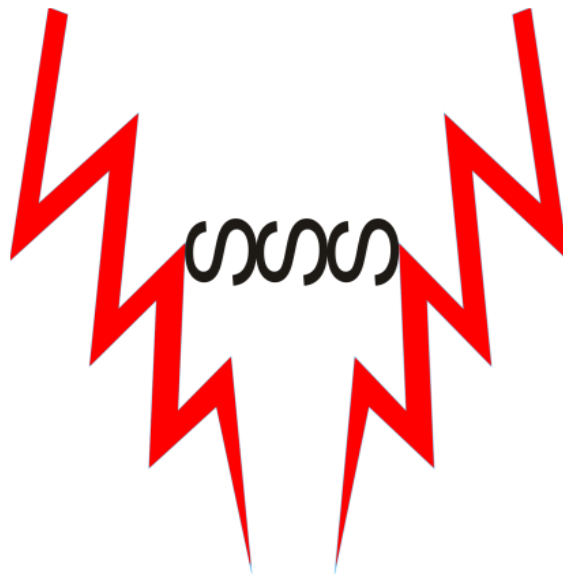




POWER FACTOR

IN-HOUSE NEWS COMPILATION: June 2014

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Exchange Price Index: June 2014

IEX:

Year: 2014

Year Month		S2
2014	Jun	5025.81

Summary	S2
Average (RTC)	5025.81
Peak	5798.67
Non Peak	4832.04
Day	5239.36
Night	4504.23
Morning	4549.44

PXIL:

Summary

June			
Sub Region	Area Clearing Price (ACP)		
	Min	Max	Avg
S2	1000.00	6100.00	3712.06

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Monsoon expected in North India by July 5; 80% deficient rainfall in

Gujarat, Rajasthan

[Press Trust of India](#) | New Delhi | June 29, 2014 12:37 pm

Gujarat is reeling under extreme dry weather conditions and the deficit here has mounted to 88 from 78 per cent till June 17.

The national cumulative average of rainfall in June is deficient by a whopping 42 per cent.

Only 43.4 mm of rainfall in first spell of monsoon

The national cumulative average of rainfall in June is deficient by a whopping 42 per cent, making it only the 12th instance in the past 113 years when rain shortfall was over 30 per cent in the month, according to a private forecasting agency. States like Gujarat and Rajasthan have over 80 per cent of deficient rain.

The respite is that monsoon is likely to revive in the first week of July and rain is expected in the national capital and northwest plains from July 5, the agency added.

“As of now, the national cumulative average monsoon rain is deficient by a whopping 42 per cent, making it only the 12th instance in last 113 years when rainfall deficit has been over 30 per cent in the month,” Skymet, a private forecasting agency said.

“Gujarat is reeling under extreme dry weather conditions and the deficit here has mounted to 88 from 78 per cent till June 17. Similarly, even Rajasthan is facing a huge deficit,” it said.

“The Northern Limit of Monsoon (NLM) continues to pass through Veraval, Surat, Nashik, Wasim, Damoh and Sultanpur. The western arm, passing through Veraval, Surat and Nasik has been stagnant for the 13th consecutive day,” it said.

According to the Indian Meteorological Department (IMD), the rainfall in the country has made marginal progress as compared to last week. It received 74.4 mm of rainfall from June 1 to June 25, as compared to normal precipitation of 124.5 mm, which is 40 per cent less.

The IMD says the rainfall recorded from June 1 to June 18 in the country was 45 per cent less than what was expected in its first spell. It received 43.4 mm of rainfall as compared to normal rain of 78.8 mm from June 1 to June 17.

Central and northwest India continued to receive less rainfall from June 1 to June 25. Northwest India received 25.0 mm of rainfall as compared to normal rainfall of 48.3, which is 48 per cent less while central India received 51.4 mm as compared to normal rainfall of 118.9 mm, which is 57 per cent less.

MET department has also said that the monsoon will revive in the first week of July. “A fresh western disturbance would affect northwest India in the beginning of July. We are expecting mild interaction of monsoon and western disturbance and this will help in advancement of monsoon in Northern Uttar Pradesh, Himachal Pradesh and Jammu division,” B P Yadav, Director, IMD.



CHENNAI, June 29, 2014

Load shedding continues

SPECIAL CORRESPONDENT

Load shedding in parts of Tamil Nadu continued for the third day on Saturday.

As much as 1,285 megawatt of load was shed, as per the reading of the Tamil Nadu Transmission Corporation at 7.50 a.m. There was a sharp fall in the availability of wind energy, which accounted for 684 MW. The total demand met then was 11,094 MW. Even in the early hours (1.50 a.m.), wind power production was 1,844 MW.

According to a statement of grid details of the Corporation, there was no load shedding on Friday evening (7.25 p.m.).



IEX launches mobile app

DEBABRATA DAS

NEW DELHI, JUNE 27:

Indian Energy Exchange has launched a mobile application to mark its sixth anniversary celebrations.

The application is available for android devices and gives access to real-time prices and volume information in the Day-Ahead Power Market, besides providing information on the REC Market as well as latest notifications and circulars from IEX.

IEX also unveiled a study on the Indian power market which discusses the evolution of exchange-based power markets and their contribution in shaping India's power sector. The study says that the volume of power traded through exchanges has risen 14-fold since inception or 3 per cent of the total electricity generated in the country.

(This article was published on June 27, 2014)



CHENNAI, June 28, 2014

Updated: June 28, 2014 01:00 IST

It's official. Load shedding is back

T. RAMAKRISHNAN

Several parts of the State experienced power cuts for the past two days

The haunting power cuts are back. And it's official.

Several parts of Tamil Nadu experienced power cuts for the past two days, with the duration ranging from two hours in rural areas to half-an-hour in urban localities, except Chennai.

That load shedding has come back is acknowledged in the daily statements of grid details, hosted on the website of the Tamil Nadu Transmission Corporation (TANTRANSCO), a subsidiary of the TNEB Limited.

On Thursday, the quantum of load shedding was 932 megawatt (MW) in the morning and about 260 MW in the evening. On Friday morning, it was around 980 MW.

The power cuts have returned a month [after Chief Minister Jayalailthaa announced their lifting for high-tension industrial units and commercial establishments from June 1](#). She had also said all restrictions, imposed since November 2008, would be removed.

The scheduled low-tension load shedding also stands withdrawn, the Energy Department said in a communication to the Tamil Nadu Generation and Distribution Corporation (Tangedco) and the Tamil Nadu Electricity Regulatory Commission (TNERC) on May 29.

Meanwhile, Coimbatore district experienced half-an-hour to one hour load shedding for the last two days. In Tiruchi, domestic consumers suffered power cut for half-an-hour to one hour on Friday. There was no power cut during the night. As for rural areas, load shedding ranged from half-an-hour to two hours, depending upon the time.

Tangedco attributes it to problems in the generation of two units of the Vallur thermal power station and loss of wind energy. On Friday, the Vallur units resumed production. But, only 850 MW of wind power was available in the morning as against 2,000 MW earlier. Officials hope that things will be better from Saturday.

As for Chennai, there has been no load shedding for grid operations, the officials maintain. The disruptions in the supply have been owing to “local problems.” The spike in demand comes from domestic consumers, given the use of more electrical gadgets, they add.

(With additional reporting from M. Soundariya Preetha, Coimbatore and S. Ganesan, Tiruchi)

TIMES OF INDIA

Blast deepens power crisis

TNN | Jun 28, 2014, 07.25 AM IST

HYDERABAD: The power crisis in AP and Telangana worsened on Friday due to the pipeline blast at Nagaram and technical hitches in the plants across the two states.

The 18-inch pipeline owned by GAIL supplies 0.5 million standard cubic metres of gas a day to a power plant operated by Lanco Infratech Ltd. The plant at present

was supplying 360 mw of power to AP and another 368 mw of power generated from this station was sold in the open market. As a result, 360 mw of power was lost at a time when AP is facing a shortage of 21 million units and Telangana 7 million units.

After the blast, GAIL stopped gas supply in its trunk line which affected power generation at Spectrum gas power station, Jegurupadu gas power plant, Reliance gas power station and APGPCL plant at Vijjeswaram, all of which are supplied gas by GAIL. The total loss is yet to be estimated but the initial reports say that more than 1,000 MW power supply has been affected due to pipeline blast.

Sensing danger to its installations, ONGC too shut down two of its gas fields that were supplying the GAIL pipeline that suffered the mishap. ONGC's Tatipaka Gas Collecting Station (GCS) is located a mere 200 meters away from the blast site. Officials said the closure of the ONGC gas fields will impact the gasbased power generation in the state as ONGC is supplying gas to six private power producers including GMR, GVK, Reliance and Konaseema power stations. "The total gas based power production capacity in the state is 3031 MW. This dropped by 50% due to lack of gas," said a senior official.

Adding to the woes, NTPC's Simhadri thermal station at Vizag was shut down following a technical snag on Friday resulting in the loss of 500 mw of power. Apart from this, one station at Rayalasema thermal station, another at Vijayawada, one unit at Talcher and two central generating stations also tripped on Friday leaving the state gasping for power. After the blast, Gail stopped the gas supply in its trunk line which affected power generation at Spectrum gas power station, Jegurupadu gas power plant, Reliance gas power station and APGPCL plant at Vijjeswaram, all of which are supplied gas by Gail.

Business Line

Supply crunch: Telangana CM directs officials to purchase power from neighbouring states

V RISHI KUMAR

Likely to meet Chhattisgarh CM in a couple of days

HYDERABAD, JUNE 26:

Telangana Chief Minister K.Chandrasekhara Rao has instructed the officials of Department of Energy to draw up short-term and long-term plans to overcome the current power supply shortage situation.

The Chief Minister indicated that he is likely to visit Chhattisgarh in a couple of days to personally talk to the state Chief Minister, Raman Singh, and explore the possibilities of purchasing power from them.

Reviewing the power situation in the state against the background of recent developments, including the AP Genco move to scrap power purchase agreements, he has directed the officials to purchase power from neighbouring states to overcome the crisis.

He said the present crisis is of two types, one created by Andhra Pradesh and the other due to drought.

As a short-term measure, the Chief Minister has asked the officials to workout a plan of action to overcome the crisis by purchasing the power from available sources, including from private generation stations.

He indicated his intent to have a tie-up with states that have rich coal reserves like Chhattisgarh and proposed development of transmission lines to the state through Wardah to evacuate power.

(This article was published on June 26, 2014)

Business Line

Power producers write to Minister to bring in legislative changes

OUR BUREAU

NEW DELHI, JUNE 26:

The Association of Power Producers on Friday wrote to the Power Ministry asking for a task force to be set up for undertaking a thorough review of legislations governing electricity generation. The letter was sent to Piyush Goyal Minister of State (Independent Charge) for Power, Coal and New & Renewable Energy.

The association claims that 10 out of 46 key legislations governing the sector haven't been amended in the last 50 years which meant 90 key approvals during construction phase and 53 approvals during operations phase are required.

"As a result of the high number of approvals/clearances involved during the construction stage developers face inordinate delays. This in turn increases the interest rates during construction period and cost adversely affects the project viability," the association wrote in its letter.

Apart from the delays due to a large number of approvals, the association also said that 1,110 out of 1,982 compliances can attract imprisonment on account of non-compliance. The association asked for a review of such legislations to help improve the current scenario.

(This article was published on June 26, 2014)

DECCAN Chronicle

Losing power: Telangana, Andhra Pradesh left in dark for hours

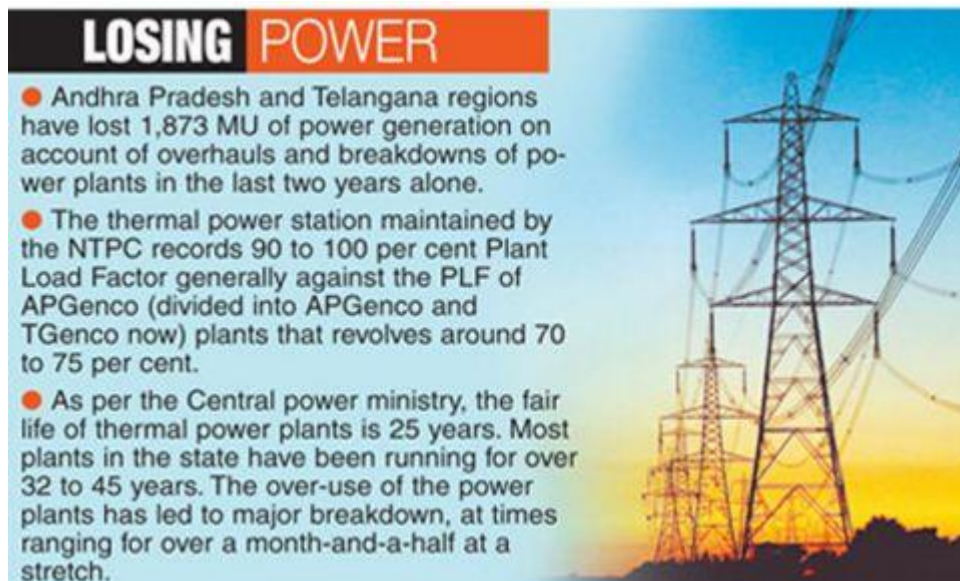
DC | June 25, 2014, 14.06 pm IST

Hyderabad: Telangana and Andhra Pradesh suffered long power cuts on Tuesday ranging from 3-4 hours in urban areas like Hyderabad and Visakhapatnam to long 7-8 hours in rural parts of both the states.

These scheduled and unscheduled power cuts have become a part and parcel of every household.

Reportedly, energy officials said while the two states were already in a crisis due to power distribution woes, the situation worsened due to abnormal weather conditions including delayed monsoon and shortage of coal that hit thermal production in both, Andhra Pradesh and Telangana.

The sudden power crisis that has erupted in the state is not just on account of reduced coal supply but also a strong pointer towards underlying threat of damage to crucial equipment due to low quality coal supply.



LOSING POWER

- Andhra Pradesh and Telangana regions have lost 1,873 MU of power generation on account of overhauls and breakdowns of power plants in the last two years alone.
- The thermal power station maintained by the NTPC records 90 to 100 per cent Plant Load Factor generally against the PLF of APGenco (divided into APGenco and TGenco now) plants that revolves around 70 to 75 per cent.
- As per the Central power ministry, the fair life of thermal power plants is 25 years. Most plants in the state have been running for over 32 to 45 years. The over-use of the power plants has led to major breakdown, at times ranging for over a month-and-a-half at a stretch.

In fact, the Andhra Pradesh and Telangana regions have lost 1,873 MU of power generation on account of overhauls and breakdowns of power plants in the last two years alone.

Excess loss of power due to overhauls of plants was 860 MU, as per official figures.

If that was not the case, the power cuts could have been reduced by at least half in most parts of the state.

The primary reason as pointed out by the officials is the use of inferior quality coal and over-use of machinery leading to serious technical glitches.

Moreover, as most of the plants in the region are beyond their average lifespan, the Plant Load Factor (PLF) has decreased substantially, leading to under-utilisation.

Meanwhile as per the Central power ministry, the fair life of thermal power plants is 25 years.

Most plants in the state have been running for over 32 to 45 years. The overuse of the power plants has led to major breakdown, at times ranging for over a month-and-a-half at a stretch.



FIRST PUBLISHED: TUE, JUN 24 2014. 12 20 AM

India debates creation of power sector fund to bail out projects

Around 28,000 MW of thermal capacity in the country is stranded due to various reasons

New Delhi: India's top bankers and financial institutions have discussed creation of a power sector fund to bailout stressed projects that have been left in the lurch for various reasons. The view was discussed in a meeting of heads of financial institutions and banks to discuss issues pertaining to power sector called by energy minister Piyush Goyal on Monday. "The idea is to set up a development fund to bail out projects. It needs to have a risk-mitigation template and the funding to address the concerns.

The issues was discussed in detail," said a top government official who attended the meeting in New Delhi. He requested anonymity. Around 28,000 megawatts (MW) of thermal capacity in the country is stranded due to reasons such as the inability of the state electricity boards to purchase power. "There is a substantive view that a fund be created for helping out the stressed assets. There has been some traction on the same," said a head of a financial institution who attended the meeting and didn't want to be identified. "However, these are early discussions."

The 24 banks and financial institutions that attended the meeting included top bankers, including ICICI Bank Ltd's managing director and chief executive officer Chanda Kochhar and State Bank of India chairperson Arundhati Bhattacharya. The meeting was also attended by the representatives of the Reserve Bank of India, Canara Bank Ltd, Yes Bank Ltd and Punjab National Bank. "The fund is being talked about," said Rajiv Lall, executive chairman, Infrastructure Development Finance Co., who attended the meeting. The new government is trying to bring investors back to the power sector.

A slowing economy, costly loans, delayed land acquisition and environmental clearances and fuel shortages have plagued the sector. The slowing power sector has dragged down the capital goods sector with it as orders for power equipment dry up. "Investments to the tune of Rs.5.7 lakh crore are required in the sector by FY2018, translating into a debt requirement of Rs.4 lakh crore and equity requirement of Rs.1.7 lakh crore. In view of this, I recommend that the government considers a dedicated power sector equity fund POWER-ing India Fund (PIF) to bridge the equity gap," Rana Kapoor, managing director and chief executive officer, Yes Bank, said in an emailed statement.

The power sector is critical to Asia's third largest economy, where the investment cycle is linked to the power cycle. About 30% of the country's capital expenditure is determined by the electricity sector. In the year ended March, the Indian economy is estimated to have grown a mere 4.7%. A corpus of Rs.50,000 crore should be targeted for the fund, with an investment horizon of minimum 10 years and up to 20 years, Kapoor said. He said domestic investors such as ministries of power, coal and renewable energy; financing organizations such as India Infrastructure Finance Co. Ltd (IIFCL), Power Finance Corp. Ltd (PFC), Indian Renewable Energy Development Agency (Ireda), Rural Electrification Corp. Ltd (REC) and Life Insurance Corp. of India (LIC) contributing Rs.20,000 crore for the fund, with the balance to be contributed by international funding organizations.

"The bankers' concerns were fuel issues, power purchase and we also discussed the long-term road map for this sector which is viable and profitable," Goyal told reporters after meeting. There are several problems including those where the promoters are at fault for having taking the government for granted, the minister said. The government is looking at issues such as last-mile funding to help the sector, he said.



Severe Coal Shortage Hits Power Generation at NTPS, RTPP

By Express News Service

Published: 24th June 2014 07:42 AM

Last Updated: 24th June 2014 07:43 AM

VIZIANAGARAM: People across the state are likely to face more power cuts in the next few days due to severe shortage of coal at the Narla Tata Rao Thermal Power Station (NTPS) at Vijayawada and the Rayalaseema Thermal Power Plant (RTPP) at Kadapa. Monday, Andhra Pradesh experienced a shortage of about 8 million units (mu) as power generation was drastically affected due to coal crisis.

At a time when the row over power purchase agreements between the state governments of AP and Telangana is heating up, the coal shortage has just worsened the situation in the state. Already, three to four hours of power cuts are being imposed in major cities like Visakhapatnam, Vijayawada and Guntur.

In Visakhapatnam city, three spells of one-hour power cuts are being imposed. However, an additional 30 minutes of power cut is likely to be imposed over the next few days.

“Though the situation has improved, unscheduled power cuts continue to be imposed,” complained B Srinivasa Rao, a resident of Suryaraopet in Vijayawada.

The situation in rural areas is far worse with power cuts being imposed for over 8-10 hours every day. As power generation fell by about 630 MW, the authorities fear that they might be forced to impose more power cuts from Tuesday, unless coal supplies are restored immediately. Several industries too are facing the heat of coal crisis. If the power cuts continue, they may be forced to shut down their units temporarily.

Md Nawaz, managing director of Syncmeta Systems Private Limited in Visakhapatnam city, complained that the expenditure on power has increased manifold due to power shortage.

While the government has imposed power cuts for lesser period when compared to industrial holidays declared earlier this year, the unscheduled power cuts for a prolonged period is turning out to be a costly affair for the industrialists. “The repeated power cuts are causing an additional load on our generators. Even if we want to approach the higher officials of the Electricity Department, the state government and the administration are still new and have their own problems in power production and distribution,” he added.

APTransco officials say that due to shortage of coal supplies from the Talcher Coalfields in Odisha and Mahanadi Coalfields Limited in Karnataka, the power generation has decreased by a large extent.

The state government is said to have initiated talks with other coalfields but the situation is unlikely to improve for at least another one week as there is coal shortage across the country. The officials also blamed the absence of rain despite the southwest monsoon covering the entire state.

“Normally, power consumption decreases during this period following the onset of monsoon. But due to the absence of rainfall, there is high consumption of power including usage of air-conditioners,” said a senior official of EPDCL.

THE ECONOMIC TIMES

Improve discoms' health to attract investments in power : World Bank

By ET Bureau | 25 Jun, 2014, 06.01AM IST

NEW DELHI: A World Bank study has termed distribution utilities as the weakest link

of the Indian power sector, and recommended expanding their accountability and freeing up regulators from external interference to make the sector attractive to investors.

The study suggested the need for effective targeting of subsidies as half the financial support is not reaching the targeted beneficiaries. According to it, the fragile financial health of utilities is limiting their ability to invest for the delivery of better services.

Even if electricity tariff rise by 6% per year to keep up with the cost of supply, annual losses of utilities will reach Rs 1.25 lakh crore in 2017, the multilateral agency said in a report titled 'More Power to India - the challenges of electricity distribution'.

The accumulated losses of distribution utilities totaled Rs 1.14 lakh crore in 2011 and rising, the report said. The Department of Economic Affairs and the Planning Commission had mandated the World Bank to review India's power sector in 2010.

The report is based on its analysis of utilities based on their financial data and operation reports between 2003 and 2011. The report, submitted in last December, was made public Tuesday.

"Mounting regulatory assets (cost that utilities aren't able to recover because of lower tariff) have added to the discoms' cashflow problems, jeopardizing routine operations.

In Tamil Nadu, Rajasthan, Punjab, Uttar Pradesh, Haryana, Delhi and West Bengal, utilities have had to borrow heavily to fund the deficit of revenues over costs," wrote Sheoli Pargal and Sudeshna Ghosh, who authored the 225-page report.

"Although the appellate tribunal has ruled that regulatory assets means this would cause a major tariff shock," they said. "India has a good legal and regulatory framework in place but its compliance is an issue.

Two decades after the initiation of reforms, an inefficient, loss-making distribution segment and inadequate and unreliable power supply major constraints to India's aspirations for growth," said World Bank country director to India Onno Ruhl.

Political decision to supply below-cost power to agricultural and rural consumers has also weakened utility finances, the report said. The share of agriculture in country's electricity consumption was 23% in 2011, while it accounted for just 7% of revenue for utilities.

India on the brink of blackout: Experts fear massive power cut to rival August 2012 grid collapse that left 600 MILLION without electricity

By [KUMAR VIKRAM](#)

The prolonged heatwave and drought worries have an even darker lining, as it emerged that thermal power plants across the country are fast running out of coal. A massive blackout of the kind last seen in the grid collapse of August 2012, when 600 million people were left without electricity, is now a possibility if nothing is done quickly.

Of the 100 power plants monitored by the Central Electricity Authority (CEA), as many as 38 are left with only a week's worth of coal to burn, while 20 have as little as four or even zero days of coal stocks, sources say.

A senior National Thermal Power Corporation (NTPC) official told Mail Today: "Currently, six of our coal-based projects, including two that supply power to the national capital, are critically short of coal. The reserve coal available at these projects is just for one day or even less."

The officer said that 23 of NTPC's coal-based projects are running at full capacity but do not have adequate coal reserves.

Heat derived from burning coal is used to produce steam that moves turbines to produce electricity.

Most coal-based power plants keep at least a week's worth of coal in reserve. NTPC projects generate around 36,000 MW of power, which is sold for Rs 2.90 per unit to power distribution companies.

NTPC also has seven gas and solar-based power units, which have a power-generating capacity of 4,000 MW.

An acute shortage of gas, however, means that the NTPC's gas-based projects presently run at half capacity, generating only 2,000 MW of power.

Also, the NTPC sells power at the much higher cost of Rs 5 per unit from its gas-based projects, as a result of which many power companies hesitate to buy power from these projects.

Heat woes

The shortage of coal has arisen at a time when Delhi and the National Capital Region are battling the sweltering heat without power due to the breakdown in transmission facilities, blamed primarily on the freak dust-storm of May 30.

CEA sources also reveal that there is a major problem in Northern Coalfields Ltd and the coal handling system has completely broken down. The belt on which coal is carried has been broken for days, but still has not been repaired, sources say.

This is hitting plants in Uttar Pradesh, and some NTPC plants which supply to power to northern India, including Delhi. Old bottlenecks have worsened the situation.

The BJP-led government has reaffirmed its commitment to speeding up work on three railway lines - hamstrung by red tape and clearance delays - that are the key to transporting 100 million tonnes of coal per year from remote mines, an initiative that could boost Coal India Ltd's production to generous levels. Coal India Ltd controls about 80 percent of India's output.

The work is to be done on a war-footing.

In the northern region which comprises power stations at Delhi, Haryana, Punjab, Uttar Pradesh, Himachal Pradesh, Uttarakhand and Rajasthan, six power stations have less than seven days of coal stock left, and three have less than four days of the fuel. There are a total of 26 power stations in the region.

Authorities are also monitoring supplies from the Northern Grid to states such as Uttar Pradesh and Haryana to prevent a collapse similar to the one in August 2012, which brought life to a halt for more than a day.

The situation is as dangerous in the western states of Gujarat and Maharashtra and in the central states of Madhya Pradesh and Chhattisgarh. As many as 16 power plants in these states have less than a week's stock of coal, while 10 plants are left with less than four days of stock.

A failed monsoon is the worst-case scenario. Power ministry officials agree that poor rains can potentially dry out reservoirs, prompting hydro stations to cut down generation. This would lead to an increased dependence on coal-based power stations.

CEA sources say that the Mahanadi Coalfields Ltd is supplying only about two-thirds of what it can. The reason is a political agitation which has resulted in a massive law and order problem in the region. This has adversely impacted coal supply to power plants in the southern region, which includes Tamil Nadu and Andhra Pradesh as well as southern parts of Maharashtra.

Power minister Piyush Goyal has declared there will be no blackout in the country's northern region. He has said the government is making adequate arrangements for supplying coal.

"This is a national problem, everybody is aware of it... the plants will not back down...we are making adequate arrangements for coal," Goyal told reporters.

Low output

Officials also reveal that there is a very low output of coal from the South Eastern Coalfields Ltd because a row over a transportation contract that has already lasted two months. It is because of this that plants of NTPC and states in the western region are getting a reduced supply of coal.

The major effect is on Maharashtra, Gujarat and Chhattisgarh. As many as nine power stations in the southern region - Tamil Nadu, Andhra Pradesh, Karnataka and Kerala - have reported less than seven days of fuel stock, of which three have less than 4 days of stock.

Business Line

CERC asks Power Grid to probe last month's disturbances

PTI

NEW DELHI, JUNE 20:

Electricity regulator CERC has directed Power Grid to probe incidences of collapse of transmission towers in the Northern region last month that happened in the wake of inclement weather.

While asking transmission major Power Grid to submit the report on "load crash" in two weeks time, CERC said collapse of transmission towers and lines tripping of such a large magnitude is alarming and needs to be investigated in detail.

On May 30, the Northern Region grid had experienced sharp drop in demand due to rain, dust storm/thunder storm, mainly in Uttar Pradesh, Haryana, Uttarakhand and Delhi.

The region's electricity demand started declining at a rate of about "200 MW/min and reached to 32,780 MW at 1715 hrs, around 8,000 MW less than demand at corresponding time of preceding day, and the power resulted in high frequency and high voltage in the system," CERC said.

In its order yesterday, the Central Electricity Regulatory Commission (CERC) directed Power Grid to "investigate into the incidences of collapse of transmission towers and tripping of transmission lines on May 30, 2014".

Power Grid has been asked to look into the wind speed which caused damage to towers and wind level for which the towers have been designed, year of commissioning of towers and updation on the maintenance activity, among others.

"It has been noticed that during this period (May 30), 68 AC transmission lines along with one HVDC Bi-pole line tripped which led to load crash of about 8,000 MW in Northern Region including 3,500 MW in Delhi.

"As per weather forecast of Indian Meteorological Department and NOWCAST, all constituents of NR (Northern Region) were alerted about the likelihood of the storm," the order said.

Citing the load crash report, CERC said the storm caused damage to many towers including two towers of 765 kV and one of 400 kV lines and 10 towers on various 220 kV transmission lines in Delhi.

Besides Power Grid, Power System Operation Corporation Ltd (NLDC) is also a respondent in the petition.

The watchdog has also asked POSOCO (NLDC) to file an affidavit, by month end, impact of collapse of transmission towers and lines tripping on the system operation and grid security, among others.

National Load Despatch Centre (NLDC) has the mandate to ensure optimum scheduling and despatch of electricity among the Regional Load Despatch Centres.

(This article was published on June 20, 2014)

Business Line

10-year tax holiday sought for new power projects

PRATIM RANJAN BOSE

Uniform sales tax on gas, removal/lowering of duties on coal imports are other demands

NEW DELHI, JUNE 19:

Between April 2007 and March 2014 India added a record 1,00,000 mega watt (MW) electricity generation capacity, riding primarily on coal-based thermal power.

Nearly 90 per cent of the projects were commissioned in the last five years. Sadly, such a capacity addition programme was undertaken without regard to the availability of fuel or the ability of the State government-run distribution utilities (discoms) to purchase the electricity.

A flawed levelised-tariff mechanism, added to the problem. Nearly 27,000 MW of capacities, including substantial part of the gas based capacities, are lying idle due to lack of buying interest from the discoms, as is evident in falling plant load (PLF) factor.

Private sector that took a lead in capacity addition programme is worst hit. Beginning 2007, they added a little over 47,000 MW coal-based capacities, including 14,000 MW of imported fuel based facilities.

Approximately 34,000 MW of such projects are under litigation for “unviable tariffs”.

They promised to sell electricity at a levelised tariff for 7 to 25 years. Their sickness is a major cause of concern for the banking sector. While imported fuel based capacities are paying a price for underestimating risks; the rest are victims of recklessness on the part of the Government in assuring more coal than the national miner could produce.

As the minefield of levelised tariff became apparent, discoms stopped entering power purchase agreements (PPAs), for the last two years. Nearly 7000 MW domestic fuel based capacities are idle for want of PPAs.

An identical capacity has PPAs but no coal to generate power. After much deliberation the UPA Government brought a revised tariff bidding document last year. But it was rejected by the industry on grounds that the majority of risks are loaded in favour of the developer.

With another 18,000-20,000 coal-based capacity slated to come on stream in two years, industry wants broad-spectrum policy measures to bring the sector back on the rails.

Budget expectations

But such policy exercises may not be a part of the Budget announcements, says Ashok Khurana, Director General of Association of Power Producers (APP). APP wish-list includes extension of 10-year tax holiday for new projects under section 80-IA of the Income Tax Act.

Other demands include, uniform sales tax structure on natural gas across States. Also, requisitioned is exemption of service tax for least cost project implementation

and reintroduction of Mega Project (over 1000 MW) benefits to encourage new investments in generation.

Many in industry like Hemant Kanoria, chairman of the Kolkata based India Power, believes it would not be wise to offer incentives to smaller (than 1000 MW) projects, in the face of coal crisis and land acquisition hurdles.

Subhranshu Patnaik, Senior Director at Delloite does not have any policy expectations.

However, he is expecting removal or lowering of duties on coal imports.

(This article was published on June 19, 2014)



Sleepless Nights May Continue as Overload Keeps Killing Power Supply

By Pradeep Kumar and Daniel Thimmayya

Published: 21st June 2014 07:10 AM

CHENNAI: Constant power outages and transformer bursts that have been the bane of various localities in the city over the past week will continue as the Electricity Board struggles to cope with overload.

With temperatures hovering around the 36 degrees Celsius mark during the night, uninterrupted sleep is a luxury that most Chennaiites have not had ever since the outages began.

"In the last three days, there has been no power between 10 pm and 3 am. It affects my work and I am not able to sleep or get to work on time because of the sweltering heat," complained K Dinesh, a techie who lives with his parents in Nanganallur.

The frequent night outages aren't just reserved for the suburbs though - people in the heart of the city, such as areas like Nungambakkam, Harrington Road, Anna Nagar and even Vadapalani complained of a spike in power outages, these last few days. A group of people even resorted to a protest in Besant Nagar on Thursday night. "It went off in the evening and I thought that it would be back when we returned from dinner," recounted Rashmi M, a mother of two who lives on 14th Avenue, Harrington Road, "But when we got back, the inverters were running low as the power hadn't come back. Supply resumed only at 4 am," she complained.

And if you believe that every house now has an inverter, the nature of the outages has rendered them useless. "Every night this week, the power gets cut one phase at a time and then to a complete outage for an hour. It returns again only to repeat itself. Our inverters don't work when the supply is like this," said Deepak George, who lives in Saligramam.

All of this has pushed people to almost detest nights as they simply cannot keep the air-conditioner continuously. That has even led to a lot of AC units conking off under the strain. "The demand for ACs may be reducing now, but my phone has been ringing non-stop," said an exasperated Sankar Narayan of Shankar AC Tech in Nesapakkam. For their part, TANGEDCO officials put the blame on over-consumption stemming from multiple ACs. "Our engineers and staff are running constantly every night to ensure supply is restored. But even we have our limitations," said an official.



Besant Nagar Boils over Frequent Power Cuts

By Express News Service

Published: 20th June 2014 07:27 AM

Last Updated: 20th June 2014 07:27 AM

CHENNAI: Despite Chief Minister J Jayalalithaa issuing clear instructions to the electricity department to provide power 24X7 across the State, the message perhaps has not reached officials in Besant Nagar. How else does one explain the regular late night power cuts only in that area, since there is power almost everywhere else in the city?

Frustrated over the power cuts, angry residents staged a protest on Thursday night, blocking traffic in Besant Nagar. Over a 100 residents, including women, took to the streets late in the night, following which a team of local police officials rushed to the spot to clear the road.

According to A Sriram, one of the residents who was part of the protests, apathy of the TNEB officials forced them to resort to the protest. "For the past five days, continuously, power goes off at night causing hardship to the people here. The officials do not act on our complaints and don't even respond to our calls," he said.

Though EB officials cited issues such as low quality of the cable used in high-tension wire, the residents were not convinced. For, there is power in the neighbourhood, in areas where VIPs reside, they charged. "Our children are suffering because of the power cuts, but there are houses in the neighbourhood that are fully lit up, making it evident that the reason cited by the officials is not true," added Sriram.

After finding no relief despite making complaints for the past five days, over 100 irate residents blocked traffic on Seventh Avenue, MG Road, opposite RBI quarters, around 10 pm on Thursday. Soon, a group of about 25 policemen rushed to the spot. They tried to pacify the protestors, assuring them that the problem would be set right on Friday morning, but that did not convince them. They also tried to take the people

to the EB office to discuss the matter with the officials, but the residents refused to relent.

Finally, the police restricted the protesting residents to a corner of the street and cleared the jam.



CHENNAI, June 20, 2014

Updated: June 20, 2014 02:37 IST

Powerless against the heat

R. SRIKANTH

While the temperature has been rising over the 40-degree-Celsius mark in the city this June, power cuts have made life harder.

Shutdowns in supply have risen in frequency during the past two days with the electricity infrastructure being stretched to its limits. A spike in demand is primarily responsible for the tripping power in the city, officials say.

Residents of several localities have been facing sleepless nights because of the 'unscheduled' disruptions during the nights. Many localities are not only facing power cuts but low voltage fluctuations too, which wreck havoc on electrical equipment.

Basant Nagar, Kodambakkam, Mogappair, T. Nagar, Velachery, Seven Wells, Anna Nagar and Shenoy Nagar, among other localities, have been experiencing power cuts during night-time.

Narayanan, a resident of Saligramam, said that during the past one week, the power had gone exactly at 11 p.m., and though it was restored within an hour, disruptions continued in an intermittent manner throughout the night.

Residents of localities in the outskirts of south Chennai, including Rajakilpakkam, Gowriwakkam and Sembakkam, are also suffering due to power shutdowns and low-voltage conditions.

A few days ago, a power shutdown at Chennai airport caused hardship to hundreds of passengers as conveyor belts failed to function, thus delaying flights.

S. Gandhi, president, Power Engineers Society of Tamil Nadu, citing data from the State Load Despatch Centre, said the consumption on Tuesday hit an all-time high at 292.23 million units (MU) and the demand was even higher at 13,665 mega watt (MW). Steps taken to remove the restriction and control measures for high-tension consumers could be blamed for the blackouts, he said.

He added that dependence on 'infirm' wind power and a lack of study for demand-side management would pose supply problems even in the future.

A senior Tangedco official, while maintaining that power cuts were not occurring all over the city, said the abnormal increase in temperature had hiked the demand due to heavy use of air-conditioners. In order to protect the electricity infrastructure from serious damage, and resulting long power outages, the company was forced to restrict the power supply.

The official said massive infrastructure improvement was being planned for the city, with 25 substations to be commissioned shortly, including at Guindy and Alandur. Strengthening of the feeder network, to be executed under the Restructured Accelerated Power Development Reforms Programme, would address the problems in power distribution, he added.

Meanwhile, consumers are also fuming at the poor feedback from the Fuse Off Call (FOC) centres and the computerised call centre. Residents point out that they are unable to make complaints as the 1912 helpline is almost always engaged and the FOCs are non-functional.

(With additional reporting by T. Ramakrishnan, T. Madhavan and Sunitha Sekar)

TIMES OF INDIA

[Heat wave, delayed monsoon bring power cuts in Vizag](#)

[V Kamalakara Rao](#), TNN | Jun 18, 2014, 11.19 PM IST

VISAKHAPATNAM: Call it a double whammy if you will, but for residents of the coastal districts already reeling under a heat wave, the continuation of unscheduled power cuts or emergency load relief (ELR) by Eastern Power Distribution Company of AP Limited (EPDCL) is only adding to their woes.

"The deadly combination of scorching heat and power cuts have made life miserable. Afternoons are unbearable. We can neither stay at home because of the nearly three hour power cuts, nor can we step outside because of the soaring temperatures," said a hassled Peda Waltair resident K Lakshmi.

The discom, which had supplied uninterrupted power to consumers, particularly in Vizag city, last year, has continued with ELRs in June this year because of shortage in power supply from generation units, rise in demand from consumers and the ongoing heat wave due to the delay in the onset of the southwest monsoon, said EPDCL officials.

"The delayed monsoon, severe heat wave conditions, shortage in power generation at some units and rising power consumption have forced us to impose ELRs. The power cuts will continue till the power supply position improves," said P Rama Mohan, director (operations), EPDCL.

The discom imposed a two-and-a-half hour power cut in Vizag on Wednesday too. While in zone-I limits, power cuts was imposed from 9am to 10am and 12.30pm to 2pm, in zone-II and III limits, EPDCL imposed cuts from 8am to 9am and 2pm to 3.30pm. Apart from Vizag, the discom has imposed power cuts of over four hours in several urban, semi urban and rural areas.

According to Mohan, on June 15 alone, production at units like NTPC Simhadri, Rayalaseema Thermal Power Plant and Kakatiya Thermal Power Project fell short of 500MW each due to various factors.

On Wednesday at around 1 pm, though EPDCL's scheduled quota from the state grid was only 1500 MW, the demand stood at around 2200MW. The discom, however, was able to supply 1700MW to its nearly 49 lakh consumers spread across five coastal districts of Srikakulam, Vizianagaram, Visakhapatnam, East Godavari and West Godavari by imposing ELRs. "Though EPDCL's quota at the time was 1500MW, we drew nearly 1700MW of power from the state grid due to adjustment with some other discom," Mohan explained.

Other EPDCL officials said that the southwest monsoon, which usually hits coastal Andhra Pradesh, particularly areas in their limits by June first week, is delayed this year, with no indications yet of when it would hit the region.

According to the Cyclone Warning Centre (CWC) at Visakhapatnam, Vizag city (Waltair) recorded a maximum temperature of 35.1 degree celsius while Vizag airport clocked 37.4 degree celsius.

THE ECONOMIC TIMES

Heatwave boosts India coal imports: Research firm

By Reuters | 17 Jun, 2014, 02.24PM IST

NEW DELHI: Indian coal imports climbed 12 percent in May from the year before, provisional data from research firm OreTeam showed, with power companies scrambling to meet demand as scorching weather drove customers to crank up fans or air conditioning.

Electricity demand hit multi-year highs in many states over the last two months as temperatures soared, forcing the new government of Prime Minister Narendra Modi to firefight public anger over frequent blackouts.

Coal feeds more than half India's power generation and its share is growing despite a local shortage of the fuel. That means imports continue to march higher, jumping to their biggest for the month of May in at least three years at 15.6 million, said OreTeam research head Prakash Duvvuri.

The country's coal imports stood at 13.9 million tonnes in May 2013 and 15.2 million tonnes this April, according to OreTeam.

The firm collects coal data from its representatives at ports and in mining regions. India's government does not regularly release such numbers. A stronger rupee has also made imports more attractive. The partially convertible currency gained 2 percent against the US dollar in May.

India has become the world's third-largest coal importer despite sitting on its fifth-biggest reserves of the commodity.

State-run Coal India LtdBSE -1.68 % accounts for about 80 percent of the country's total output of 562.6 million tonnes, but the company has been falling short of its targets for the past few years due to difficulties in obtaining environmental nods, lack of railway access and employee strikes.

Indonesia is the main seller to India, but talk of limiting production and tightening exports there have prompted some Indian buyers to try and develop alternative suppliers in countries such as Malaysia, traders said. But shipments would not be an issue in the short term, they added.

"There's a surplus in Indonesia and China's current buying is not typical - they have slowed down," said a Delhi-based trader who buys Indonesian coal. He declined to be named as he was not authorised to speak with media.

India's total coal-based power capacity rose about 1.2 percent in May from April, according to the Central Electricity Authority.



NEW DELHI, June 17, 2014
Updated: June 18, 2014 01:54 IST

States given drought warning

GARGI PARSAI

States advised to set aside funds for mitigating the situation

The Centre has issued an advisory to the States to be prepared with strategies for mitigation of a possible drought during the kharif season of 2014.

The biggest worry is that a deficient monsoon will spur hoarding and push up inflation. Prices of pulses, oilseeds, fruits and vegetables can rise.

Drought-mitigation plans ready

Drought-mitigation plans have been prepared for States likely to be worse hit. The worst-affected are likely to be the north-west and central India regions — parts of Andhra Pradesh, Punjab, Haryana, Rajasthan, Gujarat, Uttar Pradesh, Himachal Pradesh, Madhya Pradesh, Chhattisgarh, Odisha, Jharkhand, Bihar and Kerala.

The Union Agriculture Ministry plans to get the Cabinet's approval to provide seed and diesel subsidies to the affected States. Already an advisory has been sent out from the Rashtriya Krishi Vikas Yojna to the States to set aside 10 per cent of their funds for mitigating drought.

Normally, a State is declared drought-affected when it states so in a memorandum to the Union government.

The contingency plan prepared by the Centre has advised States to go in for short-duration pulses and suitable legumes for late sowing. Gujarat, Maharashtra, Andhra Pradesh and Karnataka farmers have been advised to go in for late-sown varieties of groundnut. For eastern and central Uttar Pradesh growers, the advice is to go in for rapeseed and mustard varieties that can be grown late in the kharif season.

Late-sown pearl millet and small millet has been suggested for Rajasthan, Uttarakhand, Bihar, Chhattisgarh, Odisha and Bihar. Farmers have been advised to go in for traditional sowing methods to preserve moisture in the soil and to keep their livestock cool.

It is expected that while irrigated Punjab, Haryana and parts of western Uttar Pradesh may tide over the situation and the Northeast may get a normal monsoon, the central parts of the country and Gujarat, Maharashtra and Rajasthan may be the worst hit.

TIMES OF INDIA

Tamil Nadu's power shortage to be higher this year

[B Sivakumar](#), TNN | Jun 11, 2014, 02.48AM IST

CHENNAI: Tamil Nadu is likely to face a shortage of 6,690 million units (MU) of power in 2014-15, about 21% more than last year, a report of the Central Electricity Authority has said.

Despite commissioning state-owned thermal plants and adding about 2,500MW to its kitty, Tamil Nadu will face a higher shortage owing to increase in demand, the annual report on demand and supply of power in various states has said. The peak hour demand in the state is estimated to be 13,773MW and the availability will be only 12,128MW, it said.

Uttar Pradesh, with a shortage of 15,042MU, and undivided Andhra Pradesh (15,000MU) are the worst affected states. Together, they account for 56% of the overall deficit of 53,515MU across India. Owing to the bifurcation of the state, the residual AP may have to bear the brunt. On Sunday, while Seemandhara faced a shortage of 500MW, in Telangana it was only 150MW.



VIJAYAWADA, June 14, 2014

Updated: June 14, 2014 00:01 IST

Severe shortage of coal stares NTPS

RAJULAPUDI SRINIVAS

We are getting three rakes of coal a day from SCCL as an emergency measure, says Chief Engineer J. Sammaiah. Any decline in power generation from VTPS could accentuate the situation further, officials said.

Dr. Narla Tata Rao Thermal Power Station (NTPS), previously Vijayawada Thermal Power Station (VTPS), is heading for a crisis. The 1,760 MW power plant, with an assured coal linkage from Talcher coal fields in Orissa, is facing severe shortage of fuel required for power generation. Telangana and parts of Andhra Pradesh are already in the grip of power crisis due to drop in generation from the Kothagudem thermal power station.

Any decline in power generation from VTPS could accentuate the situation further, officials said.

VTPS officials said the plant would require about 28,000 tonnes of coal a day. But the supply was not commensurate with the requirement. In addition, adequate stocks could not be positioned in advance due to various reasons.

In this background, officials are worried that the sudden rise in the demand for power owing to severe heat wave conditions had the potential to pose problems for the utility. Speaking to *The Hindu* on Friday, VTPS Chief Engineer J. Sammaiah said "We are receiving coal on daily basis and this is enabling power generation without any hassles. But if the coal supply is affected even for an hour, then its impact can be severe." "We are getting three rakes of coal a day from the Singareni Collieries Company Limited (SCCL) as an emergency measure.

The AP Genco authorities are exploring options to procure coal from other sources to meet the increased demand," Mr. Sammaiah said.

Though there was no problem as of now, any delay in receiving the coal consignment from Mahanadi Coalfields on account of transportation and other problems could cast an impact on the generation.

High temperatures at Talcher and employees' unions strike are said to be the other reasons for poor production at MCL.

THE ECONOMIC TIMES

Power sector poised for biggest revival in recent years

By Sarita C Singh, ET Bureau | 17 Jun, 2014, 03.05AM IST

NEW DELHI: The new government's resolve to pursue economic reforms appears set to catalyse the power sector's biggest revival in recent years.

On the back of positive market sentiment, distressed power projects are finding buyers, companies are putting in equity and equipment orders are getting finalised. This comes after a nearly four-year-long dry spell, during which shortage of funds and policy issues hobbled development.

Experts say the sector is recovering faster than expected as companies believe a pick-up in economic growth will lead to a surge in electricity demand.

Industrial production in India grew at 3.4% in April due to improved performance of the manufacturing, mining and power sectors and higher output of capital goods. "We are hoping for a big revival in the power sector," said Ashok Khurana, director general of Association of Power Producers. "The sector is now looking up and waiting for a concrete set of actions to handle issues of fuel security, transmission congestion and electricity off-take."

Kameswara Rao, PwC India's leader for energy, said action that had slowed midway is now picking up. "Projects that were lying low have gathered some energy. The promoters of the projects that are half through have picked up pace of work," he said.

For instance, Visa Power's imported coal-based project in Chhattisgarh has placed orders for ancillary equipment. "The project is gathering momentum and the company has begun talks with Bharat Heavy Electricals which is the main plant vendor, on cost and time overruns," industry executives said.

Similarly, equipment contracts for at least five power plants, totaling 5,000 mw capacity, are expected to be placed in a month's time. These include two projects of 1,320 mw each of Tamil Nadu generation utility at Ennore SEZ and Udangudi.

According to people in the know, orders for Gujarat State Electricity Corporation's 800 mw Wanakbori project and Maharashtra's 660 mw Bhusawal project will be placed soon. Meanwhile, NTPC is planning to open bids for its 1,320-mw Khargaon project in a month.

The stimulation is also seeing an increase in the number of foreign companies interested in taking over Indian projects. Industry executives said international firms like Abu Dhabi National Energy Co and GDF Suez have evinced interest. However, functioning of most Indian plants is hobbled by issues like fuel supply and lack of regulatory clearances. Soaring stock prices can also lead to differences in asset valuations between buying and selling firms.

According to reports, companies like SREI Infra, Rural Electrification Corp are eyeing Abhijeet Group's 1,080 mw project in Jharkhand, which is valued at about Rs 9,000 crore.



Passengers Furious as Low Voltage Delays 10 International Flights at Chennai Airport

By Daniel Thimmayya

Published: 17th June 2014 07:24 AM

Last Updated: 17th June 2014 10:17 AM

CHENNAI: Low voltage isn't just a household issue. It can bring entire establishments to their knees, which is precisely what happened at the International terminal of the Chennai airport, a little before midnight on Sunday. At 11.35 pm, main line power supply took a beating and the entire terminal was hit with voltage fluctuation, which in turn took down every single system in the building — from the much-hyped in-line baggage scanning system to basic toilet lighting. The low voltage lasted for over five hours and as many as 10 international long haul flights were delayed in the process.

E Prashanth, who was slated to fly to Bangkok had been in the airport since 10.30 pm, described it thus, "The escalators were not working. A few were moving slowly but the guards advised against using them. The automatic baggage scanning system was not working, so we had to lug our bags to the security check-in and do a manual check. I don't think I've ever seen any international terminal like this in my life."

Possibly the biggest hang-up of these rather premature Monday morning blues (as it lasted well into the wee hours), was that the luggage conveyor belts went dead. "Passengers had to take it directly from the loaders, who hauled it from the basement level to the carousel. The delays were very long and long lines of passengers were waiting for their luggage," said a source inside the international

terminal. When last contacted, AAI officials said that the baggage conveyors were functioning at almost normal, but with a few glitches.

An Airports Authority of India spokesperson explained that the voltage had been an after-effect of maintenance work from the TNEB whose sub-station in Meenambakkam feeds the airport's rather large appetite for electricity.

Business Standard

LDF walkout over power crisis in Kerala

Press Trust of India | Thiruvananthapuram
June 12, 2014 Last Updated at 18:35 IST

Alleging inefficiency and lack of planning on part of the government and [Kerala](#) State Electricity Board (KSEB) for the power crisis in the state, CPI-M led [LDF](#) Opposition members today protested and staged a walkout in the assembly.

Taking up the power shortage problem and 45 minute load shedding imposed on consumers through a notice for an adjournment motion, CPI-M member and former power minister A K Balan said KSEB's scheduled and unscheduled power cuts had adversely affected the agriculture and industrial sectors.

In his reply, Power Minister Aryadan Mohammed refuted LDF allegation and said power shortage was mainly due to a fall in the quantity of power from Central power grid.

Besides this, power generation from hydel stations in the state had also been affected to due to shortage of rainfall in the current monsoon.

However, KSEB expected the load shedding could be lifted once Sabarigiri Power station started operations after annual maintenance in June 25. The state would get an additional 380 MW from this, he said.

As a long-term solution to the power crisis in the state, he said it was very important to implement the proposed 1000 MW Cheemeni Thermal power project.

Kerala needs at least 3700 MW per month and total production from Hydel power projects was nearly 1700 MW. The deficit was met from the power from the Central Grid, he said.

After the minister's reply, Speaker G Karthikeyan refused leave for the motion,

leading to the walkout by LDF members.

Before trooping out from the house, Opposition Leader and CPI-M veteran [V S Achuthanandan](#) criticised the functioning of the government and said "UDF is not interested in solving the problems, whether it was price rise or power crisis".



State Powerless, 'Technically Challenged'

By VV Balakrishna

Published: 13th June 2014 09:02 AM

Last Updated: 13th June 2014 09:13 AM

Hyderabad: With summer at its peak and arrival of the monsoon delayed, frequent power cuts in Andhra Pradesh and Telangana have made life miserable for both the aam aadmi and the industry.

Power shortage is so acute that all major cities, including Hyderabad, Visakhapatnam and Vijayawada, are facing power cuts ranging from three-six hours a day — the less said about the plight of rural areas the better. Officials in both the States are citing 'technical snags' for the unscheduled power cuts. According to them, there are technical problems at the Kothagudem Thermal Power Plant (550 MW) and two units of the Rayalaseema Thermal Power Plant (440 MW). Official sources confirmed that power shortage in Andhra Pradesh is around 12 million units (MU) per day while it is around six million units (MU) per day in Telangana. With no major inflows into reservoirs, hydel power generation is down to zero in Telangana and just 1.2 MW in Andhra Pradesh. Reports suggest coal shortage is also leading to shortfall in power production.

However, authorities in both the States claimed power generation wasn't affected due to coal shortage. Coal is supplied to the thermal power plants on a daily basis. For instance, the Vijayawada Thermal Power Plant gets coal from Talcheru in neighbouring Odisha. As the mercury is hovering around 50 degree Celsius in Talcheru, coal production was affected. But, officials at the VTPS averred that the generation was not affected due to lack of coal. Andhra Pradesh gets 43.9 MW and Telangana 78.6 MW from Central Generation Stations and also other states.

The situation in Hyderabad is worse than last year. There have been frequent power cuts in the State capital for the last four-five days.



June 12, 2014

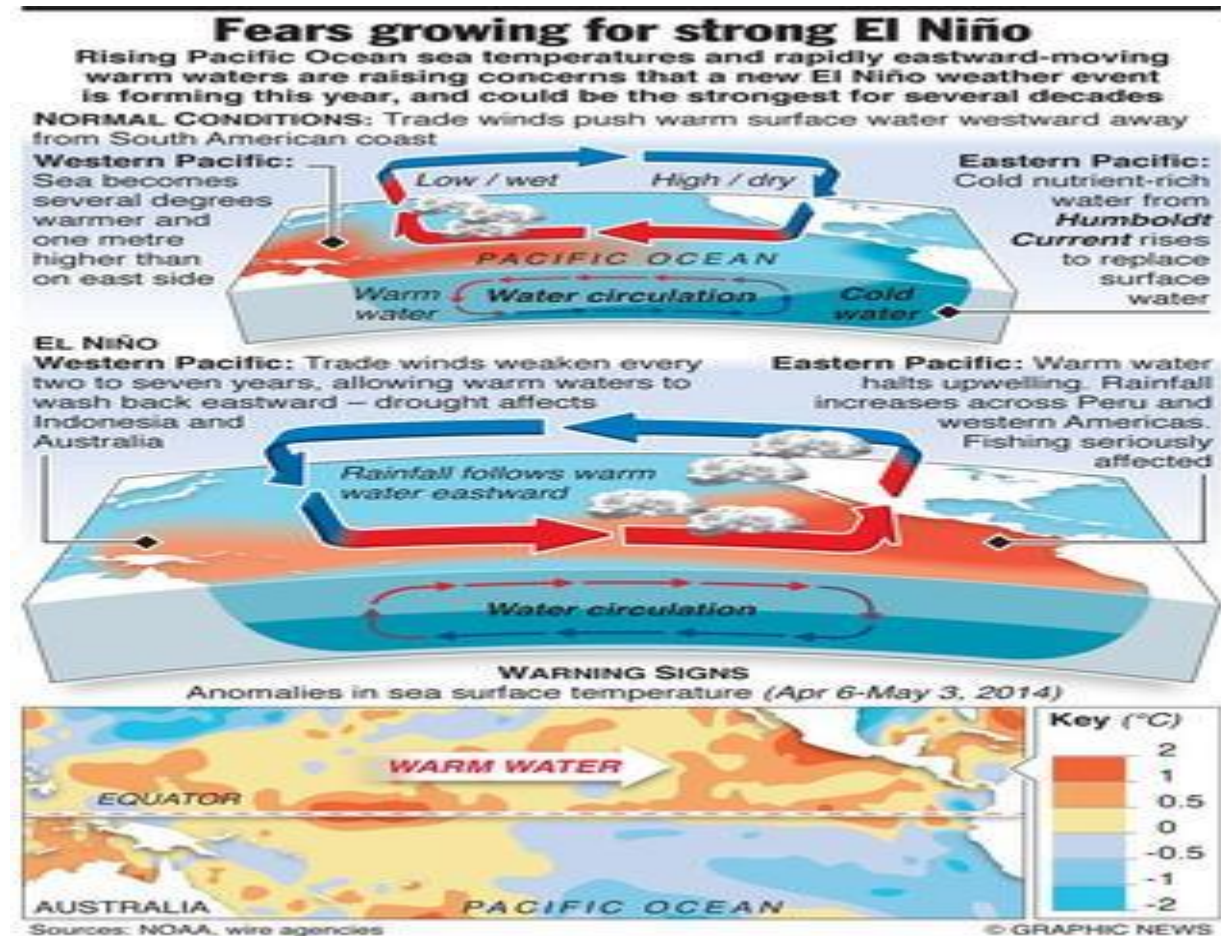
Updated: June 12, 2014 19:41 IST

Strongest in 15 years, 2014 El Niño could hit India hard

DAMIAN CARRINGTON IN LONDON

SUZANNE GOLDENBERG IN WASHINGTON

GRAHAM READFEARN IN BRISBANE



India is expected to be the first to suffer, with weaker monsoon rains, followed by further scorching droughts in Australia and collapsing fisheries off South America. But U.S. sees it as the 'great wet hope'.

The El Niño weather phenomenon, which can cause global famines, floods and even wars, has a 90 per cent chance of striking this year, according to the latest forecast released to the *Guardian*.

El Niño begins as a giant pool of warm water swelling in the eastern tropical Pacific that sets off a chain reaction of weather events around the world, some devastating and some beneficial.

India is expected to be the first to suffer, with weaker monsoon rains, followed by further scorching droughts in Australia and collapsing fisheries off South America. But some regions could benefit, in particular the U.S., where El Niño is seen as the “great wet hope”, bringing rains that could break the searing drought in the west.

The knock-on effects can impact even more widely, from cutting global gold prices to making England’s World Cup footballers sweat a little more.

The latest prediction is from the European Centre for Medium-range Weather Forecasts, which is considered one of the most reliable of the 15 or so prediction centres around the world. "It is very much odds-on for an event," said Tim Stockdale, principal scientist at the centre, who said 90 per cent of their scenarios deliver an El Niño. "The amount of warm water in the Pacific is now significant, perhaps the biggest since the 1997-98 event." That El Niño was the biggest in a century, producing the hottest year on record at the time and major global impacts, including a mass die-off of corals.

"But what is very much unknowable at this stage is whether this year's El Niño will be a small event, a moderate event — that's most likely — or a really major event," said Dr. Stockdale, adding the picture will become clearer in the next month or two. "It is which way the winds blow that determines what happens next and there is always a random element to the winds." The movement of hot, rain-bringing water to the eastern Pacific, ramps up the risk of downpours in nations flanking that side of the great ocean, while the normally damp western flank dries out. Governments, commodity traders, insurers and aid groups such as the Red Cross and World Food Programme all monitor developments closely. Water conservation and food stockpiling is already underway in some countries.

Professor Axel Timmermann, an oceanographer at the University of Hawaii, argues that a major El Niño is more likely than not because of the specific pattern of winds and warm water being seen in the Pacific: "In the past, such alignments have always triggered strong El Niño events."

El Niño events occur every five years or so, peaking in December and the first, and potentially greatest, human impacts are felt in India. The [reliance of its 1 billion-strong population on the monsoon](#), which usually sweeps up over the southern tip of the sub-continent around June 1, has led its monitoring to be dubbed "the most important weather forecast in the world". This year, it has got off to a delayed start, with the first week's rains 40 per cent below average". El Niño could be quite devastating for agriculture and the water supply in India," said Nick Klingaman, an El Niño expert at the University of Reading.

Research last month showed the global impact of El Niño events on food supplies, with corn, rice and wheat yield much lower than normal, though soybean harvests tend to rise. While food production has improved in the last year, El Niño could reverse that trend, according to Leo Abruzzese, global forecasting director for the Economist Intelligence Unit. "It may reduce agricultural output over the next few years, which could weigh on global food security". Drought linked to the 2007 El Niño led to a surge in food prices in 2008 that sparked riots in countries as far afield as Egypt, Cameroon and Haiti.

After India, El Niño's impacts roll east and officials in Cebu, the Philippines' second city, have urged all households to save water to reduce the impact of the drier weather due by the end June. In Malaysia, the national water authority is preparing for a dry spell of up to 18 months.

The hot, dry skies will then track to Australia, where 2013 was its hottest year. Andrew Watkins, manager of climate prediction services at the Australian Bureau of Meteorology, said: “El Niño is one of the largest influences on Australia’s climate.”

‘Great wet hope’

However, in the U.S., El Niño holds out the prospect of relief for the western states and nowhere is more desperate for rain than California. The entire State is in severe or extreme drought, after receiving barely a quarter of its annual rainfall, and communities have been under water rations since March, ordinarily still the rainy season. A strong El Niño would bring rain, typically double the annual average in southern California.

“I commonly refer to El Niño as the great wet hope,” said Bill Patzert, a climate scientist at Nasa’s Jet Propulsion Laboratory in California. “Everyone in the west has their fingers crossed because we are bone dry.” However, big El Niños like the 1997-98 event — what Patzert calls “Godzillas” — are rare and forecasters at the U.S. government’s climate prediction centre said on June 5 that time was running out for a significant El Niño to be set in train.

— © Guardian News & Media 2014



CHENNAI, June 13, 2014

Updated: June 13, 2014 09:16 IST

Ensure renewable energy projects take-off in 30 days, Centre tells States

SPECIAL CORRESPONDENT

The new regime at the Centre has delivered a clear-cut message to States in the area of renewable energy: see to it that projects are sanctioned and taken off in 30 days.

Indicating this at the inauguration of the three-day-long Renergy 2014 here, Sudeep Jain, Chairman and Managing Director of the Tamil Nadu Energy Development Agency (TEDA), who attended a meeting taken by Union Minister Piyush Goyal and Secretary of the Union Ministry of New and Renewable Energy Upendra Tripathy with officials of State governments in New Delhi a few days ago, said the projects could be either in the form of utility scale or rooftop scale.

Mr Jain said both the State and Central governments were committed to providing required energy needs to people. Renewable energy was no longer in the fringes but it had become a part of the mainstream of energy.

Alluding to the observations made by earlier speakers who referred to coordination issues among different stakeholders, he expressed the hope that the issues would be sorted out.

Parag Sharma, Chief Operating Officer, Renew Power, called for clarity on renewable purchase obligations and suggested that the Central Electricity Regulatory Commission frame common regulations for all State Electricity Regulatory Commissions to follow.

S. Appavoo, Chief Electrical Inspector in the State government, referred to delegation of powers with regard to the issue of safety certificates for solar power systems. No certificates need to be taken for the systems whose capacity was up to 10 kilo watt (KW) and regional electrical inspectors had been empowered to give the certificates for the systems of up to 100 KW, he added.

Toine Van Megen, Co-founder, Auroville Consulting, who moderated the discussion, wanted more number of people to be trained in the field of renewable energy.

DECCAN Chronicle

Losing power: Crisis in Andhra Pradesh, Telangana; bad coal caused shortage

DC | Amrita Didyala | June 12, 2014, 07.06 am

Hyderabad: After suffering long hours of scheduled and unscheduled power cuts on a daily basis, comes the news that it was largely due to preventable technical failures.

The sudden power crisis that has erupted in the state is not just on account of reduced coal supply but also a strong pointer towards underlying threat of damage to crucial equipment due to low quality coal supply.

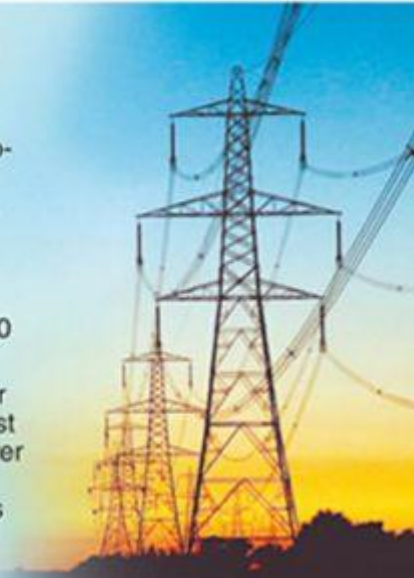
In fact, the Andhra Pradesh and Telangana regions have lost 1,873 MU of power generation on account of overhauls and breakdowns of power plants in the last two years alone.

Excess loss of power due to overhauls of plants was 860 MU, as per official figures.

If that was not the case, the power cuts could have been reduced by at least half in most parts of the state.

LOSING POWER

- Andhra Pradesh and Telangana regions have lost 1,873 MU of power generation on account of overhauls and breakdowns of power plants in the last two years alone.
- The thermal power station maintained by the NTPC records 90 to 100 per cent Plant Load Factor generally against the PLF of APGenco (divided into APGenco and TGenco now) plants that revolves around 70 to 75 per cent.
- As per the Central power ministry, the fair life of thermal power plants is 25 years. Most plants in the state have been running for over 32 to 45 years. The over-use of the power plants has led to major breakdown, at times ranging for over a month-and-a-half at a stretch.



The primary reason as pointed out by the officials is the use of inferior quality coal and over-use of machinery leading to serious technical glitches.

Moreover, as most of the plants in the region are beyond their average lifespan, the Plant Load Factor (PLF) has decreased substantially, leading to under-utilisation.

In fact, the thermal power station maintained by the NTPC records 90 to 100 per cent Plant Load Factor generally against the PLF of APGenco (divided into APGenco and TGenco now) plants that revolves around 70 to 75 per cent.

“The low quality coal supply from Singareni has been the reason for repeated failures of several units of the VTPS. Over the last one year alone, the units have encountered 30 technical failures across its various units. The usage of low quality of coal is damaging to the units and this is the reason behind frequent failures,” said a senior official from APGenco.

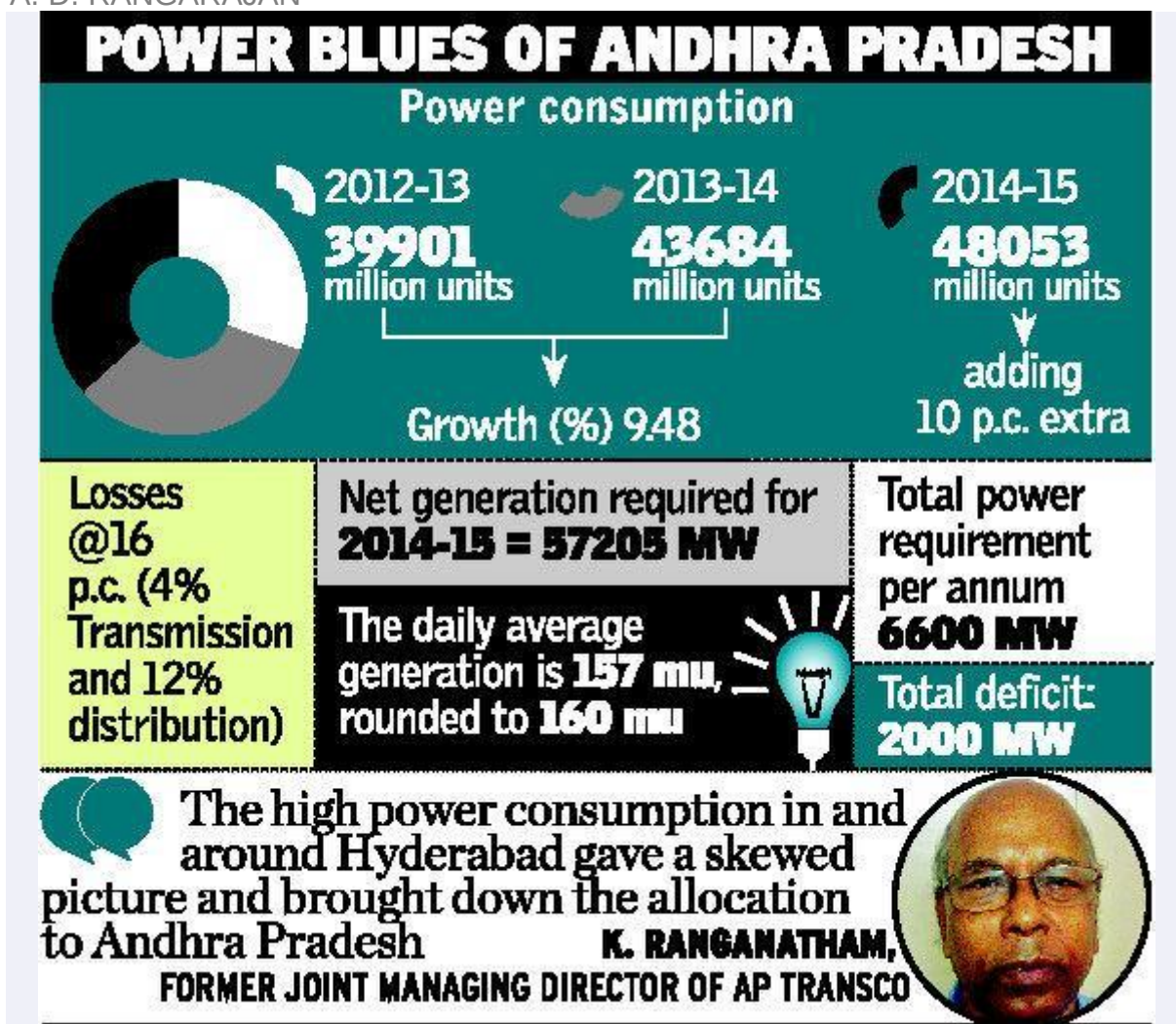
Meanwhile as per the Central power ministry, the fair life of thermal power plants is 25 years.

Most plants in the state have been running for over 32 to 45 years. The overuse of the power plants has led to major breakdown, at times ranging for over a month-and-a-half at a stretch.

“Frequent breakdowns have affected the performance. Most thermal stations are running below their capacity. The loss of power generation due to overhauls alone is recorded at 860 mu in 2012 to 2014 and almost an equal amount was lost due to breakdowns. It is the impact of wrong policy decision of too much dependence on thermal power.” the official said



Power deficit of 2000 MW stares at Andhra Pradesh



An estimated power deficit of 2000 MW stares at Andhra Pradesh, even as the maiden government of the residuary State takes its reins.

Of the 10000 MW power available in the combined state, Andhra Pradesh gets 46.11 per cent, i.e., 4611 MW. As the demand for 2014-15 is pegged at 6600 MW, the net shortfall is approximately 2000 MW.

While division of assets between Telangana and Andhra Pradesh took place on the basis of population, consumption was made the yardstick only when it came to power sector.

“The high power consumption in and around Hyderabad gave a skewed picture and brought down the allocation to Andhra Pradesh”, says K. Ranganatham, former Joint Managing Director of AP Transco.

His forecast is made based on two assumptions, one, the growth in demand will be 10 per cent and two, the line losses estimated at 16 per cent. As the demand can not be brought down, especially for a State that is set to witness robust growth in its

nascent days, it is imperative for the State to do whatever is required to bring down transmission losses.

In the 13 districts, the installed capacity of renewable energy sources is 1216 MW, with wind accounting for 663 MW and solar 57 MW, the rest comprising mini hydel, biogas and others.

Anantapur and Kurnool districts, which have been detached from APCPDCL Hyderabad and tagged to the Tirupati-based AP Southern Power Distribution Company Limited (APSPDCL) post-bifurcation, are the likely game-changers, as the two have been identified as ideal for solar and wind power generation.

The Capacity Utilisation Factor (CUF), i.e., the extent to which the facility can be utilised to generate power, is pegged at a mere 18-19 per cent for the renewable sector. "Though wind is generated more only during May-August and solar power can be drawn only in 250 days a year, encouraging the two will go a long way in ensuring self-sufficiency", Mr. Ranganatham said.

Speaking to *The Hindu*, he said the power policy needs to be given a re-look.

Of the 2600 MW expected to be generated from various thermal stations by January 2015, the share of AP is 1196 MW.

There is no tangible assurance from the hydel and gas-based units as of now and hence it is essential for the new government to give incentives to the renewable sector, especially solar, where the payback period is 5-7 years.



Political meddling is at the root of India's power problems

Tue Jun 10, 2014 4:35pm IST

(John Kemp is a Reuters market analyst. The views expressed are his own)

By John Kemp

(Reuters) - For decades, India's power engineers had a dream: "One Nation. One Grid. One Frequency."

At the start of this year, that vision was realised. India finally has a nationwide power system stretching from Tamil Nadu in the south to Kashmir in the north, Gujarat in the west to Nagaland in the east.

On Dec. 31, India commissioned the last link, a high-voltage transmission line between Raichur and Solapur, connecting the southern regional grid to the four other grids serving the north, east, west and northeast, which had been successively integrated since 1991.

The whole of India's electricity system was synchronised and started to function as one giant machine. Unification is a powerful symbol of national identity and modernisation as well as enabling the system to operate more efficiently.

Britain's seven regional networks were first synchronised as long ago as 1937 in an unauthorised night-time experiment by electrical controllers and officially integrated in the winter of 1938.

Until then, "having too many power stations connected together in one big network had been thought too risky", according to the Central Electricity Generating Board. But the national grid kept Britain's armaments factories running during the heavy air raids of World War Two.

The United States integrated almost its entire network into two giant interconnections that link into neighbouring parts of Canada and Mexico: the Eastern Interconnection in 1962 and the Western Interconnection in 1967.

China, too, is rapidly linking its regional grid operations into a nationwide super-grid.

But India's belated arrival in the super-grid club cannot disguise the underdevelopment of the country's electricity system.

UNMET DEMAND

More than 300 million people in India lack access to electricity, according to the World Bank and the International Energy Agency, compared with fewer than 3 million in China.

In 2012/13, India's power system was able to supply a peak of just 124,000 megawatts for a country of more than 1.2 billion people. By contrast, Britain's power stations generated a maximum of 55,000 megawatts for a country of 60 million.

On average, Indians consume 917 kilowatt-hours each per year compared with 3,300 in China, 5,400 in Britain and 13,000 in the United States.

India has just over 1 million km (625,000 miles) of high-voltage transmission circuits and 185 substations. That compares with around 750,000 circuit-kilometres on the main interconnections in North America, which has a population a quarter the size of India's, and more than 50,000 transformer substations in the United States alone.

Generation is dominated by old and inefficient coal-fired units that belch soot, toxic pollutants and carbon dioxide. Coal accounts for 60 percent of India's installed generation capacity with some hydro (16 percent) and renewables (13 percent) as well as smaller amounts of natural gas and nuclear.

Power cuts are frequent as demand often outstrips supply. More than 10 percent of electricity demand routinely goes unmet at peak periods, according to India's Central Electricity Authority ("Annual Report 2012-13").

POWER FAILURES

India's grid has proved worryingly unmanageable and unstable - even before the synchronisation of a fifth region with hundreds of millions more customers.

In July and August 2012, India's two worst blackouts in history cascaded across the north and the east, cutting electricity to states and territories home to more than half of the country's population.

Ironically, the only region spared was the southern one because it was not synchronised with the rest of the grid. The lack of direct connection served as a firebreak as blackouts rippled across the network, the danger foreseen by Britain's grid engineers in the 1920s and 1930s.

Blackouts occurred because during the intense summer heat, which stretched the country's generation and transmission resources to the limit, many of India's state electricity boards ignored instructions to reduce power deliveries to their customers. A cascading failure resulted.

But it is not just too much consumption that can destabilise the grid. Last month, the northern grid collapsed when thunderstorms and heavy rain hit Delhi, Uttar Pradesh, Haryana and Uttarakhand. Bad weather caused a sudden reduction in demand. As voltage and frequency surged, 69 high-voltage transmission lines disconnected themselves to protect equipment.

Around 8,000 megawatts of load was dumped in half an hour, equivalent to 6 percent of India's power supply, including 3,500 megawatts in Delhi, according to a

report prepared by the Central Electricity Authority ("Report on the Load Crash in Northern Grid during the evening of 30th May 2014").

Cascading power failures are not unique to India. The United States, Canada, Brazil and Indonesia have suffered partial grid collapses. But the frequency with which India's grid has lost control is a cause of concern.

POWER POLITICS

The fundamental problem in India's electricity industry is political. The industry is fragmented between a relatively weak Central Electricity Authority and Power Grid of India, which manage the network, and strong state electricity boards that answer to local politicians. The boards control regional distribution and generation.

Prices have been strictly controlled, and in many areas cheap electricity and the promise of connection have been used as a political tool. Subsidisation, especially for farmers, and non-payment of electricity bills are endemic.

The result is that Indians pay too little for electricity. Those who have access often use it wastefully while millions more have no access at all.

There are not enough revenues to support the massive building programme needed to connect all of India's villages, build new transmission lines and construct extra power plants.

India needs hundreds of new power plants (including wind farms and solar power stations) coupled with investment in more transmission capacity, significant improvements in grid stability control, and a massive rural electrification programme comparable to the one that brought power to rural America in the 1930s and 1940s.

Such an enormous investment programme will be forthcoming only if prices are raised high enough to cover the cost of generation and transmission and provide investors with a realistic rate of return.

There will still need to be an element of subsidisation (either from customer bills or taxation) to cover the cost of linking villages to the network. But once customers are connected, they should pay the full cost of transmission and generation.

REFORM PROSPECTS

There have been price increases in recent years. The average power tariff in Maharashtra has been raised to around 15 U.S. cents per kilowatt-hour, which is comparable to much of the United States. But in much of India the price is less than half this level. Customers in populous but power-short Uttar Pradesh and Bihar pay just 8 cents per kilowatt-hour ("An analysis of power tariffs across India", February 2013).

The electricity system needs much more centralisation. It is too easy for state electricity boards to obstruct realistic pricing and grid management. The synchronisation of regional grids must be accompanied by more integration of electricity suppliers.

"Current problems are the result not just of bureaucracy but of the fragmentation of the distribution process," according to Nick Butler, chair of the King's Policy Institute in London. India's new prime minister "will have to centralise decision-making", Butler wrote recently in the Financial Times ("Indian power: Modi must centralise it", June 1).

Gujarat, the state formerly run by new Prime Minister Narendra Modi, has been touted for its efficient and commercially run electricity industry, which featured in the recent national election campaign. Since 2003, power thefts have been slashed. The state separated agricultural and residential power systems. Rural homes pay higher bills but get more reliable power supply.

"Gujarat now supplies near 24-hour electricity not only to its large cities and towns but to the 18,000 villages too," according to the Times of India. During recent power shortages, Gujarat has been selling its surplus power to neighbouring Rajasthan, Haryana and Delhi ("Power-full Gujarat gives 24-hour electricity", March 4, 2013).

Gujarat's well-run electricity system could be a model for the rest of the country. But first, India needs to sweep away the entrenched interests in the state electricity boards and shift to a full cost-recovery model. (Editing by Dale Hudson)

BusinessLine

Below normal monsoon forecast impacts rupee

GURUMURTHY K
BL RESEARCH BUREAU

June 10, 2014:

The India Meteorological Department retaining its outlook for a below normal monsoon this year is putting pressure on the rupee.

The currency fell to its intra-day low of 59.33, down 0.25 per cent, and has slightly recovered from there. It is currently trading near 59.26, down 0.12 per cent. The rupee one-month forward is trading at 59.49, down 0.2 per cent.

Met forecast

According to the Met department, India is expected to receive 93 per cent of the average rain this year during the June-September monsoon period. This adds additional pressure as the southwest monsoon is already delayed by one week. This coupled with the increasing chances of an El Nino formation this year is increasing the fear that the inflation could go up.

CPI inflation

According to Bank of America Merrill Lynch, the impact of El Nino could push the consumer price index (CPI) inflation to 8-10 per cent. CPI inflation stood at its three-month high of 8.59 per cent in April. The CPI data release for the month of May is due this Thursday.

High inflation will continue keep the Reserve Bank of India on hold with regard to change in interest rates. Possibility of a rate hike increases in this scenario. The RBI had left the key rates unchanged last week. High inflation also erodes the rupee's competitiveness against its trading partners; thus affecting its Real Effective Exchange Rate.

Technical outlook

Technically, the reversal from 58.33 recorded on May 23 is a significant reversal. Also, the inability to breach 59 on Monday suggests that strength in rupee could be limited. Rupee could weaken to 59.50 and a decline below 59.50 can drag it further lower to 60 in the short-term. The currency will need a break above 59 to gain bullish momentum.

(This article was published on June 10, 2014)



India's energy shortage likely to be 5.1%

Trithesh Nandan

With the temperature hitting a 62-year high in Delhi on Monday, a dismal scenario exists across the country on the power front. As unprecedented outages have become the order of the day, the power sector warrants some quick thinking and out of the box solutions.

The latest report by Central Electricity Authority (CEA), a nodal agency under ministry of power, states that the country's energy shortage is expected to be 5.1 per cent while peak shortage will be 2 per cent this fiscal. The report, however, does not truly represent the ground reality, which is worse.

While the CEA report stated that Delhi and Punjab would have surplus energy in the current financial year, contrary to it both these states are now facing huge power shortages.

During 2013-14, the maximum energy shortage was recorded in Jammu & Kashmir (21.9 per cent) and Uttar Pradesh (14 per cent). In UP, except for the high-profile constituencies like Rae Bareli, Amethi, Etawah, Mainpuri, Kannauj and Rampur, other districts get irregular electricity supply. Varanasi, the constituency of Prime Minister Narendra Modi, has been added in the list of regular power supply, as announced by the state government in the first week of June. The daily power demand routinely breaches 13,500 MW against total availability of 11,000 MW in the state.

Reports state that the primary cause for power outages is projects lying in limbo. Paris-based International Energy Agency (IEA) states that statutory clearances are the "greatest barrier" for power growth in India. The famous Dabhol power project of the early 1990s, later renamed Ratnagiri Gas and Power Private Ltd, has not been generating electricity since 2013 due to lack of raw material — gas.

Last month, NTPC terminated a contract to develop and operate the first coal mine for power generation. The project was stalled for more than three years as high compensation was sought by villagers for their land.

The cabinet committee on investment formed in 2013 by the UPA government cleared 18 power projects worth Rs 83,000 crore. The major projects included Reliance Power's 4,000 MW plant at Tilaiya in Jharkand and two hydro power projects in Arunachal Pradesh. These projects were stuck facing environmental clearances. It will take yet another 2-3 years for them to actually start generating electricity.

According to the power ministry, India produces only 4,780 MW of nuclear energy, which is only 2.08 percent of total electricity production. To increase nuclear energy production, the Indo-US civilian nuclear agreement was signed in 2008. Six years later, no new nuclear power plants have come up.

The country also lacks harnessing renewable energy resources for electricity generation.

Currently, around 59 per cent of electricity in India is generated from coal-based power plants. The 12th five-year plan targeted an addition of 76 gigawatts (GW) electricity production by the end of 2017, with about 63 GW from coal-based generation for which 842 million tonnes of coal would be required every year. However, at 540 million tonnes a year, India's coal output is short of demand by over 100 million tonnes.

In contrast, gas-based and hydro power projects contribute 8.91 per cent and 17.39 per cent, respectively, in total power generation.

On June 9, President Pranab Mukherjee in his joint session of Parliament said that the government's priority will be to provide 24x7 electricity supply to every family by the time nation completes 75 years of independence. The government plans capacity addition of 17,800 MW during 2014-15, comprising 14,958 MW of thermal, 842 MW of hydro and 2,000 MW of nuclear power stations.

FICCI, a Delhi-based industry body, states that unavailability of power has had a huge impact on industrial production so much so that India lost \$68 billion due to outages in 2013. Faulty transmission is also one of the problematic areas for power supply, apart from rampant theft and pilferage.

Jaya's 24x7 power supply promise falls short in TN's Kanchipuram

Anna Isaac, CNN-IBN

Jun 10, 2014 at 11:01am IST

Kanchipuram: Tamil Nadu Chief Minister Jayalalithaa had promised that there would be no power cuts from June 1 in the state. While cities like Chennai and Coimbatore are largely free of power cuts, CNN-IBN did a status check on the power situation in the silk town of Kanchipuram.

Just 70 kilometre outside the state capital of Chennai in the temple town of Kanchipuram, things are different. The Tamil Nadu government's promise of no power cuts has fallen short in this town. For the weavers there, life has hardly changed since June 1. With frequent power cuts, the number of silk sarees being woven has come down.

Most weavers in Kanchipuram, like 46-year-old Mani, work from home. Though most of the weaving is done manually, they say working without power for 4 to 5 hours every day in low light and heat has reduced their output. "We can't guess what time power will be there and what time it will go. They said from June 1st no power cuts will be there, but there was no power the same day," Mani said.

Another weaver GS Venkatesan said, "If power cuts are not there, we will weave 3 sarees per month. But now it's difficult to weave even one and half sarees. And it is summer, if we weave without electricity we sweat over the saree and it gets stained."

A state government scheme entitles handloom weavers to free power supply for 100 units bi-monthly. But in reality they say they are unable to claim this benefit. With the price of silk and zari increasing and no social benefits, weavers wonder what the future holds for Kanchipuram's famous silk saree industry.

E Muthukumar, General Secretary of the Tamil Nadu Handloom Workers Federation said, "Before 10 years, there were 70,00 weavers. But due to no wages, no social benefits, no safety, the weavers' numbers had been reduced to half, there are only 35,000 in Kanchipuram now. This work is not being carried out by the next generation now because there is a big question mark over their livelihood."

Reports suggest unscheduled power cuts in some parts of Tamil Nadu may be on account of routine maintenance of power generation units. Weavers in Kanchipuram hope there will eventually be light at the end of the tunnel.

THE HINDU

CHENNAI, June 10, 2014

Updated: June 10, 2014 02:32 IST

Blackouts, low voltage hit Chennai

R. SRIKANTH

Residents of Chetpet, who were already reeling from a faulty transformer, were among the worst hit

The heavy rains may have brought cheer to water managers but left residents facing power disruptions for several hours from Sunday night. The cuts extended from one hour to more than 12 hours.

Vishal Abraham, a resident of Harrington Road in Chetpet, went through a sleepless night because there was no power supply for several hours. Chetpet has been in the news with issues of low voltage and power cuts since the substation caught fire on Friday, damaging a transformer.

Balagangadharan, a resident of McNichols Road, which is fed by the Chetpet substation, was furious that there was no electricity for more than 12 hours in his house. The retired bank official complained that he had been facing power disruptions for the past one week and despite contacting various layers of authority, the problem was not yet solved.

Guruprasad, a resident of Ram Nagar 6th Main Road, Velachery, said that power supply, which went off at 11 p.m. on Sunday night, was not restored until early morning. He said that for the past one week, there had been unscheduled power cuts for one hour from 10 p.m.

A Tangedco official said rains had led to the uprooting of electricity poles, snapping of overhead cables and snags in transformers. He added that workmen were engaged in rectifying the issues on a war footing. He however denied that any load shedding was being carried out.

THE NEW
INDIAN EXPRESS

Power Crisis May Force Closure of 25% Small Businesses'

By IANS

Published: 08th June 2014 04:50 PM

Last Updated: 08th June 2014 04:51 PM

Email2

Due to extreme power deficit, industrial production in major states will have to be curtailed to the extent of 30-35 percent. (File/AP)

NEW DELHI: Acute power shortages are likely to force over 25 percent micro, small and medium enterprises (MSME) in several states, mostly in north India, to close their businesses, according to industry lobby Assocham.

The worst affected states are Punjab, Uttar Pradesh, Haryana, Rajasthan and Delhi, Assocham secretary general D.S. Rawat said in a report.

In its survey released last week, Assocham stated that the industrial production is likely to fall by 40 percent due to frequent power outages in north Indian states that are also coping with severe heat wave.

Due to extreme power deficit, industrial production in states of Uttar Pradesh, Andhra Pradesh, Jammu and Kashmir, Haryana, Punjab, Rajasthan, Karnataka, Tamil Nadu and Maharashtra would have to be curtailed to the extent of 30-35 percent, particularly in manufacturing units, as these have no alternative means to produce power.

According to a feedback received by Assocham from the industry, power deficit in the states like Uttar Pradesh, Madhya Pradesh, Maharashtra and J&K may go up to 30-35 percent in June-July from 20-25 percent recorded in April-May.

Uttar Pradesh, which is one of the industrialised states in the country, is facing one of the worst crises, and resorting to an average load-shedding of 10-12 hours a day.

Uttar Pradesh, which has a power requirement of over 8,282 million units, has availability of little over 7,358 million units (MU), with deficit ranging over 11.2 percent.

The situation is no better in Andhra Pradesh where the power deficit is approximately 12.1 percent. The availability in the state is only 7,976 MU against the requirement of 9,070 MU.

The Southern part of the country is likely to suffer energy shortage to the extent of 2,111 MU particularly in Andhra, Karnataka and Tamil Nadu.

Jammu & Kashmir suffered a power shortage of 20.3 percent in April and it is likely to go up to 25 percent in the coming months.

Besides low production capacity, Assocham said, power theft, leakages and transmission and commercial losses were among the main reasons the crisis in these states.



TIRUNELVELI/CHENNAI, June 8, 2014

Updated: June 8, 2014 02:39 IST

KKNPP first unit attains full capacity

P. SUDHAKAR
T. RAMAKRISHNAN

Out of the 1,000 Mwe from the first unit, Tamil Nadu will get 562 MWe

The Kudankulam Nuclear Power Project's first unit attained its maximum capacity of 1,000 MWe at 1.20 p.m. Saturday.

The milestone, which came as a shot in the arm for KKNPP engineers and officials, has demonstrated that the Nuclear Power Corporation of India Limited (NPCIL) is capable of running 1,000 Mwe-class reactors built with Russia's VVER technology. When the first unit reached 90 per cent of its capacity on May 5, it was expected to attain the maximum capacity within a week. But other mandatory tests and clearance from the Atomic Energy Regulatory Board (AERB) for raising its power factor took more time than earlier envisaged.

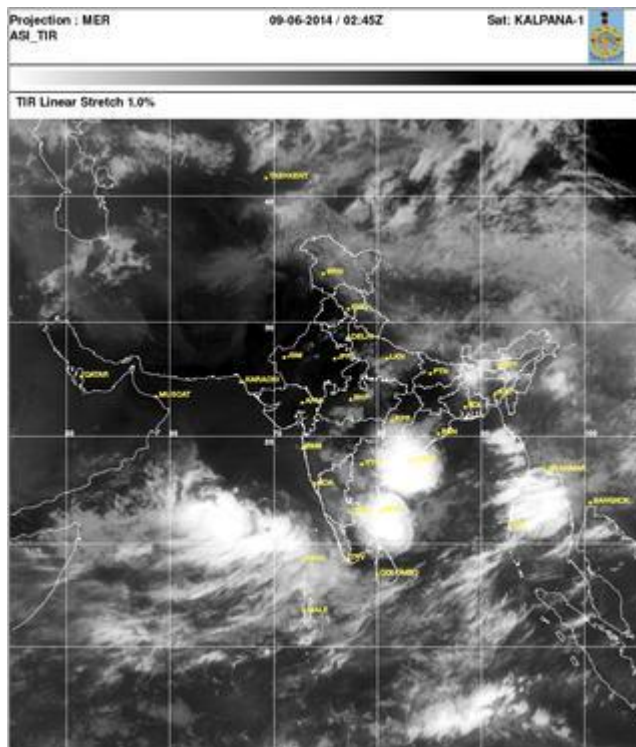
"It is really an emotional experience for us as the reactor's power generation gradually ascended from three digits to four digits at 1.20 p.m. All technical parameters are satisfactory," said R.S. Sundar, Site Director, KKNPP. The reactor had attained criticality on July 13 last year. The cumulative generation from the first unit so far is 1,900 million units of electricity. The first unit was synchronised with the southern grid on October 22, 2013.

Out of the 1,000 Mwe from the first unit, Tamil Nadu will get 562 MWe. This includes 100 MWe from the unallocated share.

Business Line

Australian Met Bureau detects monsoon 'blocker' in Indian Ocean

VINSON KURIAN



THIRUVANANTHAPURAM, JUNE 9:

In what looks like blow to prospects for the monsoon, an unfriendly weather pattern seems to be emerging in the Indian Ocean.

Reference here is to the negative Indian Ocean Dipole, signs of development of which have been indicated by the Australian Bureau of Meteorology.

Indian Ocean Dipole (IOD) mimics the larger El Nino-La Nina of the Pacific in India's own backyard waters. When the IOD is negative, east Indian Ocean (below Bay of Bengal) warms up anomalously.

The warmer waters here will lead to usurping locally of moisture that is headed towards the west Indian Ocean. This in turn leads to the 'disarming' of the monsoon flows in the west where they turn southwesterly and get directed towards south Arabian Sea and the Kerala coast.

The IOD index may already have started dipping to the 'negative' as per the June 1-update of the Australian bureau.

When acting in concert with a building El Nino in the Pacific, the net impact on monsoon could be larger than expected, say monsoon watchers.

Earlier on Monday, the outlook on the monsoon remained unchanged except for India Met Department putting out an alert that the brewing 'low' in the Arabian Sea would intensify.

The Met has already indicated that the system could go in for rapid intensification off the Lakshadweep Islands.

A surge in the monsoon flows is expected after the 'low' forms since they would henceforth have a central point to rally around.

This would also translate into heavy rains for the west coast as a whole with Kerala, Karnataka and Konkan being immediate beneficiaries.

It is raining now Thiruvananthapuram after being partly cloudy earlier in the morning.

(This article was published on June 9, 2014)



MADURAI, June 5, 2014

No let-up in power cuts

M. VANDHANA

Official cites fluctuation in wind power generation as reason

Despite the Chief Minister's announcement that Tamil Nadu will be free from power cuts from June 1, it appears there is no respite for those living in Madurai.

Several residential areas in the city continue to witness unscheduled power cuts for more than one hour.

"We have unscheduled power cuts for nearly two hours even after June 1. If it is because of technical issues that cropped up after sudden rains, we can manage for a while. But if the situation persists, it will be difficult," said R. Meenalochani, a resident of Ellis Nagar, on Wednesday.

R. Narmatha of Ponnagaram complained that there was no power in the area for more than one hour every day. "The situation has not changed even after the announcement that there will be no power cut. Every day, at least for two times the power supply is interrupted and it lasts for half an hour," she said.

R. Maheswaran, an advocate residing at Kannanenthal, said there was no power in the area for more than two hours. "The power supply is mostly interrupted between 6 p.m. and 10 p.m. It is unscheduled. On Monday, the power cut was for one hour and on Tuesday it lasted for two and a half hours," he said.

An official of the Tamil Nadu Generation and Distribution Corporation (Tangedco) told *The Hindu* that the reason for power cuts is fluctuation in power generation by wind energy. "The fluctuations are severe in the past three days and it has gone between 500 MW and 3000 MW. Now that the peak hour restriction on industries is lifted, we are unable to meet the demand as well. This requires us to interrupt power supply in a few areas," the official said.

President of Tamil Nadu Chamber of Commerce and Industry N. Jegatheesan said that though the peak hour restriction on industries has been lifted, they face power interruptions daily. "Integration of southern grid with the national power grid would put an end to the issue."



CHENNAI, June 7, 2014

Updated: June 7, 2014 10:29 IST

Ban on inter-State sale of power goes

T. RAMAKRISHNAN

The move can benefit private power producers as some of them have been requesting the government to remove the ban.

Feeling confident about the availability of electricity, the State government has lifted the five-year-long ban on inter-State sale of power.

The move can benefit private power producers as some of them have been requesting the government to remove the ban.

The restriction was imposed during the initial phase of power shortage in the State.

Through an order of February 2009, all generating plants in the State were required to sell power either to the Tamil Nadu Generation and Distribution Corporation (TANGEDCO) or any other high-tension consumers within the State as per the regulations of the Tamil Nadu Electricity Regulatory Commission (TNERC).

An expert, speaking on condition of anonymity, says the improvement in power supply position has prompted the government to take the decision.

As per an estimate, the State has 18 private power producers who use coal or gas in their plants having an installed capacity of around 1,000 megawatt (MW).

In the last five years, they have been selling power to the TANGEDCO by taking part in bids for power purchase with one-year validity.

Technically speaking, the order can also benefit those firms having biomass power plants or windmills.

Another expert points out that Andhra Pradesh is facing an acute shortage of power, and the order has given the firms opportunities to sell power to any customer in the neighbouring State.

Business opportunities for UK companies in the Indian power sector

Report examining opportunities in India's energy transmission and distribution, smart grid, renewable energy, and energy efficiency sectors.

Detail

This report was commissioned in August 2013 by UKTI India to highlight business opportunities in the Indian power sector. It demonstrates the value and size of opportunities against a background of the strongly performing Indian economy – growing at a rate of 4.5% (Q3 2012/13).

India's Prime Minister has set a target of a trillion dollars investment in infrastructure during the 12th 5 year plan.

Business opportunities in India's power sector are huge. The 'trending segments' of the sector include:

- coal based power generation
- transmission and distribution
- smart grids and smart meters
- renewable energy (wind, offshore wind, solar)
- energy efficiency

Industry body devises novel method for fly ash disposal

AMIT MITRA

Produces low density aggregate for construction sector

HYDERABAD, JUNE 6:

Indian Metals and Ferro Alloys (IMFA) is set to show a new way for productive disposal of fly ash in India, a development that could help power producers in better management of the commodity.

IMFA, India's leading fully integrated producer of value-added chrome, has commenced trial production of low-density aggregate (LDA). This product is made from fly ash generated by its captive power plants that can be a substitute for stone-chips used by the construction industry to add mass to concrete.

Although fly ash-based LDA is not used by the Indian construction industry, it is extensively used as a substitute for natural aggregates (stone chips) for construction in Europe and West Asia.

“We will be launching commercial production soon. We are confident of marketing this new product in India, as the construction and power industries have already started showing interest in the product,” JK Mishra, Chief Operating Officer, IMFA told *BusinessLine*.

It has set up a ₹75-crore plant to produce about 12,000 tonnes of LDA a month, using about 1.2 lakh tonnes of fly ash every year generated by its captive power units, which together have an installed capacity of 258 MW.

“With our technology, the cost of LDA made out of fly ash works out to ₹1,000 a tonne. Also, it has other advantages over stone chips for construction, including its light weight. While one cubic metre of stone chips would weigh between 1.7 and 2 tonnes, the same volume of LDA will weigh below 0.8 tonnes,” Mishra said.

Power producers, grappling with the problem of fly ash disposal, are now exploring the option of converting fly ash into LDA, especially as the demand for aggregates is set to surge on the back of increased construction activity.

Expansion

IMFA, which has a ferro-chrome manufacturing facility in Odisha with a capacity of 2.75 lakh tonnes, is looking to add one more furnace of 60,000-tonne capacity in the next two to three years. .

The capacity ramp-up will come on the back of expansion of its chrome ore mining capacity from the current five lakh tonnes to about 6.5 lakh tonnes over the same period.

Mishra said while the new furnace would require an investment of about ₹200 crore, the ore mining expansion would require another ₹100 crore.

(This article was published on June 6, 2014)

BusinessLine

BHEL stops work at AP power station after ₹240 crore fine

OUR BUREAU

HYDERABAD, JUNE 6:

Bharat Heavy Electricals Ltd (BHEL) has ordered stoppage of work at the 2x800 MW Damodaram Sanjeevaiah Thermal Power Station in Krishnapatnam, Andhra Pradesh.

The move comes in the wake of the company being reportedly singled out for project delays and levied a fine of ₹240 crore for liquidated damages (LD), which Andhra Pradesh Power Development Corporation Ltd (APPDCL) has deducted.

According to sources, BHEL pointed out that though APPDCL was aware of the shortcomings of the other contractors on site, the LD was deducted unilaterally, without assessing reasons for the delay.

APPDCL's move is against the terms and conditions and the spirit of the contract.

(This article was published on June 6, 2014)

TIMES OF INDIA

One nation, two grids: Power locked up north

[B Sivakumar](#), TNN | Jun 6, 2014, 02.59PM IST

CHENNAI: Tamil Nadu, a power deficit state, hopes to bridge the demand and supply and also become a power-surplus state. Apart from commissioning its own power plants and also getting a share from the Central plants, the state's power managers have signed deals with private producers in the north to purchase power.

But a major handicap has been that there are few routes to bring power from the northern part of the country to the south. For instance, the India Energy Exchange (IEE), an automated electronic trading exchange regulated by the Central Electricity Regulatory Commission (CERC), said [Tamil Nadu](#) and Kerala were the worst affected in May this year as power could reach the states only for 10 days that month.

"Several participants in southern states refrained from bidding on the exchange due to unavailability of the transmission corridor," an IEE spokesman told TOI.

When she met Prime Minister [Narendra Modi](#) on Tuesday, chief minister J [Jayalalithaa](#) requested him to expedite the completion of inter-state transmission projects being undertaken by the [Power Grid](#) Corporation.

The state is banking on the full commissioning of the Raichur-Sholapur double line, which will accomplish the national goal of 'one nation-one-grid', by which power could flow seamlessly everywhere.

This would also mean that Tamil Nadu will be able to fully participate in the national power exchange where power can be bought in the spot market.

Of the two parallel lines being laid between Raichur and Sholapur, one line was connected to the rest-of-the-nation grid on December 31, 2013. But the other line is being laid by a private company and only when this line is operational, power can be evacuated from northern states.

"The private line is likely to be operational by August as testing and other necessary

formalities are being undertaken to operationalise both the lines. Once these two lines are made operational, Tamil Nadu and other southern states can evacuate power from the rest of the country," says I S Jha, director of operations at Power Grid.

The [TNEB](#) has signed a memorandum with private companies in the north to evacuate power and some of the agreements came into effect in August this year. More than any other line, the TNEB needs the Raichur-Sholapur line to be operational both ways so as to take full advantage of the contracts.

The chief minister in her memorandum had mentioned three interstate lines for expeditious operation and also a separate line from Pugalur in Tamil Nadu to Chhattisgarh to evacuate power generated from a thermal plant being set up in a coal mine (pithead) there. TNEB owns a coal block in that state through its joint venture Maha Tamil Collieries with Maharashtra State Mining Corporation.

"Work on the Vemagiri-Angul, Narendra-Kolhapur and Hyderabad-Wardha lines was started a year back and some progress has been made. But to make them operational it may take at least another year and half," said Jha.

Generally it takes at least three years to make a transmission line operational but Power Grid is working to finish these lines before the deadline, he said. The Pugalur-Chhattisgarh line is still in the planning stage and will take time to become a reality, Jha added.



Investor interest in power revives after bid norms are revamped

Adani Power, Jindal Power, GMR Kamalanga Energy, Lanco Power and Essar Power are among the 23 pre-qualifiers for supplying 450 MW to Kerala

The Kerala State Electricity Board (KSEB) contract is the first such offered by an SEB this fiscal year. Photo: AFP

New Delhi: Is investor interest reviving in the Indian power sector? The bid for supplying 450 megawatts (MW) to Kerala seems to suggest that it indeed is; 23 firms, the who's who of Indian power producers, have pre-qualified for the bid.

The interest is being attributed to the new bid norms that have been put in place, as well as a clean-up of the books of state electricity boards (SEBs). The former has

lowered the risk for electricity generating companies and the latter has enabled SEBs to resume power purchases.

According to documents available on the Kerala State Electricity Board's (KSEB) website, the 23 who have pre-qualified for the bid include Adani Power Ltd, Adhunik Power and Natural Resources Ltd, Bharat Aluminium Co. Ltd, DB Power Ltd, East Coast Energy Pvt. Ltd and Essar Power M.P. Ltd.

GMR Kamalanga Energy Ltd, Ideal Energy Projects Ltd, IndiaBulls Power Ltd, Jaiprakash Power Ventures Ltd, **Jindal Power Ltd**, **KSK Energy Ventures Ltd** and **Lanco Power Ltd** have also pre-qualified.

The KSEB contract is the first such offered by an SEB this fiscal year. Queries posted on the KSEB website on Wednesday remained unanswered as of press time.

These bids have been called through the so-called Case 1 route, wherein the developers have to design, build, finance, own and operate a power plant for a period of 25 years.

Bids for power procurement are sought in two ways. In Case 1, the quantum and time period of power procurement is identified, but fuel type, sources and the plant location are not specified. In a Case 2 bidding scenario, such as the one for so-called ultra mega power projects (UMPPs) that are of the order of 4,000MW, resources such as land, fuel and water linkages are identified and in some cases also provided to the developer quoting the lowest.

"This is a test case for the new Case 1 bidding document, where bidders have to capture all risks and translate to a single first-year tariff number," said **Debasish Mishra**, senior director, consulting, **Deloitte Touche Tohmatsu India Pvt. Ltd**.

"First year number would get escalated as per the index prescribed in the bid document," Mishra said.

Earlier Case 1 norms required power firms to quote year-on-year tariff increases for the entire 25-year duration of the power purchase agreement (PPAs).

They also had to specify the fixed and variable component of the tariff and mention whether it could be increased.

Under the new norms, the developer's risk has been minimized with the tariff increase based on the indexation provided by Central Electricity Regulatory Commission (CERC), the apex power sector regulator.

"Given the slowdown in demand for electricity and hence drought in Case 1 procurement by discoms (distribution companies), there is tremendous interest

among developers to participate and win this bid. Winning long term contracts will also facilitate getting fuel supply from **Coal India Ltd**,” said Mishra.

There have been instances wherein such PPAs have gone into litigation with the successful bidder unable to predict the unforeseen escalation such as the cost of the imported coal. Also, putting a value on tariff for 25 years became difficult as the debt taken for these projects is usually for a period of 11 years.

Many power projects, including those of state-owned **NTPC Ltd**, are currently operating at sub optimal levels.

“Over the last 12 months, many SEBs (such as Haryana, Rajasthan, West Bengal and Gujarat) have also lowered their plant utilisation because of demand issues. FY14 thermal generation grew only 4% y/y despite 12% growth in capacity,” said a 21 April UBS Global Equity Research report.

“Currently plant load factors are at the lowest in the last 10 years,” the report said and added, “we think the poor demand from state electricity boards reflects the inability or unwillingness of distribution companies to buy enough power to meet real demand”.

Policy interventions, debt restructuring initiatives and tariff hikes are expected to improve the financial health of SEBs. Electricity distributors owe Rs.2 trillion to banks and other financial firms.

The health of the power distribution sector holds the key to the success of generation projects in a sector seen as a key bottleneck in efforts to sustain and boost growth.

With attempts being made to bridge the gap between the cost of electricity procurement and tariff realization, the central government’s bailout plan for discoms included regular tariff revisions as part of the conditions to be met.



TIRUCHI/CHENNAI, June 6, 2014

Squall uproots over 500 electric poles in central districts

C. JAISANKAR AND

Maximum damage was reported in Karur district

Over 500 electric poles have been uprooted or fully damaged in seven districts including Karur, Pudukottai and Tiruchi of the central region due to a squall that lashed the districts on Monday evening. This led to disruption of power supply for several hours in many parts of these districts.

The maximum damage was reported in Karur district where about 270 posts were hit. Perambalur, Thanjavur and Nagapattinam districts too saw the power poles getting affected. In Tiruchi district. Manaparai and Thottiam taluks reported damage.

A senior official of the Tamil Nadu Generation and Distribution Corporation (TANGEDCO), who feels relieved that there was no loss of human life, says the supply has been restored in most of the affected areas, even as the Corporation is carrying out major restoration works on a war footing. In Karur. The supply was hit for about six hours following the squall and it was restored on the night of the same day.

To tide over the crisis, more than 200 engineers and technical staff of the Corporation from Thanjavur and Pudukottai districts have been deployed in Karur. Steps are under way to replace the fully damaged electric posts with fresh ones and reconnect the high-tension and low-tension power lines that fell on agricultural fields and others.

R. Kumaresan, Chief Engineer, Central Region, TANGEDCO, who inspected a number of places in Karur district including Mayanur and Vangal, told *The Hindu* that the supply in 90 per cent of the areas had resumed. The officials were working overtime to restore the power supply in the remaining areas.

Load-shedding

Acknowledging that there was, on an average, a shortfall of about 1,600 megawatt (MW) on Tuesday evening due to a combination of factors, a senior official says that this compelled the authorities to resort to load-shedding.

The official asserts that even though the action was in force for six hours that day, no area in the State “suffered load-shedding beyond one to one-and-a-half hours” and the parts of the State other than Chennai were divided into different regions for sharing the quantum of load-shedding.

A resident of Madurai says the maximum duration was two hours in that city on Tuesday evening.

The outage of one unit each at the North Chennai Thermal Power Station and the Kudankulam nuclear power plant contributed to the loss of power. Besides, three units — one unit each at the North Chennai, Tuticorin and Mettur thermal power stations — have been taken up for annual maintenance. Also, there was a wide fluctuation in wind energy production in the day, the official says, adding that the last two days went off without load-shedding.

Updated: June 6, 2014 09:10 IST

Will HT power largesse affect domestic supply?

Last year, power demand in the city touched a peak of 3,027 mega watt (MW) in

May and 2,921 MW in June

R. SRIKANTH

While the removal of restriction and control (R&C) measures by Tangedco, for high-tension (HT) consumers, has been welcomed by industrial units, power managers wonder if this will further burden the transmission network, leading to low-voltage situation and unscheduled power cuts in the city.

However, Tangedco officials are quick to deny this.

Loganathan, a resident of Muthapudupet in Avadi, says residents are having sleepless nights because of low voltage and power disruptions during evening peak hours, from 8.30 p.m., over the past few days.

He says local officials are not helpful in rectifying the low-voltage problem.

S. Gandhi, president of Power Engineers Society of Tamil Nadu, says, while removing the 20 per cent cut in power supply for HT consumers is not likely to have any impact on power supply, the lifting of 90 per cent supply restrictions between 6 p.m. and 10 p.m. could have been postponed until wind power began to fully pick up.

Mr. Gandhi says the electricity demand has been growing in the city over the years, particularly during May and June, and the burden on the system is already high during summer.

As per data available from Tangedco, demand in the city touched a peak of 3,027 mega watt (MW) last May and 2,921 MW in June last year.

He says this was when R&C measures were in place. Now with R&C measures being lifted during peak hours, there will be additional burden as the demand from HT consumers in the city is 1794.60 MW.

Defending the move, a senior official of Tangedco says it is premature to say anything yet on the impact of the move on the distribution network in the city.

He says the HT demand has no connection with the domestic demand, and therefore, domestic consumers will not be affected because of operation of HT services during peak hours.

Low voltage problems in some neighbourhoods may be because of problems with the local distribution network, said the official



Power grid failure: How does it happen?

by [Sushmita Dutta](#)

Why are the grids failing time and again? Here's a look at the system and its weak points.

Electrical Grid

The power generating stations are hooked onto an interconnected network of transmission lines and substations. These generating stations supply electricity through these transmission lines. The companies responsible for distribution take the power coming through these lines and forward it to the consumers. This is how electricity reaches millions of homes.

The stability of the grids depends on a delicate equilibrium of demand-supply chain. The amount of load is directly proportional to the amount of power generated. When the equilibrium between power generated and consumed gets disturbed and the load becomes more, it leads to tripping of the line. It is duty of the power distributors to maintain the equilibrium intact so that not trigger a grid failure.

Three pillars of a power grid

A power grid consists of three sections - stations which produce electricity from fuel (fossil or non-combustible), the transmission lines which carry the power to the substations from the plants and lastly the transformers which keep a check on the voltage.

A schedule is declared by the generating plants for injection of power to the grid operators. Similarly a schedule is also drawn by the distribution stations according to which they are supposed to draw power and distribute it further.

A stable grid

The stability of a grid is determined by keeping a check on the demand and supply, as per the drawn schedule. According to the Indian Electricity Code, 49.5 Hz to 50.2 Hz is the permissible band for grid operations in India. It is supposed that a bigger grid is more stable than smaller ones.

Reasons of a grid collapse

Grids collapse due to two basic reasons. One is the failure of the equipment, like it happened a decade ago in 2002 when the northern grid collapsed, due to fog/pollution. The second trigger is power suppliers drawing excessive power from the grid. Which results in the balance of power generation and supply goes haywire with a cascading effect. This is probably the reason why the grid failed this time.

There are various reasons why an excessive withdrawal of power happens. Weather phenomenon and change in sudden climate is one reason. Most of them cannot be controlled physically but can be minimized by keeping a close check.

There is a penalty clause: 'Unscheduled Interchange' rate - whenever the discoms draws more than necessary power, the UI rate goes up as a penalty.

Northern states of India, like Uttar Pradesh, Punjab, Haryana and Jammu Kashmir, have been found to be habitual violators. The UI penalty has – as is evident - not been able to deter the violators. Presence of heavy industries and fast growing cities has necessitated the need for more power. But the production has not been able to cope up with the required distribution.

Power grids in India

India has five electricity grids - Northern, Eastern, North Eastern, Southern and Western. All of them are inter- connected,

The northern grid covers nine regions - Punjab, Haryana, Rajasthan, Delhi, Uttar Pradesh, Uttarakhand, Himachal Pradesh, J&K and Chandigarh.

At least six states are covered by the eastern grid. They are West Bengal, Chhattisgarh, Bihar, Jharkhand, Orissa and Sikkim.

The north eastern grid connects Arunachal Pradesh, Nagaland, Assam, Meghalaya, Manipur, Mizoram and Tripura.

Western grid covers Maharashtra, Gujarat, Madhya Pradesh and Goa.

South grid covers Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Puducherry.

All the grids are being run by the state-owned Power Grid Corporation, which operates more than 95,000 circuit km of transmission lines. One circuit km refers to one kilometer of electrical transmission line.

Grid failures apart from India

India is not the only country that suffers from grid issues. In 2003, there was a massive power failure in North America with New York plunging into darkness.

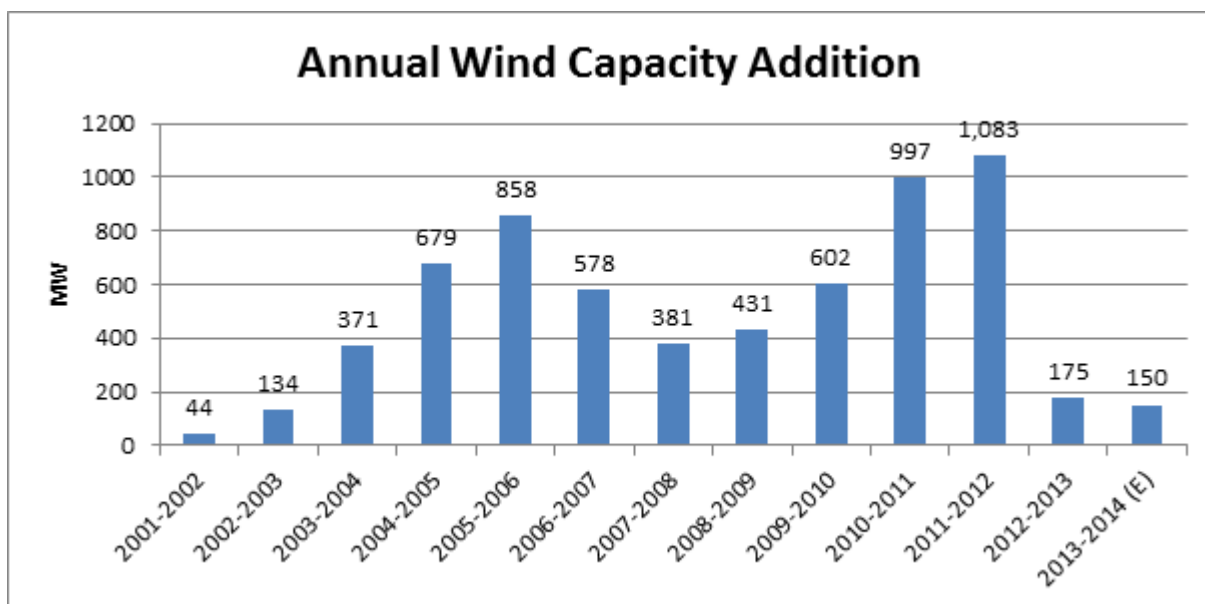
The blackout in Indonesia in 2005 had hit over 100 million people.

But India seems to have suffered arguably the worst crisis in terms of the population that got affected.



Tamil Nadu Wind – A Victim Of Its Own Success?

Tamil Nadu Wind sector's golden age has come to an end. At least it appears so going by the installation numbers for the current year and last year. The sector added a little more than 6 GW during the decade 2002-03 to 2011-2012 and ended the period by adding an average of 1 GW per year in 2010-11 and 2011-12. As of October 31, 2013, Tamil Nadu's installed wind capacity was 7192 MW and it constituted about 36% of the total wind capacity in the country (19,933 MW). In contrast, a meager 175 MW was added in 2012-13 and about 150 MW is expected to be added during 2013-14.



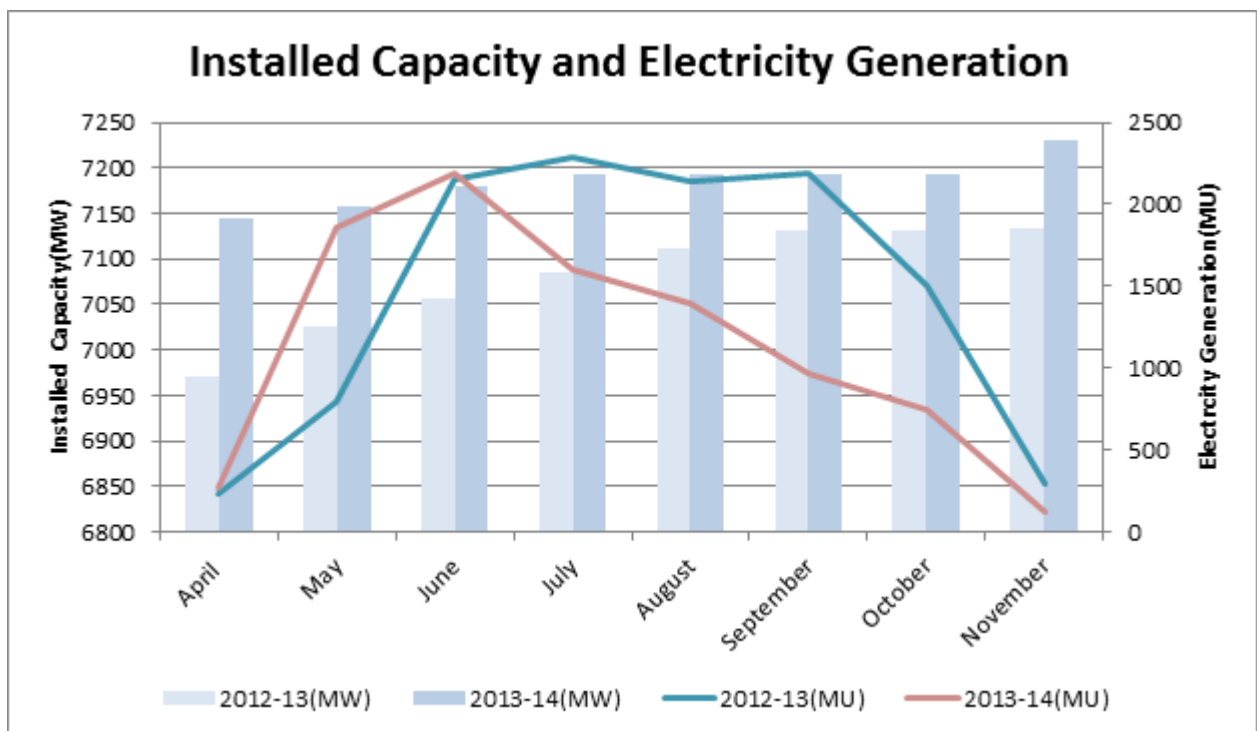
(Source: Central Electricity Authority and RESolve Analysis)

The end of this growth in 2011-12 coincided with the withdrawal of Acceleration Depreciation (AD) benefits and the Generation Based Incentives (GBI) by March 2012. While the GBI has been restored, AD is not available for the wind sector.

While the issues related to AD and GBI are common across the country, two factors had an adverse impact on wind sector since 2011-12. According to K.

Kasthoorirangaian, Chairman of the Indian Wind Power Association (IWPA), the first issue related to the pending payments for the wind power generators which lasted for almost a year at one point due to the abysmal financial situation of Tangedco. During the past one year, Tangedco has been successful in addressing this issue through a series of measures including retail electricity tariff increase.

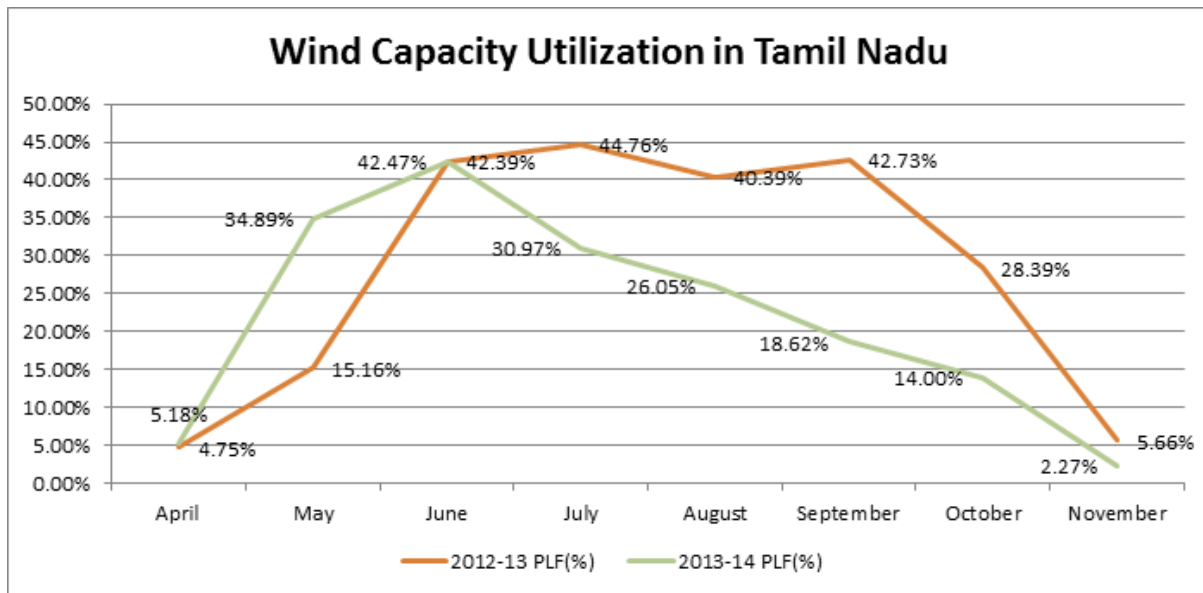
The second is a bigger infrastructure issue. Mr. Kasthoorirangaian lamented that about 40% of the energy during the peak wind season was lost because of power evacuation issues. While the wind generation capacity had increased at a fast pace during the past decade, the evacuation infrastructure has not kept pace. Mr. Kasthoorirangaian said that the evacuation decreased from June to August 2013 compared to the same period last year despite grid connectivity. The charts below provide an idea of how much the sector was affected during the peak wind season.



(Source: SLDC and RESolve Analysis)

From the above chart, it can be seen that while the installed capacity increased during each month compared to the previous year, the power evacuated had dipped significantly during most of the peak season.

The overall capacity utilization factor for the state naturally dipped, by more than 50% during some months (September) compared to the previous year.



(Source: SLDC and RESolve Analysis)

Seasonal drop in wind speeds could be a reason for lower PLF, but such a drastic drop has not been reported by any developer or third party weather monitoring firms.

The state government has acknowledged the problems related to transmission and had been working towards improving the evacuation infrastructure (read more [here](#)). The IWPA also says that the wind farms are not given “must run” status by Tangedco, even though the Indian Electricity Grid Code 2003 mandates the “must run” status for all renewable energy projects except biomass. It also alleges that Tangedco is buying costlier thermal power from outside state even during peak wind season and backing down wind mills for 8-22 hours daily, calling it “infirm” power (read more [here](#)).

Conclusion

The Tamil Nadu state planning commission has set a target of an addition of 6000 MW of wind power in the state during the 12th Plan period(2012-17), whereas the Central Electricity Authority expects Tamil Nadu to add another 4339 MW of wind capacity during 2012-17. However, going by the current trends, these numbers look way too optimistic. During the first 2 years of the plan period(2012-14), only about 350 MW would have been added, and if Tamil Nadu has to achieve its goal of 6000 MW in 5 years, most of the installations will have to come in the next 3 years, which looks extremely unlikely at this stage.

The rapid generation capacity addition without a corresponding transmission capacity addition has ensured that the success of Tamil Nadu’s success in generation did not help the state benefit from the full wind potential in the state.

June 4, 2014

Updated: June 4, 2014 22:14 IST

Travails of renewable power in Germany

APNO BENEFITS? It is argued that Germany's pro-renewable energy policy is bad for consumers, producers and the environment

Renewable electricity is so unreliable that it now undermines the stability of the European grid and provokes international incidents

May 11, 2014 was a red letter day for renewable power in Germany. The biggest clean energy market reached an enviable record of almost 75 per cent renewable market share for several hours that day. Germany faces its own travails over its chosen path.

Germany's love affair with renewable power started many decades ago. Osha Gary Davidson noted that the track record for renewable power in Germany stretches back to 1990s, before it went into overdrive in 2000 with the passage of the Renewable Energy Act. (*DISSENT*, 2013)

“Between 2000 and 2011 electricity from renewable sources grew from 6.8 to 20.5 per cent of total electrical consumption — nearly tripling the amount of power coming from sources like wind and solar,” Davidson clarified.

Virtually every one who owns a roof in Germany erected solar panels, produced power and sold the excess back to the utility at fixed prices guaranteed for decades.

Severe criticism

In a review titled ‘Economic Impacts from the Promotion of Renewable Energy Technologies — The German Experience (2009),’ Manuel Frondel and others from the Institute of Energy Research, Germany severely criticised the German renewable energy policy, and in particular the adopted feed-in tariff scheme.

What are the ground realities now?

Mr. Will Boisvert, an energy specialist argued that “despite massive construction of new capacity, electricity output from renewables especially from wind and solar grew at a sluggish rate.

Avoiding blackouts

Germany is indeed avoiding blackouts-by opening new coal and gas fired plants. Renewable electricity is proving so unreliable and chaotic that it is starting to undermine the stability of the European grid and provoke international incidents.

The spiraling cost of the renewables surge has sparked a backlash, including government proposals to slash subsidies and deployment rates” (*DISSENT*, 2013).

According to Financial Times (FT, January 7, 2014), “the brown coal electricity production in Germany rose last year to its highest level since 1990, despite the country’s campaign to shift to green sources of energy.”

Bloomberg, the influential U.S. daily discovered that German Utilities are replacing lost nuclear power with “lignite, a cheap, soft, muddy- brown... form of sedimentary rock that spews more greenhouse gases than any other fossil fuel.” Greens are not amused by the energy shift to a lignite shift.

For all modes of power generation, capacity factor — CF (the amount of electricity, a generator produces in a year divided by the amount it will produce if it ran at full capacity for all 8,760 hrs a year) — is important. Typically during 2012, CFs (per cent) in Germany were, for solar: 11; wind: 17; fossil fuel: 80 and for nuclear: 94.

Mr Ryan Carlyle (*Forbes*, 10 April 2013) argued that Germany’s pro-renewable energy policy is bad for the consumers, producers and the environment. He felt that the only people who benefit are the home owners and the solar panel installation companies.

Unaffordable

“Germany’s residential electricity cost is about \$0.34/kWh, one of the highest rates in the world. About \$0.07/kWh goes directly to subsidizing renewables, which is actually higher than the wholesale electricity price in Europe.... More than 300,000 households per year are seeing their electricity shut off because they cannot afford the bills,” he added.

“Large-scale photovoltaic solar power is unmanageable without equally-large-scale grid storage, but even pumped-storage hydroelectricity facilities are being driven out of business by the severe grid fluctuations,” he clarified.

“The technology for grid-scale electricity storage does not yet exist, and nothing in the development pipeline is within two orders of magnitude of being cheap enough to scale up,” he cautioned

Mr Carlyle says that almost one in five German industrial companies plans to or has shifted capacities abroad because of cheaper electricity costs.

After listing several issues he asserted that other nations should not follow Germany’s lead on promoting solar power. That appears to be an extreme view.

The *New York Times* reported that key German industries have repeatedly expressed concern that the rapid and costly expansion of renewables could undermine the strength of country’s industrial base, ultimately putting 800,000 jobs at risk. (NYT, 8 April 2014).

Serious mismatch

Writing in *Current Science* (25 November 2012) Professor S.P. Sukhatme has

shown that the annual need of power in India may be met through renewable energy sources alone. However, he pointed out that because of the intermittent nature of solar and wind power; there is a serious mismatch between the diurnal variation of electricity generation by renewable sources and the demand for electricity. He added that we have to overcome many difficult technical challenges to match the electricity demand on a round-the-clock basis.

Since India has in place an ambitious renewable energy programme, we must learn from the experiences of other countries particularly Germany; Germany's tryst with renewable power is often taken as a model.

India must promote all modes of power generation including solar and wind. Copious sunshine and abundant wind may lead to over production in the grid. Balancing the grid may be a challenge. Central Government must organise a systematic review of the challenges to arrive at India- centric solutions.

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THE ECONOMIC TIMES

China's Shanghai Electric Group in talks to buy upto 74% stake in eight power projects of ILFS

Baiju Kalesh, ET Bureau May 31, 2014, 04.01AM IST

MUMBAI: ILFS Energy Development Co, which is developing coal- and gas-based power plants with a capacity of about 7,500 mw across the country, has begun talks with Shanghai Electric Group to sell a stake of up to 74% in eight projects, starting with its 4,000 mw power plant at Cuddalore district in Tamil Nadu, a person with direct knowledge of the development said.

"We are in discussions with various strategic investors including Shanghai Electric to sell a majority stake in our special purpose vehicles created to build 7,500 mw in different states," the person said.



"The sale will be in various stages starting with 26% and will later end up selling up to 74% with the parent keeping the rest 26%." The talks are project-specific and will depend on how the ongoing discussions conclude, the person said. Apart from unlocking value, ILFS also wants a strategic investor which can execute engineering and procurement work as well as operations and maintenance once the plants are completed.

The Cuddalore plant, of which the first phase of 600 mw will start before August, needs an investment of Rs 20,000 crore with Rs 6,000 crore as equity. A 74% stake could fetch the company a premium on top of this Rs 6,000 crore.

With many of these eight projects at various stages of implementation — some of them are already running — ILFS Energy Development Co (ILFSEDCL) wants to unlock value and invest the money in new projects. ILFSEDCL expects the new government to help Indian companies and remove hurdles, including coal linkages, in the way of building power plants in India, which has a deficit of 3.9% amid an economic slump with industrial activity sluggish.

The peak deficit last year was roughly 9%. The new partner will help ILFSEDCL build additional power plants that can raise its generating capacity to 12,000 mw by 2019. Shanghai Electric Power, one of the China's largest power producers and equipment suppliers, executes business under various subsidiaries and employs 6.17 lakh people.

Last year, it reported sales of \$15.03 billion and a net profit of \$1.19 billion. The Chinese company has started winning business orders from India only recently. Last year, it won a \$10-billion order to sell power equipment and services from Reliance Power, owned by billionaire Anil Ambani. Three Chinese banks — Bank of China, China Development Bank Corp and Export Import Bank of China — have loaned \$1.1 billion to Reliance Power to build its power plant at Sasan.

Consultants said there should be an inter-government relationship before any investment flows from China to India. "It depends on how the new government positions itself with China," said Kuljit Singh, partner and head, infrastructure, at EY, a global consultant.

"Once that is clear, Chinese investments will flow into India." The companies will also need to adjust to the way in which the domestic market functions. "The peculiarity of the Indian power market is something that Chinese companies will have to get used to," he added.

Overseas interest in Indian power plants has been rising. In February, Abu Dhabi's flagship energy and utilities company TAQA (energy in Arabic) purchased two hydropower projects in Himachal Pradesh from Delhi-based Jaypee Group at an enterprise valuation of \$1.9 billion (Rs 12,000 crore). Earlier, in December, French energy powerhouse GDF Suez purchased a controlling stake in a power plant owned by Hyderabad-based Meenakshi Energy.

Business Standard

Indian firms eyeing Africa's power, mining sectors

IANS | Accra

May 30, 2014 Last Updated at 15:42 IST

In a bid to tap into [Africa](#)'s growing power and mining sectors, some 30 Indian companies in these sectors are attending the 11th West African Mining and Power Exhibition (WAMPEX) here.

The participation of the companies in the event, being held May 28-30, has been organised by the Confederation of Indian Industry (CII) with the support of India's ministry of commerce and industry with an aim to help them forge new alliances with African companies in the two sectors.

"There are lots of opportunities in Ghana, and for that matter Africa, for Indian companies to take advantage, and so, the companies from India have come to showcase what they can offer," Rachna Jindal, deputy director of CII, told IANS.

Jindal said the companies participating in WAMPEX 2014 are looking for good partners that will help them make their mark in mining and power generation across Africa.

"We have the technology that is appropriate and are ready to make our expertise available to those countries that need it," she added.

India's High Commissioner to Ghana Jeeva Sagar said that "Ghana is rich in resources while Indian technology and expertise in mining and power sectors is appropriate to and consistent with this friendly country's developmental model".

"The coming together of these complementary strengths augurs well for the bilateral economic cooperation between India and Ghana," he added.

Shubham Maheshwari, director of Shashwat Cables in Dehradun in the north Indian state of Uttarakhand, said his company was looking for opportunities in Ethiopia and

Ghana even though they have their sights set across the African continent as a whole to invest.

"We want to partner with companies in the power industry initially to supply our products but will be looking at joint ventures that will eventually lead to setting up production facility in Africa," he said.

"The exhibition has exposed the huge potential that the power sector offers for investment in Africa as most of the countries are trying to develop power generation, and with India offering a competitive edge with quality and standard products, we can penetrate this growing market," Maheshwari added.

(Francis Kokutse can be contacted at fkokutse@gmail.com)



TUTICORIN/CHENNAI, June 1, 2014

Updated: June 1, 2014 00:16 IST

NTPL plant trial run in June

J. PRAVEEN PAUL JOSEPH
T. RAMAKRISHNAN



[The Hindu](#) A view of the Thermal Power Station in Tuticorin. Photo: N. Rajesh

The stage has been set for the early commissioning of the first unit of the 1,000-megawatt (MW) power plant in Tuticorin of the NLC Tamil Nadu Power Limited (NTPL), a joint venture of the TANGEDCO) and the NLC.

The coal-fired plant will have two units of 500 MW each, and operations have been launched to get the first unit started up at the earliest. The process of conducting mandatory checks is under way, and all formalities will be completed in a month, NTPL sources said on Saturday. A trial run was scheduled for June.

When the first unit starts production, the State will get 194 MW. From the two units, the State will get 387 MW. This will be a significant addition at a time when Tamil Nadu is fighting hard to overcome its electricity shortage.

Designed to handle a mix of indigenous and foreign coal, the plant is being set up by NTPL, in which the NLC has 89 per cent stake and TANGEDCO 11 per cent.



CHENNAI, June 1, 2014

Five million tonnes of coal to be imported

SPECIAL CORRESPONDENT

The Tamil Nadu Generation and Distribution Corporation (TANGEDCO) has floated global bids for importing five million tonnes of coal to meet the needs of new units. The decision also stems from the fact that it is suffering from a shortfall in coal supply from the Central agencies. The annual requirement is 27.4 million tonnes, of which 19 million come from the Mahanadi Coalfields and the Eastern Coalfields.

Business Line

Tata Power commissions 25 MW solar unit

OUR BUREAU

MUMBAI, JUNE 2:

Tata Power has commissioned a 25 MW solar project, through its subsidiary, Tata Power Renewable Energy Limited (TPREL), at Palaswadi village in Satara district, Maharashtra.

The Rs 250 crore solar farm, spread over 130 acres, is expected to generate about 46 million units annually and enable Tata Power meet its solar renewable purchase obligation. The power generated is evacuated through the State transmission network.

(This article was published on June 2, 2014)



CHENNAI, June 1, 2014

Work on four power projects to begin

T. RAMAKRISHNAN

They will have a combined capacity of 5,000 MW, involving an investment of Rs.32,000 crore

The State's drive to establish new power generation projects will get a fillip with authorities planning to kick-start work soon on four projects of 5,000 megawatt (MW). These projects envisage an investment of approximately Rs.32,000 crore.

Two of the projects will come up in Tiruvallur district and the others in Tuticorin and Ramanathapuram.

The Tamil Nadu Generation and Distribution Corporation (TANGEDCO), the executing agency, will shortly award a contract for the 1,320-MW Ennore Special Economic Zone Thermal Power Project in Tiruvallur, with two units of 660 MW each.

For the project with a similar capacity at Udangudi in Tuticorin, techno-economic bids are being scrutinised; thereafter, price bids will be opened. The corporation is planning to expedite the selection process in a few months.

For these two projects, three Chinese firms and Bharat Heavy Electricals Limited (BHEL) have submitted their bids.

The third project — at Uppur in Ramanathapuram — will have two units of 800 MW. The government has ordered land acquisition, and a public hearing, a pre-requisite for environmental clearance, is scheduled for July 4. Authorities have planned to implement the project on the lines of ultra mega power projects.

Under this system, the company chosen will set up the plant by raising resources on its own, and it is for authorities to obtain statutory clearances and acquire land. The firm which offers electricity at the lowest rate will be selected.

As for the fourth, one unit of 800 MW will come up on the premises of the North Chennai Thermal Power Station, officially called NCTPP Stage-III. All studies have been completed. The TANGEDCO will shortly approach the Tamil Nadu Pollution Control Board for holding a public hearing, an official says.

The Corporation is also working on the fifth project to replace the 450-MW Ennore Thermal Power Station. It will have one unit of 660 MW, costing Rs. 4,000 crore. An environment impact assessment has to be done, whose terms of reference have to be approved by the Centre, the official adds.

About one-and-a-half-years ago, domestic consumers in different parts of the State, except Chennai, were reeling under severe load shedding that ranged from 12 to 14 hours.

Chief Minister Jayalalithaa's announcement that the State will be free of power cuts from June 1 marks a turnaround in the power supply situation, even if it is viewed with scepticism in some quarters, which believe that the government's optimism is based on the expected wind generation that peaks during the months of June to September when the southwest monsoon is active.

The government's confidence in tiding over the crisis in the immediate future stems from a combination of factors like capacity addition to the tune of 2,550 megawatt (MW), long-term power purchase agreements for 3,300 MW and the new projects in the pipeline with a generation capacity of 2,000 MW that will further ease the situation, say officials of the Tamil Nadu Generation and Distribution Corporation (TANGEDCO).

In terms of capacity addition, the latest to be commissioned was a 600-MW unit at the North Chennai Thermal Power Station of the TANGEDCO early this month. There are now two units of 600 MW each at the station, which also has three units of 210 MW each.

Of the three units of 500 MW each in the joint venture between NTCP and TANGEDCO in Vallur, two have been commissioned. The third will be commissioned in a few months. Tamil Nadu's share is 375 MW from each unit.

Apart from the 4x210 MW available capacity in Mettur, a 600-MW plant has also become operational, generating 400 MW. A month ago, hydrogen leak bothered the authorities but they are working to fix the problem.

When the southwest monsoon sets in next week, the State will have the benefit of higher quantum of wind power. As per a conservative estimate, the State will get, on an average, 3,000 MW during June-September. When the Kayathar-Sholingallur wind corridor is commissioned by July, more power will be made available to the northern parts of the State, which are having greater demand than other regions.

Not just that. In 10 months, 2,000 MW more will be available for consumers. This will be through various projects, including joint venture projects being taken up by the Tangedco with NTPC and the Neyveli Lignite Corporation (NLC), and the Kudankulam Nuclear Power Project.

In addition, the State will get another 2,000 MW during the current financial year as the Corporation has signed long-term pacts with private suppliers for 15 years. The agreements have been entered into for 3,300 MW totally. However, even here, there are problems with the grid corridors that Tangedco officials expect to be sorted out by July. The remaining 1,300 MW will be available next year. Already, the State is receiving 500 MW through a five-year purchase agreement.

Owing to these measures, the State's installed capacity will jump from the present 12,500 MW to 16,500 MW by March 2015. The installed capacity includes about 2,300 MW of hydro power, which is normally used to meet the peak-hour load.

"On Wednesday, the gap between demand and supply was 1000 MW. Wind power generation has not picked up. An active monsoon will improve both wind and hydel production in the months to come," says a senior official. A close and periodical monitoring of the commissioned projects is essential to sustain the turnaround and ensure the State is not haunted by power cuts again, the official says.