

Energy News Monitor

NATIONAL: OIL & GAS Upstream

IOC-led consortium buys 24 percent stake in Russian oil field

June 18, 2016. A consortium led by Indian Oil Corp (IOC) oil companies IOC, BPCL and OIL signed an agreement to buy 23.9% stake in Russia's Vankor oil field from Rosneft for \$2.1 billion, IOC said. ONGC Videsh Ltd (OVL) has recently picked up 15% stake in the Vankor fields for \$1.27 billion. IOC and OIL will pick up 8% stake each while the remaining 7.8% stake will go to BRPL. The recoverable resources of the Vankor field stood at 361 million tonnes of oil and condensate and 138 billion cubic metres of gas. (www.business-standard.com)

ONGC sets new pre-monsoon rig move offshore India

June 17, 2016. Oil and Natural Gas Corp (ONGC) has, with the support of Norway's Aqualis Offshore, set a new pre-monsoon rig move record offshore India recently that involved 33 mobile offshore drilling units (MODU). Aqualis Offshore assisted ONGC Rig move cell in completing most of the assignment between mid-March

to May, covering a total of 31 MODUs on the west coast and 2 on the east coast and placing each on its respective monsoon location before the onset of the seasonal adverse weather conditions. (www.rigzone.com)

Downstream

RIL, IIP develop technology to reduce benzene levels

June 20, 2016. Reliance Industries Ltd (RIL) in a collaboration with Indian Institute of Petroleum (IIP) Dehradun has developed an indigenous technology to restrict benzene, a carcinogenic element in gasoline and naphtha. RIL carried out the construction and the 'flawless' commissioning of the Benzene Recovery Unit (BRU). The company said that there has been an increasing pressure on refiners around the world to reduce the amount of benzene and other hazardous air pollutants in the gasoline pool because of health and environmental concerns. In 2011, Environmental Protection Agency (EPA) in the US made it mandatory for refiners to meet an annual average gasoline benzene

FACT FILE

Gross production of natural gas for the month of May, 2016 was 2,656 MMSCM which was lower by 6.9 % compared with the corresponding month of the previous year (2,852 MMSCM). The cumulative gross production of natural gas 5,144 MMSCM for the current year till May, 2016 was lower by 6.9% compared with the corresponding period of the previous year (5,523 MMSCM). (PPAC)

content standard of 0.62 volume percent for all of their gasoline, both reformulated and conventional. (timesofindia.indiatimes.com)

Essar Oil looks to double petrol pumps to 4,300 in 18 months

June 19, 2016. Essar Oil plans to nearly double its petrol pumps to 4,300 in next 18 months, the company said. The retail network expansion planned is on franchise model and will entail an investment of about ₹ 2,500 crore by the pump owners. The network was expanded to 1,400 outlets before the expansion was frozen in 2008-09 in view of private retailers being unable to compete with heavily subsidised public sector oil firms. After diesel price was deregulated or freed from government control in October 2014, the expansion was restarted and network has reached 2,225, the company said. (www.business-standard.com)

Transportation / Trade

Mahanagar Gas Ltd's up to \$154 mn IPO fully covered on first day

June 21, 2016. Mahanagar Gas Ltd's up to \$154 million initial public offering (IPO) was fully subscribed, signaling strong investor appetite in an overall optimistic stock market. Retail and institutional investors placed bids for 17.81 million shares on the first day, or 1.03 times the 17.35 million shares on sale by the nation's third-biggest distributor of piped natural gas to vehicles and homes, according to stock exchange data. The sale of the shares being offered in a price range of ₹ 380 to ₹ 421 apiece is scheduled to close. Royal Dutch Shell's BG Asia unit and GAIL (India) Ltd - which owned about 45 percent each of Mahanagar Gas before the IPO - are selling 12.5 percent of their holdings each and will receive all the proceeds from the IPO. Mahanagar Gas sold 7.35 million shares at the upper limit of the price band at ₹ 421 each to 25 cornerstone investors as part of its IPO, raising ₹ 3.09 billion (\$45.7 million). Mahanagar Gas, which supplies gas in financial capital Mumbai and the Thane suburb, plans to expand to the nearby Raigad district over the next five years. (in.reuters.com)

Indian pipe companies dominate ₹ 5.5 bn GAIL contract

June 20, 2016. Three Indian pipe manufacturers have walked away with a major pie of a ₹ 550 crore order from GAIL (India) Ltd as the state-run gas utility began spending on building the main stretch of Urja Ganga — Prime Minister Narendra Modi's proposed energy lifeline to revive fertilizer units and supply cleaner fuel in the eastern region. GAIL has placed the order for 341km of pipes with Jindal Saw, Essar Steel and MAN Industries. China's Zhongyou BSS (Qinhuangdao) Petropipe is the lone overseas company to be awarded part of the contract, indicating competitiveness of Indian manufacturing. The order is for linking Phulpur in UP with Dobhi in Bihar, which is part of the Phulpur-Haldia pipeline. Work on spur lines from Gaya to Barauni via Patna in Bihar are already in progress. GAIL is set to complete the ₹ 12,000 crore Phulpur-Haldia-Dhamra (Odisha) project in three phases. The project envisages laying a 2,050km pipeline for supplying cleaner and cheaper fuel to Allahabad in UP; Patna, Gaya, Chapra, Siwan, Gopalganj, Muzaffarpur, Bettiah and Bhagalpur in Bihar; Bokaro, Dhanbad, Ranchi and Jamshedpur in Jharkhand; and Asansol, Durgapur and Kolkata in West Bengal. The pipeline will help revive defunct fertilizer plants in Gorakhpur in UP, Barauni in Bihar, Sindri in Jharkhand and Durgapur in West Bengal by supplying gas, considered a cheaper feedstock than naphtha. (timesofindia.indiatimes.com)

IOC slashes oil import tender time by half

June 19, 2016. Indian Oil Corp (IOC) has cut by more than half the time it takes to finalise a crude oil import tender after the government gave flexibility to state refiners to devise their own crude import policies. IOC used to take 26 hours to decide on a tender for import of crude oil from spot or current market. In April, after the Cabinet gave state-owned oil refiners freedom to devise their own crude import policies, the time has been shrunk to 12 hours, the company said. Time for deciding on tenders for export of petroleum products or fuel has been cut to just 9 hours from previous 35 hours. (www.business-standard.com)

Home delivery of LPG cylinders to start for most rural consumers soon

June 15, 2016. A majority of rural consumers will soon be able to get home delivery of cooking gas cylinders. The government is likely to issue an order soon mandating

QUICK COMMENT

Home delivery of LPG cylinders to rural consumers will improve energy justice!

Good!

that all cooking gas distributors serving rural areas and with sales exceeding 1,500 refills a month provide home delivery of cylinders to their customers, the oil ministry said. So far, all of about 5,500 dealers under Rajiv Gandhi Gramin LPG Vitran (RGGLV) scheme, a government programme for rural distribution of cooking gas, were exempt from making home deliveries of cylinders. The imminent government order will change that for about 60% of RGGLV dealers. India has about 18,000 cooking gas distributors in all, most of them concentrated in urban areas. The oil companies plan to add 10,000 distributors, the process of whose appointment will begin in this financial year. (economictimes.indiatimes.com)

PNGRB drops 7 out of 11 cities for CNG retail licences

June 15, 2016. Petroleum and Natural Gas Regulatory Board (PNGRB) has dropped the CNG retail licenses for 7 cities such as Chennai, Bhubaneswar in Odisha, Jabalpur in Madhya Pradesh, Vishakhapatnam in Andhra Pradesh, Coimbatore and Chennai in Tamil Nadu and Guwahati in Assam from the bidding round out of 11. The cities which would remain in bid round are Jaipur and Udaipur in Rajasthan, Solapur in Maharashtra, Davanagari in Karnataka and Bhopal in Madhya Pradesh. After this, only Jaipur and Udaipur in Rajasthan, Solapur in Maharashtra, Davanagari in Karnataka and Bhopal in Madhya Pradesh remain in bid round, PNGRB said. Without the cities being connected to any pipeline, no gas can be transported and so sale of compressed natural gas (CNG) and piped natural gas to households for cooking purpose was not possible. (timesofindia.indiatimes.com)

Policy / Performance

Petrol expensive due to excessive taxation by Modi, Kejriwal governments: Congress

June 15, 2016. The Congress launched a scathing attack on both the BJP-led central government and the AAP-led Delhi government, blaming them for the "high petroleum prices". Currently on ₹ 100 of petrol, consumers are paying ₹ 54 as tax and on ₹ 100 of diesel ₹ 47 as tax. During UPA regime the tax on petrol was ₹ 31 and on diesel it was ₹ 19.53, senior Congress spokesperson Ajay Maken said. During UPA regime the price of crude oil was about \$108 per barrel, and currently the same oil is \$58 a barrel. But despite such reduction in prices the government has made mind-boggling increase in VAT and excise taxes in petroleum products that has kept the prices high for a common man, Maken said. He said the previous United Progressive Alliance (UPA) government managed to keep prices under control despite the fact that crude had touched \$142 per barrel when they were in power. The Kejriwal government hiked VAT on petroleum products twice, first from 12 percent to 16.26 percent and then 18 percent. Similarly the excise duty too was raised from 20 percent to 25 percent and then to 27 percent, Maken said, insisting that both Prime Minister Narendra Modi and Delhi Chief Minister Arvind Kejriwal were "insensitive" to the problems that inflation is causing to the common man. (timesofindia.indiatimes.com)

Oxigen ties up with HPCL for faster checkouts at fuel stations

June 15, 2016. Mobile wallet Oxigen has entered into a partnership with public sector oil marketing company Hindustan Petroleum Corp Ltd (HPCL) in order to allow Oxigen wallet users to make payments at HPCL outlets through the wallet.

Following the launch of Virtual Visa, Oxigen wallet is trying to ensure smooth payment experience for its users and the company feels this is going to smoothen payment minimising card exposure at fuel station. (economictimes.indiatimes.com)

NATIONAL: POWER

Generation

DCM Shriram to complete ₹ 6 bn expansion project by Sep-Oct

June 21, 2016. DCM Shriram said it will complete the expansion of Chlor Alkali and power plants at Bharuch and Kota by September-October with an estimated investment of ₹ 607 crore. At present, the company's combined Chlor Alkali production capacity at its Bharuch and Kota plants is about 780 tonnes per day (TPD) and power capacity is about 188 MW. DCM Shriram said it would add 505 TPD Chlor-Alkali capacity and 55-66 MW power capacity at both the plants with an investment requirement of ₹ 607.20 crore. (indiatoday.intoday.in)

Karnataka's first gas power plant to open in 28 months

June 21, 2016. Power supply in Bengaluru is expected to improve as Karnataka's first piped natural gas plant is set to open in Yelahanka New Town in 28 months. Chief Minister Siddaramaiah inaugurated the commencement of works at the 370 MW power plant. He said that 9,000 MW of power would be added to Karnataka over the next five years. The plant will have the capacity to generate power instantaneously, Energy Minister D K Shivakumar said and underscored the need to supply round-the-clock power to Bengaluru. The plant will get piped gas from the Dabhol Power Station in Maharashtra in 15-18 months, BHEL said. (www.deccanherald.com)

Delhi-Dhaka power project headed for financial mess: Think tank

June 18, 2016. A US-based think tank says the Bangladesh-India Maitree project for a coal-based power unit could "effectively end up in a financial mess". Proposed to be built near the city of Khulna, close to the Sundarbans mangrove forest, it is a joint venture between state-owned entities of the two countries. The Institute for Energy Economics and Financial Analysis (IEEFA) said electricity produced from the project would cost 32 percent more than the average in Bangladesh, assuming an average plant load factor (PLF) of 80 percent.

Bangladesh-India Friendship Power Company (BIFPCL) said coal-based generation was needed for the energy security of Bangladesh, which was planning to have at least half of an additional 30,000 MW capacity from coal by 2030. The Bangladesh government is planning to give a 15-year income tax exemption for the plant, worth \$936 million. The Rampal unit is part of the country's Power Sector Master Plan 2010, which aims to expand and diversify the Bangladeshi electricity sector away from the current dominance of gas-based generation, towards a higher percentage of imported-coal-based generation. In April 2016, Bangladesh had a total installed power capacity of 12.3 GW, with 600 MW imported from India. (www.business-standard.com)

Nuclear fuel loading over in KKNPP unit 2, tests in progress

June 17, 2016. Fuel loading has been completed in the 1,000 MW second unit of the Kudankulam Nuclear Power Plant (KKNPP) in Tamil Nadu and the mandatory tests were in progress, KKNPP Site Director R S Sundar said. The loading of the enriched uranium in the reactor of the second unit of the Indo-Russian joint venture project was taken up last month. During the test, ambient noise level may marginally go up due to steam release to the atmosphere, whenever the safety valves open as part of the testing, he said. The first unit which recommenced its operations from February 22 this year, has generated 950.91 crore units and it has been operating at its fully capacity of 1,000 MW. (www.financialexpress.com)

Sampur thermal power project uncertainty continues

June 16, 2016. The uncertainty over the Sampur thermal power project continues as the NTPC, India's partner in the coal-fired 500 MW project, is awaiting advice from the Central government on the issue of change of fuel for the proposed plant. In February this year, the project received environmental clearance and about a month ago, even a decision was taken by the Trincomalee Power Company Ltd (TPCL), a special purpose vehicle floated

by the NTPC and the Ceylon Electricity Board, to float bids for the project. (www.thehindu.com)

JPVL to consider proposal to transfer Bina plant to its arm

June 15, 2016. Jaiprakash Power Ventures Ltd (JPVL) said that its board will consider a proposal to transfer 500 MW Bina thermal plant in Madhya Pradesh to its subsidiary. The company had entered into a binding MoU with JSW Energy for sale of 100 percent stake of its 500 MW Bina Thermal Power Plant to JSW Energy. (indiatoday.intoday.in)

Transmission/Distribution/Trade

India's changing coal imports show quality over quantity

June 21, 2016. India's coal imports are in a declining trend, but the energy value is dropping at a far slower pace than the physical volumes as the South Asian nation switches to higher quality fuel. This is likely as important a trend as the drop in imports as it indicates that major supplier Indonesia is in danger of surrendering more of the Indian market to rivals such as South Africa, Colombia and Russia. It shows that India's thermal coal importers are taking the view that it's better to pay more for higher grade cargoes than to merely take the cheapest on offer, which shows a rising sophistication in how they are adapting their fuel mixes. And thirdly, given the Indian government's stated aim of cutting thermal coal imports to zero over the next few years, importing lower volumes of better quality coal may go some way to placate the authorities. For the first five months of 2016, India's coal imports were 82.57 million tonnes, a drop of 5.4 percent over the same period last year, according to vessel-tracking data. (www.reuters.com)

States resolve to provide 24x7 power to everyone by March 2019

June 18, 2016. Power Minister Piyush Goyal said all the states had resolved to provide round-the-clock power supply to every household by March 2019. In a landmark development, all the states resolved to procure only 'smart meters' which are tamper-proof and

communication-enabled, Goyal said. Goyal announced launch of the helpline '1912' for consumer complaints

QUICK COMMENT

A mandate to supply electricity to all will have greater impact on the coal sector than a mandate to purchase domestic coal!

Bad!

redressal across the country. A committee set up for this purpose will submit its recommendations by September 30. (economictimes.indiatimes.com)

Govt asks state companies to stop imports, buy coal from CIL

June 16, 2016. Concerned over no takers for the coal produced by Coal India Ltd (CIL), the Centre asked state-owned power generation firms to immediately stop imports of the fuel and instead buy coal from the company. Coal Secretary Anil Swarup said all the states, specially the generation companies, can work out a strategy to see how they can totally eliminate import of coal for the purpose of power generation. Therefore, it is necessary to plan for realistic requirement of coal in coming few years, Swarup said. CIL has set up a whole set of process for auctioning the coal for private companies and as much as 8 million tonne will be offered every month to regulated power sector or to be picked up by private sector. (www.business-standard.com)

Tata Power to buy 25 percent in Resurgent Power for ₹ 18 bn

June 15, 2016. Tata Power will purchase 25% of Resurgent Power for \$300 million (₹ 1,800 crore) as part of a consortium to primarily buy both coal-fired and hydro power assets in India, besides looking at power transmission companies. The consortium has delegated the responsibilities among its partners. ICICI Ventures will identify and check the financials of the target companies, which will then be vetted by a panel represented by the consortium partners, while Tata Power will ensure supply of coal, quality of the plant and the day-to-day management of the operations of these plants. (energy.economictimes.indiatimes.com)

Global investors may get to own power transmission lines in India

June 15, 2016. Global investors may get to own power transmission lines in India as the government is looking at monetising the assets by offering equity to international pension funds aimed at mopping up ₹ 10,000-12,000 crore investments. The proposal aims at unlocking value of the existing power transmission lines to generate revenues that can be re-invested in strengthening transmission system and other infrastructure projects. The government has asked Power Grid Corp of India Ltd (PGCIL) the central transmission utility that owns and operates 95% of the country's transmission network to explore the possibility of offloading equity in certain power transmission lines to investors. (energy.economictimes.indiatimes.com)

Policy/Performance

UP wants 100 percent coal linkage for thermal power plants

June 21, 2016. The Uttar Pradesh (UP) government has urged the Centre to increase the coal linkage for its thermal power plants from 65% to 100%. The government said enhancing coal linkage would benefit power plants both in the state sector and those operated by private companies viz. Reliance Power, Bajaj Hindusthan, Lanco, Jaypee etc, which were set up after 2009 under a special package. Uttar Pradesh (UP) Chief Minister Akhilesh Yadav, who also holds the energy portfolio, was represented by minister of state for energy Shailendra Yadav Lalai. In March 2016, Coal India Limited (CIL) had increased coal prices by ₹ 170 per tonne. Besides, additional levies of ₹ 24 per tonne and ₹ 200 per tonne were imposed as coal royalty and clean energy cess respectively. Earlier, UP had made budgetary provisions of nearly ₹ 40,000 crore to issue bonds to discoms under Ujjwal Discom Assurance Yojna (UDAY). Due to the high AT&C losses, UP routinely faces energy demand-supply chasm, which results in power outages, especially in villages and smaller towns. The state is targeting to tame this figure to under 10% by 2017. (www.business-standard.com)

Not the right time for private commercial mining: Coal Secretary

June 21, 2016. The government is waiting for the economy to pick-up before it can open commercial coal mining to private companies. Coal Secretary Anil Swarup said allocation of coal blocks to state utilities for commercial use is the first step towards opening up the coal sector. The Coal Mines Special Provision Act of 2015 provides for opening up commercial coal mining to

QUICK COMMENT

The right time for commercial coal mining may be in the past not the future!

Ugly!

Indian and foreign private firms. So far, Indian companies with end-use plants have been allowed to mine coal for captive purposes. The Act ends the monopoly of Coal India Ltd (CIL) in commercial mining and allows private companies registered in India to mine and sell coal. (economictimes.indiatimes.com)

'Four Gujarat discoms top-most performers for 4 yrs'

June 20, 2016. Four state-run power distribution utilities in Gujarat have been top performers in country since last four years, state Energy Minister Saurabh Patel said. The integrated rating methodology for the discoms was developed by the Power ministry with the active involvement of Central Electricity Authority (CEA), Central Electricity Regulatory Commission (CERC), Power Finance Corporation (PFC), Rural Electrification Corporation (REC), distribution utilities and credit rating agencies CRISIL, ICRA and CARE. The firms are: Uttar Gujarat Vij Vistaran Company, South Gujarat Vij Vistaran Company, Madhya Gujarat Vij Vistaran Company and Paschim Gujarat Vij Vistaran Company. The exercise covered 40 state power distribution utilities and not the private companies and state power/energy departments. (www.business-standard.com)

Centre to soon launch DDUGJY scheme in Arunachal Pradesh

June 20, 2016. The Centre will soon launch the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) in

Arunachal Pradesh, Power Minister Piyush Goyal said. Goyal gave this assurance to state Power Minister T N Thongdok when the latter requested him to sanction the scheme. Thongdok said that bids have already been invited based on assurance from the Centre. Goyal agreed to provide additional power requirement based on the demand and as requested by the State government. Thongdok said that Arunachal Pradesh would soon launch campaign against power theft and the strong action would be taken against the persons involved in such illegal activities. (www.thehindu.com)

NTPC's compensation is inadequate: Villagers

June 20, 2016. About 30,000 villagers in Hazaribagh district in Jharkhand may lose their land if the National Thermal Power Corp (NTPC) goes ahead with its plans to acquire nearly 17,000 acres for its coal mining project. The project, which will affect about 32 villages in the Keredari and Barkagaon block, has met with strong opposition. Villagers said that the NTPC authorities had not discussed the issue with them and instead sent "agents" to strike a deal. The NTPC authorities denied the allegation. The compensation offered by the NTPC was "grossly inadequate," a local rights activist said. The public sector company was offering ₹ 20 lakh per acre when the farmers earned nearly ₹ 2 lakh a year just selling vegetables grown on the land. (www.thehindu.com)

Govt not to reduce stake below 51 percent in power sector PSUs: Goyal

June 20, 2016. Power Minister Piyush Goyal though supporting government's disinvestment plan for public sector undertakings (PSUs) has said that his ministry will not reduce the government stake in power sector PSUs below 51 percent and added that the management and control of the PSUs should remain with the government. Goyal said that as far as disinvestment is concerned, Finance Minister can do whatever he want to do and his ministry will support completely. He has announced the same to Coal India Ltd (CIL) and other PSUs under power sector. Under strategic sale of PSUs, government wants to reduce its stake to 49 per or below and wants it to be privatized. For the current financial year, the government has set a disinvestment target of ₹ 56,500

crore for the fiscal. Of this, ₹ 36,000 crore is to come from minority stake sale in PSUs and ₹ 20,500 crore from strategic sale. (money.livemint.com)

Delhi govt thinking over revoking licences of BSES discoms

June 20, 2016. The Delhi government is considering revoking the licences of BSES discoms due to their "dismal" performance. In a meeting with CEOs of the companies, Chief Minister Arvind Kejriwal had warned that government will take strict action if their performance does not improve. BSES entities BRPL (BSES Rajdhani Power Ltd) and BYPL (BSES Yamuna Power Ltd) supply electricity to around 12 lakh and 16 lakh customers, respectively. The city's power sector was privatised in 2002. The AAP government in its first stint had written to Delhi Electricity Regulatory Commission (DERC) to do the same. (www.business-standard.com)

Govt decides to electrify 59.8 mn un-electrified households by Dec 2018

June 20, 2016. The government has decided to electrify 5.98 crore un-electrified households by December 2018 and has offered finance to states from Power Finance Corp (PFC) and Rural Electrification Corp (REC) on no profit, no loss basis. This is a shift from the present Rural Electrification programme where a village is declared electrified if 10% of households and all public places have electricity access. Power Minister Piyush Goyal has announced that by December 2018 all Indian citizens will have access to electricity connections, while by March 2019, power will be available 24*7 to all, ahead of the earlier target of March 2022. The target to electrify 18,452 villages, barring Maoist-infested areas and difficult terrains, has been advanced by at least five months to December 2016. (economictimes.indiatimes.com)

China not opposing India's entry to NSG: External Affairs Minister

June 19, 2016. External Affairs Minister Sushma Swaraj insisted that China is not blocking India's entry to the Nuclear Supplier's Group (NSG) but is talking about the criteria and procedures. The External Affairs Minister asserted India is not going to oppose entry of any nation

to the NSG. Swaraj expressed hope that by the end of this year, India will become a member of the 48-nation club dedicated to curbing nuclear arms proliferation by controlling the export and re-transfer of materials that could foster nuclear weapons development. China has maintained that more talks were needed to build a consensus on which countries can join the 48-nation NSG following the United States' push to include India in the elite group. The countries, who oppose India's membership, argue that its inclusion in the group would further undermine efforts to prevent proliferation and also infuriate New Delhi's rival Pakistan. (www.newkerala.com)

India gets uniform helpline number for power snags

June 17, 2016. Power minister Piyush Goyal announced a countrywide 24-hour uniform four-digit helpline number that consumers can dial to lodge a complaint about faulty power lines or outages in their area. The minister announced the number - 1912 - at the end of a two-day conference of state power ministers at Panaji in Goa, the power ministry said. (timesofindia.indiatimes.com)

Power ministry launches 'URJA' app to better consumer connect

June 16, 2016. Power Minister Piyush Goyal launched a mobile app aimed at enhancing the consumer connect with the urban power distribution sector. The app, named as 'URJA'- Urban Jyoti Abhiyaan Mobile, was unveiled on the sidelines of the ongoing two-day conference of Power Ministers at Cansaulim in South Goa. The app is aimed at enhancing the consumer connect with the urban power distribution sector by providing information to consumers on power outage, timely release of connections, addressing complaints, power reliability etc. The app will work as manifestation of Prime Minister's principles of good governance i.e people-focussed and the co-operative federalism. (www.newindianexpress.com)

All electricity metres to be replaced with smart ones

June 16, 2016. Power Minister Piyush Goyal said that all state and union territory representatives had come to a

broad consensus that all electricity metres in the country be replaced with tamper proof smart metering that is also cost efficient. Under the Ujwal Dicsom Assurance Yojana (UDAY) scheme it was previously decided that the metres of households that consume more than 500 units of power a month would be replaced with smart metres. In the next stage this was to extend to households that consumed up to 200 units of power. However the Goyal said states and Union territories were keen to have smart metres rolled out in a bigger fashion. Relentless technology upgradation has tremendously brought down the cost of a smart metre from ₹ 8000 to ₹ 3223, Goyal said. (timesofindia.indiatimes.com)

J&K govt giving importance to power generation and distribution: Mehbooba

June 15, 2016. Jammu and Kashmir (J&K) Chief Minister (CM) Mehbooba Mufti said her government is giving importance to both power generation and distribution fronts, to improve electricity supply in the state. She said the government's thrust is on upgrading transmission and distribution network to tide over Transmission and Distribution losses. The Chief Minister hailed the Power Grid Corporation of India Ltd (PGCIL) for completing and commissioning the ambitious Grid Station project at Jatwal well ahead of schedule. She said the consumers should be informed in advance about the power curtailment schedule, if any to be implemented, during any exigencies. (www.firstpost.com)

Power conference in Goa to discuss 24X7 power for all

June 15, 2016. The conference will review the implementation of ongoing schemes and issues pertaining to power, coal and renewable energy sectors. It will be attended by ministers, secretaries of states and union territories and senior officials of power, coal and renewable energy and public sector undertakings of the ministries. The discussions will revolve around the implementation of Ujwal Discom Assurance Yojana or UDAY, which is planned to provide 24X7 power for all. Rural electrification will also be discussed with special focus on household electrification for BPL and APL households. (timesofindia.indiatimes.com)

INTERNATIONAL: OIL&GAS

Upstream

Newfield Exploration raises production view as Oklahoma bet pays off

June 21, 2016. U.S. oil and gas producer Newfield Exploration Co said it raised its second-quarter and full-year production forecasts due to better-than-expected output from Oklahoma's high-margin STACK basin. The STACK play has emerged as a top investment priority for several companies, including Marathon Oil and Devon Energy, in the past year largely because the cost to operate wells in the area is lower than other parts of the United States. Newfield raised its 2016 production forecast to 56–58 million barrels of oil equivalent (mboe) from 54.5–56.5 mboe. The company said the mid-point of its second-quarter production forecast was 15.2 mboe, 0.5 mboe higher than its previous forecast. Newfield said had drilled survey wells over more than 95 percent of its STACK position to appraise the value of the discovery. (www.reuters.com)

Quarter of PE firms plan oil buyouts by end of year

June 21, 2016. A quarter of private equity (PE) firms plan acquisitions in the oil and gas industry by the end of the year, sensing an opportunity after low crude prices eroded the sector's profitability, according to a survey released from EY, the accounting firm. In a survey of 100 PE firms, EY found that 25 plan a buyout deal by December, with 43 saying they will make a deal within a year. (www.reuters.com)

Skyland commences first oil from Kyzyl-Tumshuk field in Tajikistan

June 20, 2016. Australia's Skyland Petroleum Ltd announced that it has commenced oil production at the Kyzyl-Tumshuk field in Tajikistan. Oil production at the field is set to increase in the next few months as several other planned wells are expected to become operational. Skyland revealed that first production from the oil field was achieved on time and under budget. (www.rigzone.com)

Statoil, partners study Troll post-2020 output expansion

June 20, 2016. Norwegian oil firm Statoil and its partners are studying the possibilities of expanding gas production at Norway's biggest field, Troll, after 2020, the company said. The Troll field in the North Sea contains about 40 percent of Norway's gas resources and produced 34.6 billion cubic metres of gas in 2015. (www.reuters.com)

BP approves investment in Egypt gas field 15 months after discovery

June 20, 2016. British oil major BP has approved investment in the first phase of developing the large Atoll gas field offshore Egypt, only 15 months after it first announced its discovery. BP said the field was on track to deliver its first gas in the first half of 2018, set to pump 300 million cubic feet a day of gas to the Egyptian market. BP decided in November to fast-track the development of Atoll, estimated to contain 1.5 trillion cubic feet of gas and 31 million barrels of condensates. The company is in a tight race with other oil and gas explorers in the region to develop the Mediterranean's huge untapped fossil fuel reserves. (www.reuters.com)

Hungary's MOL reports oil discovery in Pakistan

June 17, 2016. Hungary's MOL group has made a new oil and gas discovery in Pakistan, its eighth discovery in the TAL block. This new discovery has derisked exploration in deeper fault blocks in the TAL block leading to new upside opportunities. (www.rigzone.com)

Faroe Petroleum discovers oil, gas at Brasse well

June 16, 2016. Faroe Petroleum has made an oil and gas discovery through its Brasse exploration well in license PL740 in the Norwegian North Sea. The well was drilled to a total depth of 9,120 feet and encountered approximately 60 feet of gross gas-bearing reservoir and approximately 70 feet of gross oil-bearing reservoir. A sidetrack well will be drilled to help confirm both the reservoir distribution and hydrocarbon contacts. Faroe

Petroleum owns a 50 percent operated interest in the well with Point Resources AS holding the remaining 50 percent stake. (www.rigzone.com)

Downstream

Vietnam says Nghi Son refinery construction facing delays

June 21, 2016. The construction of Vietnam's second oil refinery, the \$7.5 billion Nghi Son plant, is falling behind schedule, the government said. Test runs of the 200,000 barrel per day refinery, scheduled for November 2016, would be delayed by around four months, according to state oil group PetroVietnam. The Nghi Son plant, initially slated to start operations in July 2017, will refine Kuwaiti crude to make liquefied petroleum gas, petrol, diesel, kerosene and jet fuel among other products, mainly used for domestic markets. Vietnam's existing Dung Quat refinery meets about 30 percent of domestic demand. (www.reuters.com)

Petronas seeks \$7.2 bn loan for RAPID project

June 15, 2016. Malaysia's Petrolia Nasional Bhd (Petronas) is seeking to raise \$7.2 billion for its Refinery and Petrochemical Integrated Development (RAPID) project in one of the largest project financings from Asia in recent years. Petrolia Nasional Bhd has asked banks for underwriting commitments of at least \$500 million. Petronas has issued a request for proposals for the loan to be used to finance the \$16-billion RAPID project. The project in the southern state of Johor is set to be Malaysia's largest liquid-based green-field downstream development. It will consist of a 300,000-barrels-per-day refinery and petrochemical complex, with a combined chemical output capacity of 7.7 million metric tons per year. (af.reuters.com)

Pemex oil refinery could be forced to close due to ongoing protests

June 17, 2016. Mexico's national oil company Pemex said it may be forced to shut its largest refinery in the next few days if ongoing protests in the southern state of Oaxaca continue to block local roads needed to transport fuels. If the blockades continue, it will be necessary to shut

down the operations of plants at Salina Cruz in the next few days, the company said, referring to the refinery which has daily crude processing capacity of 330,000 barrels. (www.reuters.com)

Transportation / Trade

Iraq southern oil exports average 3.14 mn bpd so far in June

June 21, 2016. Oil exports from Iraq's southern ports are averaging 3.144 million barrels per day (bpd) so far in June, down from May due to maintenance work and weather, South Oil Co. official said. South Oil oversees Iraq's operations in the southern provinces that produce most of the OPEC's nation's crude. Iraq exported 3.2 million bpd in May and 3.364 million bpd in April from its southern ports. (www.reuters.com)

China diesel exports rise to record

June 21, 2016. China's diesel exports increased to a record in May as easing demand forced refiners to send surplus fuel overseas, while gasoline shipments rose amid swollen stockpiles. The nation's outbound diesel shipments jumped to 1.48 million metric tons last month, while gasoline exports increased to 780,000 tons, the highest since December, data from the General Administration of Customs in Beijing showed. Imports of natural gas by pipeline in May were at 2.03 million tons, the lowest since November, and liquefied natural gas shipments were at 1.43 million tons, the least since September, data show. (www.bloomberg.com)

Nigeria maintains oil exports despite wave of militant attacks

June 21, 2016. Nigeria kept exporting crude oil at a largely steady pace in May, though below historical levels, despite repeated militant attacks on its infrastructure that drove output down to 30-year lows this spring and helped global prices rise, data showed. Data showed a far smaller drop in exports from April to May than most in the market had expected. It suggested that Nigerian oil production is more resilient than many thought. Data showed total exports in May at roughly 1.67 million barrels per day (bpd), down from 1.77 million bpd in

April, and also a rise in exports of grades including Bonga, Agbami, Antan, Amenam, Okwori that helped to offset the losses. (www.reuters.com)

Poland's PGNiG does not plan July LNG spot purchases

June 20, 2016. Polish gas distributor PGNiG does not plan to buy spot cargoes of liquefied natural gas (LNG) in July via its new LNG terminal, PGNiG said. Poland launched the 3 billion zloty (\$774.2 million) LNG terminal at the Baltic coast port of Swinoujscie last week with a 206,000 cubic metre cargo from Qatar under a long-term deal with Qatargas and as part of a wider plan to cut Poland's reliance on Russian gas imports. PGNiG has said it will gradually supplement the Qatargas contract with spot supplies to further diversify its gas portfolio. Poland currently buys the bulk of its gas from Russia's Gazprom but its first LNG terminal and a planned pipeline to Norway will allow it to diversify its imports. It also aims to become a regional gas trading hub. (af.reuters.com)

Golar, Stonepeak Partner to operate natural gas import units

June 20, 2016. Golar LNG Ltd will join private-equity firm Stonepeak Infrastructure Partners to invest in power projects and floating import terminals as nations seek to take advantage of a global glut of liquefied natural gas. The companies have formed a 50-50 joint venture, Golar Power Ltd, to own and operate storage and regasification units and related infrastructure, Hamilton, Bermuda-based Golar said. (www.bloomberg.com)

Saudi Arabia's crude oil exports fall in April despite high output

June 20, 2016. Saudi Arabia's crude oil exports in April fell despite high production levels, while more crude was used domestically for power generation and to feed rising demand from local refineries. Saudi Arabia's domestic crude inventories fell to 290.858 million barrels in April from 296.659 million barrels a month earlier, according to the data provided by the Joint Organisations Data Initiative (JODI). (www.reuters.com)

Ukraine gas supplier seeks stronger Russia sanction to stop line

June 17, 2016. The U.S. and the European Union should impose stronger sanctions against Russia to kill the country's plan for a natural gas pipeline supplying Germany because it would raise prices for consumers and jeopardize energy security, Andriy Kobolyev, chief executive officer of National JSC Naftogaz of Ukraine, said. Naftogaz is calling on the U.S. to increase sanctions on Russia to halt work on the Nord Stream 2 twin-pipeline system led by Moscow-based Gazprom PJSC. The 28-nation EU should investigate whether the project, which would link Russia's gas supplies to Germany via the Baltic Sea, violates the trading bloc's energy-market legislation, Kobolyev said. (www.bloomberg.com)

Stop oil by rail in our state, Oregon asks US regulator

June 16, 2016. Oregon has called for federal regulators to ban trains carrying oil in the state, ramping up pressure for more stringent safety checks weeks after an oil train derailed near Portland, the first major oil-by-rail accident in a year. In the accident, a Union Pacific train carrying crude oil derailed, burst into flames and spilled crude along Oregon's scenic Columbia River gorge. Oregon is the first U.S. state to request such a move, although environmental lobbyists have called for years for a moratorium on oil trains after a series of explosive accidents. Washington State Governor Jay Inslee renewed calls in a letter to the Transportation Secretary Anthony Foxx for the government to lower speed limits for oil trains, speed up the switch to newer tank cars and introduce electronic brakes. Experts said it was unlikely federal authorities would enforce ban such as Oregon requested. (www.reuters.com)

French energy regulator sees no need for new France-Spain gas pipeline

June 16, 2016. French energy regulatory Commission de Regulation de l'Energie (CRE) has renewed doubts over the proposed MidCat gas pipeline project between France and Spain, claiming that the project would not improve supply security but would instead increase gas

prices for consumers. The gas pipeline will be able to deliver 2.5 billion cubic metres (bcm) per year of gas to Spain and 7.2 bcm of gas to France. (www.enerdata.net)

Petrobras said close to \$6 bn sale of Brazil gas pipelines

June 15, 2016. Brazil's troubled state-run oil company Petrobras is close to selling a 81 percent stake in a natural gas pipeline network in Brazil for nearly \$6 billion to a consortium led by Brookfield Asset Management Inc. The deal is expected to be signed as soon as next month. Petrobras is trying to sell the network of gas pipelines, called Nova Transportadora do Sudeste SA, as it struggles to reduce the largest debt load in the oil industry amid crude prices that stand at half the levels seen just three years ago. (www.bloomberg.com)

Exxon, BHP examining sale of joint Australia O&G assets

June 15, 2016. Exxon Mobil Corp and BHP Billiton Ltd are studying plans to sell depleting energy assets in Australia, including the largest oil field ever discovered in the nation. The producers are considering marketing about 13 fields, licenses and associated infrastructure held in the Gippsland Basin Joint Venture, Exxon's Esso Australia unit said. Oil and gas (O&G) production began from the venture in Australia's Victoria-state in 1969, according to BHP. (www.bloomberg.com)

OPEC oil export revenue seen down for third straight year: US EIA

June 15, 2016. OPEC's full-year 2016 oil export revenues will probably fall 15 percent, down for the third straight year and possibly the lowest in more than a decade before rising in 2017, the U.S. Energy Information Administration (EIA) said. Members of Organization of the Petroleum Exporting Countries (OPEC), including Iran, will likely earn about \$341 billion in 2016, about 15 percent below 2015 levels, based on projections of global oil prices and the group's production levels, EIA said. For 2017, OPEC revenues are projected to be \$427 billion, due to an expected increase in crude oil prices, higher OPEC production and stronger exports, EIA said. (www.reuters.com)

Policy / Performance

Australia LNG export boom set to defy weak prices

June 21, 2016. Australian exports of liquefied natural gas (LNG) are likely to grow strongly over the new few years despite subdued prices for the energy given the massive amount of money already sunk into projects, the Reserve Bank of Australia's (RBA) head of economic analysis, Alexandra Heath said. Heath said that producers had already invested more than A\$230 billion (\$172 billion) in new LNG output in Australia, much of which was yet to fully come on line. Australia is now the world's second-largest producer after Qatar, and is projected to take the number one spot by 2019, according to government data. (uk.reuters.com)

Vancouver takes legal action to block Kinder Morgan pipeline plan

June 20, 2016. The City of Vancouver said it had taken legal action against the Canadian energy regulator's approval of Kinder Morgan's Trans Mountain pipeline expansion, which would increase the number of oil tankers passing through city waters. The regulator said that it had found the C\$6.8 billion (\$5.31 billion) project, which would boost capacity from 300,000 barrels per day to 890,000 bpd and the number of oil tankers in Vancouver waters nearly seven-fold, would not cause significant harm to the environment. (ca.reuters.com)

Russia hasn't dropped idea of new gas route to south Europe: Putin

June 17, 2016. Russia still wants a new pipeline route to export gas to southern Europe despite the cancellation of the South Stream gas project, President Vladimir Putin said. Putin said the expansion of the Nord Stream pipeline, under the Baltic Sea, was not an alternative to the canceled South Stream route. (www.reuters.com)

Pakistan seeks to import more LNG to address supply shortage

June 16, 2016. Pakistan's Ministry of Petroleum & Natural Resources, pressured by gas shortages and growing domestic demand, has commenced discussions with liquefied natural gas (LNG) sellers seeking to import

a greater quantity of the fuel as it addresses the supply deficit in the South Asian country. The Ministry has opened talks with suppliers such as United Arab Emirates' Emirates National Oil Co (ENOC), Malaysia's national oil company Petroliam Nasional Berhad (Petronas) and Italy's Eni S.p.A., for LNG imports. Pakistan is negotiating with Eni to import 0.75 million tons per annum (Mtpa) of LNG, while Petronas is understood to have assured the Ministry of Petroleum & Natural Resources that it would provide 1.5 Mtpa. Currently, Pakistan receives LNG supplies from Qatar and Swiss trading company Gunvor Group. (www.rigzone.com)

Venezuela still hopes for OPEC, non-OPEC deal as Iran oil output rises

June 16, 2016. Venezuelan Oil Minister Eulogio del Pino said fellow OPEC member Iran would reach pre-sanction oil output levels by September, allowing a revival of talks on a global oil production freeze. He said the freeze idea could be discussed at an informal meeting of OPEC and non-OPEC producers in Algeria in September. He said he would propose OPEC formally adopts a policy of "production ranges", which would allow output of country members to fluctuate by a certain amount. Output would rise to 2.8 million barrels per day by the end of the year, he said. He said current production stood at 2.7 million bpd, allowing the country to export 0.6 million to China, 0.4 million to India, 0.8-0.9 million to the United States and keep around 0.55 million bpd for local consumption. (www.reuters.com)

Gazprom, Shell to invest \$13 bn in projects in Russia: Russian Energy Minister

June 16, 2016. Energy major Shell and Russia's gas major Gazprom will jointly invest \$13 billion in three projects in Russia, Russian Energy Minister Alexander Novak said. Novak said that Shell would take part in the development of Gazprom's Yuzhno-Kirinskoye gas field offshore Russia's Sakhalin island in the Pacific. The two companies will jointly invest in the Baltic Sea Liquefied Natural Gas plant and in the Sakhalin-2 LNG plant expansion. (www.reuters.com)

Romania expects delayed gas link with Bulgaria to open this year

June 15, 2016. A much-delayed natural gas pipeline between Romania and Bulgaria is expected to become operational this year, Corina Popescu, Romania's secretary of state at the Ministry of Energy said. The Balkan neighbours have stepped up efforts to link their gas networks with those of other countries after Moscow scrapped its South Stream pipeline project. Romania produces about 11 billion cubic metres (bcm) of gas per year, covering about 75 percent of its annual needs, and imports the rest from Russia. Bulgaria aims to build a gas link with Greece. (www.rigzone.com)

North Dakota oil output posts biggest drop in history

June 15, 2016. North Dakota's oil output fell the most in history in April, with low crude prices CLc1 and inclement weather forcing producers to cut back the drilling and fracking of new wells, state regulators said. The output drop highlighted the deep pain spreading through the second-largest oil producing state, with the more than 50 percent drop in crude prices since late 2014 fueling spending cuts and layoffs. The state pumped 1,041,007 barrels of oil per day (bpd) in April, 70,414 bpd less than March, according to the North Dakota Department of Mineral Resources (DMR). The drop was the largest monthly decline in the state's history, due largely to low prices but also windy weather throughout much of April, which delays the fracking of wells, the DMR said. (www.reuters.com)

Uruguay announces oil hedging plan with World Bank

June 15, 2016. Uruguay's government said it would hedge against oil prices rising above \$55 a barrel to avoid exposing the country to volatile swings in the commodity's price.

The country, which imports all the crude oil it uses, said it would hedge 6 million barrels of oil with the World Bank, in case crude's price averages more than \$55 per barrel over the next 12 months. (www.reuters.com)

INTERNATIONAL: POWER

Generation

CNNC's Changjiang-2 nuclear project starts generating power

June 21, 2016. China National Nuclear Company (CNNC) has started generating power from the second unit of the Changjiang nuclear power plant in Hainan province (China). Commercial operation is expected in early August 2016. The Changjiang nuclear power plant will consist of four 650 MW CNP-600 pressurized water reactors (PWR). Early construction works started in December 2008 and first concrete was poured in 2010. The first unit was commissioned in December 2015 and the construction of units 3 and 4 is scheduled to begin in 2018. (www.enerdata.net)

FPL Company plans to acquire 330 MW coal-fired power plant in US

June 21, 2016. Florida Power & Light Company (FPL) is seeking approval from the Florida Public Service Commission (PSC) to purchase a 330MW coal-fired power plant located in Indiantown, Florida, US. The firm plans to acquire the Indiantown cogeneration facility from Calypso Energy in a deal valued at about \$451 mn. (fossilfuel.energy-business-review.com)

GPS builds two combined-cycle power projects in US

June 21, 2016. Gemma Power Systems (GPS), unit of Argan, has completed construction of the Panda Liberty and Panda Patriot combined cycle power projects in Pennsylvania, US. The two natural gas-fired facilities, each with 829 MW capacity, are located in Bradford and Lycoming County, Pennsylvania are developed for Panda Power Funds. (fossilfuel.energy-business-review.com)

California's last nuclear power plant to close after 3 decades in operation

June 21, 2016. California's last nuclear power plant will close by 2025 under an accord announced, ending three decades of safety debates that helped fuel the national anti-nuclear power movement. The state's largest utility,

Pacific Gas & Electric Co, and environmental groups reached an agreement to replace production at Diablo Canyon nuclear plant with solar power and other energy sources that do not produce climate-changing greenhouse gases. The facility, which sits along a bluff on California's central coast, supplies 9 percent of the state's power. The country has 61 nuclear plants, including Diablo Canyon, according to the U.S. Energy Information Administration. (www.foxnews.com)

Pakistan govt achieves historic record power generation

June 20, 2016. The Ministry of Water and Power achieved another milestone as the total electricity generation reached to record 17272 MW for the first time in the country's history. It included 6,080 MW generated through hydel resources while the IPPs and GENCOs contributed 11,192 MW. It may be noted that on June 8, 2016 the power generation reached to 17,120 MW which was record after the last year's 16,866 MW. (timesofislamabad.com)

Transmission/Distribution/Trade

Bulgaria seeks to sell Belene nuclear project

June 21, 2016. Bulgaria will start negotiations with Russian nuclear group Rosatom to allow it to sell the nuclear reactor ordered by state energy group NEK for the scrapped Belene nuclear power project to a third party, after an international arbitration court ruled that NEK should pay around €550 mn (US\$620 mn) to Russian nuclear group Atomstroyexport, in compensation for having cancelled Belene. (www.enerdata.net)

CPFL Energia acquires power distributor AES Sul in Brazil

June 20, 2016. CPFL Energia, Brazil's largest private electricity group, has reached an agreement with US energy group AES to acquire AES Sul, an electricity distribution company for a total of R\$1.7 bn (US\$486

mn). With this acquisition, CPFL Energia will expand its presence in the energy distribution segment in Brazil; it already has a 13% market share on the national distribution market, supplying power to 7.8 million customers in 571 municipalities in the states of São Paulo, Rio Grande do Sul, Parana and Minas Gerais through eight distribution company. With the purchase of AES Sul, its market share in this market will reach 14.3%, providing energy to 382 of the 497 municipalities of Rio Grande do Sul. (www.enerdata.net)

US EIA projects slow growth in US electricity sales by 2040

June 16, 2016. According to the US Energy Information Administration (EIA), electricity consumption is expected to grow slowly between 2015 and 2040. Indeed, electricity consumption from the residential sector is projected to increase by only 0.3% per year between 2015 and 2040. Energy efficiency standards for building construction and for end-use (lighting, space cooling, heating and water heating) will contribute to the decrease in electricity intensity for households. (www.enerdata.net)

Policy/Performance

Poland starts drafting legislation to boost coal-fired power capacity

June 20, 2016. The government of Poland has started to work on a draft legislation aimed at inciting coal-fired power producers to invest in new power capacity. Coal currently accounts for more than 80% of the Polish power mix but many coal-fired power plants will need to be replaced to avoid future power shortages. (www.enerdata.net)

Alpha Natural reorganization plan not viable: US govt

June 20, 2016. The U.S. Department of Justice has opposed a plan by coal producer Alpha Natural Resources to sell valuable assets to its creditors, which it said puts significant mine cleanups at risk. The sales are part of Alpha Natural's plan to emerge from bankruptcy protection, which it filed last August in the midst of plummeting coal demand. Environmental groups have said the plan would leave the reorganized group with

insufficient funds to tackle cleanups. The government does not plan to approve the transfer of any federal lease or contract unless cleanups are assured, the Department of Justice said. West Virginia's environmental regulator said Alpha had agreed to cover hundreds of millions of dollars of mine cleanups in that state. (www.reuters.com)

South Korea plans to open energy supply to private sector

June 16, 2016. The government of South Korea plans to partially open the electricity supply market, currently limited to state-controlled KEPCO, to the private sector, as part of a broader efficiency, debt-cutting and management transparency improvement plan. In a first phase, the government will relax regulations on electricity sales by KEPCO and will gradually open the market to private companies; renewable power producers will be allowed to sell electricity directly to consumers. Eight energy companies, including Korea Hydro & Nuclear Power (KHNP) and five power companies, will gradually be listed from the first half of 2017. (www.enerdata.net)

French high court orders retroactive electricity rates increase

June 16, 2016. The Conseil d'Etat, the highest administrative court in France, has cancelled a 2014 governmental decision to limit the annual increase in residential electricity bills to 2.5% per year, considering that the increase was too low to enable a fair competition between EDF and alternative suppliers. (www.enerdata.net)

Japan doubles down on coal power as trading houses curb investment

June 16, 2016. Japan is burning record amounts for electricity generation and plans to use even more of the dirtiest fossil fuel to fill the gap after the Fukushima disaster paralysed its nuclear sector. But as Prime Minister Shinzo Abe's government pushes coal power, both at home and through exporting technology abroad, some of Japan's powerful trading houses are cutting or freezing coal investments over concerns about the environmental fallout. (www.reuters.com)

RENEWABLE ENERGY/ CLIMATE CHANGE TRENDS

National

Tata Power's arm bags solar project in Maharashtra

June 21, 2016. Tata Power Renewable Energy Ltd (TPREL) has won a 30 MW solar grid connected photovoltaic project in Maharashtra. A unit of Tata Power, TPREL has received the Letter of Intent (LoI) to develop the project and will sign a 25 year power purchase agreement with NTPC Vidyut Vyapar Nigam. Jawaharlal Nehru National Solar Mission (JNNSM), launched in January 2010, is a major initiative of the government that aims to establish India as a global leader in solar energy by creating favourable policy conditions for its diffusion across the country. It had initially set a target to 20 GW of solar installations by 2022 that was reset to achieve five times more at 100 GW by 2022. (www.dnaindia.com)

CLP India, Suzlon tie up for solar project in Telangana

June 21, 2016. CLP India and Suzlon Group have formed a joint venture to set up a 100 MW solar project in Veltoor in Telangana State. Under the agreement, CLP India acquired 49 percent stake in SE Solar, a special purpose vehicle set up by Suzlon, for ₹ 73.5 crore. CLP India has the option to acquire the balance 51 percent. The Veltoor project is expected to be commissioned by May 2017 and will be funded 80 per cent by debt and 20 percent equity.

The company is keen to invest in solar in India to complement its wind portfolio. The Veltoor Project is its first joint venture. Suzlon Group said CLP and Suzlon had successfully collaborated in the past for wind projects. Suzlon won solar projects of 210 MW, including the 100 MW project, in Telangana through competitive bidding process. (www.thehindu.com)

India's Tata follows Norway's Statoil on carbon-price path

June 17, 2016. India's Tata Group is following oil and mining companies including Statoil ASA in preparing to pay for their emissions. Mumbai-based Tata is installing

a so-called shadow carbon price in the group, which spans motor car manufacturing, information technology consulting, tea production and steel, Paul Brooks, group director environment, said. Tata may be ready to buy emission credits in the future, he said. Fossil-fuel producers are among companies that already use shadow carbon prices to help ensure that future multibillion-dollar projects remain profitable as governments tighten environmental rules. Tata is piloting them progressively for its 100 companies as the Paris climate deal requires nations to cut emissions and investors lose appetite for climate-damaging projects, Brooks said.

India's emissions are expected to rise at the fastest pace through 2040. Tata Group is preparing to react to climate pledges being made by countries in which it operates, known as nationally determined contributions under the United Nations climate-protection process, Brooks said at the Carbon Expo conference in Cologne, Germany. (www.bloomberg.com)

1 GW grid connected wind power scheme to benefit utilities in meeting RPO norms: ICRA

June 16, 2016. The new & renewable energy ministry's scheme for awarding 1000 MW grid connected wind power projects is expected to benefit utilities in meeting their non-solar renewable purchase obligation (RPO) norms, ICRA said in a report. The key objective of this scheme is to facilitate wind based power supply from high wind potential states to others. It is also expected to encourage competition through introduction of competitive bidding for large projects, thereby allowing low wind potential states to meet their non-solar RPO. While RPO norms are in place in all the states, they continue to vary across in terms of both the quantum of RPO & its trajectory.

Compliance in RPO norms on an annual basis by obligated entities continues to remain weak, as most state regulators tend to carry forward the shortfall in RPO compliance onto the subsequent period, instead of imposing any penalty or regulatory charges for non-

compliance. There are only a few states like Maharashtra where power regulators have issued strict orders for compliance. Although the option of renewable energy certificate is already available for utilities in meeting their RPO norms, it is not exercised by utilities in many cases. Viewed against this backdrop, the scheme is likely to help facilitate supply of wind power from high wind potential states to others. (economictimes.indiatimes.com)

Maharashtra discom owes over ₹ 10 bn to wind energy developers

June 16, 2016. Wind energy developers in Maharashtra have alleged that the state power distribution utility owes them more than ₹ 1,000 crore as it has stopped paying them since October last year, and said most projects are on the verge of collapse. Wind Independent Power Producers Association (WIPPA) said the approach of Maharashtra State Electricity Distribution Co (MSEDCL) has impacted huge investments in the sector. With an installed capacity of 4,647 MW, set up by more than 50 developers, the state is the second highest wind energy producer in the country after Tamil Nadu. In comparison, Madhya Pradesh added 1291.90 MW and Rajasthan 687.90 MW. (energy.economictimes.indiatimes.com)

Govt launches scheme for wind power projects

June 15, 2016. The central government has launched a scheme to set up grid-connected wind energy projects aimed at generating 1,000 MW clean power. The Solar Energy Corp of India (SECI) has been designated the nodal agency for implementing the scheme, under which the wind power will be supplied to "non-windy" states at prices arrived at through competitive bidding.

The Ministry of New and Renewable Energy (MNRE) has invited public comments by June 24 on the draft guidelines for the scheme's implementation. The 1,000 MW capacity is envisaged for bidding in 2016-17. The project capacity will be determined by SECI for each tender, but will not be less than 25 MW for a single project developer at one site, the MNRE said. Globally, India is at the 4th position in terms of wind power installed capacity after China, the US and Germany. The Centre has set an ambitious target of achieving 175 GW

power capacity from renewable energy resources by 2022, out of which 60 GW is to come from wind. (www.newkerala.com)

Delhi Metro puts green energy on new track

June 15, 2016. If 60 percent of Delhi Metro's daytime requirement of power is met from as far as Rewa in Madhya Pradesh, it would mean more than just a shift towards green energy for the city's lifeline: it takes away a prized customer from Delhi's distribution companies, if not entirely but majorly, indicating a crucial shift from renewable purchase obligation (RPO)-driven demand for green power to one directed by commercial considerations.

The Delhi Metro Rail Corporation (DMRC) uses around 150 MW of power and is the largest customer for BSES Yamuna Power. For Tata Power and BSES Rajdhani, the other two Delhi discoms, it is the second largest customer after the Delhi Jal Board and Delhi Airport, respectively. And now, it has decided to tie up with new suppliers. However, DMRC's demand is likely to shoot up to 300 MW by March 31, 2018, when the third phase of its network expansion will be completed. Power from the World Bank-supported Rewa project is likely to be available from September 2017. The Madhya Pradesh government invited tenders for 750 MW in March.

The project is planned to be split into three units of grid-mounted solar photovoltaic power plants of 250 MW each. The ultra-mega solar project in Rewa will be one of the largest single-site solar projects in the world. For meeting the RPO targets set by the regulators for compulsory purchase of green energy, distribution companies usually get into a rush at the year-end; deals like the one by DMRC give certainty of purchase to power producers. The park developed by Rewa Ultra Mega Solar will have three units of 250 MW each.

The solar power developers within the park will connect their units with the inter-state transmission system being set up by the Power Grid Corporation of India, and supply electricity to the Madhya Pradesh government's power distribution companies and the DMRC. (www.business-standard.com)

Global

EU needs significant fall in road pollution to meet targets

June 21, 2016. European Union (EU) greenhouse gas emissions fell in 2014 to their lowest level since 1990, although the bloc said more diesel vehicles had increased carbon dioxide on its roads and significant cuts were needed. The European Environment Agency (EEA) said that 2014's 4.1 percent decline, which coincided with a 1.4 percent GDP rise, resulted from more renewables, better energy efficiency, the recession and milder winters. Germany and Britain led the way, accounting together for some 45 percent of reductions at the EU level in 2014. The fall is in line with a pattern of declining emissions to an overall 24.4 percent over the 24-year period. Hans Bruyninckx, head of the Copenhagen-based agency which collects data and advises EU policy-makers, said the 28-nation bloc was making progress toward its target of a 40 percent emissions reduction cut by 2030, compared with 1990 levels. (www.reuters.com)

Malaysia plans to start B10 biodiesel mandate in July 2016

June 21, 2016. The government of Malaysia is negotiating with oil companies to start the B10 biodiesel mandate in July 2016 (one month later than initially expected) and to complete full implementation of the new standard by August 2016.

Malaysia aims to raise the mandatory share of biodiesel from palm oil from the current 7% of consumption in the transport sector to 10%; the mandate for the industrial sector beginning in June would be 7%. The new standard is expected to raise the consumption of palm oil from 0.5 million tonnes (mt) per year to 0.7 mt per year. The country has 18 biodiesel plants with a total capacity of 2.3 mt year and the current facilities in oil depots are able to handle blending up to 10%. (www.enerdata.net)

China plans energy-sector technology capacity boost over next decade

June 21, 2016. China wants to boost its domestic capacity to produce cutting-edge energy technologies in the next

decade to challenge international energy majors in areas like offshore oil and gas exploration and building state-of-the-art thermal power plants. China lags behind competitors like Anglo-American oil majors or Japanese and German power turbine makers in the most advanced technologies for deepwater oil and gas production and the most efficient electric generation. But, as the world's biggest energy consumer, the country yearns to be at the forefront of these technologies to meet internal energy needs and to shift its export economy from less high-tech industries. In renewables, Goldwind is the leading Chinese wind turbine maker and likely to play a role. For renewables, China wants to build offshore wind turbines that can produce 10 MW of electricity, beyond the current technology at 7 MW, and modern solar cells. (www.reuters.com)

South Africa unveils draft rules on carbon emission offsets

June 20, 2016. South Africa unveiled proposals that would enable companies to offset as much as 10 percent of their carbon emissions by investing in projects that help conserve the environment and create jobs. An offset program is contained in draft laws published in November last year that provide for a tax on emissions. The government said the measure is needed to meet a target of reducing the discharge of greenhouse gases by 34 percent below a scenario of "business as usual" in five years and by 42 percent by 2025. The duty, which will probably come into effect next year, will start at 120 rand (\$8.06) per metric ton of carbon dioxide-equivalent emissions. The offset program will be administered by a unit within the Department of Energy and limited to initiatives within South Africa. Renewable electricity projects, many of which have attracted other incentives, won't qualify, the Treasury said. Interested parties have until July 29 to comment on the proposed regulations. (www.bloomberg.com)

Netherlands eyes firmer carbon market in call welcomed by Canete

June 20, 2016. The Dutch presidency of the European Union (EU) is seeking political support from member states to enshrine in a carbon market reform a flexibility

provision that would enable strengthening the world's biggest cap-and-trade program. The plan would pave the way for tightening emission-permit supply and would enable a faster shift to clean technologies, according to Dutch Environment Minister Sharon Dijksma. Prices in the EU Emissions Trading System, where 2013-2020 pollution caps on companies were set before the global financial crisis, fell almost 80 percent in the past eight years as industrial output shrank, aggravating a glut of allowances. The presidency's plan would complement the Market Stability Reserve, an already approved mechanism that will automatically control the supply of permits to pollute starting in 2019. (www.bloomberg.com)

Canada moves to strengthen environmental reviews of pipelines

June 20, 2016. Canada Prime Minister Justin Trudeau will overhaul the country's pipeline regulator as part of an effort to rewrite and strengthen environmental laws. The federal review of environmental assessment rules unveiled will include a strategy for how to "modernize" the National Energy Board (NEB) regulatory agency in a bid to restore confidence. Trudeau campaigned in last year's election on toughening environmental laws, cutting emissions and expanding consultation with the country's indigenous communities. The review opens the door to setting new rules and milestones for a range of projects and industries from fish habitat to new mines to oil pipelines. It also will lead to an overhaul of environmental-review rules for the NEB, the Canadian Environmental Assessment Agency and the Canadian Nuclear Safety Commission. As part of the measures, Environment and Climate Change Minister Catherine McKenna announced the creation of a panel to review current environmental-assessment laws. (www.bloomberg.com)

Endesa and Enel in talks over renewable assets in Spain

June 20, 2016. Italian energy group Enel and Spanish energy group Endesa have entered into talks concerning the potential acquisition by Endesa of the 60% stake held by Enel in their joint venture Enel Green Power España (EGPE). Enel Green Power España operates 1.7 GW of

renewable power capacity in Spain. EGPE is currently owned by EGP (60%) and Endesa Generacion (40%). It integrated 550 MW of renewable capacity after the break-up of Enel Union Fenosa Renovables (EUFER), the 50% joint venture of Enel and Gas Natural Fenosa, in 2010. (www.enerdata.net)

After cyclone, devastated Bangladeshis now face monsoon floods

June 20, 2016. Nearly a quarter of a million Bangladeshis who survived when a cyclone ripped through their villages and farmland now face the threat of floods as the monsoon season approaches, the Red Cross warned. Packing wind speeds of up to 90 kph (56 mph) and torrential rains, cyclone Roanu struck Bangladesh on May 21 -- disrupting the lives of around 1.3 million people who eke out a living from fishing and farming along Bangladesh's coastline. Hundreds of thousands of mud-and-thatch houses were torn apart by Roanu's strong winds, while tidal surges swept away thousands of fishing boats and submerged large swathes of low-lying agricultural land with salt water. (af.reuters.com)

New York University declines to divest from fossil fuels

June 17, 2016. New York University's board of trustees declined to divest from fossil-fuel holdings, saying it would limit its choices in investment managers and wouldn't reduce the amount of capital available to those companies. The trustees' decision follows a resolution by the university senate in support of divestment in April 2015. The University of Massachusetts said it will divest from direct fossil-fuel holdings in its endowment, a decision approved by its board of trustees. (www.bloomberg.com)

Canada's biggest solar-bond sale shines a green light on future

June 16, 2016. A bond to fund Canada's largest solar-power project, located on aboriginal land in Ontario, is proving a magic combination for investors who are scooping up the new green debt. The C\$613 million (\$470 million) of notes maturing in 2035 with a 3.926 percent coupon to finance the Grand Renewable Solar

Project represent Canada's largest solar-bond sale, according to data. (www.bloomberg.com)

Cenovus mulls renewable energy amid shift to low-carbon crude

June 15, 2016. Solar panels and wind turbines may find a home alongside Cenovus Energy Inc.'s future low-carbon oil-sands business as the Canadian producer adjusts to changing patterns of supply and demand for energy. Cenovus has had discussions about renewable energy investments, Chief Executive Officer Brian Ferguson said. Solar will be an important part of the energy mix in the future, he said. Cenovus, Suncor Energy Inc and their oil-sands competitors are testing

new technologies such as solvents and microwaves to melt the bitumen buried under the boreal forest in a bid to lower costs and emissions. Even as countries around the world shift to using wind, solar and other renewable sources of energy, oil and natural gas will still have a role to play in supplying a growing population with transportation, light and heat, Ferguson said. The Calgary-based company, which along with Suncor has invested in a clean tech fund, expects to lower emissions per barrel by 50 percent over the coming years, he said. Improvements in technology will help the company achieve its goal of reducing all the carbon emissions associated with the production of crude. (www.bloomberg.com)

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