

## Government of India and the World Bank sign \$310 million Loan Agreement for Jharkhand Power System Improvement Project

The Government of India, the Government of Jharkhand and the World Bank signed a \$310 million Loan Agreement for Jharkhand Power System Improvement Project to provide reliable, quality, and affordable 24x7 electricity to the citizens of Jharkhand.

The Jharkhand Power System Improvement Project will help build new power transmission infrastructure, as well as put in place systems to improve the technical efficiency and commercial performance of the state power sector utilities. The Project will help bring in modern technology solutions such as automated substations, and network analysis and planning tools to provide reliable power supply and enhance customer satisfaction. The Project will also focus on developing institutional capacities of State-owned power transmission and distribution companies and improving their operational performance.

The Project is part of the Government of India's Power for All program launched in 2014. The plan envisages addition of over 4.5 GW generation capacities by 2022 (including a significant share of 1.5 GW from solar energy), through a mix of Private and Public-sector investments. The Agreement for the Project was signed by Hon'ble Mr. Sameer Kumar Khare, Additional Secretary, Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India; Hon'ble Ms. Vandana Dadel, Secretary, Energy Department, on behalf of the Government of Jharkhand; and Mr. Junaid Ahmad, Country Director, World Bank India, on behalf of the World Bank.

### **Benefits:**

Some of the major components of the project include construction of new substations and transmission lines, primarily at 132kV voltage level; provide support to the Jharkhand Urja Sancharan Nigam Limited (JUSNL) in setting-up systems for strengthening the State Load Dispatch Centre (SLDC) operations including financing software solutions for improving scheduling and dispatch functions. This will help integrate renewable energy in the State grid.

The Project will also support smart meters, with two-way communication and backend IT infrastructure, deployed in select urban towns. These meters will not only reduce technical and commercial losses, but also improve peak load

management. The meters are expected to provide consumers with better access to data which will encourage them to reduce their electricity consumption. To begin with, the Project will finance smart metering for around 350,000 consumers in the capital city of Ranchi.

The \$310 Million Loan from the International Bank for Reconstruction and Development (IBRD), has a 5-year grace period, and a final maturity of 25 years.

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Warm regards,

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