

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:147

ANSWERED ON:01.03.2006

RESTRUCTURING OF APDRP

Scindia Shri Jyotiraditya Madhavrao;Singh Shri Prabhunath

Will the Minister of POWER be pleased to state:

- (a) whether the Government proposes to restructure the Accelerated Power Development & Reforms Programme (APDRP) under the Tenth Five Year Plan;
- (b) if so, the details and the reasons therefor along with the main features of the APDRP;
- (c) the programmes being sought to be restructured; and
- (d) the objectives sought to be achieved under the restructured programme?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 147 TO BE ANSWERED IN THE LOK SABHA ON 01.03.2006 REGARDING RESTRUCTURING OF APDRP.

(a) : Yes, Sir.

(b) & (c) : Keeping in view the sensitivity of the need to reform and revitalizing of the power sector, changes have been incorporated in the implementation of Accelerated Power Development and Reforms Programme (APDRP) from time to time. The changes have been based not only on the requirement but also on the basis of feedback received from various stakeholders in the power sector. They are:

(i) APDRP was originally started as Accelerated Power Development Programme (APDP) in 2000-01, with emphasis on upgradation of sub-transmission and distribution network and also on renovation and modernization/life extension/ uprating of old power plants (thermal and hydel).

(ii) Based on the resolutions passed in the Chief Ministers' conference held on March 3, 2001 and recommendations of Deepak Parekh Committee on State specific reforms APDP was rechristened as APDRP during 2002-03 with focus on concentrated zones i.e. industrial and urban areas. Incentive component was introduced in 2002-03 to encourage the utilities to reduce their cash losses.

(iii) To make the programme more effective, the following measures were initiated:

- The utilities were asked to sign Memorandum of Agreement (MOA), to commit improvements in set of benchmark parameters.

- Linking of securitisation under Tripartite Agreement to secure CPSUs dues for assistance under APDRP.

- A massive programme for training of utility personnel.

- Ranking of SEBs/utilities by independent agencies viz CRISIL & ICRA.

- Dissemination of best practices amongst the utilities through national level workshops.

- Appointing agencies like TERI (The Energy & Resources Institute), SBI Capitals, Tata Consultancy Services, Indian Institute of Management, Ahmedabad (IIMA) and ASCI (Administrative Staff College of India), Hyderabad to evaluate APDRP projects.

The main features of programme are to reduce Aggregate Technical and Commercial (AT&C) losses; to bring about commercial viability; to reduce outages and interruptions; and to increase consumer satisfaction. The programme envisages an investment component that covers strengthening and upgradation of sub-transmission and distribution system with twenty five percent grant and an incentive component as grant to states/ utilities that reduce cash losses with 2000-01 as the base year.

Thus, restructuring the Accelerated Power Development and Reforms Programme (APDRP) is a continuous process not only to fine-tune the parameters of performance of the power utilities but also to motivate the power utilities to become commercially viable.

(d) : APDRP will continue to focus on reducing AT&C losses, improve commercial viability of the Utilities, reducing outages & interruptions and to improve consumer satisfaction.