

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1936

ANSWERED ON:08.03.2006

INCREASE IN POWER PRODUCTION

Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita;Singh Shri Ganesh;Singh Shri Kirti Vardhan

Will the Minister of POWER be pleased to state:

- (a) whether the Government has formulated any plan to increase power production during eleventh Five Year Plan as reported in The Lokmat Samachar dated January 21, 2006;
- (b) if so, the facts of the matter reported therein;
- (c) the States which are likely to be benefited by the proposed plan;
- (d) the likely expenditure involved therein and the sources through which the amount is likely to be generated for the said plan; and
- (e) the other steps taken or being taken by the Government in this regard?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) & (b) : Government aims to add a power generation capacity of about 62,000 MW during the 11th Five Year Plan. The tentative composition of this capacity addition programme is as follows:

Coal and lignite : 38,000 MW
Gas (LNG) : 6,000 MW
Hydro : 15,000 MW
Nuclear : 3,000 MW

(c) : The capacity addition during XI Plan would benefit the country as a whole as it is likely to reduce substantially the energy and peaking shortages.

(d) : The Committee on Financing of Power Sector during X and XI Plans under the Chairmanship of Dr. Uddesh Kohli, former CMD, Power Finance Corporation, has estimated the total fund requirements in XI Plan at Rs.499818 crore for generation, transmission, sub transmission, distribution and rural electrification.

(e) : In this regard, Public Sector investments would be stepped up which will need to be supplemented by private investments. 100% foreign direct investment has been allowed in power sector except load despatch. In order to reduce the cost of the project and thereby ensure availability of cheap power to the consumers, guidelines have been issued under Electricity Act, 2003 to the effect that all future generation projects would be developed under the competitive bidding route. The role of Rural Electrification Corporation has been expanded to supplement efforts of Power Finance Corporation in financing of generation projects. Government has also taken initiative to set up five Ultra Mega Power Projects of about 4000 MW capacity each in the first phase, based on tariff based competitive bidding route.