

Two Schemes Floated to Revive Stranded Gas-based Power Units

Power producers say move will bring stranded gas assets out of NPA situation

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New Delhi: The power ministry has finalised two schemes to procure 4,000 MW from gas-based power plants to rescue stranded units put up at a cost of about ₹1,00,000 crore.

The schemes include procuring 2,000 MW from gas-based plants through auction and bundling it with an equal capacity of solar power. Another 2,000 MW will be procured through online reverse auction, on a model similar to previous such schemes.

Power producers welcomed the long awaited scheme, saying it will bring almost 11,000 MW of stranded gas assets out of NPA situation.



“The scheme should be quickly implemented with all waivers,” Association of Power Producers director general Ashok Khurana said. “The key to success of this scheme would depend on sourcing gas at competitive rates.”

He said with the prevailing subdued price of RLNG, gas-based power producers should be able to market their power on a standalone basis without even needing so-


Distressed Gas Plants

- ▶ **2,4000 MW** gas-based stranded/underutilised plants

Gas-based power procurement schemes:

- **2,000 MW** for solar bundling 
- **2,000 MW** through online reverse auction 

- ▶ To benefit **11,000 MW** capacity
- ▶ **Short** domestic gas supply
- ▶ **PLF at below 23%** between Apr-Nov
- ▶ **Global gas prices** at record low



lar as bundled power. “But on a long-term basis, if India has to move towards clean energy, renewable energy and gas-based power has to co-exist,” Khurana said.

A senior government official said a draft cabinet note is being prepared for the two schemes to procure total 4,000 MW from the stressed gas-based projects.

Under the bundling scheme, the solar capacity will be given priority to run. Gas-based capacity will run at times when solar power is not available and producers will have the option to sell produce in spot market in times of back down by distribution companies. Both schemes are proposed to be run without subsidy for a minimum of three years.

The other scheme proposes to select bidder through an online reverse auction where bids would be put in by the developers based on incentives to be provided by the central and state governments to reduce end tariffs. Developers will have the option to buy gas on their own or through state-run gas transporter GAIL (India) Ltd.

The proposed haircuts include waiver of state and central taxes on imported LNG, waiver of GST on regasification and transportation of the fuel, reduction of pipeline tariff charges and marketing margin by GAIL.



Over the past five years, GAIL has commenced PNG supply to about 18,500 households. PIC FOR REPRESENTATION

GAIL gets 21,000 more registrations with fresh strategy

RASHEED KAPPAN
BENGALURU, DHNS

To speed up the slow pace of expansion of the Piped Natural Gas (PNG) network in the city, GAIL Gas Limited tried out a new payment strategy and a registration fee waiver. The company now says it paid off, attracting over 21,000 new customer registrations since October 2019.

A GAIL spokesperson told *DH* that the upfront fee of Rs 5,800 for new connections was found to be a bit hefty for many. To address this, the company introduced three payment options on October 2, 2019. This, the spokesperson said, did the trick. "It has gone really well with the people."

The first option offered customers a reduction of Rs 1,000 in the security deposit. To get the connection, customers were required to pay Rs 4,000 as a Refundable Connection Deposit before the PNG supply begins.

The second option limits the payment of the connection security deposit to Equal Daily Instalment (EDI) of Rs 5 per day. This refundable amount will be collected for 1,000 days, without any security deposit upfront.

In the third option, a rupee is charged daily as rental along with the invoice. This is non-refundable. "In all the options, the registration fee of Rs 300

is not applicable and the Rs 500 Refundable Payment Security Deposit against the gas consumption will be charged."

To provide the bouquet of PNG services through the Bangalore One/Karnataka One platform, GAIL Gas Bengaluru has entered into an agreement with the state government's Electronic Delivery of Citizen services (EDCS).

Although GAIL Gas had won the authorisation to implement the City Gas Distribution (CGD) project in Bengaluru urban and rural districts in 2015, the pipe-laying work has been slow due to multiple factors. Over the last five years, GAIL has commenced PNG supply to about 18,500 households.

Currently, PNG is supplied to HSR, including Iblur, Singasandra, Mangamapalaya, Bellandur, Marathahalli, Whitefield, Garudacharpalaya, Kadugodi, Hagadur, Doddanekundi, Sanjaynagar, Dollars Colony, Nagawara, Thanisandra, Byatarayanapura, Peenya, Hoskote, Electronic city, Pipeline Road-HMT ward, CQAE-Yeshwantpur, Central Manufacturing Technology Institute (CMTI), Tumakuru Main Road, Yeshwantpur Industrial Area, BEL Colony, BHEL, Malleswaram, Bommasandra, Jigani, Veerasandra, RWF West, Yelahanka, Jindal Nature Cure, Jal Factory & Colony, Tumakuru Main Road.