By structure of power sector, we actually mean its organisation, i.e. how the power sector is being looked after by the different bodies in generation and distribution of power.

The structure of power industry as we see it today in India has emerged over a period of nearly hundred years. At the beginning of the twentieth century a few private companies were operating small power stations mainly catering to urban loads. Subsequently some municipalities and state Governments entered the field of power generation, again to meet the urban loads and small motive power requirements. Electric power was made available to the public in the beginning of twentieth century though its generation was minimal. During 1930's few state (provincial) Governments and princely states expanded their activities not only to meet the urban loads but also to provide the inputs for industry and agriculture. Prominent among them was the former state of Mysore, which built a hydro power station that ushered in an era of industrialisation in the State.
In this chapter an attempt has been made to throw light on the structure of power sector and its institutional framework.

6.1 THE INSTITUTIONAL FRAMEWORK

In 1910 the Indian Electricity Act was passed to govern the grant of licences for electricity generation and distribution. The main aim of this Act was the issue of licences by the State Governments to the suppliers of electric power. The licensees were then expected to conform to certain basic operational procedures and provisions to ensure security of those persons working on electrical equipments and appliances etc. besides, they were also required to submit the accounts to the respective State Governments. State Advisory Boards were also established to help the State Governments in policy planning regarding the power sector. A Central Electricity Board was also set up whose responsibility was to promulgate, in the public interest, rules specifying service and safety conditions, as well as the manner in which licensees must make annual report. This Act of 1910 was more concerned with the regulatory and safety aspects of electricity than with the organisational structure of the industry itself. The organisational structure of power industry has emerged only after the Electricity (Supply) Act, 1948 was passed.
Though governmental control on power sector started in 1940's when some Municipalities and Provisions Governments began dealing with this sector, but supply of power was not balanced throughout India. Hydro electric plants and associated grid systems were established to transmit power over long distances but these power plants, established near load centres were actually supplying power to urban areas. Therefore, before independence the supply of power was marked by unbalanced development. As there was no rigid legislation, uniformity in development and supply of power did not exist.

After Independence the Constitution of India put electricity in the concurrent list and it became possible for both the Union Government and State Governments to legislate on the subject. It therefore, came to fall under the control of both the Central and State Governments. In 1948, a new break-through came with the Electricity Supply Act, which enabled proper control of power. The Act provided the establishment of new statutory organisation, the Central Electricity Authority (CEA) and the State Electricity Boards (SEBs), which became the main supplying agencies, for power throughout the country. The Act was drafted with the assistance of experts from the United Kingdom and was drawn mainly from
British experience and British Act of 1926. The Electricity (supply) Act 1948 was passed on 10th sept. 1948. The objective of the Act was to provide for the rationalisation of the production and supply of electricity, for taking measures conducive to power development.

The 1948 Act, together with the Industrial Policy Resolution of 1956, directed the development of power in independent India. Industrial policy of 1956 includes the generation and supply of electricity as an industry which would be an exclusive responsibility of the State. After independence development and promotion of power came in the hands of the Government of India and private companies except Tata Electric Company, Calcutta and Ahmadabad Electricity Supply companies stopped to play any role in this sector.

The Act envisaged five bodies for the development of power in the country:

(i) The Central Electricity Authority which was given the responsibility to develop a sound, adequate and uniform national power policy and to co-ordinate the activities of various planning agencies.
(ii) The State Electricity Boards, with responsibility for interconnections by main transmission lines and for supplying electricity.

(iii) State Electricity consultative councils to advise the State Electricity Boards on major aspects of policy.

(iv) Local advisory committees which might be set up by the State Governments.

(v) Tariff committees which might be appointed by State Government to examine the prices charged for the supply of electricity.

6.2 STATE ELECTRICITY BOARDS

The Electricity (Supply) Act of 1948 laid down that a sound, adequate, and uniform national policy should be developed coordinating the activities of planning agencies in relation to control and utilization of national power resources. It was in accordance with this Act that autonomous electricity boards were set up in all the eighteen States except in some north-east areas and the Union Territories. These boards were entrusted with the responsibilities of promoting the coordinated development of generation, transmission, and distribution of electricity within the State in the most efficient and economical manner. They were required to devote
particular attention to power development in areas not being served or adequately served with electricity by any licensee.

The State Electricity Boards were given much more effective authority by the Act. The Boards are given authority to build, operate power system and sell electricity to the public, but they require government direction in investment and tariff policy. Gradually and steadily most of the State Electricity Boards have taken over complete power structures in the States.

At present the State Electricity Boards are charged with the following general duties.

(a) To arrange, in accordance with the generating company or generating companies if any, operating in the state, for the supply of electricity that may be required within the state and for the transmission and distribution of the same in the most efficient and economical manner with particular reference to those areas which are not for the time being supplied with electricity.

(b) To exercise such control in relation to the generation, distribution and utilization of electricity within the State as is provided for under or by the Act.
(c) To supply electricity as soon as practicable to a person requiring such supply, if the Board is competent under this Act to do so.

(d) To collect the data or the demand for, and the use of electricity and to formulate coordinated perspective plans for the generation, transmission and distribution of electricity within the State.

(e) To prepare and carry out schemes for transmission, distribution and generation for promoting the use of electricity within the State.

(f) To operate the generating stations under its control in coordination with other agencies.

"The amendment of 1948 Act (in 1978) provided for financial strengthening of the Boards. They enable State Governments to convert outstanding debts accrued to them into equity. They also have reversed the priority of liabilities so that, in effect, cash outlays such as debt servicing must be honoured before transfers such as those to depreciation and general reserve. Moreover, the Boards are now required to generate a surplus after meeting all expenses properly chargeable to revenues, including operation and maintenance expenses, taxes, depreciation and interest". (Taylor, C. 1979).
State Electricity Boards play a major role in our country's power policy. The power supply industry is presently owned and operated mainly by State Electricity Boards. In the States where they exist they are mainly responsible for supply of power to the ultimate consumers.

6.3 CENTRAL ELECTRICITY AUTHORITY

The Electricity (Supply) Act, 1948 also envisaged creation of Central Electricity Authority under the Central Government with the responsibility to develop a sound, adequate and uniform National Power Policy and co-ordinate the activities of the various planning agencies. A statutory organisation, the Central Electricity Authority remained only a part time body and its functions were being discharged by the Central Water and Power Commission (power wing) till 1974. With the setting up of a separate Department of Power, the Central Electricity Authority become a full time body dealing with national power policy planning since 1974. It helps not only in developing a national power policy and framing the plants of power development, but also through its technical examination of projects, it helps to utilize resources to their maximum level. The principal functions of the Central Electricity Authority are:
(i) formulation of short term and perspective plants for power development,

(ii) techno-economic appraisal of power projects,

(iii) advise State Governments, Electricity Boards, Generating Companies and other agencies on operation and maintenance of the power system in an efficient and coordinated manner and monitor their performance,

(iv) monitor the progress of schemes under implementation and assist in their timely completion.

(v) render consultancy services in different areas of electricity,

(vi) promotion of research in matters relating to electricity,

(vii) collection of data on generation, distribution and utilisation of power, study of costs, efficiency, losses and benefits, etc.

The Electricity (supply) Act, 1948 stipulated submission of all the power development schemes exceeding a capital expenditure of Rs. one crore to the Central Electricity Authority for its concurrence.
This limit, however has now been raised to Rs. five crores from 1984 by amending Electricity (supply) Act.

The Central Electricity Authority carries out detailed techno-economic appraisal of the schemes to ensure that they are consistent with the overall objectives of power development and represent the optimal option for meeting the requirements of power in the time-frame envisaged. Formal concurrence to projects is given by the Central Electricity Authority after the Planning Commission accord their approval for inclusion of projects in the plan.

Central Electricity Authority consists of a chairman who is assisted by five full-time members. The organisation is divided into six different departments. The first two, the Thermal Wing and Hydro-generation Wing, help the projects to draw up techno-economic report. They also render their services in design and engineering to both types of power projects as well as monitor these projects under construction.

The power system wing is responsible for the planning and design of high voltage transmission system. It also helps in distribution, thus integrating the state and regional power system operations. Like the Hydro and
Thermal wings, it monitors the progress of transmission and distribution projects under construction.

The operation and monitoring wing is responsible for monitoring the performance of both thermal power stations and hydel power stations as well as monitoring the transmission and distribution of power. In addition, there are four training institutes for thermal power station personnel under this department.

The Economic and Commercial Wing deal with the commercial, legal, and economic aspects of the power sector and is also responsible for the inspection of electrical installations under the Government of India.

The Planning Wing of Central Electricity Authority has much wider role to play. It is in charge of planning for power development including the indentification of power resources and their maximum development, load forecasting and the techno-economic reports of all power generation transmission and distribution schemes of all units in its initial stages.

Apart from these wings, the Central Electricity Authority also has a Consultancy Wing which deals with design and engineering services of hydro, thermal and
power systems. It gives consultancy in this area to the State Electricity Boards on a time cost basis.

Thus Central Electricity Authority performs both policy planning and technical services. It deals with broad issues of planning and solving of specific problems associated with the power sector. Its main function is the development of national power policy. The power planning is a long term process which takes usually around 10-15 years. It is the guiding force of the power sector and has an important role to play in its development. Therefore, it influences the power structure in every possible way. It collects and records data regarding generation and distribution of power.

The Central Electricity Authority provides assistance in the development of manpower organisation. It makes arrangements for improving the skills of persons working in the generation and supply of electric power. Thus its responsibilities also include research and development in regard to personnel policies.

The Central Electricity Authority has become an important body in the power structure because it deals with policy planning, supervision, consultancy, coordination and research. Its functions have been
increasing over the years and both the State and Central Government have used the body to the optimum.

6.4 DAMODAR VALLEY CORPORATION

The Damodar Valley Corporation (DVC) was established in 1948 by the Central Government, the Damodar Valley Corporation is based on the pattern of Tannesses Valley Authority (U.S.A.) It is a joint venture by the Government of India, West Bengal, and Bihar. It is a multipurpose project and an autonomous body which is responsible for the integrated development of the Damodar Valley in relation to irrigation, flood control, generation and sale of electric power, both hydro and thermal, to bulk consumers including TISCO.

6.4 TUNGABHADRA BOARD

Like Damodar Valley Corporation Tungabhadra project is a multipurpose project, it was set up in 1953 under the Andhra Pradesh State Act. It is responsible for generation of electricity in the Tungabhadra Dam and the Hampi power station. This power goes to the States of Andhra Pradesh and Karnataka. The board also looks after the maintenance of transmission systems. All policy planning and execution concerning generation and distribution of this system is done by the Board.
6.6 BHAKRA-BEAS MANAGEMENT BOARD

This board was established in 1967 under the control of the Central Government, it manages the Bhakra Nangal and Beas projects and transmission system. It has a full time chairman and six part-time members representing Punjab, Haryana and the Central Government. It has two wings of irrigation and power each of them consists of a full time member. This board also has a financial adviser.

6.7 NAYVELI LIGNITE CORPORATION

This Corporation was set up in 1956 under the Companies Act. It is a public sector undertaking. It controls both the open cast lignite mines and its associated thermal power station in Tamil Nadu. It is managed by a board of directors constituted by a chairman, two directors and six part-time directors.

6.8 KARNATAKA POWER CORPORATION

This corporation is set up in Karnataka. This organisation is regulated by the State and not by Central Government. It has a board of directors with a Chairman and a full time managing director.
6.9. NORTH-EASTERN ELECTRIC POWER CORPORATION

It was established by the Department of Power in 1976 to develop the electric power sector in the backward region of the North-east. This Corporation is in the central sector. Its main functions are the construction, generation, operation, maintenance, transmission, distribution and sale of power in north eastern region. This corporation also has a board of one full time chairman-cum-managing director and twelve part-time directors.

6.10 THE DEPARTMENT OF ATOMIC ENERGY (DAE)

Under the Atomic Energy Act of 1962, the sole responsibility of nuclear power development for electricity generation is vested with the Central Government. The function of establishing nuclear power plants and their operation is being discharged by the Department of Atomic Energy. It was provisionally headed by a Secretary with its main function being policy planning. With the passage of time it has acquired enough power and autonomy to not only lay down policy, but execute it as efficiently as possible.

At present it can design, erect, commission and operate atomic power plants. It has developed its own
fuel fabricating and heavy water plants and fuel disposal units. At present the Department is operating four atomic power plants including Tarapur, Rajasthan, Kalpakkam and Narora.

The operation of all atomic power plants are carried out by Atomic power Authority, a constituent of the Department of Atomic Energy. It is responsible for the management of nuclear power stations and the bulk sale of electricity generated by these plants.

6.11 REGIONAL ELECTRICITY BOARDS

In the early sixties the advantage of integration of power systems at the regional level and the limitation of state as a spatial unit for power planning and operation was recognised. It was considered necessary to adopt regional approach in power planning and the operation of power systems in order to achieve economies in power supply. To promote such an approach the country was divided into five convenient regions and regional electricity boards were created through Central Government resolution in 1964. The five regional electricity boards are:

WESTERN REGION - Gujarat, Madhya Pradesh, Maharashtra, Goa, Daman and Diu, Dadra and Nagar Haveli.

SOUTHERN REGION - Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Pondichery.

EASTERN REGION - Bihar, Orissa, Sikkim and West Bengal.

NORTH EASTERN REGION - Assam, Manipur, Meghalaya, Tripura, Arunachal Pradesh and Mizoram.

The Regional Electricity Boards are charged with the responsibility of coordinating the operation of power supply industry in the five regions. This enables the power structure to be more efficient because while planning electric power generation, full advantage could be taken of the resources available in the region as a whole.

The functions of Regional Electricity Boards include: reviewing progress of projects in their regions, planning integrated operation among the State systems, preparing coordinated maintenance schedules for their regions, determining the availability of power for inter-state transfer, prescribing generation schedules, and determining a suitable tariff for inter-state exchange of power.
Since inter-connected systems require less generating capacity due to diversity in daily peak demands, larger and more efficient units can be installed in the region. With the result higher voltage transmission lines can be made available which has lower losses. These boards can make generation schedules to utilize optimum available capacity. Besides this, these Boards can coordinate the maintenance schedule for generating plants and can help the power sector to economise in this area and enable the plant to work efficiently with less outages.

"The Regional Electricity Boards constitute the leading edge of structural change needed to integrate the operation of India's power systems. Their future evolution will be critical to the effort to improve the efficiency of the power sector through the realization of economies of scale."(Taylor, C. 1979).

6.12 RURAL ELECTRIFICATION CORPORATION

Rural electrification has been a priority area in power development in India. As the benefits of electricity supply was realised the State Electricity Boards started electrification of rural areas as well as urban. In the beginning electrification simply meant
power for household purposes in rural areas. With the result power generation and power consumption was confined to a small sector. During the mid sixties due to food shortage, the Government of India had reviewed its policy on rural electrification. New diversification had taken place in the form of pump energisation to increase agricultural production.

In 1969, the Rural Electrification Corporation (REC) was established as a public sector undertaking. The main objective of this Corporation is to finance rural electrification schemes and promotion of rural electrical cooperatives all over the country. With the financial help from the commercial banks and the Agriculture Refinance and Development Corporation (ARDC) the Corporation has financed large scale agricultural schemes in regard with energisation of pumpsets. Now its main emphasis is on the development of undeveloped and tribal areas. The pending policies of Rural Electrification Corporation are governed by the guidelines laid down by the Department of power. The basic directives emphasise that the Corporation coordinate development of rural electrification as well as development of rural infrastructure in rural areas to ensure the effect of rural electrification on agricultural production. The directives also require that Rural Electrification
corporation adopt an area development approach with emphasis on an under-developed areas.

6.13 NATIONAL THERMAL POWER CORPORATION

In 1976 the Electricity (supply) Act 1948 was amended to provide for establishment of generation companies under the authority of Central Government. The national companies namely the National Thermal power corporation (NTPC) and National Hydro Power Corporation were established. The National Thermal Power Corporation was given the authority to establish regional thermal power stations and made responsible for bulk transmissions from these units to the state power system. The National Thermal Power Corporation is given the charge of planning, promoting and organizing thermal power sector. The National Thermal Power Corporation is supposed to investigate new sites, prepare project reports, construct, operate, generate and maintain transmission and distribution of power generated from thermal units. It also undertakes research and development in thermal power.

The National Thermal Power Corporation has evolved its own management techniques in engineering, construction, finance, materials etc. It has been expanding its area of work.
The national Thermal Power Corporation has been able to install super thermal power projects in various regions within a short period of time. The main objectives of NTPC are -

* To establish thermal power capacity and associated transmission system within prescribed time schedule, cost and reliability level and conforming to the National Energy Plan.

* To operate its power stations at base load with maximum performance efficiency and plant reliability.

* To build in house capabilities so as to be self-reliant in respect of technical expertise and develop a cadre of skilled man-power with a knowledge of the latest technology.

* To manage the financial operations of the company in accordance with sound commercial utility practices and to generate returns as per Government guidelines.

* To develop and implement a well knit personnel policy and a comprehensive personnel programme that will be result oriented and to develop an organisational culture which motivates employees to contribute their best towards the achievements of organisational objectives.

* To function as a responsible public sector undertaking bearing in mind its commitment to the society.
At present, the National Thermal Power Corporation is carrying out the construction and operation of nine super thermal power projects, four combined cycle gas based projects and two transmission projects with a total approved capacity of 15767 MW and about 20200 circuit kilometers of associated 400/220 Kv transmission lines, widely extended all over India.

The total installed capacity of National Thermal Power Corporation's power station increased to 10125 MW in 1991 which constituted about 16 per cent of the total capacity spread all over the country. The National Thermal Power Corporation started with an approved investment of Rs. 6660 crores and authorised capital of Rs. 2500 crores in 1976-77, it stood at Rs. 18,500 crores and Rs. 8000 crores of approved investment and authorised capital respectively in 1991.

6.14 NATIONAL HYDRO ELECTRIC POWER CORPORATION

The National Hydro Electric Power Corporation (NHPC) was established in 1976 to set up major hydro electric projects on regional and national considerations. The main objectives of National Hydroelectric Power Corporation are to plan and organise integrated development of hydro-electric power. The gamut of National
Hydro-electric Power Corporation activities include investigation, planning, design, construction, operation and maintenance of hydro electric power projects and Extra High Voltage transmission systems. The Corporation is fully equipped to execute hydro-electric projects and transmission lines logistically in difficult Himalayan terrains. The paid up capital of the Corporation was Rs.165.50 crores in 1984 which had increased to Rs.2080.13 crores in 1992.

The National Hydro Electric Power Corporation is responsible for the operation and maintenance of the following hydro-electric power stations commissioned by them.

(i) Baira Siul Power Station in Himachal Pradesh with 180 MW capacity.

(ii) Loktak Power Station in Manipur with 105 MW capacity.

(iii) Salal (Stage-1) Power Station in Jammu and Kashmir with 345 MW capacity.

(iv) Tanakpur Power Station in Uttar Pradesh with 120 MW capacity.

Besides four operational power stations, the construction of the following power stations is in an advanced stage.
* Dul Hasti hydro electric project in Jammu and Kashmir with 390 MW capacity.

* Chamera hydro electric project (Stage-1) 540 MW capacity in Himachal Pradesh.

* Uri hydro electric project in Jammu and Kashmir with 480 MW capacity.

* Salal hydro electric project (Stage-II) in Jammu and Kashmir with 345 MW capacity.

* Swalkot hydro electric project in Jammu and Kashmir with 600 MW capacity.

* Baglihar hydro electric project in Jammu and Kashmir with 450 MW capacity.

* Ranjit hydro electric project in Sikkim with 60 MW capacity.

Besides, National Hydro-electric Power Corporation has completed investigation on five projects totalling 860 MW with a high degree of technical accuracy based on experience gained on earlier projects investigated in collaboration with Swedish and Canadian firms.

The Corporation plans to add 1455 MWs capacity through 5 projects during the Eighth Five Year Plan period. The NHPC has drawn up a perspective plan to achieve 7835 MW through 17 projects by the turn of the century.
6.15 DEPARTMENT OF POWER

The Department of power was created in 1974 by the Ministry of Energy. Before this, all matters relating to power came under the Ministry of Irrigation and power which could no longer remain together as thermal, and nuclear generating units increased for more power generation. The Department of Power is responsible to Parliament for laying down national policy planning for the development and regulation of the power resources in India. The technical aspects of the power sector are met by the Central Electricity Authority, under the Department's guidance and authority.

The Department is also responsible for national policy planning for regulation and conservation of the country's total power resources. All national responsibility of formulating and promoting power sector is given to this Department. It controls the central autonomous corporate and statutory bodies of the power sector and coordinates the activities of the various agencies within the sector, the National Thermal Power Corporation, National Hydro electric Power Corporation and Rural Electrification Corporation. It coordinates Relations between the centre and States, research and development activities including the coordination and
development of non-conventional sources of energy to generate power such as solar and tidal energy. The Department also looks after the efficient working of thermal units especially in regard to supply of coal. It also manages energy supply in the Union Territories and executes central projects.

The Department is headed by a Secretary and four joint Secretaries. The division of the Department into different wings was done to carry out its work under policy planning, coordination, administration and research and development. The Department also has a fifth wing headed by a Financial Advisor. The Financial Advisory wing advises the Ministry regarding investment and expenditure in the central sector. It also negotiates with financial bodies for the necessary requirement of capital for establishing power project.

This organisation which heads the power sector is flexible in its attitude. This permits it to deal with both long term and short term problems. Since it is the coordinating body it has vast powers. Thus, while the Department is not directly involved in the operation of power plants, it does look after both short-term and long-term problems of the power sector which ranges from policy planning to the operation of the plant.
Since it is the apex body in the power sector, its role is central in initiating and coordinating the activities of the organisation throughout the power sector in the country.

6.16 POWER FINANCE CORPORATION

The Power Finance Corporation was set up in 1986. It was established under the control of the Department of power, with the main objective of providing term finance for power projects.

The authorised share capital of the corporation is Rs. 1,000 crores. The paid up capital is Rs. 330.40 crores. The Corporation has sanctioned loans for 75 proposals involving a loan assistance of Rs. 594.86 crores for renovation and modernisation of thermal power stations, transmission and distribution facilities.

6.17 POWER GRID CORPORATION

Power Grid Corporation was established in 1989 for carrying out the construction of high voltage transmission lines, sub-stations, load despatch centres and communication facilities in an efficient and coordinated manner, to transfer electric power from generating plants to load centres. The World Bank has extended a loan of
US $ 350 million to power Grid Corporation for a power system development project. The project would make the power transmission system strong and help inter-regional and inter-state transfer of power possible.

Thus, it would be seen that the power sector in India has a complex organisational structure. The Department of power, the Central Electricity Authority and the State Electricity Board, constitute the core of the organisational structure at present. The National Thermal power corporation and the National Hydro-electric Power Corporation also emerge as key organisations for generation and bulk supply in the various parts of the country.
SUMMARY

The Structure of power industry as we see it today in India has emerged over a period of nearly hundred years. In 1910 the Indian Electricity Act was passed to govern the grant of licences for electricity generation and distribution. This Act of 1910 was more concerned with the regulatory and safety aspects of electricity than with the organisational structure of the industry itself. The organisational structure of power industry has emerged only after the Electricity (Supply) Act, 1948 was passed. After Independence the constitution of India put electricity in the concurrent list and it became possible for both the Union Government and state governments to legislate on the subject. The Electricity (Supply) Act, 1948 provided the establishment of a new statutory organisation, the Central Electricity Authority and the State Electricity Boards, which became the main supplying agencies for power throughout the country. In accordance with this Act the autonomous electricity boards were set up in all the eighteen states except in some north-east areas and the Union territories. These boards were entrusted with the responsibilities of promoting the coordinated development of generation, transmission and distribution of electricity within the state in the most efficient and economical manner. The Central Electricity
Authority is responsible for the development of a sound, adequate and uniform national Power Policy and co-ordinate the activities of the various planning agencies. Under the Atomic Energy Act of 1962, the sole responsibility of nuclear power development for electricity generation is vested with the Central Government. A Department of Atomic Energy is responsible for the establishment and operation of the nuclear power plants. In the early sixties the advantage of integration of power systems at the regional level was recognised. It was considered necessary to adopt regional approach in power planning accordingly, the country was divided into five convenient regions and Regional electricity boards were established in 1964. In 1969, the Rural Electrification Corporation was established as a public sector undertaking. The main objective of this Corporation is to finance rural electrification schemes and promotion of rural electrical cooperatives all over the country. In 1976 the Electricity (Supply) Act, 1948 was amended to provide for establishment of generation companies under the authority of Central Government. The national Companies namely the National Thermal Power Corporation and National Hydro Power Corporation were established. The National thermal Power Corporation is given the charge of planning, promoting and
organising the thermal power sector. The National Hydro Power Corporation is responsible to set up major hydroelectric projects on regional and national considerations. The Department of power was created in 1974 by the Ministry of Energy. The Department is responsible to Parliament for laying down national policy planning for the development and regulation of power resources in India. It controls the central autonomous corporate and statutory bodies of the power sector and coordinates the activities of the various agencies within the sector. The Power Finance Corporation was set up in 1986 under the control of Department of Power, for providing term finance for power projects. Power Grid Corporation was established in 1989 for carrying out the construction of high voltage transmission lines, sub-stations and load despatch centres to transfer power from generating plants to load centres.