



## **RESEARCH REPORT**

### **Government initiatives to make Indian Power infrastructure cost effective**

Power or electricity is one of the key enablers for the country's economic development and wellbeing of the people at large. Thus, growth of power sector becomes necessity for sustainable economic growth. India is the fifth largest producer of electricity in the world. At an electricity-GDP elasticity ratio of 0.8, electricity will continue to remain a key input for India's economic growth. Moreover, the economy is bound to propagate and the demand for energy will certainly rise, with the help of certainty in policy-level interventions.

#### **Industry**

FY16 turned out to be a very decent year for the power sector where India garnered 6.53% year-on-year (y-o-y) growth in power generation at 92128.73 Gigawatt Hours (GWH), supported by a healthy growth in thermal power stations. The thermal power generation stood at 82834.93 GWH in January 2016 and the plant load factor (PLF) of thermal power stations slipped to 63.23 percent from 64.79 percent a year ago.

#### **Power generation**

Actual power generation during April-June 2016 stood at 296574.20 GWH, showing a growth of 9.03% over the corresponding period previous year of 272004.36 GWH. The sector has achieved 102.49 percent of its total target of 289370.00 GWH for April-June 2016, supported by a healthy performance by thermal power, whose generation grew by 13.38 per cent y-o-y, generating 255674.99 GWH in Q1 FY17 and surpassing the quarterly generation target of 245667.00 GWH. The PLF of thermal power stations increased to 63.56 percent from 62.18 percent a year ago. Hydro power generation fell by 11.36 percent to 30831.29 GWH in first quarter of FY17 as compared to 34785.45 GWH in corresponding quarter previous year. Hydro power stations managed to achieve 95.38 percent of the quarterly generation target of 32326.00 GWH. Nuclear power generation decreased by 12.60 per cent y-o-y in during Q1. As against the monthly generation target of 10364.00 GWH, atomic power stations generated 9100.79 GWH. The PLF of nuclear power stations also fell to 72.09 per cent from 82.48 per cent in April-June 2016. Of total, Western region generated the maximum power of 105715.96 GWH, followed by Northern region (78689.79 GWH), Southern region (59779.07 GWH), Eastern region (47746.66 GWH) and North Eastern region (3675.59 GWH).

#### **Generation capacity addition**

The generation capacity addition during April-June FY17 was 304505.75 MW against 274817.94 MW in corresponding quarter previous year, up by 10.80%. Out of total generation capacity added April-June FY17, contribution of the thermal sector was significant i.e 211640.40 MW (69.50% of the total), followed by RES with 44236.92 MW (14.53% of total) (RES include Small Hydro Project (SHP), Biomass Power (BP), Urban & Industrial Waste Power (U&I), Solar and Wind Energy) and Hydro power with 42848.43 MW (14.07% of total). Of total, private companies added the maximum generated capacity with 126383.06 MW, followed by state government (101825.93 MW) and Central government (76296.76 MW). Region-wise, the maximum generation capacity were added in Western region i.e. 108088.91 MW, followed by [WWW. StockCommodityforex.com](http://WWW.StockCommodityforex.com)

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