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Power demand drops to year's lowest on October 18

Times of India : October 20, 2017

Power demand in the state touched this year's lowest on Wednesday. The demand on Diwali was only 9,000MW as against an average demand of 12,000MW per day experienced during the last few months.

Being a public holiday not only for government departments and banks, but also for almost all industries and private establishments, power demand dipped drastically.

Much of the demand was from domestic consumers and due to this many thermal units were put on standby mode. Despite not being the wind season, about 2,000 MW wind power was available on Wednesday, said Tangedco sources.

"We put many thermal units in Tuticorin and Mettur on standby mode to face exigencies in case wind power dropped. But in the evening wind power picked up. Hence, we did not have to restart those thermal units," a senior Tangedco official told TOI.

Last year too, power demand on the day of Diwali was low, but it was around 10,000MW. "Since weather was pleasant on Wednesday, many domestic consumers did not switch on airconditioners," said the official.

The demand on Wednesday was the lowest since Cyclone Vardah hit Chennai and nearby districts on December 12 last year.

"The demand on the day Cyclone Vardah crossed Chennai was less than 8,000MW as many areas went without power and many high tension towers fell, snapping power supply. In domestic areas, many trees fell on transformers as well as feeder lines, cutting power supply," said the official.

Lower power demand came as a blessing in disguise for Tangedco as the discom has coal stock for only three days.

"It was good that the demand was low as we are still facing problems in evacuating coal from the mines. We only have coal stocks for three days and since many thermal units are not generating power, we have saved a few tonnes of coal," said the official.

The demand at midnight on Wednesday fell to 7,627MW. On Tuesday evening too, the demand was only 9,380MW.

"Power demand started dropping from Tuesday evening, as many industries and companies shut shop on Tuesday evening itself for the festival," he said.

Power Ministry Sees 'Marginal' Impact Of Spike In Exchange Spot Prices On Supply

Bloomberg : October 19, 2107

The Power Ministry has said the impact of current spike in spot power prices on the Indian Energy Exchange will be marginal on supply, as distribution companies are largely meeting their demand through long- or medium-term contracts.

On Tuesday, the peak hour spot price on the IEX had shot up to Rs 10.80 per unit for the first time in three years.



"Power Prices on IEX on 17th Oct 2017 on an average for the day was Rs. 5.45 per unit, and maximum prices were Rs 10.80 only for half an hour from 6.30 p.m. to 7.00 p.m. The prices on 18th Oct 2017 has dropped to average for the day of Rs 4.33 per unit," the ministry said in a statement on Wednesday, terming the recent spike in power prices as "occasional".

The volume of power being traded in the market is to the tune of about 150 million units per day against the total generation by distribution companies of around 3,750 MU per day, which is around 4 percent, the statement said.

Price Spike Unlikely To Sustain

The recent spike in spot prices on the power exchanges is unlikely to sustain over the medium term, in light of significant spare capacity and inability of generators to tie up long-term power purchase agreements, India Ratings said in a report.

Exchange markets constitute a minor portion of the overall power market, and hence, the increase in short-term power tariff on the exchanges should not be a representative of the entire value chain, it said.

Coal Supply Issue

On shortage of coal stock in power plants, the ministry in the statement assured that the issue of coal supply to power plants is being addressed by it along with, Ministry of Coal and Ministry of Railways.

At present, the maximum peak demand is around 160 GW, which is around 10 GW higher than the same period last year.

The overall growth in generation has been around 6 percent and the growth of generation from coal-based stations was 17 percent in August 2017 in comparison to the same period last year. Coal-based generation continues to see a rise in September and October 2017, the statement said.

This is being monitored at the highest level and Minister of State for Power (RK Singh) reviewed it yesterday (Tuesday) with the three ministries and coal companies. A detailed plan has been agreed, which would be implemented from today (Wednesday) and would ensure sufficient supply of coal to power plants.

Power Ministry Statement

It added that Singh and Railway Minister Piyush Goyal spoke to the concerned states, which have requested for enhanced supply of coal.

"Supply to states like Maharashtra has improved and efforts will be made to improve the coal stock in all the power stations with low stocks," the statement said.

Plan to give adequate coal to power plants executed: Ministry

Business Standard:October 20, 2017

On the eve of Diwali, the Union Power Ministry announced that a detailed plan has been put into action from Wednesday to ensure sufficient supply of coal to power plants.

An official statement here following a joint review of the fuel supply situation by Power Minister R K Singh and Railways and Coal Minister Piyush Goyal said the ministers had also spoken to states, which had requested for more supply of coal.

"A detailed plan has been agreed which would be implemented from October 18, 2017 (Wednesday) and would ensure sufficient supply of coal to power plants," a Power Ministry statement said.



The ministers also noted that supply to states like Maharashtra had improved and efforts would be made to improve the coal supply at all the power stations with low stocks, the statement said.

The review follows complaints by some power producers about facing low coal stocks at their plants.

According to a Central Electricity Authority (CEA) daily report, as many as 22 plants had coal for less than four days, while four had stocks for less than a week, as on October 16.

The ministers also agreed that the issues with some Damodar Valley Corporation power plants, arising from closure of the Dhanbad-Chandrapura railway line, would be resolved expeditiously.

The statement said that press reports had highlighted the rise in price of power on the power exchange on October 16, to Rs 10.8 per unit.

It said that power prices on the Indian Energy Exchange on that day on an average was Rs 5.45 per unit, and maximum price were Rs 10.80 only for half an hour from 6.30 pm to 7.00 pm. The prices on Wednesday dropped to average for the day of Rs 4.33 per unit, the statement added.

A detailed plan has been agreed which would be implemented from October 18, 2017 (Wednesday) and would ensure sufficient supply of coal to power plants," —Power Ministry

India's Thermal Power Hub Set To Miss Deadline To Cut Dangerous Emissions

NDTV : October 19, 2017

In Singrauli, twice the size of Delhi, more than two-and-a-half lakh tonnes of coal is burnt every day. 10 coal-based power plants here have a generation capacity of over 21,000 MW, the largest for one region.

In India's coal pollution map, Singrauli, a 2,200 sqkm region shared between Uttar Pradesh's Sonbhadra district and Madhya Pradesh, is the darkest spot. The Uttar Pradesh side is just 200 kilometres from Prime Minister Narendra Modi's Lok Sabha constituency Varanasi, where rising pollution is a major concern.

India's thermal power hub, Singrauli, is set to miss the 2018 deadline to cut dangerous emissions from its coal-based power plants. In Singrauli, twice the size of Delhi, more than two-and-a-half lakh tonnes of coal is burnt every day. 10 coal-based power plants here have a generation capacity of over 21,000 MW, the largest for one region.

These plants have made Singrauli the second most critically polluted industrial zone in the country (air pollution wise) after Ghaziabad, also in Uttar Pradesh.

According to the Central Pollution Control Board (CPCB), 0.06 million tonne total particulate matter including the dangerous PM10, 0.8 million tonne of SO₂, 0.9 million tonne of NO_x and about 8.4 tonne of mercury are emitted from the thermal power plants annually.

In 2015, the government of India said thermal power plants across the country would have to start cutting down on emissions of poisonous oxides of sulphur and nitrogen, and mercury by 2018.

In Singrauli, this process is running behind schedule. At the National Thermal Power Corporation Limited (NTPC) in Singrauli for instance, Rs. 350 crore is being spent to retrofit seven power generating units. Work on retrofitting of two units is yet to start.

But are emissions from these power plants growing in contrast to the government's claims at international forums to cut emissions? There is lack of transparency when it comes to



emission numbers. A 2011 Office Memo from the ministry of environment demands results from pollution monitoring stations at thermal power plants to be put up online. But the data is unavailable for research or scrutiny.

Sources at Sonbhadra's regional pollution office told NDTV, the data is available on the Central Pollution Control Board website, but it is password protected and accessible only to top officials. The website for a UP government undertaking that runs power plants in the area has a link for online emission details but it hasn't added plants from Singrauli to the link.

The only way to check real-time pollution levels is through boards outside these remote and inaccessible power plants. A random check of two power plants in Singrauli suggested emissions were under control. But activists in the area say the data isn't independently verified.

"In many instances, it seems the data and emissions don't correspond. If you stand there for a while you'll notice the scary levels of emissions and yet the data shows everything is normal," says Shubha Prem, a social activist in the area.

Every three months, during a meeting chaired by the district magistrate with representatives of all power plants, all measures being taken to curb pollution are reviewed. The last meeting was held a few days ago, but sources say the progress of retrofitting the power plants, the most important step to curb pollution, was not even discussed. The district magistrate was also not present.

In Chilka Daad, a village outside the NTPC's Singrauli plant, people for years have suffered mysterious sores and other illnesses. "There is a problem with smoke and dust. But the authorities are doing nothing. They have promised help but nothing has been done," says Nand Lal Sahu, a villager.

"The number of patients coming in for air pollution related problems such as tuberculosis has increased in the last five to six years. More and more patients are coming from rural areas, which is worrying," says Dr Lavkush Prajapati, a senior doctor in the area.

Plants that didn't follow procedures are short of coal: Susheel Kumar, Coal Secretary

The Economic Times : October 15, 2017

Power plants are to be squarely blamed for the current coal stock crisis, Coal Secretary Susheel Kumar has said. A quarter of the country's coal-based plants, including state-run generation companies and firms like Damodar Valley Corporation, Lanco Infratech BSE 1.23 % and GMR Group, are operating with critical coal stocks. The coal ministry had warned power plants in June of the critical coal stock position but power companies' preferred to save money rather than build up stocks, Kumar told ET in an exclusive interview

The country claims to be coal surplus. Then why is there a shortage of coal at power plants?

Loss of 4,000-mw electricity generation capacity from nuclear, wind and hydro plants added to the power demand. This resulted in sudden pressure on coal-based plants and demand for coal soared. This situation would not have arisen had power plants stocked coal as per the norms of the Central Electricity Authority. Those plants that did not follow the procedures are short of coal. Forewarnings were sent by me, the joint secretary and Coal India that any excessive regulation of coal intake, by state generating companies may lead to an undesirable situation of critical coal stocks.

We had told them that the reason for any power generation loss should not be attributed to coal supply. Meetings were also held with coal companies and power companies where they said they will build up stocks. The temptation is to save some money in inventory building



and carrying cost. That's not a sound way of doing business. They could have made much more money now.

What's the stock position now?

Coal dispatch to the power sector rose 22% in September 2017 compared to September 2016. And this month, so far, the increase is 21.3% year-on-year. Despite that, there is a shortfall in the stocks of thermal power plants. But there is no shortage of coal. Even today coal stock at Coal India pitheads is 30.85 million tonnes. The low stocks are because everybody wants more coal now. Nobody has the ability to make available such large stocks in such a short span. That is why following standard operating procedures is important.

What will be the strategy going forward to avoid coal crisis?

Coal India has been asked to dispatch 250 rakes per day, of which 215 rakes per day must go to power. The CEA has advised that this will be sufficient to meet coal consumption. Railways is all geared up to supply the rakes and now that we are past rains, we hope that the target of 250 rakes per day will be reached very soon.

Revised multiyear power tariff regulation soon in Kerala

Times of India : October 19, 2017

Kerala state electricity regulatory commission (KSERC) would soon come out with a revised multiyear tariff regulation, based on which the commission determines the annual power tariff in the state.

It was in 2014 August that the state power regulatory body introduced the first multiyear tariff regulation. However, several of the tariff determination components and formulas introduced by the commission in its first regulation were challenged by KSEB.

The complaints raised by the state power utility against the commission had even led to a standoff and in protest against certain provisions in the regulation KSEB approached the Kerala high court and refused to submit tariff petitions since then. Following this, there was no tariff revision in the state till 2017.

In April this year, the commission announced suo motu the electricity tariff for 2017-18.

As per the section 11 of the tariff regulation 2014, KSEB is bound to submit annual tariff revision petition before November 30, every year.

According to sources, the commission would make efforts to issue the revised multiyear tariff regulation in October itself so that the board would be able to file the tariff revision petition within the prescribed time frame.

"The new tariff regulation is likely to alter the control period of the regulation from the existing two years to five years. The commission would like to hold discussions with KSEB and try to evolve a consensus on the parameters being rolled out and revised for determination of tariff. So there would be little chance for legal tussle over the regulation," sources said.

Though KSEB was satisfied over the tariff revision granted by the commission, it is the denial of approval to some pretty old expenditure by the board in certain heads that prompted the board to approach the high court against the 2014 tariff regulation.

The commission, while suo motu announcing the tariff revision early this year, had specified that a pending petition in court was not sufficient a reason for the state power utility to abstain from filing tariff revision petition on time.

Hence, KSEB is also expected to cooperate with the new revision, if the regulatory commission is willing to address at least a few of the complaints they had against the electricity tariff regulation, 2014.

Soon, like mobile number you may also port your power supplier

The Economic Times : October 15, 2017

NEW DELHI: The government plans to give electricity consumers the freedom to choose the supplier by enacting a new law that will bring the long-awaited system similar to mobile number portability.

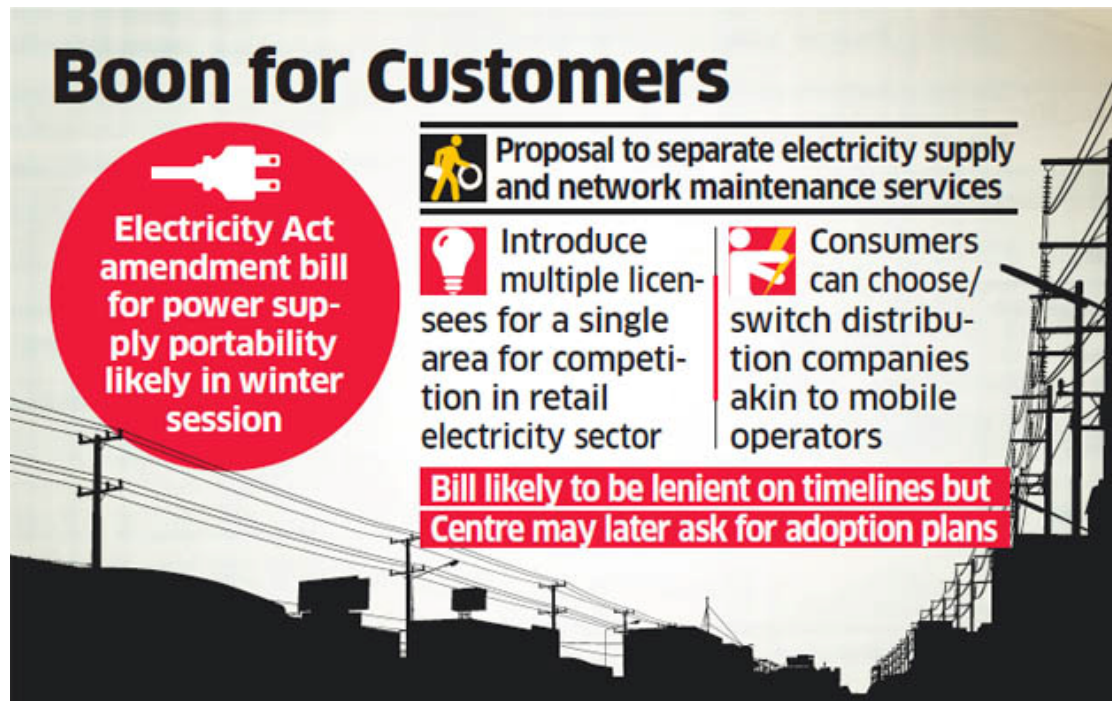
It plans to table the necessary bill in the winter session of Parliament that begins in the third week of November, although it has faced resistance from states. Several state distribution companies are keen to protect their monopolistic position, without which consumers can shift to the suppliers they trust.

The new bill will usher in competition, which analysts say will attract investors apart from giving consumers reliable supply at affordable rates and reducing losses.





"It will provide the biggest platform for investors to get into Indian utility business which has 250 million customers providing choice and facilities to customers. Clear road maps were drawn on its implementation in 2014. Heartening to note government is pushing a transformational legislation," Sambitosh Mohapatra Partner, Energy & Utilities at PwC said.

This will also improve the financial health of the sector, he said. "To ensure Uday-related targets are achieved on the ground, segregation of content and wires along with competition in content business is necessary."

Officials said that to address the concerns of the states, the bill may not impose timelines for implementation.



Boon for Customers

-  **Electricity Act amendment bill for power supply portability likely in winter session**
-  **Proposal to separate electricity supply and network maintenance services**
-  **Introduce multiple licenses for a single area for competition in retail electricity sector**
-  **Consumers can choose/switch distribution companies akin to mobile operators**

Bill likely to be lenient on timelines but Centre may later ask for adoption plans

The states may, however, be asked to notify their plans for implementation of the reform for electricity connection portability in the next 3-5 years, he said.



The proposal, to separate electricity supply and network maintenance services and introduce multiple licensees for a single area by amending the Electricity Act 2003, has been in works for last many years.

The proposal is similar to mobile number portability where consumers can switch to a telecom operator of their choice. Currently, the power distribution utilities are responsible for operating and maintaining distribution system in their licensed areas.

"Though the proposal will benefit consumers by bringing competition in the retail electricity sector, it has been resisted by the states. So the government is considering introducing a lenient version of the bill with no timelines imposed on states," a government official said.

Once the bill is enacted, the central government, however, may ask states to notify their plans to implement the law, he told ET on the condition of anonymity.

Segregation of the network maintenance and electricity distribution businesses is seen as an important reform for improvement in quality of electricity supply services.

Earlier the government had planned specific timelines for opening up the retail electricity sector. These included reaching milestones like implementation of advanced metering system, separate accounts and employees of distribution companies, ownership separation and introduction of multiple licensees and de-regulating tariffs for large industrial consumers.

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