Maintenance Techniques are being introduced. A Hot Line Training Centre to train personnel in Hot Line Maintenance Techniques upto 220 KV was set up at Bangalore in 1975. 659 personnel were trained by the Centre upto the end of 1990-91. During the year 1991-92, 31 personnel in 220 KV level (Hot-stick method) and 30 personnel in 400 KV level (Bare-Hand method) have been trained at the centre.

A scheme for augmentation of the training facilities at an approved cost of Rs. 479.48 lakhs is under implementation. Under this scheme, tools and equipment required for training using hot-stick and bare-hand techniques upto 400 KV voltage level have been procured and also about 57 acres of land have been acquired at Somanahalli near Bangalore for setting up a permanent Training Centre along with hostel, staff quarters, etc. Civil works have been entrusted to CPWD. The construction of 400 KV/ 220 KV experimental lines end the construction of 11 to 110 KV experimental lines along with power supply have been completd.

3.7 UNDP - AIDED PROJECT

The Central Electricity Authority completed implementation of UNDP-aided project relating to modernisation of training facilities at PSTI, Bangalore and the development of expertise in system/operation and started in April 1987 and all the activities have been completed now. Installation and commissioning of a Depatcher Training Simulator (DTS) which constituted the main component of the project was completed in February, 1990, and the equipment was accepted in May, 1990 after a 60 days working availability test run. The system has also been integrated into different training programmes being conducted in PSTI, Bangalore. As per UNDP guidelines, the project was evaluated by UNDP designed independent consultant.

4.0 ASSISTANCE TO THE STATE ELECTRICITY BOARDS: UTTAR PRADESH:

ANPARA 'B' THERMAL POWER PROJECT

The Government of India have agreed to provide to the State of U.P. a special loan assistance of Rs. 127 Crores representing 50% of the resource gap to be mobilised by the Govt. of U.P. to meet its commitment for the year 1991-92 in respect of Anpara 'B' Thermal Power Project (2x500 MW) as the State Government had expressed its inability to continue the implementation of the project on account of resource constraint.

FEROZ GANDHI UNCHAHAR THERMAL POWER PROEJCT

A Memorandum of Understanding was signed on 8th December, 1991, between the Minister of State for Power and Non-conventional Energy Sources and the U.P. Chief Minister to provide for the transfer of ownership of the Feroz Gandhi Unchahar Thermal Power Project (existing capacity 2x210 MW and approved extension capacity of 2x210 MW) of Uttar Pradesh Rajya Vidyut Utpadan Nigam to the National Thermal Power Corporation at a value of Rs. 925 crores to ensure operation of the existing Unchahar Project at its optimum capacity, commencement of work on the extension project, held up on account of resource constraints, and to liquidate its outstanding dues and future dues to the Central Agencies viz. NTPC.

ANDHRA PRADESH

A Technical Assistance Agreement has been signed with the Asian Development Bank loan assistance of 1 million US Dollars to assist the Andhra Pradeh State Electricity Board in its efforts to improve its operations in the areas of electricity demand management power system management and loss reduction in a generation, transmission and distribution; integrated data processing including computerised management information system and provision of related training.

5.0 PRIVATE SECTOR PARTICIAPTION IN POWER GENERATION

5.1 POST-POLICY ENVIRONMENT FOR PRIVATE SECTOR INVESTMENT

To bring in additionality of resources for the capacity addition programme in the Electricity sector, Government has formulated a scheme to encourage greater partcipation by private enterprises in electricity generation, supply and distribution. The scheme widens the scope of private investment in the sector and has modified the financial, administrative and legal environment for the private enterprises to make investments in the Electricity sector attractive. The new environment is based on the amendments to the electricity legislation, namely, the Indian Electricity Act, 1910, Electricity (Supply) Act 1948 on which the electricity sector in India is based.

- Private sector units can set up coal/lignite or gasbased thermal, hydel, wind and solar energy projects of any size.
- Private enterprises can set up units, either as Licensees distributing power in a licenced area from own generation or purchased power or as Generating Compaines, generating power for supply to the grid.
- Licensee companies holding license to supply and distribute energy in a specified area under a license issued by the State Government will function under a liberalised economic and legal environment.
- New licenses can be issued by the State Governments to private units, willing to enter the Electricity sector.
- Captive Power Plants set up to serve an industrial or other units by the private enterprises will be permitted to sell or supply surplus power to SEBs.

Investment Promotion Cell (IPC) in the Department of Power will directly interface with prospective private enterprise entrants to the Electricity sector and help them in getting clearances. The High Powered Board under the Chairmanship of Cabinet Secretary comprising Secretaries of concerned Ministries of the Government of India to which senior officials of the State Government concerned can be coopted, would monitor issue of clearances, and resolve all outstanding issues pertaining to clearances. The Board would decide on all other matters concerning investment from non-resident Indians and foreign sources within a scheduled time-frame.

5.2 INCENTIVES UNDER THE SCHEME IN THE NEW POLICY

The scheme forumulated under the policy throws the electricity generation, supply and distribution field wide open to private enterpreneurs, opening up profitable investment opportunities. That offers a package of incentives which investors, both from India and overseas, will find really attractive.

All private companies entering the Electricity Sector hereafter will be allowed a debt-equity ratio of 4:1. They will be permitted to raise upto a minimum of 20 percent of the total outlay through public issues.

Promoters contribution should be at least 11% of the total outlay. Not more than 40% of the total outlay can come from Indian Public Financial Institutions. To ensure that private enterpreneurs bring in additionality of resources to the sector, they must find 60 per cent of the resources from sources other than public financial institutions.

For both Licensee and Generating Companies, the following is permitted :

- Upto Hundred percent (100%) foreign equity participation can be permitted for projects set up by foreign private investors.
- With the approval of the Government, import of equipment for power projects will also be permitted in cases where foreign supplier(s) or agency(ies) extend concessional credit.

Generating companies can be set up by Private enterpreneures. For safeguarding return on investment against possible under-demand of power arising from variations in demand, generating companies can now sell power on the basis of a suitably structured two-part tariff. This will be based on operational norms and optimal PLF (Plant Load Factor) prescribed by the CEA/Government, as also on a rate of depreciation notified by the Central Government, from time to time.

The Indian Electricity Act and the Electricity (Supply) Act have been amended to bring about this new legal and financial environment for private enterprises in the Electricity Sector. As a step towards liberalisation, schemes where the total outlay does not exceed Rs. 25 crores need not be submitted to CEA for concurrence.

The specific incentives for Licenses are:

a: Licenses of a longer duration of 30 years in the first instance and subsequent renewals of 20 years, instead of 20 and 10 years respectively as at present.

b: Higher rate of return of 5% in place of the previous 2% above the RBI rate.

c: Capitalisation of Interset During Construction (IDC) at actual cost (for expansion project also) as agaisnt 1% over RBI rate as at present.

d: Special appropriations to meet debt redemption obligations.

The details of private sector projects are given in the enclosed Tables (V-XI).