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Government Panel To Study Stressed Power Sector

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The government has decided to set up a high-level empowered committee to resolve the stress in the thermal power sector.

- The Committee will be headed by Cabinet Secretary with representatives from the Ministry of Railways, Ministry of Finance, Ministry of Power, Ministry of Coal, and the lenders having major exposure to the power sector.
- The committee will look into the various issues in the thermal power sector and take steps to maximise the efficiency of investment.
- According to the Economic Survey 2016-17, non-performing assets (NPAs) in power generation account for around 5.9% of the banking sector's total outstanding advances of Rs. 4.73 trillion.
- Other steps to be taken include- changes in the fuel allocation policy, regulatory framework, mechanisms to facilitate sale of power, payment security mechanisms, the Insolvency and Bankruptcy Code (IBC), asset restructuring company (ARC) regulations and any other measures proposed for revival of stressed assets so as to avoid such investments becoming non-performing assets (NPA).
- Rural Electrification Corp under the Power Ministry is working on a scheme, SAMADHAN to resolve the crisis.
- Under **SAMADHAN (Scheme of Asset Management and Debt Change Structure, or Samadhan)**, the bankers' consortium shortlisted 11 power plants with an overall capacity of over 12 GW, which are either complete or nearing completion, to take over their unsustainable debt of stressed power plants to avoid their liquidation.
- State-run Rural Electrification Corp. Ltd has identified projects with a total debt of around Rs. 1.8 trillion as part of the scheme, named **Power Asset Revival through Warehousing and Rehabilitation, or 'Pariwartan'**.

Power Sector in India

- India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste.
- India is the world's third largest producer and consumer of electricity.
- The Ministry of Power which started functioning independently in 1992 is primarily responsible for the development of electrical energy in the country.
- The Government has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power.
- The Government is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.
- 100% FDI is permitted under automatic route in the power sector.

Steps taken by the Government for development of Power Sector

- **Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for rural areas:** The scheme provides for
 - separation of agriculture and non-agriculture feeders
 - strengthening and augmentation of sub-transmission and distribution infrastructure in rural areas including metering at distribution
 - transformers, feeders and consumers end
 - rural electrification
- **Integrated Power Development Scheme (IPDS) for urban areas:** The scheme provides for
 - strengthening of sub-transmission and distribution networks in urban areas
 - metering of distribution transformers/feeders/consumers in urban areas
 - IT enablement of distribution sector and strengthening of distribution network
- **Operationalization of Power System Development Fund (PSDF):** PSDF shall be utilized for the project proposed by distribution utilities for
 - creating necessary transmission system of strategic importance
 - installation of shunt capacitors etc. for improvement of voltage profile in the grid
 - installation of standard and special protection schemes
 - renovation and modernisation of transmission and distribution systems for relieving congestion; etc.
- **Ujwal Discom Assurance Yojana (UDAY):** The scheme has been launched for operational and financial turnaround of Discoms.
- **Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya):** The scheme has been launched to ensure electrification of all willing households in the country in rural as well as urban areas.