
Assam asks oil companies to set up power utilities

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With demand for power in Assam increasing steadily, Assam has asked the cash rich oil companies operating in the state to invest in power generation to help the state tide over an imminent power crisis.

The growth in demand for power has even outstripped the growth in the state economy. At a time when the economy of Assam was growing at 7% to 8% the demand for power has been growing at 12%. The power demand in Guwahati alone, which was just 90 MW in 2004 is expected to touch 290 MW in 2010.

Mr Pradyut Bordoloi Assam's power minister speaking at a conference on Energy Resources of North-East India has asked all the oil companies to help Assam arrest the power crisis by investing in power generation projects. Mr Bordoloi said that "The cash rich oil companies should set aside some of their liquidity for small power generation projects."

He asked Oil India Limited to mull over the earlier proposal by the Assam's power department to set up a gas-based power project in the state in collaboration with Assam State Electricity Board.

Highlighting on the need for environment-friendly power generation, Bordoloi said that the state government would soon form a Green Power Development Corporation, which would invest in new and renewable power generation projects in the state.

He said that 2,890 remote villages in the state had been provided with solar lights.

(Sourced from Business Standards)

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