

# **Power Sector in Andhra Pradesh during February 2011**

## **Power Generation**

### **People protest against ECEPL**

The East Coast Energy Private Limited (ECEPL) is setting up a (660MWx4) 2640 MW super critical thermal plant in Srikakulam district. It has entered in to an EPC contact with Dong Fang Electric Corporation of China for supply of boilers and other machinery at a cost of \$975 million. It claimed to have already spent Rs. 1400 crore on various works. Out of this Rs. 40 crore were spent on drain canal around the plant and Rs. 10 crore on corporate social responsibility. It has engaged the services of Salim Ali Centre for Ornithology and Bombay Natural History Society to examine the environmental impact of this plant on the nearby Telineelapuram bird sanctuary. It also engaged the services of the fishery experts from Andhra University to examine the environment impact of the plant on the fish resources in the nearby sea. The Company launched these studies in response the central government's Ministry of Environment and Forests which in turn was responding to a petition submitted by Forum for Better Visakha, led by former IAS officer Dr. E.A.S. Sarma.

Mr. N. Tulasi Rao of Sirapuvanipeta doused himself in kerosene and threatened to commit suicide On 5<sup>th</sup> February 2011 if Mrs. Killi Kruparani, member of Parliament representing Srikakulam, did not make her stand on the setting up of the thermal power plant at Kakarapalli in Santhabommali mandal of Srikakulam district. He is opposing the setting up of this power plant as it was going to adversely impact the livelihoods of thousands of villagers living in about 30 villages in the vicinity of Bhavanapadu wet land.

Villagers of Vaddithandra, Sirapuvanipeta, Hanumathunaidu Peta, Akasa Lakkavaram and other villages in Santhabommali mandal of Srikakulam district in Andhra Pradesh rose in protest on 25<sup>th</sup> February 2011 when the police attempted to remove tents under which they were staging a relay hunger strike for nearly 200 days at Vaddithandra opposing the construction of the thermal power plant by ECEPL at Kakarapalli. Four persons were seriously injured when police opened fire with rubber bullets. Besides them about 30 persons including journalists were used in police lathi charge and firing of teargas shells. These villagers are apprehensive

that the thermal power project posed a grave threat to local eco system that provided livelihood for about 30 villages. Leaders of all political parties condemned the police attack on the villagers who are staging their protest peacefully.

Jeeru Nageswara Rao aged 42 years and resident of Akasa Lakkavaram and Seerapa Errayya aged 46 years and resident of Seerapuvanipeta were killed in police firing in Pothunaidupeta near Kakarapalli village of Santhabommali mandal in Srikakulam district on 28<sup>th</sup> February. Several others were seriously injured in lathi charge and police firing. More than 30 houses and 20 hay stocks were reduced to ashes the tear gas shells fell on them. People of the villages in Santhabommali mandal were protesting against the construction of 2,640 MW power plant of ECECPL in the Naupada swamp area which a source of livelihoods for thousands of villagers.

### **Case -1 Bidding:**

DISCOMs in AP called for bids to supply 2000 MW power over 25 year period under Case – 1 bidding. The firms which participated in the bidding included RVK Energy (100 MW), Reliance Infra (1100 MW), Reliance Power (1170 MW), Lanco Kondapally (1045 MW), Lanco Babandh (290 MW), Simhapuri Energy (250 MW), Jindal Power (400 MW), PTC-Ind Bharat (200 MW), Jaiprakash Power (200 MW), PTC-Minakshi Energy (150 MW), PTC-East Coast (620 MW), PTC-Athena (200 MW), PTC-Hinduja (580 MW), Thermal Powertec (500 MW), Visa Power (150 MW), Krishnapatnam Power Corporation (250 MW), Navabharat Ventures (50 MW), NCC Power-Nelcast (500 MW). Out of these 13 were found to be eligible. The price bids were opened on 8<sup>th</sup> February five firms were short listed under L-1. The prices quoted by these firms were in the range of Rs. 3.45 to 3.66 per unit. Thermal Powertec quoted Rs.3.66, NCC-Nelcast and PTC-Athena quoted Rs. 3.62 per unit, Hinduja unit quoted Rs. 3.47 per unit, and East Coast Energy quoted Rs. 3.45 per unit. Hibdujas under an earlier PPA with power utilities in AP was expected to supply power at the rate of Rs. 1.70 per unit. Reliance units lost the bid by one paise as they quoted Rs. 3.67 per unit. The officials were expecting a price of Rs.3.25 per unit. Under the present circumstances it may cost Rs. 2.75 to 3 to supply one unit of power. Agreeing to the above rates will burden the consumers in the state. Except PTC-Athena other four plants are located in AP. It was also alleged that the selected plants belong to politically influential families. Annual excess burden on the consumers from this power would be about Rs. 730 crore.

### **Hinduja's Power Plant:**

Mr. AKbaruddin Owaisi MLA representing MIM in the state legislature filed a petition before the State Waqf Tribunal questioning the sale of 1122 acres of Waqf land in Visakhapatnam to Hinduja National Power Corporation Ltd. In response to this the State Waqf Tribunal declaring this land sale void. HNPCL approached the Tribunal to hear it. The issue of changes in the power purchase agreement with Hinduja power company was raised in the Legislative Assembly on 26<sup>th</sup> February. The opposition parties questioned the state government's approval to the company to sell 75% of the capacity in the open market. Not satisfied by the government's reply the opposition staged a walkout.

### **GO 135:**

On 28<sup>th</sup> February a Division Bench of Andhra Pradesh High Court comprising Justice B. Prakash Rao and Justice R. Kantha Rao dismissed writ petitions filed by private power producers Gouthami and GVK seeking to direct the AP Electricity Regulatory Commission (APEREC) to implement G.O. No.135 issued by the government of AP in 2009 allowing them to sell 20 percent of their capacity in the open market. The High Court also upheld the powers of the Commission in setting tariffs for power purchase and that the policy directions of the state government are not binding on the Commission.

### **Public hearing**

The public hearing on the proposal to set up 300 MW power plant by NCS Sugars at Latchiahpeta village in Sitanagaram mandal in Vizianagaram district held on 18<sup>th</sup> February was postponed due to protests against the proposed plant by the villagers from Antipeta, Gummadivaram, Kinthalavanipeta, Latchiahpeta, Reddivanivalasa, and Sitayyapeta.

### **Solar Energy:**

Premium Solar Systems is planning to set up 1 MW capacity solar power plant in AP. It would have technical support from Scot Solar AG of Germany.

### **Fuel**

Coal workers of Singareni Collieries Company Ltd (SCCL) struck work for two days on 22<sup>nd</sup> and 23<sup>rd</sup> at a stretch in response to Telangana Joint Action Committee paralyzing all operations of the Company, for reasons other than service matters and wage disputes. The Company may find achieving the target of 51.3 million

tonnes of coal difficult during the present financial year. By end of February the Company had achieved the production of 45.5 million tonnes. Before this work in the coal mines was also hit following the collapse of high tension electric tower carrying power to these mines on 20<sup>th</sup>. There were also success stories in these bleak days. The Venkateshkhani under ground mines (VK7 Incline) achieved all time high monthly production of 1,03,607 tonnes in January 2011 against target of 51,000 tonnes. This mine produced 6.01 tonnes of coal by January against the target of 6.25 lakh tones for the financial year 2010-11.

## Distribution

Before the onset of summer in the first week of February itself Hyderabad city residents began to experience frequent power cuts, while officials of CPDCL deny any disruptions in power supply in the city. As usual the VIP areas that is where ministers quarters are located are exempt from these power cuts. Lack of sufficient infrastructure like sub stations and lines is also cause for these frequent disruptions in power supply. Expansion of infrastructure did not keep pace with the increasing consumption.

### Power Consumption in Hyderabad Metro Zone

YEAR	No. of Connections (Lakhs)	Peak Demand (MW)
2005	11.54	669.0
2006	12.20	788.3
2007	12.85	878.6
2008	13.48	963.8
2009	13.82	1020.8
2010	14.53	1065.0

Source: The Hindu, 8-2-2011

While increase in number of consumers is one of the reasons for increased power consumption in the state increase in per capita consumption is even more important reason for increased power consumption in the city. Increase in power consumption

is much more than increase in number of service connections. During May 2009 power consumption in the city reached 24 mu. In the GHMC area power demand was expected to increase from 1,950 MW during last year to 2,300 MW during this year.

At the same time utilities in the state claim to have prepared plans for guaranteed supply to domestic sector from 6pm to 6 am to help students preparing for annual exams. According to them daily power consumption in the state reached 236 mu. In order to meet any eventuality TRANSCO booked lines to transmit 960 MW power from outside the state. Agreements were also signed for purchase of 1000 MW during March at the rate of Rs. 5 per unit. Efforts were also on to secure RLNG for gas power projects as gas supply for these plants from KG basin was cut down sharply. They were also confident that comfortable water levels in reservoirs of hydro power stations would come to their rescue. Utilities would be releasing 78,000 additional agriculture connections to reach the target of 1.5 lakh agriculture connections during this fiscal.

In order to meet increased power transmission needs within the city CPDCL planned to install 350 transformers by the end of March. Already 140 transformers were set up. Besides this, air bunched cables are replacing the bare conductor lines. Already AB cables were laid to the extent of 50 km and by end March another 45 km of AB cables would be laid in the city. These cables were expected to bring down power supply disruptions.

#### **Fuse-off Call (FoC) centers:**

In order to address the problems faced by Fuse-off Call (FoC) centers the CPDCL had taken up Trouble Management Call Centre project. Under this all FoC lines within a Circle will be centralized at a single location. Lines would be interconnected to enable transferability of the calls. This was expected to ensure faster service to the consumers. In the first phase 27 FoCs in the northern circle would be covered. Along with this GPRS enabled mobile vans with emergency relief gear would be stationed at section offices. For this purpose 27 Maruti Omni vans would be procured.

#### **Flexi fencing:**

CPDCL has come up with an idea of flexi fencing at the transformers. Accidents are frequently taking place at the transformers due to absence of fencing. Under this programme private parties would be allowed to fence the transformers with flexi

boards and use that space for advertisements as a source of income. Private parties were also expected to attend to the maintenance of the transformers.

### **Prepaid meters:**

The Visakhapatnam headquartered Eastern Power Distribution Company Limited (EPDCL) is planning to introduce prepaid scheme for electricity consumers. It would be introduced in Visakhapatnam on a pilot basis. The utility will install a prepaid meter with a special card at the residence of the consumer. The consumer can recharge on checking out the power consumption.

### **Electrocution:**

Eerla Sayamma (52 years) of Ramreddypeta Khanapur (B) village of Kalher mandal in Medak district died due to electric shock on 4<sup>th</sup> February night. On that fateful night around 8.30 pm high voltage power passed through all the houses of the village.

### **Metering agricultural connections:**

News paper reports indicate that efforts were on to meter agricultural connections in the area falling under Southern Power Distribution Company (SPDCL). Farmers were apprehensive that this measure may be used impose electricity charges on them while now they are getting free power. Utility officials claim that they were doing it to only measure power consumption by the agriculture sector. On the basis of SPDCL's experience other DISCOMs in the state might attempt metering of agriculture connections. In a related matter the state finance minister in a press conference on 24<sup>th</sup> February asserted that the state government had no plans to install meters on agriculture pumpsets. He also said that there were no plans to cut down subsidies to any sector in the state.

United Electricity Employees Union had threatened to lay siege to the APTRANSCO office in Hyderabad if the management did not implement the MoU on increased wages for contract employees of the four DISCOMs as well as APTRANSCO.

Five 33/11 substations were added to the power distribution network in the Hyderabad city.