

# Power Generation

BSE Sensex: 18,449

S&amp;P CNX: 5,527

3 February 2011

## INDIAN UTILITIES: All India January 2011 generation up 9.3% YoY

January 2011 all-India generation was up 9.3% YoY, driven by improved generation from Coal (up 8% YoY), Hydro (up 18% YoY) and Nuclear power (up 76% YoY). Coal PLF is down 11bp, given capacity additions of 11GW ytd in FY11. However, PLF has improved on MoM basis with January 2011 at 80.7% vs 76.1% in December 2010. Hydro generation reported 18% YoY growth (driven by better than normal monsoons at 102%, plus continued late rains). Constraints in terms of availability of KG basin gas and poor economics for imported gas led to 4% YoY fall in Gas fired generation. Private sector reported generation increase of 27% YoY in January 2011, while Central sector generation is up 6.8% YoY.

During January 2011, APL reported robust PLF of 91% for 1,320MW of capacity and is yet to announce commercial operations of 660MW at Mundra. JSW Energy has seen uptick in PLF for all its plants, particularly Ratnagiri 600MW (76% vs 61.6% in December 2010) and Rajwest 270MW (at 81.3% vs 69.8% in December 2010). NTPC's generation was stagnant YoY, but up 7.3% MoM. Gas based generation for NTPC was down 7% YoY in January 2011. Jindal Power maintained 101% PLF; while Sterlite Energy 1,200MW operated at PLF of ~6%.

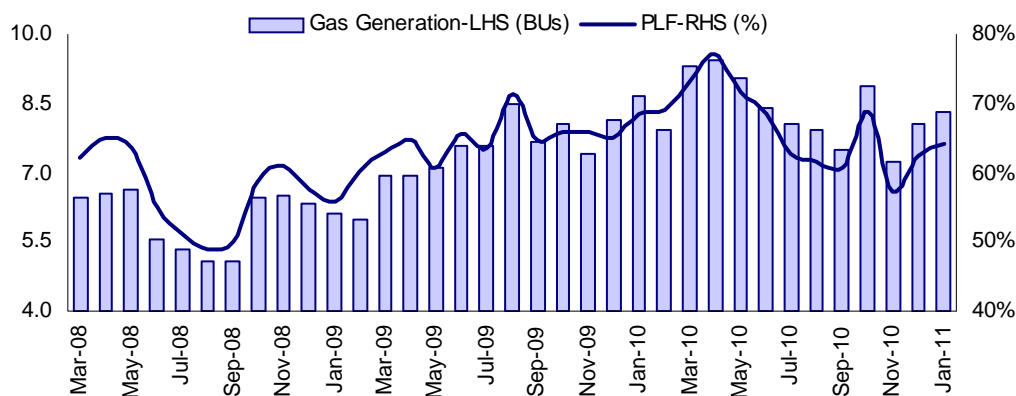
### All India generation up ~9.3% YoY, PLF up ~260bp YoY in January 2011 (BUs)

	Jan-11		Jan-10		YTD FY11		YTD FY10	
	Generation	PLF (%)	Generation	PLF (%)	Generation	PLF (%)	Generation	PLF (%)
Thermal-Coal & Lignite	52.7	80.7	48.6	80.8	461.6	73.7	447.8	76.7
Thermal-Gas	8.3	64.2	8.7	68.4	83.6	66.0	79.2	66.3
Nuclear	2.8	80.7	1.6	51.1	20.6	49.5	15.0	49.5
Hydro	7.6	27.7	6.4	22.9	97.7	51.2	89.7	46.0
Bhutan IMP	0.1	NA	0.1	NA	5.5	NA	5.2	NA
<b>Total*</b>	<b>71.3</b>	<b>65.5</b>	<b>65.3</b>	<b>62.9</b>	<b>664</b>	<b>67.3%</b>	<b>631.7</b>	<b>68.0</b>

\*Excludes generation from Bhutan

Source: CEA

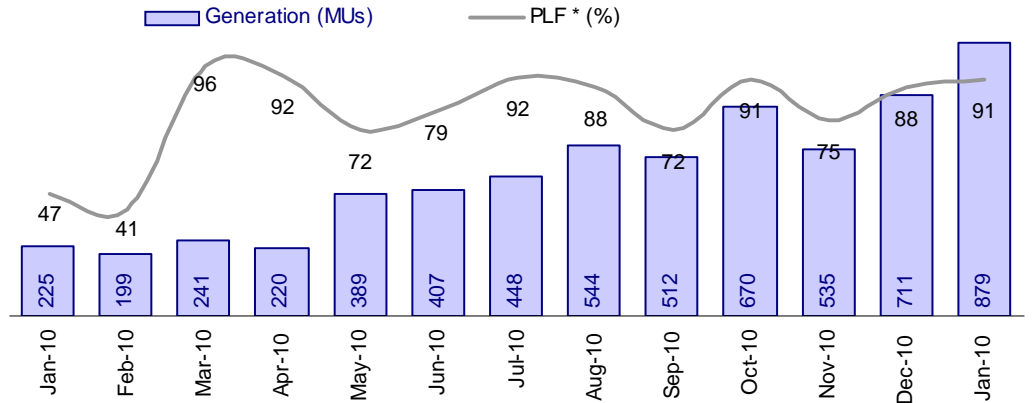
### All India Gas based generation is down 4.3% YoY in January 2011



Source: CEA

**Adani Power: PLF at 91% for 1320MW, 660MW Mundra Ph-III Unit-I synchronized**

APL synchronized 1st super critical unit in the country at Mundra in December 2010; commercial operation is yet to be achieved

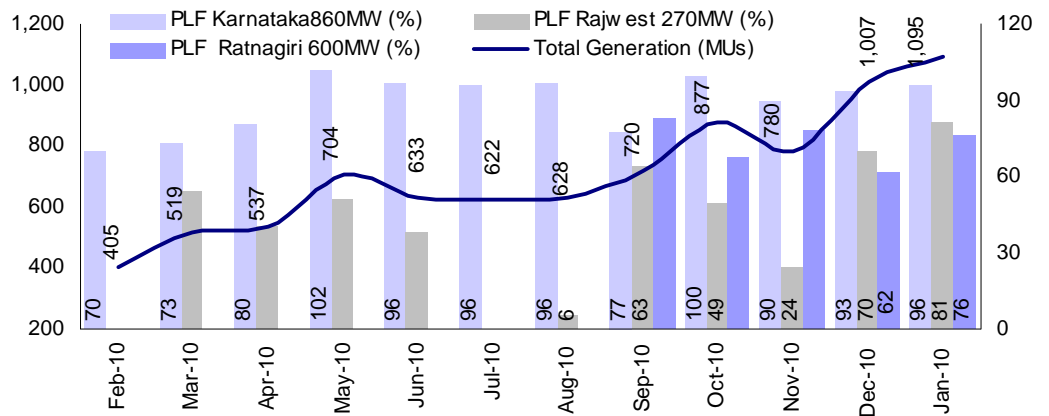


Source: CEA

\*PLF for the month of March onwards is as reported by CEA; for the remaining months, PLF is calculated based on reported generation

**JSW Energy: Generation at ~1BUs in January 2011, Uptick in PLF's**

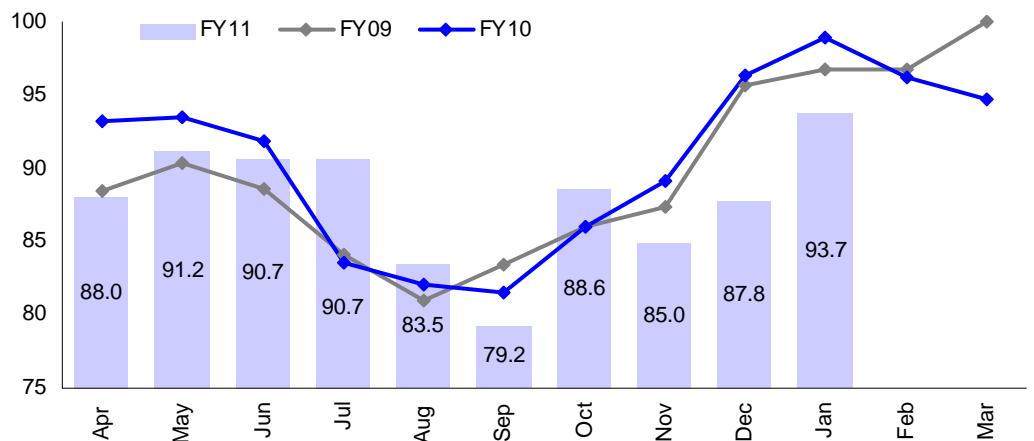
JSW's generation stood at 1,095MUs in January 2011. PLF of all its plants has seen MoM growth in January 2011 particularly Rajwest and Ratnagiri



Source: CEA

**NTPC: Generation growth stagnant in January 2011, PLF at ~94% (trend in PLF, %)**

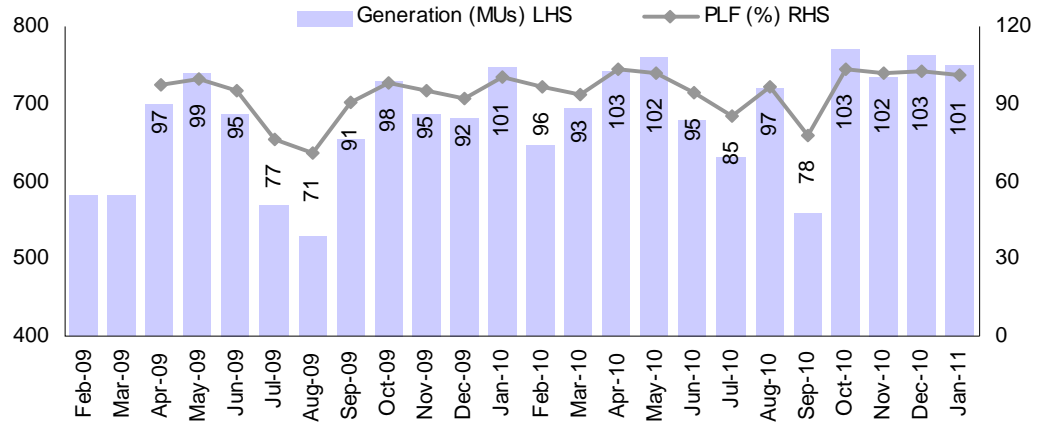
NTPC has reported fall in the generation for gas base plant by 7% YoY in January 2011 and for coal fired generation, growth has been muted at ~1%. PLF stood at ~94% (YoY fall of 515bp)



Source: CEA

**Jindal Power: PLF at ~101bp; Impressive performance**

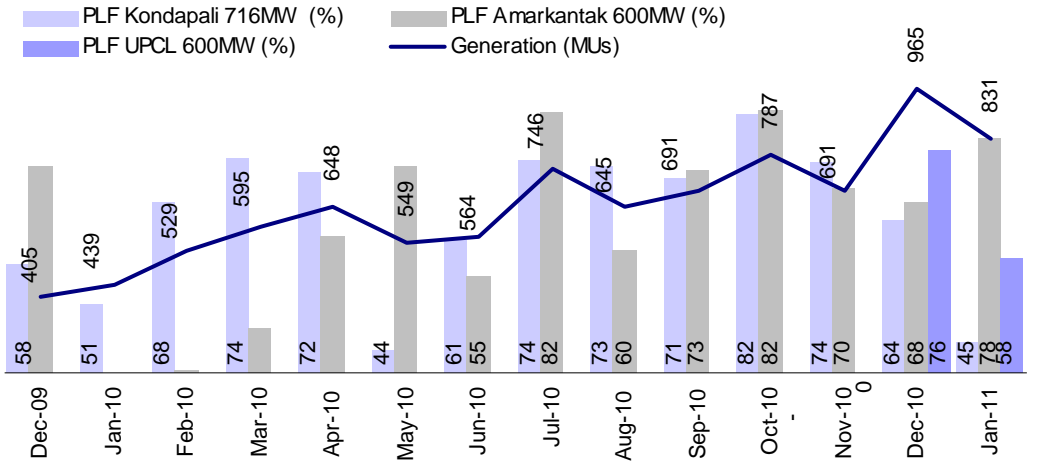
JPL's generation is up by 0.4% YoY and stood at 750MUs. PLF for the quarter stood at 101% (up by 32bp)



Source: CEA

**Lanco Infratech: PLF of Gas plant declines**

Lanco Infratech plants reported generation of 831MUs in January 2011. Kondapalli reported PLF of 45% in January 2011 (YoY fall 597bp, MoM fall of 1,947bp)



Source: CEA

## PLF of major private sector utilities

	Capacity (MW)*	Dec-10		Dec-09		YTD FY11		YTD FY10	
		Generation	PLF (%)	Generation	PLF (%)	Generation	PLF (%)	Generation	PLF (%)
<b>Adani Power</b>									
- Mundra Phase 1	1,980	878.7	91.1	224.8	46.6	5,502.5	93.5	1,172.6	87.7
<b>GVK</b>									
- JP 1 & 2	455	224.9	67.7	300.7	90.4	2,639.7	79.4	2,821.0	84.9
- Gautami	464	246.5	72.8	313.4	92.5	2,838.8	83.8	2,504.8	73.9
<b>GMR</b>									
- Barge Mounted	220	0.0	0.0	0.0	0.0	0.0	0.0	364.5	22.7
- Chennai	200	56.1	38.4	68.9	47.2	650.0	44.5	937.9	64.2
- Vemagiri	370	215.6	79.8	233.5	86.4	2,382.6	88.2	2,461.7	91.1
<b>JPL</b>									
- Chattisgarh	1,000	750.9	100.9	748.3	100.6	7,169.7	97.6	6,809.2	92.7
<b>Rel Infra</b>									
- Dahanu	500	387.0	106.0	390.9	105.1	3,681.0	100.3	3,735.0	101.7
<b>Rel Power</b>									
- Samalkot (AP)	220	101.6	63.2	156.7	97.6	1,238.0	77.1	1,247.5	77.7
- Goa	48	20.7	59.0	27.0	77.0	235.3	67.2	270.1	77.1
- Kochi	174	0.0	0.0	10.5	8.3	0.0	0.0	0.0	0.0
- Rosa	600	346.7	79.2	0.0	0.0	2,090.7	47.7	0.0	0.0
<b>Tata Power</b>									
- Trombay	1,580	653.4	56.6	656.0	50.1	8,090.0	66.0	8,548.9	71.9
- TISCO (Jamshedpur)	441	213.7	66.3	178.4	67.9	2,382.5	81.9	2,268.9	73.9
<b>Torrent Power</b>									
- Existing	500	219.0	60.0	319.4	85.0	3,136.7	86.4	3,415.8	94.9
- Sugan	1,148	720.4	86.0	654.6	78.1	6,996.6	83.5	5,297.0	63.2
<b>JSW Energy</b>									
- Rajwest Unit-I	270	160.2	81.3	0.0	0.0	746.7	50.7	120.9	34.9
- Karnataka	860	600.6	95.7	398.1	62.2	5,979.3	94.7	3,684.7	79.7
- Ratnagiri	600	334.0	76.3	0.0	0.0	1,131.3	25.8	0.0	0.0
<b>CESC</b>									
	1,225	596.3	66.7	564.0	61.3	7,526.7	79.8	6,456.3	83.2
<b>Lanco Infratech</b>									
- Kondapali	716	234.8	44.9	266.0	50.9	3,481.6	66.6	2,391.0	93.6
- Amarkantak (LANCO)	600	340.5	77.7	173.0	39.5	3,133.5	71.5	1,143.4	52.2
- UPCL	600	255.8	58.4	0.0	0.0	1,106.1	25.3	0.0	0.0
<b>KSK</b>									
- Wardha	405	175.6	59.4	0.0	0.0	652.9	22.1	0.0	0.0
<b>Sterlite</b>									
- Jharsuguda	1,200	52.7	6.0	0.0	0.0	339.6	7.8	0.0	0.0

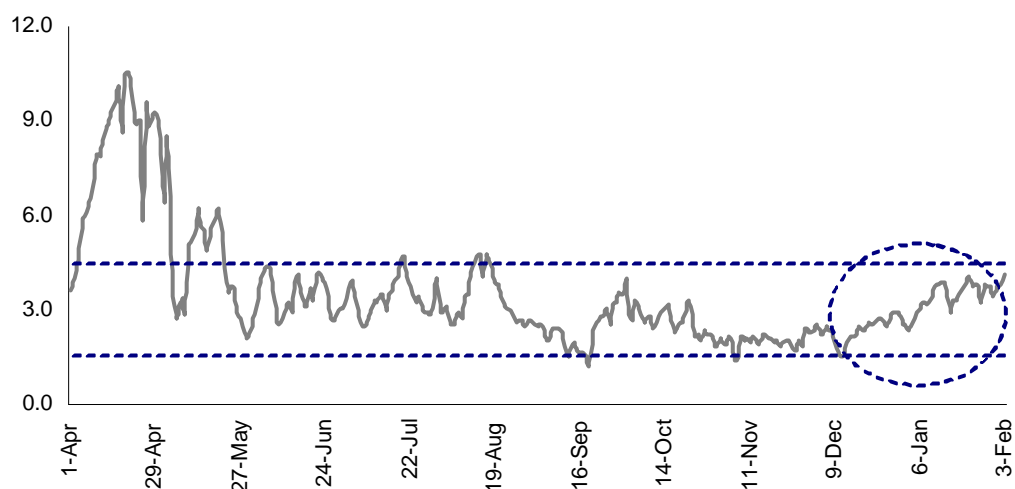
\*Monitored capacity by CEA

Source: CEA

Newly commissioned thermal capacities (in FY10 / FY11), based on domestic coal linkages, including Reliance Power's Rosa (600MW), Lanco's Amarkantak (600MW), KSK Energy's Wardha (405MW), Sterlite Energy (1200MW) etc have been operating at sub-optimal rates given constraints in terms of coal availability. This has impacted the project profitability and also cash flows

**ST price trend: Improved to Rs3.5+/unit**

ST prices at IEX has seen upward trend since December 2010. IEX price for week ended 3 February 2011 stood at Rs3.8/unit compared with Rs2.7/unit for week ended 3 January 2011. CERC in its December month release of "OTC contract: Monthly Analysis" has seen upward trend in merchant prices to Rs4.6/unit for power to be delivered from April 2011



Source: IEX

**Comparative valuations**

Company	Rating	Mkt Cap (Rs b)	EPS Gr. (%)			RoE (%)			P/BV (x)			P/E (x)		
			FY11	FY12	FY13	FY11	FY12	FY13	FY11	FY12	FY13	FY11	FY12	FY13
NTPC	Buy	1,492	-6.4	15.8	18.6	13.3	14.2	15.5	2.2	2.0	1.9	17.2	14.9	12.6
PGCIL	Buy	448	4.2	22.9	14.8	14.0	14.2	14.8	2.1	1.9	1.7	17.0	13.8	12.0
Tata Power	Neutral	291	26.0	18.4	-9.4	7.8	7.0	6.3	2.5	2.4	2.3	15.6	13.2	14.5
Reliance Infra	Buy	187	-10.7	46.0	13.2	6.3	8.6	9.0	1.1	1.0	0.9	18.0	12.3	10.9
CESC	Buy	38	7.2	4.9	1.9	13.0	12.2	11.2	1.1	1.0	0.9	8.2	7.8	7.7
PTC India	Buy	30	41.5	95.5	42	6.0	7.1	10.2	1.4	1.3	1.2	18.3	9.4	6.6
CIL *	Buy	2,002	17.6	10.9	3.4	31.6	28.1	25.1	6.0	4.7	3.9	20.4	17.3	15.6

\* RoE adjusted for Overburden Removal Adjustments

Source: Company/MOSL



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