

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

STARRED QUESTION NO:47

ANSWERED ON:24.11.2006

DEMAND AND SUPPLY OF POWER

Ahir Shri Hansraj Gangaram; Mahato Shri Sunil Kumar

**Will the Minister of POWER be pleased to state:**

- (a) whether several States in the country are reeling under severe shortage of power;
- (b) if so, the details thereof along with the reasons therefor, State-wise;
- (c) whether capacity addition of some power projects has not been increased for the last several years and many of the projects are still awaiting the requisite clearance, causing decreasing trend in industrial and agricultural production in most of the States;
- (d) if so, the details thereof; State-wise; and
- (e) the concrete steps taken/proposed to be taken by the Government to increase power generation in the country?

**Answer**

THE MINISTER OF THE STATE IN THE MINISTRY OF POWER( SHRI SUSHILKUMAR SHINDE )

(a) to (e) : A Statement is laid on the Table of the House.

**STATEMENT**

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 47 TO BE ANSWERED IN THE LOK SABHA ON 24.11.2006 REGARDING DEMAND AND SUPPLY OF POWER.

(a) & (b) : There is overall shortage of power in the country primarily due to increase in demand for power outstripping the availability of power. The shortages vary from State to State on season to season, day to day and hour to hour basis depending on the demand and supply of power. State-wise power supply position during April – October, 2006 is given in Annexure-I.

Main reasons for shortage of power are as under :

- (i) Growth in demand for power outstripping the growth in generation and capacity addition.
  - (ii) Low Plant Load Factor of some of the thermal generating units, mostly in the State Sector.
  - (iii) High Aggregate Technical and Commercial losses including theft of electricity.
  - (iv) Poor financial position of State Utilities rendering it difficult for them to raise the resources necessary for making required investments to create adequate generation, transmission and distribution system.
- (c) & (d) : Electricity is a concurrent subject. Supply & distribution of electricity to various categories of consumers (including industrial and agricultural) in a State is in the purview of the State Government. The overall annual growth in generation in the country during last 3 years i.e. 2003-04 to 2005-06 has been in the range of 5 – 5.2% as compared to 3.1 – 3.9% in the preceding 3 years from 2000-01 to 2002-03. The growth in generation during the current year (April – October, 2006) has been 7.1% as compared to 5.1% during corresponding period in last year.

Capacity addition of about 17,743 MW has taken place in various States / UTs in the last 4 years and so far in the current year. State / Sector-wise details of the same are given in Annexure-II. Projects of about 43,000 MW capacity are under construction (Annexure-III).

As per the Electricity Act, 2003 any generating company may establish, operate and maintain a generating station without obtaining a license under this Act if it complies with the technical standards relating to connectivity with the grid specified by Central Electricity Authority. However, concurrence of Central Electricity Authority is required for setting up hydro-electric generation projects involving a capital expenditure exceeding a specified sum. As such, there are no proposals for thermal power projects pending for clearance in Central Electricity Authority.

Regarding environmental clearance for thermal power projects, Ministry of Power is having monthly coordination meeting with Ministry

of Environment and Forests (MoE&F) and issues relating to environmental clearance for thermal power projects are sorted out in the meeting. No thermal power project has been held up due to Environment & Forest clearance from Ministry of Environment.

Ten hydro-electric schemes with an aggregate installed capacity of 5481 MW concurred by CEA are to be cleared by Ministry of Environment & Forests from environmental and / or forest angle. Details in this regard are given in Annexure-IV. No hydro-electric scheme is pending for concurrence of CEA at present.

(e) : The following steps have been taken / are being taken to improve power generation in the country:

(i) Rigorous monitoring of capacity addition of the on-going generation projects.

(ii) Advance planning of generation capacity addition projects for the 11th Five Year Plan.

(iii) Implementation of Ultra Mega Power Projects of 4000 MW each to achieve benefit of economy of scale.

(iv) 'Partnership in Excellence' Programme starting with adoption of better operation and maintenance (O&M) practices to enable enhancement of Plant Load Factor (PLF) of existing thermal power stations through tie-up with well performing power utilities as a pre-cursor to renovation and modernization.

(v) Renovation, modernization and life extension of old and inefficient generation units with interest subsidy on loans by the Power Finance Corporation and Rural Electrification Corporation under 'Accelerated Generation and Supply Programme (AG&SP).

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

(vii) Utilization of unutilized capacity of gas based stations on liquid fuel.

(viii) Coordinated operation and maintenance of hydro, thermal, nuclear and gas based power stations to optimally utilize the existing generation capacity.

(ix) Optimum utilization of available power by strengthening of inter-state and inter- regional transmission capacity.