

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:3712

ANSWERED ON:27.04.2007

REFORMS IN POWER SECTOR

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

- (a) the steps taken by the Government for power generation during the Tenth Five Year Plan and how much it has been achieved so far;
- (b) whether the performance of power sector during the Tenth Plan is much below the fixed target;
- (c) if so, the reasons therefor; and
- (d) the efforts being made by the Government to bring effective reforms in power sector?

**Answer**

THE MINISTER OF POWER ( SHRI SUSHILKUMAR SHINDE )

(a) to (c) : Government has taken a number of steps to improve power generation in the country. These includes monitoring of capacity addition of the on-going generation projects, advance planning of generation capacity addition projects for the 11th Five Year Plan, `Partnership in Excellence` Programme to improve Plant Load Factor (PLF) of existing thermal power stations, renovation & modernization and life extension of old and inefficient generation units, etc. Energy generation targets are fixed on annual basis. Year-wise generation target vis- À -vis actual generation in the country during the 10th Plan is given below:-

Year	Target (MU)	Actual (MU)	% of Target
2002-03	545.55	531.43	97.4
2003-04	572.90	558.34	97.5
2004-05	586.41	587.37	100.2
2005-06	621.50	617.50	99.4
2006-07	663.00	662.52	99.9

The main reasons for short fall in achieving the generation targets have been inadequate supply of gas for gas based power plants, forced outages, low scheduling in case of liquid fuel based power plants due to high cost of fuel, inadequate inflow of water in major reservoirs, prolonged outage of some of the nuclear units, etc.

(d) : The Government of India has taken the following major reform initiatives:

(i) Tariff determination is done by independent Electricity Regulatory Commissions.

(ii) Section 65 of the Electricity Act provides that if the Sate Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commissions, the State Government shall pay to the concerned utility/licensee the full amount required to compensate the grant of subsidy. This provision ensures release of subsidy by the State Government to the utilities.

(iii) Under the Accelerated Power Development and Reform Programme (APDRP), States were assisted for investment in strengthening of sub transmission and distribution systems for reducing technical losses and improving the quality of supply and also for incentivising through cash grants for reduction of cash losses by State Power Utilities. This Programme is being restructured to make it more effective.

(iv) Stringent legal provisions have been made in Electricity Act, 2003 for dealing with theft of electricity.

(v) Participation of private sector in generation projects is being encouraged in a transparent manner through tariff based competitive bidding.

(vi) Emphasis is given on metering of feeders and supply to consumers for energy accounting and auditing for identifying location of high losses.

(vii) Partnership for Excellence Programme for improving Plant Load Factor (PLF) of poorly performing thermal power stations in the country has been launched. The programme has started showing results at a number of power stations in the form of improvement in PLF and availability by streamlining the O&M practices.