

SHRI SUKH RAM: The PWD or corporation etc. keep doing their development work in cities where cables had been laid. Every city or town has a coordination committee. Time and again I have written to Chief Ministers and Mayors of corporations that whenever they are undertaking dismantling of roads, they should do so after taking into confidence the DOT so that the cable system does not get tampered with. The cable is paper insulated and water gets percolated into it, thereby leading to malfunctioning of the system. According to our estimate replacing of the whole cable system in Calcutta will require an expenditure to the tune of Rs. 4-6 crore. The Metropolitan cities like Delhi, Bombay and Calcutta have this problem. We should have enough funds to be able to replace the whole system within a year to avoid inconvenience... *(Interruptions)*

MR. SPEAKER: Is it your department who will convene the coordination committee meeting?

SHRIMATI SURYA KANTA PATIL: Mr. Speaker, Sir, this Department is functioning properly. Four days back I had read in the news papers, you also might have read it that parallel exchanges are being run in Bombay. The employees of this department are also involved in it. I want to know what action has been taken by you in this regard against these people? If no action has been taken, what are the reasons there for? What steps are being taken by you to check such tendency?

SHRI NITISH KUMAR: Do not make us the scapegoats for giving vent to your anger directed at Himachal Legislators. When we make phone calls to you we never get the return calls... *(Interruptions)*

SHRI SUKH RAM: I have accomplished the task which I took on myself in order to bring back my party to power. Do not worry about that I have done whatever I could do. I admit that there are cases of misuse of the system as has been pointed out in the question. I had said that we are setting up IB cells separately in the four Metropolitan cities to prevent such misuse. Several raids were conducted in Bombay and Delhi and many people were caught. We have incorporated certain amendments to ensure that the employees found to be involved are severely punished. The arrangements are being made to see that they do not only get fined but, get 2 years' incarceration also. I am aware of that. We have taken a policy decision in this regard. All the electric exchanges have a problem of over-billing. The dynamic locking system is available to check over-billing. Any other problem will also be taken care of. The non-electronic exchanges will be replaced as the only answer to set right the telephone system is new technology. No matter how hard you try, wherever there is revenue leakage the human ingenuity will find a scope for isolating all the laws enacted in this connections.

### Power Generation

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\*604. SHRI NITISH KUMAR:  
SHRI V. SREENIVASA  
PRASAD:

Will the Minister of POWER be pleased to state:

(a) the targets fixed for power generation during the Eighth Five Year Plan;

(b) the break-up thereof, State-wise, both in public and private sectors;

(c) whether the latest assessments have revealed that there will be acute shortfall in power generation in the Eighth Plan and that the targets may not be achieved;

(d) if so, the extent of shortfall envisaged and the reasons therefor; and

(e) the measures proposed to be taken to achieve the targets?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P.V. RANGAYYA NAIDU): (a) to (e). A *Statement* is laid on the Table of the House.

#### STATEMENT

(a) and (b). The Planning Commission envisaged additional generation capacity of 30537.7 MW. Target for actual power generation is fixed on a year to year basis. State-wise energy generation target for the year 1994-95 is indicated in *Annexure*.

(c) and (d). Central Electricity Authority (CEA) has estimated that capacity addition during the Eighth Five Year Plan might fall short of the prescribed target of 30537.7 MW and the likely capacity addition may be about 20,000 MW. Consequently energy shortage in the terminal year of the plan might be of the order of about 14% and a peak deficit of about 28%. The reasons for shortfall are inadequacy of resources, delay in land acquisition, law and order problems and compliance with environmental conditions, etc.

(e) Various measures being taken to improve the availability of power in the country include (i) expediting commissioning of new generating capacity, (ii) implementation of short gestation projects, (iii) improving of performance of existing power stations, (iv) reduction of Transmission and Distribution losses, (v) implementation of better demand management and energy conservation measures, (vi) arranging transfer of energy from surplus to deficit areas and (vii) promotion of private sector investment in Power Sector.

#### ANNEXURE

##### *State-wise/UT/System-wise Energy Generation Target for 1994-95*

(Figures in Million Units)

| Name of the State/UT/System | Energy Generation Target |
|-----------------------------|--------------------------|
| <b>BBMB</b>                 | 9505                     |
| <b>Delhi</b>                |                          |
| DESU                        | 3000                     |
| Badarpur                    | 4200                     |
| Total Delhi                 | <u>7200</u>              |
| <b>J &amp; K</b>            |                          |
| Elec. Dept.                 | 900                      |
| Salal (NHPC)                | 2400                     |
| Total J & K                 | <u>3300</u>              |
| <b>Himachal Pradesh</b>     |                          |
| HPSEB                       | 1225                     |
| Baira Siul                  | 750                      |
| Chamera                     | 1500                     |
| Total Himachal Pradesh      | <u>3475</u>              |

(Figures in Million Units)

(Figures in Million Units)

| Name of the State/UT/System | Energy Generation Target |
|-----------------------------|--------------------------|
| <b>Haryana</b>              | 3820                     |
| <b>Rajasthan</b>            |                          |
| RSEB                        | 5655                     |
| NTPC Anta                   | 2200                     |
| RAPS                        | 950                      |
| Rajasthan Total             | <u>8805</u>              |
| <b>Punjab</b>               | 12800                    |
| <b>Uttar Pradesh</b>        |                          |
| UPSEB                       | 20970                    |
| NTPC Singrauli              | 13600                    |
| NTPC Rihand                 | 6500                     |
| Dadri                       | 2500                     |
| NTPC Unchahar               | 2400                     |
| NTPC Auraiya GT             | 3300                     |
| Dadri GT                    | 2100                     |
| NHPC Tanakpur               | 460                      |
| Narora APS                  | 2160                     |
| U.P. Total                  | <u>53990</u>             |
| <b>Gujarat</b>              |                          |
| GEB                         | 22370                    |
| AE Co. Pvt.*                | 2865                     |
| GIPCL*                      | 1000                     |
| KAPS Nuclear                | 1540                     |
| NTPC GT                     | 2400                     |
| <b>Gujarat Total</b>        | <u>30175</u>             |

| Name of the State/UT/System | Energy Generation Target |
|-----------------------------|--------------------------|
| <b>Maharashtra</b>          |                          |
| MSEB                        | 36706                    |
| Tarapur Nuclear             | 1650                     |
| Tata Power Co.*             | 7520                     |
| BSEB Co.*                   | 200                      |
| Maharashtra Total           | <u>46076</u>             |
| <b>Madhya Pradesh</b>       |                          |
| MPEB                        | 15765                    |
| NTPC Korba                  | 13500                    |
| NTPC Vindhyachal            | 7000                     |
| M.P. Total                  | <u>36265</u>             |
| <b>Andhra Pradesh</b>       |                          |
| APSEB                       | 20525                    |
| AP Gas                      | 500                      |
| NTPC Ramagundem             | 13800                    |
| Andhra Pradesh Total        | <u>34825</u>             |
| <b>Karnataka</b>            | 13870                    |
| <b>Kerala</b>               | 5800                     |
| <b>Tamil Nadu</b>           |                          |
| TNEB                        | 17120                    |
| Neyveli Thermal             | 10300                    |
| Kalpakkam                   | 2000                     |
| Tamil Nadu Total            | <u>29420</u>             |
| <b>Bihar</b>                |                          |
| BSEB                        | 3598                     |

(Figures in Million Units)

| Name of the State/UT/System | Energy Generation Target |
|-----------------------------|--------------------------|
| Tenughat                    | 500                      |
| Kahalgaon NTPC              | 1000                     |
| Bihar Total                 | <u>5098</u>              |
| <b>Orissa</b>               |                          |
| OSEB                        | 4730                     |
| IB Valley                   | 400                      |
| Talcher STPS                | 500                      |
| Orissa Total                | <u>5630</u>              |
| <b>West Bengal</b>          |                          |
| WBSEB                       | 3827                     |
| WBP Dev.                    | 6500                     |
| DPL                         | 1000                     |
| CESC Pvt.*                  | 3315                     |
| NTPC Farakka                | 5000                     |
| West Bengal Total           | <u>19642</u>             |
| <b>DVC</b>                  | 7375                     |
| <b>Sikkim</b>               | 50                       |
| <b>Assam</b>                | 1250                     |
| <b>Meghalaya</b>            |                          |
| State Hydel                 | 488                      |
| NEEPCO                      | 805                      |
| Total                       | <u>1293</u>              |
| <b>Tripura</b>              | 174                      |
| <b>Manipur</b>              | 450                      |

(Figures in Million Units)

| Name of the State/UT/System | Energy Generation Target |
|-----------------------------|--------------------------|
| <b>Arunachal Pradesh</b>    | 12                       |
| <b>All India</b>            | 340300                   |
| <b>Sector-wise Break-up</b> |                          |
| State (Public) Sector       | 325300                   |
| Private Sector              | 15000                    |

\*Indicates Private Sector Stations.

*[Translation]*

SHRI NITISH KUMAR: Mr. Speaker, Sir, through you, I would like to draw the attention of the august House to a news item published in 'The Hindustan Times' that India seeks foreign assistance in power sector and it has made efforts to attract foreign investment also, but it wants to promote private sector to make up power shortage : The newsitem is :

*[English]*

"Even as India is trying hard to attract foreign investment in the power sector on hard commercial terms, the country had an amount of over Rs. 31481/- of foreign assistance lying unutilised at the end of the financial year 1993-94".

*[Translation]*

Thus the capital is lying unutilised and its commitment charges are being paid. I would like to know the reaction of the hon. Minister thereto. Mr. Speaker, Sir, there is another question related thereto that 'National working Group on Power' has been constituted in the Power sector. Technocrats, bureaucrats and

economists have submitted their 20 page-report thereon and referring to a booklet circulated by the Government regarding power investment in private sector "Missed and reality" an allegation has been levelled that the power crisis is concocted one because power assessment in the Industrial growth was made 8 per cent whereas the industrial growth has reached 1 per cent. In such a situation we do not require more power while the power crisis has been exaggerated for the sake of promoting foreign investment.

MR. SPEAKER: The question will be thus very long and a compact reply cannot be given.

SHRI NITISH KUMAR: On the one hand the Government is promoting foreign investment on the other hand the hon. Minister talks of 16% rate of return on equity in his reply. If tariff is fixed by adding fixed assets, it will certainly be higher. Thus the power tariff is likely to be raised by Rs. 2.50 per unit and we are incurring Rs. 1.50 crore in generating one mega watt power whereas nearly Rs. 5 crore per mega watt will be incurred on foreign investment unit. In such a situation I would like to know reaction of the Government on this present crisis.

[English]

SHRI P.V. RANGAYYA NAIDU: Mr. Speaker, Sir, the first question raised by the hon. Member is about the unutilised foreign aid. Strictly speaking, it is in the realm of the Finance Ministry. It may have contained elements of foreign aid for power sector, part of it may be a World Bank loan; part of it may be from ADB and that is being used by the public sector units like NTPC or State units. I cannot give any details as to why that entire amount is lying idle.

MR. SPEAKER: This is relating to the power generation. You should know how much is available to you and how much is not utilised.

SHRI NITISH KUMAR: You should have done your home work properly.

MR. SPEAKER: You will collect that information and pass it on to the hon. Member later on.

SHRI P.V. RANGAYYA NAIDU: Yes, Sir.

MR. SPEAKER: Please answer the second part of the question.

SHRI P.V. RANGAYYA NAIDU: The second part of the question is about some group...

SHRI SRIKANTA JENA: I know that he is opposed to the private investment.

MR. SPEAKER: Now they say that you do not need so much of electricity and you are creating an artificial demand.

SHRI P.V. RANGAYYA NAIDU: It is not correct. As you know, there are complaints from various parts of the country and even MPs also complain about shortage of power. Agriculture is not getting its due share.

MR. SPEAKER: It is not only Industry but Agriculture and Transport are also not getting power.

SHRI P.V. RANGAYYA NAIDU: Sir, when the hon. Member can see it with his own eyes that there is power shortage, I do not know why he is depending on some report which is only theoretical.

[*Translation*]

SHRI NITISH KUMAR: Please furnish us detailed report in this regard. My question has not been replied properly. In his reply he has stated regarding the target of energy generation, the surplus area will be transferred to energy deficit area. It means there is imbalance some-where. As per his reply the targets fixed for power generation for different States during the 1994-95 are U.P. 53,990 M.U.M., Gujarat 30,175 million unit, Maharashtra 46,075 M.U.M. and Madhya Pradesh 36,265 M.U.M., Andhra Pradesh 34,825 M.U.M. and Bihar 5098 M.U.M. The ten per cent of the population of the country lives there, but its target is very low. In 1991, after the commencement of Eighth Five Year Plan the per capita installed capacity in the country was 65.15 watt whereas it was 19.56 watt in Bihar. Its peak time demand was 1526 mega watt but its supply under the best operative conditions was 640 mega watt. Out of the total investment made in the country under the power sector, 2.93 per cent has been made in Bihar and remaining 97.07 per cent is made in the other parts of India. Keeping the targets fixed for power generation into view on, Bihar is being neglected and I would like to know as to what steps to be taken by the Government to remove the regional imbalance created in the power sector?

[*English*]

SHRI P.V. RANGAYYA NAIDU: Mr. Speaker, Sir, unfortunately in Bihar, the Plant Load Factor is the lowest in the country. It is only 24.4 per cent. So, the improvement can be only marginal. I cannot bring about improvement in Bihar overnight. The targets are fixed based on the performance of the previous year. I

cannot bring Bihar to the level of Gujarat or Maharashtra overnight.

As far as investment is concerned, power generation is basically a State subject. Of course, NTPC have also got a project in Bihar. They have already commissioned two units and these units are also going to generate Power very soon on commercial lines. They have also got a project called the Tenughat Project. Actually that project is scheduled to be commissioned this year but they are not able to do it for want of funds. I offered to take over that project from the Bihar Government. I had discussions with the hon. Chief Minister. He is willing but he is not proceeding further. I am prepare to take over this project from the Bihar Government and supply 68 per cent of the power generate from the Tenughat project. If they agree we can also adjust all the outstanding dues of the Bihar Government against the cost of the Tenughat Project. I am sure the situation in Bihar will improve, if they accept my proposal. In fact, I had personally mentioned this to the hon. Member also while travelling together from Patna to Delhi, recently. He is also agreed. I request him to use his good offices in convincing the Chief Minister on this Tenughat Project.

SHRI JASWANT SINGH: Mr. Speaker, Sir, I shall refer to an aspect that is not being sufficiently clarified. The Government has, in certain projects, guranteed a return of sixteen per cent on capital employed, combined with assurances about parity on exchange rate. Is it not correct that when this sixteen per cent is combined with bonuses granted for exceeding the laid down target of Plant Load Factor, the return of sixteen per cent may, in certain cases, go up to as much as in excess of twenty per cent and even twenty-four per cent?

When such a return becomes available to the investor, who will actually pay the price of that kind of return to the investor? Will it eventually not be the consumer, whether it is urban or rural?

THE MINISTER OF POWER (SHRI N.K.P. SALVE): Sir, it is true that for generation beyond 68.5 per cent Plant Load Factor, a certain incentive is contemplated. But the cover against foreign exchange fluctuation is confined only to 16 per cent. That is the first part of the answer. Incentive is provided because the totality of the fixed is covered at 68.5 per cent Plant Load Factor. If you generate beyond 68.5 per cent, the power becomes cheaper because then there will only be the variable cost which is the cost of the fuel. And that is why the provision for incentive has been given and according to the latest notification the maximum incentive that can be given is 0.7 per cent per every one point per cent increase of P.L.F.

DR. KARTIKESWAR PATRA: Sir, the hon. Minister has stated in his answer that the target for generation of energy in Orissa for 1994-95 is 5,630 M.W. From the answer you will find that in Uttar Pradesh the target is 53,990 M.W. and similarly in Maharashtra it is 46,076 M.W. In comparison to Orissa and Bihar, these figures are more than ten times. I want a categorical answer from the hon. Minister. What steps are being taken by the Government to keep the balance of energy production, energy generation in the States?

MR. SPEAKER: The question has been replying to the question on Bihar. He says that the State Government is responsible for it. The P.L.F. is responsible for it.

DR. KARTIKESWAR PATRA: I may be excused. Where the State Governments have not taken steps...  
(Interruptions)

MR. SPEAKER: Dr. Patra, please come out with the question quickly. It is repetition of the question.

DR. KARTIKESWAR PATRA: Sir, what steps are being taken by the Central Government where the State Governments are not taking any steps to increase the generation of energy?

MR. SPEAKER: We shall have to consult the Constitution for that.

SHRI P.V. RANGAYYA NAIDU: Sir, Bihar and Orissa are part of Eastern Region which consists of Bihar, Orissa and West Bengal. Like Bihar, Orissa also gets power from Central projects like N.T.P.C., D.V.C. etc. There is shortfall. The target is given only for the projects located in Orissa. Orissa gets power from Central sector projects from West Bengal and Bihar. That is why, to the extent possible, we will try to supplement their internal generation.

SHRI SRIKANTA JENA: Sir, the hon. Minister has stated that the target during the last year of Eighth Plan is only 30,537 M.W. and they say that it may be reduced to 20,000 M.W. by the end of the Eighth Plan. Subsequently the hon. Minister has stated that the actual requirement in the power sector is the peak hour deficit which cannot be met by this kind of generation. How the Government is thinking of meeting the situation of peak hour deficit? That is the most important situation. What exactly is

the peak hour shortage and what will be the peak hour shortage during the Eighth Plan and how you are going to meet this? By putting private sector it is not going to help.

MR. SPEAKER: You asked a good question. Why do you repeat it?

How do you meet the peak hour requirement is the question.

SHRI P.V. RANGAYYA NAIDU: Sir, after revising the target from 30,537 M.W. to around 20,000 M.W. we have worked out peak shortages and we find that the peak shortage is going to be around 28.2 per cent and the energy shortage will be about 14.5 per cent. I have already explained in my answer about the steps we are going to take to meet this peak demand.

SHRI SRIKANTA JENA: You have not said it.

MR. SPEAKER: You may repeat it.

SHRI P.V. RANGAYYA NAIDU: Sir, (i) expediting commissioning of new generating capacity; (ii) implementation of short gestation projects; (iii) improving the performance of existing power stations; (iv) reduction of Transmission and Distribution losses...

SHRI SRIKANTA JENA: That is for general generation. What about peak hour deficit?

MR. SPEAKER: That is not for peak hour.

SHRI P.V. RANGAYYA NAIDU: Sir, when we increase generation we can also meet peak hour demand.

SHRI SRIKANTA JENA: How can it be? It is not possible. Mr. Minister, please clarify. (*Interruptions*)

[*Translation*]

SHRI NITISH KUMAR: Unless we augment our hydel power generation how can the peak hour demand be met.

[*English*]

SHRI N.K.P. SALVE: Mr. Speaker, Sir, I will take a minute to explain the whole thing. At the end of the Seventh Five Year Plan the requirement shortage was 7.8 per cent and the peak shortage was 18.8 per cent. The Central Electricity Authority and the Planning Commission envisaged that to be able to cope up with this shortage totally in the Eighth Five Year Plan, we should have additional generation of 48,000 MW. Now, the resource crunch being what it is, the Planning Commission set a figure of 30,537 MW. Had that come about, Sir, the shortage would have been the same at the end of the Eighth Five Year Plan as it is at the beginning. That means, the peak shortage would have remained at 18.8 per cent. But due to the actual resource crunch the additionality of generation will not go beyond 20,000 MW and therefore, the anticipated shortage will be 14 per cent of the requirement and the peak shortage will be 28 per cent. This 20,000 MW is what we are going to install. That is the maximum we can do. Therefore, the shortage is inevitable.

SHRI SRIKANTA JENA: How are you going to meet the peak hour shortage?

SHRI NITISH KUMAR: Mr. Minister, there are two types of shortages. One



is total energy shortage and the other is peak hour shortage.

MR. SPEAKER: Nitish Kumarji, this is not the way.

SHRI N.K.P. SALVE: I am aware of what Mr. Nitish Kumar says. There is a requirement shortage and there is a peak hour shortage. With the addition of 20,000 MW the peak shortage will be 28 per cent. So, the difference between supply and demand will remain there. How do we meet it?

MR. SPEAKER: You can meet it by having the oil fire generators and you can meet it by some other methods also.

SHRI N.K.P. SALVE: This is answered already. We take the following measures. They are, expediting the commissioning of new generating capacity, implementation of short gestation projects, improving the performance of the existing power stations, reduction of transmission and distribution losses, implementation of better demand management and energy conservation measures, arranging transfer of energy from surplus to deficit areas and promotion of private sector investment in this sector. All these efforts are there. I want to make it clear because I am making this statement on the floor of the House.

MR. SPEAKER: Even by regulating the supply and all those things also you can meet the demand.

[*Translation*]

SHRI NITISH KUMAR: Mr. Speaker, Sir, I just want to know the ratio of the hydel and thermal power generation during the Eighth Five Year Plan.

[*English*]

MR. SPEKAER: Please do not reply to Mr. Nitish Kumar.

SHRI N.K.P. SALVE: Sir, despite all the best efforts there is going to remain a gap between supply and demand, the growth being what it is, at the peak hour and that will be the shortage.

[*Translation*]

SHRI NITISH KUMAR: Mr. Speaker, Sir, unless this peak hour demand is met through the hydel power, the gap, between Supply and Demand cannot be made up. But the hon. Minister is not telling us about the hydel power. He is rather interested in foreign investment.

[*English*]

SHRI SYED SHAHABUDDIN: Mr. Speaker, Sir, the Minister has already stated that on this private foreign investment in the field of power which is a core sector of our economy, there shall be a guarantee of 16 per cent return at the current rate of exchange. This would mean a continuous drain of our foreign exchange resources. Moreover, the Government have stipulated even 100 per cent private foreign investment in this sector. Now, the point I wish to make, Sir, is that the buyers are the State Electricity Boards and the State Electricity Boards, we all know, are in bad shape. That is why the foreign companies were not content with this stipulation in the agreement. They wanted a collateral assurance and a guarantee, *vis-a-vis*, if the Boards to pay then the Government of India shall pay.

Has the Ministry of Finance agreed to provide this continuing collateral guarantee in foreign exchange for all these investments.

SHRI N.K.P. SALVE: Sir, so far as the first part is concerned, 16 per cent is confined only on the equity. Equity is going to be only 20 per cent minimum of the total project cost.

Secondly, regarding counter-guarantee by the Government of India in respect of monies to be paid, it is primarily by the Electricity Board to the generating company that is covered. Their primary responsibility to pay that money is covered by Escrow account. Should the Escrow account fail, then there is the guarantee of the State Government. Counter-guarantee of the Government of India is in respect of guarantee given by the State Government. It has been agreed to.

MR. SPEAKER: If the Power Ministry agrees, it should be taken that the Finance Ministry also agrees. That is the Government decision.

SHRI N.K.P. SALVE: It is the Cabinet Committee decision.

*[Translation]*

SHRI RAJNATH SONKAR SHASTRI: Mr. Speaker, Sir, just now the hon. Minister has pointed out in his reply that the Government has received proposal worth Rs. 38,122 crore of the American private companies for generating 11,589 mega watt of power and it has accepted 6 proposals out of them. These six proposals are related to Karnataka, Orissa, Tamil Nadu,

Maharashtra and Andhra Pradesh. I would like to submit that Uttar Pradesh is facing acute power crisis and main crops have been destroyed and industries have been closed there. I would like to know from the hon. Minister whether he has received any proposal for U.P. regarding American investment by American Companies. If so, whether the Government have chalked out any plan to generate more and more power?

*[English]*

MR. SPEAKER: It can be replied briefly.

SHRI P.V. RANGAYYA NAIDU: We have already said about Bihar. There is no project sponsored by Americans in Bihar or in U.P.

KUMARI MAMATA BANERJEE: Specially in Eastern region, Bihar, Orissa and West Bengal, the power shortage is very acute. In West Bengal, for the Eighth Five Year Plan, the target is 19,642 energy generation. Though everything depends on the State Government in view of providing infrastructure and availability of other things, may I know from the hon. Minister what are the prospects of Bakreshwar Thermal power project in West Bengal. It is lying pending since long. I want to know from the Minister whether the Government of India has received any proposal from the State Government to clear this project.

MR. SPEAKER: It is a specific question. If you have that information give it, or you send it in writing.

SHRI P.V. RANGAYYA NAIDU: We will send it in writing.