



Vision of the Government is '24x7 Power for All' – All the States on board to achieve Target by March 2019: Shri R. K. Singh

Programmes to reduce Power Losses below 15% by March 2019 in all States on track, says Union Power Minister

Consensus among States on Ending Human Interface in billing process; Mandatory installation of Prepaid/Smart Meters to prevent corruption and increase compliance in Bill payments

States to ensure Cross Subsidization in Power Sector remains below 20%: Shri R.K. Singh

Separation of Carriage & Content in Power Distribution to be brought about through an amendment to Electricity Act

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Union Minister of State (IC) for Power and New & Renewable Energy, Shri Raj Kumar Singh, chaired a Conference of Power and Energy Ministers of States/ Union Territories (UTs), held here today. A total of 17 States and 1 UT attended the Conference and deliberated on a host of issues including progress on Union Government flagship schemes at the State level and reform measures that need to be brought about at both Union and State levels to ensure 24x7 Affordable and Quality Power for All.

Addressing the media, Shri Singh clearly laid out Union Government's Vision behind holding this Conference. The Minister made very clear that 24x7 Power is a Fundamental Right of every citizen of the country and all States will have to ensure that by March 2019. The States have arrived at consensus-based roadmap to bring down losses in State Utilities/ DISCOMS to below 15% by then and any gratuitous load shedding by them after that deadline would attract penalties. "There can be no justification to pass on the burden of our inefficiency to the consumer and this shall not be allowed post March 2019. It is for the Power Utilities to devise strategy to reduce their losses, the consumer must not be burdened with high power tariffs irrationally", the Minister added.

During the Inaugural Session of the Conference, Shri Singh said that Power is at the core of economic growth of the country. "Without power there can be no development; We are on our way towards becoming a developed country and power reforms are top priority. Industrialization and job creation is not possible without affordable and quality power for all. We are about to add 40 million new consumers by December 2018 and expected economic growth of 8 to 9% in the next 5 years, power demand would increase manifold. Further, electricity will edge out other forms of energy in the coming future as it is more efficient and easy to transport. Electricity will take place of fossil fuels for mobility, cooking etc. and will decrease the imports of petroleum products. Becoming self-sufficient in Power is essential for our strategic autonomy on the global stage. In addition to this, renewable energy will take place of fossil fuels in the near future as storage systems become viable", the Minister said.

Government of India is providing funds to the States under ongoing Central Government schemes of over Rs. 85000 crores, for strengthening their power infrastructure. As the Country is power surplus presently, the States are now in a position to provide 24x7 power for all, which should be a primary obligation of the State Utilities, provided that the consumer pays for the power consumed, Shri Singh said. "It has been observed that some States are not able to bill the consumers effectively and are losing about 50% of the expected recoveries. Where the consumers are billed properly, the recovery is around 95%", the Minister added.

Proposing a slew of reforms, Shri Singh said that in order to decrease the losses of the DISCOMs and make them viable, the Union Government is proposing to do away with human interface in meter reading and billing of consumers for power consumption. Mandatory installation of prepaid meters for small consumers and smart meters for large ones, with every connection in the future in each State, would prevent corruption and increase compliance in bill payments, the Minister stated.

"This will be a pro poor step as it will give the poor consumers flexibility to recharge that prepaid meters online through mobile phones, as and when they want, with a small amount at any given point of time. This would also do away with the human element in meter reading, billing and recovery of the amount from consumer and hence the corruption involved at the lowest level.", said Shri Singh. Giving an example of a successful implementation of prepaid meters, the Minister said that Manipur has been able to reduce its losses by over 50% by installing prepaid meter in all its urban areas.

Shri Singh emphatically stated that if losses continue, no matter how much funds are injected into the Power Utilities, the Non-Performing Assets (NPAs) would start building up again and the DISCOMs would ultimately become unviable in the near future. “This is an unacceptable situation and we have to make the losses a thing of the past”, he added. The Minister also requested all the State Energy Ministers to take continuous review of DISCOM losses with senior officials of the State electricity department and ensure that the leakages are plugged and 24x7 power for all is mandatorily ensured by all States.

Speaking about the separation of carriage and content, the Minister said that it is proposed through an amendment in the electricity act to segregate the carriage from content in the distribution sector. It is planned to introduce multiple supply licensees in the content, based on market principles, and continue with the carriage as a regulated activity. Shri Singh further said that it is also proposed to set in place special police stations and courts to settle cases in the power sector at the earliest.

Talking about the reforms in the renewable energy sector, Shri Singh said that India has pledged to achieve 175 GW of renewable energy by 2022 and 40% of installed power capacity from renewable energy by 2030 as an action plan to fight climate change. To ensure the achievement of this goal, it is mandatorily ensured by State governments that the Renewable Purchase Obligations (RPOs) are fulfilled, the Minister added. Shri Singh also said that the Union Government is focusing on hydropower and soon the new hydro power policy will be formulated. “Hydropower is important as balancing power and will be instrumental in decreasing our dependence upon fossil fuels in the future”, Shri Singh added.

Stating other reform measures in Power Sector planned in near future, the Minister said that the Government of India is focusing on Make in India and the future industrialization and employment generation in the country has to be indigenous. “For giving a push to Make in India and Domestic Industrialization, we have to make quality power affordable for all and all States have to ensure that the Power Purchase Agreements are honored, tariffs are sustainable and the element of cross subsidization remains below 20%”, Shri Singh said.

Further, the Minister added that, to help the poor power consumers, the government is pushing for Direct Benefit Transfer (DBT) of subsidy in power sector. This would make the industry more competitive and the burden of excessively high tariffs will be taken away from the consumers.

Ministers from the States of Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Goa, Haryana, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Manipur, Nagaland, Odisha, Sikkim, Tamil Nadu, Telangana, Uttar Pradesh and UT of Puducherry were present during the Conference with their senior officers. Other dignitaries present were Shri Ajay Kumar Bhalla, Secretary Power, along with other senior officers of the Ministry.

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