

Hon'ble Union Minister for Power, Thiru Shindeji, Hon'ble Union Minister for New and Renewable Energy Thiru Farooq Abdullahji, Hon'ble Union Minister of State Thiru Bharat Singh Solankiji, Hon'ble Ministers for Power from various States, Secretary Union Ministry of Power, Officers from Government of India, State Governments and other Organizations and friends.

2.0 On behalf of the people of Tamil Nadu, on behalf of our Chief Minister Dr.Kalaignar and on my own behalf, at the outset, I would like to take this opportunity to convey our heartiest congratulations to Thiru Shindeji for having assumed the responsibility to steer and manage the affairs of one of the most important and happening sectors namely, Ministry of Power once again. My heartiest congratulations are also due to Thiru Farooq Abdullahji for having assumed responsibility of Ministry of New and Renewable Energy. On this occasion, I would also like to congratulate Thiru Bharat Singh Solanki for having joined the Ministry of Power as Minister of State. We are fully confident that under your stewardship our country will, not only achieve the objective of the UPA Government to provide access to electricity to all but it will also pave the way for rapid industrialization and creation of wealth. Therefore, I would like to convey my deep sense of gratitude and sincere thanks to you for having convened the conference of State Power Ministers immediately on assuming the charge of the Ministry which only goes to reaffirm your commitment to the process of empowering the Nation.

2.1 All of you are aware that if our country has to sustain and regain higher growth rates once achieved, the power sector has to perform well. From the agenda papers and carefully chosen subjects for discussion, I can confidently say that the Union Power Ministry under your leadership is fully committed to not only ensure accelerated 'generation-capacity-additions' on a faster track but also considerable degree of emphasis is being laid on providing comprehensive, holistic, well integrated and co-ordinated solutions to

some of the major systemic deficiencies and short-comings such as high transmission and distribution losses, distribution system expansion, universal access to electricity etc., with which the sector has been gasping for quite some time.

2.2 However before I go into agenda items I would like to mention certain facts about present power position in my State. I certainly take pride in announcing to this august assembly that :-

2.3 In several respects Tamil Nadu has already achieved and crossed the targets and goals set by Government of India for the **11th** plan period. In-as-much-as:-

- a. the entire State as on date stands fully electrified and over **98%** households already have access to electricity;
- b. per capita consumption of electricity during the year 2008-09 has already crossed **1000** Units. This is against the national average of approximately **635** units;
- c. our billing and collection efficiencies are over **99%** and **98%** respectively;
- d. maximum demand met on a single day i.e., on 12.05.2009 was **214.385** million units and sustained peak met was over **9800 MW**;
- e. Our installed generation capacity today is **10214 MW** from conventional and **4886 MW** from non-conventional and renewable energy sources.
- f. Our consumer base from **4.30** lakhs in the year **1957** when the TNEB was constituted has grown to **2.03 crores** with an average addition of about **5 lakh** consumers every year. The consumer base today consists of **68%** domestic, **9%** agricultural, **12%** commercial, **2%** industrial and **9%** others. The number of sub-stations from **89** in **1957** has gone to **1259** and distribution transformers from **3773** to **1,85,154** as on 31.03.2009.

2.4 Our demand for electricity has been growing at an average rate of **8%**. However considering the huge investments in the industrial and manufacturing sector due to pro-active and investment- friendly, industrial policies of the Government lead by our leader Dr.Kalaignar, we expect an average growth of **8.5%** to **9%**, and are working for capacity addition accordingly.

2.5 By the end of 2011-12 therefore, we expect the projected demand to be close to **14000 MW**.

3.0 Regarding the present power situation and its management, I would like to inform the Union Government that even though the shortage in power supply during this summer season has been close to **2000 MW** (around **18% to 20%**) by putting all the available resources together and by prudent management and weekly reviews by our Hon'ble Chief Minister with the officers concerned, we can rightfully claim to have managed the situation very well.

4.0 CAPACITY ADDITION DURING THE 10TH PLAN AND PROGRAMME AND STATUS OF CAPACITY ADDITION DURING THE 11TH PLAN

As against the target of **1853.80 MW** of capacity addition during the **10th** plan, Tamil Nadu was able to achieve **1698.80 MW**. Also learning from the past deficiencies we have planned our ongoing capacity addition programmes in such a way so as to ensure that by the end of the current plan period Tamil Nadu becomes truly power surplus State. Our year-wise capacity addition programmes are:-

(i) During the first two years of the plan period, we have already added a capacity of **450 MW**. However to reach the plan targets, the works for close to **6000 MW** capacity are progressing well ahead of schedule:-

- a. **1200 (2x600) MW** Project at North Chennai Thermal Power Station;
- b. **600 MW** unit at Mettur;
- c. **1500 (3x500) MW** plant at Vallur near Chennai;
- d. **1000 (2 x 500) MW** plant at Tuticorin;
- e. **1600 (2 x 800) MW** super critical thermal power plant at Udangudi in Tuticorin district; and
- f. **100 MW** capacity-smaller Hydro projects.

(ii) Government have also accorded approval for setting up of

- (a) **600 MW** plant at Ennore; and
- (b) another **1200 (2 x 600) MW** power plant at Kattupalli near Chennai; and preliminary works in respect of these have also commenced.

(iii) In addition, **500 MW** capacity expansion project of Neyveli Lignite Corporation is likely to be commissioned by next year end.

(iv) Similarly **2000 (2 x 1000) MW** atomic energy plant at Kudangulam being put up by Nuclear Power Corporation of India is also expected to commence generation by the end of the year. Our share from this project is **925 MW**.

(v) In-principle clearances have also been given for the establishment of:

1. **4000 MW** capacity of Ultra Mega Power Project at Cheyyur in Kancheepuram District being put up by the Power Finance Corporation of India; and
2. **1600 MW** lignite based power project at Jayamkondan in Perambalur district being put up by Neyveli Lignite Corporation.

(vi) Thus the total capacity addition including share from Central Generating Stations (CGS) planned to be achieved during the **11th** plan period will be as follows:-

<u>Year</u>	<u>MWs</u>
(a) 2009-10	1157 MW
(b) 2010-11	1459 MW
(c) 2011-12	2292 MW ; and

in subsequent two years it will be **2207 MW**.

(vii) Besides above **2234 MW** of addition from renewable energy sources is also likely to be added.

(viii) Further you will be happy to note that Tamil Nadu Government has also taken lead to supporting the Government of India's initiatives in respect of Merchant Power Plants. As on date we have already issued facilitation letters to **10** Merchant Power Plants aiming to set up a total capacity of **18140 MW**. I therefore take great pride in bringing to the notice that with the full support of the Ministry of Power under the stewardship of Thiru Shindeji, the State has been successful in lining up the investments close to **Rs.40,000** (Rupees forty thousand) crores in capacity addition schemes under the State Sector and over **Rs.1,00,000 (one lakh)** crores under the private sector.

5.0 When we are talking of capacity addition and generation issues, I will be failing in my duty if I do not inform this august assembly about the pro-active, constructive, pro-promotional and

comprehensive scheme of incentives that our Government has put in place to promote green energy.

5.1 Today Tamil Nadu can rightly take credit for having developed a capacity of **4886.265 MW** of renewable/Non-conventional Energy Sources-Out of which the generation from wind alone accounts for **4310 MW** which is close to **44%** of the total capacity that the country has established. Tamil Nadu has already invested more than **Rs.2500 crores** in providing required infrastructure for wind energy promotion and within next **5** years we expect a further capacity addition of **2500 MW** for which we would be required to invest another **Rs.1500 Crores.**

5.2 In addition to this, the Government have also asked the TNEB to put up **234 MW** capacity of co-generation plants in **17** co-operative and Government owned sugar mills by investing close to **Rs.1500 Crores.** All these projects are also programmed to be commissioned by the end of the year **2010-11.**

5.3 On **20th** of June, 2009 Dr.Farooq Abdullah, Hon'ble Union Minister for New and Renewable Energy was at Chennai on the occasion of '**Green Power 2009**' celebrations which gave us an opportunity to discuss with him the connected matters in detail. Shindeji, you would be happy to note that we have already agreed to work together to put up a **100 MW** capacity Solar based thermal power project on a pilot basis in Tamil Nadu. However, as the cost is an important issue in this, I would request the Ministry of Power and Ministry of New and Renewable Energy to lend a helping hand to this venture.

6.0 As I have already taken a lot of your time, I would take just a couple of minutes more to touch upon some of the other important issues which are to be debated over.

6.1 Regarding the need for case 1 bidding for the States to ensure **PPA** and financial closure of private sector projects and development of transmission systems, we would like to convey our whole-hearted support for the initiatives taken by the Union Ministry of Power to encourage the private sector participation. Since we are already working on a fairly large generation-addition projects, required transmission and evacuation facilities have to be put in place simultaneously. As our need of funds to upgrade the transmission system would be close to about **Rs.40000 (Rupees forty**

thousand) crores and additional mobilization of funds is an issue, Government of Tamil Nadu would fully support the initiative of Government of India to encourage private sector participation. However, to give a big push to the whole initiative, it would be necessary that Government of India brings out a workable PPP model so as to help State Governments to proceed further without any loss of time.

7.0 ADVANCE ACTION FOR THE 12TH PLAN PROJECTS

As elaborated in great detail Tamil Nadu has already initiated necessary action for meeting the 12th plan requirements of the State. One issue however that is holding up various clearances pertains to granting of long term coal linkage by the Ministry of Coal. I would therefore like to request you to use your good offices to ensure that Ministry of Coal accords these linkages most urgently.

8.0 OPEN ACCESS

Though we are fully aware of the statutory provisions with regard to 'open access' issues, in view of present power shortage situation, we have issued a notification under Section 11 of the Electricity Act, 2003 to allow only 'intra-State' open access. However, with a view to mitigate the consequential hardships that the private generators might face, we have also allowed unrestricted intra-State open access to all those consumers who's demand exceeds **0.5 MW**. To help the generators to sell their energy at most competitive rates, we have also kept the levy of cross-subsidy surcharge in abeyance. Therefore no private generators in Tamil Nadu have any grievance on this issue.

9.0 A few words on the implementation of two most important flagship programmes of Government of India viz., RGGVY and APDRP.

9.1 RGGVY

With the approval of Government of India, RGGVY has been taken up in **26** districts with an outlay of **Rs.447.41 crores**. Out of the total target of **5.24 lakhs BPL** household connections, you would be happy to note that we have already provided connections to **2.74 lakh** families and have planned to complete the electrification of the remaining **2.5 lakh** families before the end of December, 2009.

9.2 APDRP

TNEB has already submitted the DPRs in respect of **110** towns that are eligible to be covered under this scheme. The Government of India also has accorded necessary sanction for **27** schemes and have released **Rs.21.01 crores**. We would urge the Government of India to consider remaining **83** schemes and accord necessary sanctions most urgently so as to enable us to proceed with the implementation of the Project.

10.0 Last but not the least, I would like to inform the Union Government on the process of restructuring of TNEB. As per the advice of Government of India, we have already completed registration of Transmission Company and process of registration of Generation and Distribution and Holding Companies is also progressing satisfactorily. Further to work-out the nitty-gritty and the modalities of the transfer scheme a consultant has been engaged and we hope to complete the entire process in about **4 to 6** months time. In view of our these efforts, I am sure Government of India would consider us granting about **6 months** time to complete the process.

11.0 Once again I take this opportunity to convey my sincere thanks and deep sense of gratitude for the opportunity given to me.

THANK YOU.

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