



## Projects, energy and natural resources

### **Vishakhapatnam Refinery Modernization Project approved**

Hindustan Petroleum Corporation Limited (HPCL) announced that it will be expanding its Vishakhapatnam Refinery within 48 months. The company's board has approved the funding of the Vishakhapatnam Refinery Modernisation Project with an investment of Rs.20,928 crore. The project is amongst the few major investments in the Andhra Pradesh post bifurcation and would result in the expansion of the capacity of the refinery from 8.33 million tonne to 15 million tonne. Initially the Ministry of Environment and Forests had rejected the plea for expansion in 2013 due to the moratorium on industrial expansions in some parts of Vishakhapatnam, where the company had proposed expansion. MoEF has now given the go ahead to the project after the removal of the tag on the basis of improvement in emission of pollutants.

### **Government approves incorporation of Sagarmala Development Company**

The incorporation of the Sagarmala Development Company under the Companies Act, 2013 was approved by the Union Cabinet on July 20. The company will have an Authorized Share Capital of Rs. 1,000 Crore and a Subscribed Share Capital of Rs. 90 Crore. SDC will be under the administrative control of Ministry of Shipping and will be providing equity support to the project Special Purpose Vehicles (SPVs) and funding support to the residual projects under the Sagarmala Programme. It will identify port-led development projects and assist the project SPVs in project development and structuring activities, bidding out projects for private sector participation, putting in place suitable risk management measures for strategic projects cutting across multiple States / regions and obtaining requisite approvals and clearances.

### **New policy framework for long-term coal supply linkage released**

The Ministry of Coal released a new policy framework for long-term coal supply linkage. The policy framework envisages assigning coal linkages to the states, which would in turn invite competitive bids for procurement of power and allocate linkages to the lowest successful bidders (based on cost of power). Projects already having Power Purchase Agreements (PPAs), but are without linkage, can participate in auction but will not be allowed to recalibrate their tariff under existing PPA.

### **Cabinet Committee on Economic Affairs approves setting up of a 1980MW thermal power plant in UP**

On July 20, the Cabinet Committee on Economic Affairs (CCEA) gave approval for the setting up of a 1,980 megawatt (MW) coal-based thermal power plant at Ghatampur in UP by Neyveli Uttar Pradesh Power Ltd (NUPPL), a joint venture of Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd and Neyveli Lignite Corp. Ltd. Unit I, II and III will be commissioning in 52 months, 58 months and 64 months, respectively, from the starting date. The benefits of this generation will be available in the XIII Five Year Plan. The energy generated by the Ghatampur thermal power project (about 14,000 million units per annum) will mainly be supplied to UP.



### **The final trial for the Spanish Talgo train scheduled for September 2016**

On September 10, the final trial will be conducted to determine whether the Spanish-made train, Talgo, can slash the journey between Delhi and Mumbai by four hours, thus delivering passengers at just under 12 hours to their destination. The super light coaches by the Spanish firm, Talgo were imported in April. The 9-coach train began its high-speed trials on July 9 and on July 13, the train hit the 180 kmph speed mark with its coaches empty. The distance between Mathura and Palwal was covered in record 39 minutes. However, in its fourth trial the train was 18 minutes late in reaching Mumbai from Delhi.

### **Cabinet Committee on Economic Affairs approves monetization of public funded national highway projects.**

The Cabinet Committee on Economic Affairs has authorized the NHAI to monetize public funded National Highway (NH) projects which are operational and are generating toll revenues for at least two years after the Commercial Operations Date (COD) through the Toll Operate Transfer (TOT) Model. The monetization will be subject to approval of the Competent Authority in Ministry of Road Transport and Highways or NHAI on a case to case basis. Around 75 operational NH projects completed under public funding have been preliminarily identified for potential monetization using the TOT Model. This Model would provide an efficient Operation and Maintenance (O&M) framework requiring reduced involvement of NHAI in projects post construction completion. Further, the corpus generated from proceeds of such project monetization could be utilized by the Government to meet its fund requirements regarding future development and O&M of highways in the country. This could address development/strengthening of highways in unviable geographies. The Model would facilitate efficient toll realization through private sector.