

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:618

ANSWERED ON:07.05.2010

POWER GENERATION

Naik Shri Shripad Yesso;Patel Shri Bal Kumar

Will the Minister of POWER be pleased to state:

- (a) the details of the targets set and achievements made as against them in respect of power generation during each of the last three years, year-wise, source-wise and State-wise;
- (b) the total amount of funds allocated/sanctioned during the Eleventh Five Year Plan along with the expenditure and investments made by the Government as well as the private sector in the power sector during the said period, State-wise;
- (c) whether as per the latest assessment by the Central Electricity Authority (CEA), a capacity addition of only 62,374 MW is likely to be achieved as against the target of 78,700 MW set for the Eleventh Five Year Plan;
- (d) if so, the reasons for the failure to achieve the targets set for the said plan; and
- (e) the action taken to ensure that at least the reduced targets of capacity addition is achieved, within the given time frame?

Answer

THE MINISTER 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. 618 TO BE ANSWERED IN THE LOK SABHA ON 07.05.2010 REGARDING POWER GENERATION.

(a) : The state-wise/source-wise power generation target and actual generation in the country during the years 2007-08 , 2008-09 & 2009-10 and the target for 2010-11 are given in Annex-I.

(b) : In the Five Year Plan, allocations are made for the public sector only. The 11th Plan outlay for power in the Central Sector is Rs.3,05,705 crore at 2006-07 prices and the 11th Plan outlay for energy in the State Sector and UTs is Rs.2,25,384.68 crore. The Sub- Committee of the Group of Ministers on 'Financial issues of Power Sector' had estimated total funds requirement in the Private Sector as Rs.2,36,286 crore.

The details of State-wise, year-wise approved outlay and expenditure in the Energy Sector in the States during the 11th Plan, according to Planning Commission, are enclosed at Annex-II.

The revised estimate and actual expenditure in respect of power sector schemes in the Central Sector during the 11th Plan are as under :

2007-08	2008-09	2009-10
(Rs. Crore)	(Rs. Crore)	(Rs. Crore)

Revised Estimate 30,690.38 36,306.47 45,269.60

Actual Expenditure 25,647.87 35,231.44 29,814.28

(c) & (d) : Planning Commission had fixed a capacity addition target of 78,700 MW during the 11th Plan. However, as per mid-term appraisal (MTA) the capacity addition during 11th Plan is likely to be 62,374 MW. In addition projects totaling to 12,590 MW is being attempted under best efforts basis. Out of 62,374 MW, a capacity of 22,302 MW has already been commissioned till 31.03.2010 and a capacity aggregating to 40,072 MW is likely to be commissioned with a high level of certainty during the balance period of 11th Plan.

The details of capacity commissioned/to be commissioned during 11th Plan is given in the Table below:

Type	Commissioned commissioning during 11th Plan	Underconstruction for Projects	Total	Best Efforts
	(MW)	(MW)	(MW)	(MW)
Hydro	3,431	4,806	8,237	2,110
Thermal	18,211	32,546	50,757	10,480
Nuclear	660	2,720	3,380	-
Total	22,302	40,072	62,374	12,590

The reasons for delay in commissioning of projects during 11th Plan are as follows :

- # Delay in placement of orders – mainly Civil Works & BOPs;
- # Delay and non-sequential supply of material for Main Plant and Balance of Plants (BoP);
- # Shortage of skilled manpower for erection and commissioning;
- # Contractual dispute between project developer and contractor and their sub-vendors/sub-contractors;
- # Inadequate deployment of construction machinery;
- # Shortage of fuel (Coal & Nuclear);
- # Problem of land Acquisition;
- # Delay in erection of infrastructure facilities like reliable construction power supply and roads at project sites etc.

(e) : The actions taken to ensure that the targets of capacity addition is achieved within the given time frame are as follows:

- a) Monitoring mechanism in the Ministry has been strengthened. The progress of generation projects for completion during 11th Five Year Plan is reviewed periodically by the Central Electricity Authority, Ministry of Power and Power Projects Monitoring Panel (PPMP). An Advisory Group under the chairmanship of Hon'ble Minister of Power with former power secretaries amongst others has been set up to suggest ways and means to achieve the 11th Plan capacity addition targets.
- b) Bharat Heavy Electricals Limited (BHEL), the major indigenous manufacturer for main plant equipment in Public Sector, has enhanced its capacity to deliver main plant equipment to 15,000 MW per annum and has also indicated that they may raise the capacity up to 20,000 MW by March, 2012, depending upon the market demand.
- c) The issue of supply of equipments by BHEL has been discussed in the Committee of Secretaries chaired by the Cabinet Secretary on December 8, 2009. In pursuance of the decision taken in the meeting, a Group under the Chairmanship of Secretary(Heavy Industry) to finalize a joint action plan which would lay down the schedule /timeframe for completion of projects as per targets, has been set up. Members of the Group include Secretary (Power), Chairperson, CEA, CMD, NTPC and CMD, BHEL.
- d) A Joint Venture Agreement has been signed between NTPC Ltd. and BHEL to take up work related to Engineering, Procurement and Construction (EPC) for power plants and other infrastructure projects.
- e) Joint Ventures have been formed between M/s L&T & MHI, Japan; Alstom & Bharat Forge; Toshiba & JSW; and Ansaldo & GB Engineering for manufacture of supercritical boilers and turbine generators in India.
- f) All stakeholders have been sensitized towards enlarging the vendor base so as to meet the Balance of Plants (BoP) requirements.
- g) Bulk ordering of 11 units of 660 MW each with supercritical technology with mandatory phased indigenous manufacturing Programme initiated to promote indigenous manufacturing.
- h) To overcome the shortage of skilled manpower, 'Adopt an ITI' initiative has been taken up.
- i) Periodical meetings are held with concerned Ministries viz. Ministry of Coal, Ministry of Petroleum and Natural Gas and Ministry of Environment & Forests and at other forums at highest level to sort out the inter ministerial issues with regard to availability of fuel and grant of Environment & Forest clearance to generation projects.
- j) An Accountability System has been put in place for the Eleventh Plan central sector power projects scheduled for commissioning during the Eleventh Five Year Plan period.