

# POWER REFORMS IN MADHYA PRADESH- THE SEARCH FOR AN INDIGENOUS MODEL FOR SUSTAINABLE DEVELOPMENT

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Madhya Pradesh power sector reforms have been reached from where further progress appears challenging due to the following major Problems; the slow rate of addition to power generating capacity; the lack of noticeable improvement in the governance, management and level of service to consumers; the failure of efforts to induct the private sector into the distribution; the inability to find a solution to the problem of subsidized supply of power to agriculturists; the chaotic condition of governance of LT distribution with inter alia , the level of T & D losses remaining undetermined and annual loss reduction being very slow and deficits accumulated over the yeas imposing an unbearable interest burden limiting the capacity to raise fund in commercial market.

For the development of any economy, power sector plays a vital and pivotal role. A secure and predictable electricity supply can enable any country to fulfill its social and economic objectives. Rationalized tariffs can overcome the deficit problem and improve the financial health of State Electricity Boards / Electricity Utilities. An improved financial health of power sector can also ensure improved conditions for schools, hospitals, and other social services. Power sector reforms can change the situation of agricultural, industrial and infrastructural development. Development of power sector requires huge financial resources. Rationalization of tariffs and Consumer satisfaction through dispute settlement panel of MPERC also reduce the problem of electricity theft and influence them for proper utilization of power. the problem of electricity theft and influence them for proper utilization of power. The study will also analyze the situation of public private partner ship in the generation, transmission and distribution of power in MP after implementation of power sector reforms .which will help to the Government, State Electricity Boards / Electricity Utilities to generate finance for the power sector development.

These reforms have been carried out for the first time thus there is no past history or experience to rely on. Thus any mistake or miscalculation can lead to enormous problems which may result into huge

financial loss, which will eventually retard the economic growth. Thus it is important to carry out a study to analyze and assess the impacts after the enactment of Madhya Pradesh electricity Regulatory Commissions and develop a model for the sustainable development on the basis of present barriers and situations for the betterment of present system.

## **An Overview of power sector in MP**

Madhya Pradesh is one of the largest state in India. It is located in the heart of the India. Madhya Pradesh power sector is administered by Madhya Pradesh Electricity Board with the help of other state electricity utilities for generation, transmission and distribution of power to the consumers. Madhya Pradesh electricity regulatory commission plays a vital role to observe the situation and working of state utilities and determination of tariff.

The MPSEB distribution administration is spread over in seven division and 45 district head quarters in the state of MP. MPSEB administered the power sector with the help of more than 50000 employee.

## **Formation of MPERC**

The Madhya Pradesh Electricity Regulatory Commission was constituted by Government of Madhya Pradesh vide Gazette Notification dated 20th August, 1998 under Electricity Regulatory Commission's Act, 1998, subsequently after the M.P. Vidyut Sudhar Adhiniyam, 2000 came into effect from 03-07-2001, the State Regulatory Commission was deemed to have been constituted under State Act. Consequent to the constitution of Madhya Pradesh Electricity Regulatory Commission the state was divested of its regulatory functions. The Electricity Act 2003 (No. 36 of 2003) enacted by parliament has come into force w.e.f. 10th June 2003 and the Commission is now deemed to have been constituted and functioning under the provisions of Electricity Act 2003.

## **Situation of power Generation Capacity in MP-**

In Mp there are 19 power generation station with installed capacity of 3897.5MW in which MP share is 3775MW. There are entrepreneurs willing to set up plants and there are consumers who are keen and willing to buy power. The task of putting up power

plants has become problematic only due to the insistence in the state, that the new power plants should sell their power to the SEB or its successors, the TRANSCO / DISCOMs.

#### **Situation of Power Transmission in MP**

There are 221 sub stations have been established since Oct 2009 in Madhya Pradesh. Where as it was only 141 substation were there before power sector reform in M P.

It is the need of the hour to establish more transmission substation to reduce the load of each station and supply of quality power to the consumer

#### **Situation of Power Distribution in MP**

Power Distribution utilities is segmented in three distribution companies; East DISCOM, Central DISCOM, and West DISCOM .The Salient Features and statistics of Distribution companies is as given below.

#### **Table I**

Functions of MPERC for sustainable development  
Subject to the provisions of this Act, the Commission shall discharge, amongst others, the following functions, namely:- to regulate the purchase, distribution, supply and utilization of electricity, the quality of service, the tariff and charges payable considering the interest of the consumer and the Electricity and industry both; to promote efficiency, economy and safety in the use of the electricity in the State including in regard to quality, continuity and reliability of service and that all reasonable demand for electricity are met; to determine the tariff for electricity, wholesale, bulk, grid or retail in accordance with the provisions of this Act; to determine the tariff payable for use of the intra-state transmission facilities in accordance with the provisions of this Act; to grant, revoke and amend licenses in accordance with the provisions of this Act, to determine the conditions to be included in the licenses, to grant exemption from license requirements and determine the conditions to be complied by the exempted persons; to regulate the working of the licensees and to promote the working in an efficient, economical and equitable manner; to require licensees and others to formulate perspective plans and schemes in coordination with others for the promotion of generation, transmission, sub-transmission, distribution, supply and use of electricity; to collect and record information concerning the generation, transmission, sub-transmission, distribution, supply and utilization of electricity and to require the licensees and others to collect such information and data and forecast on

the demand for and use of electricity; to regulate the operation of the power system in the State and the assets, properties and interest in properties concerning or related to the electricity industry in the State; to set and enforce standards for the electricity industry in the State including standards relating to safety, quality, continuity and reliability of service and the development of codes and supply codes including grid code, distribution code; to promote competitiveness in the electricity industry in the State; to promote efficient utilization and conservation of electricity through appropriate demand side management, reduction of wastes and losses in the utilization of electricity; to aid, if the Commission deems appropriate, on matters concerning generation, transmission, sub-transmission, distribution, supply and utilization of electricity in the State; to refer, if the Commission deems appropriate, on matters to other agencies and bodies dealing with consumer disputes, restrictive and unfair trade practices and management and administration of the affairs of the licensees; to adjudicate upon the disputes and difference between the licensees and to refer matters to arbitration, if considered necessary in accordance with the provisions of this Act; to coordinate with environmental regulatory agencies and to evolve policies and procedures for appropriate environmental regulation of the electricity industry in the State ; to lay down a uniform system of accounts among the licensees; and to undertake all incidental or ancillary activities that the Commission may consider appropriate for the effective discharge of any of the above functions.

#### **Conclusion**

Madhya Pradesh has initiated the process of implementing Power Sector Reform and Governement of MP is committed to a time-bound reform and restructuring of the power sector in the State. The objectives of its reform programme are to promote the development of an efficient, commercially viable and competitive power supply Industry, which will provide reliable and quality power at competitive process to all consumers in the State and which will support industrial development in the State with the help of MPERC.

#### **References**

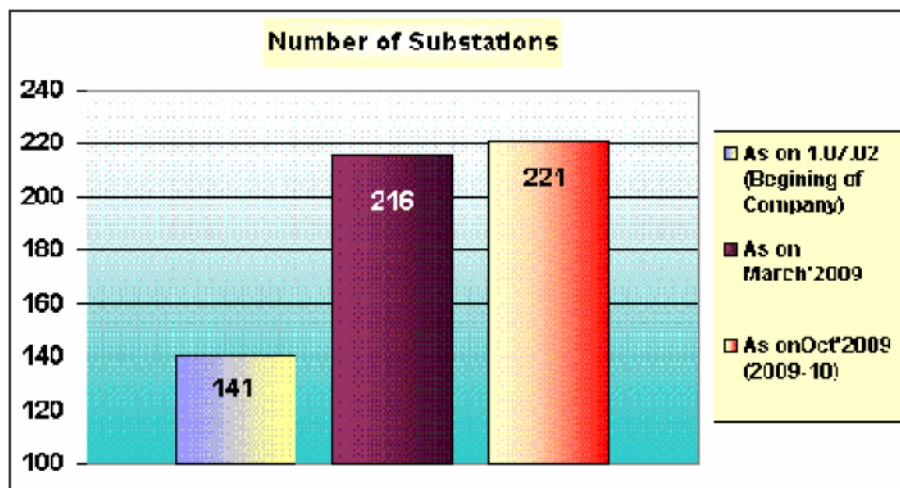
##### **Journals**

- "Power line" October 2008,
- "Power line 'September 2008
- Energy for sustainable Development, December 2002.

- "Energy and development" 2008
- "Energy policy" 2007

**Web resources**

- [www.cercind.gov.in](http://www.cercind.gov.in)
- [www.mperc.org](http://www.mperc.org)
- [www.mp.gov.in/energy/mpseb](http://www.mp.gov.in/energy/mpseb)
- [www.mpseb.org](http://www.mpseb.org)



**Table I**

|                                       | (As on 31/3/2005) |           |              | (As on 31/3/2006) |           |              | (As on 31/3/2007) |           |              |           |
|---------------------------------------|-------------------|-----------|--------------|-------------------|-----------|--------------|-------------------|-----------|--------------|-----------|
|                                       | Unit              | East Zone | Central Zone | West Zone         | East Zone | Central Zone | West Zone         | East Zone | Central Zone | West Zone |
| Area (1991 Census) Total              | Sq. km.           | 1,35,162  | 96,069       | 77,021            | 135162    | 96069        | 77021             | 135162    | 96069        | 77021     |
| Population (2001 Census)              | 000               | 24,518    | 18,395       | 17,472            | 24518     | 18395        | 17472             | 24518     | 18395        | 17472     |
| Administrative Units                  | No.               |           |              |                   |           |              |                   |           |              |           |
| Blocks                                |                   | 3         | 2            | 2                 | 3         | 2            | 2                 | 3         | 2            | 2         |
| Police Stations                       |                   | 15        | 12           | 13                | 15        | 12           | 13                | 15        | 12           | 13        |
| Substations                           |                   | 52        | 43           | 49                | 52        | 43           | 49                | 52        | 43           | 48        |
| Distribution Centres (Incl. Division) |                   | 383       | 299          | 366               | 383       | 299          | 366               | 383       | 299          | 377       |
| Subscribers                           | 000               | 2288.5    | 1805.9       | 2399.1            | 2307      | 1811         | 2436              | 2343      | 1823         | 2490      |
|                                       | Rural             | 1288      | 895.6        | 1339.1            | 1298      | 877          | 1371              | 1343      | 847          | 1395      |
|                                       | Urban             | 1000.5    | 910.3        | 1060              | 1009      | 934          | 1065              | 1000      | 976          | 1095      |
| Connected Load                        | Mw                | 2520      | 2782         | 3596              | 2608      | 2810         | 3708              | 2624      | 2810         | 3812      |
|                                       | Rural             | 1118      | 1237         | 1735              | 1125      | 1197         | 1771              | 1149      | 1197         | 1802      |
|                                       | Urban             | 1402      | 1545         | 1861              | 1483      | 1613         | 1937              | 1475      | 1613         | 2010      |
| Length of Lines                       | km                | 69494     | 62833        | 61544             | 70928     | 63306        | 62999             | 72101     | 63553        | 64214     |
|                                       |                   | 107532    | 98178        | 131311            | 107505    | 98147        | 131850            | 107563    | 97836        | 131636    |
| Transformers                          |                   |           |              |                   |           |              |                   |           |              |           |
| Numbers                               | No.               | 824       | 927          | 1224              | 804       | 894          | 1259              | 895       | 924          | 1277      |
|                                       |                   | 47071     | 56088        | 72848             | 47283     | 58819        | 76993             | 48684     | 61373        | 79482     |
| Capacity                              | MVA               | 2909      | 3541         | 4743              | 2671      | 3323         | 4876              | 3000      | 3445         | 4954      |
|                                       |                   | 3984      | 5076         | 6956              | 3884      | 5260         | 7351              | 4089      | 5460         | 7507      |
| Electrification                       |                   |           |              |                   |           |              |                   |           |              |           |
| Electrified Villages (1991 Census)    | No.               | 24046     | 15548        | 12212             |           |              |                   |           |              |           |
| Electrified Villages                  |                   | 23178     | 15235        | 12081             | 23178     | 15235        | 12081             | 23178     | 15235        | 12061     |
| Percentage of Electrification         | %                 | 96.39     | 97.99        | 98.76             | 96.39     | 97.99        | 98.76             | 96.39     | 97.99        | 98.76     |
| Subscribers Energized                 | No.               | 349530    | 329290       | 650568            | 352388    | 332969       | 654766            | 355310    | 336663       | 657597    |
| Employment * (Regular)                | No.               | 16134     | 14072        | 13813             |           |              |                   |           |              |           |

