

NEWS FLASH – 27th FEBRUARY, 2016

SUGAR

Maha govt attempts to bring uniformity in transportation costs for sugar mills

The Maharashtra government is attempting to bring some uniformity in the harvesting and transportation costs of cane for sugar factories. A committee constituted by the government under director (sugar) will be meeting in Pune on Friday to take feedback from various stakeholders, including farmer leaders, on this matter.

According to Vipin Sharma, Maharashtra sugar commissioner, although the harvesting cost is fixed, the transportation costs for bringing cane to factories vary. In some factories, cane is brought from 10 km, 25 km and in some instances even 200 km and therefore it becomes difficult to decide on what factors these costs should be decided, he explained.

The committee has held several meetings and has also met factory owners before and this time they will be meeting farmer representatives. The final report will be submitted by the sugar commissioner to the state government that will forward the report to the Cane Control Board. Sharma pointed out that this issue has been repeatedly brought out at meetings of the Cane Control Board and therefore the government decided to take it up and constituted a committee to look into the issue, the commissioner said.

According to senior officials, in other states, usually the onus is on the farmers to bring the cane to factories and they receive an ex-gate price. In Maharashtra farmers receive on farm price which means the harvesting and transportation costs are cut from the fair and remunerative price (FRP) payments to farmers.

According to the commissioner, the latest report on arrears will be available next week after which decisions will be possible.

Meanwhile, the Sugar Commissionerate has decided to re-instate three more crushing licences of factories after receiving reports of clearance of FRP dues to farmers. Sharma said that 5 licences were re-instated earlier and three more will be reinstated soon. A R22 crore fine on Sangli-based Vasantdada cooperative sugar factory for not making payments to sugarcane farmers and not processing the ash left from the co-generation plant.

In the beginning of the month, 35 factories continue to have pending fair and remunerative price arrears of about R250 crore for the 2014-15 season. Around 6 mills have approached the cooperation minister and the commissionerate is awaiting the minister's decision.

Earlier this month, the Commissionerate had temporarily suspended the licences of 16 mills as they had failed to clear their dues of the last crushing season.

(Source- <http://www.indiansugar.com/NewsDetails.aspx?nid=5296>, published on February 26, 2016)

Mixed trend in sugar

Sugar prices on the Vashi market increased by ₹ 10 a quintal for M-grade and declined by ₹ 10-20 for S-grade on routine demand and supply. Mill tender rates ruled firm keeping naka rates range-

bound. Arrivals to the Vashi market were at 56-58 truck loads while local dispatches were at 58-60 loads. The Bombay Sugar Merchants Association's spot rates: S-grade ₹ 3,192-3,272 (3,200-3,282) and M-grade ₹ 3,262-3,382 (3,242-3,382). Naka delivery rates: S-grade ₹ 3,180-3,230 (3,200-3,240) and M-grade ₹ 3,260-3,320 (3,250-3,320)

(Source-<http://cpcb.nic.in/>-This article was published on February 26, 2016)

COGEN

Complex tariff structure daunting challenge for power reforms

Hike power tariffs on rich households to subsidise poor



Chief Economic Adviser Arvind Subramanian has pointed out critical lacunae in the power sector reform process — a complex tariff structure and an inability to implement open access successfully. Recognising these as “daunting challenges”, the Economic Survey of 2015-16 said high industrial tariffs and the variable quality of electricity are adversely affecting the Make in India programme.

“High tariffs and erratic supply to industry have led to a slow but steady decline in the growth of industrial electricity purchases from utilities and a gradual transition towards captive generation,” it added. One of the issues that needs to be addressed is the complex tariff structures in various States, said the Survey. “The basis for making such fine and numerous distinctions across end-users is not immediately apparent. After all, other energy products are characterised by a single price (or at most a few prices) across end-users,” it added.

Non-price barriers

It also pointed out that significant non-price barriers — such as cross-subsidy charges levied by distribution utilities — have curtailed the implementation of open access, which was envisaged by Electricity Act 2003. Low plant load factors provide an opportunity to push open access, it said.

“The time is thus ripe to allow industry, which has a high demand for power, to absorb the excess generation capacity through open access, providing a stimulus to industrial production under Make in India,” it added.

Subramanian also proposed higher tariffs for rich households that can subsidise poorer ones. This can help reduce the cross-subsidisation burden on industrial consumers.

“Back-of-the-envelope calculations show the extra revenue of Rs. 14,400 crore (annually) for the State can be used to reduce losses or rationalise cross-subsidies,” it observed.

<http://www.thehindubusinessline.com/todays-paper/tp-news/complex-tariff-structure-daunting-challenge-for-power-reforms/article8286965.ece>

(Source- <http://www.thehindubusinessline.com/todays-paper/tp-news/complex-tariff-structure-daunting-challenge-for-power-reforms/article8286965.ece>. This article was published in the Business Line print edition dated February 27, 2016)

India Smart Grid Week: Conference to discuss Potential of Smart Grids Towards Resolving India's Energy Crises

Supported by the Ministries of Power, New & Renewable Energy and Science & Technology, India Smart Grid Week is an initiative to find smart solutions to India's energy needs

Meeting the constantly increasing energy needs of the country and supplying 24×7 reliable power to all citizens is a major challenge in India. Power utilities, policy makers and other stakeholders are convinced of leveraging the evolving smart grid technologies in resolving some crucial lacunas in electricity delivery and this will be the key theme for the discussions at the India Smart Grid Week (2016).

At a press conference held in the capital, the organizers laid down the agenda of the conference while delineating the key subjects of discussion among leading experts and delegates from national and international organizations. The discussions will center on the energy requirements of the country, capabilities of smart grids, their cost effectiveness and benefits.

Leading experts in the field of energy, policymakers from the government and leaders from corporate sector from across the globe are set to converge together to discuss the challenges and opportunities and build support towards establishing smart grids in India at the 3-day conclave. India Smart Grid Week (ISGW) 2016 is the second edition of the Conference cum Exhibition on Smart Grids and Smart Cities organized by India Smart Grid Forum from 15-19 March, 2016 at Manekshaw Centre, New Delhi.

The initiative is being supported by Ministry of Power, Government of India and several other government institutions and international agencies.

Smart Grid is defined as a set of technologies which can transform the electricity grid into a more intelligent and reliable grid with integrated control centre that can monitor and control electricity flows in real time up to each individual customers and even up to the smart appliances inside a customer's house, office or factory.

“Smart grids have emerged as a key enabling infrastructure to develop smart solutions to resolve India's energy woes. Smart grids are also crucial to some of Indian government's key projects: 100 Smart Cities, 175 GW of renewable energy by 2022, 40% Renewable energy by 2030, electric vehicles (to combat air pollution) and smart meters amongst others. At the India Smart Grid week we are hence bringing together the latest updates from across the world in these fields and experts to discuss their feasibility and cost effectiveness in India. We are looking forward to experience sharing from utilities, policy makers and technology companies on deployment of large smart grid projects in North America, Western Europe, Japan, South Korea etc which will be fruitful for stakeholders in India for planning and rollout of smart grid projects,” said Mr. Reji Kumar Pillai, India Smart Grid Forum President.

Although India operates one of the largest electricity grids in the world with 290 GW generation capacity, over 250 million people are not connected to the grid and several parts of the country experience frequent power cuts. India's per capita consumption of electricity which is one-third of world average is expected to increase as the economic development of the country progresses. With an ever-increasing need of energy and challenges such as need to control power theft and transmission losses, India has launched ambitious missions to establish smart grids and smart cities. Making energy supplies efficient is key to power the country's industries and growth but the power infrastructure in India faces challenges in capacity.

Smart grid technologies can help electric utilities manage supply and demand effectively in real time and avoid power cuts, ensure power quality that will eliminate the need for voltage stabilizers and inverters and also help customers save money by shifting some of their electricity usage like water pumping, washing machines etc to run during non-peak hours at reduced rates.

Key themes of the conference include Role of Smart Grids in New programs of Government of India; Smart City Mission in India; National Smart Grid Mission (NSGM); 21st Century Electric Grids – Evolving trends towards 100% renewable and Disruptive Innovations; Smart Grid Project Outcomes: Experiences and Lessons learned, Climate Change and Impact on Utilities, Cross Cutting Themes – Cyber Security, Advanced Analytics, Security for IoT devices, 21st Century Electric Grids: Disruptive Innovations and its applications for utilities, etc. There is also a Special Plenary Session for Recap of RE-INVEST in association with MNRE; and a Special Workshop on Smart Grids as Anchor Infrastructure for Smart Cities for the Municipal Commissioners from 20 selected Smart Cities.

(Source- <http://indianpowersector.com/2016/02/india-smart-grid-week-conference-to-discuss-potential-of-smart-grids-towards-resolving-indias-energy-crises/>. This article was published in the Business Line print edition dated February 26, 2016)

THOUGHT OF THE DAY:

"Good, better, best. Never let it rest. 'Till your good is better and your better is best."

– St. Jerome

HEALTH TIP OF THE DAY:

Do not 'go on a diet'. Switch to healthier eating habits that you can continue long term. If you lose weight gradually, you are more likely to keep it off.