

CLP India runs out of gas

Plans to add an additional capacity of 1,000 Mw to the Gujarat plant put on hold

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China Light & Power (CLP) India's 665-Mw gas-based power plant in Bhanuch (Gujarat) has been shut for about a week, owing to no supply of gas from the Krishna-Godavari basin.

Earlier, it was planned the power plant would have additional capacity of 1,000 Mw. However, these plans have now been put on hold.

Reliance Industries (which operates the Krishna-Godavari basin wells) accounts for about a sixth of the plant's fuel requirements. The plant also draws gas from Gujarat State Petroleum Corporation and Cairn India.

Though the plant has easy access to liquefied natural gas (LNG), expensive LNG results in high power prices for pro-



Rajiv Mishra

ducers. "If we have to pass through prices, we would have to take approvals. Gujarat is a power-surplus state and it has cheaper options," said Rajiv Mishra, managing director of CLP India.

Currently, the company is making representations to the Centre for the sanction of more domestic gas. It is also urging it

be allowed to continue to explore viable short-term options. "While the issue of gas is severe and there is precious little producers such as CLP can do actively, we hope with Reliance's proposed capital expenditure in KG D6, the situation will improve over the next couple of years," Mishra said.

Low coal supply has also hit the company's conventional power generation. The company's 1,320-Mw coal-based power plant in Jhajjar (Haryana) is receiving only 40-45 per cent of the coal required. Only one of the two units at the plant is operational. "The situation clearly takes a toll on conventional power plants," said Mishra.

The Hong Kong-based power company is one of the few foreign investors in India's power sector. It plans to streamline its conventional

power capacity in the next two years. "There is a clear slowdown in the conventional power space. For future investments, we have to tread cautiously," Mishra said.

The company plans to remain aggressive in adding wind power assets. CLP India has one of the largest wind power assets (970 Mw). The company would continue to add 200-250 Mw capacity every year.

In Budget 2013-14, the government had extended a tax holiday for the wind power sector and reintroduced generation-based incentives. The company believes this would encourage more players to invest in the wind sector. "With a favourable policy environment for the wind energy industry, we expect an increase in the flow of investments," said Mishra.