

# India Electricity 2010

9th December, 2010, FICCI, New Delhi

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

It is a matter of immense pleasure for me to address you at the inaugural session of the 5<sup>th</sup> edition of International Exhibition-cum-Conference of India Electricity 2010. The theme for this edition is "Indian Power Sector: Integrated Planning & Implementation-12<sup>th</sup> Plan and Beyond" which is very relevant and appropriate at this point of time.

Friends, as you all will agree, growth of power sector is the key to economic and social development of any country. Be it industrial sector, transport sector, education or other social sectors; electricity plays vital role in their development in one way or the other.

In order to meet the growing need of the economy, a capacity of 62,374 MW is being targeted during the current Plan period, which will be three times the total capacity added during the 10<sup>th</sup> Plan. I will also like to share with you that during my tenure as Power Minister, we have added more than 44,000 MW of power between January 2006 and today. Last year, we added 9585 MW during the last 60 years and this year, we are confident of adding more than 15,000 MW.

Working Group is yet to be set up by Planning Commission to finalize the 12<sup>th</sup> Plan. However, as per CEA estimates, capacity addition requirement for 12<sup>th</sup> Plan would be higher than the 11<sup>th</sup> Plan. At present about 66,000 MW is under execution for likely benefits during 12<sup>th</sup> Plan. Therefore, we have a gigantic task of capacity addition during 12<sup>th</sup> Plan.

For this, various key inputs and equipments, commensurate with the capacity addition targets, are to be made available as per the schedule of requirement of individual power projects. Also, adequate manufacturing and erection capabilities for main plant equipments and balance of plants for thermal projects need to be assured. Availability of adequate number of vendors/sub-contractors, adequate trained manpower for erection and operation & maintenance of power plants is essential, if we are to meet our targets of capacity addition. Infrastructure facilities, like Road, Railways and Ports, are of great importance for power projects and which would need to be developed as per the requirement.

We will have to increase our manufacturing capacity, reduce delivery time while maintaining high standards of quality in the production of electrical equipments, machineries and other goods, so that the reliability of supply to the end consumer improves

over time. In addition to this, we have to take initiatives to upgrade our technologies and introduce new technologies in generation, transmission and distribution sectors.

The industry is being sensitized for the need to increase the manufacturing capacity and widening the vendor base for Main Plant equipment and Balance of Plants like Coal Handling Plant, Ash Handling Plants, Water treatment plant, etc. by organizing international conclave & regional workshops, etc. Other areas like advance procurement of critical materials and tie up of necessary funds before construction are also being addressed.

With the enactment of Electricity Act, 2003, a whole new system was evolved where private players were invited to be an active partner in the power sector. The Electricity Act, 2003 has created a legal framework for development of electricity supply industry through liberalized generation, market development and providing non-discriminatory open access to the generators and consumers.

The private sector has responded enthusiastically to the opening up of the power sector. The investment in the private sector has grown rapidly and their share in total capacity is likely to go up from less than 10 percent in the 10<sup>th</sup> Plan to about 32 percent during the 11<sup>th</sup> Plan. The private sector is expected to contribute significantly to the generating capacity addition during 12<sup>th</sup> Plan period (2012-17) and beyond. Several joint ventures like L&T-MHI, Bharat Forge-Alstom, Ansaldo-GB Power, Toshiba & JSW, Thermax with Babcock & Wilcox and BGR with Hitachi, have been formed in the private sector for manufacturing power plant equipments which will help future power projects including 12<sup>th</sup> Plan projects.

Distribution sector is the most crucial link in the electricity supply chain. The Government is making concerted efforts to improve the distribution sector through Restructured Accelerated Power Development and Reforms Programme (R-APDRP). Our aim is to bring down AT&C losses to the level of 15%. Projects under the scheme are to be taken up in two parts. Part –A is the projects for establishment of baseline data and IT applications for energy accounting/auditing and It based consumer service centers and Part – B is regular distribution strengthening projects. The programmed size is of Rs. 51,577 crores.

Friends, there is no meaning of any development if it does not reach the poor people living in rural areas of the country. Therefore, with a view to provide thrust to rural electrification, Central Government is implementing Rajiv Gandhi Grameen Vidyuttikaran Yojana. I would like to add here that 86,890 villages have already been electrified and 1,62,416 villages were intensively electrified as on 30.11.2010. Free electricity connections have been provided to 133.30 lakh BPL households. Remaining villages will be electrified by the year 2012.

I hope that with the active cooperation of all the stakeholders the power sector in the country would grow continuously to meet the aspirations of the common people at large.

At the end, I would like to thank once again the organizers of India Electricity 2010 for inviting me to address you and wish all the success.

Thank you.

Jai Hind