

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:5113  
ANSWERED ON:27.08.2010  
FUNDS FOR POWER SECTOR  
Rao Shri Sambasiva Rayapati

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

- (a) the total funds provided by the Government for the development of power sector in the country during the last three years;
- (b) whether the power sector need an investment of Rs.10.6 lakh crore in the Eleventh Five year Plan;
- (c) if so, the details thereof; and
- (d) the steps taken by the Government to meet the shortage of funds in the power sector?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRI BHARAT SINH SOLANKI)

(a) : Fund allocated by the Planning Commission for the development of power sector to States and Central sector during the last three years are as follows:

(Rs. Crore)

Sector/Years 2007-08 2008-09 2009-10

Central 38489.55 45052.20 57878.74

State/UTs 26941.27 33493.96 38141.54

(b) to (d) : The Sub-Committee of the Group of Ministers on Power Sector financial issues, constituted under the Chairmanship of Deputy Chairman, Planning Commission, had estimated overall fund requirement of Rs. 10,59,515 crore for the power sector during the 11th Five Year Plan including advance action for the 12th Plan projects. Sector-wise break-up are as follows: Central Sector: Rs.2,91,984 crore, State Sector: Rs.5,31,245 crore and Private Sector: Rs.2,36,286 crore.

Several steps have been taken by the Government to bridge the gap between requirement and availability of fund for power sector, particularly to reduce funding gap in the State Sector. These include allowing 100% Foreign Direct Investment on automatic route for projects of electric generation (except atomic energy), transmission, distribution and trading; delicensing of thermal generation; Ultra Mega Power Project Initiative; liberalisation of Mega Power Policy ; issue of guidelines for competitive bidding for procurement of power by distribution licencees; Standard Bidding Documents for procurement of power; and tariff based competitive bidding for encouraging private participation in transmission sector.