

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1567
ANSWERED ON:05.03.2010
STRENGTHENING OF SEBS
Joshi Shri Mahesh

Will the Minister of POWER be pleased to state:

(a) whether the Government proposes to introduce any scheme to strengthen and improve the fiscal health of the State Electricity Boards (SEBs); and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI)

(a) & (b): No new scheme is proposed to strengthen and improve the fiscal health of the State Electricity Boards by the Central Government.

However, the Electricity Act 2003 envisages re-organization of State Electricity Boards (SEBs) to achieve the objects and purposes enshrined in the Act. One of the reasons for poor financial health of SEBs was high transmission and distribution losses. To bring down the same Ministry of Power, Government of India launched Accelerated Power Development Programme (APDP) in 2000-2001 wherein additional central plan assistance was made available to states undertaking distribution reforms in a time bound manner by signing MOU with MOP. The funds were for 63 distribution circles identified as Centers of Excellence by adopting various interventions.

In March 2002, APDP was restructured as APDRP with urban focus & introduction of reforms element. Incentive scheme was introduced to incentivize utilities achieving cash loss reduction. The AT&C losses during this programme reduced from 38.86% in 2001-02 to 29.24% in 2007-08. However, the absolute level of losses were still at a higher level and needed further efforts for achieving lower loss levels.. Also reliable & verifiable baseline data for revenue & energy were required for verifying exact AT&C losses in an area and further detection of commercial and technical loss pockets.

In order to achieve the above objective, the need for adoption of integrated IT system by utilities was recognized and hence, MOP, GOI launched restructured APDRP (R-APDRP) in July 2008 as a central sector scheme for XI Plan. The scheme comprised of two parts- Part-A & Part-B.

Part-A of the scheme being dedicated to establishment of IT enabled system for achieving reliable & verifiable baseline data system in all towns with population greater than 30,000 as per 2001 census (10,000 for Special Category States) Installation of SCADA/ DMS for towns with population greater than 4 lakhs & annual input energy greater than 350MU is also envisaged under Part-A. 100% loan is provided under R-APDRP for Part-A projects & shall be converted to grant on completion and verification of same by Third Party independent Evaluating agencies (TPIEA) being appointed by MOP/PFC. MOP,GOI has earmarked Rs.10,000 Crores for R-APDRP Part-A.

Part-B deals with regular Sub Transmission & Distribution system strengthening & upgradation projects. The focus for Part-B shall be loss reduction on sustainable basis. 25% loan is provided under Part-B projects and upto 50% of scheme cost is convertible to grant depending on extent of maintaining AT&C loss level at 15% level for five years. For special category states, 90% loan is provided by GOI for Part-B projects and entire GOI loan shall be converted to grant in five tranches depending on extent of maintaining AT&C loss level at 15% level for five years. Achieving AT&C loss level of greater than 15% shall reduce loan conversion to grant accordingly for that financial year. Upto 10% scheme cost for Part-B can be converted to grant each financial year for normal category states and upto 18% of scheme cost can be converted to grant each financial year for special category states. MOP, GOI has earmarked Rs.40,000 Crores as loan for R-APDRP Part-B. Of this, upto Rs.20,000 Crore would be converted to grant depending on extent to which utilities reduce AT&C losses in project areas.

R-APDRP also has provision for Capacity Building of Utility personnel and development of franchises through Part-C of the scheme. Few pilot projects adopting innovations are also envisaged under Part-C.

Power Finance Corporation Limited has been designated by MOP as the Nodal Agency for operationalising the scheme.

R-APDRP IMPLEMENTATION STATUS AS ON 25-02-2010

R-APDRP PART-A (IT)

SANCTION-DISBURSEMENT STATUS

1344 out of 1421 Eligible Town Schemes Sanctioned for PART-A IT # Sanction Value till date Rs.4860 Crores # Disbursement till date Rs.1215 Crores.

STATUS AT STATES

ENGAGEMENT OF IT CONSULTANTS

- # 40 out of 52 utilities have deployed IT Consultants
- # 5 Utilities doing on their own (Maharashtra and Andhra Pradesh)
- # 5 have floated RfPs for engaging ITCs
- # Action to be initiated by Andamans & Nicobar Islands and Daman & Diu

ENGAGEMENT OF IT IMPLEMENTING AGENCIES

- # Schemes sanctioned for 22 states / 42 entities
- # 7 States(22 entities including Sikkim) have appointed ITIA (West Bengal, Rajasthan, Gujarat , Karnataka , MP, Uttarakhand & UP)
- # Sikkim to share ITIA with West Bengal
- # RfP floated by 11 entities (HP, J&K, Punjab, Goa, Maharashtra, Chhattisgarh, TN & AP

Action to be initiated by 9 entities of Haryana, Jharkhand, Bihar, Kerala, Assam & Tripura for whom schemes have been sanctioned

ENGAGEMENT OF SCADA CONSULTANTS

- # 7 states have floated RfP for engaging SCADA/DMS Consultant(Uttarakhand, Haryana, Kerala, Gujarat, TN, Punjab & Rajasthan) R-APDRP PART-A (SCADA)
- # PFC has empanelled SCADA/DMS Consultants{SDC}(14 No.)
- # PFC has empanelled SCADA Implementing Agencies{SIA}(15 No.)
- # Model RfP for engaging SDC uploaded on website on 03-12-09
- # Model DPR for SCADA approved & uploaded on web on 24-12-09
- # Model RfP for engaging SIA by states being made ready by February

Third Week

87 Towns tentatively eligible for funding under R-APDRP Part-A (SCADA).

R-APDRP PART-B (System Strengthening Projects)

- # DPR Format approved in June 2009
- # Utilities may fill up same online on APDRP website or through Excel format uploaded on web
- # TPIEA-EA`s being appointed by PFC for evaluation of initial baseline data of energy and revenue (13 agencies selected for financial bids/ financial bids received for 12 states)
- # Utilities be asked to expedite ring fencing and compile three billing cycle data and offer towns for initial baseline data verification
- # Ring fencing reported complete in Gujarat & DHBVN & UHBVN
- # DPRs Part-B reportedly being prepared by Punjab, UP, Rajasthan, Sikkim, Jharkhand, TN & Kerala

R-APDRP PART-C (Capacity Building and Pilot projects)

- # Capacity Building Consultant appointed (for one year) on 09-09-09 to finalize training needs of Utility personnel and identify Partner Training Institutes (PTI) and Resource Institutes (RI)
- # EOI issued on 16-12-09 for empanelment of RIs & PTIs. 16 agencies approved for empanelment as PTI.