

GOVERNMENT OF INDIA
MINISTRY OF DEVELOPMENT OF NORTH EASTERN REGION

FIRST SECTORAL SUMMIT OF NEC TO REVIEW POWER SECTOR
PROGRAMMES IN THE NORTH EASTERN REGION, PASIGHAT (16 - 17
JANUARY, 2007): BACKGROUND, ISSUES & CONCLUSIONS

BACKGROUND:

It was noted that a decision was taken at the 53rd meeting of the North Eastern Council (NEC) held at New Delhi on 15 -16 November 2006 that sector specific meetings be organized every month by rotation in the eight North Eastern States to review Central Sector / Centrally Sponsored Schemes(CSS) being implemented by Central Ministries in the North Eastern Region. A schedule of the first 16 meetings was drawn up. The first special meeting to review Power Sector programmes was held at Pasighat, Arunachal Pradesh.

2. The power sector can broadly be divided into the following sub sectors :-

- (i) Generation - Hydel & Thermal
- (ii) Transmission & distribution (T&D)
- (iii) Rural Electrification (RGGVY)
- (iv) New & Renewable Energy (NRE)

ISSUES :

3. During the discussion following issues emerged :-

- (i) NER has vast Hydro Power potential which is estimated at about 60,000 MW. Only about 2% has been tapped so far. Most of this potential lies in Arunachal Pradesh.

- (ii) There is an imbalance between Hydel & Thermal Power, both in terms of generation and availability.
- (iii) There has been a shortfall in generation against targets set for the Xth Plan period(2002-07). The likely slippages in capacity addition during Xth Plan is 810MW. The total addition to generation capacity from 2002-03 to 31-10-2006 was 128.92 MW only. Another 100 MW is expected to be added by 31-03-2007.
- (iv) It was informed that Sikkim is still included in the Eastern Power Grid and that NHPC's Teesta Hydro- V (510 MW) will start generating power during 2007 - 08.
- (v) Ministry of Power/ NHPC assured that the 2000MW Lower Subansiri Hydro Project will be completed within the XIth Plan period.
- (vi) Govt. of Arunachal Pradesh expressed their reservations regarding NHPC beginning work on the Lower Subansiri Hydro-Project without entering into an agreement with the State Govt.
- (vii) Govt. of Arunachal Pradesh requested that the Planning Commission and the Govt. of India assist the State Govt. to take up equity in the mega hydro projects proposed to be taken-up as joint ventures with CPSUs and IPPs.
- (viii) Ministry of Power informed that a review of the existing policy on hydro power development with participation of IPPs has been

undertaken to provide for determination of tariffs by CERC on cost plus basis as compared to the existing tariff based basis.

- (ix) NHPC and NTPC requested for early completion of roads (specially NH 52) linking existing National Highways to the sites of major hydel power projects. It was suggested that some of these roads which are currently proposed to be undertaken under Phase-B of SARDP-NE may be included under Phase-A. They also requested for extension of the broad gauge railway network to provide railway connectivity to feasible locations near to the project sites. Specific reference was made to the proposed extension of BG railway line to Pasighat and Wakro in Arunachal Pradesh.
- (x) There have been inadequate investments in transmission and distribution grid. Four states, namely, Meghalaya, Manipur, Mizoram & Sikkim are connected by only 132KV lines.
- (xi) PGCIL activities are at present restricted to inter-State Transmission systems only. Sub-transmission and Distribution has been taken-up mainly in the State sector with financial assistance from Ministry of DoNER and NEC.
- (xii) Ministry of Power provides assistance to the States for improving Distribution Systems under the Accelerated Power Development and Reforms Programme (APDRP). States requested continuation of the APDRP during the 11th Plan under existing guidelines and norms.

- (xiii) States expressed concern at levying of high wheeling charges @ 35 paise per unit. It was noted that the Ministry of Power has referred the issue to the CERC.
- (xiv) Very high transmission and distribution losses (2004 - 05) ranging between 28.35% (Meghalaya) to 70.61% (Manipur) is another area of concern.
- (xv) Of the total 40,377 inhabited villages (2001 census), 25,248 (62%) have been electrified by October' 2006. Only 24% of Rural Households have been electrified.
- (xvi) Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) introduced in April 2005 aims to provide electricity to all villages / habitations and Rural Households within 5 years. Target for 2006 - 07 is 190 villages.
- (xvii) Distributed generation feeding local grids or renewable energy schemes are ideal for providing power to small and scattered hamlets.
- (xviii) The current installed capacity as on 31-12-2006 is 2520.30MW (effective output about 1800 MW). The peak demand forecast by 2011-12 is estimated at 2,620 MW & energy requirements at 13,649MU. The installed capacity is proposed to be doubled by the end of the XIth Plan.

CONCLUSIONS & RECOMMENDATIONS :-

- (i) A two pronged strategy to be adopted for power generation with focus on :
 - a) Small/Localised Hydel & Thermal and NRE projects for catering to local needs.
 - b) High capacity Hydel & Thermal Power Projects with associated Transmission lines for first meeting the demand for power of the North Eastern Region and thereafter that of the rest of the country.
- (ii) Ministry of Power to develop a clear, coherent and sustainable Power Policy for the NER which takes into account the special characteristics and needs of the Region.
- (iii) Ministry of Power has set-up a Task Force for preparing a Master Plan for Power Development in the North East Region. The Task Force should take note of the issues raised and conclusions arrived at this Sectoral Summit. The report should be finalized expeditiously and inputs included in the Ministry's XIth Plan proposals.
- (iv) CEA to undertake feasibility studies for utilizing considerable shale deposits in Arunachal Pradesh and coal deposits in Assam and Meghalaya with the objective of increasing the share of thermal power.
- (v) ONGC & ILFS are in the process of setting up the 750 MW Palatana Gas Power Project in Tripura. Only Tripura and Assam have entered into MOU with ONGC / ILFS for purchase of power. Other power deficient States may also approach ONGC / ILFS for accessing power from the Palatana project.

(vi) PGCIL to invest more in the trunk transmission lines for improving inter and intra-region connectivity. Adequate transmission system for evacuating power generated by public and private sector hydro projects in Sikkim to be developed. Priority to be accorded for creating a grid to meet power shortages in the North Eastern States. The issue of funding and recovery would be addressed by Sub-Group II.

(vii) Transmission, sub-transmission and distribution system improvement to be one of the thrust areas for NEC during 11th Plan. In order to build up a shelf of priority projects, NEC to support intensive survey and investigation work relating to such projects by the State Governments.

(viii) State Govts. to prepare perspective plans for Transmission, Sub-transmission and Distribution Systems in their respective States within the next six months to cover the XIth Plan period(2007-12).

(ix) The issue of Gas availability and pricing is a matter of concern and needs to be appropriately addressed for exploiting the substantial Gas reserves in the Region for Power generation. The Ministry of Petroleum & Natural Gas to accord due consideration to the suggestions of the NE States and to resolve the issue of pricing of gas expeditiously.

(x) The issue of high transmission charges (35 paise / unit), presently under reference to CERC, needs to be followed up by the Ministry of Power and resolved at the earliest.

(xi) Recognizing the need for continuing assistance to the States for improving their Distribution systems, the Ministry of Power to continue the APDRP with the existing norms, guidelines and funding pattern(90:10) for the NE States during the XIth Plan.

(xii) The following four Sub Groups were constituted :

Sub Group - I To address Transmission, Sub-transmission and Distribution related issues. Chairperson to be nominated by the Ministry of Power and to include representatives from the Ministry of DoNER, Planning Commission, NEC and the NE States. This Sub Group shall devise and recommend a methodology for technical and financial assistance to the N.E. States.

Sub Group - II To identify and examine the problems affecting implementation of Rural Electrification Schemes funded by REC in the NE States and to recommend measures for achieving 100% household electrification within a reasonable timeframe. Chairperson to be nominated by the Ministry of Power and to include representatives from the Ministry of DoNER, Planning Commission, NEC, REC and the NE States.

Sub Group - III To identify and examine the problems afflicting implementation of New and Renewable Energy schemes in the NER and to recommend measures for optimizing use of such schemes for electrification of remote and scattered hamlets and achieving 100% electrification of rural households within a reasonable timeframe. Sub Group to be chaired by Ministry of New and Renewable Energy and to include representatives from Ministry of DONER, Planning Commission, NEC and the NE States.

Sub Groups I to III to submit their reports within three months.

Sub Group - IV To identify and examine specific problems afflicting implementation of NRE schemes in Arunachal Pradesh and recommend among others, changes in the funding pattern / norms for such schemes. Sub Group

to be chaired by Ministry of NRE and to include representatives from the Ministry of DONER, Planning Commission, NEC and Govt. of Arunachal Pradesh. ***Sub Group to submit its report within six weeks.***

(xiii) *On the basis of these reports, a Master Plan for Power Development in the Region be developed which should include an appropriate funding mechanism relevant to the North East Region.*

List of Participants is attached.

PASIGHAT : 17.01.2007

**FIRST SECTORAL SUMMIT OF NEC TO REVIEW POWER SECTOR
PROGRAMMES IN THE NORTH EASTERN REGION,
PASIGHAT (16 - 17 JANUARY, 2007)**

LIST OF PARTICIPANTS

S.No.	Name	Designation	Ministry/ Organization
1.	Shri Mani Shankar Aiyar	Minister	DoNER
2.	Shri Gegong Apang	Chief Minister	Arunachal Pradesh
3.	Shri Neiphiu Rio	Chief Minister	Nagaland
4.	Shri P.P. Shrivastav	Member	NEC
5.	Dr. (Mrs.) I.K. Barthakur	Member	NEC
6.	Shri Surya P. Sethi	Pr. Adviser (Energy)	Planning Commission
DoNER			
7.	Smt. Sushma Singh	Secretary	
8.	Shri D.S. Poonia	Joint Secretary	
9.	Shri Sajal Mittra	Director	
10.	Shri Ashutosh Dikshit	PS to Minister	DoNER
NEC			
11.	Shri H.V. Lalringa	Secretary	
12.	Shri P.S. Thangkiew	Planning Adviser	
13.	P.K. Deb	Adviser (T&C)	
PMO			
14.	Shri Shaleen Kabra	Director	
Ministry of Power			
15.	Shri A.K. Kutty	Joint Secretary	
16.	Shri Jiresh Nandan	Director	
Central Electricity Authority			
17.	Shri V.S. Verma	Member (Planning)	
18.	Shri R. Saha	Director	
19.	Shri K.K. Sethi	Director (NE Cell)	
M/o New & Renewable Energy			
20.	Dr. T.C. Tripathi	Adviser	
21.	Shri A.K. Chopra	Director	

Arunachal Pradesh			
22.	Shri Nabam Tuki	Minister, PWD	
23.	Shri Tako Dabi	Minister, Water Resources	
24.	Shri Kalikho Pul	Minister (Plg, Finance & T&I)	
25.	Shri Dorji Khandu	Minister(Power)	
26.	Shri Tabom Bam	Chief Secretary	
27.	Shri T. Bagra	Secretary (Power)	
28.	Shri P. Deb	Adviser (Power)	
29.	Shri A. Perme	CE (P)	
30.	Shri Kaling Tayeng	Secretary (Planning)	
31.	Shri Kewal Sharma	Development Commissioner	
32.	Shri J.K. Sharma	M.D., HPDC	
33.	Shri Dinesh Sharma	Media Adviser to CM	
Assam			
34.	Shri Prithibi Majhi	Minister	Assam
35.	Shri J.P. Meena	Commissioner & Secretary, Power	Assam
36.	Shri U.C. Sarma	Member (Tech)	ASEB
Manipur			
37.	Shri M. Sanaton Singh	CE (P), Electricity Deptt	
Meghalaya			
38.	Shri W.M.S. Pariat	Chairman	Meghalaya SEB
39.	Shri N.R. Dhar	CE (Trans)	Meghalaya SEB
40.	Shri E. Slong	SE (P&D)	Meghalaya SEB
Mizoram			
41.	Shri C.L. Thangliana	Chief Engineer	Power & Electricity Deptt.
42.	Shri Lalramliana	Supdt. Engineer	Power & Elect. Deptt.
Nagaland			
43.	Shri D.Y. Sema	Parliamentary Secretary	Nagaland

44.	Shri Temjen Joy	Commissioner & Secretary	Nagaland
45.	Shri Kevi Miachieo	Addl. CE	Power Department, Nagaland
46.	Shri Khose Sale	SE (Power)	Deptt. of Power, Nagaland
Sikkim			
47.	Shri A.K. Giri	Chief Engineer	Energy & Power Deptt., Sikkim
Tripura			
48.	Shri Jitendra Chowdhury	Minister	
49.	Shri Dipak Ganguli	CMD	TSECL, Tripura
NEEPCO			
50.	Shri M.R. Ghosh	CMD	
51.	Shri J. Barkakati	Director (Tech)	
52.	Shri B. Goswami	Sr. Manager	
53.	Shri S. Debnath	SRM	
NTPC			
54.	Shri B.S. Bisht	GM	
55.	Shri R.K. Shori	Sr. Manager	
56.	Shri K. Gulati	GM (Etalin HPP)	
Brahmaputra Board			
57.	Shri T.G. Antony Balan	Chairman	
58.	Shri Birju Ban	PRO	
Power Grid			
59.	Shri I.S. Jha		
60.	Shri Y. Sekhar	Addl. GM	
REC			
61.	Bal Mukand	Director (Tech)	
62.	Shri S. Ghosh Dastidar	Zonal Manager	RECL
63.	Shri G.C. Barthakur	Chief Project Manager	RECL, Guwahati
64.	Er. P.J. Thakkar	GM	REC, Delhi

NHPC			
65.	Shri Ramesh Chandra	E.D.	
66.	Shri Digvijay Nath	ED	
67.	Shri PNP Singh	Chief Engineer	
M/o P&NG			
68.	Shri Ashok Verma	DGM, DGH	
69.	Shri S.N. Thakur	DGM, DGH	