

ALL INDIA POWER ENGINEERS FEDERATION



(REGISTERED UNDER SOCIETIES ACT XXI of 1860), Regd. No. 24085/93

REGD HEAD OFFICE B-1A/45A, Janakpuri, New-Delhi-10058

Corres. Address of CHAIRMAN-Hydel Field Hostel, 17 Rana Pratap Marg Lucknow-226001

M: 09415006225 Phone : 0522-4107706(Off), FAX:0522-2205417/0522-4079628

Email : chairmanaipef@gmail.com ersdubeylko@gmail.com & ersdubey@yahoo.com

No. 41 - 2024 / Power Minister

04 - 07 - 2024

Honorable Shri Manohar Lal Khattar Ji
Power Minister
Government of India
New Delhi

Respected Sir,

All India Power Engineers Federation (AIPEF) heartily welcomes and congratulates you on assuming the responsibility of the post of Power Minister of the country.

2. All India Power Engineers Federation (AIPEF) is the only national federation of power engineers working in power corporations of all the states of the country, Central Electricity Authority, Bhakra and Beas Management Board and Damodar Valley Corporation. The main objective of the Federation is to provide 24 hours uninterrupted, affordable and quality electricity to the common consumers. The need of the hour is to further strengthen the government sector energy corporations that are fully committed to this endeavour. All India Power Engineers Federation wants to present before you some important points in this regard.

3. In the past years, the Central Government made efforts to pass the Electricity (Amendment) Bill with a view to amend the Electricity Act 2003. We believe that there is no need for any amendment in the Electricity Act 2003 to provide better electricity supply to the consumers. The Electricity Act 2003 has all such provisions through which better and cheaper electricity can be supplied to the general public. The main objective of the Electricity (Amendment) Bill was to allow private houses for distribution of electricity using the network of government distribution companies in the field of electricity distribution. There was no obligation for private households to provide electricity to all categories of consumers. As a result, private houses would provide electricity only to profitable commercial and industrial consumers and thus take away the profitable sectors from the government distribution companies, the brunt of which would have to be borne by the common poor consumers and farmers. Apart from this, Electricity (Amendment) Rules have been issued from time to time which are not in the interest of the consumers and the states. Therefore, we request that the Electricity (Amendment) Bill should not be brought by amending the Electricity Act 2003 and Electricity (Amendment) Rules should not be issued unilaterally.

4. In this sequence, we also want to put before you the fact that the experiment of privatization of the entire power distribution sector in Orissa has completely failed. Earlier the work of electricity distribution was given to private sector company Reliance. After its complete failure, now in the year 2020, all the distribution sector work has been given to Tata Power. Even after the arrival of Tata Power, there has been no significant improvement in the field of power distribution in Orissa. We also want to bring to your notice that under the Electricity Act 2003, Urban Distribution Franchise was used in some provinces of the country, mainly in Maharashtra, Uttar Pradesh, Madhya Pradesh and Bihar. This experiment also miserably failed. As a result, the contracts of most urban distribution franchises had to be cancelled. In this regard, we also request that this failed experiment of urban distribution franchise and privatization of electricity distribution should now be stopped and the way for better electricity supply should be paved by strengthening the government sector electricity distribution companies.

5. During Covid in the year 2020, it was decided that electricity distribution would be completely privatized in all Union Territories. It is worth noting that the process of privatization of Union Territories of Chandigarh and Puducherry is going on, but till now these two Union Territories have not been handed over to the private sector. Electricity distribution in both these Union Territories is very much as per the established standards of the country. The level is very high, the line losses are very less and this is a profit making area. Therefore, we request that it would be in the larger public interest to withdraw the decision of privatization of electricity distribution in the Union Territories. Keep in mind that Dadra Nagar Haveli Daman and Diu is a highly profitable Union Territory, its power distribution area has already been given to Torrent Power.

6. When it comes to providing cheap electricity to consumers, the most important point is the generation cost of electricity. We would like to place before you the fact that the State Generating Companies have the lowest generation cost among all the provinces of the country. The electricity purchased from the central sector is slightly more expensive than that and the electricity that the states have to buy from the private sector is the most expensive. Therefore, from this point of view, it is necessary that the State Generating Companies should be further strengthened and more and more power projects should be given to the State Generating Companies so that they can be successful in providing cheap electricity to Discoms & the common consumers. It is worth noting that the power distribution companies of most of the provinces have power purchase agreements with private houses which are for 25 years. There is a need to review these power purchase agreements again because some of these power purchase agreements were very expensive whereas the thermal power plants built at coal pit heads reduced the cost of power generation. Therefore, power distribution companies of the states should be allowed to revise the power purchase agreements.

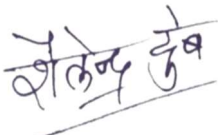
7. Along with this, it is also important that while on one hand Coal India Limited is continuously claiming that its production is increasing significantly, on the other hand, the Central Power Ministry has been continuously putting pressure on the generating companies of the state to import coal for the last few years. Through a recently issued order, the obligation to import four percent coal has been extended till October 2024. It is noteworthy that the cost of imported coal is 5 to 7 times more than that of indigenous coal. If our aim is to provide cheap electricity, then the condition of importing coal should not be imposed on the generating companies of the states, when CIL claims that sufficient coal is available for power plants, this is not appropriate.

8. Electricity is in the concurrent list of the Constitution. Which means that the central and state governments have equal rights in the field of electricity. Especially in the field of power distribution, the work of power distribution is the responsibility of the states. In this view, we request that no such amendment should be made in the Electricity Act 2003 which would affect the autonomy of the states and no such amendment rules should be issued which would violate the rights of the states. Ultimately, the aim of all of us is to provide affordable electricity and quality electricity to every home in the country. All India Power Engineers Federation (AIPEF) is completely dedicated towards this objective and we hope that the Union Ministry of Power from time to time will give opportunity to AIPEF & consumer forums to share their views to achieve this objective and take appropriate decisions in a holistic manner which will be beneficial for consumers, power employees and engineers.

9. Sir, you would kindly agree that the power sector is a specialized sector. Power sector is the lifeline of the country's development and power is the core sector of the country's development. In this view, we request you to kindly issue this guideline or advice to the states that only expert power engineers should be appointed to the top management positions in the power sector, so that specialized power sector management can be done efficiently.

Regards.

Sincerely Yours



Shailendra Dubey
Chairman