

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4764

ANSWERED ON:25.04.2008

DEMAND AND SUPPLY OF POWER

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Will the Minister of POWER be pleased to state:

- (a) whether the country is facing acute shortage of power these days;
- (b) if so, the total demand and supply of power from various sources in each State as on date;
- (c) whether any plan is being worked out by the Government to bring reforms in power sector with the coordination of State Governments to enhance power generation capacity in the country;
- (d) if so, the details thereof; and
- (e) the steps taken/proposed to be taken by the Government to upgrade the power projects which are generating the power below their installed capacity?

Answer

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE & INDUSTRY AND MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI JAIRAM RAMESH)

(a) & (b) : There is a continuing overall power shortage in the country. The quantum of shortage varies from day to day and hour to hour depending on demand and supply of power. The State-wise/system-wise power supply position for March, 2008 is given at Annex.

(c) & (d) : Reforms in power sector is an on-going process. The Central Government has taken various reform initiatives, inter-alia, to enhance power generation capacity in the country by mobilizing investment in the power sector, such as :

1. The Electricity Act, 2003 has put in place a liberal and progressive legal framework including features like open access, non-requirement of license for generation and freely permitting captive power plants.
2. Promoting Public Private Partnership and Standardizing Bid Documents for attracting private investments.
3. Permitting 100% foreign direct investment in power sector.
4. Mega Power Policy gives various tax incentives for promoting accelerated generation in capacity addition.
5. Establishment of Ultra-Mega Power Projects of 4000 MW each.

A capacity addition programme of 78,577 MW has been envisaged for the 11th Plan; out of which about 50% has been envisaged in the Central Sector. Ministry of Power has been actively interacting and monitoring, through meetings/discussions with the State Governments, BHEL as well as State Power Utilities for giving an impetus to various measures inter-alia the capacity addition. The capacity addition programme was discussed in the Chief Ministers' conference held on 26th – 27th April, 2007 and Chief Ministers' conference held on 28th May, 2007 wherein inter-alia early placement of orders for power projects proposed to be commissioned during the 11th Plan was emphasised. In the Chief Ministers' conference, it was resolved that the Centre and State would ensure timely placement of orders for all the projects intended to give benefit during the 11th Plan and ensure regular monthly projects monitoring for their timely commissioning along predetermined milestones. A meeting of Group of Ministers chaired by Minister of Power was held on 24th September, 2007 wherein a Task Force on hydro power project development was set up and detailed State-wise discussions were held with regard to accelerated power generation capacity addition for the 11th Plan. Subsequently, a follow-up meeting of Chief Secretaries of States was held on 19th February, 2008 wherein expeditious completion of ordering of all the 11th Plan power generation projects was emphasized. This matter was again discussed in the Chief Secretaries' conference convened on 22nd April, 2008. According to the current status of projects, 9,263 MW has already been commissioned during the year 2007-08 and projects of 62,847 MW capacity are under construction. A Task Force on Hydro Development headed by Union Minister of Power has been constituted, hydro policy has been notified to attract private investments also.

(e) : The following steps have been/are being taken by the Government of India to bring improvement in the generation capacity of power plants performing below their installed capacity:

- i) Rigorous monitoring of coal for optimizing supply to coal based power stations from various sources.
- ii) Continuous interaction of CEA engineers with Plant Authorities, BHEL and other concerned agencies for solving bottlenecks in O&M activities.
- iii) Renovation, modernization and life extension of old and inefficient generating units.
- iv) Continuous interaction of CEA and the better performing utilities with the poor performing utilities to introduce better O&M practices so as to improve the plant load factor.