

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1438
ANSWERED ON:27.11.2009
FUNDS FOR POWER SECTOR
Karunakaran Shri P.

Will the Minister of POWER be pleased to state:

- (a) whether a report has been prepared by the Confederation of Indian Industry (CII) regarding the requirements of funds for the power sector in the next eight years;
- (b) if so, the details thereof;
- (c) whether the demand for power is expected to grow at a steady annual rate of 7.5-8 per cent till 2017; and
- (d) if so, the steps taken by the Government to meet the rising demand in the country?

Answer

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

(a) & (b): Yes, Madam. The Confederation of Indian Industry in association with A.T. Kearney team has prepared a report titled 'Sustaining Growth – Future of Indian Power Sector'. As per the Report, the planned expansion projects in power sector on a broad estimate entail a cumulative investment of Rs.11,00,000 crore for the next 8-9 years.

(c): According to 17th Electric Power Survey, the Compounded Annual Growth Rate(CAGR) of Peak Power demand of the country from 2009-10 to 2016-17 has been projected at 7.51%.

(d): The strategies adopted to meet the requirement are as follows:

- i. An enhanced capacity addition programme through successive Five Year Plans. During the 11th Five Year Plan a capacity addition target of 78700 MW has been set from conventional energy sources. According to the assessment of the Central Electricity Authority the capacity addition for the 12th Plan (2012-2017) would be in the range of 100,000-105,000 MW for each of the Plan.
- ii. Development of a number of Ultra Mega Power Projects of 4,000 MW each under competitive bidding.
- iii. Harnessing surplus captive power into the grid. A capacity of 12000 MW of captive power is likely to be added to the system during 11th Plan.
- iv. Development of about 10,000 MW capacity through merchant power plant initiative.
- v. Launching of 50000 MW hydro initiative for accelerated development of hydro power in the country.
- vi. Development of extensive network of transmission system commensurate with the capacity addition programme. Addition of new inter-regional capacities through development of National Grid.
- vii. Energy Conservation and energy efficiency through Demand Side Management (DSM) and end user initiative.
- viii. Renovation, modernization and life extension of old and inefficient generation units.
- ix. PFC and REC to ensure that good projects are not hampered due to non availability of funds so that viable projects are not hampered.
- x. Rigorous monitoring of capacity addition of the on-going generation projects.