

[3 March, 2005]

RAJYA SABHA

	2001-2002	2002-2003	2003-2004
Nagaland	253	284	295
Tripura	312	340	162
Total	3,275	3,490	4,588
All India Total	187,292	191,957	208,489

\*Included in UP\$Included in Bihar.

Note: The figures given above include the power supplied from the dedicated, jointly owned and Central sector generating stations

### National Electricity Policy

267. SHRI NAND KISHORE YADAV:  
SHRI LALIT SURI:

Will the Minister of POWER be pleased to state:

(a) whether Government propose to bring National Electricity policy for accelerated and efficient development of the sector;

(b) if so, the details of the policy;

(c) whether in the policy Government propose to provide subsidized power to below poverty line families and capital subsidies would be provided to States of Rural Electrification with special reference to dalit bastis, tribal areas and weaker sections;

(d) if so, the details in this regard; and

(e) by when the policy is to come into force and the time-frame fixed for providing power to every house in the country?

THE MINISTER OF POWER (SHRI P.M. SAYEED) (a) Under the provisions of section 3(1) of the Electricity Act, 2003, Central Government has notified the National Electricity Policy (NEP).

(b) Salient features of the policy are given in the Statement (*See* below).

(c) and (d) The policy states that a minimum level of support may be required to make the electricity affordable for consumers of very poor category. Consumers below poverty line who consume below a specified level, say 30 units per months, may receive special support in terms of tariff which are cross-subsidized. Tariffs for such designated group of consumers will be at least 50% of the average (overall) cost of supply.

The policy also states that State Governments may give advance subsidy to the extent they consider appropriate in terms of section 65 of the Act in which case necessary budget provision would be required to be made in advance so that the utility does not suffer financial problems that may affect its operations.

The policy recognizes the need for providing necessary capital subsidy and soft long-term debt finances for investment in rural electrification as this would reduce the cost of supply in rural areas, it states that adequate funds would need to be made available for the same through the Plan process. Also commensurate organizational support would need to be created for timely implementation. The Central Government would assist the State Governments in achieving this.

The Policy provides for particular attention to household electrification to dalit bastis, tribal areas and other weaker sections.

(e) The NEP has been notified on 12,2,2005. The policy aims at making electricity available for all households in next five years.

### ***Statement***

#### *Salient features of the National Electricity Policy*

1. Aims at accelerated development of power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders.
2. Objectives:
  - \* 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 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.

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\*Protection of consumer's Interests.

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- \* 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.
3. CEA to notify first National Electricity Plan in six months with a perspective upto 12th Plan period. The Plan prepared by CEA to be used by prospective generating companies, transmission utilities and transmission/distribution licensees as reference document
  4. Development of Rural Electrification Distribution backbone, village electrification and household electrification to achieve the NCMP target of completing household electrification in next five years. Financial support in terms of capital subsidy to States for rural electrification. Special preference to Dalit Bastis, Tribal Areas and other weaker sections for rural electrification. REC to be nodal agency for rural electrification at Central Government level.
  5. Creation of adequate generation capacity with a spinning reserve of at least 5% by 2012 with availability of installed capacity at 85%.
  6. Full development of hydro potential. Provision of long tenor finance for these projects.
  7. Choice of fuel for thermal generation to be based on economics of generation and supply of electricity.
  8. Development of National Grid.
  9. Cost of recovery of service from consumers at tariff reflecting efficient costs to ensure financial viability of the sector.
  10. Provision of support to lifeline consumers (households below poverty line having consumption of 30 units per months) in terms of tariffs.
  11. Availability Based Tariff (ABT) to be extended to State level for better grid discipline through economic signaling.
  12. Special emphasis on time-bound reduction of transmission and distribution losses.
  13. Measures to promote competition aimed at consumer benefits.

14. Reliability and quality of power supply to be monitored by State Electricity Regulatory Commissions.
15. Exploitation of non-conventional energy sources such as small hydro, solar biomass and wind for additional power generation capacity.

Other Features

16. Emphasis on achieving higher efficiency levels of generating plants through necessary renovation and modernization.
17. Central Government to facilitate the continued development of national grid. CTU and STU to undertake coordinated planning and development
18. Transmission capacity to have redundancy level and margins as per international standards.
19. Adequate transitional financial support for reforming power utilities. Encouragement for private sector participation in distribution.
20. The State Regulatory Commissions to put in place independent third party meter testing arrangement
21. Support for adoption of IT system for ensuring correct billing to consumers.
22. Speedy implementation of stringent measures against theft of electricity,
23. Full emphasis on augmentation of R&D base. Mission approach for identified priorities areas.
24. Demand side management through energy conservation measures Labels regarding energy efficiency to be displayed on appliances. Efficient agricultural pumpsets and efficient fighting technologies to be promoted. Appropriate tariff structure for managing the peak load,
25. Special attention for developing training infrastructure in the field of regulation, trading and power market
26. For giving boost to renewable and non-conventional energy sources  
a prescribed percentage of power, as specified by State Regulatory Commission, to be purchased from such sources of energy at the earnest

27. Necessary regulations and appointing Ombudsman for redressal of consumers' grievances to be in place in six months.

**Potential of Hydro-electric Plants in NE**

268. SHRI VIJAY J. DARDA: Will the Minister of POWER *be* pleased to state:

(a) whether it is a fact that North-East region has a potential to generate 34,000 MW of hydroelectricity, but so far only 668 MW has been tapped;

(b) if so, whether Government has any plans to set up hydroelectric plants in the NE to generate the power which could be connected to the national grid for tidying over the shortage in other parts of the country, and

(c) if so, the details thereof?

THE MINISTER OF POWER (SHRI P.M. SAYEED) (a) As per re-assessment study carried out by the Central Electricity Authority (CEA) the hydro-electric potential of North Eastern Region is 31,857 MW at 60% load factor (equivalent to about 58,971 MW installed capacity). Out of this identified capacity, power projects of an aggregate installed capacity of 1094.7 MW are presently in operation in North Eastern Region.

(b) and (c) The following Central and State Sector hydro-electric projects are presently under execution/implementation in North Eastern Region for benefits during 10th Plan and beyond:—

Sl. No	Name of the Project	Capacity (MW)	Implementing Agency	State
1.	Tuirial		NEEPCO	Mzor
2.	Kameng	600	NEEPCO	Arunachal Pradesh
3.	Subarairi Lower	2000	NHPC	Arunachal Pradesh
4.	Mynldu	84	MSEB	Meghalaya
5.	Kartii Langpi	100	ASEB	Assam
6.	Loktak DS	90	NHPC	Manipur
	TOTAL	2734		