

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:428
ANSWERED ON:02.09.2011
FUNDS FOR POWER SECTOR
Bajwa Shri Partap Singh

Will the Minister of POWER be pleased to state:

- (a) whether the Government has made any assessment of the requirement of funds for the power sector for the Twelfth Five Year Plan;
- (b) if so, the details thereof;
- (c) whether the proposed National Electricity Fund (Interest Subsidy Scheme) would help the States and the power utilities in implementing transmission and distribution reforms;
- (d) if so, the details thereof; and
- (e) the steps taken or proposed to be taken by the Government to meet the requirement of funds for the Twelfth Plan?

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. 428 TO BE ANSWERED IN THE LOK SABHA ON 02.09.2011 REGARDING FUNDS FOR POWER SECTOR.

(a),(b) & (e): The Planning Commission has set up a Working Group on Power for the Twelfth Five Year Plan under the chairmanship of Secretary (Power). One of the nine Sub-Groups constituted under this Working Group is on financial issues. The terms of reference of this Sub-Group includes review of financial issues, assessment of investment requirement for the 12th Plan in the power sector and policy issues concerning arrangement of funds for the power sector. Based on the report of this Sub-Group and deliberations within the Working Group, the Working Group on Power will suggest requirement of funds, alongwith the measures required for mobilization of such resources, for the power sector in the Twelfth Five Year Plan, which will be subsequently finalised by the Planning Commission while formulating the Twelfth Five Year Plan.

(c) & (d): A proposal for setting-up of National Electricity Fund (Interest Subsidy Scheme) to provide interest subsidy for the loans taken by power utilities to strengthen and upgrade distribution network is under consideration of Government. It has been proposed that States which undertake to carry-out certain fundamental reforms in the Electricity Sector would be eligible to avail interest subsidy, and the quantum of interest subsidy would be linked to the performance of the utility on reduction in Aggregate Technical & Commercial (AT&C) losses, reduction in the gap between Actual Cost of Supply (ACS) and Average Revenue Realized (ARR) on subsidy received basis, provision of return on equity and multi-year tariff.