

Must decentralize to manage power, energy better: Indian PM

India has a huge country to cover so centralizing or decentralizing is a central issue.

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Recognising the vast energy requirements of the country to clock an 8 per cent growth, Prime Minister Manmohan Singh today called for adopting a decentralized approach for meeting the power and energy requirements in the rural areas of the country. Even a government subsidy on the fuels could be “justified” to achieve this, he said.

Left wants House assurance on divestment in PSUs Panel in place to regulate industry water use. Thumbs up for Dr at the wheel Thumbs up for Manmohan at the wheel but most think Sonia doing backseat driving, prefer her as PM reads the R&D riot act to India Inc

Without touching upon various state governments’ move to provide free power to the rural/farm sector, while addressing the Energy Conclave, 2006, the PM said there was a need to “supplement grid-based electricity supply with more decentralised distributed generation options based on locally available renewable energy resources”.

Pointing out that “it is a matter of regret” that rural sectors had not received the attention they deserved, the PM said, “we could also use the resources available from the employment guarantee scheme for developing new plantations providing bio-fuels”.

While mentioning the ambitious target of the Rajiv Gandhi Grameen Vidyutikaran Yojana to provide electricity to all households by 2009, he also referred to the Planning Commission’s Integrated Energy Policy document that said India would experience a four to five-fold increase in energy requirements by 2030 if the economy was to grow at 8 per cent. That, according to the PM, meant that the power capacity in the country had to be “between 800,000 to 950,000 MW”.

The prime minister said if the country continued “to focus primarily on enhancing supply and imports to meet its ever-growing energy demand”, the country could end up with “tying up our resources into an unduly high cost energy economy”.

While the nuclear deal with the US would open another source of fuel for the country to meet the future demand for power and energy, the PM targeted the huge transmission and distribution losses in the country, saying new management techniques were needed to tackle the “hemorrhage”.

“No power system could grow rapidly if it does not find ways and means of dealing with this hemorrhage involved in transmission and distribution losses being as high as 40 to 50 per cent as in several parts of our country,” he said.

Recognizing the “extreme volatility” in international oil markets that had put enormous pressure on domestic prices, the economist PM added that the “economic cost and the environment cost of alternative sources of energy” had to be factored in while setting our energy prices. “Only then will we be able to ensure that the energy security we desire gets translated into reality,” he said.