

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1165

ANSWERED ON:01.03.2006

FOREIGN AID FOR POWER SECTOR

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Will the Minister of POWER be pleased to state:

- (a) whether the Government has spent any amount on projects out of the Rs.16823 crore foreign aid allocated for the power sector in March, 2004;
- (b) if not, the reasons therefor;
- (c) the details of the units which have utilized the said fund for power generation;
- (d) the reasons for the shortage of power despite spending the amount for the purpose;
- (e) whether any assessment has been made in this regard;
- (f) if so, the outcome thereof; and
- (g) the reasons for the slow progress in the works relating to improvement of power plants?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) : Yes, Sir. The amount of Rs.16823 crore pertains to the undrawn balance as on 31st March, 2004. It covers 18 power projects including 3 power generation projects. In these 18 projects, Rs.2881.06 crore have been spent during 2004-05, including the 3 generation projects.

(b) : Does not arise.

(c) : Details of utilization of foreign assistance in the three Power Generation projects during 2004-05 is as follows:

Sl. No.	Project Name (Currency)	Funding Agency (Rs. In Cr.)	Utilization
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1.	Kudankulam Nuclear Power Project	Russia (USD)	1152.43
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2.	Purulia Pumped Storage Project	JBIC (JPY)	443.93
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3.	Bakreshwar Thermal Power Project	JBIC (JPY)	107.98
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(d) to (g) : The main reasons for shortage of power are:

(i) Growth in demand for power outstripping the growth in generation and capacity addition.

(ii) Shortage of peaking power in the grid.

(iii) Low Plant Load Factor of some of the thermal generating units mostly in the State Sector.

(iv) Inadequate sub-transmission and distribution network in some States.

(v) High Transmission and Distribution losses.

(vi) Poor financial position of State Utilities which does not enable them to raise the resources necessary for making required investments to create adequate generation capacity.

The following steps have been taken by the Government to increase supply of power in the country:

(i) As per the Mid-Term Appraisal done towards the end of 2004, a capacity addition of 36,956 Megawatt has been targeted during 10th Five Year Plan.

(ii) Maximization of generation and increase in plant load factor of thermal power stations.

(iii) Early stabilization of newly commissioned units.

(iv) Exploitation of hydro potential at a faster pace.

(v) Renovation, Modernization and life extension of old and inefficient generation units with interest subsidy on loans for this purpose by the Power Finance Corporation.

(vi) Tapping of surplus power from captive power plants.

(vii) Enhancement of inter-state and inter-regional transfer of power by strengthening of inter-regional and inter-state transmission links eventually leading to formation of National Grid.

(viii) Strengthening/augmentation of sub-transmission & distribution system.

(ix) Reduction in Technical and Commercial losses of utilities.