

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4791

ANSWERED ON:19.12.2002

INVESTMENT IN RENOVATION AND MODERNISATION PROGRAMME IN POWER UTILITIES

NARESH KUMAR PUGLIA

Will the Minister of POWER be pleased to state:

- (a) whether the Union Government proposes to invest several crores in the next few years to renovate and modernize the existing power utilities;
- (b) if so, the manner in which the funds would be mobilized for renovation and modernisation of power utilities; and
- (c) the extent to which the power production in the country would be enhanced?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (c) : The Central Electricity Authority have formulated Renovation and Modernisation (R&M) and Life Extension Programme (LEP) for thermal power stations in the country in consultation with the State Electricity Boards/Power Utilities for implementation by them during the 10th Plan. The successful implementation of the programme is expected to yield an additional generation of 26700 Million units per year.

The States/Power Utilities and State Electricity Boards can raise loans from Power Finance Corporation and financial institutions for the programme. The Government of India provides interest subsidy to the extent of 3% to the States/Utilities on the interest for the loans from PFC & REC to be availed by the SEBs/Utilities for renovation and modernization programme under Accelerated Generation and Supply Programme (AG&SP). The interest subsidy is available to States, which perform satisfactorily with respect to agreed reform milestones.