

## Certainty of Uncertainty in Power

### **India, the land of paradoxes, harbours dreams of becoming a superpower without plugging into power**

It is certain that the country will continue to enjoy darkness in the coming years. Perhaps it is fate, perhaps it is destiny.

It has been seven years and more since the Electricity Act, 2003, was passed. We have yet to see serious efforts at reforms at the ground level.

The consumer is yet to get a choice. The effort made to install independent regulators has been over-run by the phenomenon called not my turf baby.

The central government blames the state governments. The state governments blame the central government and the regulators. The regulators blame the stakeholders and, while everybody is passing the buck, we are informed of the pleasant news that instead of being power surplus, our deficit is widening and our losses on account of the power sector alone will touch 1,00,000 crore.

This 1,00,000 is a fascinating number. We have been surrounded and trapped in a sense because we have been talking about this 1,00,000 either as capacity addition for the last four Five-Year Plans and failed or we take the 1,00,000 mw per annum of electricity capacity addition by China and compare that with our 1,00,000-crore loss per annum.

While the debate rages on who is responsible for the fiasco moves on at different levels, the ministry of power blames the ministry of coal and the ministry of petroleum and natural gas; and all three of them blame the ministry of environment.

All of them put together blame the state governments for putting stumbling blocks into the magic called open access that is being denied by and large.

It is eight years since the Electricity Act, 2003, and we still don't have a dynamic power market. We have power exchanges that are unlicensed yet regulated. This is itself a contradiction.

The conflict of jurisdiction of regulation in power exchange between the regulatory commissions in electricity and that of the Forward Markets Commission, ever since the honourable Supreme Court has defined electricity as a commodity, is now compounded with the sounds of thunder emanating from the competition commission, claiming jurisdiction adding to the cacophony.

So, between the various important players mentioned above, the poor investor is thoroughly confused, if not confounded, by the challenges, including non-availability of land for setting up power generating capacity, non-guaranteed availability of fuel supply, and the uncertain and inconsistent policies on environment. He ends up with being forced to supply to bankrupt monopolies: the public sector electricity boards that continue to be overstaffed by 20-30 times in some cases and treat the new private *sectorwallahs* with contempt. All these result in a great level of concern and trepidation in the minds of investors who have just about figured that achieving financial closure, successfully running a power project and making profits in a

constantly-changing universe of rules, regulations and laws is indeed fit not for men but for supermen. So,three cheers for all the work done in the name of reforms. This reminds us of a movie, '*Neend hamari, khwaab tumhare*' (Your dreams in my sleep). The private sector must bring in the resources while the incumbent can play around with them with callousness. So, dream on, hoping to have 24X7 electricity. Did you say superpower!