," he said.

Earlier LTAs for coking coal were used to be signed for a year, but this duration has now shrunk to a quarter and it may even come down to a month if price differential between long and spot prices continues, Duvvuri said.

Uncertainty of steel demand and volatile prices are key reason for shorter LTAs.

Another reason is that spot purchase allows more flexibility to steel companies for sourcing the key raw material.

"Many steelmakers in India have cut their production capacities, and need to reduce their coal consumption. LTAs do not offer flexibility of cutting down purchase abruptly, which has also led to preference towards spot market," he said.

Among leading steelmakers Tata Steel imports 50% of its coking coal requirement while Steel Authority of India 70%. BHP Billiton of Australia is the biggest coking coal supplier for Indian steelmakers. R K Goyal, managing director at Kalyani Steel, said that steelmakers traditionally prefer LTAs over spot purchase to ensure timely availability of the raw material and to avoid uncertainty.

Daga said players having huge requirements would still prefer to buy coal through LTA than spot.

Industry experts do not expect the price differential in long and spot markets to continue for long.

"I don't expect this trend to continue for long as the equilibrium between long and spot price would be re-established. I expect prices to stabilise at \$130-140, going ahead," Daga said.

Duvvuri expects this trend to continue for 2-3 quarters or even till March.

"There is no deficit of coking coal in seaborne trade unlike iron ore. So there is less likelihood of fluctuation prices going ahead. In 2014, prices may average around \$135 but are likely to again increase to \$140 in 2015 following increase in demand from India and some improvement in China," he said.

The official from the unlisted steel company said India's steel production in the current fiscal is likely to improve by 10 mt, which means 12-14 mt of additional coking coal requirement.

Coking coal imports in 2013-14 were \$32-33 million tonne while this fiscal they are expected to go up to 35-36 million tonne.

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## Business Standard

Disallowing power sale through open access to impact industry

Press Trust of India | New Delhi

April 15, 2014 Last Updated at 20:56 IST

### RELATED NEWS

The decision of [Gujarat](#) and [Karnataka](#) to disallow the sale of electricity through open access could negatively impact operations of almost 200 industrial consumers, the [CII](#) said.

"With this decision coming into effect, industrial electricity consumers in Gujarat will now buy power from within the state at Rs 6-7 per unit as opposed to the Rs 4-4.5 per unit charged by power exchanges," CII said in a statement.

In Karnataka, the freedom of generators to sell electricity to consumers in other parts of the country has been curbed after the government restricted electricity sales to within the state's boundaries.

These decisions challenge the principles of open access in the Electricity Act, the Confederation of Indian Industry said. Open access allows customers to choose their electricity supplier from competing companies instead of being forced to buy power from their local utility monopoly.

"States need to promote the spirit of competition and choice to customers. Open access is at the centre of the new Electricity Act 2003 and must therefore be supported and pursued by all stakeholders in the electricity business," Anil Sardana, Chairman of the CII National Committee on Power, said in the statement.

The consumer's ability to explore competitive electricity prices, thereby contributing to economic competitiveness of their products and services, is an important aim of the Act, said Sardana, who is also Managing Director of [Tata Power](#).

Currently, over 2,400 industrial and commercial consumers, including those in the steel, aluminium, textile and glass sectors and commercial complexes and malls, buy electricity from power exchanges, leveraging open access.

The act allows large users of power, typically with a connected load of 1 MW and above, to buy electricity from the open market.

It helps large consumers, especially sick textile, cement and steel industrial units, by ensuring regular supply of electricity at competitive rates and boosts the business of power bourses.

The provision is also intended to unshackle the power sector by fostering competition, transparency and efficiency for the good of the consumer and the sector.

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**THE HINDU**

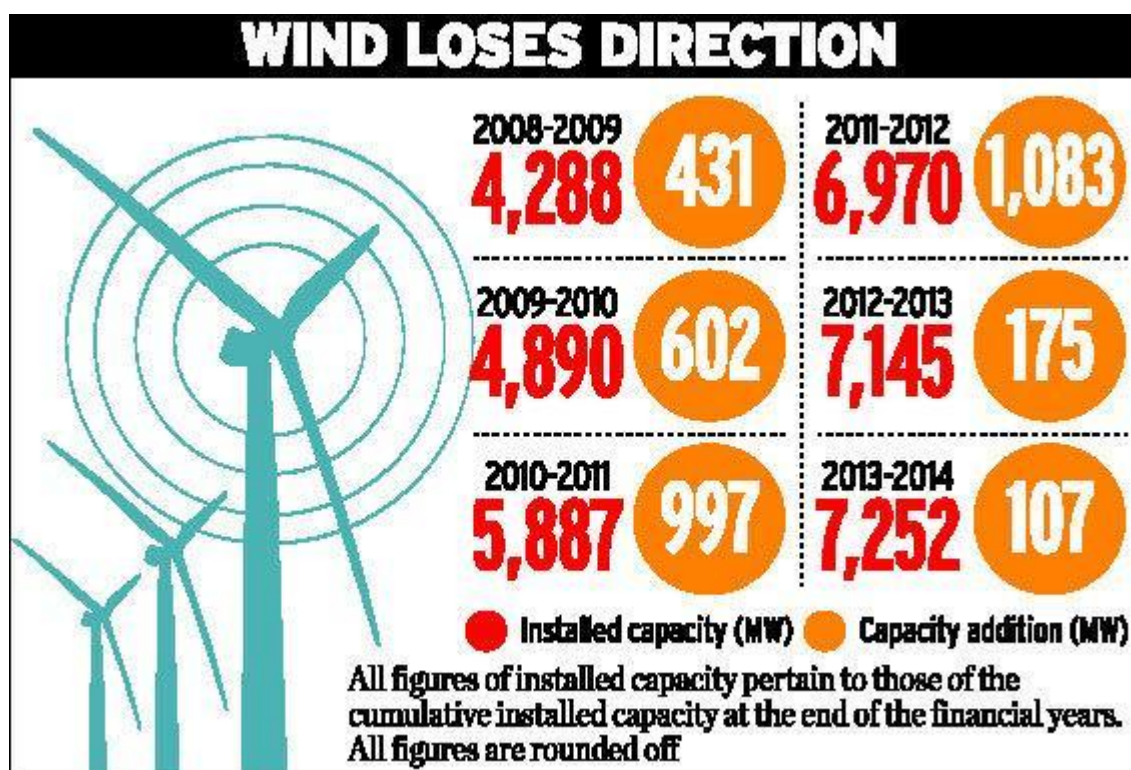
CHENNAI, April 9, 2014

Updated: April 9, 2014 02:52 IST

## Marginal capacity addition casts a shadow over wind energy

T. RAMAKRISHNAN

*In the last two years, wind mills of a mere 282 MW were commissioned*



Is the end of Tamil Nadu's wind power "growth story" in sight? In a State that witnessed an unprecedented growth in the sector of wind energy not long ago,

capacity addition during the just-concluded financial year of 2013-2014 was marginal, with 107 megawatt (MW).

The capacity of wind mills, which was around 2040 MW in April 2005, rose to 6,971 MW seven years later. This meant an average increase of 616 MW a year. In monetary terms, going by the Tamil Nadu Electricity Regulatory Commission's approved figure of capital cost of Rs. 5.75 per MW, the State saw a capital investment of Rs. 3,540 crore every year.

During 2011-2012 alone, the increase in the installed capacity of wind mills was 1,083 MW. But, since then, the sector saw only an incremental increase. In the last two years, wind mills of a mere 282 MW were commissioned.

Interestingly, despite the Central government's policy intervention last year, there has been little improvement. A generation-based incentive (GBI) scheme was reintroduced, but the capacity addition was modest.

A senior policymaker says the sector has been thriving on the basis of one sop — accelerated depreciation. Once this was withdrawn in April 2012, the sector has just crumbled, he says. Though industry does not accept this point, it has been demanding restoration of this concession.

Energy specialists A.D. Thirumoorthy and Vineet Vijayaraghavan acknowledge that the potential of the existing sites has almost been exhausted. In terms of land availability and supporting infrastructure in the present regions such as those in Kanyakumari, Tirunelveli, Theni and Coimbatore, the level of saturation is quite visible.

But, the president of the Indian Wind Power Association, K. Kasturirangaiyan, has a different take. It is not just in Tamil Nadu but also in other States that the rate of growth has gone down. The capacity addition nationwide was 3,200 MW a few years ago. Now, it should be around 1,500 MW.

However, the specialists say there is enormous potential for growth of the sector in the State. While Mr Thirumoorthy feels that with greater technological advances, the sector is bound to grow further, Mr Vijayaraghavan points out that new sites are being developed, and it will take a few years for transmission infrastructure to be put in place. Mr. Kasturirangaiyan reckons that the restoration of the benefit of accelerated depreciation will give the sector a fresh lease of life.

### **Combined installed solar power capacity up to 101 MW**

A slowdown in the growth of wind power in Tamil Nadu may not mean the same for another area of renewable energy. The State witnessed the highest quantum of capacity addition in solar power.

In the just-concluded financial year of 2013-14, solar power units of 81 megawatt (MW) were added. This took the combined installed capacity to 101 MW. In the last one year, the units of 79 MW had been commissioned under the Renewable Energy

Certificate (REC) scheme, while rooftop units of about 2 MW were put up, according to official data. A large chunk of the solar units has been put up by high-tension consumers, meaning big commercial and industrial establishments. Industry is upbeat about the development.

C. Narasimhan, president of the Bangalore-based Raasi group of companies, and Pashupathy Gopalan, president of Sun Edison-Asia, a U.S.-based multinational company, say that it is an indication of what is to come. Both say the growth could be many more times than what has been achieved.

Pointing out that there are tariff issues to be sorted out, Mr. Narasimhan calls for the intervention of the authorities to resolve them at the earliest.

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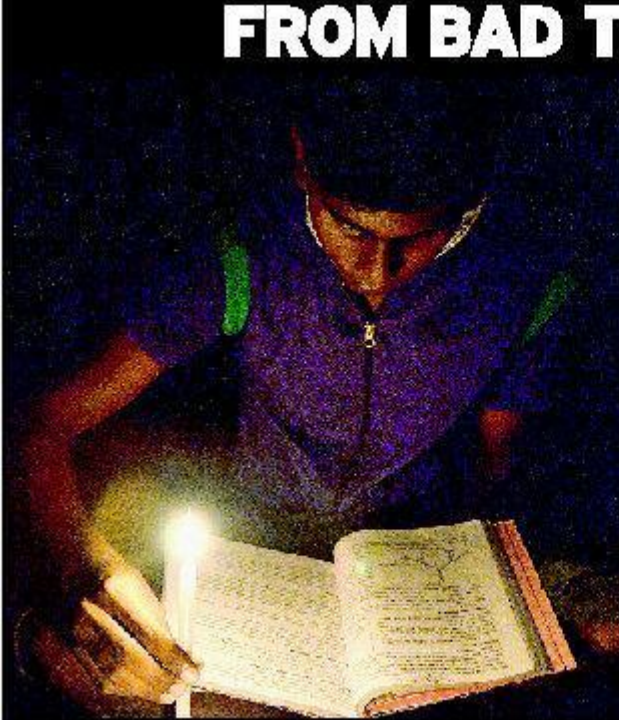
## THE HINDU

CHENNAI, April 11, 2014

Updated: April 11, 2014 03:57 IST

### Many parts of Tamil Nadu experience load shedding

TAMIL NADU BUREAU

A photograph showing a person in a dark room, illuminated only by a single candle. The person is leaning over a table, reading an open book. The candle is in a holder, and its light is the primary source of illumination, casting a warm glow on the book and the person's face. The background is dark, emphasizing the isolation and the need for alternative light sources during power outages.

### FROM BAD TO WORSE

- **Eight hours in rural areas and six hours in urban areas**
- **Mostly unscheduled, say residents**
- **Reports of load shedding of 10 to 15 hours in some villages of Tiruvarur and Nagapattinam districts**
- **Disruption in two new units cited for present mismatch of demand and supply**
- **Overall energy deficit - not more than 10 per cent**

Power cuts are back. For the past one week or so, many parts of Tamil Nadu, especially rural areas, are experiencing long hours of load shedding in different spells.

As in the past, Chennai has been spared. However, the duration in the rest of the State varies. Urban areas have been witnessing three to six hours and rural areas six to eight hours of power cut.

In some places, there are even reports of load shedding for over 10 hours to 15 hours a day. "We have 10-11 hours of power cut starting from 8 a.m.," says Thangadurai of Karupampulam in Nagapattinam district. A few days ago, P.R. Pandian, a member of the State council of the Tamil Nadu Vivasayigal Sangam, was in his native village of Irulneeki in Tiruvarur. "There was no supply for 15 hours," he says.

One of the consequences of the latest round of the crisis is felt in the public water supply system in rural areas. Already, the groundwater table is down in many places because of the failure of the northeast monsoon in 2013. The hardship for the public grows further when even the available quantity of water could not be drawn, says Kandasamy of Panakadu Andipatti in Veerapandi, Salem district. These days, Pudukottai district has been witnessing demonstrations in several places, K. Balakrishnan, leader of another farmers' body, points out.

S. Marikannu, a farmer from Ariyakulam near Palayamkottai, says: "The problem of low-voltage, coupled with power cuts, has forced us to go for the installation of starters [for irrigation pumpsets], which cost over Rs. 3,000."

Views differ over the supply position at night. G. Ajithan, a resident of Mohanur near Namakkal, says the supply is not cut off at night, while Murugan in the Vikravandi block of Villupuram concedes that the supply does go off for one hour in his village after 10 p.m.

Senior officials of the Tamil Nadu Generation and Distribution Corporation attribute the present phase to the loss of generation from two new units in Mettur and North Chennai. This means non-availability of 1,000 MW. At least, one unit will resume production in a few days. As regards the duration of load shedding, they say it does not go beyond two hours in urban areas and three hours in rural areas.

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## Business Standard

### FICCI slams states' moves to curb open access in power sector

IANIS | New Delhi

April 7, 2014 Last Updated at 15:16 IST

The Federation of Indian Chambers of Commerce and Industry ([FICCI](#)) Monday strongly opposed the recent move by states to curb competition in the power sector and restrict open access.

"FICCI strongly opposes the recent move by states to curb competition in the power sector by invoking Section 11 of the Electricity Act, 2003 and restricting open access," the industry chamber said in a statement here.

"Instead of provisioning for sufficient electricity to meet consumer power demands, states have decided not to pursue the spirit and provisions of the Act. Even after 11 years, the implementation of the Act continues to remain a challenge," it added.

"Open access to the transmission and distribution network is the cornerstone of the Act, which was meant to unshackle the power sector by fostering competition, transparency, efficiency for the ultimate good of the consumer as well as the sector", said A. Didar Singh, secretary general, FICCI.

Saying such incidents are expected in view of the approaching general elections, FICCI drew attention to certain imperatives for bringing in real competition into the sector.

"Strengthening of Section 11 is vital in order to prevent its misuse by the states. The term 'extraordinary circumstances' mentioned in the statute must be defined and usual shortage of power should not qualify under this provision", the industry body said.

It pointed out that over 2,400 consumers and more than 200 captive generators across various industry and commercial segments are leveraging open access to optimise their costs.

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## Business Line

### Electricity prices fall 8% at energy bourse

OUR BUREAU

**NEW DELHI, APRIL 7:**

The price of electricity sold on the Indian Energy Exchange fell to ₹3.03 a unit in March on the back of transmission constraints imposed by few States.

The average Market Clearing Price (MCP) for the month was almost 8 per cent lower than ₹3.29 per unit in the previous month.

"The exchange expected significant increase in demand of electricity in lieu of the impending Lok Sabha elections this month, however, transmission constraints as well as open access restrictions in Gujarat and Karnataka led to stagnancy in the spot market," IEX said in a statement.

In March, Karnataka prohibited its generators from selling electricity outside the State. Gujarat imposed restriction on open access buyers in two of their distribution companies restricting them from buying electricity under short-term open access due to technical constraints.

The unavailability of the transmission corridor continued to be a deterrent in March also. “Moreover import of electricity into Southern region, and Northern region along with exchange of electricity between southern states was affected due to congestion,” it said.

(This article was published on April 7, 2014)

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## Business Line

### Wind industry adds 2,126 MW in FY14

M RAMESH

#### CHENNAI, APRIL 5:

Thanks to a spurt in wind power installations in March – estimated to be over 800 MW – the total wind power capacity added to the country in 2013-14 has come up to 2,126 MW, a figure that has surprised many. Installations in 2012-13 were at 1700 MW.

Only in early February, the Ministry of New and Renewable Energy told Parliament that installations in April 2013 to January 2014 totalled 1,148 MW. Against that backdrop, few in the industry and none outside believed that even the March-momentum would carry the total installations past the 2,000 MW-mark.

Sources in the industry say that a major reason for this was the government beginning to disburse the ‘generation-based incentive’, from December.

Until then, investors were keeping their fingers crossed over whether the GBI, formally approved in October, would be implemented or not. Between December and March, the Union Government disbursed about ₹300 crore by way of GBI, of 50 paise per kWhr of electricity.

Madhusudhan Khemka, Chairman and Managing Director, Regen Powertech, and Chairman of the Indian Wind Turbine Manufacturers’ Association, feels several projects got cleared in a bunch in Maharashtra.

The State, incidentally, ended up with fresh installations of 847.70 MW and ranks No.1 in terms of capacity additions in 2013-14, compared with 281 MW in the previous year.

#### Better year ahead

In contrast, Rajasthan fell from 645 MW in 2012-13 to 47.6 MW in 2013-14.

The mood in the industry has suddenly turned positive, nourished by the efforts of the Ministry of New and Renewable Energy to get another key incentive — the tax-saving ‘accelerated depreciation’ — brought back.

Industry sources also say that next year would be an even better year for one more reason. In the last couple of years, wind power companies bought substantial capacities of pre-owned assets.

As the opportunity for acquisition gets used up, these companies would begin to buy new machines, sources say.

The Spanish wind power major, Gamesa, led the table with sales of 426 MW, followed closely by Suzlon with 400 MW.

Windworld (previously, Enercon) sold 351 MW of machines, while Regen Powertech sold 331 MW turbines.

(This article was published on April 4, 2014)

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## Business Standard

### Tata Power plans to add nearly 850 MW generation capacity

**Country's largest private power producer has an installed generation capacity of about 8,560 MW**

**Press Trust of India | New Delhi**

**April 3, 2014** Last Updated at 15:46 IST

[Tata Power](#) is in the process of completing projects having a total generation capacity of nearly 850 MW, which would take its overall capacity to more than 9,000 MW.

At present, the country's largest private power producer has an installed generation capacity of about 8,560 MW.

Out of the total, 7,647 MW comes from [thermal projects](#) and 912 MW from green energy sources.

In a statement issued today, Tata Power said it is in the process of executing a number of power plant projects, "which, upon completion, are expected to increase the company's overall generation capacity by 849.2 MW."

Among the projects under execution are two wind energy plants in South Africa.

The 94.8 MW Tsitsikamma and 134.4 MW Amakhala Emoyeni wind projects in South Africa are "expected to be commissioned in fiscal year 2017."

Both projects are being developed by Cennergi (Pty) Ltd -- a 50:50 joint venture

between Tata Power and Exxaro Resources.

Tata Power Managing Director [Anil Sardana](#) said the company has a strong track record of successfully implementing large and complex projects across the [power sector](#).

"Today, we are an established power generation group with a strong track record and extensive industry experience. This has helped us to identify new opportunities and plan expansions across our generation assets," he added.



### **Major Indian ports handle 17 pct more imported coal in 2013/14**

**NEW DELHI** Fri Apr 4, 2014 6:08pm IST

(Reuters) - India's major state-owned ports handled 17 percent more imported coal in the fiscal year ended March, according to data from the Indian Ports Association (IPA), as its coastal power firms stepped up generation to meet growing demand.

A rush to add power capacity after years of under-investment has forced Indian generators to increase coal imports as state-run domestic monopoly Coal India Ltd ([COAL.NS](#)) has struggled to meet demand. Coal-based power generation rose 8 percent to 587.64 billion kilowatt-hours in April-January.

The rising demand from India, Asia's third-largest economy and the world's No. 3 coal importer, has helped coal producers in Indonesia and Australia cope with global oversupply and a price slump.

Total coal handled by India's 12 major ports jumped to 104.7 million tonnes in 2013/14 from 86.7 million a year earlier, the IPA data showed on Friday.

Thermal coal imports through the ports leaped 22 percent to 71.6 million tonnes, while shipments of cooking coal, used in making steel, rose 18.3 percent to 33.1 million tonnes.

India's major ports handled about two-thirds of coal imports of 137.6 million tonnes in 2012/13. The country has about 176 so-called minor ports.

More than 80 percent of India's coal output comes from Coal India, which has fallen short of its output target for at least the past seven years due to difficulties in obtaining environmental approvals, lack of railway access and other issues.

India's total coal production rose by just about 2 million tonnes to 562.4 million in calendar year 2013.

(Reporting by Krishna N Das; editing by Jane Baird)

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## THE ECONOMIC TIMES

### Captive power projects lose Railway linkages

By Mitul Thakkar, ET Bureau | 3 Apr, 2014, 04.00AM IST

NEW DELHI: The Indian Railways has told Coal India subsidiaries that it does not have adequate freight wagons to carry coal for captive power producers in a move that will hit a majority of captive power projects in the country.

Lack of rakes will adversely affect over 70% of the about 50,000 mw of captive power production capacity installed by industrial houses, according to the Indian Captive Power Producers Association (ICPPA).

Last week, divisions of the Indian Railways wrote to Coal India subsidiaries Central Coalfields, Mahanadi Coalfields and South Eastern Coalfields that they are changing rake allotment system from April 1 due to various reasons. Companies such as Hindalco Industries, Jubilant Life Science, Balco, DCM, Ultratech, SRF, Aditya Birla Chemicals, India Glycols, Century Paper & Pulp, ACC Ltd and Adhunik Alloys & Power will now have to shell out extra for transport or will be compelled to procure expensive coal from open market.

"Captive power producers will have to move 4,000 tonne of coal by road to as far as 1,000 km due to cancellation of each rake by Indian Railways," Rajiv Agrawal, secretary at ICPPA, said. "It is not viable and easy for companies to undertake such a massive exercise due to costs and uncertainties involved in road transport. Captive power producers have to shell out Rs 50-100 lakh more due to cancellation of each rake," he said. ICPPA members now plan to make a representation before the Indian Railways to seek withdrawal of its circulars to Coal India subsidiaries.

Agrawal said the railways is favouring governmentrun power generation companies and independent power producers at the cost of industries banking on captive power projects. "It has been observed that Indian Railways prefer to cater power projects

located closer to coalfields to achieve its coal handling targets easily," he said.

After receiving the railways' letter, Central Coalfields had issued a notice, telling its customers to arrange for road transport. "It is likely that consumers would not be granted allotment against offers by Central Coalfields for the respective consumers as railways have issued an embargo that sidings would only have arrears eight times of the average loading rakes of the preceding month.

It is requested that all captive power projects, consumers taking coal by rail mode may book their allocated monthly quantity through road mode as it is uncertain that dispatch of coal may be available by rail mode," read the notice issued on Friday.

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