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A CAG Initiative

Monthly newsletter of Thermal Watch– an initiative to empower those impacted by thermal power plants

NTPC plans to revive 4,000 MW plant to solve AP's power woes

India's biggest power generation utility NTPC is seeking to revive and relocate its 4,000 MW coal-fired thermal power plant nearly four years after the Rs 24,000 crore project was proposed, providing a shot in the arm for the power-starved state of Andhra Pradesh.

Truncated Andhra Pradesh, which came into being on June 2 after Telangana was carved out, owns a majority of the combined state's power stations based on geographical location but it was allocated less power based on a consumption track record formula.

Though truncated Andhra Pradesh owns over 60% of combined state's power generation assets of 16,465 MW, it was awarded 46% of capacity. Moreover, nearly 6,000 MW of capacity belonging to independent power producers (IPPs) is lying idle for want of gas supplies.

The state government is now contesting the contentious allocation formula by cancelling power purchase agreements signed with the distribution companies. A delegation of the senior NTPC executives met the chief minister N. Chandrababu Naidu recently seeking his support to relocate the proposed 4,000 MW project from Nakkapally to Pudimadaka near Gangavaram port on the east coast.

Confirming the meeting, a senior bureaucrat told ET, "Keeping in view the current power situation in the state and also the need for more generation to attract large industrial investments, the chief minister has sought entire power of 4,000 MW for the home state."

NTPC had in December 2010 agreed to supply 50% of the power produced from the proposed 4,000MW project. However, state power ministry officials are now hopeful of retaining the entire power because the ruling Telugu Desam Party shares power at the centre as well. During his tenure as chief minister of the undivided state between 1995 and 2004, Naidu had managed to secure the entire production of 1,000 MW of NTPC's first phase of coal-fired power project at Simhadri near Visakhapatnam.

Though NTPC had entered into power purchase agreements with distribution companies in 2011 for the 4,000 MW project, it could not proceed further as the land allocated at Nakkapally was not found feasible for project construction. Terming NTPC's decision to revive the 4,000 MW project a win-win for both AP government and NTPC, Price Waterhouse Cooper's energy, utilities and mining leader Kameswara Rao said, "It benefits the state because there is going to be considerable industrial development along the coastal area which will demand more energy requirement. It also helps NTPC because it had signed up a number of PPAs through the regulated route before the sunset clause (of competitive bidding) came in and it now has the opportunity to implement all of them."

Confirming the renewed interest to take the project forward, an NTPC spokesperson told ET, "We have already posted a senior official in the rank of general manager to supervise the project's progress and seek AP government's support for relocating the project from Nakkapally to Pudimadaka." The same NTPC official said the corporation is considering dropping the idea of using imported coal and instead pursuing linkages from the coal assets allocated to Andhra Pradesh in neighbouring states. ***Full News Report***

Public hearing on July 25

The Tamil Nadu Pollution Control Board has scheduled the public hearing for KU Thermal Power's 2x660 MW plant at Ottapidaram and Sillanatham villages in Ottapidaram Taluk in Thoothukudi district on July 25.

The public hearing will be held at the District Collectorate at Sangukoodam, Korampallam at 4 pm.

It may be recalled that the public hearing for the proposed project was postponed in April, as the election code of conduct was then in force.

The executive summary of the EIA for the project can be downloaded here. Written responses about the project can be sent to:

District Environmental Engineer, Tamilnadu Pollution Control Board, C7 & C9, SIPCOT Industrial Complex, Meelavittam, Thoothukudi - 628 008.

If you'd like a copy of the EIA of the project, drop us an e-mail and we will share it with you!

2,640 MW plant in Thoothukudi

In the district of Thooothukudi, which is fast developing to be the TPP hub of Tamil Nadu, yet another power project has been proposed. The proponent, NC Energy, is a Special Purpose Vehicle of Nelcast Company, and has submitted an application for obtaining Terms of Reference from the MoEF.

Currently, at least 9 other power plants with varying capacity and in different stages of obtaining the Environmental Clearance are coming up in the district. Three power plants are already in operation.

The proposed plant has a capacity of 2640 MW (4 x 660 MW). An NoC from the Panchayat has been obtained, and 500 acres of the total land requirement of 1300 acres acquired. The proposed site is at Adiyakurichi, Kulasekarapattinam and Udangudi villages in the taluk of Tiruchendur. The Form 1 for the project was uploaded on the MOEF site following Thermal Watch's RTI enquiries on the issue, and can be downloaded here.

FAQs ON THERMAL POWER PLANTS – Part III

Q: Is the current environmental state of a project site studied?

A: Yes! The state of the environment of the proposed project site and its neighbourhood is studied as part of the baseline study undertaken by the accredited EIA consultant. The study area to be considered for the EIA study is spelt out in the ToR issued by the MoEF/SEIAA. The EIA will contain the assessment of different components of the environment, called the 12 Functional Areas, including the ambient air, noise, groundwater, biology, land, socio-economic aspects.

Q: How long does it usually take to conduct the EIA Study?

A: That depends on the extent of study specified in the ToR. The EIA study will take at least 3 months (1 season), up to 1 year.

Q: Is the Final EIA available for public scrutiny?

A: An MoEF circular issued in August 2013 requires the MoEF/SEIAA to upload the Final EIA before the EC is issued. If there is any objectionable part in the Final EIA, the public can report it to the MoEF, or petition the NGT.

EIA CONSULTANT

Q: What is the need and what are the responsibilities of the EIA Consultant?

In order to assess the environmental impacts of a proposed plant, the Project Proponent has to engage the services of a consultant accredited by National Accreditation Board of Education and Training/Quality Council of India (NABET/QCI).

The EIA for a project not done by an accredited consultant will not be considered for clearance. A Consultant, entrusted with the task of conducting an EIA for a TPP, should be accredited for that specific sector.

The list of accredited consultants is found at: http://nabet.qci.org.in/environment/pop.asp?file=documents/Annexure7.pdf

Q: What is the composition and role of the EIA Consultant Team for a project?

A: The EIA Consultant Team for a project is headed by an EIA Coordinator knowledgeable about the EIA process, rules and acts, sector knowledge, likely environmental impacts related to the sector, and the leadership quality required to plan, select and guide an EIA Team. Apart from the EIA Coordinator, the Team will contain Functional Area Experts (FAE) for 12 specific areas.

The areas include:

- Land Use
- Air Pollution Monitoring, Prevention & Control
- Meteorology, Air Quality Modeling and Prediction
- Water Pollution Monitoring, Prevention and Control
- Ecology and Biodiversity
- Noise and Vibration
- Socio-Economic Aspects
- Hydrology, Ground Water and Water Conservation
- Geology
- Soil Conservation
- Risks & Hazards Management
- Solid & Hazardous Waste Management (including municipal solid wastes)

The minimum qualifications for an Expert are given in: http://nabet.qci.org.in/environment/pop.asp?file=documents/EIA_Scheme.pdf&heading=About%20EIA%20Consultant%20Organizations%20Scheme

A team member, with the necessary qualification criteria, can be both the EIA Coordinator and a Functional Area Expert. An expert can opt to be an FAE for a maximum of 4 domains, or as an EIA Coordinator for a maximum of 5 sectors.

AFTER ISSUE OF EC

Q: Once the EC has been issued, can a Project Proponent start the construction of the plant?

A: No! The Project Proponent has to apply for Consent to Establish with the respective SPCB. Upon obtaining it, the construction of the plant can commence.

Before starting operations in the plant, the Consent to Operate has to be obtained from the SPCB.

CHIMNEY HEIGHT

Q: Are there any norms for Chimney Heights?

A: The required stack height for TPPs has been notified under the Environment Protection Act, 1986.

Plant Capacity	:	Chimney Height
≥500 MW	:	275 meters
210 MW- 500 MW	:	220 meters
Less than 210 MW	:	H= 14 Q 0.3 (where Q is emission rate of SO2 in kg/hr, and H is stack height in meters).

PERMITTED POLLUTION LEVELS

Q: What are the permitted pollution levels for TPPs ?

A: The standards for discharge of environmental pollutants have been specified in notifications issued over time under the Environment Protection Act, 1986. A compilation of the different parameters can be found in the annexures of the Technical EIA Guidance Manual for Thermal Power Plants. The manual can be found here: http://environmentclearance.nic.in/writereaddata/Form-1A/HomeLinks/TGM_Thermal%20Power%20Plants_010910_NK.pdf

LAND ACQUISITION

Q: At what stage can the Project Proponent acquire land for the project?

A: Land acquisition can begin even before the Project Proponent submits an application for EC. However, it is not mandatory for the Project Proponent to buy all the land required for the project site at this stage.

Lanco Infra shuts down Udupi thermal plant

Udupi Power Corporation Ltd (UPCL), the 1200 MW thermal power plant of Lanco Infratech Limited located in Udupi, has stopped power generation.

The company attributed the stoppage of the plant operations to the lack of coal to run the plant, as the payment of dues has been pending from utilities.

Sources in the company told *Business Line* that since there have been no payments of dues, they are not in a position to buy coal stock to run the plant. The situation forced the company to shut down the power production and operation of the plant.

Stating that the Karnataka Government has to make payments which have piled up to about Rs 1,800 crore, including for the power already supplied, sources said this financial constraint has been too much to handle affecting the import of coal to run the plant. UPCL imports coal from Indonesia through the New Mangalore Port.

A ship M.V.Talia with 80,500 tonnes of coal has been waiting for discharge of the stock in the outer anchorage of New Mangalore Port. It can discharge coal only after the company makes payment for it, sources said.

In February 2014, Central Electricity Regulatory Commission had passed orders wherein the total receivables by the Udupi plant from Karnataka Escoms was pegged at Rs 1,800 crore. This is further mired in litigation before APTEL.

This resulted in non-payment of current and past arrears that resulted in zero coal stock. For Lanco, it has become difficult to sustain operations with such huge arrears pending.

The piled up dues, delay in commissioning the evacuation line after the project was completed, resulting in delay in commissioning of the plant have all added to piling up of dues.

Meanwhile, a PTI report, which quoted the Karnataka Power Minister DK Shivakumar, said that all the bills have been paid to the company and that the state has even given Rs 300 crore in advance. ***Full News Report***

'Opting for Coal TPPs wasteful approach'

Emphasising the need to decarbonise electricity generation, Intergovernmental Panel on Climate Change (IPCC) chairman R K Pachauri today termed as a "wasteful approach" the government's choice to opt for coal-based power projects and pressed for the use of renewable and nuclear energy sources to satisfy the country's power needs.

"We would need to decarbonise electricity generation. Renewable energy technologies are an option, nuclear energy could be an option," he said while speaking about the threat posed to climate by carbon-emitting coal-based power sector.

Noting that major investment and time goes into coal-based energy generation in the country, Pachauri said by that time 300 million people, who are electricity deprived, can be served power using renewable energy sources. He said huge losses are involved in transmission and distribution of electricity generated from coal-based power plants. "There is a huge amount of loss at various stages...To my mind that is clearly a very wasteful approach. And today we have the benefit of renewable energy technology, which if you take all the costs and all the benefits into account, is clearly a winner in economic terms," Pachauri said. ***Full News Report***

'UMPPs not economically viable'

Association of Power Producers, a body representing private electricity generation companies, has asked the Power Ministry to halt the bidding process for two proposed 4,000 MW ultra mega power projects in Tamil Nadu and Odisha, saying the projects are not economically viable. Many power companies, including Adani , CLP, GMR, Jindal Steel & Power and Tata Power are unwilling to submit price bids under the new bidding documents, Association of Power Producers (APP) said in a letter to Power Minister Piyush Goyal.

These companies have also asked for a comprehensive review of the standard bidding documents and the Design Build Finance Operate and Transfer (DBFOT) model by the government. "Six of the nine bidders for both Tamil Nadu and Odisha UMPPs have approached us to take up the matter with the Power Minister, stating that in its present form of DBFOT, it would be extremely difficult to further participate in the bidding process to submit price bid," said APP Director General Ashok Khurana in the letter addressed to Goyal. All the nine bidders are yet to submit the price bids. The standard bidding norms for the UMPPs were eased by the government last year in order to attract developers. ***Full News Report***

'Madras High Court takes up cause of workers in industrial units'

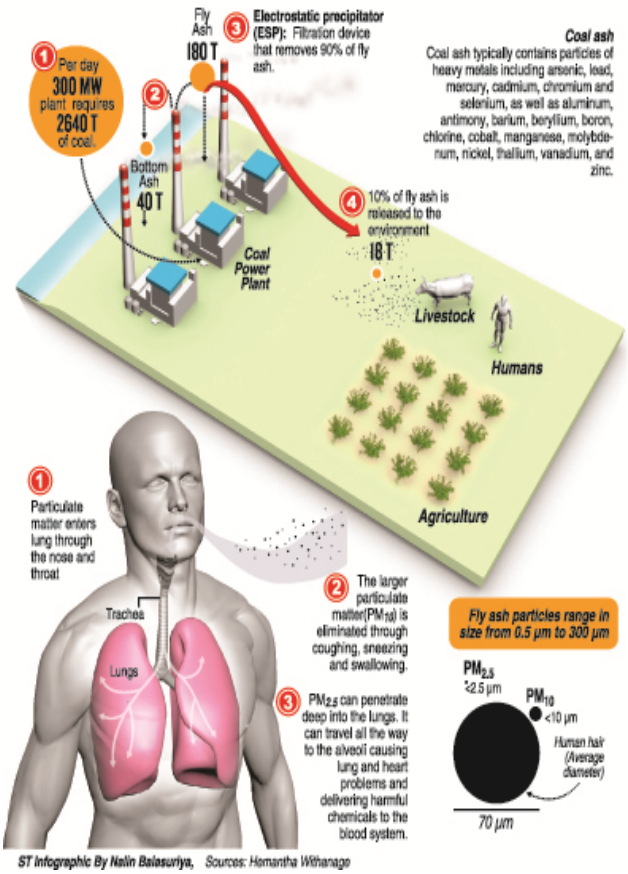
Three weeks after a chief engineer was killed and five others were injured in a pipeline explosion at a thermal power plant in Neyveli, the Madras High Court has suo motu taken up the cause of workers in industrial units and decided to consider three key issues — framing of guidelines for industrial safety, payment of compensation and setting up a monitoring committee for industrial units in Tamil Nadu.

A division bench of Justice M Jaichandren and Justice M Venugopal also issued notices to the state government and the Tamil Nadu Electricity Board, returnable in two weeks.

It will consider three issues for adjudication:
One, framing of guidelines with respect to occupational safety and health regulations in various industries;
Two, forming a monitoring committee to keep a check on health and safety norms at thermal plants in the state
Three, payment of compensation to victims of occupational health hazards.

Full News Report

Monsoon winds cause ash blow on land near Sri Lankan power plant



ST Infographic By Nalin Balasuriya, Sources: Hemantha Withanage

Every day Nilmini, who lives in Illanthadiya bordering the Norochcholai Power Plant, has to wipe a new layer of ash off the furniture and other fittings in her home. Another resident, Saman Susil Fernando, whose eyes are reddened, says those like him who work outside, exposed to the ash-filled air, suffer severe discomfort in the eyes. There are more than 200 families in the Illanthadiya area.

The area's small cash crops – vegetables, fruit, chillies, onions and tobacco – are suffering, laments farmer Leslie Ranjith. He says the strong monsoonal winds from the ocean result in the ash blowing to the land, and there are moments when thick ash fills the air like mist.

"Many people in the area have coughs, asthma and wheezing," he said. Residents say that from end of April, strong winds blow from the ocean towards the land for six months, sometimes longer. This is blowing the ash towards human habitation. "If Stage One of the project (300 MW) and Stage Two, with another 300 MW, are emitting this much ash, the third stage, which is in the process of being completed will cause even greater trouble to the local people," one resident said.

Hemantha Vithanage, Executive Director, Centre for Environmental Justice, said fly ash, ash produced from burning of powdered coal, has covered the area and severely affected crops in the area. Added to that is blow-off from the heaps of ground ash.

Fly ash, which is scooped up by filtration equipment during the combustion of coal, is composed of tiny particles of silica and, depending on the type of coal being burned, can contain amounts of arsenic, lead, mercury, chromium, dioxides and other substances.

Ground ash is removed from the bottom of the furnace.

A 300 MW power plant uses 2,640 tons of coal daily that can produce result in about 180 tons of fly ash and 40 tons of ground ash. About 90 per cent of the fly ash is captured by an electrostatic precipitator, a filtration device used in chimneys to remove fine particles like dust and smoke, while 10 per cent is released to the air

Industrial action that went on for weeks until this month at the Holcim cement plant which takes and uses ash from the Norochcholai plant, has resulted in heaps of ash accumulating at the coal plant being blown by the monsoon winds towards settlements.

"We have received complaints from organic farm owners and farmers," Mr Vithanage said. "The ash will also affect local salt production."

"We feared this threat many years ago and have been complaining. Fly ash can be blown long distances by the south-west monsoon winds."

Professor Ajith de Alwis of Moratuwa University's Department of Chemical and Process Engineering, said though electrostatic precipitators (ESP) were the best way to minimise pollution in coal power plants, its performance depended on the nature of the coal used and how efficiently it was being used.

"Coal may carry certain amount of toxicity depending on the heavy metals that may be present. Fly ash is used in the construction industry, especially in cement production. However, there is a threat to human health as inhaling coal dust or ash can result in respiratory illnesses. It is definitely an environment pollutant and hazardous waste material. Therefore, care in handling is important," said Professor de Alwis.

Full News Report

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About CAG:

Established in 1985, Citizen consumer and civic Action Group (CAG) is an advocacy and campaigning group that works towards protecting citizens rights in consumer and environmental issues and promotes good governance processes including transparency, accountability and participatory decision-making.

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