

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2677
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REFORMS IN POWER SECTOR
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Will the Minister of POWER be pleased to state:

- (a) the details of reform programmes being run in the power sector in the country along with their achievements made during the last three years and the current year;
- (b) whether the schemes aimed at augmenting power generation are not proving successful despite the fact that comprehensive reform programmes are going on in the power sector;
- (c) if so, the details thereof and the reasons therefor;
- (d) the salient features of Electricity (Amendment), Act, 2007 along with its contribution in bringing about reforms in the power sector; and
- (e) the amount of funds proposed to be allocated for the implementation of these programmes in the country?

Answer

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

(a) to (e):

(i) Reform and Restructuring of Power Sector With the enactment of Electricity Act, 2003 Government has initiated various reforms and restructuring of Power Sector in India. The status of reforms are as under:

The formation of State Electricity Regulatory Commissions (SERC). All the states including Delhi have constituted SERCs except Arunachal Pradesh and two Joint Electricity Regulatory Commissions(JERC) are functioning. One JERC has been constituted for all the Union Territories & Goa except Delhi and other JERC constituted for Mizoram & Manipur.

The unbundling of State Electricity Boards in 14 states (out of 21 SEBs) have been completed. In addition, Tripura has corporatized their Electricity Department.

Special Courts in 23 States including Delhi have been setup to deal with the theft of electricity.

In 22 states the Consumer Grievances Redressal fora have been constituted

In 22 States Ombudsman have been appointed.

National Tariff Policy & National Electricity Plan have been formulated.

Definition of theft has been expanded to cover use of tampered meters and use of electricity for unauthorized purpose by amending Section 135 of the Electricity Act, 2003. Theft has been made explicitly cognizable offence and non-bailable by insertion to new sections 151A & 151B.

To increase competition and private sector participation, Standard Bidding Documents have been issued.

CERC has issued regulations for inter state open access transmission and SERCs have issued regulations for intra-state open access.

The schemes aimed at augmenting power generation are successful and is in line with the capacity addition target fixed by Planning Commission.

The Planning Commission had fixed a capacity addition target of 78,700 MW during the 11th Plan to meet the power requirement of the country. Based on the inputs provided by the project developers and suppliers, CEA has assessed a total capacity of 62,294 MW is likely with a high level of certainty during 11th Plan. A capacity of 20,352 MW has already been commissioned till 12.02.2010 and a capacity aggregating to 41,942 MW is likely to be commissioned with a high level of certainty during the balance period of 11th Plan. In addition, projects totaling to 12,550 MW are being attempted for commissioning on best efforts basis during the 11th Plan.

Following measures have been taken/are being taken by the Government to augment power generation in the country:-

- (i) Rigorous monitoring of capacity addition of the on-going generation projects.
- (ii) Coordinated operation and maintenance of hydro, thermal, nuclear and gas based power stations to optimally utilize the existing generation capacity.
- (iii) Arranging import of coal to meet the shortfall in coal supplies to thermal power stations from indigenous sources.
- (IV) Allocation of gas from KG Basin (D6) has been made for gas based power stations in the country.
- (V) Tapping of surplus power from captive power plants.
- (VI) Development of Ultra Mega Power Projects of 4000 MW each to reap benefits of economies of scale.
- (VII) Renovation, modernization and life extension of old and inefficient generation units.
- (viii) Strengthening of sub-transmission and distribution network through Acceleration Power Development and Reforms Programme (APDRP) as a major step towards loss reduction.

The Govt. has issued standard Bid Documents for procurement of power through tariff based competitive bidding route and four Ultra Mega Power Projects (UMPPs) viz. Mundra UMPP (5x800 MW) in Gujarat, Sasan UMPP (6x660 MW) in Madhya Pradesh, Krishnapatnam UMPP (5x800 MW) in Andhra Pradesh & Talaiya UMPP (6x660 MW) in Jharkhand have already been awarded viz. Mundra to M/s Tata Power Company and Sasan, Krishnapatnam & Talaiya to M/s Reliance Power Limited.

(ii) Open Access:

Section 42 of Electricity Act, 2003 provides for introduction of open access in distribution and permits the consumers or class of consumers to receive supply of electricity from a person other than the distribution licensee of his area of supply. So far 23 Regulatory Commissions have issued open access regulations.

(iii) The salient features of Electricity Amendment Act, 2007 are as under :-

A new Section for Section (6) of Electricity Act, 2003 has been substituted with joint responsibility of State Government and Central Government in Rural Electrification. The concerned State Government and Central Government shall jointly endeavour to provide access for electricity to all areas including villages and hamlets through rural electricity infrastructure and electrification of households.

Section 9 of the Electricity Act, 2003 has been amended with a proviso that no license shall be required under this Act for supply of electricity generated from a Captive Generating Plant to any licensee in accordance with the provisions of this Act and the Rules and Regulations made thereunder and to any consumer subject to the regulations made under sub-section 2 of Section 42.

Section 42 has been amended by deletion of the provision for `elimination` of cross-subsidies. Cross Subsidies shall be reduced in the manner as may be specified by State Commission.

Section 50 has been substituted with a new section which contains provisions for specifying electricity supply code by State Commissions.

(iv) Restructured Accelerated Power Development and Reforms Programme (RAPDRP)

Government of India has launched Restructured Accelerated Power Development and Reforms Programme (RAPDRP) with the objective of reducing AT&C losses to 15%. Under this scheme the total outlay of the scheme is Rs .51,577 crores. There are two parts of the Scheme. Part A of the scheme envisages establishment of baseline data, AMR adoption of IT facilities etc. and loan will be given to various SEBs/Distribution Companies and Government proposed to invest Rs.10,000 crores. Initially it will be given as loan and entire amount will be converted into grant subject to certain conditions.

Part (B) of the Scheme is for System Improvement projects and Government proposes to invest Rs.40,000 crores which include renovation, modernization and strengthening of 11 kV level Substations, Transformers/Transformer Centers, Re-conductoring of lines at 11 kV level and below, Load Bifurcation, feeder separation, load Balancing, HVDS (11 kV), Aerial Bunched Conductoring in dense areas, replacement of electromagnetic energy meters with tamper proof electronic meters, installation of capacitor banks and mobile service centers etc. In exceptional cases, where sub-transmission system is weak, strengthening at 33 kV or 66 kV levels may also be considered. Under this 25% will be given as loan and 75% would have to be arranged by SEBs/DISCOMs from financial institutions/ their own resources. The 50% of the amount will be converted into grant in case the Utilities are able to reduce the loss to 15% on sustainable basis.

Under part (A), projects of APDRP so far 1366 projects at the cost of 4925.15 crores has been approved to 24 States.

(v) Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

The Government of India has also launched a Scheme `Rajiv Gandhi Grameen Vidyutikaran Yojana of Rural Electricity Infrastructure and Household Electrification` on 4th April, 2005 for the attainment of the National Common Minimum Programme (NCMP) goal for providing access to electricity to all households. The scheme aimed at electrification of 1.25 lakh unelectrified villages and electrification of 2.34 crore BPL households.

As on 28.2.2010, 573 projects at an estimated cost of 26353.51 Crore in 546 districts of 27 States, covering 1.18 lakh unelectrified villages and 2.46 crore BPL households have been sanctioned by REC. So far, 75,068 un- electrified villages and 96.80 lakh BPL households have been electrified.