

# Cabinet approves revised cost estimate of North Eastern Region Power System Improvement Project for six States for strengthening of the Intra-State Transmission and Distribution Systems

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The Cabinet Committee on Economic Affairs, chaired by Prime Minister Shri Narendra Modi, has approved the Revised Cost Estimate (RCE) of North Eastern Region Power System Improvement Project (NERPSIP) at an estimated cost of Rs. 6,700 crore. This is a major step towards economic development of North Eastern Region through strengthening of Intra - State Transmission and Distribution systems.

The scheme is being implemented through POWERGRID, a Public Sector Undertaking (PSU) under Ministry of Power in association with six beneficiary North Eastern States namely, Assam, Manipur, Meghalaya, Mizoram, Nagaland, and Tripura and is targeted to be commissioned by December 2021. After commissioning, the project will be owned and maintained by the respective North Eastern State Utilities.

The main objective of the project is Government commitment for the total economic development of North Eastern Region and to strengthen the Intra-State Transmission & Distribution Infrastructure in the North East Region.

Implementation of this scheme will create a reliable power grid and improve NER States' connectivity to the upcoming load centers, and thus extend the benefits of the grid connected power to all categories of consumers of beneficiaries in North Eastern Region.

The scheme shall also increase the per capita power consumption of these States, and shall contribute to the total economic development of the North-Eastern Region.

Implementing agencies are hiring a considerable number of local manpower during their construction works, generating a lot of employment for skilled and unskilled manpower of North-Eastern Region.

Further after completion, additional manpower will be required for Operation & Maintenance of these newly created assets as per standard norms, generating considerable additional employment opportunities for North Eastern Region States.

## **Background:**

The Scheme was initially approved in December 2014 as a Central Sector Plan Scheme of Ministry of Power and is being funded with the assistance of World Bank fund and by the Government of India through the Budget support of Ministry of Power on 50:50 basis (World Bank: GoI) except for the capacity building component for Rs 89 crore, which will be entirely funded by the Government of India (GoI).

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