Indian Mining Exchange

News Bulletin, 12th December 2011

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http://beta.adb.org/news/adb-reliance-power-develop-indias-largest-solar-photovoltaic-power-plant

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MMDR Bill

Draft mining policy to help in faster clearances

Thursday, 08 Dec 2011

India's new draft mining policy is ready to ensure that the local communities are also benefited from the activity.

Mr G Srinivas joint secretary in the union mines ministry said that the new policy would also help in getting faster clearances for mining.

Addressing the sixth International Conference on Aluminium, he underlined the need for making available bauxite and coal blocks for aluminium projects to boost the production.

Mr Srinivas called upon states to take advantage of the draft policy and speed up the clearances for the mining.

Voicing his concern over several projects that have remained stuck for environmental clearances, he said this may hamper achieving the expected aluminium production level of 4.7 million tonnes per year in the 12th Five Year Plan.

Mr Srinivas noted that no new Greenfield project has come up in the 11th Plan. He added that "All the existing players are not able to start new plants. They are stuck up with environmental clearances or licenses."

(Sourced from IANS)

http://www.steelguru.com/indian_news/Draft_mining_policy_to_help_in_faster_clearances/239725.html

COAL

India coal imports in October drop by 3pct

According to data from the Interocean Group of Companies, coal imports by India fell 3.6% in October, the third consecutive monthly drop.

According to Bloomberg News calculations based on a document received today from Interocean, a New Delhi-based ship broker, companies including Adani Enterprises Ltd, Bhatia International Ltd. and JSW Energy Ltd. bought 8.94 million metric tonnes of coal in October via 20 Indian ports. Purchases were 9.27 million tonnes the prior month.

According to Bloomberg calculations, the October shipments included 6.38 million tonnes of power station coal and 2.56 million tonnes of coking coal.

Interocean data showed that Mundra, a port on the west coast where Adani imports most of its coal, received the highest level of shipments at 1.7 million tonnes. The eastern ports of Paradip, Krishnapatnam and Gangavaram got 0.6 million tonnes, 1.4 million tonnes and 1.1 million tonnes respectively. Visakhapatnam, also in the east, received 0.7 million tonnes.

(Sourced from Bloomberg)

http://www.steelguru.com/indian_news/India_coal_imports_in_October_drop_by_3pct/239068.html

INDSTRIAL POLLUTION

Jharsuguda-Rengali critically polluted - CPCB

Wednesday, 07 Dec 2011

According to Central Pollution Control Board, due to gross negligence and outright flouting of pollution norms by the corporate sector established in Jharsuguda-Rengali area are critically polluted.

Environment Ministry release said that polluted industrial clusters around these area are under the Comprehensive Environmental Pollution Index system of environmental assessment score 70 i.e. critically polluted. Along with IIT, New Delhi and other institutions, the Central Pollution Control Board declared that Jharsuguda-Rengali area of the Odisha State is crossed the danger level of pollution.

The release said that among assessed 88 polluted industrial clusters across the country are under the Comprehensive Environmental Pollution Index system of environmental assessment. All the 43 industrial clusters were found with a CEPI critically polluted which includes Rengali & Jharsuguda area of the state. In the 16 states of country 43 industrial clusters have been identified as critically polluted. The Ministry has been providing financial assistance to State Pollution Control Boards for strengthening laboratories. The local public has been raising this issue since a long time in this concern but the administration are not much interested to solve this issue.

The phenomenal pollution increment due to massive industrialization in the belt of Rengali-Jharsuguda has been a serious concern for the people residing in the area. In this concern the intellectuals are saying that the state government's policy of allowing so many highly polluting industries to come up in a concentrated area is grossly erroneous. The approvals given in the last 10 years for setting up of highly polluting industries in this area needs to be investigated & the lack of policing or monitoring of the existing industries is an issue and most important that the lack of interest of these company officials for being sensitive towards their own surrounding.

The Big Industries are Hindalco Hirakud Aluminium Smelter Plant, Hindalco Coal Mines, Samaleswari Sponge Iron ltd, Bhusan Power & Steel Ltd, Aryan Ispat & Power Ltd, Bandana global Sponge iron plant, Maa Durga Bhawani Sponge Iron Ltd, Shyam Mettalics & Power Ltd, Viraj Steel ltd, this all industries are set just a distance of 5 km each in Rengali area whereas Aditya Birla Group's Aluminum plant on processing stage. In Jharsuguda Area Vedanta aluminium, IB thermal power plant, Action Ispaat, SMC sponge Iron plant, SPS

Mettalics, Eastern Steel & Power Ltd, MCL Coal mines & many more are polluting the environment in horrible manner.

(Sourced from orissadiary.com)

http://www.steelguru.com/indian_news/Jharsuguda-Rengali_critically_polluted_-_CPCB/239538.html

SOLAR ENERGY

India's 'Astonishing Auction' Pushes Down Global Solar Price

By Natalie Obiko Pearson - Dec 5, 2011 6:43 PM GMT+0530 .

Global solar power prices are plunging because of declining equipment costs, with the spot price of solar panels dropping about 40 percent this year.

India, the world's third-largest energy consumer, is cutting solar-power costs to a record by forcing project developers into auctions, helping avoid the spiralling renewable-energy subsidies that have hurt Europe.

The lowest bid in India's latest national auction on Dec. 2 came from Solairedirect SA, France's second-largest producer, which offered to sell photovoltaic electricity at 7,490 rupees ($147) a megawatt-hour. That's 38 percent below the average price set in a December 2010 auction and about 30 percent cheaper than the global average for solar projects.

Governments in Europe including Germany and Spain, the world's largest solar-panel markets, this year cut above-market rates paid to all plant operators that led to ballooning costs amid an escalating debt crisis. India is staying ahead in driving down costs by forcing companies to compete on price.

"Astonishingly competitive pricing in the latest auction," Anand Mahindra, managing director of Mahindra Group, whose solar unit won two of the 28 contracts awarded for the solar plants, said in a Twitter feed that was confirmed by his spokeswoman Roma Balwani. "The sun appears to be shining on India's solar power program."

Globally, power project developers on average demand to be paid $208 per megawatt-hour to build a solar plant, $78 for a wind farm and $76 for a coal plant, according to Bloomberg New Energy Finance levelized cost of energy analysis.

Competing With Coal

The auction's results for $700 million of projects shows the price of solar power in India is closing in on the cost of coal-fired generation faster than expected as photovoltaic

equipment costs plunge, said Mohit Anand, senior consultant at Bridge to India Pvt., a New Delhi-based advisory firm.

Solar power may equal the cost of fossil fuel-based electricity sold to commercial businesses as early as 2014 or 2015 if prices continue to fall at the rate seen in India over the past 12 months, Anand said. KPMG LLP predicted in May solar power may be as cheap as coal by 2017. The government said in an August report that solar could reach grid parity by 2019.

Under India's program, the government proposed to buy solar power at 15,390 rupees a megawatt-hour for 25 years. Companies bid to sell at a discount to that price in a process known as a reverse auction. Those offering the lowest rates win and are awarded the rights to build plants with capacities of as much as 20 megawatts each.

Global Record

The average bid of the 28 winning projects was 8,780 rupees. That's a nearly 30 percent drop from the average solar power rate set by India's first auction last December and 35 percent above India's wholesale price of coal-based electricity on Dec. 2, according to prices on the Indian Energy Exchange. Even at equal prices, coal has an advantage in that it can produce power at nighttime and at full strength under cloudy skies.

Solairedirect's offer is the third-cheapest on record globally behind a bid for $110 a megawatt-hour in China and $120 in Peru, according to Jenny Chase, the Zurich-based head of solar analysis at Bloomberg New Energy Finance.

In clean-energy auctions this year in Brazil, Uruguay and Peru, wind farm and solar park developers have won contracts to supply power at rates close to or below fossil fuel-based power.

Global solar power prices are plunging because of declining equipment costs, with the spot price of solar panels dropping about 40 percent this year as manufacturers, especially in China, ramped up production, according to Bloomberg New Energy Finance.

Cost Justification

"Manufacturers are keen to offer discounts and to defer payments because things are so competitive right now," Anand said. "Costs are going down and that's really reflected in these bids."

The auction awarded 350 megawatts of capacity and was the second under India's national Solar Mission program that's positioning the country to become one of the world's fastest-growing solar markets by installing 20,000 megawatts, equivalent to about 18 nuclear reactors, of sun-powered capacity by 2022.

The biggest contracts for 20-megawatt projects were won by Indian developers who have already begun building smaller plants in the country. They include Leon Black's Apollo

Global Management LLC-backed Welspun Group, Mahindra Group's solar unit, World Bank-backed Azure Power India Pvt. and Kiran Energy Solar Power Pvt., whose investors include Bessemer Venture Partners, an early funder of Skype Technologies SA. That's according to Bridge to India's Anand and a list compiled by Energy Alternatives India, a Chennai-based consultancy.

GAIL India, Khosla

Other companies that won the right to build 5- to 15- megawatt projects include GAIL India Ltd. (GAIL), the nation's biggest natural gas distributor, Fonroche Energie, a French panel maker, Green Infra Ltd., which bought BP Plc's Indian wind farms in 2009, and Sunborne Energy Holdings LLC backed by billionaire Vinod Khosla. Solairedirect won a 5-megawatt plant.

The winners are required to buy solar cells domestically. India's three largest traded makers of the cells used in solar panels are Indosolar Ltd. (ISLR), Moser Baer India Ltd. (MBI) and Websol Energy Systems Ltd. (WESL) Overseas manufacturers such as First Solar Inc. (FSLR) and Sharp Corp. may also benefit because their thin-film technology is exempt from the local sourcing rules.

Sujana Towers Ltd. (SUTL), one of the project winners, rose as much as 6.7 percent, Indosolar gained as much as 2.9 percent and Moser Baer advanced as much as 2.7 percent in Mumbai trading before retreating with the benchmark Bombay Stock Exchange Sensitive Index. Sujana closed down 4.7 percent, Indosolar lost 0.7 percent and Moser Baer declined 1.3 percent.

The companies will have seven months to arrange financing and 13 months to complete the plants, according to government guidelines on the website of NTPC Vidyut Vyapar Nigam Ltd., the state-run power trader overseeing the process.

http://www.bloomberg.com/news/2011-12-02/india-s-solar-power-bid-prices-sink-to-record-consultant-says.html

ADB, Reliance Power to Develop India's Largest Solar Photovoltaic Power Plant

MANILA, PHILIPPINES – The Asian Development Bank (ADB) and Reliance Power Limited, one of India's largest private power developers, are joining forces to build what will be the country's largest solar photovoltaic power plant.

The project is expected to be completed by the second quarter of 2012.

"India's solar energy potential is one of the highest in the world and this plant will help kickstart large-scale, private-sector solar electricity generation in the country," said Michael Barrow, Director in ADB's Private Sector Operations Department.

ADB is providing a long-term loan of up to $48 million to finance the 40 megawatt (MW) Dahanu Solar Power Project located in Jaisalmer district in the western state of Rajasthan. The state has one of the highest levels of solar irradiation in India.

Reliance Infrastructure Limited, a leading private distribution company, will buy the electricity under a long term power purchase agreement to fulfill its renewable purchase obligations set by India's electricity regulators – the first time for a fully private sector transaction in solar power. The power will be distributed to households in Mumbai.

The plant marks Reliance Power's first foray into solar energy and is part of the company's plans to sharply expand its renewable energy portfolio.

The Export Import Bank of the United States is also providing funding for the project that is expected to cost around $147 million.

The project will support the Government of India's push to promote environmentally sustainable energy growth while diversifying the country's sources of energy. By supplying electricity from a clean and renewable source, India will avoid around 41,000 tons of carbon dioxide emissions a year had demand been met by conventional fossil fuel-based power plants.

The project complements other ADB initiatives in the solar sector in India, including a financing facility that provides partial credit guarantees to lenders willing to fund solar power projects of up to 25 MW. That facility is designed to help reduce risk for the private sector, and to mobilize long-term funding for solar energy development.

As a part of its Asia Solar Energy Initiative, ADB aims to help develop, finance and commission 3,000 MW of solar power generation capacity in its developing member countries by mid 2013.

http://beta.adb.org/news/adb-reliance-power-develop-indias-largest-solar-photovoltaic-power-plant

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