

# **ENERGY POLICY OF CHHATTISGARH GOVERNMENT**

## **Introduction**

Availability of reliable and cheap power is absolutely essential for economic development of any developing State and consumption of electricity in a State is an important indicator of the stage of development of agriculture, industry and commerce in that State. Chhattisgarh is backward in agriculture and industrial sector due to historical reasons. Formation of separate Chhattisgarh State out of undivided Madhya Pradesh since 1st November 2000 has opened up immense possibilities for development of agriculture and industrial sector in the State. Therefore Energy Policy which is practical and realistic is essential to realise the above possibilities.

## **Present Scenario**

Chhattisgarh is predominantly an agriculture-based State with more than 80% of its population being dependent upon agriculture. About 44% of the State is under forest cover with about 32% of the population being tribal. About 90% of the villages are electrified and most of the remaining villages are tribal dominated and come in forest areas. With irrigation being just about 17%, people are largely dependent on rains for agriculture. From the point of view of industrial development also Chhattisgarh is a backward State.

Total installed capacity of the Power Plants of Chhattisgarh State Electricity Board (CSEB) is 1360MW, out of which 1240 MW is Thermal and 120 MW is Hydel. Thus the share of Hydel power is only about 9% of total capacity against the national average of about 24%. Average per capita electricity consumption per year is about 300 units which is very low compared to other developed States and also with national average Power consumption by high tension (H T) consumers is about 64% of the total consumption, whereas agriculture consumption is only about 10%.

Chhattisgarh State has about 14% of LT and 21 % of HT/EHT network of the undivided MP State as against the geographical area of about 30%. Lack of Transmission & Distribution network in several parts of the State causes problem of low voltage in interior rural areas.

## **Objectives of Energy Policy**

Chhattisgarh State is fortunate that it has surplus electricity and has immense possibilities of coal based thermal power generation. At the national level one finds several States suffering from serious power crises. Looking to abundant availability of coal in the state, Chhattisgarh would be developed as a 'Power Hub' of the nation from where power would be exported to other needy States.

Due to historical reasons Chhattisgarh is backward in agriculture and industrial sector. One of the main reasons for this backwardness has been non-availability of cheap and reliable power in the State. State Government aims to ensure availability of reliable and cheap electricity to every section of society both in rural as well as urban areas, including the farmers, so that more and more electricity could be consumed within the State. State Government shall also provide quality power at reasonable rates to industries as per their requirement so that industries could flourish and pace of industrialization is accelerated.

Main objective of our Energy policy is to accelerate the pace of development of the State and bring it at least at par with other developed States.

## **Energy Policy**

Keeping in view the above objectives the State Government enunciates the following Energy Policy:

### **I. Rural Electrification:**

To bring per capita electricity consumption at par with national level, State Government accords highest priority to providing electricity to all the villages and Majra /Tolas (Hamlets). Transmission & Distribution network shall be accordingly strengthened. Looking to the problems in electrification due to dense forest coverage, villages will be electrified through non- conventional energy resources where ever feasible. The following rural electrification program shall be under taken in line with National Policy in this regard:-

- (a) Electrification of all villages and Majra/Tolas of the State would be completed by the end of 10th Five Yeas Plan i.e. 2007.
- (b) Electricity to every household in the State would be available by the end of 11th Five Year plans, i.e. 2012.

### **II. Energy for Agriculture**

Keeping in view the important role of agriculture in the State's economic development and low irrigation percentage, priority shall be accorded to energisation of agriculture pump sets. For this purpose, where power lines exist and the required formalities are completed by the farmers, energisation of their agriculture pumps shall be done within a fixed time- limit. Where lines do not exist, transmission and distribution infrastructure shall be developed for energizing agriculture pumps. Procedures for energisation of agriculture pump sets would be further simplified. Recognising the importance of agriculture sector in the economic development of State, electricity shall be made available on priority to Lift Irrigation Schemes (LIS) also.

### **III. Energy for Industries**

For giving impetus to industrial investment in the State, it is absolutely essential that industries get quality power at reasonable rates. State Government resolves to make reliable power available to industries at reasonable rates so that in the present competitive scenario, new industries get attracted to the State. A separate package shall be prepared to. Revive the closed industries.

#### **III (A) Captive Power Plants for Industries**

Normally Captive Power Plant (CPP) is required by industries when availability of power is not assured. Presently Chhattisgarh State is surplus in power, but looking to the future load growth in the State and with a view to meet the

demand of other States, State Government's policy for captive power plants would be as given below:

(a) Keeping in view the State Government's resolve to make Chhattisgarh 'Power Hub' of the nation, State Government would encourage power generation through captive power plants and would liberally grant permission for the same.

(b) Captive power plant owners would be allowed to sell power to their sister concerns. However, sale to third party within the State shall not be allowed.

(c) In the event captive power plant owner intends to sell its power to other State, state government and CSEB shall extend all possible help. Such sale would be through CSEB but the responsibility to select purchasing State / Organisation shall rest solely with captive power plant Owner. In case of purchase of power from captive plant by CSEB, the rates of purchase shall, as far as possible, be decided by mutual agreement.

(d) Chhattisgarh State Electricity Board (CSEB) shall purchase electricity from captive power plant only when it is required. Purchase price shall be decided keeping in view the rates at which electricity is available from other sources.

#### **IV. Generation**

Because of abundant availability of coal and water, there exists a wide scope for coal-based power projects in the State. In addition, the State has very good potential for power generation through non-conventional energy sources especially through Hydel projects. Presently the installed capacity of the State from CSEB's power stations is 1360 MW as against an average demand of 1100-1200 MW. It is estimated that maximum demand by the year 2010-11 would be about 2120 MW. Keeping in view the projected demand of Chhattisgarh in the next 10 years and also the requirement of other States, following steps would be taken to enhance generation in the State:

(a) Renovation & Modernization (R&M) of CSEB owned thermal power units which are very old, will be undertaken to improve their PLF and thereby enhance power generation. By March 2003, PLF to the extent of 80% shall be achieved.

(b) Looking to the immense potential for coal based power generation in the State and the power requirements of other States as also the huge investments required for setting up power plants, State Government shall welcome investments by other State Governments, Public Undertakings and Private Sector to set-up power projects in this State. CSEB shall also set-up power projects in the State keeping in view its requirements. After meeting requirement of Chhattisgarh, surplus power from power producers could be sold to other States and State Government shall extend all possible help in this regard. Sale of power to other States shall be through CSEB but the responsibility to identify buyer State! Organisation shall rest with the power producer.

(c) Efforts would be made to revive Bodhghat Hydel Project on river Indravati, which is withheld by Government of India for the present due to

forest involved. With a view to increase Hydel Power generation, sites for various projects at different locations based on water availability feasibility shall be identified. Private investment shall also be welcomed for Hydel Power Projects. Non-Governmental Organisations and local bodies shall also be encouraged for very small hydel projects wherever feasible.

(d) Apart from Hydel Power, generation through other Non- Conventional Energy Resources such as Solar, Wind, Geo-Thermal, Bio-Mass etc., would also be encouraged and all possible help shall be extended.

## **V. Power Sector Reforms**

Due to long monopoly of State/SEBs in energy sector and due to defective policies, power generation, transmission and distribution sectors have become inefficient and most of the SEB' s have become financially unviable with the result that SEB's are unable to make required investments in these sectors. This situation cannot be allowed to continue for long and therefore, reforms in power sector has now become inevitable. Keeping in view the national policy for power sector reforms, State Government shall take following steps: -

(a) A separate State Electricity Regulatory Commission has been constituted. It shall be made effective.

(b) Existing electricity tariff shall be rationalized.

(c) If any policy of the State Government for fulfillment of social objectives of the State results in financial loss to CSEB then the loss shall be compensated by State Government by making provision in the Budget.

(d) To bring down line losses in Transmission and Distribution (T&D), effective metering at all levels of T &D shall be done, so that proper energy audit can be under-taken and accountability fixed.

(e) With a view to avert energy theft, cent-percent metering of all consumers is essential. Due to the large quantum of this work, it shall be done in a phased manner,.

(f) To curb the increasing tendency of energy theft, effective steps shall be taken by State Government. Surprise checks by flying squads will be conducted and strict legal action will be taken against those found indulging in theft. Informers of energy theft shall be rewarded. Services of judicial officers will also be obtained as per requirement.

(g) Keeping In view the experience of other States in the process of power sector reforms and considering local situations, all-possible efforts shall be made to make CSEB more efficient.

(h) Private investment and participation shall be encouraged in transmission sector.

(i) There is an immediate need for reforms in distribution sector. To begin with, distribution work of some areas in the State shall be given to private sector on experimental basis.

## **VI. Development of Non-Conventional Energy**

(a) There exists a large scope of energy generation and utilization in the State through Solar, Biomass, Bio-gas, Hydel etc. Non-conventional energy resources are also very important from the viewpoint of environment conservation. Therefore installation of power plants using non-conventional energy resources shall be encouraged by State Government. For power generation from such units, there shall be no ceiling on the installed capacity. Self-consumption of energy by these units shall be permitted and permission for third-party sale shall also be considered as per requirement. Power generated through non-conventional means shall also be purchased by CSEB based on its requirement.

(b) Villages located in such tribal and remote areas where conventional electrification is not possible due to dense forests, shall be electrified through non-conventional energy resources.

(c) Priority shall also be given to provide electricity to Hostels located in hilly areas through non-conventional energy resources.

(d) Government would extend all possible help to popularize non-conventional appliances like Solar cooker, Solar lamp, Solar water heater, Solar agriculture pumps, Bio Gas etc., for their extensive use in the State. State level Energy Park shall also be established.

## **VII. Energy Conservation and Demand Side Management**

Looking to the importance of energy and its high generation cost, it is not only essential to stop misuse of energy but also to conserve energy by way of demand side management. Effective measures for creating awareness about energy efficient appliances like agriculture pump sets, energy efficient bulb tube lights etc, shall be taken by State Government.

## **VIII. Consumer Satisfaction**

State Government is of clear opinion that in energy sector, consumer satisfaction is supreme. Therefore, for speedy Redressal of complaints of all category of consumers viz -agriculture, industry, domestic and others, a system shall be devised by which Redressal is ensured within a fixed time limit. Electricity bills will be simplified and services of Banks and Information Technology (IT) shall be availed to improve the process of payment of energy bill.

State Government has declared above energy policy for the State of Chhattisgarh vide Notification dated 31st October 2001.