

## NEWS FLASH –2<sup>nd</sup> August, 2016

### SUGAR

#### **Maha: Sugar set to follow dal as production falls big time**

Severe droughts during two consecutive years have hit sugarcane production; sugar lobby also blames the BJP govt for its 'anti-farmer' policies.

Maharashtra is the biggest producer of sugar in the country, contributing nearly one-third of the total production. In 2015-16, while the country produced 25.1 million tons of sugar, Maharashtra's share stood at 8.4 million tons.

Hit by drought in the past two years, the area under sugarcane production has reduced drastically – from 1.5 million hectares to 7.8 lakh hectares. According to MSCSFFL, sugar production in Maharashtra is likely to plunge from 8.4 million tonnes in 2015-16 to 5 million tonnes in 2016-17.

In Maharashtra, there are 200 sugar factories, out of which 111 are in the cooperative sector, while the rest are in private sector. Nearly half of these units will not be able to participate in crushing : of 2016-17 due to non-availability of sugarcane. Sugar crushing season in India is normally between October and March.

#### **Loss of revenue for govt**

Poor availability of sugarcane is also going to hit the government's coffers. The sugar industry from the state collectively contributes nearly Rs 5,000 crore to the state and the Centre by way of sugarcane purchase tax, excise duty, sugar cess, duty on molasses and VAT.

#### **Cane politics**

According to Harshwardhan Patil, former cooperative minister and director of MSCSFFL, natural calamities alone cannot be blamed for the crisis. "Wrong policies of the BJP-Shiv Sena dispensation both at the Centre and state are responsible for the drop in production of sugarcane."

Patil said many senior ministers, including the chief minister, have made several statements against the sugar industry. "They create an impression in the minds of the farmers that this government wants to dismantle the sugar industry in the state. Sensing an uncertain future of the industry, farmers have begun turning to other crops."

The BJP-Sena government is also aware that the strength of the Congress-NCP lies in cooperative sector, said Patil. "So, it is trying to disturb the sector, without realising that the consequences of its short-sighted policies will have a devastating impact on farmers."

(Source- <http://sugarnews.in/maha-sugar-set-to-follow-dal-as-production-falls-big-time/>, published on 1st August, 2016)

### Co-gen/Power

## India's Biggest Need Of The Hour In Terms of Energy Management !

**India, home to 18% of the world's population, uses only 6% of the world's primary energy. India's per capita energy consumption is just 900 units per year whereas world average is 3000 units.** India's energy consumption has almost doubled since 2000 and the potential for further rapid growth is enormous. This is due rise in income levels of its citizens and changes in their lifestyle. Also, the government is trying to provide electrification for all the villages, thus adding to the overall demand.

India has become a power surplus country, but in order to retain this status it has to add more and more power plants as the demand is rising alarmingly. Energy management is the key and it can be done in the following ways.

### Power generation

Power in India is generated from various sources such as thermal power plants, hydro projects, nuclear and renewable sources. **The majority of power, about 62% comes from coal fired thermal power plants. Coal fired power plants have a very low efficiency of about 35%.** Coal sources will get exhausted in another 150 years. India is one of the largest producers of coal, but we have started importing coal as Indian coal has lower calorific value. Coal based power plants produce a lot of ash, disposal of which is a major issue. Burning coal contributes to air pollution and carbon emissions. Thus it is important to shift focus to a cleaner and greener energy technologies.

Renewable energy technologies must be promoted by creating awareness and formulating favorable policies at the national and state level.

### Energy storage

We have to understand that renewable energy sources gives energy intermittently. Solar energy can be harnessed only during day time, wind only during the monsoon season and hydro only when the reservoir has enough water to run the turbine. Hence it is important to develop and scale up energy storage technologies. The most promising energy storage options are batteries and hydrogen storage.

### Power transmission and distribution

In India state electricity boards were unbundled into transmission utilities and distribution licensees who are responsible for transmission and distribution respectively. India produces more power than what it requires. But by the time it reaches the final consumer, most of it is lost. This is due to losses, technically known as **Aggregate Technical and Commercial (AT&C) losses which is almost 25%.** Transmission and distribution losses are inevitable. Commercial losses include theft of electricity, misuse and deficiency in metering. This means saving one unit of electricity at the consumer end saves two units at the generator end. Thus many state T&D companies are in a poor financial states.

To overcome the losses, Maharashtra's power distribution company MSEDCL contracted out its distribution activities for Bhiwandi circle to Torrent Power AEC Ltd. **The private player**

**used its expertise to bring down AT&C losses declined from 58% to 24% in two years.** This was done by metering every consumer using electronic meters, reducing thefts and improving distribution infrastructure.

Government of India has launched Ujwal DISCOM Assurance Yojana (UDAY) which is a financial turnaround and revival package for the loss making distribution companies to break even within 2-3 years.

### **Power consumption- energy efficiency and conservation**

In order to reduce the demand for more energy, the prime requirement is to use it optimally. Energy utilization optimization can be done by adopting novel technologies such as natural lighting in buildings, LED lights, solar water heaters, etc. Industries and commercial users must adopt latest technologies and phase out older inefficient equipment. It is also important to conserve energy by switching equipments off when not in use.

### **Captive production and power trading**

Consumers must be encouraged to generate their own energy. Houses and offices can install a stand-alone or a grid-connected roof-top solar power plant. This will make them depend less on the utility and also sell excess energy to utility by using net-metering. Industries can set up their own solar and wind power plant for captive purposes. Alternatively they can buy electricity from Independent Power Producers and use the government grid for transmission. This is called open access.

Thus, India can continue to be a power surplus country by concentrating on renewable sources of energy, improving T&D network, promoting energy efficient systems and developing and commercializing energy storage technologies.

(Source- <http://techstory.in/india-energy-management/>, published on 1st August, 2016)

### **Telangana beats solar power target; 10 per cent more than demand**

As much as 728 MW of solar energy has been synchronised with the grid in Telangana state, surpassing 5 per cent target given by the Centre. This is more than 10 per cent of the 7,000 MW peak demand recorded in the state this fiscal so far.

Telangana discoms expect another 1,500 MW power to be added on by March next. The state purchases solar power at Rs 5.17 per unit on an average. Power from thermal plants costs about Rs 4.70 per unit.

TS southern discom chairman Dr G. Raghuma Reddy said solar power used to cost Rs 18 per unit six years back, and is expected to come further down as cost-effective solar panels become available, and because of competitive bidding.

"TS Discoms have signed PPAs with private producers for setting up 3,814 MW solar plants of which 728 MW has been synchronised. The target is 5,000 MW of solar power in two years," he said.

Solar energy is not the base load. It is available only when the sun shines. Due to the rain and cloudy weather over the past few days, solar energy generation fell to 15 MW on Saturday.

(Source- <http://indianpowersector.com/2016/08/telangana-beats-solar-power-target-10-per-cent-more-than-demand/>, published on 1st August, 2016)

## **NTPC Plans to Scale Up Coal Output to Meet 25% of Needs**

NTPC aims to scale up its captive coal output in a way that it takes care of at least 25% of its needs, going ahead after years of delay in developing these mines.

The state-run power generator has 10 coal blocks with geographical reserves of over 7.3 billion tonne and production potential of about 107 million tonne per annum. But these mines have been at different stages of approval for years and have not been able to start operations.

The Supreme Court cancelling the allocation of five of these in August 2014 in response to the coal mine allocation scam further delayed development. Now that the company has won the mines back after e-auction, it does not want to waste any more time in developing them.

“We have opened our first mine and in the next 2-3 months, we will be able to start digging coal from it. We are just starting on our mining plan and it will take some time, but in long run we want coal from our own mines to account for 25% of our requirement,” said Gurdeep Singh, chairman and managing director.

In May, NTPC opened its Pakri-Barwadih coal mining project in Jharkhand. It aims to mine one million tonne in the current fiscal from the project and scale it up to 18 million tonne in four years.

(Source- <http://indianpowersector.com/2016/08/ntpc-plans-to-scale-up-coal-output-to-meet-25-of-needs/>, published on 2nd August, 2016)

## **10 waste-to-energy plants to produce 66 mw power in Andhra**

The state government has granted permission to 10 urban civic bodies for entering into agreements with private players to produce about 66 mw of power from garbage. Four major power generating firms in the private sector have come forward to set up the power plants. The respective local bodies will provide land and garbage to the companies. The government would buy back power generated by these plants at Rs 7.5 per unit for 25 years. After expiry of the agreement, the firms will hand over the plant in running condition as well as the land to the civic bodies.

Representatives of two local bodies – Tadepalligudem and Machilipatnam – signed a memoranda of understanding (MoUs) with Essel group executives in the presence of municipal administration minister P Narayana here on Monday. While Guntur, Vizianagaram, Tirupati, Nellore, Anaparthi and Kadapa have concluded deals power firms, negotiations are going on to sign the agreement with Kurnool municipal corporation.

"This is the beginning of a new chapter in the history of Swachh Andhra Pradesh. The arrangement will not only help give us power at cheaper rates but also help us the local bodies solve the problem of garbage disposal," said Narayana.

(Source- <http://indianpowersector.com/2016/08/10-waste-to-energy-plants-to-produce-66-mw-power-in-andhra/>, published on 2nd August, 2016)

## **No power shortage in the country, says Goyal**

There is no shortage of power in the country to cater to the demands of states and government is trying to fully tap the potential of new and renewable energy to produce 175 Gigawatt of power by 2022, Rajya Sabha was informed today.

Power Minister Piyush Goyal also said the government was exploring producing energy from waste and garbage and clearance of certain projects were awaited from National Green Tribunal and the Supreme Court, monitoring the use of technology which does not impact on environment.

"There is no shortage of power in the country. We have sufficient power and if any state wants to buy power, one can do so from a portal now.

"Total potential in India from new and renewable energy is huge and immense and the total potential is certainly not being exploited. This government has embarked on a plan for producing 100 GW planned capacity in solar and an overall five-fold increase in renewable energy to 175 GW by 2022," Goyal told members during the Question Hour.

Replying to supplementaries, the Minister said as regards the total amount of energy generated last year from solar power and renewable sources of energy put together was 65 billion units.

(Source- <http://indianpowersector.com/2016/08/no-power-shortage-in-the-country-says-goyal/>, published on 2nd August, 2016)

## **Restriction on electricity injection blowing wind out of wind projects**

Restriction on electricity injection into the national power network is blowing the wind out of wind power generation units.

According to India Ratings, a rating firm, electricity networks all over the country have reduced receipt of wind turbine generated power which is starting to threaten credit worthiness of renewable energy projects.

"It has the potential to impede capacity addition," says India Ratings and Research (Ind-Ra). Non-availability of network to push the power generated by wind projects has majorly impaired operational strength of some wind projects, given the sizable installed capacities.

The national power network carries electricity from generators and supplies it to utilities who then on supplies it to consumers. This network, referred to as grid is severely short of requisite capacity to hand power generated from wind projects.

"The failure to address grid issues can gradually destabilise the solar projects in the ensuing years. Restriction of power injection by the grid is unpredictable, thus the ill-equipped developers have been grappling to manage their finances, barring the large ones," the India Ratings report said.

(Source- <http://indianpowersector.com/2016/08/restriction-on-electricity-injection-blowing-wind-out-of-wind-projects/>, published on 2nd August, 2016)

## **Solar solution for Barmer's water woes in Rajasthan**

As part of harvesting solar energy for critical utilities, the state government is in the process of completing work on 70 solar tube wells in Barmer district under the Mukhyamantri Solar Adharit Nalkoop Yojana (MSANY).

The project is being implemented by Rajasthan Electronics and Instrumentation Ltd and the firm has received a work order of Rs 11.91 crore for the same.

For the district, reeling under acute power shortage, the project will prove to be a boon as water will be available round-the-clock from December. The tube wells will not only provide uninterrupted water supply to the community, but also irrigate farms. Considering the importance of the project, the Public Health Engineering Department (PHED) is closely monitoring it. According to PHED superintending engineer Nemaram Parihar, the project in Barmer district will be completed this year by December.

Other than solar-based projects, the government has drawn up a comprehensive water management and supply plan under the ambitious Mukhyamantri Jal Swavlamban Abhiyan (MJSA) scheme and will also focus on surface water-based schemes, Parihar said.

(Source- <http://indianpowersector.com/2016/08/solar-solution-for-barmers-water-woes-in-rajasthan/>, published on 2nd August 2016)

## **ETHANOL**

### **Centre to soon initiate process for making ethanol from biomass: Gadkari**

The Centre would soon initiate measures to make ethanol out of biomass that would create "tremendous demand for farm waste", Union Minister Nitin Gadkari said.

A Cabinet note on making ethanol out of biomass like wheat, cotton and rice straw will be moved in the coming weeks which will allow blending of this bio-fuel into petroleum to 22.5 per cent as against 10 per cent done currently, he said here.

"The move will also create tremendous demand for farm waste. Perhaps all rice straw generated from the paddy-growing district of Bhandara, which is known as the 'rice bowl' of Vidarbha, can be used in making ethanol. At present the entire waste is being burnt away," Gadkari said.

The Union Minister was speaking last night at a seminar on Small and Medium Enterprises' (SMEs) participation in capital markets, organised by BSE and Panthomath Limited, a private advisory firm.

Gadkari also said the government will spend around Rs 10,000 crore on road safety. These funds will be used for crash guards, electronic markers and cameras to be installed on the highways.

Stressing on the need for promoting research by SMEs, he said the city-based PSU Western Coalfields Limited (WCL) has come up with a method of separating sand from dumps created while digging coal.

He said this will bring down the cost of sand to half, adding he has directed that bit should be used by all government agencies. Another plan for using mine water in irrigation and as potable water is being worked out by WCL.

"The irrigation department too has found a tremendous potential in water generated during mining process," the minister said.

Using waterways can considerably reduce the cost of logistics. There are plans to transport petroleum from Haldia port to states like UP and Bihar through riparian route on the Ganga river, Gadkari said, adding, "It can reduce the cost of fuel by Rs 2 per litre there."

In the seminar, BSE officials spoke about avenues available for SMEs to raise funds from stock markets.

(Source- <http://sugarnews.in/centre-to-soon-initiate-process-for-making-ethanol-from-biomass-gadkari/>, published on 1st August, 2016)

### **Quote of the day**

***Follow your bliss and the universe will open doors where there were only walls.  
- Joseph Campbell***