

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:156
ANSWERED ON:02.12.2005
POWER CRISIS
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Will the Minister of POWER be pleased to state:

- (a) whether the power sector in the country needs immediately attention in order to avoid a crisis situation in future;
- (b) if so, the steps taken/proposed to be taken in this regard;
- (c) whether the Government proposes to launch a major scheme to strengthen the State Electricity Boards (SEBs);
- (d) if so, the details thereof; and
- (e) the overall growth likely to accrue to power sector as a result thereof?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

(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. 156 TO BE ANSWERED IN THE LOK SABHA ON 02.12.2005 REGARDING POWER CRISIS.

(a) to (e) : The National Electricity Policy (NEP) has set the goals for power sector. The main objectives of the policy are as mentioned below:-

Access to Electricity - Available for all households in next five years.

Availability of Power - Demand to be fully met by 2012. Energy and peaking shortages to be overcome and adequate spinning reserve to be available.

Supply of Reliable and Quality Power of specified standards in an efficient manner and at reasonable rates.

Per capita availability of electricity to be increased to over 1000 units by 2012.

Minimum lifeline consumption of 1 unit/household/day as a merit good by year 2012.

Financial Turnaround and Commercial Viability of Electricity Sector.

Protection of consumers' interests.

A scheme `Rajiv Gandhi Grameen Vidyutikaran Yojana` (RGGVY) of Rural Electricity Infrastructure and Household Electrification has been introduced in April 2005 with an objective of providing access to electricity to all households over a period of four years. Under this scheme 90% capital subsidy will be provided for:

Rural Electricity Distribution Backbone.

Creation of Village Electrification Infrastructure.

Decentralized Distributed Generation and Supply, if required.

It is estimated that a capacity addition of 1,00,000 MW would be required during X and XI plans to achieve the goal set by the National Electricity Policy. A capacity of 13416 MW has been added till 30.11.2005 during the 10th Five Year Plan. For timely completion of projects, the monitoring mechanism has been strengthened. A nodal officer for each project has been nominated in the Central Electricity Authority. Regular review meetings are also organized.

The National Electricity Policy provides that consumers, particularly those who are ready to pay a tariff which reflects efficient costs, have the right to get uninterrupted 24 hours supply of quality power.

The trend of increasing commercial losses of Power Utilities has been arrested after 2001-02. The commercial losses (without subsidy) in State Electricity Boards had increased from Rs.4,560 crores during 1992-93 to Rs.25,259 crores during 2000-01. According to data compiled by Power Finance Corporation, the losses of Utilities have reduced from Rs. 27,068 crores in 2001-02 to Rs.20,623 crores in 2003-04.

Seven States namely Andhra Pradesh, Haryana, Gujarat, Maharashtra, Kerala, West Bengal and Rajasthan have been provided incentive under Accelerated Power Development and Reforms Programme (APDRP) for actual reduction in losses.

The Government has launched following major initiatives to overcome the problems of the power sector and to make it competitive and viable:

i) Tariff determination by independent Regulatory Commissions.

ii) Accelerated Power Development and Reforms Programme (APDRP) for assisting States in investment in distribution network for reducing technical losses and improving the quality of supply and also for incentivising reduction of cash losses through cash grants.

iii) Generation has been delicensed under the Electricity Act, 2003. Non-discriminatory open access has been provided in transmission.

iv) Stringent legal provisions relating to theft of electricity.

v) Emphasis on metering of feeders and supply to consumers for energy accounting and auditing for identifying location of high losses.

vi) Mega Power Policy for encouraging quick capacity addition of bigger generation plants.