Uttar Pradesh speeds up thermal power projects to meet energy demand

The Uttar Pradesh government is speeding up Ghatampur and Obra C thermal power projects to meet the growing energy demand in the state. The combined capital expenditure (capex) of these projects is more than Rs 32,000 crore.

The two projects will generate a total of 3,300 megawatt (Mw) augmenting the state's indigenous capacity.

The Yogi Adityanath Cabinet recently approved the Revised Estimated capex of these projects coming up in Kanpur (Ghatampur) and Sonbhadra (Obra) districts.

According to the Revised Estimates, the Ghatampur project (1,980 Mw) is estimated to cost Rs 19,006 crore. It is being developed by Neyveli Uttar Pradesh Power (NUPPL) -- a joint venture of Neyveli Lignite Corporation India (NLCIL) and UP Rajya Vidyut Utpadan Nigam (UPRVUNL).

All the three units of the Ghatampur project are likely to be commissioned in 2024-25, and the state will get 75 per cent share of production.

The estimated cost of the Obra C thermal power plant (1,320 Mw) witnessed a cost overrun of Rs 1,300 crore from Rs 11,705 crore to Rs 13,005 crore, owing to price variation, exchange rate, and fluctuations.

A senior government official said the state would meet 70 per cent of the augmented cost of Obra through borrowings, and the remaining portion of 30 per cent would be provided through share capital. The state will get the entire power generation from Obra.

Though the state is bullish on the green energy spanning solar energy and green hydrogen, it is simultaneously ramping up thermal generation to meet the energy demand.

Recently, UP Power Corporation Limited (UPPCL) clocked the highest peak energy demand of 30,240 Mw even after the state electricity consumption breached 653 million units.

UPPCL Chairman Ashish Kumar Goel said arrangements were being made to meet the growing electricity demand.

Meanwhile, the UP Sugar Mills Cogen Association has urged UPPCL to raise the tariffs for power generated by cogen plants of sugar mills.

A majority of the UP sugar mills, 120 have set up additional thermal power plants that run on bagasse fee -- a sugar byproduct -- instead of coal to cut down on carbon emissions.

This power meets their captive requirement and is also fed to the grid over a predetermined tariff, which the association feels is non-remunerative to mills.