

SUGAR

Karnataka: 'Buy power, help us pay cane farmers'

State private sugar mills want govt to bail them out of financial distress, ask govt to buy power at remunerative rates.

About 30 private sugar mills in Karnataka have approached the government offering to sell 500 MW of power.

The offer is laced with a veiled threat. A few of them have conveyed that they may find it difficult to buy sugar cane from growers if the government does not support them by buying power at a remunerative rate, ET learnt from multiple sources.

South Indian Sugar Mills Association's energy committee chairman Ravindra Singh Singhvi said: "We are requesting the government to buy power from us on a long-term basis through power purchase agreements (PPA). We are hopeful the government will consider it".

Many of Karnataka's sugar mills are owned by political bigwigs belonging to all parties, and close ranks when it comes to business interests.

Sugar prices, meanwhile, have remained firm, and experts believe the trend will continue for another two years.

There are divergent views, though. Should utilities pay a steep rate for power from sugar mills when tariffs elsewhere are falling?

On the flip side: How will mills pay the cane growers unless their own finances are healthy?

Energy minister DK Shivakumar told ET: "We have financially weak utilities on the one hand, and the interest of farmers (cane growers) on the other. My thinking is to help sugar mills as it involves farmer interest."

The minister, however, added that he is placing the subject before the Cabinet for a view as the recent tenders have elicited bids below Rs 4 per unit.

The recent bids he mentioned referred to the JSW Energy's quote of Rs 3.87 per unit for 300 MW of power it has offered to supply in response to a recent tender from Power Company of Karnataka (PCKL). This is also the lowest discovered price for electricity this year. Another recent tender for 1000 MW has elicited a quote of Rs 4.36 per unit from JSW Energy for 700 MW and rest by other firms. A government official said they will go ahead buying 1000 MW once the High Court clears the tender.

The KERC, last month, fixed Rs 4.67 as the tariff payable for the short-term power the utilities bought from private generators, including sugar mills, for the period between Sep 2015 and May 2016. The utilities bought 700 MW of power during this period at a provisional rate of Rs5.08 per unit after the government invoked emergency provisions, last year, forbidding power producers from selling power to outside buyers. This tariff now stands slashed by 41 paise.

The order will help consumers as one paise reduction in power purchase costs translates to a saving of Rs87.6 lakh a year for utilities for every 100 MW of power bought.

Some of the sugar mills, a power sector official said, stopped selling power to the grid a few years ago when open market prices rose far above the agreed rates, citing delayed payment by utilities. Now they want to return to the grid because the open market prices are falling, and utilities still promise a stable revenue.

(Source- <http://sugarnews.in/karnataka-buy-power-help-us-pay-cane-farmers/>, published on 22nd September, 2016)

Sugar millgate prices down on increased arrivals

Select sugar millgate prices softened by up to Rs 20 per quintal at the wholesale market in the national capital today, dragged down by constant supplies from mills amid scattered buying by stockists and bulk consumers.

Elsewhere sugar spot prices were well maintained at overnight levels on some support.

Marketmen said the decline in sweetener prices was attributed to persistent supplies from mills amid limited offtake by stockists and bulk consumers.

In the millgate section, sugar baghpat, dhanora, morna and ramala all lost Rs 20 each to conclude at Rs 3,600, Rs 3,640, Rs 3,600 and Rs 3,580 per quintal.

Prices of Doralala, Khatuli, Anupshaher, Sakoti, chandpur and Nazibabad also eased by Rs 10 each to Rs 3,680, Rs 3,780, Rs 3,590, Rs 3,650, Rs 3,630 and Rs 3,600 per quintal respectively.

Following are today's quotations (in Rs per quintal)

Sugar retail markets – Rs 40.00-45.00 per kg.

Sugar ready: M-30 Rs 3,950-4,150, S-30 Rs 3,940-4,140.

Mill delivery: M-30 Rs 3,600-3,810, S-30 Rs 3,590-3,800.

Sugar millgate (including duty): Mawana Rs 3,710, Kinnoni Rs 3,810, Asmoli Rs 3,750, Doralala Rs 3,680, Budhana Rs N.T., Thanabhavan Rs N.T., Dhanora Rs 3,640, Simbholi Rs 3,800, Khatuli Rs 3,780, Dhampur Rs 3,630, Ramala Rs 3,580, Anupshaher Rs 3,590, Baghpat Rs 3,600, Morna Rs 3,600, Sakoti Rs 3,650, Chandpur Rs 3,630, Nazibabad Rs 3,600 and Malakpur Rs N.T.

(Source- <http://sugarnews.in/sugar-millgate-prices-down-on-increased-arrivals/>, published on 22nd September, 2016)

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Co-gen/Power

EIB mulls EUR 76m of loans for Indian wind projects

Loans of EUR 76 million (USD 84.9m) are under appraisal by the European Investment Bank (EIB) for several wind farms in India, according to information on the bank's website on Tuesday.

Located in the states of Andhra Pradesh and Madhya Pradesh, the projects have capacities of between 90 MW and 100 MW each.

Of the amounts under consideration, EUR 49 million would come under the IIFCL Energy Sustainability and Climate Action framework loan. In 2014, the EIB granted a long-term loan of EUR 200 million to India Infrastructure Finance Company Ltd (IIFCL) for climate change mitigation projects in India.

The other EUR 27 million would be given under the EUR-200-million IREDA-Renewable Energy and Energy Efficiency framework loan. This loan was provided in 2014 to the Indian Renewable Energy Development Agency (IREDA) to help finance projects in India's renewable energy and energy efficiency sector.

(Source- <http://indianpowersector.com/2016/09/eib-mulls-eur-76m-of-loans-for-indian-wind-projects/>, published on 23rd September, 2016)

SAARC ENERGY REGULATORS URGED TO FORGE COOPERATION ON MEETING ENERGY NEEDS

Chairperson of the South Asian Association for Regional Cooperation (SAARC) Energy Regulators Meeting Tariq Sadozai on Wednesday stressed the need for cooperation to resolve energy issues in member countries.

Addressing the two-day meeting being held here, the chairperson urged the SAARC energy regulators to make collective efforts for the development of efficient conventional and renewable energy resources, strengthening of related transmission systems and cross-border electricity trade for their sustainable development.

He said Pakistan was already importing 100MW from Iran and CASA project would enable Afghanistan and Pakistan to import 1300MW electricity from Central Asian countries.

He said Pakistan had also submitted a draft Memorandum of Understanding (MoU) to India on importing 1200MW of electricity.

He added that NEPRA Act envisages open access to transmission and distribution systems and NEPRA Interim Power Procurement Regulations had been framed to allow foreign generation companies to sell electricity to power purchasers.

He said the power sector in Pakistan was in transition towards a competitive regime which was targeted to be achieved by 2020, adding the Pakistan had established one window facilitators such as PPIB and AEDB to encourage private sector investment in electricity generation.

He said power sector had witnessed success stories that lies ahead is beset with challenges, adding "we believe that SAARC countries are facing similar issues and there is need for alternative energy to offset dependence on imported and expensive fuels."

(Source- <http://indianpowersector.com/2016/09/saarc-energy-regulators-urged-to-forge-cooperation-on-meeting-energy-needs/>, published on 23rd September, 2016)

Indian government plans to phase out aged coal-based plants: source

The Indian government is planning to phase out coal-based power plants that are more than 25 years old and are inefficient in order to reduce carbon emissions, a Central Electricity Authority (CEA) source said Tuesday.

Power plants with capacity of around 30,000 MW that burn around 100 million mt/year of coal are likely to be retired in a phased manner, the source said.

A committee has been formed that will hold consultations with state governments and will formulate a list by December of the plants that need to be closed down, he said.

The Ministry of Environment, Forest and Climate Change recently issued new emission regulations for coal-based power plants, which will become effective from January 1, 2017.

(Source-<http://indianpowersector.com/2016/09/indian-government-plans-to-phase-out-aged-coal-based-plants-source/>, published on 21st September, 2016)

Reverse auction for wind energy: Can India weave the Samba magic?

The recent reverse auctions for solar projects conducted by the Ministry of New and Renewable Energy (MNRE) are looked at as a raging success. The ministry now has a new challenge at hand – replicating that success of reverse auctions for awarding Wind Power projects.

Unlike solar power projects, setting up of wind power projects (WPP) requires a lot more investment and effort by the project developers. Industry body Indian Wind Turbine Association (IWTMA) quotes a report by Bloomberg New Energy Finance to assert Indian Wind Energy projects are the cheapest in the world.

(Source- <http://indianpowersector.com/2016/09/reverse-auction-for-wind-energy-can-india-weave-the-samba-magic-2/>, published on 21st September, 2016)

Adani dedicates to nation world's largest solar power plant in TN

Adani Green Energy (Tamil Nadu) Ltd, part of the Adani Group, on Wednesday said it has dedicated to the nation the world's largest solar power plant of 648 megawatts (MW), set up at Kamuthi in Ramanathapuram district of Tamil Nadu.

The plant has been set up with an investment of around Rs. 4,550 crore, a company spokesman said here.

It is part of the state government's target to generate 3,000 MW in line with its new solar energy policy unveiled in 2012. The company sourced equipment and machinery from various parts of the world to set up the 648 MW capacity within a record time of 8 months.

Around 8,500 personnel worked to average about 11 MW of installation in a day, to set up the plant in the stipulated time, Gautam Adani, Chairman, Adani Group, which has revenues of \$10 billion, added.

A plant of this magnitude reinstates the country's ambitions of becoming one of the leading green energy producers in the world. He expressed gratitude to the Chief Minister and the government of Tamil Nadu for their support and guidance in achieving this feat.

(Source- <http://indianpowersector.com/2016/09/adani-dedicates-to-nation-worlds-largest-solar-power-plant-in-tn/>, published on 21st September, 2016)

Quote of the day

'Sometimes you will never know the value of a moment until it becomes a memory.'-Theodor Seuss Geisel