

# 'By 2019, we want to ensure every house in this country gets power'

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India has moved on from being a nation of power shortages to one that is grappling with power surplus, minister of state with independent charge for power, coal, new and renewable energy and mines Piyush Goyal said. In an interview on the third anniversary of the Narendra Modi government, Goyal said given the power surplus, the tariff policy may need to be relooked. Edited excerpts:

**To look at the record of the last three years, what would you say is the seminal achievement of your own ministry?**

The big picture is that a country which was accustomed to shortages is today grappling with the problem of surplus. That change of mindset has completely changed the way policy is made, the way companies are planning their investments.

I was recently telling my colleagues that the entire tariff policy also needs to be relooked in this new scenario.

Coal linkages in the earlier days were a prized possession. Today we have made it so transparent that everybody has an equal opportunity to bid and get a coal linkage of his choice, where he saves money on transportation. It is an efficient way of utilising coal. I see the records every day and I worry for the fact that India over the years could not imagine being self-sufficient in coal.

Therefore, we have set up 83100 megawatt of thermal capacity which is largely based

on imported coal or imported blends of coal because of which Coal India today can produce much larger quantities, India could be domestically self-reliant at least for thermal coal. We are helplessly importing coal to feed these plants.

Now this despondency of the past turning into a sense of optimism, self-reliance, India on its own feet, energy secure, that I think is the biggest story as far as the power and coal sector go.

**What would you say is the agenda for the next two years?**

Prime Minister Narendra Modi believes that we have to take power to every household in this country. Every child deprived of power, 70 years after independence is a matter of shame for this country, collectively.

We have set a deadline of 15 August 2022 by when we want to ensure that everybody gets access to affordable and good quality power.

On a personal note, we will make sure that the villages get electricity by the end of this year. We will make sure that every household in the 18,452 villages, the target Prime Minister Modi has set for 1,000 days, will within those 1,000 days not only have power reach them but every household in these 18,452 villages will have electricity. I am trying to advance the target of 2022 as much as possible. Hopefully, by 2019 about 2.5 years from now we want to ensure that every house in this country gets power either through the grid or through off-grid solutions, which also



Minister of state with independent charge for power, coal, new and renewable energy and mines Piyush Goyal.

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we are employing in a large way.

**While coal is not a bottleneck anymore, the big bottleneck is still demand. We have not heard of a PPA in a long time or at least a substantial amount of PPA. You have brought the**

**DISCOM debt considerably down because of UDAY but they are still not surplus enough to put out PPAs. How do you solve that problem?**

There are three aspects to your question, first of all 'yeh dil maange more', I am delighted that it is 'yeh dil maange more'. Even a beggar doesn't go to anybody unless he believes that he can give him something. So, it is a great thumbs-up for the trust that the people of India have in Prime Minister Modi and his government. The fact that they believe if there is somebody who can transform their lives, if there is somebody who

can meet the aspirations of a billion people, it is Prime Minister Modi. With his commitment, with his zeal to serve the poor, the farmers, rural India, the people know that he is the man who can take this country to the next level.

As regards to the second question of demand, I think you need to get the right perspective to the people of India. In the first place, the demand in power sector has grown 6.5% from the established power infrastructure, all three years. The CAGR is about 6.5%.

In the last 10 years when the UPA Congress was in power, the growth was 6.16% CAGR and the so called boom years also included. So, the demand has not slowed down at all.

The thrust on energy efficiency, which the Modi government has brought in was never there in the country or in fact in the world before. The kind of huge rollout on LEDs, on tubelights, on fans, on better air conditioning systems,

surprised if that power generation has grown by leaps and bounds in the last three years.

In terms of the PPAs, with this kind of demand and in the peak summer, this has been one of the worst summers. You have not heard of any power outages anywhere in the country, Delhi is a little bit of an exception more because the Delhi government failed to create the enabling infrastructure to meet this high demand.

We had a small tenure when we were handling the Delhi government before November 2014, in which period recognising the problems of Delhi and you recall my baptism by storm, my early days as power minister, we drew up a Rs7,000 crore programme to upgrade the Delhi infrastructure to meet this growing demand particularly in peak months.

Sadly the new government that was elected failed to implement that programme. I had meetings with them, I had meetings with the power minister and his officials, and they said we believe we don't need to invest this money.

**That is really the problem, state governments are not going behind discoms, ensuring them to be financially well equipped to go out and put PPAs. It is not as if India doesn't have a power need.**

Not all the state governments, there may be a few which ...

**Have you seen some of the discoms becoming financially profitable?**

Yes. I met the power minister of Tamil Nadu recently and he said that a state which was making Rs15,000 crore loss

will by next year be making a profit.

Rajasthan which was also making about Rs15,000 crore loss during the Ashok Gehlot regime when they had messed up the entire power infrastructure, Vasundhara Raje Scindia has been working steadfastly and I believe they will have halved their losses this year. By next year we are quite hopeful that that state will also break even. Haryana has two discoms, one has turned into profit, the other we are working on. Uttar Pradesh was in a very bad state of flux.

Yogi Adityanath has taken this up as a mission to take power to every home, to strengthen the power infrastructure, to eliminate corruption in his state. I may have had about 12 or 13 interactions in less than two months with Chief Minister of UP.

**I will tell you the number of power plants that are operating at less than 50 percent PLF in thermal. GMR, GVK, Adani, Reliance Power, everybody will tell you that they have some plants which are operating at 50-60 PLF for want of PPA.**

This has gone to prove that Prime Minister's decision to scrap the Planning Commission was correct. After all the figures that the Planning Commission used to come out with in terms of what the country needs, what the shortages are, have caused this distress.

There was a small shortage and you had 100,000 megawatt of capacity being created. Today all of that stress is because of surplus capacity.

**You will have to admit there are two issues where there is need for power. Our annual consumption level is about 1000 kilowatt hours (kWh). China is 4000 kWh, developed countries are 15000 kWh. So, clearly there is a bit of a catch-up in terms of demand and discoms are not giving PPAs.**

China's demand largely is

fuelled by the large manufacturing bases that they had setup. Second, India's per capita income is one fifth or one fourth of China. So, your perspective of looking at it is entirely wrong.

India's growth can be juxtaposed to its own economic growth and the growth in power demand can go in tandem with that. I would aspire to have 4000 kW certainly but not tomorrow, there is a trajectory.

**The problem is that there are these power plants which are not operating to capacity.**

Obviously they won't. If the denominator goes up very significantly, irrationally—by the way I could have let all of these plants remained stressed and stalled, the banking system would have collapsed. So, rather than that we have tried to get all of them into operation, get them to operate even if the whole plant load factor of the nation falls because we are still meeting energy needs. We have Vidyut Pravah as an app which gives you real-time data. Yesterday while I was sitting with the owner of a very large newspaper chain, I looked up the Vidyut Pravah app and I was a little sad that the price has gone up to Rs3.82 per unit. So, this is the stage where India has come where at Rs3.82 per unit the power minister is worried that why has it gone beyond Rs3.50 per unit as against Tamil Nadu, Kerala, Telangana and at times UP also buying power at Rs1-12 per unit.

**Are you seeing the discoms put out any PPAs because that is the hunger for the banks also.**

Nobody will put out a PPA unless there is a need for a PPA. There were irrational amounts of PPA assigned in the past which are now coming into use and people are buying power out of that. I can't force states to have a PPA to solve a problem of a private generator when he has set it up without a PPA on a calculation which was flawed in the first place.