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PRESS RELEASE

Hon'ble Union Minister of Power, Shri Sushilkumar Shinde inaugurates the APEX APAC conference organized for the members of the Association of Power Exchanges, held in India for the first time

New Delhi, March 8, 2011: The Indian Power Sector witnessed a historic occasion in the form of the Asia Pacific Meet for the members of the Association of Power Exchanges, which was organized by Power Exchange India Limited (PXIL). This was the first time that the APEX APAC meet was organized in India, which was earlier hosted only in countries like Australia, Singapore etc.

The International Conference on 8th March was inaugurated by Shri Sushilkumar Shinde, Hon'ble Union Minister of Power as Chief Guest and Dr. Pramod Deo, Chairman, CERC as the Guest of Honour.

Hon'ble Union Minister of Power, Shri Sushilkumar Shinde said, "The growth of the power sector, especially during the last 5 years has been substantial. We have added more than 47 thousand MW, taking the installed capacity of the country to more than 170,000 MW. In the eleventh plan, we have added nearly 33,000 MW of new capacity, which is 150% more than the total capacity added during the 10th Plan. ***During the current year so far, we have added 10,640 MW which is the highest capacity addition in a single year since independence.*** We will be adding more than 15000 MW this year."

He further declared that in view of the facts that:

- Only 66% Indian population has access to electricity as compared to 98% in America, 95% in Australia, 99% in Brazil, 75% in South Africa, and
- India's per capita power consumption of approx 800 kWh per year is significantly lower as compared to 12,924 kWh in USA, 10,720 kWh in Australia, 5,486 kWh in South Africa and 2,116 kWh in Brazil, we need to go full steam to bridge this gap.

Shri Shinde was speaking on the last day of the two day conference on March 8th, on the sidelines of the **Asia Pacific Meet of Association of Power Exchanges**, a world wide body of power exchanges, where eminent speakers from international markets such as Australia, New Zealand, Singapore, Korea, Philippines had assembled to discuss the developments and learn from experiences in operating in various competitive international power markets.



Speaking at an earlier session of the conference on 7th March, Special Secretary, Ministry of Power, Mr. G. B. Pradhan said, *“The meet has not only helped cross pollination of ideas from across the globe but also opened India to a world of opportunities.”* He said that *“the news about the issuance of RECs late last week will help in starting trading in RECs by the end of this month”*.

POSCO CEO, Mr. S K Soonee welcomed the development on RECs and said that it will go a long way in encouraging investment in renewable energy.

RECs are certificates that are issued by the Central Agency against generation of renewable energy and denote the green attribute of the energy. These certificates are expected to provide a further boost to the renewable energy generators and will also provide an additional avenue for government and private utilities and other obligated entities to meet their renewable purchase obligations.

Reflecting on the kind of progress that Power Exchanges have made in India, Mrs. Rupa Devi Singh said: *“The Power Exchanges are already in the third year of their operations and are today well accepted and trusted platforms for procurement of power. Almost all government-owned utilities as well as IPPs and captives are already actively bidding on the power exchanges and the prices discovered therein are accepted as reference prices for most other transactions in the market.”*

On RECs she said: “the RECs as a market mechanism would help renewable energy generators to give the preferential tariff system the go by and would allow them to be as competitive and on par with other conventional energy generators. The RECs can be traded separately to recover the cost of environmental attributes”.

The Chairman of Central Electricity Regulatory Commission (CERC), Dr. Pramod Deo disclosed his three-fold agenda in the next five years:

1. Electricity consumers should have a choice in choosing the supplier
2. Private sector participation is a must for growth of power sector
3. To mainstream environmental products with all kinds of renewable energy projects along with the conventional energy sources with the launch of REC, both solar and non-solar category.

He said: *“the Power Exchanges in India will have to play a crucial role in maintaining the confidence of investors as they are the institutions that would present the true price signal of electricity in India”.*

Dr. Deo, reinforcing the need to develop a national-level policy to create competition, said: *“Most of the Indian power sector consumers today, cannot choose their supplier and this can change only if we create adequate capacity and allow competition at the retail level”.*