

## **NORTH-EAST COUNCIL : FIRST SECTORAL SUMMIT**

### **Pasighat Proclamation on Power**

**17 January 2007**

1. After viewing the presentations and listening to the interventions of all the principal CPSUs, Agencies, State Governments and Union Ministries involved, it would appear that there is need for a clear, coherent and consistent policy in respect of the power sector in the North-East Region, especially as the power sector constitutes the most important resource of the Region and holds the highest potential to propel the Region to the front rank of development in the country. With this overarching objective view, the following major elements have been identified which the Ministry of DoNER might pursue with the Union Government, NEC and States concerned to evolve the required clear, coherent and consistent policy for the development of the power sector in the North-East Region.
2. The most important element of this proposed policy would be to reach the benefits of power availability to the people of the Region. As such, the thrust towards "Power to the People" requires prioritization.
3. The second priority in respect of the development of the power sector in the North-East Region is to ensure that the growing and diversified demands for power for the economic development of the North-East Region are met in full.
4. The third priority would be the export of power from the region to elsewhere in the country so that the North-East Region does in fact become the "powerhouse" of the country.
5. To achieve the first objective, namely, "Power to the People", top priority attention requires to be paid to the Small Hydro Power Programme (SHP) for the NER, to be supplemented by other sources of new and renewable energy such as biomass and solar energy. It is evident that the existing structure of SHP is proving inadequate for accelerated implementation in NER, as evidenced, for instance, by the fact that out of 492 projects identified in Arunachal Pradesh, the NER state with the highest SHP potential, only 64 have been implemented, 48 are under construction, and thus as many as 380 out of 492 projects are still far from being implementable. At the same time, it is evident that households around the North-East, public thoroughfares including highways and trunk roads and other public places need to be lit up at night both for the people's comfort and as a security measure. Yet, although 62% of villages are electrified, only 24% of households receive electricity. Therefore, the following inter-related policy measures appear to be required:
  - a) Restructuring SHP for NER so that the level of subsidies ensures accelerated implementation of all identified SHP projects in NER which have been designed to generate over 2000 MW without complicated problems of transmission and distribution.
  - b) Prioritizing NEC/ NLCPR lending to furnish viability gap funding for SHP projects.

- c) Ensuring sustainability of SHP projects through the involvement of elected representatives of the local community through Panchayati Raj Institutions/ Village Development Councils/ traditional bodies, as the case may be, in the management, repair and maintenance of SHP projects.
  - d) It would appear that similar measures are required to popularize other MNRES programmes such as those relating to biomass and solar energy.
6. With a view to ensuring the second priority, namely, the utilization of the power generated in NER for the accelerated industrial and economic development of the region itself, the following critical areas of attention have been identified:
- a) Prioritizing inter-State transmission within the region in the funding patterns of both the NLCPR administered by the Ministry of DoNER and the funds allocated to the NEC.
  - b) Concerted attention by States, DoNER and NEC to funding sub-transmission systems so that NER power is amply available for consumption within NER in all sections of the population and for all economic activities.
  - c) Similarly, for distribution, besides prioritization in funding by States, DoNER and NEC, the Union Governments Accelerated Power Development and Reforms Programme (APDRP) also needs to be oriented towards implementation in NER.
  - d) Consideration by the Union Government of a Centrally Sponsored Scheme to support inter-state and intra-state transmission and sub-transmission projects.
  - e) In view of the immense losses in transmission and distribution in NER, which are well above the national average, compounded by theft and other criminal activity which reduces availability to the consumers, special attention is required to be paid to managing the T&D system so that, through this most economical route, power availability to the consumer is expanded exponentially.
7. To meet the third priority, namely, the conversion of NER into the 'powerhouse' of the country, the critical requirement is to immediately do all that is required to ensure evacuation through the narrow window available in the Siliguri corridor ('Chickens Neck')
8. Against an expected capacity addition of about 30,000 MW in the 10th Plan, only about 225 MW is expected to come in the North East. Upto now, only about 125 MW has been added (i.e. 25 MW hydro (Kopili) and the rest thermal). Another hydro electric projects (Karbi Langpi, Assam) of capacity of 100 MW is expected in the next couple of months. A massive stepping up of public sector investment in power in the North-East in the Eleventh Plan is envisaged. But it is imperative that outstanding issues relating to the 2000 MW Lower Subansiri project be sorted out immediately by the Union Government in consultation with the State Governments of Arunachal Pradesh and Assam.
9. All development projects in NER, but most particularly projects in the power sector, require massive infrastructure backing, especially roads to transport

heavy equipment and helicopters to transport smaller size equipment, particularly for SHP. In the prioritization of roads and highway development in NER, and in the deployment of helicopters, power sector requirements need further prioritization.

10. While, on an annual basis, NER has been a net exporter of power for the past several years, the fact that much of this exportable surplus comes from hydel sources means that there are times of the year in the lean season when NER needs to import power from the Eastern Grid. Therefore, in recognition of the contribution which NER is making to the Eastern Grid, particularly from Sikkim, reciprocal arrangements need to be put in place for the Eastern Grid to feed NER as and when required.
11. While NER would be the primary source of hydel power for NER itself and the country as a whole, due recognition needs to be accorded to the availability of thermal sources of energy, including coal, shale and natural gas, in the NER, the exploitation of all of which falls at present far below the potential. A coherent policy of exploiting the thermal energy sources of the North-East needs to be put in place through coordination between the Ministries concerned of the Union Government and the State Governments.
12. There can be little doubt that the future of the North-East rests upon its coming into its own through the power sector. It also needs to be recognized that the NER can make an invaluable contribution indefinitely to the country's energy security through clean hydel energy. But this immense potential for the development of NER and the country cannot be realized until and unless special treatment is meted out to NER in the short term in the expectation and confidence that NER would reach the take-off stage in the medium term and NER would then become the front-rank Region for the development of the country as a whole in the long term. An enlightened, overall and long-term vision, therefore, needs to inform a clear, coherent and consistent power policy for the North East.