

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4488

ANSWERED ON:20.12.2012

POWER REFORMS

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Will the Minister of POWER be pleased to state:

- (a) whether the Prime Minister has expressed concerns over the delays in implementing power reforms, awarding mega transmission projects and commissioning of Ultra Mega Power Projects (UMPPs) and continued shortfall in power generation in the country;
- (b) if so, the details and the facts thereof;
- (c) whether the poor progress in the power sector could have an adverse impact on economic growth;
- (d) if so, the details thereof; and
- (e) the steps taken/proposed to be taken by the Union Government to boost the implementation of power reforms, creating mega transmission projects and commissioning of UMPPs etc. so as to meet the power requirements of the country?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b): Power Sector Reforms is a continuous process and is undertaken with a view to increase domestic production and efficiency. No delays have been reported in commissioning of Ultra Mega Power Projects (UMPPs). All the units of 4 awarded UMPPs are to be commissioned in the 12th Plan except the last unit of Talaiya UMPP which is likely to come in the 13th Plan. The high power transmission corridors are planned for evacuation of power from generation projects. The transmission corridors are accordingly commissioned progressively matching with commissioning of generation projects.

(c) & (d): Power generation in the year 2011-12 was 876.90 Billion Units (BUs) which was more than the target of 855.00 BUs. There is high co-relation between growth of Gross Domestic Product (GDP) and growth of power consumption. However, the ratio of growth of energy to the growth of GDP is less than unity.

(e) : Following steps have been taken by the Union Government to boost the implementation of power reforms, creating mega transmission projects and commissioning of UMPPs etc. so as to meet the power requirement in the country:

i. An Empowered Committee has been constituted by Ministry of Power for encouraging competition in the development of Transmission Projects.

ii. A Joint Monitoring Committee (JMC) has been constituted with the participation of all concerned stakeholders for the purpose of monitoring of commissioning of UMPPs.

iii. Tariff Policy notified on 06.01.2006 mandates procurement of power by distribution licensees competitively except in cases of expansion of existing projects of where there is a State controlled/ owned company as an identified developer. For Public Sector Projects also, the tariff of all new generation projects is to be decided on the basis of competitive bidding after 5th January, 2011.

iv. Improved operational norms in the tariff regulations issued by the Central Electricity Regulatory Commission (CERC) for the period 2009-14.

v. Promotion of higher units size/ plant capacity to reduce capital cost on account of economy of scale including setting up of Ultra Mega Power Projects (UMPPs) of 4000 MW capacity each through tariff-based International Competitive Bidding to reap benefits of economy of scale.

vi. Promoting use of more efficient super-critical technology in thermal power generation with a view to reduce the cost of fuel required per unit of generation.

vii. Encouraging captive coal mining for thermal power projects with the object of inter-alia lowering cost of fuel for coal-fired stations.