

Shortfalls in Saubhagya scheme

Why in news?

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PM recently launched Pradhan Mantri Sahaj Bijli Har Ghar Yojana, also known as Saubhagya scheme.

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What are the fundamental problems in Indian power sector?

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- The power generation utilities in India remain vastly under-utilised, and investments in the sector is drastically falling.

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- The plant load factor (PLF) an indicator of capacity utilisation of power generation units, has dropped consistently over the decade.

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- The Ujwal DISCOM Assurance Yojana (UDAY) has failed to make enough of a difference to this state of affairs.

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- Demand for electricity from State distribution companies is dropping with their deteriorating financial status.

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- Distribution agencies have very little incentive to demand more electricity from power generators, and they cannot make profits.

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What are the highlights of Saubhagya scheme?

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- Pradhan Mantri Sahaj Bijli Har Ghar Yojana, or Saubhagya is recently launched scheme.

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- It aims to make electricity accessible to every household by the end of

2018.

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- Under the scheme poor households who have no access to electricity will be provided electricity connections free of cost.

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- The beneficiaries for free electricity connections would be identified using Socio Economic and Caste Census (SECC) 2011 data.

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- This scheme hopes to improve electricity access within villages that are already classified as “electrified”, according to the criterion that 10% of households enjoy access to electricity.

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- The solar power packs with battery bank for un-electrified households located in remote and inaccessible areas will be provided.

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- The Rural Electrification Corporation Limited (REC) will remain the nodal agency for the operationalization of the scheme throughout the country.

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What are the shortcomings?

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- The scheme doesn’t address structural issues that plague the broken power sector.

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- It does very little to address the real problem of affordability i.e. the recurring burden of power bills.

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- It fails to account illegal connections taken by households which find it difficult to afford legal access to power.

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Source: The Hindu

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