Power Development Strategy for Kerala

Two day Workshop on 13 & 14 December 2000

The Versailles Hall, Hotel Renaissance, Palarivattom, Kochi, India

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Kerala has of late been through a transformation in the power sector, strengthening generation and transmission and extending distribution to a large percentage of the total population, at the same time emphasizing on better service to the consumers. With the recent lifting of load shedding prevailed in Kerala, the State has attained self-sufficiency in power and has become the only State in south India to have this distinction. Kerala has achieved this, consequent to its declared policy and dedicated follow up for becoming self-sufficient in power by the year 2000. In the half a century of its working, the Utility had to put up with frequent changes in policies related to government budgetary support, selection of power projects, choice of types of generation, escalating demand, tariff making etc., and this has led to an uneven growth in the sector. Of late, policy regarding financing of projects in the country has also drastically changed. Yet, since 1996, there has been a steady improvement in the power supply position, finally resulting in the balancing of supply and demand with a nominal surplus expected at the turn of the new millennium.

Till the commissioning of Brahmapuram (106 MW) LSHS based power station in 1996-97, Kerala had 100% generation from hydel projects and it was able to generate and supply power at the lowest rates possible in the country. Due to environmental issues, interstate disputes and resettlement & rehabilitation issues, a substantial portion of the state's hydro potential still remain untapped and it will remain so, until these issues are addressed satisfactorily. In addition to the above limitation to avail power from hydel sources such as vagaries of monsoon, fluctuations in weather etc. prompted the power sector to opt for other costly sources which are more reliable. Use of costly fuels like naphtha in thermal stations in the State led to a scenario where power price were required to be substantially hiked. Yet, the increase in power tariff had been deliberately maintained as very nominal and the State still remains as one of the very few regions where energy costs are the lowest. This has strained the Utility considerably and the transition being at a very fast rate, switching from the cheapest power providing hydro sources serving the grid fully, to one having a substantial share of high cost thermal power, has been painful. Even the limited escalation of energy prices were not receptive to the end users. Generally there is a lack of perception among the end users regarding the shift of status of power supplier, from service provider to commodity transactor.

Now the task in front of the State is to sustain the position of self-sufficiency in power at the least cost and also to ensure supply of quality power. There could be various options to achieve these objectives within the shortest time and it is therefore, imperative that a comprehensive strategy for power development in Kerala for the future be evolved and seriously pursued, after examining all these options and consulting the widest range of stakeholders including the general public. This will help Kerala on entering the new millennium, to plan for effective development in all sectors including industry, in a sustainable manner. In the first decade of the coming millennium, adequate availability of electric power for overall development should be in the forefront of the theme of energising Kerala. The utility should be able to meet this need. In short, the State should be able to plan a least cost and sustainable power development strategy, enabling continued growth for the power system thereby attracting industries and economic growth to the State.

With this in view, Energy Management Centre – Kerala (EMC) is gov.inanising jointly with Kerala State Electricity Board, National Thermal Power Corporation, Kerala Power Finance Corporation and

Agency for Non-Conventional Energy and Rural Technology, a two day Workshop from 13 to 14 December 2000 at Kochi, with the participation of major players in the sector and experts from all over India, to identify the future power development options for the State.

The Workshop is scheduled to start with a presentation of a Theme Paper, the summary of which will be circulated to all participants in advance, followed by contributions from 5 to 6 invited experts and views from the house. The opinions aired on the first day will be summarised and made available to participants. The second day will begin with a panel discussion on the suggestions and recommendations that emerged on the first day's deliberations, to be followed by discussions by the participants. At the end of the second day, Recommendations will be finalised and adopted by the house. These recommendations are expected to be considered by the Government, KSEB and other energy producers for steering the future power development activities in Kerala. The role of thermal power, renewables, energy conservation, and type of fuels, as well as environmental considerations, infrastructutal development required for economic and speedier development of power, considerations for siting of new power stations and major substations, investment options and tariff making are among the many aspects that will be discussed in depth at the above workshop and solutions sought for.

It is for the first time in the history of Kerala state that this kind of a holistic look at the power scenario is being arranged.

Program Details

Theme Paper

Recomendations