

Govt initiates privatization of power distribution in 12 cities

Contract Awarded In Bhagalpur And Muzaffarpur

Pranava K Chaudhary | TNN

Patna: The state government has initiated the privatization of power distribution network in 12 cities and awarded the contract for Bhagalpur and Muzaffarpur.

State energy secretary Sandeep Poundrik made this announcement here on Wednesday at the daylong conference on 'Powering Bihar: approaches to distribution reforms'. The conference was organized by the Confederation of Indian Industry (CII), Bihar office, in collaboration with Bihar government.

Talking about Patna, Poundrik said the distribution companies have decided to change the existing eligibility criteria to attract experienced players. He admitted that the T&D loss in Bihar was huge.

"The Bihar State Power (Holding) Company Limited (BSPHCL) spends Rs 600 crore per month on purchasing power, establishment cost and interest and hardly get Rs 250 crore per month from revenue collection. We have set a target of Rs 400 crore revenue collection in the current financial year," Poundrik said.

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major constraint is cent per cent billing for which we have decided to install meters on the premises of all the consumers by the end of this year," he said.

Energy minister Bijendra Prasad Yadav said Bihar would be able to generate 5,000MW power by 2015. Keeping this in view, a regulatory commission is formed to take necessary decision besides making suggestions to improve the existing power scenario in the state and

the government is always ready to provide the necessary funds for plan implementation and execution.

The objective of the daylong conference was to address power-related issues and discuss distribution reforms, government's perspective, expectations of the franchisees, regulatory framework, business model and technical aspect.

Chairman of Bihar Electricity Regulatory Commission U N Panjiar said the

commission has taken a number of steps to tackle power problems in the state, including the tariff cost and T&D losses. He said Bihar government is serious about reducing the T&D losses.

CEO of Tata Power Delhi Distribution, Praveer Sinha, while delivering a keynote address, suggested a number of areas and challenges to be looked into. Bihar is a progressive state and many industries are interested in investing here but power scenario in the state is not good enough to meet their demand, he said.

Sinha also presented the success story of Delhi model in power sector in areas like transformer failure, peak load, supply, recovery, street lighting, etc. The biggest thing behind the Delhi model's success is the improvement in technology, quality, services and approach.

The chairman, CII energy subcommittee, eastern region, Subhas Sethi, in his concluding remarks, said power sector in Bihar needs to be improved and franchise/PPP model could play a major role in this regard.

Former chairman of CII, Bihar state council, Pramod Kumar Sinha emphasized the need of franchise model in power sector.