

**Minutes of the Conference of Power and Mines Ministers of States and Union  
Territories held on 9<sup>th</sup> September, 2014 at New Delhi**

Secretary (Power), Government of India welcomed the Hon'ble Minister(IC) of State for Power, Coal & NRE, State Ministers and Secretaries of Power and Mines and other delegates attending the Conference. While touching upon the issues covering the entire gamut of Energy Sector including Power, Renewable Energy and Coal, Secretary (Power) mentioned that the major difference between the previous Conferences and the present one was the synergy between the three Ministries namely Coal, Power and Renewable Energy at the apex level in the Government of India. He emphasized that the development of Generation Sector alone cannot ensure 24x7 power supply without matching development of Transmission and Distribution sectors for which involvement of the States at the end of the value chain was vital. He added that the main thrust of this Conference was on how to develop the Transmission and Distribution Sectors in partnership mode to keep pace with Generation for realizing the dream of '24x7 Power for All'.

2. Secretary (Coal), Government of India welcomed the participants and expressed happiness that the synergy amongst the three Ministries viz, Power, Coal and Renewable was being leveraged for the first time under the present Minister. It provides an opportunity to interact and also to seek much needed guidance for future plans. He emphasized two major issues related to Coal Quality and Supply. He mentioned about the Hon'ble Minister's directive to Coal India Ltd.(CIL) for ensuring the quality of coal being supplied and the determination of price of coal as per the grading of coal supplied and the standard norms. He added that CIL had already identified 26 third party independent agencies with the concurrence of Central Electricity Authority (CEA) for this job. He requested States to come forward for utilising their services to enable CIL to fulfill their commitment to supply coal of the requisite quality and grade by 31st December, 2014. It was also indicated that private washeries would be engaged by CIL to supply 100 percent crushed coal to power sector. He pointed out that the coal companies have been trying to meet the crisis in power on account of deficient rainfall

and low rake movement in some areas due to lack of rail linkages. A target of One Billion Tonnes of coal production by 2019 has been set by the Government and a detailed action plan is being formulated by the Ministry to achieve this target. Support/ guidance of State Governments is required for various clearances to achieve this ambitious target.

3. Secretary, MNRE focused on thinking 'Big and Bold' to develop the renewable energy sector as well as its share in the total consumption of energy in the country. In this context, he mentioned about the bold strategy of China for setting up solar plants in Sahara and utilizing the same for their country. He highlighted the fact that though India was at 5th position globally in Wind and was amongst the first five in Solar PV and biomass co-generation, but in terms of magnitude of capacities installed, we are far behind China.

4. Even in terms of investment made in RE sector, he mentioned that in India, annual investment has been about \$6 billion while in China it has been more than 10 times, i.e. around \$ 60 billion dollar per year.

5. Besides thinking big and bold to reach to No.1 position, he emphasized the need for the active participation of States/UTs in this endeavor. He then briefly mentioned about the following ten steps initiated by the MNRE in this direction and solicited States' cooperation in their furtherance in near future:

- i) Global Investors Meet being organized by MNRE during 15th to 17th February, 2015
- ii) Creating capacity of 100,000 MW through Solar power during the next 5 years
- iii) Proposal for establishment of National Wind Energy Mission
- iv) National Mission on Small Hydro being contemplated.
- v) Green Corridor
- vi) Plan to enact Renewable Energy Act.
- vii) Plan to set up a National University for Renewable Energy.
- viii) Strengthening of Solar Energy Corporation of India.
- ix) Strengthening of IREDA being proposed by enhancing its authorized capital.
- x) MNRE initiative for the establishment of Association of State Nodal Agencies.

6. The Union Minister of State (IC) for Power, Coal and NRE while welcoming the Energy and Mines Ministers and senior officials from States stated that his Ministry will function as an organic entity with the integration of the erstwhile Ministries of Power, Coal and NRE. This synergy should translate into action for taking the energy sector forward in a mission mode. While offering condolences for J&K tragedy, Hon'ble Minister sought assistance from the States of Maharashtra, Gujarat, Odisha, Tamil Nadu and Uttarakhand who had faced such tragedies in the past to depute/spare their experts and material from power utilities for relief and rehabilitation efforts. He emphasized that after interaction with 18 States in initial 100 days he had understood that a particular solution/model need not be propagated for all States; rather each State will need to pursue its own unique solution/idea for development of Power sector in the State. It is the endeavor of his Ministry to provide 24x7 power to every home and also to industrial units and to ensure adequate power supply for agriculture. He stressed for achieving the goal of Diesel Generator and Inverter free country. He emphasized the need for expeditious planning and implementation in a mission mode to address policy issues on a fast track basis. He highlighted that industrialization, growth and development of people are linked to energy for which we need to work together. Help from States and support of people is essential, in addition to pro-active decision making, to achieve the desired coal production target. Focus of the current Conference should be more on policy issues while the State specific issues can be discussed separately on bilateral basis. He was optimistic that the outcome of the Conference will provide better solutions and an opportunity to learn from the experience of others. He felt the need for more accountability, transparency and probity in Government functioning. He mentioned that a 360<sup>0</sup> holistic development of the individual is not possible without power which in turn is dependent on coal, gas and renewable sources. He expressed the hope that this Conference would provide an opportunity for sharing the best practices in the power sector and all the three Ministries should work in tandem to complement each other.

7. The agenda points for the Conference were introduced through a power point presentation consisting of the following :-

- 24x7 Power for All
- Strengthening of Intra State Transmission network
- Development of Hydro Power.
- Coal Related Issues.
- Promotion of Renewable Energy Sources

8. In order to share the best practices of the State power utilities, the following presentations were made:

- WBSEDCL made a presentation on best practice adopted in the State for improvement of system reliability.
- MAHAGEMCO VITRAN made a presentation on the scheme for AT&C loss related load shedding hours.
- Madhya Pradesh made a presentation on feeder separation project being implemented in the State.

9. **Deliberations on Agenda Points and Views of States/UTs**

Hon'ble Union Minister for Power, Coal & NRE then invited suggestions and views of the Power and Mines Ministers of the States/UTs on the agenda issues which are summarized as under:-

**Andhra Pradesh**

- Enhancement of the agricultural load from 7 hours to 9 hours in a day.
- Power allocation from unallocated quota of central sector projects.
- Consider Energy Efficiency programme for Domestic Agricultural Pump sets.
- Solar park of 1000 MW in the Ananthapur district on 5000 acre of land.
- Frequent interaction between the States and the Centre.
- Provision of gas for 7000 MW gas based power project.
- Adequate coal may be made available from the coal washery.

- Materialisation of coal to Vijaywada TPP from MCL was only 54% and it should be enhanced to 80%.
- Early decision on operationalisation of APGENCO's washery at Talcher
- Adhoc supply of 2 lakh tonnes of coal for pre-commissioning of Krishnapatnam Unit II.
- A Portal may be created for best practice in power sector by the States.
- 30% subsidy may be provided for roof-top solar and solar water heaters.
- 85% allocation to State from proposed NTPC plant.
- Requested for support for Green Energy Corridor for transmission of renewable energy under National Clean Energy Fund especially for evacuation of power from two Ultra-Mega Solar Parks being set up with an installed capacity of 2500 MW in the districts of Ananthapur, Kurnool and Kadappa.
- Suggested that all the three Secretaries of Ministry of Power, Coal and MNRE to hold regular meetings at Regional level of all State Energy Secretaries to take follow up action.
- Also suggested that Government of India may open a 'Best practices and Innovation' portal in which the best practices and experiences both at the national and global level can be shared so that States can learn and replicate the best practices rather than reinventing the wheel.
- Joint Secretaries of various Ministries along with the concerned Heads of Public Sector Undertakings may be requested to visit the State Governments frequently and inter-act with the State Secretaries and Heads of States Utilities which would enable resolving the issues at the ground level.
- ❖ Secretary (Coal) assured that efforts shall be made for enhancing materialization of Vijaywada TPP and pre-commissioning coal for Krishnapatnam Unit II shall be made available.

#### **Arunachal Pradesh**

- Early completion of 2000MW Lower Subansiri Hydro Power project by NHPC.

- Early finalization of T&D Comprehensive Scheme Project of Arunachal Pradesh and Sikkim.
- 90% grant for RAPDRP project.
- Small Hydro projects for hilly states since Solar and Wind Projects are not feasible due to heavy rains.

### **Assam**

- Distribution is the most neglected sector which needs focused attention.
- Allocation of power from Lower Subansiri (2000 MW) Hydro Power Project of NHPC and Hydro Projects in Bhutan.
- Early completion of the high capacity transmission system by POWERGRID to connect NER to the rest of the country.
- Allocation of work of intra-state projects to the State Transmission Corporation (AEGCL).
- Allocation of coal for Pit-head Thermal Project from North Eastern Coal Field.
- Sanction of coal linkage to pit-head plant at Margherita. NTPC could be requested to get part of its additional coal linkage from Eastern Coalfields so that the equivalent quantum of coal from NECL could be utilised for the proposed plant in Margherita.
- Coal linkage for 0.4 MMT per year for the 60 MW Chandrapur Thermal Power Station.
- Bio-mass/Small Hydro Power Projects under renewable energy because Solar and Wind Power Project are not suitable.
- It was stated that State is primarily focusing on grid-interactive solar power projects and 6 MOUs of 60 MW have been signed by the State Government with Solar Power Developers on BOT basis.
- State has submitted number of off-grid proposals to the MNRE and requested for their approvals expeditiously.

- Suggested to explore the possibility of installing biomass power and Small Hydro Projects in the State in a big way keeping in view the huge potential available in Assam.
- ❖ Hon'ble Minister directed to examine the proposal of linkage for pit-head plants in Assam as a special dispensation for the North Eastern Region.

### **West Bengal**

- Coal Linkages to be re-engineered for coal supply/coal management, regular monitoring of imported / domestic Coal and efficient Coal movement through Railway.
- Coal linkage for 0.4 MMT per year for the 60 MW Chandrapur Thermal Power Station.
- DeenDayalUpadhyay Gram Jyoti Scheme should provide clear time frame, funding and include replacement of transformers as well as conversion from single phase to three phase etc.
- The renovation and modernization of old power plants scheme should provide payback period.
- Allocation of power from Hydro Projects in Bhutan for better hydro-thermal ratio.
- Adequate action to prevent reoccurrence of July, 2012 Grid failure.
- Renewable energy requires a big push from the Government of India.
- SNAs should be strengthened and developed as financial centers in the State for the development of renewable energy.
- ❖ Minister of State for Coal, Power and New & Renewable Energy mentioned that Coal regulator issue would be resolved at an early date and the endeavour would be to suitably empower it. The Hon'ble Minister informed that CIL is considering purchase of railway rakes after discussing the matter with Railways. He also informed that a decision had already been taken on third party sampling and the consumer could choose the agency for this purpose.

- ❖ Secretary (Coal) informed that fuel supply materialisation to West Bengal had been 93%. He requested the State Govt. to clear outstanding dues.

### **Uttar Pradesh**

- The State is facing acute power shortage therefore there is a need for reviewing the Gadgil formula.
- Allocation of Coal for State power plants from Chhattisgarh/Odisha Coal mines.
- Allocation of Coal block to UMPP in Uttar Pradesh.
- Improvement in materialisation for Obra and Harduaganj TPPs
- Adhoc coal should not be added to ACQ materialization (Rosa Plant)
- Materialisation of coal be increased to land locked states like UP instead of import to reduce transportation cost and import of coal may be resorted to for plants near ports.
- Assistance for establishment of UMPP Project at Etah and Firozabad.
- Further extension of 3 years for the Financial Restructuring Plan.
- Setting up of Nuclear Power Plants to resolve power crisis.
- Power Project Environment clearance be delinked from the coal block environment clearance.
- In response to a query, State representative clarified that net-metering policy will be unveiled in the State shortly.
- It was requested that number of solar pumps to be energized/installed in the State should be informed immediately.

- ❖ Secretary (Coal) informed that the materialisation of supply of Coal was already high for UP and also assured that ad hoc coal would not be added to the coal materialisation figures. Hon'ble Minister directed to look into the issues of the UMPP and allocation of coal block to UP.

### **Uttarakhand**

- Uttarakhand not to be counted as surplus power state, spending Rs 1000 crore for purchasing Power.
- More emphasis on small Hydro projects should be given.



- Early environment clearance for State owned Lakhwar Project.
- Separate board for Hydro Power development may be constituted.
- 400 KV Power Grid lines be expedited.
- It was stated that Uttarakhand as a hilly State and land of rivers mainly depends on hydropower generation for the electricity needs. During the rainy season, the State to a large extent meets the power requirement but during winter season when the discharges are low in the rivers, the State faces acute shortage as there are no fossil fuel fired power station to meet the base load requirements.
- Further due to agitation by various activists, the ongoing hydel projects in the State are progressing slowly. Besides, Supreme Court has also issued a directive for not granting forest and environment clearance in Uttarakhand till further orders. In the meantime, the energy demand continues to increase rapidly in the State. To meet the growing demand, State Government seeks the support for allocating additional 350 MW RTC (Round-The-Clock) power.

### **Goa**

- No state owned generation station, additional future allocation from Surguja (UMPP) in Chhattisgarh.
- Early completion of the works of RAPDRP.
- Financial support for conversion of the 11kV system overhead line to underground cabling/aerial bunched cables.
- It was informed that State Government is giving due impetus to renewable energy and has been able to meet its RPOs fully both in solar and non-solar energy.

### **Haryana**

- State has to provide for additional 14% annual increase in demand, being in NCR.
- Joint venture with Bhutan for the additional power requirement requires favorable consideration by Ministry of External Affairs for which matter be processed on priority.

- State was providing subsidy to farmers due to deficit rainfall. Power situation worsened due to suspension of Adani Power since 27th August, 2014. Efforts of the State Govt. need support from the GOI.
  - Expedite setting up Training Institute for Renewal Sources of Energy and Testing Laboratory by CPRI at Panchkula.
  - Supply of poor quality of coal and third party sampling of coal.
  - Coal materialisation at Yamunanagar, Khedar (RGTPP) was poor and linkage to be enhanced.
  - Mara-II Mahan coal block was held up due to pending MOEF clearance, intervention of the M/o Coal with M/o EF required.
  - Coal block should not be allotted jointly.
  - Requested to resolve power shortage due to shut down of Adani and Tata Power Plants at Mundra.
- ❖ Secretary (Coal) informed that third party sampling mechanism has been strengthened recently to address quality issues. Coal supply to Yamunanagar and RGTPP shall be increased in the next few days.

### **Odisha**

- Problem in awarding works under the RGGVY due to low agency charges.
- Review of the decision to change Transmission charges methodology.
- Applicability of RAPDRP scheme for the private distribution systems to encourage private participation in distribution.
- Solar Power Plant (400 MW) for which land is being identified by the State Govt.
- It was suggested that allocation from NCEF may be considered for timely payment of GBI / Subsidy to the Utilities which will help the RE Developers to take up renewable energy generation in a big way.
- It was emphatically stated that GBI / Subsidy from the Ministry of New & Renewable Energy is not being released in time for which Utilities are suffering financially and requested to release them on time bound basis.

### **Himachal Pradesh**

- Special directives to the financing agencies for loan tie-ups for Hydro Electric Plants having predominantly long gestation period to harness Hydro Electric potential of the state.
- Land acquisition for Hydro Electric Projects needs special process of obtaining clearances from the village committees to ensure timely implementation of Hydro Electric Plants.
- The applicability criteria for RADRP schemes be relaxed for towns up to 5000 population.

### **Nagaland**

- There is hardly any hydro, renewable energy sources and bio-mass potential in Nagaland unlike the other NER States. Transmission projects are capital intensive for which the State is pumping huge investments.
- Revenue support from GOI and the requirement for unbundling of the State power utility for various schemes may be relaxed for Nagaland.
- Identification of a model thermal power plant for which project clearance is feasible considering predominantly tribal population and forest coverage.
- Power procurement capacity is limited (108MW allocation at present), another 25Mw is sought through NTPC.
- Requirement of e-tendering in RGGVY scheme may be relaxed for the state.
- It was stated that besides few SHPs, existing capacity of renewable energy from solar, wind, biomass in the State is too meager to quantify.
- Referring to the announcement made by Union Minister of State for DONER during the recent meeting with the Chief Ministers of NER that 2000 MW renewable, energy generation capacity will be initiated within a year's time in the NER, it was mentioned that the State is looking forward to it with great expectations.

### **Mizoram**

- Distribution system needs strengthening and revamping throughout the State
- Mizoram Energy Development Agency has already commenced executing few renewable energy programmes and has envisaged 3 Renewable Energy Projects at estimated cost of Rs 13Crores.
- The State has tried for taking up Hydro Power project with private participation but received poor response. The State proposes to take assistance of GOI to harness the good Hydro potential in the State.

### **Jharkhand**

- The ash from the power plants and after effects of mining make nearby lands infertile. Suitable mechanism for disposal of ash by power plants is needed including the tree plantation efforts through CSR funds.
- Incentive to coal producing States, apart from royalty and CSR activities, for achieving higher coal production and for achieving the target of one billion tonne.
- Measures to check theft of coal during transportation by rail.
- Generation of electricity from coal-based methane gas.
- RAPDRP projects be considered for towns with population upto 15000 also.
- State be supported under FRP with Rs. 5000 crore for paying pending dues of DVC and TVNL.
- Allocation of Rs. 1000 crore for purchasing transformers under RGGVY.
- Assistance for working out IPP based solutions for the TenuGhat Project.
- State proposals for harnessing roof top solar energy need support from Govt. of India.
- Release of Central Financial Assistance (CFA) is blocked due to non-submission of Utilization Certificates by the States. Promised to submit Utilization certificates in respect of 4 schemes (for a total of 1.36 crore) within a period of one month.
- Requested to expedite the proposal of joint venture with Gujarat Research and Management Institute to organize the training programmes in the State.

- Requested to expedite the proposal regarding roof-top Grid Connector already submitted to MNRE.
- ❖ Hon'ble Minister advised CMD, CCL to constitute a team and depute it to Jharia&Raniganj coalfields to assess the feasibility of utilizing methane gas. Secretary (Coal) requested the States to indicate the incentives to be granted to the coal producing States, for consideration of the Ministry.

#### **Meghalaya**

- State needs technical and resource support for their distribution network improvement and for the development of Hydro Projects.
- Provision for additional village electrification coverage in the earlier executed schemes be allowed under RGGVY Schemes.

#### **Karnataka**

- Reimbursement under DeenDayalUpadhyay Gram JyotiYojana for the feeder augmentation work already executed under State schemes be allowed.
- The Electricity Act/Telegraph Act amendments for solving additional requirement of land compensation for Right Of Way provisions which will adversely impact cost of future Projects. Matter needs rethinking.
- Increasing the inter-region transmission (SR-NR) capacity in the Southern Region Grid Network.
- The limits under the DDG scheme for non-conventional energy resources are not realistic, they need a review in the light of experience of the State.
- The spare capacity of solar Renewable energy during non-agriculture seasons with farmers be utilised by evolving a scheme to harness the same.

#### **Manipur**

- The potential for harnessing 2000 MW hydel projects in the State be utilised more effectively with the assistance of Central Utilities like NHPC & NEEPCO.
- Early completion of 66 MW Loktak Downstream Hydro Electric project.

- For better system reliability, the 400kV line be extended up to Misa in Assam with ring main consisting of Misa-Balipara-Bongaigaon –Azara-Byrnihat-Silchar-Imphal-New Kohima-Misa, to cover all NER States.
- The existing schemes to harness renewable energy potential are not getting sufficient response from private operators, therefore enhancement of assistance and setting up of 1 MW grid connected solar plant be considered for NER States in view of special topography/demography.
- R-APDRP scheme be extended to towns with 5000 population in hilly states.
- The Union Government may consider establishment of one grid connected solar power plants for each of the North-eastern States especially Manipur for demonstration purposes. This will encourage the State to a great extent in promotion of solar energy.
- Most of the RE programmes and schemes under MNRE are 90:10 funding between Centre and State. However, actual share of the State Government taking into account transportation and other incidental charges is much higher than 10% cost. This causes extra financial burden on the State Government and hampers promotion of renewable energy sector. Requested to re-look the practice of fixing benchmark cost for NE Region same with Mainland, considering actual transportation and logistic bottlenecks of the region.

### **Kerala**

- The amendment of Telegraph Act to sort out Right Of Way for transmission lines by making special provisions for the same under the Electricity Act, 2003 by creating Corpus fund to meet cost of land compensation.
- Sufficient coal/gas supplies to existing NTPC Plant and also for the proposed 1320 MW coal based plant.
- The inter-state grid transmission capacity needs to be strengthened, HVDC link may be considered.
- R-APDRP scheme be extended to towns with 5000 population, considering state demography.

- The DeenDayalUpadhyay Gram JyotiYojanabe finalized providing flexibility, keeping in view non-viability of agriculture load segregation.
- Requested viability gap funding for the creation of transmission infrastructure for renewable energy as these projects typically have the high cost of construction and low utilization.
- In the case of smaller capacity projects such as roof-top solar, the capital subsidy programme of MNRE is ineffectual. Requested to replace it by a Generation Based Incentive Scheme.
- Suggested that financing of roof top schemes may be brought under priority sector lending of banks, so as to ensure flow of institutional finance.

### **Maharashtra**

- Approval of coal linkages for power plants linked to Machakata block be expedited.
- Against the requirement of 32 rakes per day, only 16 rakes were being received.
- As coal production from Machhakata mines was delayed due to various issues, Mahagenco had applied for grant of tapering linkages for the Chandrapur (2x500 MW) and Koradi (3x660 MW) projects (linked to Machhakata coal block).
- There should be equal distribution of coal between Govt. and Private sector Power plants.
- ❖ Secretary (Coal) stated that the Ministry was serious about the supply of coal to critical and super critical plants and informed that problem of unloading constraints and detention of railway rakes should be addressed by the state utilities at Khaperkhera and Chandrapur TPP so that the coal materialization would further improve.

### **Madhya Pradesh**

- The State desires to develop more UMPPs to reduce power purchase cost as well as the impact on environment.
- Allocation of a Coal block for UMPP in MP.

- Coal supplied to Sanjay Gandhi TPP was of high GCV value leading to higher fuel cost, SECL to restrict supply of coal having high GCV value to a reasonable 20%.
- Coal for start-up and pre-commissioning of Shreesinghaji TPP had been allocated but not yet supplied.
- Allocation of coal block for Shahapura TPP
- Additional supply of rakes to improve materialisation.
- State be included under FRP scheme.
- IS/BIS Certification requirement for the repaired distribution transformers be reviewed.
- Need for Coal linkage for Singrauli power plant.
- It was informed that work relating to identification of land on Ultra Mega Solar Project of 750 MW at Rewa, sanctioned by GoI, has started and all the pre-project activities have been completed.
- DPR for consideration of Green Corridor project has been submitted to MNRE, requested for early clearance of this project.
- Proposed to rationalize the Wind generation based incentive (GBI), which is 50 paisa per unit and realizable in 10 years. In case of states like MP where CUF of wind projects is around 20%, even the full GBI is not realizable. It was suggested that GBI be made graded and for MP it was proposed it should be 70 paisa/unit subject to overall limit as per circular.
- It was informed that while creation of transmission obligations for renewable power has to be done on peak MW basis, the payment received by the Transmission Company is on energy basis. On account of low capacity utilization factor of renewable plants, creation of transmission system becomes unviable for the Transmission Company. As the cost of transmission companies is being borne by the Discoms and ultimately the consumers of the State, it seems unfair that the cost of development of transmission of renewable power generation for other States should be borne by the customers of MP. In view of the above, it was requested that GoI should develop a scheme for compensating State, like



MP, which are developing renewable power generation beyond their statutory obligations.

❖ Secretary (Coal) assured that pre-commissioning coal shall be made available and issue of supply of high GCV Coal shall be addressed.

### **Rajasthan**

- Green Energy Transmission Corridors be planned for the New & Renewable Energy potential of the State.
- System Operations be strengthened considering the scheduling and forecasting associated with the New & Renewable Energy Projects.
- Schemes for satisfaction of peaking power requirement like pump storage etc. to be planned.
- It was stated that State has potential of 2 lakh MW of solar and wind energy, but is not able to exploit this potential due to inadequate transmission infrastructure.
- It was suggested that GOI should assume the sole responsibility of making adequate transmission infrastructure in the State.
- Scheduling/forecasting of wind energy should be assessed by the expert body, (i.e. National Institute of Wind Energy)
- A provision of preferential tariff should be made for wind energy too as in case of solar etc., GBI should be transferred to Discoms to make it attractive for them to buy the renewable power.

### **Tamil Nadu**

- HVDC transmission strengthening scheme by Govt. of India should be planned for the SR Grid Connectivity augmentation. Raigarh–Timechi-Pugalur line to be taken up urgently for construction.
- For wind energy the UI charges for generation beyond permissible frequency limit are very low. This regulation needs to be suitably modified to maximise the use of wind energy.

- The Transmission Reliability Margin of Raichur-Sholapur should be suitably reduced so that additional power can flow to SR. CERC to come up with commercially viable mechanism for the transmission reliability margin management in the Grid.
- The issue of Forest clearance for 220kV line to be delegated at State level be taken up with M/o Environment & Forest.
- Given the fact that CERC has amended the Indian Electricity Grid Code and narrowed the frequency band to 49.90 Hz to 50.05 Hz which limits the under-drawal/over-drawal's to 12% of the schedule or 150 MW (whichever is lower) thus excess wind energy cannot be absorbed by adjacent states, therefore this regulation needs to be suitably modified to maximize the use of wind energy.
- As TANGEDCO has achieved the capacity addition of 997.4 MW of wind energy alone for the year 2010-11, it was requested to release the eligible incentive grant of Rs. 455.16 crores to Tamil Nadu, at the earliest as per the recommendation of 13th Finance Commission.
- MNRE has sanctioned Central Financial Assistance (CFA) for Chief Minister's Solar Powered Green Houses Scheme under which Tamil Nadu is installing solar rooftops in 3 lakh houses. It was requested to issue sanctions under this scheme for the year 2013-14 and another 60,000 systems for 2014-15.
- Net-metered grid connected solar rooftops has become a reality in Tamil Nadu.
- An incentive of Rs. 20,000 per KW for domestic solar rooftops in addition to MNRE CFA.
- The solar-rooftop sector is currently facing problem of delay in release of subsidy. The subsidy release pending for sanctioned cases in Tamil Nadu is for Rs. 154 crores, and new applications awaiting sanctions are for another Rs. 274 crores. Uncertainty in this regard is hampering large number of applicants going ahead with installations. It was requested to delegate the subsidy sanction and release powers to the State Nodal Agencies by converting MNRE subsidy from 'Central Sector Scheme' to 'Centrally Sponsored Scheme'.

- For release of subsidy to beneficiaries, the Ministry is insisting for following tendering process by SNAs. The relevance of tender process needs to be examined for two reasons:- first, no time limit is fixed for release of subsidy. Calling of tender requires that the time limit for release of subsidy is to be specified in the bid document so that bidders can appropriately quantify the cost of delay; Secondly, while tender process is appropriate where government is the procuring agency, it loses relevance under the market mode mechanism where government or SNA does not facilitate buyer seller relationship.

### **Gujarat**

- Central assistance for setting up wind energy plants.
- R&D project for renewable energy to be taken up.
- It was informed that (a) Gujarat has installed 3352 MW wind capacity & 88 MW Solar capacities. Gujarat has added 3107 MW of Renewable capacity in last 6 years, (b) 5 KW Solar rooftop PV project installed in Gandhinagar through PPP model and their plan to set up Rooftop projects in other 5 cities, and (c) State has developed 1 MW Canal Based Solar project on the Narmada Branch Canal and another 10 MW is under implementation.

To give impetus to RE promotion, following measures were suggested:

- Existing Renewable Energy Certificate (REC) regulation allow benefit of RECs to generators. Since cost of generation is higher and major portion of revenue proceeds are dependent on REC, the projects are finding difficulties in financial closure. On the other hand DISCOMs have limitation to tie up RE power due to implication on tariff of retail consumers. Therefore, it is imperative that DISCOMs tying up power in excess of RPO are made eligible for RECs to overcome these problems.
- As consumers wheeling RE power for captive consumption get the benefit of concessional transmission and wheeling charges and losses, the environmental value of such concessional wheeled power should be counted as part of RPO of DISCOMs.

- Uniform RE Purchase Obligation as percentage of consumption be prescribed across the national level with stringent enforcing mechanism.

### **Chhattisgarh**

- RGGVY scheme be reviewed for covering of hamlets with population less than 100, in view of the State geography.
- System for express Forest Clearance for Coal Blocks for Sarguja UMPP.
- Csa-2/Case-1 bidding be modified to allow distribution companies to participate in the procurement process.
- Special Mechanism to benefit the Home State in which the Coal block/mines are developed.
- It was informed that (a) about 18% of the installed capacity is from various renewable sources (while the national average is 10%) and a target is set to achieve 20% of the total power consumption in the State by 2020, (b) Two of its cities, viz. Raipur and Bilaspur as model solar cities, with an objective of reducing energy consumption by up to 10% by 2021. Naya Raipur is being developed as the first Smart City in the State, (c) Till date, more than 1 lakh families (mostly tribal living in about 1,700 remote villages) have access to electricity powered through solar powered options, and (d) More than 1200 tribal hostels, 600 primary and community health centres, 400 police stations, 50 para-military base camps, all 27 jails and all major engineering and medical colleges are solar powered, (e) installed over 2,500 solar-powered pump-sets and over 500 solar powered irrigation pumps.
- Suggested a new scheme in consultation with MOPNG for providing energy access through non-conventional means in rural/tribal areas to save kerosene consumption
- Suggested to look into the genuine demand of the States particularly relating to transmission infrastructure and also provide flexibility in schemes to States suiting their local conditions

- If supply of coal to pithead plants could be increased by 10% and NTPC can increase supply of imported coal to rail based coastal plants, overall power generation would be improved without increasing the cost of generation.
- Compensation / preference for coal producing States.
- Paradigm shift in opening of coal mines in respect of land requirement, environment and forest clearance and evacuation.
- ❖ Minister of State for Coal, Power and New & Renewable Energy assured that the proposal for increased supply of coal to pit head plants, and import of coal by NTPC in lieu thereof, shall be examined in the perspective of overall coal materialization for other power plants linked to that source.

### **Punjab**

- Suitable provision in Electricity Act for ROW as presently, only crop compensation / damage compensation of land is covered and often leads to litigations.
- Adequate Incentive to State taking up NRE Projects (40,000 Nos. 10 BHP solar pumps, 7.5 MW single roof top solar and bio-mass project).
- RGGVY and R-APDRP schemes to compensate the feeder segregation/ FRP already executed by the State under their own schemes.
- Additional allocation of 14000 solar pumps to the State during 2014-15
- The rooftop power plant capacity should be scaled to 75 MW from the existing 50 MW
- Proposals for biomass power already submitted to MNRE should be expedited.
- Informed that land for 1000 MW Ultra Mega Solar Power Plant has already been identified, therefore, State be given priority and due assistance for setting up the Plant.

### **Jammu & Kashmir**

- The ISI Mark requirement for repaired distribution transformers for the R-APDRP scheme may be relaxed.

- Small run of river Hydel units be developed in the State with Central Assistance.
- Hydro Power Monitoring Cell be created.

### **Sikkim**

- Transmission system strengthening schemes in the State to involve local people for the Project execution. State be helped to develop skills.
- Hilly nature to be considered for development of distribution system.

### **Puduchery**

- Transmission system strengthening scheme of 220kV level shall be developed with assistance of Central Utility (POWERGRID).
- Karaikal-Neyveli transmission line be completed.

### **Tripura**

- Regulator to devise deviation settlement mechanism for changes during project implementation, for early disposal of petitions filed in CERC by developers.
- RGGVY to be modified to cover small village populations.
- Early completion of the  $\pm 800$ kV Vishwanath-Charyali to Agra HVDC Link and the 400kV PK Bari – Silchar Line by Power Grid.
- Central plan for additional connectivity with Bangladesh be developed for additional generation of power by the State.

### **Bihar**

- Review of POC based calculation of transmission charges as it is causing more burden on the States.
- RGGVY scheme should facilitate taking up any additional infrastructure development work for schemes already completed during 10th & 11th Plan.
- Power Sharing Scheme for the UMPP power plant be developed so as to adequately benefit Home State providing land.
- Allocation of coal block for UMPP at Banka.
- ❖ Secretary (Coal) informed that proposal of the State Govt. of Bihar was under consideration.

10. **Miscellaneous Suggestion from delegates:**

- NTPC suggested that Coal India Ltd./SCCL may supply 10% more than ACQ for their nine(9) pit head power stations. This will help Thermal Plants in generating more power and this cheap power availability to the consumers will benefit the country as a whole.
- Power Grid requested State Govts' for early resolution of ROW issues for implementation of Transmission Systems.
- Finalization of Policy for utilising the idle gas plants stranded due to fuel constraints.
- Review of wind energy development incentives as no new developer is coming up, in view of the increase in the cost of the projects over the period.
- Tariff for small solar DDG to be specified by CERC.
- Environment and forest clearances need to be addressed suitably as some States are imposing restriction on mining in areas within 2 kms near river bed.
- Review of policy for Coal Load Factor (CLF) on similar lines to Plant Load Factor (PLF) to lift any restrictions on the coal mining beyond the declared maximum production.

11. **Concluding Remarks of Hon'ble Minister of State (IC) for Power, Coal & NRE**

During the conference, the following major conclusions emerged for further action:

**A. Decisions:**

- Zonal level meetings of State Power Secretaries under the Chairmanship of Secretary (P), Govt. of India.
- One Zonal meeting per month so that all the Zonal meetings are completed in six months.
- Two Power Ministers' Conferences (PMCs) in one year.
- The next Power Ministers' Conference proposed before the budget session of Parliament.

- No State specific agenda to be discussed in PMCs. Focus will be only on policy issues.
- CIL to coordinate with Railways to consider purchasing additional rakes required to transport coal from the States of Odisha, Jharkhand & Chhattisgarh to move additional 10 MT coal annually.
- States to report to Centre after three months on the effectiveness of third party audit system introduced for coal.
- Ministry of Power has already taken up the proposal of delinking Environment clearance for the generating station with Stage-1 FC of the coal block with MoEF.
- Will consider the request of UP for an UMPP at land identified in Etah/Firozabad provided State is willing to enter into PPA and also to pay for the power.
- All Procurement should be through e-procurement and the limit of amount for e-procurement may be decided by the utilities.
- A Hydro group to be formed wherein States having hydro power will interact to adopt best practices in hydro power so as to reduce construction period delays etc.

**B. Suggestions:**

- State utilities may consider forming joint ventures with NTPC for their Thermal Power Plants (TPPs) which are more than 25 years old.
- Consensus of States is essential to re-open the Gadgil formula for allocation of power from Central Power Plants.
- Two or more State joint venture companies for implementation of TPPs are welcome.
- NEEPCO and Assam may consider forming a Joint Venture company for implementation of TPPs at pithead.
- State Utilities to adopt schools for providing functional toilets on similar line as adopted by Central PSUs.
- Possibility of preparation of all DPRs of Hydro projects and its Funding to be explored.



- NTPC to look into setting up a solar plant in Odisha since 200 acre land has been promised by the State govt.
  - Suitable relook into the allocation formula to see how the home state can get more power from the Power stations located in their state.
  - For evacuation of power from green energy projects, centre will render full cooperation and take up the responsibility for evacuating power.
  - For States which promote green energy, apart from NCF funds, assistance by POSOCO will also be considered to compensate the factor of grid instability being faced by them.
  - 6000 MW HVDC line between Raigarh in Chattisgarh and Pugalur in Tamil Nadu will be taken up on priority by PGCIL.
  - NTPC will be setting up a pilot project of solar thermal in Jodhpur.
  - Case 1 and Case 2 bids for permitting Discoms to bid may be considered.
  - All procurements to be made via E tendering only, within six months.
  - Power, Coal & MNRE Ministries to contribute Rs. 1000 crores for the creation of toilets in Government Schools via CSR of PSUs.
- ❖ MoSP (IC) thanked all the participants for their valuable suggestions and for their assurance of cooperation in successfully implementing various policies and schemes. Thereafter, the Conference unanimously adopted the Resolution circulated in the Conference with minor modifications. A copy of the Resolution adopted by the Conference is annexed.

## RESOLUTIONS ADOPTED AT THE CONFERENCE

1. To jointly work with Ministry of Power to achieve 24x7 Power for All in a time bound manner.
2. To facilitate 24x7 power supply to all in the country, two new schemes have been formulated by Government of India. The first scheme "DeendayalUpadhyaya Gram JyotiYojana" (DUGJY) is for rural areas to address (i) feeder separation (ii) gaps in sub-transmission and distribution system to make it theft free and secure and (iii) metering. The second scheme "Integrated Power Development Scheme" (IPDS) focuses on strengthening of sub-transmission and distribution network and metering in Urban and Semi-Urban areas. States would actively avail benefits under these schemes to ensure reliable and secure 24x7 quality power supply to all.
3. With the objective of achieving 15% AT&C loss at national level by year 2021-22, the AT&C loss trajectory of each State from year 2014-15 to 2021-22 has been finalised. State Governments would endeavour to reduce AT&C loss as per the agreed trajectory and over achievement of the target by the State would be appropriately incentivised.
4. State Governments would ensure completion of balance works and closure of all ongoing projects (Phase-I) under RGGVY by Dec., 2014.
5. State Governments would endeavour that all villages electrified under RGGVY are energized by Dec. 2014.
6. State Governments would endeavour that all projects sanctioned under XII Plan of RGGVY are awarded by 30th October, 2014.
7. State Governments would endeavour completion of works under Part-A (IT) of RAPDRP by March 2015 and Part-B as well as SCADA works by March 2017.

8. State Governments would endeavour that adequate long/Medium term procurement of power will be put in place alongwith a reliability framework done in a time bound manner for assured supply of electricity to consumers.
9. To expeditiously resolve issues of RoW, land acquisition concerning transmission lines and monitor their resolution regularly at the level of Chief Secretary or Secretary (Energy).
10. The State Governments would endeavour timely action/compliances for Environment, Forest and other clearances required at the State for various power and coal projects. The GoI would provide necessary help.
11. The State Governments would also consider allotment of hydro power projects as per available potential to Central PSUs, for expeditious development of their State's hydro potential, given the problems in raising State equity/debt for the projects.
12. States agreed to provide active support and cooperation in the resolution of land and R&R issues for expeditious completion of projects so as to achieve the production target of one billion tonnes of coal by 2019.
13. Jharkhand, Odisha and Chhatisgarh resolved to attend to land acquisition and other issues expeditiously for completing the ongoing three critical rail projects.
14. States endorsed the new dispensation for third party sampling and resolved to implement it urgently through their State utilities.
15. CIL will ensure supply of crushed coal and washed coal as per the prescribed time lines.
16. The State Governments resolved to ensure that their Power utilities shall endeavour to import coal as per requirement to achieve the PLF targets.
17. The State Governments resolved that their Power Utilities shall clear their outstanding dues towards Coal companies expeditiously.
18. State Governments resolved that power utilities will build up sufficient coal stocks to meet periods of high demand.

19. States will ensure compliance of their RPO obligation and DISCOMs will make sufficient provisions for procurement of renewable energy in accordance with RPO requirements, as well as Renewable Energy Certificates, if required.

20. State Governments to assist in the development of Green Energy Corridor for smooth transmission of renewable energy throughout the country.

21. State Governments would promote grid connected roof top Solar by formulating an appropriate solar policy, including a provision for zero wheeling and banking charges to make cost of renewable energy affordable.

22. State Governments would provide land as per State land policy with all clearances for promotion of solar and other renewable projects by earmarking waste lands as well as provisioning for a single window clearance system.

23. MNRE and State Governments will take joint measures to strengthen State Nodal Agencies.

24. PGCIL to take up work on development of Green Energy Corridor quickly as per approved procedures.

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