

International Technology Congress on Intelligent Power Management Technology (IPMT)

20th May, 2010, New Delhi

Address by Shri Sushilkumar Shinde Hon'ble Union Minister of Power

It gives me immense pleasure to inaugurate the International Technology Congress on "Intelligent Power Management Technologies" followed by an Exhibition of Technologies and Products of companies related to Power Sector, organized by Federation of Indian Chambers of Commerce and Industry (FICCI).

I am told that the main aim of this Technology Congress is to encourage sustainable reduction of Aggregate Technical & Commercial losses (AT&C) in line with the Restructured Accelerated Power Development and Reforms Programme (R-APDRP) being implemented by the Ministry of Power, Government of India. The theme of the Technology Congress indeed is very relevant in the present scenario in the Power sector. I want to compliment FICCI for having chosen this subject.

Distribution is the backbone for sustaining the viability of power sector. However, the biggest challenge before the Indian power sector is its high Transmission & Distribution losses. A combination of technical and non-technical factors are contributing to high Transmission and Distribution losses. The AT&C losses in our country are of the order of 30%. In developed countries] they are 4 to 6 percent only. This causes a drain -on the resources of the Discoms in our country.

Government of India has launched Re-structured APDRP with a focus of AT&C loss reduction on sustainable basis through systematic measures. Part-A of the programme is IT enabled platform for energy accounting and consumer service centres whereas Part-B IS Strengthening and upgradation of distribution network for increasing reliability, automation and remote control. Under Part-A of R-APDRP, an IT enabling platform has been conceived with different levels of communication to and from the major components of the distribution network which support an intelligent network and intelligent devices to take information based action.

We have already sanctioned 1387 projects in 27 States for Rs. 5130 crores for Part A - i.e. energy audit and accounting to cover almost entire country and 239 projects in 7 States for Rs. 3059 crores for Part-B i.e. system strengthening schemes. Ministry has recently decided to provide underground cabling in places of tourist/religious importance and hill stations in Part-B of the scheme.

In R-APDRPJ a beginning has been made to adopt open communication protocol for meters which will provide a strong footing for bringing smart grids. Few well-thought smart grid pilots are envisaged under R-APDRP to validate the technology in Indian conditions and explore the possibility of leapfrogging.

We are in the process of constituting 'India Smart Grid Forum' under the aegis of the Ministry of Power. The proposed India Smart Grid Forum will be a non-profit voluntary consortium of public and private stakeholders with the prime objective of accelerating development of Smart Grid technologies in the Indian Power Sector. The goal of the Forum would be to help the Indian power sector to deploy Smart Grid technologies in an efficient, cost-effective, innovative and scalable manner by bringing together all the key stakeholders and enabling technologies.

We are also launching shortly "India Smart Grid Task Force" which will be chaired by Shri Sam Pitroda, Advisor to Prime Minister, Government of India on Public Information Infrastructure and Innovation. The Smart Grid Task Force will be an inter-ministerial group and will serve as Government's focal point for activities related to Smart Grid.

Under the Rajiv Gandhi Grameen Vidyutikaran Yojana with a capital subsidy of Rs. 33,000 crores, we have already electrified 79,135 villages and provided free electrical connections to 105.20 lakh BPL households. During the year 2009-10, we have achieved 105% of the village electrification target. We have to complete the remaining work by 2012 to achieve the goal of "access to electricity for all".

Under this programme, the management of Rural Distribution would be through franchisees who could be Non-Government Organisations (NGOs), User Associations, Panchayat Institutions, Cooperatives or individual entrepreneur.

Friends, development of power sector requires large investment that cannot be met solely by public finance. Electricity Act 2003 has provided a legal frame-work to attract private sector participation in the power sector. However, the present conditions prevailing in the power sector, particularly in the distribution segment, are unlikely to attract private investment unless the pace of reforms are accelerated. In this context, the Distribution sector should focus on Public Private Partnership model for resource mobilization and efficiency gains. The States Governments should provide legal and regulatory frame-work for smooth implementation of these partnerships.

I am of the opinion that unless the distribution system becomes financially viable, generation and transmission would be in deep financial crisis. As you are aware the commercial losses of State Electricity Boards remain too high. It is in this back drop that the Planning Commission is thinking of setting up an Expert Group to go into the entire issue of financial position of distributing utilities including their accounts. Friends, from this forum, I would like to call upon all the stakeholders to join hands

with the Central Government to take immediate steps to improve the situation for the overall benefit of the power sector.

I convey my best wishes to the organizers for the successful deliberations and fruitful results of this International Technology Congress.

Thank You.

Jain Hind!