

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:5051
ANSWERED ON:25.04.2013
GROWTH OF POWER SECTOR
Maadam Shri Vikrambhai Arjanbhai

Will the Minister of POWER be pleased to state:

- (a) whether there are enough possibilities for immense growth of power sector with just 700 unit of per capita power consumption in the country at present;
- (b) if so, the perspective plans in this regard for the 12th Five Year Plan period;
- (c) the cost difference between power generation by public sector and the private sector;
- (d) whether the Government proposes to launch cost cutting measures to bring the cost of power generation in the public sector at par or lower than that of the private sector; and
- (e) if so, the details thereof along with the steps being taken in this regard?

Answer

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

(a) : Yes, Madam.

(b) : Capacity addition programme to meet the demand of power in the country is planned keeping in view the overall growth of the economy and the demand for power from various sectors. As per Planning Commission, a capacity addition programme of 88,537 MW has been finalized from conventional sources during 12th Five Year Plan on an all-India basis. With this level of capacity addition demand for power on an all-India basis is likely to be met by the terminal year of 12th Five Year Plan.

(c): The cost of power generation varies from project to project and depends upon the type of power plant, type of fuel used, its transportation cost and project's financial package etc. Therefore, it would not be appropriate to compare the cost difference between generation of power by public sector and private sector projects.

(d) & (e): The Tariff Policy notified by the Central Government, inter-alia, provides that tariff of all new generation projects should be decided on the basis of competitive bidding, with some exemptions in hydro sector. Competition will lead to significant benefits to consumers through reduction in capital costs and efficiency of operations.