



- **Daylight Lights up Evenings**
– *The Daily Star*
- **PDB Wants Power Tariff up by 24pc**
– *Energy Bangla*
- **Rental Terms Revised**
– *The Daily Star*
- **Rural, Urban Poor to Get Free Energy Saving Bulbs**
– *Energy Bangla*

[<<Home>>](#)

Daylight Lights up Evenings

The Daylight Saving Time (DST) measure introduced recently reduced power demand of 150-200 megawatt (MW) in the evenings, easing the persistent load shedding situation by a small portion, according to PDB. Surprisingly, the traditional peak hours have moved to midnights from evenings. The country's power demand is shooting to its highest peak around midnight to 1:00am instead of the typical 7:00pm to 9:00pm. "This means that the never-ending power shortage has forced large power consumers like the industrial sector to be innovative. It is clear that industrial consumers are now running factories at late night shifts to avoid load shedding and production disruptions," said a top PDB source.

Consequently, the country is experiencing for the first time, regular power outages at 11:00pm or midnight. In addition, the gap between peak and lowest power demands has reduced to only 300-400MW from the previous trend of 1,000-2,000MW. Typically, power demands in the mornings remain at the lowest point but PDB's last month's data shows that power demands hover around 3,500MW between 7:00am and 9:00am, shooting up to PDB's highest regular capacity of around 3,800MW after the evening and leaving a huge shortfall.

"This means that either the overall unmet power demands have shot up beyond our projection, or that the people now use power more innovatively," said the source. The source added that the power shortage shoots up between 1,200-1,300MW when it is a hot day. "But the DST measures are saving us between 150-200MW. It means the situation is bad but not as bad as it could have been," the source pointed out.

New power plants would add 700MW more next year but such addition would not ease the on-going power crisis, which is expected to hit 1,200-2,000MW due to higher demands during the summer of 2010. New glitches are surfacing in the government's existing plans to address the crisis in the next five years. "Some policymakers want the PDB to bring down load shedding level to zero in two years. Some ask whether it would be possible to get 1,500MW as rental power next year. The reality is that there are resource constraints and these cannot be achieved," said the top source. "But we can target 2013 as the year when we can have sufficient power supplies to meet demands," the source added.

In this context, PDB last month proposed the energy ministry four 500MW coal-fired plants, another 125MW coal-fired plant and 11 small one-year rental fuel plants of 750MW capacity. This proposal has got the primary nod but discussion between the PDB and the energy ministry is still going on.

Another official notes, "The government has new power projects of 3,500MW in total in its pipeline which are natural gas based. As there is gas shortage, the government has decided to go for four major dual-fuel plants so that when a plant is not getting enough gas it can run on petroleum fuel. But that poses another problem. Dual-fuel plants charge higher cost and that would put tremendous pressure on the national exchequer."

To illustrate the problem of dual-fuel cost, the official said, "If we use diesel in a dual-fuel plant, the power generation cost per kilowatt hour will shoot up to Tk 13, which we will sell at Tk 3. We can use furnace oil instead of diesel to reduce this cost but it is environmentally hazardous." Besides, there is no large plant based on furnace oil anywhere in the world due to its technical issues.



The Daily Star, 23.07.09

PDB Wants Power Tariff up by 24pc

The Power Development Board proposed to increase electricity prices by 24.31 percent on an average while consumer rights groups and trade bodies opposed the proposal.

The consumer rights groups, during a public hearing in the matter convened by the Bangladesh Energy Regulatory Commission (BERC) in its office in Dhaka, also demanded that the high PDB system loss should be checked by increasing its efficiency and improving customer services.

In proposing the increase in power tariff, the power board's general manager (commercial) M Jamalullah said the operation and maintenance cost of the board had increased with the increase in the salary of its employees and the increase in the cost of materials needed for power distribution.

The difference between the power supply cost and the sales stands at Tk 0.87 a unit, which is 24.31 percent higher than the billing cost, and the power board is incurring losses for because of low tariff, Jamalullah said. 'This is why the board has proposed to increase power tariff by 24.31 per cent. We have no option but to increase power price.' Taking part in the hearing, the board's chairman SM Mesbahul Islam said the board needed to increase the power price as the overall distribution cost had increased to a large extent.

He also said the power board should have its own power generation units so that it would not need to buy electricity from independent power plants.

Mesbahul admitted that the board had been faced with system loss of about 38 percent.

Rural Electrification Board member (finance) Rezaul Huq Bhuiyan said the board needed to survive first to provide consumers with services. 'There is no option but to increase power prices for its survival.'

Power price for household connections is now Tk 3.58 a unit on an average and the board proposed it should be increased to Tk 4.45. A number of rights groups and trade bodies, including the Consumers Association of Bangladesh, Consumers' Group, Transparency International, Bangladesh Federation of Bangladesh Chamber of Commerce and Industries, Dhaka Chamber of Commerce and Industry and Law Dev (Bangladesh), during the hearing asked for elimination of corruption, increase in efficiency and improvement in services.

Consumers Association of Bangladesh representative M Shamsul Alam said the board was incurring huge losses because of its unusual high rate of system loss, which is about 38 percent. If system loss can be cut down to 10 percent and corruption can be eliminated by increasing the efficiency in running the organisation, the cost of a unit of power will be around Tk 3.50, he said. 'Why will the consumers pay for system loss and inefficiency of the power board?'

Turin Afroz of the Law Dev (Bangladesh) argued the board's proposal was in no way justified. 'The board speaks only of tariff increase, but never talks about improving its services.' She asked the power board to improve its consumer services.

After the hearing, the acting commission chairman M Mokhlesur Rahman said the arguments of both sides were recorded and they would hear more arguments and on the issue in another session on October 6 before giving the judgement.

He said interested organisations or individuals would need to their names with the commission by August 31 to take part in the hearing in power tariff increase.

The Rural Electrification Board on July 8 also proposed to increase power prices by 11.52 per cent.



Energy Bangla, 15.07.09

Rental Terms Revised

The energy ministry finalised some terms and conditions for upcoming tender on eight rental power projects with a total capacity of 530 megawatt, relaxing the deadline for implementing the projects. The ministry however has kept the option for strong penalty against contractors for failing to launch power plants in line with the contract. A ministry meeting, chaired by State Minister for Power and Energy Enamul Haque, set the timeframe for implementing four diesel-fired rental power plant projects within 120 days of signing of the agreement and the other four heavy fuel oil (HFO)-based plant projects within 270 days against the previous practice of 90 days and 180 days.

Prime minister's energy Adviser Dr Towfiq-e-Elahi Chowdhury was also present. The relaxation came as local influential businessmen mounted pressure on the government to give power plant developers more time. The ministry also extended the period of operation of the rental plants to five years from three years following the demand from local businessmen. Experts say prolonged purchase of power from rental power plants will jeopardise payment capacity of Power Development Board (PDB) as the prices of rented power can be two to three times higher than that of conventional power plants.

A bidder must have past experience of developing a 30-MW rental or independent power project (IPP) to qualify for a 100-MW bid. This means bidders without any experience will not be entertained although some local lobbyists were putting pressure on the PDB to entertain such bidders. Despite pressure from lobbies to ease penalty clauses for bidders' failure, the ministry decided to maintain the provision of slapping on contractors a fine of US\$500 a megawatt for each day's failure in launching power plant.

The ministry has also kept a provision for termination of contract if a bidder fails to complete its rental power project after three months of the deadline. The bidders will deposit bid bond at a rate of US\$5000 a megawatt. The meeting however could not decide on several vital issues including whether the bidder should own power plant equipment instead of making a promise to purchase those, whether the bidder should handle the fuel itself instead of the PDB and whether a bidder will be allowed to sign multiple rental power contracts. The issues are likely to be finalised at a meeting in the form of Request for Proposal (RFP) for the tender, sources said. The PDB will float tender for the rental plants on September 10, 2009 with a target of awarding the contracts by November 19, 2009.

The rental plants are: a 100-MW diesel-fired plant in Bheramara and three 50-MW diesel plants in Rajshahi, Thakurgaon and Syedpur. At the same time there will be two 100-MW HFO plants in Madanganj, Jessore, a 50-MW HFO plant in Barisal and a 30-MW HFO plant in Jamalpur. The PDB has proposed setting up these eight rental power plants to be implemented by mid-2010. Four large 500-MW coal-based power projects are also expected to be implemented by 2013.

The ministry and the PDB are facing tremendous pressure from the business lobby that wants to have all power projects whether they qualify for the job or not. Two previous governments between September 2006 and April 2008 awarded four rental power contracts for a total of 167 megawatt to inexperienced local companies for a 15-year term. Of them, one failed to launch its 51-MW plant.

Last year, the caretaker government awarded eight more three-year rental power contracts except one to local inexperienced companies. Of them, four managed to launch operation while the rest with a total capacity of 180 MW failed to start operation as per the schedule. Power Secretary Abul Kalam Azad, Energy Secretary Mohammad Mohsin and PDB Chairman ASM Alamgir Kabir, among others, were present at the meeting.



The Daily Star, 07.09.09

Rural, Urban Poor to Get Free Energy Saving Bulbs

The Bangladesh government has decided to distribute a total of 2.65 crore pieces of energy saving (CFL) bulbs free of cost among the rural and urban poor people before start of the next irrigation season. The initiative is being taken to save electricity under a belt-tightening measure prompted by persistent electricity shortage.

State minister for energy and mineral resources Brig Gen (Retd) Mohammad Enamul Haque told reporters that the Compact Fluorescent Lamp (CFL) bulbs would be distributed in two phases. Prime Minister's Adviser on Energy and Mineral Resources Dr Toufique-e-Elahi Chowdhury and the Secretary of the ministry also attended the press briefing.

The State Minister said, "The use of the energy saving bulbs will save 350 megawatt of power across the country. The saved power will be distributed among the farmers for irrigation purpose in the next season."

The World Bank will provide US\$38 mn to procure the bulbs, the minister said adding, "One crore 5 lakh pieces of bulbs will be imported in the first phase and another lot of 1 crore 60 lakh pieces in the second phase." The government has already floated tender for procuring the bulbs, the minister said adding, "Tender for importing 1.05 crore pieces of bulbs at a cost of US\$15 mn in the first phase has been invited. Tenders will be invited for a further 1.60 crore bulbs at a cost of US\$23 mn in the second phase."

According to the State Minister, these bulbs will be distributed through the Rural Electrification Board (REB), Power Development Board (PDB), Dhaka Electric Supply Company (DESCO), Dhaka Power Distribution Company (DPDC) and other organisations in February-March. The families that use at least two bulbs can collect those by submitting their last electricity bills and two active ordinary bulbs. The Prime Minister's adviser Dr Toufique-e-Elahi Chowdhury said Bangladesh is the first country to take such a scheme of supplying bulbs for free after import. The government has taken the decision to ensure smooth supply of power to farmers during the irrigation season, he said.



Energy Bangla, 01.09.09

NEPAL

- **Minister Outlines Strategy to Mitigate Power Woes**
– Republica



- **NEA Reeling under Financial Crisis**
– Kathmandu Post
- **Power Picture not as Gloomy**
– Republica
- **Kali Gandaki Can generate 'extra 50 MW'**
– Kathmandu Post
- **PAC Consults with Experts on West Seti Hydel**
– Nepalnews.com

[<<Home>>](#)

Minister Outlines Strategy to Mitigate Power Woes

The Ministry of Energy (MoE) is working under a three-point strategy to address the acute electricity crisis facing the country. On its short-term plan, the government plans to import from India which will address the immediate electricity need and to generate at least 50 MW from thermal plants to be constructed under World Bank support. Similarly, the MoE will work towards optimizing the existing power houses and carryout regular maintenance, repair and upgrade the existing projects. Parallel to this, as part of its joint venture with the private sector, priority will be given to load management for which programmes will be launched to popularise energy saving devices such as encouraging the use of compact florescent light (CFL) bulbs and implementing load limiting devices.

Speaking with reporters in Pharping, Minister for Energy Dr Prakash Saran Mahat outlined these policies of the ministry. He said, "Priority will be given to import, generation from thermal plants, repair and maintenance and popularising energy saving devices." Towards this end, the MoE has initiated talks with India for importing 30 MW additional electricity (at present India has been providing 50 MW). A decision to this effect could be taken during the upcoming Power Exchange Meet in August.

Mahat further informed that the diesel-run thermal and multi-fuel plants once constructed will generate electricity up to 50 MW. Based in Hetauda, Marshyangdi and Biratnagar, the fossil fuel-run plants are operational mostly during the dry seasons (winter and spring) when hydropower generation from the country's run-of-river projects drops to a minimum. The diesel-run plants currently generate a total of 28 MW of electricity.

In addition, Dr Mahat said that the private sector-initiated load limiting device has now been run on a trial basis at Kuleshwor area in Kathmandu to check its viability. "We encourage people to use CFLs and the NEA is running tests on energy saving devices in Kuleshwor," Mahat added.

Pharping Hydro-electric Project Centenary Celebration

The government also announced that it will observe the centenary of Nepal's oldest hydro project, the Pharping Power House, and energy festival next year with the view to build a "live museum" in the Pharping Hydro-electric Project (PHP) site for which the required budget will be allocated in the next fiscal year. Speaking at a program organized by the PHP and the Setidevi Educational Centre in Pharping Saturday, Minister Mahat said, "The PHP will be developed as a historic tourist destination with a live museum."

Addressing the concerns of the locals at the plight of the PHP, Dr Mahat said that initiatives will be taken to give continuity to the project. Established in 1968 BS on the initiative of the then prime minister Chandra SJB Rana as the first power house in Nepal and second in Asia, Pharping generated up to 500 kilowatt through a reservoir. The reservoir water, collected from a stream in Setidevi VDC, where the project is situated, and from Basuki Kund flowing from Sheshnarayan temple, is now supplied to Lalitpur sub-metropolitan city.



Republica, 26.07.09

NEA Reeling under Financial Crisis

Nepal Electricity Authority (NEA) is reeling under serious financial crisis and has asked the government for urgent and effective financial restructuring for its sustainability. Speaking at its 24th anniversary Jivendra Jha, NEA managing director said, NEA had incurred loss of about three billion rupees in fiscal year 2008/2009 due to factors like low water replenishment in Kulekhani reservoir, poor run off in various rivers during dry season and operation of costly thermal plants and imported power. NEA had assets worth Rs 78.78 billion in fiscal year 2008/2009. Jha said there was need to review retail tariff, reduce interest rate on government loans, reduce system losses and manage seasonal surplus energy for gradual recovery of financial losses and generation of expansion funds in the coming days.

On the other hand, NEA is also involved in implementation of various hydropower projects to minimise the impacts of acute power crisis in the country, particularly during the dry season. The government has initiated the development of some projects including Upper Tamakoshi (456 MW), Chameliya (30 MW), Kulekhani III (14 MW), Upper Trishuli 3-A (60 MW), Upper Trishuli 3-B (37 MW), Rahughat (30 MW) and Upper Modi -A (40 MW), which are expected to be completed in the next five years.

The government has come forward with public investment to expand the transmission line, considered as a key component of the hydropower sector this year. According to Shankar Prasad Koirala, the government has given high priority to development of the hydro sector by developing transmission lines and has allocated increased budget to this sector. Likewise, the government is also committed to develop hydropower projects by mobilising its own resources. "The government has already started to construct Upper Seti Hydroelectric Project (127 MW), a reservoir type project on its own. The estimated cost for construction and expansion of transmission lines is about Rs. 55 bn.

Meanwhile, as a part of the 35-point National Power Crisis Mitigation Plan formulated by the former government, the NEA launched a door-to-door campaign promoting the use of CFL bulbs to minimise use of power. According to Deepak Upadhyay, general manager of the distribution and consumer section of NEA, the use of CFL bulbs across the country is expected to decrease demand by about 25 MW per hour of the country's total demand in a year.



Kathmandu Post 18.08.09

Power Picture not as Gloomy

Acute short supply of power had made life in the capital and elsewhere rather difficult last year. During dry seasons, the Nepal Electricity Authority (NEA) had enforced an 18-hour power outage, which often extended up to 20 hours a day unofficially. Fortunately, there are some positive indications that people may not have to grapple with extended power cuts this winter. "Though it is too early to predict, we have reasons to believe that the situation may not be as worse," Sher Singh Bhat, system operation director at the NEA, told myrepublica.com.

The last year's total demand during peak (evening) hours was slightly over 800 Megawatt. The load dispatch centre of the NEA, the only public utility in the sector, estimates that electricity demand in the country increases by 10 percent every year. Bhat elucidated some positive developments that could be helpful in fulfilling the demand.

Firstly, this year the 70-MW hydro-electric project has come into operation, which is generating electricity in its full capacity so far. But, as it is a run-of-river model project, the plant will not produce more than 35-MW in the driest season.

Secondly, the NEA is currently importing 50-MW electricity from India through Duhabi-Kataiya cross border transmission line, which had collapsed following Koshi floods last August. The situation last year turned worse after Koshi River toppled electricity towers along the Duhabi-Kataiya cross border transmission line at West Kushaha in Sunsari. With the collapse of the transmission line, the

electricity supply from India got disrupted. This compelled the NEA to run Kulekhani, the only storage-type hydroelectricity project, for additional hours from the monsoon itself.

Thirdly, the rise in water level in the Kulekhani reservoir has been satisfactory so far. Last year, water level in the reservoir was at a record low. "The water level rose to 1509 meter on Saturday, which was the highest recorded water level in Kulekhani reservoir last year," Bhat said, adding, "Moreover, we can still expect monsoon to continue for a few more months."

The water levels in Kulekhani rose up to 1530 meters in 2007 that was record high, according to Bhat. Kulekhani is the lifeline of the electricity supply system, which is only brought into operation during peak hours and in dry season when all other projects generate the lowest electricity.

Also, water levels have increased in all the rivers across the country. Its impact would last till the dry season, said Bhat. Water levels in the rivers will remain high even in dry season if there was good monsoon rains, he explained. Last year, water levels in the rivers had receded to the lowest.

Likewise, Bhat expects that the government's campaign of replacing the traditional bulbs by compact fluorescent light (CFL) bulbs may help save some MWs of electricity in the coming months. The NEA officially launched the campaign last week coinciding its annual day.

The NEA, however, has failed to address the problem of power leakage, which poses a major challenge to the authority. There is at least 20 percent power leakage from its transmission lines.



Republica, 24.08.09

Kali Gandaki Can generate 'extra 50 MW'

The 144-MW Kali Gandaki 'A' Hydro Electricity Project, the largest hydel project in the country, is capable of generating additional 50 MW in the next two years if upgraded, states an initial study.

According to Ishwori Prasad Tiwari, managing director at Kali Gandaki Hydro Electricity Project, additional 50 MW can be generated from the KGA with the existing infrastructure, and the cost will be cheaper than the under-construction Kulekhani III (14 MW) project. Upgrading the project will require around Rs 2 bn, which almost equals the estimated cost for the construction of Kulekhani III.

"The projected cost for generation of the additional 50 MW will be cheapest among the hydro power projects in the country," he said. Tiwari said a six-kilometer tunnel constructed to enter the powerhouse will be used for water flow and to generate 194 MW from the project. "It will not take more than five months to conduct a detailed study and design, and will cost about Rs 5 mn," he added.

The upgraded project only needs a 300-meter penstock pipe and construction of a new powerhouse, according to Tiwari. The cost of per kilowatt of electricity generated by the upgraded KGA project will be around US\$721 (Rs 56,526), making it the cheapest in terms of per kilowatt unit cost in the country. Generally, per kilowatt power generation cost exceeds US\$1400 (Rs1, 09,760) and it is over US\$4000 (Rs 3,13,600) in the case of 70-MW Mid-Marshyangdi Project.

Meanwhile, the Ministry of Energy is holding a series of consultations to upgrade the country's largest hydropower project. Energy Minister, Prakash Sharan Mahat has already been informed in this regard, Tiwari said. As the country has been facing acute power shortage, especially during the dry season, maintenance and upgrading of Kali Gandaki Project to generate additional 50 MW cannot be underestimated. Every year, the country needs additional 80 MW power to meet the ever increasing demands.



Kathmandu Post, 06.09.2009

PAC Consults with Experts on West Seti Hydel

Public Accounts Committee (PAC) of the legislature parliament consulted with some water resources experts regarding the West Seti Hydro. Ratna Sansar Shrestha, Ananda Bahadur Thapa and Deepak Gyawali, who have been speaking against the construction of the project, told the PAC members that the project is not in the interest of the nation. They said there is danger of inundation of a vast area in Terai because of this reservoir-modeled hydropower that will generate 750-MW electricity.

Speaking at the meeting, Energy Minister Dr Prakash Sharan Mahat, however, assured that the government would do all necessary homework before renewing the license of the project so as to make it favourable for the country. Some lawmakers also said that the project gives more benefit to India than Nepal and that the government should reconsider renewing the license.

Issues like estimated cost of the project, dam construction and irrigation facility also figured during the meeting. After the discussion, the committee directed the Ministry of Energy to table the details of cost estimate for the project within a week. The committee plans to hold next meeting along with Natural Resources Committee of the parliament. PAC had earlier recommended the government not to renew the license of the project, raising objection to some of the provisions of the agreement.



Nepalnews.com, 04.09.09



- **PM Invites Investments in India's Oil & Gas Sector**
– *Financial Times*
- **Rajasthan to spend Rs. 1,300 crore on electrification of rural areas**
– *The Hindu*

<<Home>>

PM Invites Investments in India's Oil & Gas Sector

Undeterred by the current downturn, the dip in the GDP growth and the prevailing drought situation, Prime Minister Manmohan Singh called upon investors to make India their investment destination. Singh was speaking at a function to inaugurate the oil production at Rajasthan's Mangala field, being jointly developed by Cairn India and ONGC.

"The achievement of Cairn shows that there is a favourable condition for foreign direct investment in India. I invite investors across the world to come and invest in India. All possible support will be provided by the Indian government," he said. Singh's open invitation to global investors assumes significance as there is a fear that the ongoing verbal duel between the Ambani brothers over K-G D6 gas supply and pricing will harm investments in the oil and gas sector.

Mangala, one of the world's largest new onshore finds, is the biggest in India after ONGC's Gandhar in Gujarat that was discovered more than two decades ago. For the Asia's third largest oil consumer that imports 75 percent of its oil needs, the Rajasthan oilfields

will trim oil import cost by US\$6.8 bn or 7 percent. Mangala's peak production of 1,25,000 barrels per day (bpd) will be reached in the first half of 2010. Along with the production at its Bhagyam and Aishwarya fields, the aggregate peak production by Cairn India will be 1,75,000 bpd or 20 percent of India's domestic production — enough to power 3.4 mn cars daily or fill up 4.5 mn cooking gas cylinders a month.

The three fields are expected to save the country US\$1.5 bn annually as import bill over the next 10 years. It would also earn the exchequer US\$30 bn over the life of the field by way of taxes, royalties and profit petroleum. Petroleum minister Murli Deora said the Centre would get Rs 46,000 crore as profit petroleum revenue over the life of the project while the Rajasthan government would get another Rs 12,000 crore as royalty revenue for the first five years.



Financial Times, 30.08.09

Rajasthan to spend Rs. 1,300 crore on electrification of rural areas

As part of 40 schemes for intensive electrification of 34,832 villages under the Rajiv Gandhi Rural Electrification Programme, the three public sector power distribution companies in Rajasthan are spending Rs.1,300 crore in two phases and have completed the work in 15,762 villages so far.

According to the Chairman of the three discoms, R. G. Gupta, 25 of the 40 schemes were sanctioned before February last year and 15 were launched afterwards. While power has been supplied to the villages which were earlier out of the electricity network, intensive electrification entails power supply to at least 10 percent of the rural households.

Gupta said electricity connections are being released to the BPL families at a fast pace, while hamlets with a population of 100 or more are being linked with the electricity network on priority. Over 19,200 villages are to be intensively electrified and domestic connections are to be released to 1.69 lakh consumers under 15 schemes of the second phase. Mr. Gupta said a target for expenditure of Rs.800 crore had been set for these works.



The Hindu, 20.09.09



- **Power Finance Corp to reduce lending rates by 25 bps**
– *Economic Times*
- **World's First Solar Power Complex in West Bengal**
– *Economic Times*
- **Where the Sun Shines on Climate Change**
– *Business Standard*

[<<Home>>](#)

Power Finance Corp to reduce lending rates by 25 bps

Power Finance Corporation (PFC) is likely to reduce its lending rates by about 25 basis points to realign them with market rates. PFC's average lending rate is about 11.75%.

"We generally adjust our lending rates with ruling market interests. With the recent drop in rates we are looking to reduce our average lending rates by about 25 basis points. We will take a decision soon," PFC director M K Goel, said. He was talking to reporters on the sidelines of a seminar on power organised by Confederation of Indian Industries (CII).

Talking about the company's fund raising plans, Mr Goel said: "PFC is likely to raise about Rs 15K-to-20K crore from the market. Bulk of this is likely to be through bonds."

Adding, Mr Goel said: "PFC is likely to disburse about Rs 24,000 crore this year. Last year, we disbursed about Rs 21,000 crore."

Incidentally, PFC is also close to inviting request for qualification (RFQ) for three ultra mega power projects. One each at Bidapahar in Orissa, Cheyyur in Tamil Nadu and Akaltara in Chattishgarh. PFC is the nodal agency for UMMPP.

As the name suggests, PFC lends only to the power sector. It provides funds based services like term loans, equipment leasing, bill discounting and buyer's line of credit. PFC has also taken up non-funds based activities like guarantee services and consultancy for the power sector.

On PFC's disbursements in the state, Mr Goel said: "This year, PFC has already disbursed about Rs 325 crore under the Restructured Accelerated Power Development & Reforms Programme (R-APDRP) to West Bengal. The balance Rs 1900 crore will be disbursed during the year.

Earlier in the day, Mr M K Dey, chairman, West Bengal State Electricity Distribution Co Ltd (WBSEDCL) said: "About Rs 5,000 crore is slated to be spent in West Bengal in the next three years. Of this, about Rs 3000 crore will go into rural electrification over the next two years while another Rs 2000 crore will go into urban power infrastructure upgradation as well as customer service upgradation."



Economic Times, 02.07.09

World's First Solar Power Complex in West Bengal

Construction work for the world's first integrated solar power complex in Haldia in West Bengal is expected to begin very soon, Industry Minister Nirupam Sen said. Sen told media persons that 200 acre of land had been allotted for the Rs 5,500-crore project by the state government and work would begin very soon after the monsoon.

"The project will initially produce poly-silicons and other raw materials used to produce solar cells which would be capable of producing 250 MW of solar plant", Jyoti Poddar managing director of Bhaskar Silicon Ltd said. "At a later stage it will also produce semi-conductors for the IT industry. Commercial production is to begin from 2009/10."

Other partners in the project will be the German Photovoltaic company Centrotherm, Srei Infrastructure Finance, West Bengal Green Power Corporation and a US-based company.

Poddar said the solar complex will require 800 acre of which 200 acres was already in possession.



Economic Times, 22.08.09

Where the Sun Shines on Climate Change

The Sunderbans boast the highest concentration of solar home panels in India thanks to the efforts of a former government scientific officer. Sustainable technology may be the next big thing for India Inc, but for S P Gon Chaudhuri, it's been a reality for more than a quarter century. Way back in 1983, long before Climate Change convulsed into a heated global debate, Gon Chaudhuri harnessed the power of the sun to make a giant leap for solar technology in India. Then a senior scientific officer in the Tripura government, Gon Chaudhuri started a small 100 watt solar photovoltaic irrigation and institutional solar lighting project in a tribal village that lacked grid connectivity. Achieved under the radar and with little fanfare, that project turned out to be the first successful installation of solar photovoltaic technology in India. Ten years later, as managing director of the West Bengal Green Energy Corporation (WBGECL), the state's nodal renewable energy agency, he has brought electricity to the island chain known as the Sunderbans. Stuck in dense mangrove jungles in the Ganga delta this is tough terrain for pretty much any construction. Yet today, the islands boast the highest concentration of solar home panels in India.

Since 1996-97 — that is, in just 12-odd years — more than 100,000 solar panels have been installed in the Sunderbans for which the government has spent just Rs 40 crore. "About 10 years ago, solar power production cost Rs 30 crore per Mw and has now fallen to Rs 10 crore per Mw," says Gon Chaudhuri. Though this is still significantly higher than the Rs 4 crore per Mw for a conventional thermal power plant, Gon Chaudhuri says costs will start falling faster once solar power use achieves critical mass and as research progresses. Set off against the pollution that thermal power generates, the costs are incalculable.

As a result of Gon Chaudhuri's pioneering efforts, villagers in the Sunderbans are completely dependent on renewable energy, in the form of solar, wind or biomass and many say it has transformed their lives. Take the case of 45-year old Murari Halder of Dakhin Mokhambariya, a village about 150 km from Kolkata. About nine years ago, he bought a 75 watt solar panel for Rs 4,500. "The light has become a life-saver for my family and me. My son was able to complete his studies and is now doing his graduation in Kolkata — all thanks to the solar panel," he said.

Halder is not an isolated case. There are approximately 2,500 such solar panel houses in the village. More than 60,000 solar panels light up the lives of thousands. Many like Halder have been using it for a decade. Sumita Maiti, for instance, is now a part of a local self help group and is able to work from home thanks to solar-powered electricity in her home. A couple of years ago, Subhash Mondol installed a 75 watt solar panel for Rs 18,000, which powers two or three lights every day and one TV for an hour or so. Most villagers in Dakhin Mokhambariya have electricity for five to six hours continuously everyday and get to watch television twice a week or more — indeed, a couple of DTH satellites could be spotted on rooftops.

Meanwhile, in nearby Basanti block there are approximately 2,500 users and on the other side of the river in Gosaba block, there are 5,000 solar users and 1,200 who use biomass power from a 500 kilowatt biomass power plant that WBGECL had set up, the first such plant in the country. The drawbacks mostly lie in the weather since the panels don't get enough sun to charge them. Gon Chaudhuri, however, said, "Ideally a 75 watt solar panel if fully charged can support three solar lights for a five-hour stretch and a TV for two hours but invariably most villagers don't know this."

Hurricane Aila did considerable damage to the solar panels and the state government is reviewing the extent of the damage. WBGECL plans to develop a package with the help of the Centre to restore the solar power system in the worst affected areas. Villagers also complain that the government does not extend subsidies to install solar panels. Gon Chaudhuri explains that a Rs 4,800 crore subsidy was being given for the last two years, but has been rolled back owing to a change in the central government's "solar home system project". "The Union government is trying to introduce a modified cluster concept which is expected early next year, so there is a gap now. A new subsidy and project form is being developed," he adds. Under the subsidy regime, WBGECL had shortlisted 19 companies to supply the solar panel set-up, each of which would get the subsidy in the name of the user (this partly explains why most villagers were unaware of the scheme). The subsidy scheme was designed to attract more companies into solar power business, Gon Chaudhuri explains. WBGECL's Sunderban project has attracted considerable attention but Gon Chaudhuri has been able to replicate this solar lighting system in Leh, Jammu & Kashmir, Silchar, Mizoram as well as in neighbouring Bangladesh. He predicts that the future lies in renewable energy for purely practical reasons.

"Thermal power will be phased out by 2050 because coal reserves will be exhausted," he says, adding, "From a small 100 watt project in Tripura, the installed solar capacity in the country has grown to more than 100 Mw. Solar and nuclear power will be the primary energy forms by 2030-2040 in India."



Business Standard, 02.09.09