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

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Relax, you may have power cut-free summer

Times of India: February 26, 2017

People of Tamil Nadu will soon be saved of the power cuts that are in vogue under the guise of maintenance.

State power utility Tangedco has decided to complete all maintenance work in sub-stations and transmission lines by February-end. Starting from March 1, no maintenance will be undertaken that requires shutting down of power supply, said an official.

The power transmission lines run to a length of 24,497km and the state has 842 sub-stations of various capacities.

"All maintenance work will be completed before summer. We have been experiencing increasing demand in the last few weeks owing to humid weather. But we could not stop our maintenance work as it would create problems during summer. Last year in April the demand touched 15,000MW," said a senior Tangedco official.

But unforeseen exigencies cannot be ruled out, said the official. For instance, in April last year, two major transmission lines catering to the city sagged due to heavy load, he said. Normally, Tangedco-owned thermal units are shut down for maintenance during summer. "No other state has the luxury of taking off thermal units during summer when the demand is at its peak. However, since Tangedco starts getting wind power from May 15, we carry out our maintenance work in summer," the official reasoned.

Many thermal units are more than 25 years old and they require maintenance. "In the last two years, we have met new peak in demand, and there had been no scheduled power cuts. This year too, we have enough power generation sources to meet any demand," said the official.

Tangedco under pressure to buy power from private producers

Times of India: February 22, 2017

Independent power producers (IPPs) in Tamil Nadu are pressurising the government to instruct Tangedco to evacuate power generated by them at Rs 5.50 per unit, which is much higher than the cost of electricity in power exchanges.

Tangedco officials told TOI that IPPs were putting pressure through various 'sources' to evacuate power from them. But Tangedco has to go by the merit order released by TNERC on evacuating power, which says it has to utilize its potential fully before purchasing power from other sources. The utility also has to prefer cheapest sources to fulfil its needs.

There is also pressure on the discom to import coal. The corporation has stopped import of coal to cut down costs and a section that was hugely benefitted from coal imports in the past is up against the corporation.

"The total capacity of all IPPs within the state is around 4000MW. Most of them use coal as fuel. The maximum capacity per unit is 600MW. Power from these companies will be evacuated only when the demand exceeds 14000MW. Only during summer the demand crosses 15,000 MW," a senior Tangedco official told TOI.

As per the merit order issued by the TNERC, power at lower cost will come from Tangedco's own units as it gets coal from Coal India Limited. "The cost at which we generate power comes to Rs 3. We will have to evacuate the entire capacity from our units and then look at other sources.



Similarly, the cost is pretty cheap when we buy from Central units. Wind power between May and September costs less than Rs 4 per unit and nuclear power is available at Rs 4.50 per unit," said the official.

"We have invested several crores to set up our thermal units and we cannot keep the units in limbo. We are not pressurising Tangedco, but we are only asking Tangedco to evacuate power generated by us," said MD of an IPP.

Tangedco sources said the utility was all set to break even this year because of not purchasing power from IPPs.

Except for the total outstanding debt, the Tangedco's financials have been looking better in the last few years. "After a record loss of Rs 13,985.03 crore in 2013-14, the loss came down to Rs 5,000 crore in 2015-16. This year we have saved Rs 2,000 crore owing to stopping coal import," the official said.

Solar energy prospects brighten

The Hindu : February 28, 2017

Tangedco's tender gets lowest quotation of Rs. 4.40 per kilowatt hour

The Tamil Nadu Generation and Distribution Corporation (Tangedco) has received the lowest price bid of ₹4.40 per kilowatt hour for its 500 MW solar tender, lower than its benchmark tariff of Rs.4.50/kwh.

The State power utility had floated a tender for procuring 500 MW of solar power, after its previous tender last year received a tepid response. In the new tender, it had received bids from 22 developers to set up 300 MW of capacity.

"The price bids were opened on Saturday and a Tirunelveli-based firm has bid for 100 MW of capacity at a price of Rs.4.40 per unit," according to Tangedco official.

Tangedco had reduced the upper tariff limit to Rs.4.50/kwh in the new tender from ₹5.10 per unit in the preceding one — a 12 per cent decrease. The project commissioning time line was extended to 12 months as opposed to 10 months the previous tender.

Solar tariffs hit a record low of Rs.3.30/kwh in the recent auction at Rewa Solar Park in Madhya Pradesh, surpassing the previous record of Rs.4.34/kwh reached in January 2016.

According to Mercom Capital Group, Tamil Nadu's benchmark tariff limit of Rs.4.50/kwh is feasible, given the fall in module prices. However, late payments and curtailment of solar power would be the key risks facing the developers. In the earlier tender,

Tangedco received bids from 20 developers for setting up solar power plants in the State for a combined capacity of 122 MW.

Of the 500 MW capacity, only 20 MW had been finalised. Hence, the power utility had proposed floating another tender for 500 MW, according to Tangedco's petition to the Tamil Nadu Electricity Regulatory Commission (TNERC).

The TNERC has set a renewable energy purchase obligation of 2.5 per cent for the financial year 2016-17 and 5 per cent for 2017-18. To meet this target, 1,500 MW of solar power is required for FY 2016-17 and 3,200 MW for FY 2017-18.

As on December 31, 2016, Tamil Nadu's total solar generation capacity was 1,600 MW.

Wind tariff in India falls to all-time low of Rs 3.46 per unit

Hindustan Times: February 24, 2017

After a sharp drop in solar tariff to Rs 2.97 per unit, wind power tariff also dropped to a record low of Rs 3.46 per unit in an auction of 1,000 MW capacity conducted by Solar Energy Corporation of India (SECI).



"Mytrah Energy, Green Infra Wind Energy, Inox Wind Infrastructure Services, Ostro Kutch Wind and Adani Green Energy have emerged as lowest bidders. All these five firms have quoted Rs 3.46 per unit rate for the 1,000 MW capacities on block," a source said.

"After solar cost reduction below Rs 3/unit, wind power cost down to Rs 3.46/ unit through transparent auction. A green future awaits India," Piyush Goyal, minister of power, coal and renewable energy tweeted.

The power from these 1,000 MW capacity will be supplied to states which do not have adequate wind resources.

SECI is the nodal agency for implementation of this scheme and is working on the e-bidding process followed by e-reverse auction for eligible bidders. Experts say that by the time the final winner is chosen from this bidding process, the tariff could be lower than Rs 3.46 per unit of wind energy.

To put this tariff in perspective, the lowest coal-based power tariff that India has seen in recent times was Rs 1.19 for Sasan ultra mega power project. The 4000 MW Sasan project was won by Anil Ambani owned Reliance Power in 2007. The project however has seen two tariff revisions in the last 10 years.

Later last year, SECI had floated this tenders for total wind power capacity of 1,000 MW. SECI will tie up long-term power purchase agreements of project developers with states to whom power will be supplied through the central transmission utility.

Under the scheme, the government will not acquire land or equipment as developers will have to do that on their own. They will also run and maintain their plants.

"While solar is cheaper than wind energy, the advantage of wind is that the equipment for generating it is entirely made in India. To produce solar power, Indian companies still have to depend on Chinese imports for panels etc.," said Soma Banerjee, principal, energy and infrastructure at CII.

The wind power deployment in the country started in early 1990s. The current wind power installed capacity is nearly 28.08 gigawatt, accounting for around 9% of the total installed capacity of 310 gigawatt. Globally, India is at the fourth position after China, the US and Germany, in terms of wind capacity installation.

The auction assumes significance because India has set an ambitious target of having 60 gigawatt of wind power capacity by 2022.

India's renewable energy commitments have seen global investors, energy majors and pension funds make a beeline for the country. But experts and bankers have time and again warned against the aggressive bidding that the sector has been witnessing.

The tariffs quoted by bidders in reverse auctions are "very aggressive and the viability of such competitively bid tariffs hinges on keeping the cost of modules and financing costs within budgeted levels," ratings firm ICRA Ltd wrote in a report in April 2016.

India has 10-year window to shift completely to renewable energy: TERI

The Economic Times: February 13, 2016

Excess power generation capacity provides India an opportunity to shift completely to green energy. If the country can halve storage technology prices in 10 years it can do without the need for new coal based plants, a study by The Energy and Resource Institute (TERI) said.

The TERI report indicated that current installed capacity and the capacity under construction would be able to meet demand till about 2026, keeping India power sufficient. The report estimates that no new investments are likely to be made in coal-based power generation in the years prior to that.



The TERI report also estimates that beyond 2023-24, new power generation capacity could be all renewables, based on cost competitiveness of renewables as well as the ability of the grid to absorb large amounts of renewable energy together with battery-based balancing power. It also said that all new investments in power generation are likely to develop new storage technologies.

'Coal to dominate power sector despite growth in renewables'

Times of India: February 22, 2017

India's power sector will continue to be dominated by coal over the coming decade despite significant growth in cleaner fuels or renewables, says BMI Research.

"India's power sector will remain dominated by coal over the coming decade despite significant growth in cleaner sources - notably nuclear, non-hydro renewables and natural gas," BMI Research said in a statement.

According to the statement, the country's efforts to bolster domestic supply of coal and the loosening of the global coal market over the coming years will ensure that coal will remain the power feedstock of choice for the Indian market.

India's power sector will remain dominated by coal over our 10-year forecast period, with coal making up a share of just less than 70 per cent to the total power generation mix by 2026. This is roughly the same level as it is currently, with growth underpinned by the significant and continually growing project pipeline for coal-fired power facilities in the country, it said.

Coal will continue to be the feedstock of choice for the Indian power sector given its widespread supply and relatively cheap cost. Domestic coal supply is expected to increase over the course of the decade as Coal India ramps up output, it added.

"We expect India to surpass the US as the world's second largest producer of coal during 2016-2020, increasing market share from 9.8 per cent in 2016 to 12.7 per cent by 2020.

Imports will remain important for the country, as India's coal production will not meet the government's ambitious target of self-sufficiency, due to delays in opening up commercial mining to private players and slow approvals for new state mines," BMI Research said.

"We expect global coal market to loosen and thermal coal prices to weaken from their 2016 highs, with prices to settle in a USD 60-70/tonne range over most of 2017. This trend will be driven by China's more cautious approach to coal sector consolidation policies after provoking a policy supply shock in coal sector in 2016 which sent prices rallying," it added.

"Despite the prevalence of coal-fired power generation, we expect significant growth in alternative, cleaner power sources over the next 10 years - albeit from a lower base - notably in the natural gas, nuclear and non-hydropower renewables sectors. This is in line with government efforts to reduce pollution across the country and international pressure to boost environmental policy," it said. KKS BAL

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