

**CHIEF MINISTER'S OFFICE
GOVERNMENT OF TELANGANA**

PRESS RELEASE

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Chief Minister Sri K. Chandrashekar Rao's Short Discussion on Power at the Telangana Legislative Assembly on Wednesday.

MoU between Government of India, Government of Telangana and Distribution Companies on UDAY (Ujwal Discom Assurance Yojana).

I am happy to inform the august house that today, 04.01.2017, our Government and TS Discoms are executing an MoU with Government of India at New Delhi, to join in UDAY Scheme.

- Hon'ble Members are aware that at the time of inception of the State, the State was reeling under severe power cuts with a shortage of 2700 MW peak demand, 4 to 8 hours load relief to the domestic and other customers and 2 day power holidays to the industries
- The 2 Discoms in the State are having a long term debt of Rs.11897 crores (TSSPDCL - Rs.7392 Crores and TSNPDCL - Rs.4505 Crores) as on 30.09.2015 and virtually in the debt trap
- Due to the neglect of Telangana in the erstwhile united Andhra Pradesh, there was no proper planning or forecast of the demand. There were several agitations protesting against irregular power supply especially to the farming sector
- The house is aware that there was a firing in Basheerbagh on 28th August, 2000 resulting in the death of 2 farmers who were agitating against the irregular power supply to the farmers and increased power tariff
- At the time of inception of the State, the installed capacity of the State is 5863 MWs. The Government has initiated short, medium and long term measures to overcome the power problem

The State Power Utilities have undertaken number of measures such as:

- Reduction of T&D Losses from 16.83% to 15.98%
- Staggering of loads to 24 hours of the day
- Increase in generation by TSGENCO plants

- Entering into short term power purchase agreements
- Purchase from exchange
- 600 MW Kakatiya Thermal Power Plant, 1200 MW Singareni Thermal Power Plant, 840 MW of Thermal Power Tech, 550 MW of CGS, 240 MW Jurala Hydro Power Project, 30 MW of Pulichintala HES, 1080 MW of Solar Power and 99 MW Wind Power totaling 5039 MWs is connected to the grid. Thus the installed capacity of the State has now reached 10902 MWs. Of these 10902 MWs, the firm capacity is only 7640 MWs (excluding Hydel, Solar and Wind). The State has met the peak power demand of 8284 MW on 09th September, 2016 (09.09.2016) with short term power purchases
- As a result of these measures there is substantial improvement in the power supply position in the State
- There is no load relief from 20.11.2014 onwards in the state to any category of consumers and 9 hours 3 phase supply is being extended to the agriculture consumers
- There is a paradigm shift in the power supply position of the State. The 2 days power holidays earlier imposed on the industrial consumers are lifted and 24 hours power supply is perfectly ensured to the industries without any interruptions. All the consumers in the State including industrial consumers are happy with the power supply situation in the State. With the reliable supply of power, the sale of inverters, converters and diesel generators are minimized
- Appreciating the performance of the utilities REC and PFC have reduced the interest rates to 9.95% from 12% benefiting Rs.200 crores interest per annum and overall Rs.2000 Crores (Rupees Two Thousand Crores) in a loan period of ten years
- To make the State progressive and power surplus, State will be getting 1000 MWs of Chhattisgarh power from April, 2017 onwards. TSGENCO is also putting up 5880 MWs thermal capacity with an investment of Rs.37,600 Crores for which the financial closure was achieved
- NTPC is setting up 4000 MW Thermal Power Plant at Ramagundam as mandated in the A.P. Re-organisation Act. Hon'ble Prime Minister has laid the foundation stone for 2x800 MW Thermal Power Plant in Phase-I and the work is under progress
- CGS will be adding 595 MWs in the next 3 years. Singareni will be setting up 800 MW Super critical Thermal Power Station. Further, around 3920 MWs of Solar Power would be commissioned by 2018-19
- With all these additions total installed capacity of the State will be about 27187 MWs
- The Transmission and Distribution network is also strengthened with an investment of around Rs.2500 Crores and further being augmented to cater to

load growth and additional load requirement of 10,000 MWs of lift irrigation schemes

- To relieve the financial burden of the Distribution Companies and consumers, the State has decided to join the UDAY Scheme (Ujwal Discom Assurance Yojana) launched by the Government of India. The 2 Discoms in the State are having a long term debt of Rs.11897 crores (TSSPDCL - Rs.7392 Crores and TSNPDCL - Rs. 4505 Crores) as on 30.09.2015 and virtually in the debt trap
- The State Government is taking over 75% of the Discoms debt amounting to Rs.8923 Crores out of Rs.11897 crores as on 30.09.2015. The balance loan amount of Rs.2974 Crores will be restructured by the Discoms by issuing bonds with Government Guarantee. As a result of taking over the loan by the State Government, there is a relief of interest burden of Rs.890 Crores per annum to the 2 Discoms and consumers at large. Discoms will be able to raise funds with competitive rates from the financial institutions towards capital expenditures. The Government of Telangana is already providing a subsidy of Rs.4584 Crores to the Discoms/Consumers
- MoU implementing the UDAY Scheme between the Government of India, State Government and the Distribution Companies is being executed today, at New Delhi
- In recognition of the efforts put in by all sections of the employees, I am happy to inform that the Government has decided to regularize around 20,000 outsourced personnel working in TRANSCO, GENCO and Distribution Companies and also regularized the services of 1,175 contract JLMs
- The Government is committed to continue to provide quality, quantity and reliable power to all the category of consumers in the State

CPRO to CM