



Himachal Pradesh

Power Related

Power for industry:

Availability of quality power in adequate quantities throughout the year at reasonable rates is one of the major strengths of the State. Himachal Pradesh has been endowed with vast hydel power potential. Out of the 21530 MW identified power potential, only about 4000 MW has so far been harnessed/ exploited. The Bhakra Project is now generating 1354 MW of power. Similarly, the Beas Satluj Link Project has also been completed, producing 990 MW of power. Simultaneously, other projects too have been completed. This State as a result of the completion of some of the projects, is generating about 3934.74 MW of hydel power. State Govt. has now opened up power sector to private sector.

Besides, Central PSUs such as NTPC and NHPC have also been invited to take up the large projects like Chamara-II, Kol dam and Parbati for execution. With a view to accelerate the process of power sector reforms, the State Govt. has constituted the State Electricity Regulatory Commission. The State Govt. is also encouraging co-operative sector by reserving sites in the small and micro hydel sectors which will involve local community and increase the employment opportunities to local people. By all these efforts the State Govt. plans to get installed capacity addition of 6100 MW by 2010. The State Govt. is vigorously pursuing the execution of hydro-electric projects upto 300 MW through the MOU route with the Govt. of India for speedy actualization of the potential. To maximize the exploitation of power generation potential in the State, Government has taken a number of initiatives, which envisages active participation of the State Electricity Board as well as Private investors.

Our objective will be to bring about a qualitative transformation of the electricity sector through a new paradigm, taking into account the complex ground realities of power generation, transmission and distribution scenario and potential of the State. Our State Government is fully committed to effectively implement the new initiatives required in this direction. The setting up of the State Electricity Regulatory Commission by the State Government is a step already taken in this direction.

State Government is committed to reforms in the Power Sector and to step up these reforms, various initiatives are being taken. The State Government will come out with its own Power Policy detailing the road map for reforms in this sector. Our reforms are intended to be broadly based on the principle of encouraging restructuring of this sector based on the criterion of encouraging healthy competition between the utility and service providers, and focusing on a competitive and rational tariff structure for industrial, domestic and commercial consumers. Our approach to reforms would be based on evolving a consensus amongst stakeholders, optimizing use of technical and financial resources and assets of the State and strengthening of regulators.

Specific attention would also be paid to the grassroot delivery mechanism and reforms in this area given priority. Special priority would be given to 100% Export Oriented Units/Information Technology/ Bio-Technology industries/Foreign Direct Investment projects and sectors like tourism for grant of connection depending upon the power availability and the system constraints. Simultaneously electrical installation procedures for power connections would be simplified.

Emphasis would be laid on providing power connections to those projects of National and State importance and a healthy ratio of power committed to projects as compared to employment generated and investments made will be maintained. Efforts would be made to ensure exemption of industrial units, especially the continuous process industry, EOUs and Agro-based, IT,BT and Food Processing

Industries from all power cuts within the system constraints.

While planning T&D networks in future special emphasis will be laid on creation of dedicated feeders/lines where ever available area wise for ensuring continuous power supply to all existing/proposed industrial areas/estates in the State. Possibilities of eventually privatising the generation and distribution of power for all major industrial areas/estates will also be explored and encouraged.

No Electricity Duty will be charged on power generated from captive Diesel power stations and permission requirements for captive /generating sets will be made time bound and simplified. Third party sale of surplus captive power available in Industrial Areas /Estates with such power producers can also be allowed on a case to case basis. To sustain high technology industry quality of power will be ensured at reasonable prices to be proposed in a manner so as to enable industry adjust to its impacts. A liberal policy to give permissions to surrender a part of load will also be evolved in a manner suited to the utility provider and industry and minimum charge on contract demand reviewed accordingly. In addition permission for extension of load to existing units would be given priority and would be considerably simplified.

In future all units registered with the Department of Industries as SSSBE's (Small Scale Service

Business Establishments will be granted Industrial Power connections.