



India



Ministry of power has formulated a six level intervention strategy to rejuvenate the power sector, primarily to make it viable. Efforts are to focus on reforms in the distribution sector to improve accountability & revenue realization in the form of increased metering conversion of un-metered connections to metered connections, addition of fresh connections, higher billing and collection efficiency.

Technical, commercial, financial, IT, organizational interventions have been devised as part of the six level intervention strategy. Technical, commercial, financial, IT, organizational interventions have been devised as part of the six level intervention strategy. These strategies for distribution reforms envisage interventions at the following levels

National Level Interventions

The basic issues at national level related to policy issues, legislation, uniform standards and energy conservations, accounting standards.

SEB Level Interventions

The basic issues confronting the state level interventions are restructuring, accountability, commercial accounting, integrated management information system, grid discipline and TOD metering

Distribution Circle Level Interventions

The basic issues at Distribution circle level are related to:



Photo: Bloomberg

Increase in income: Increasing the billing, reduction of pilferage, more remunerative pricing of the commodity (energy) and optimum utilization of physical assets and brand value of the supplier.

Reducing the expenditure: Sourcing of the least cost energy and reducing the energy management or energy handling cost. In order to achieve the objectives of a retail business model it is proposed to convert the circle as an independent identifiable business unit of the DISCOM.

Feeder Level Intervention

11kV feeders are the basic source of income to an electricity utility. The issues confronting it are metering and billing, bill collection, Abnormal Voltage, segregation of losses and overall ensuring quality of power supply.

PROFILE

Capital Area	New Delhi	Installed Capacity	112GW
Population	3.29 million km ²	Population Electrified	87%
GDP	1.095 billion	Main Voltages (kV)	400, 220, 132, 66
Currency	US\$4.294 trillion	Natural Resources	coal, bauxite, natural gas, petroleum, hydropower
	Indian Rupee		

Consumer Level Intervention

The Basic issues at consumer level are related

to Mandatory metering, compliance of billing, consumer satisfaction, energy conservation.

Highlights of Power Sector

Installed Generation Capacity (As on 31-07-09)

All India	Thermal			
	Coal	Gas	Diesel	Total
MW	79208.88	16385.61	1199.75	96794.24
%age	52.4	10.8	0.8	64.1

Capacity addition target during 11th plan

	Hydro	Thermal	Nuclear	Total
MW	15627	56693	3380	78700
%age	19.9	75.8	4.3	100.0

Capacity addition target during 11th plan

Step down sub stations	Hydro	Thermal	Nuclear	Total
Target (MW)	845.0	13002.0	660.0	14507.0
Achievement upto July .09 (MW)	39.0	3069.0	0.0	31080.0
%age	4.6	23.6	0.0	21.4

Electricity generation target/achievement (2009-10)

Step down sub stations	Hydro	Thermal	Nuclear	Bhutan (Imp)	Total
Target MU	115468	648479.58	1900	6564	78511.58
Achievement upto July.09 MU	36865.48	208753.77	5640.56	1919.48	253179.29
%age	31.98	32.19	29.69	29.24	32.07

Status of CEA concurrence to Hydro Schemes

Period	Project report received	Carry forward from Prev.year	Under Prelim. Exam	Accepted for concurrence	Concurrence given by CEA	Prohct reports returned to developer
2007-08	13	-	-	3	4	10
2008-09	8	3	-	1	4	5
2009-10	7	11	4	1	0	0

All India Thermal PLF (%)

2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
72.2	72.7	74.8	73.6	76.8	78.6	77.19	77.79

All India Annual per Capita consumption of Electricity

Year	Per Capita Consumption (kWh)		
	Per Capita consumption (kWh)		
2002-03			566.7
2003-04			592.0
2004-05			612.5
2005-06			631.5
2006-07			671.9
2007-08			704.02

All India Transformation, T&D and AT&C losses:

Year	T&D losses	AT&C Lossess*
2002-03	32.54	32.54
2003-04	32.53	34.78
2004-05	31.25	34.33
2005-06	30.42	34.54
2006-07#	28.61	32.07
2007-08\$	26.91	NA
*PFC Figs.		

a) All India Village Electrification (as on 30.06.2009):

493240 (83.1%)

b) Pumpsets Energised (as on 30.06.2009):

15992907 (81.5%)

All India Coal Consumption for Power Generation (Utilities)

Year	Hydro	Coal Consumption	
		(Million Tonnes)	
2001-02		240	
2002-03		253	
2003-04		263	
2004-05		278	
2005-06		280	
2006-07		302	
2007-08		330	
2008-09		355	

Average cost of power supply & average realization (paise/kWh)

Year	Cost of supply (Paise/unit)	Thermal	Realization (paise/unit)	
			Including Agriculture	Only Agriculture
2001-02	246		181	58.67
2002-03	238		195	77.48
2003-04	239		203	72.39
2004-05	254		209	75.68
2005-06	258		221	79.37
2006-07	276		227	71.32

Power supply 2009-10 (July.09)*

Year	Energy (MU)	Deficit%	Peak	Deficit%
	Requirement		Demand(MW)	
Northern	23,843	-9.9	35,745	-16.1
Western	17,930	-8.9	30,990	-15.6
Southern	17,784	-6.0	26,755	-7.1
Eastern	7,582	-5.8	12,790	-6.3
North Eastern	814	-12.9	1,665	-15.9
All India	67,953	-8.2	107,945	-12.6

Historical background of Legislative Initiatives

The Indian Electricity Act, 1910

- Provided basic framework for electric supply industry in India.
- Growth of the sector through licenses. Licence by state govt.
- Provision for licence for supply of electricity in a specified area.
- Legal framework for laying down of wires and other works.
- Provisions laying down relationship between license and consumer.

The electricity (supply) Act, 1948

- Mandated creation of SEBs.
- Need for the state to step in (through SEBs) to extend electrification (so far limited to cities) across the country.

Main amendments to the Indian Electricity supply act

- Amendment in 1975 to enable generation in central sector.
- Amendment to bring in commercial viability in the functioning of SEBs - Section 59 amended to make the earning of a minimum return of 3% on fixed assets a statutory requirement (w.e.f 1.4.1985).
- Amendment in 1991 to open generation to private sector and establishment of RLDCs.
- Amendment in 1998 to provide for participation in transmission and also provision relating to transmission utilities.

Electricity Act 2003

This Act has repealed above three acts namely (i) The Indian Electricity Act, 1910 (ii) the Electricity (supply) Act, 1948 and (iii) The Electricity Regulatory Commission Act, 1998. The provision of States.

Reforms Acts (list given at the end) have been saved under section 185 (3) of the Act subjected to the condition that the provisions of the enactment are not in consistence with electricity Act shall apply to the state in which such enactments are applicable.

The salient features of the Electricity Act are as follows:

- No Licence is required for generation and captive generation has been freely permitted. Hydro projects exceeding the capital cost notified by central Government however, need concurrence of the central Electricity Authority.
- No license required for generation and distribution in notified rural areas.
- Transmission utility at the central as well as state level, to be a Government company - with responsibility for planned and co-ordinated development of transmission network. Provision for private licenses in transmission.
- Trading, a distinct activity recognised with the safeguard of the regulatory commissions being authorised to fix ceilings on trading margins, if necessary.
- Open access in distribution with provision for surcharge being gradually phased out.

- Distribution licenses would be free to undertake generation and trading.
- The state Governments are required to re-organise the SEBs. However, they may continue the SEB as state Transmission utilities and licensees for such time the state and central government agree.
- Setting up of the state Electricity Regulatory Commission made mandatory.
- An Appellate Tribunal to hear appeals against the decision of the CERC and SERCs.
- Metering of all electricity supplied made mandatory.
- Provisions relating to theft of electricity made more stringent.
- For rural and remote areas stand alone systems for generation and distribution permitted.
- Thrust to complete rural electrification and provide for management of rural distribution by panchayats, cooperative societies, non-government organizations, franchises, etc.

Status of power sector reforms

Electricity (Amendment) Act 2007

The Electricity (Amendment) Act, 2007, amending certain provisions of the Electricity Act, 2003, has been enacted on 29th May 2007 and brought into force w.e.f. 15.6.2007.

The main features of the Amendment Act are:

- Central Government, jointly with State Governments, to endeavour to provide access to electricity to all areas including villages and hamlets through rural electricity infrastructure and electrification of households.
- No license required for sale of electricity from captive units.
- Definition of theft expanded to cover use of tampered meters and use for unauthorized purpose
- Theft made explicitly cognizable and non-bailable.
- Deletion of the provision for elimination of cross subsidies. The provision for reduction of cross subsidies would continue.

Operationalisation of open access:

Open access is one of the key features of

Electricity Act, 2003 for making the electricity industry competitive. Open access in inter-State transmission is fully operational. TO give a fresh impetus to implementation of open access over transmission lines of State Utilities and over the distribution networks, the Ministry of Power convened the Conference of the Chief Secretaries in April, 2007, in which open access were one of the agenda items. The Ministry of Power convened the Conference of the Chief Secretaries in April, 2007 and the Conference of the Chief Secretaries in April, 2007, in which open access were one of the agenda items. The Ministry also convened interaction with the Forum of Regulators (FOR) and the State Power Secretaries on 5.11.2007 exclusively on Operationalisation of open access at State level. The SERCs have resolved to actively operationalise open access at State level. The SERCs have resolved to actively operationalise open access. The forum has also launched a website www.forumofregulators.org is to display the open access charges and status of open access applications in various States.

Power Exchanges

CERC has issued guidelines for setting up power exchanges. Two Power Exchanges i.e. Indian Energy Exchange and Power Exchange India Ltd. Are functional. This action is expected to stabilize the market rate of surplus power.

Guidelines for procurement of electricity

In compliance with section 63 of the Electricity Act, 2003, the Central Government on January 19, 2005 had notified guidelines for procurement of power by Distribution Licensees through competitive bidding. On March 31, 2006, Central Government had issued the standard bid document containing Request For Qualification (RFQ), Request For Proposal (RFP) and model Power Purchase Agreement (PPA) for long term procurement of power from projects having specified site and location through tariff based competitive bidding. The Central Government has also issued Standard Bidding document for Case-1 on April 2, 2009, where the location, technology, or fuel is not specified by the procurer.

Successful tariff based bidding for four Ultra Mega Power Project of 4000 MW each capacity has shown that competitive procurement of power leads to significant benefits to the consumers.

Reorganisation of the State Electricity Boards

Before enactment of the Electricity Act, 2003, various States had enacted State Electricity Reforms Acts, which provided for reorganization of their State Electricity Boards (SEB).

Section 172 (a) of the Electricity Act, 2003 provides that the SEB shall be deemed to be the State Transmission Utility (STU) and a licensee under these provisions of the Act for a period of one year from the appointed date, i.e.:10th June 2003. However a SEB can continue for some more time as agreed to mutually by State and Central Government.

So far, 14 states have reorganized their SEBs. 10 States namely, Orissa, Haryana, Andhra Pradesh, Karnataka, Uttar Pradesh, Uttarakhand, Rajasthan, Delhi, Gujarat and Madhya Pradesh have done so under their State Electricity Reforms Act. Assam, Maharashtra, West Bengal (w.e.f. 1.4.2007), Chhattisgarh (w.e.f. 1.1.2009) have reorganized their SEBs under the provisions of the Electricity Act, 2003. The SEB of Assam presently continues to discharge the licensee function only for trading of electricity. Government of Tripura has corporatized its electricity department.

The remaining states of Bihar, Jharkhand, Kerala, Punjab, Tamil Nadu, Meghalaya and Himachal Pradesh are in the process of formulating schemes for reorganization of the SEBs.

DISTRIBUTION REFORMS & ACCELERATED POWER DEVELOPMENT AND REFORMS PROGRAMME (APDRP)

Distribution Reforms:

The Ministry of Power took various initiatives towards reforms and other policy measures for helping the state power Utilities to bring improvement in their efficiency towards bringing improvement in their efficiency towards bringing about commercial viability in the

power sector. Some of the major initiatives were the establishment of regulatory mechanism at central and state level, restructuring of the state power Utilities, metering of feeders & consumers, energy accounting and auditing, securitization of outstanding dues of CPSUs. Ministry of Power signed the MOU with states to under take distribution reforms in time bound manner. 27 states, so far have either constituted or notified their regulatory commission and 22 have issued tariff orders in the direction of rationalizing the tariffs. Now the states are moving towards Multi-Year Tariff, Time of Day Metering and intra state availability based tariff. 15 SEBs/ Electricity Departments have been unbundled & corporatized. All the states have securitized their outstanding dues towards CPSUs. Electricity Distribution has been privatized in Delhi and Orissa. At national level 98% feeders and 88% of the consumers have been metered so far. 100% feeder metering has been achieved in 20 states.

ACCELERATED POWER DEVELOPMENT AND REFORMS PROGRAMME:

The Accelerated Power Development Reforms Programme (APDRP) was launched in 2002-03 for implementation in 10th Plan as additional central assistance to the states for strengthening and up gradation of sub-transmission and distribution system of high-density load centres like towns and industrial areas.

The main objectives of the programme were to reduce AT&C loss, reduction of commercial loss and improve quality and reliability of supply.

The Programme has two components:

Investment component – Central Government provides assistance to the tune of 25% and 90% of the project cost in the form of grants to Non-special category and Special Category states respectively. Balance amount to be arranged from Financial Institutions/own resources.

The status as on 31st March 2009:

No of projects sanctioned: 571
 Total Project Cost: Rs.17,033.58 Crore
 APDRP (GOI) Component: Rs.8,720.07 Crore
 Total fund released by GOI: Rs.7,646.35 Crore

C/Part drawn from FIs: Rs.6,711.80 Crore
 Total fund utilized: Rs.13,923.10 Crore

Earlier, Government was providing 10% loan to special category and 25% to Non-special category states in addition to the grant as mentioned above. However, as recommended by the 12th Finance Commission, the loan component has been discontinued by the Ministry of Finance has been discontinued by the Ministry of Finance w.e.f. 2005-06. Funds are released by Ministry of Finance, Government of India under the advice from Ministry of Power in three installments progressively based on implementation process. Except Jammu & Kashmir all States have completed or short closed the APDRP schemes sanctioned by the GOI.

Incentive component – This component is to incentivize the SEBs/ utilities to reduce their financial losses. Funds are released to the SEBs for actual cash loss reduction, for every Rs. 2 of cash loss reduction Rs.1 is given as grant. The cash losses are calculated net subsidy and receivables/ The year 2000-01 has been adopted as the base year.

Nine states have shown reduction of cash loss amounting to Rs. 5759.46 Crore and become eligible for APDRP incentive of Rs. 2879.73 Crore. Government has released Rs. 2879.73 Crore so far to Andhra Pradesh, Gujarat, Haryana, Kerala, Madhya Pradesh, Maharashtra, Punjab, Rajasthan and West Bengal/

Although at national level the AT & C loss of state power has not shown much improvement over the past three years. The loss has come down in towns where APDRP has been implemented. Some of the utilities which adopted various interventions as envisaged under the programme have shown significant reduction in AT & C loss. AT & C losses have been brought down below at 20% in 215 APDRP towns in the country of which 163 towns have been brought below 15%.

The billing efficiency at national level has improved from 68.37% during 2002-03 to 71.04 during 2006-07. The national average collection efficiency has also improved from 92.68% during 2002-03 to 94.20% during 2006-07 with his improvement in billing and collection

efficiency, the national average At&C loss of the distribution companies has reduce from 36.63% to 33.07%

The overall commercial loss (without subsidy) of the utilities reduced from Rs.29,331 Crore during 2001-02 to Rs. 27,446 Crore during 2006-07.

Re-structured APCRP:

Cabinet Committee on Economic Affairs (CCEA) approved the “Re-structured APDRP” for XI plan as a central sector scheme in its meeting held on 31.07.2008. the focus of the programme is on actual, demonstrable performance in terms of AT&C loss reduction. Projections under the scheme would be taken up in two parts in urban areas-towns and cities with population of more than 30,000 (10,000) in case of special category states). Projects execution under the scheme to be taken up in Two Parts. Part-A shall include the projects for establishment of baseline data and IT applications for energy accounting/auditing & IT based consumer service centres. Part-B shall include regular distribution strengthening projects. The activities to be covered under each part are as follows:

Part -A: Preparation of Base-line data for the project area covering consumer indexing, GIS Mapping Metering of Distribution Transformers and feeders, and Automatic Data Logging for all Distribution Transformers and feeders and SCADA / DMS system for big cities only. It would include Asset Mapping of the entire distribution network at and below the 11kV transformers and feeders, Low Tension lines, poles and other distribution network equipment. It will also include adoption of It applications for meter reading, billing & collection, energy accounting & auditing, redressal of consumer service centres etc. The base line data shall be verified by an independent agency appointed by the Ministry of Power.

Part-B: Renovation, modernization and strengthening of 11kV level Substations, Transformers/Transformer centres, Re-conductoring of lines at 11kV level and below, Load Bifurcation, Load Balancing, HVDS, Installation of capacitor banks and mobile service centres etc. In exceptional cases, where

subtransmission system is weak, strengthening at 33kV or 66kV levels may also be considered. Expected investment in Part-A (baselinesystem) shall be Rs.10,000 crore and that in Part-B shall be Rs. 40,000 crore.

- Initially 100% funds for Part A and 25% (90% for special category states) funds for Part B projects shall be provided through loan from the Govt. of India The balance funds for Part B projects shall be raised from financial institutions.
- The entire amount of loan for Part – A projects shall be converted into grant once the establishment of the required Base-line data system is achieved and verified by an independent agency appointed by MoP.
- Up to 50% (90% for special category States) of the project cost of Part-B projects shall be converted into grant five equal tranches on achieving the 15% AT&C loss in project area on a sustainable basis for a period of five years. In addition, utility level loss reduction (AT&C losses) @ 3% per annum for utilities with baseline loss levels exceeding 30% and @1.5% for utilities with baseline loss levels less than 30% have to be achieved.
- Part C of the programme is an enabling component for the implementation of APDRP. Provision of Rs 1,177 Crore through GBS has been provided in the scheme. This part is to be implemented by Ministry of Power/Nodal Agency. PFC has been appointed as nodal agency for operationalising the programme. The following activities are included in Part C:
 - Preparation of a template for System Requirement Specifications for sub-division automation and for customer relations management module, as well as for automated baseline data collection systems,
 - Validation of the Base-line Data to be done by independent agencies identified through bidding process by the Ministry or its nominee. Independent agencies will also verify the AT&C losses and monitor quality of works to be executed under
- Project Advisors and Project Management Consultants – Advisor cum Consultants will be appointed to assist the Ministry in monitoring of the APDRP and to validate the project proposals submitted by the Distribution companies. Project Management Consultants will assist distribution companies in formulating the DPRs, in standardization of bidding/ contract documents, managing the bid process, monitoring of progress, quality assurance etc. The will also facilitate the Management Information system and assist the Distribution Reforms Committees formed at the State level.
- Project Evaluation by Third Party will be the basis of computation of the extent of conversion of loan into grant for the specific project. A panel of Project evaluators will be finalized through a bidding process.
- Capacity Building and development of franchisees in Distribution Sector will be a major focus area to provide training to employees of the Distribution companies and existing & prospective franchisees in management, technical, commercial and consumer related areas, exposure to latest developments in electricity distribution, loss reduction, theft and pilferage control within India and abroad, dissemination of knowledge through Best Practice Workshops and Conferences, standardization of specifications of equipment required in electricity distribution network, standardization of contractual documents for outsourcing project management, turnkey jobs, franchising etc.
- Consumer Attitude Survey will be carried out to assess the impact of the measures taken in the distribution sector towards improving of services.
- Under Part D of the scheme, there is provisions for incentive for utility staff in towns where the AT&C loss levels are brought below the base line levels. An amount equivalent to 2% of the grant of Part – B projects (Rs 400 crore) is proposed

as incentive of utility staff in project areas where AT & C loss levels area brought below 15%.

Implementation of Re-Structured APDRP:

- A Steering Committee under Secretary (Power) comprising of representatives of Ministry of Finance, Planning Commission, Central Electricity Authority, Power Finance Corporation, Rural Electrification Corporation, selected State Governments (on one year rotation basis) and of Ministry of Power has been constituted. The Steering Committee will -
 - a) Sanction projects , including modification or revision of estimates; Monitor and review the implementation of the Scheme;
 - b) Approve the guide lines for operationalisation of various components of the scheme including the approval of the charges to be paid to the nodal agency;
 - c) Approve and sanction activities to be taken up by the Ministry under Part C of the Scheme;
 - d) Appoint agencies for the verification and validation of the4 base – line data systems, for verifying the fulfillment of the programme conditions by utilities;
 - e) Approve conversion of loan unto grant upon fulfillment of the necessary conditions. Steering committee till now has approved 599 Projects Under Part 'A', at the cost of Rs. 1947.70 for 13 States.

The details as follows:

Sr. No.	State	No of Projects Sanctioned	Sanctioned Projects Cost (Rs Cr.)
1	Andhra Pradesh	113	388.02
2	Bihar	10	81.18
3	Goa	4	104.89
4	Gujrat	17	47.37
5	Haryana	36	146.04
6	Jharkhand	5	8.82
7	Karnataka	94	384.09
8	Madhya Pradesh	82	228.08
9	Maharashtra	107	162.18
10	Rajasthan	87	315.94
11	Tamil Nadu	27	70.04
12	Uttrakhand	12	8.55
13	Uttar Pradesh	5	2.50

Budget allocation for the current year (FY 2008-09) is Rs 350 crore (Rs 325 Crore loan and Rs 25 Crore grant). Rs 350 Crore has already been released to FPC, the nodal agency. The budget allocation for the next year (FY 2009-10) is Rs 1730 Crores (Rs 1650 Crores as loan and Rs 89 Crores as grant). The ministry of Power has requested planning Commission for enhancing allocation for the next FY to Rs 5530 Crores for Restructured APDRP.

Private Sector Participation In Power Sector

1. POLICY ON PRIVATE SECTOR

Ministry of Power recognizes the fact that private investors have important role to play in the power sector growth map of India. The stipulation under section 63 of Electricity Act 2003 has provided impetus to the participation of private sector in Generation and Transmission. Provision of open access and tariff framework under Tariff Policy has been put in place to create an enabling environment for the private investors.

2. RESPONSE FROM THE PRIVATE SECTOR

The private investors have responded to the policy initiatives very positively. As a result, out of 20897 MV envisaged under private sector during 11th plan, 19897 MV is actively progressing and 1000 MW is already added to the energy basket of the country. In addition, a large number of IPPs have applied for coal linkage totalling to nearly 1, 87,000 MW. They are in simultaneous coordination with States for acquiring land, water and other inputs for setting up these projects.

Many utilities in States like Haryana, Punjab, Madhya, Pradesh, Uttar Pradesh, Chhattisgarh, Maharashtra, Karnataka etc, have proposed to set up thermal power projects through tariff based competitive bidding (Case-II) route.

3.0 MAJOR POLICY INITIATIVES TO STREAMLINE THE PROCESS OF PROJECT DEVELOPMENT:

To accelerate capacity addition several policy initiatives have been undertaken by Ministry of Power. Some of the prominent policies which



have boosted the private player's confidence in the sector are:

- National Electricity Policy,
- Ultra Mega Power Project Policy,
- Mega Power Policy,
- Tariff Policy

3.1 Captive Power Plants:

The Electricity Act 2003 does away with the requirement of approval/clearance of any authority for setting up a captive generating plant. The new law (as amended) also ensures non-discriminatory open access for transmission of electricity generated from a captive generating plant to the destination of its use, subject to availability of transmission capacity.

The surcharge and cross subsidies are being progressively reduced in a manner as may be specified by the State Regulatory Commission. Any person setting up a captive power plant can also establish and maintain dedicated transmission lines.

3.2 Open access to transmission:

Under the new Electricity Act, 2003, non-discriminatory open access in Transmission has been envisaged. The move is intended to encourage competition amongst generators and distributors and trading in power from surplus to deficit regions.

3.3 Generating Company permitted to distribute electricity in Rural Areas:

Section 14 of the Electricity Act, 2003 allows

any generator of electricity in arural area without the requirement of any license, subject to compliance with the measures as may be specified by the Central Electricity Authority under Section 53.

Under the provisions of Section 4 of the Act, the Central Government, in consultation with the State Governments, has prepared and notified a National Policy, facility stand alone systems (including those based n renewable resources of energy and other non-conventional sources of energy) for rural areas.

3.4 Automatic approval for FDI:

Automatic Approval (RBI route) for 100% foreign equity is permitted in generation, transmission, and distribution and trading in power sector without any upper ceiling on the quantum of investment.

3.5 Facilitating Financial Closure:

It is expected that with the reforms and restructuring of the power sector, the confidence of investors ion power sector will improve and the precondition of payment security for investment funding would not be an impediment to attract investments. Encouraged with the reforms measures being undertaken, the financial institutions have shown renewed interest in investing in the power sector for viable projects being set up by promoters with credible background.

An Inter-Institutional Group (IIG) comprising senior representatives from the financial institutions and the Ministry of Power has been set up for facilitating early financial closure of private power projects.

This Group has been focusing closely on projects which could achieve early financial closure.

