

## Recent Initiatives to Boost Power Sector

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### 1. Introduction

In 2014, a new government was voted to power with an all encompassing agenda of growth and development of economy. At that time economy was in difficulty, inflation was high and there was a policy paralysis. But after coming to power in 2014 the Government has taken a number of initiatives for boosting different sectors of economy. Most of the initiatives were dynamic, proactive and are related to various sectors. Some of those initiatives in Power Sector are discussed in the article.

India as a developing country requires huge amount of uninterrupted power supply. India mostly depends upon thermal power. All other types like Hydro power, nuclear power, renewable power forms smaller share in total power industry. Government has taken initiatives in power sector ranging from Reforms in coal industry (which is main raw material for power industry in India) to final consumption of power. Few of the initiatives are summarised below.

### 2. UDAY (Ujwal Discom Assurance Yojana)

The problem of DISCOMs is that they have to carry operations at a low tariff rates as tariffs are regulated by Central Electricity Regulatory Commission (CERC) and also they suffer heavy transmission and distribution losses. Thus to improve their performance and financial condition, the ministry of Power launched UDAY (Ujwal Discom Assurance Yojana). According to provisions of this scheme the state governments have to take the burden of 75% of debt and pay back lenders by selling bonds. For remaining 25% DISCOM will issue bonds. The UDAY intends to reduce the transmission and distribution losses of electricity. Most of the state governments have joined this scheme. According to recent reports published by 'India Ratings', performance of DISCOMs have improved on an average during last fiscal. Transmission and distribution losses have lowered at an aggregate level. This has freed up to Rs. 22,000 crore capital in banking sector.

### 3. Clean & Green Energy

Paris COP( Conference of parties) 21 was ratified by Government of India, under this climate change deal our government has set the target of achieving the 175 GW of renewable energy capacity, out of which 100 GW is to be come from solar energy. This has led to tremendous growth in clean energy sector and especially in solar energy sector. Around 293 global and domestic companies have committed to generate 266GW of solar, wind and other forms of renewable energy. The ministry of new and renewable energy plans to introduce a fixed cost component to the tariff for electricity generated from renewable energy sources in a bid to promote green energy. Thus, government has been proactive in promoting renewable energy industry.

### 4. Thermal Power Generation

Coal is main raw material in thermal power plants; many companies require coal on regular basis to make sure their captive power generation. But because of monopoly in coal there has been shortage in coal thus, thermal power plants are not running at their full capacity. Cabinet committee of economic affairs has approved a new coal linkage policy aimed at providing necessary supply of fuel to power plant through process of reverse auction. Also some initiative for clean coal utilization has also been taken by government. Government wants to increase the coal production so that the thermal power plants don't face the shortage of coal. Government is also considering the proposal of giving coal mining license to private companies. Government of India has a target of producing 1 billion tons of coal till 2020. This step by Government will be a direct boost for thermal power generation.

### 5. 24 X 7 All Power Schemes

Consumption of power is one of the important indicators for development of nation. 'Power For all' initiative of government aims at 24 x 7 power availability for households and, commercial businesses. Central governments have joined hands with state government to achieve this objective till 2019. If availability of power will increase it will surely improve the infrastructure facility and will improve production capacity of individuals and commercial organizations.

Along with power for all scheme one other scheme named as Soubhagya is also launched which intends to electrify all villages by end of December 2018. Electricity connectivity will reach the every household in every village. Rural Electrification Corporation will be nodal agency for Soubhagya. Because of this huge spending on the scheme not only Transmission giant like Power grid will benefit (which owns and maintains transmission assets) but the downstream companies which are involved in transformers, cables, insulator, will also benefit a lot.

### 6. Conclusion

If one keenly analyzes the reform pattern in power sector then it can be known that government is systematically trying to solve the problems of supply side in power sector by launching scheme like UDAY and it is also trying to improve demand or consumption by launching schemes like Soubhagya and Power for all. Thus these initiatives by government are not random, they are systematically designed in such a way that it will reshape the whole power sector of country and it may make India electricity generation hub.

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