

لوگ عزت کے بنا پر بدنام ہو جاتے ہیں۔ خود کو گھٹا کرنے پر مجبور ہو جاتے ہیں۔ کسانوں نے خود کو کشتی کی تختی بنا کر اس مانگ پر سوار نہیں کیا۔ اس مشورے سے کام لیا۔ اور اس کے ڈیڑھ گھنٹے کے بعد کشتی میں کھولے گئے۔ لیکن ایک ہی بہانہ اس وقت بھی تھا کہ پچھلی سرکار نے بند کر دیا ہے۔ اگر پچھلی سرکار نے کچھ غلطیاں نہ کی ہوتیں تو وہ سرکار آج بھی کھولتی۔ آپ نے عین کافی دن ہو گئے ہیں آپ کو اور بار بار یہ کہہ دینا کہ پچھلی سرکار نے ایسا کیا تو اس سرکار نے کیا کیا۔ یہ پچھلی بار ہم نے سنا کہ اس طرح سبوت دینے۔ لیکن میری سمجھ میں سرکار تک پہنچانی چاہئے کہ جو مشورے اس نے اپنے پچھلی بار دیا تھا کہ ہم پڑیشنوں سے کہیں کہ سسٹم ڈیڑھ گھنٹے میں...

श्री मोहम्मद आजम खान (क्रमागत): केवल यह कह देने से डिपो कहीं नहीं खुलते। अगर वाकई आप व्यवस्था करना चाहते हैं तो इसके लिए कोई आश्वासन दें और आश्वासन ही न दें बल्कि ये डिपो खुलने चाहिए। वरना, इसी तरह से लोग खुदकशी करते रहेंगे।

अध्वर्यु محمد اعظم خان "جاری": صرف کہہ دینے سے ڈیپو کھولیں گے۔ اگر واقعی

آپ وہ مشورے کرنا چاہتے ہیں تو اس کے لئے کوئی آश्वासن دیں۔ اور آश्वासن ہی نہ دیں بلکہ یہ ڈیپو کھولنے چاہئیں۔ اس طرح سے لوگ خود کو کشتی کی تختی بن گئے۔

श्री काशी राम राणा: सर, हम ने सिर्फ आश्वासन ही नहीं दिया, हमने इम्प्लीमेंट भी किया है। इसके लिए मैंने अभी उदाहरण भी दिया है। हमने यार्न बैंक की शुरूआत की है। जहां-जहां स्टेट में यार्न की कमी है और इसकी वजह से वहां पर हैडलूम बंद हो रहे हैं, इसके लिए हमने पूरा प्रावधान किया है जैसे कि हैक यार्न आब्सीगेशन है, उसमें दबाव होते हुए भी हमने हैक यार्न आब्सीगेशन से भी यार्न हैडलूम को उपलब्ध करने की कोशिश की है।

Delay in Thermal Power Projects

*22. DR. (Ms.) P. SELVIE DAS:†
KUMARI NIRMALA
Deshpande:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that several thermal power projects are lying in cold storage whereas counter guarantee has already been issued by Government for most of them as approved by Government in 1994; and

(b) what are the main causes of such long delays in starting work on such projects and the remedial measures being taken by Government to avoid further delay?

THE MINISTER OF POWER, PARLIAMENTARY AFFAIRS AND MINISTER OF NON-CONVENTIONAL ENERGY SOURCES (SHRI P.R. KUMARAMANGALAM): (a) and (b) A Statement is laid on the Table of the House.

*The question was actually asked on the floor of the House by Dr. (Ms.) P. Selvie Das.

STATEMENT

(a) and (b) The Government of India in 1994 identified 8 projects for extending its counter-guarantee. Out of these, counter-guarantee has already been issued to the Jegurupadu Combined Cycle Gas Turbine (CCGT) (216 MW) of M/s GVK Industries in Andhra Pradesh and Dabhol CCGT (Phase-I) (740 MW) of M/s. Enron Power Company in Maharashtra. M/s. Spectrum Power Generation Ltd. withdrew their request for counter-guarantee for the Godavari CCGT (208 MW) in Andhra Pradesh. In the case of the Ib Valley Thermal Power Project (Unit 3 & 4) of M/s. AES Ib Valley Power Corporation in Orissa, Government of India's counter-guarantee had been accorded to the project. Subsequently, the State Government renegotiated the project parameters with M/s. AES Ib Valley Power Corporation and they were allocated Units 5 & 6 (now renamed as Unit A & B) of the Ib Valley Thermal Power Project. Fresh techno-economic clearance of Central Electricity Authority (CEA) is necessary for this project on account of the revised project parameters.

On 16.5.1998, the Government approved extension of counter-guarantee in the case of the Visakhapatnam Thermal Power Project (1040 MW) of M/s. Hinduja National Power Company Limited (HNPL) in Andhra Pradesh, Bhadravati Thermal Power Project (1082 MW) of M/s. Central India Power Company (CIPCO) in Maharashtra and 250 MW single Unit lignite based Neyveli Thermal Power Project of M/s. ST-CMS Electric Company in Tamil Nadu, through a revised procedure. Counter Guarantee has been issued for the 1000 MW Mangalore power project of M/s. Mangalore Power Company. The Government of India has decided that further steps for issue of counter-guarantee for this project would be taken once the decision of the Supreme Court on the SLP filed by Government of Karnataka against the judgment of High

Court of Karnataka in the Public Interest Writ Petition No. 10696/97 is available.

Of the above mentioned 8 projects, the Jegurupadu CCGT and the Godavari CCGT have been fully commissioned. The first phase of the Dabhol CCGT (740 MW) has been commissioned on 11.12.1998 but is yet to start commercial operation. According to information available, construction work on the Neyveli Thermal Power Project has also commenced recently. The remaining Projects are yet to tie up finances from Indian financial institutions/foreign banks etc. prior to achieving financial closure and start of construction activities. Government of India has been monitoring the progress of these projects and has intervened, wherever necessary, to expedite their commissioning.

DR. (MS.) P. SELVIE DAS: Sir, in 1994, the Government of India identified eight power projects to extend counter-guarantee. But, thus far, they have extended counter-guarantee only to two projects, one in Andhra Pradesh and one in Maharashtra. I do not know about the Godavari project in Andhra Pradesh. I think, they might have withdrawn the request for counter-guarantee because of delay. I am not sure about it. With regard to a project in Orissa, they applied for a power project but subsequently, they renamed it and there was a little delay. But, still, the techno-economic clearance has not been given by the Central Electricity Authority. Why does the Central Electricity Authority take so much time in giving permission to these projects? Sir, the techno-economic clearance is something without which none of them can start a power project. I would like the hon. Minister to reply to this question.

The next point is, I am more concerned about Karnataka. Sir, M/s. Mangalore Power Company has applied for a power project in Mangalore area. Of course, a petition was filed in the High Court of Karnataka. That was in 1997. Now the case is pending before the

Supreme Court. The Supreme Court has not yet given any decision. I want to know as to how long these people have to wait to get the clearance. If they have to wait like this, none of the power projects will come through and in Mangalore they can never start a power project. That is what I am afraid of. I would like the hon. Minister to tell us as to how long it will take. In general, when I go through the reply that has been given, I feel, there could be some remedy with regard to modalities and other procedures. Would the hon. Minister kindly think about it and let us know what he will be able to do in the future to expedite these power projects?

SHRI P.R. KUMARAMANGALAM: Mr. Chairman, Sir, I am grateful to the hon. Member who has raised this question. She is right there were eight projects which were originally considered for extending the counter-guarantee system. The counter-guarantee system was basically a policy which is transitory in nature and was meant only to encourage private participation in generation projects. It is a policy which was formulated in 1991 at the initial stage when privatisation of generation was decided. Out of these projects, only the Godavari project promoters, because of their own *inter se* problems, withdrew their request for counter-guarantee. In fact, they have commissioned and their project is on-stream and it is part of the grid.

With regard to Ib Valley Thermal Power Project I would like to submit that originally it had received all the clearances way back in 1994 itself. But after that, they decided to change the type of project as well as they renegotiated the project. Originally, all the clearances were given and even the counter-guarantee was extended on 16.01.1995. They decided to renegotiate with the Government of Orissa. They reapplied and made an application on 04.12.1998 to the C.E.A. I can assure that the letter giving them clearance will soon be issued to them and they can go

through. But with regard to Mangalore IPP Project, which is commonly called Cogentrix, you would be aware, Sir, that there is very little for me to say. The Supreme Court had completed its hearing on 15th January, 1999 and has reserved its judgement. We are waiting for the judgement. It is the decision of the Cabinet that once the judgement is given, we will bring it through the new route which we have adopted for counter-guarantees. Unlike in the past, we are not guaranteeing the revenue-stream. We are only giving counter-guarantee for the termination, that is, in the event termination takes place, we are giving counter-guarantee to the foreign lenders because—they are one section of financial interest—of the insecurity which they have in their mind, we want to securities a little more. That is why the counter-guarantee system was introduced. We have issued counter-guarantees for others also. I believe, among the counter-guarantees issued for three projects last year, one has already started working and we are expecting to complete the financial closure by 31st March. It is my hope that the other two projects would do it within the next six to eight months.

DR. (MS.) P. SELVIE DAS: When do you think the Cogentrix would materialise?

MR. CHAIRMAN: He has already replied.

KUMARI NIRMALA DESHPANDE: Sir, this kind of delay hampers the development. So, what steps the hon. Minister is thinking of to lessen the period of delay?

SHRI P. R. KUMARAMANGALAM: Sir, we have taken a number of steps in this regard. Firstly, we have taken a step that in the case of IPP projects, the independent power producers are granted projects on the basis of competitive bidding in tariff. Up to capital cost of Rs. 5,000 crores, they need not even come to the Central Electricity Authority for clearance, as long as it is an

internationally competitive transparent bid, as per the given guidelines. We have also said that if you have to come to the CEA for clearance, the clearance by the CEA would normally be given within a period of three months from the day you apply, provided the data and information are supplied. The real problem that we face in most of these projects is that of environmental clearance. We have a law which says that we have to have an environmental impact assessment during four seasons. So, a minimum of one year is required to get such environmental clearance, which, in fact, is unavoidable because, in thermal projects, that is the requirement, which the Parliament, taking into account the public opinion, has laid down. With regard to counter-guarantees, we have adopted a system where we allow, in these eight cases, that the State Government could sign an MOU and negotiate even after the counter-guarantee with the concerned IPP, if they wish to reduce the cost. Sir, I can say this much that we have a bank of 48 projects. It is not the case that the projects are not being cleared.

SHRI DIPANKAR MUKHERJEE: Sir, my question is very simple. I believe, the basic objective of these fast-track power projects, which have been talked about for the last six to seven years, is to have enough quantity of power at a reasonable rate. I would like to know from the hon. Minister whether he would say that wherever, in Europe, privatisation of power has been going on for the last six to seven years, the cost of power has come down reasonably. The cost of power has reasonably come down. Would the Minister kindly assure the House that he would look into this? So far as these power projects are concerned, looking at the deregulation and globalisation in European and other countries—I am not talking about variable costs. I am not talking about subsidy and I am not talking about ownership—fixed cost, the cost of plant and machinery has come down in the international market. Will the people of

this country get power at a cheaper rate after all this hullabaloo over this?

SHRI P.R. KUMARAMANGALAM: Sir, I am happy to inform the House that the rate of power in India, that is supplied from the generators, is one of the most competitive rates. It is mainly because the public sector is still the major supplier. The hon. Member is right in pointing out that the fixed cost, what we call "FCC", has come down internationally because of deregulation and competition. Quite consciously, it is because of this that the Government took a decision. Even after the issuance of the counter guarantee, we have advised the State Governments that they were free to negotiate with the promoters and insist on them to go for competitive bidding for EPC in such a manner that they get the lowest fixed cost. I can assure the hon. Member that I am aware of what he is saying. He is, after all, an expert, and I am not. But, I can assure him that we are looking at it in depth. I am very conscious of this problem.

DR. KARAN SINGH: Mr. Chairman, Sir, it is good that these power projects are being expedited because we have a great shortage of power in the country. However, thermal power is among the most polluting anywhere in the world. Even here in Delhi, the Indraprastha and the Badarpur Power Stations have created havoc. Will the Minister assure the House that in all these huge new projects that we are putting up in the country we will ensure that low pollution technology is introduced right from the beginning? Already the environment has been gravely disturbed. With all the new thermal projects coming in, they will cause a complete disaster in the next few years.

SHRI P.R. KUMARAMANGALAM: Sir, we are part of the Global Summit on Environment and Ecology. The conditions that we have imposed as a Government through the Environment Ministry notifications are so stringent that even Europeans balk a bit on looking at the conditions.

New power plants cost a bit more only because we put very stringent conditions on the environment, especially on particulate matter, the level of environmental degradation that will take place, afforestation etc. In fact, the capital cost addition sometimes ranges between 10 and 15 per cent only because we want to look at the environmental aspects of thermal plants.

Sir, I may add, since Dr. Karan Singh, a senior Member has asked this question, his home State has got great resources of hydro power, and we are discussing with the State Government about making use of the hydro resources because, as he rightly pointed out, ultimately the hydro power is a renewable, clean power.

SHRI S. B. CHAVAN: Sir, the information that was supplied after the NDC meeting, clearly indicates that in the Ninth Five-Year Plan 40,000 MW is supposed to be target, out of which, more than half has been earmarked for the private sector, especially all those who are going to get finances from abroad. My question arises out of the statement which has been given to us.

Out of the eight projects, there are only two projects which have been completed so far. The remaining projects are yet to tie up finances from Indian financial institutions or banks prior to achieving financial closure and start of the construction activities. So, it is at the preliminary stage. At least, that is the impression that we get. If it is not, certainly, we would like to understand the present stage of these projects.

About the projects which have been started with no international bidding but with a MOU with only one company, is it the intention of the Government to fully satisfy itself before giving a counter-guarantee that the project is economically feasible? The C.E.A. is supposed to go into all aspects of the question and certify that this is going to be an economically feasible project. And if the procedure, which you have just now stated, is there, i.e. if international bidding is there, they

need not wait even up to Rs. 1,000 crores. They can go ahead. Sir, I have got information that in regard to some of the projects, out of which two are in Maharashtra, MOU has been signed without competitive bidding. So, I would like to know the procedure that the hon. Minister would like to follow in these respects. Can he give us a guarantee that what has been contemplated is for the Ninth Five-Year Plan, as in the Eighth Five Year Plan you are not going to fail in this infrastructure.

SHRI P. R. KUMARAMGALAM: Sir, I would start with the last part of the question of the hon. Member.

Firstly, with the amount of the support that I have received from the State Governments, the Chief Ministers, the Opposition and the Government, we have moved quite quickly on power. Fortunately, it has moved beyond politics and it is being considered as one of the important are as of understanding. Sir, it is my hope that within a portion of the Ninth Five-Year Plan we should achieve this 40,000 Megawatts target. I am not depending only on the private power, despite allocation. I am looking at also the mega projects and which are being undertaken partly by new projects and which are being set up by the public sector corporations as well as by the private competitive bidding route. They are also large projects. So, with your support I should be able to achieve 40,000 megawatts during the Ninth Five-Year Plan.

But, simultaneously, it is necessary for me to point out that arrangements with banks have been made for the counter-guarantee of the projects. The Neyveli project, the Bhadravati project and the Vizag project have been given counter-guarantee....(Interruptions) One second please. But, tying up means documentation. Sir, my lawyer brethren are quite capable of sparing their time and ensuring that it works properly. That is the process that has been undergone. Understandings have been arrived at, sanctions have been given in many cases,

but documentation takes time. It normally takes three to six months. Neyveli has started construction. Investments have gone on the ground. It will most probably complete in record time. But, final tying up is not taking place because of documentation.

In regard to th Bhadravati project, we are having a problem despite sanctions and money being put in place. It is due to some problem with the coalmine that is there to supply fuel. Once that is sorted out, Bhadravati will go in quickly for a financial closure.

With regard to the Hinduja, they are in the process of final negotiations with lenders, not in terms of sanction of money, but in terms of draft final document to be drawn up, on assignment of the counter-guarantee to the lenders. These are all in the final stages of nitty-gritty. That is why I made the statement that with regard to Neyveli, I believe by 31st March, they should financially close; with regard to the Vizir project of the Hinduja, I would say six months and with regard to Bhadravati also six months if the coal fuel arrangement can be sorted out.

DR. RAJA RAMNANA: Sir, I would like to refer to a statement made by the Hon. Minister as late as December last year, in which he had given 17 points which cause delays. He had also said that he had created a monitoring mechanism, which he found satisfactory, to examine and reduce delays to a minimum. I wonder in what way this analysis and the affirmation of this mechanism has really helped I see the delays are on the same issues going over a long period of time, the issues being either on environment or on some other account. Has this Committee gone into these items to find out how much delay takes place at each point?

..So that every time when a new power project is taken up, it is executed within a much shorter period than the previous one. Only then we can say and we can hope that our power projects are going on in time. That is all I want to say.

SHRI P.R. KUMARAMANGALAM: Mr. Chairman, Sir, I think the hon. Member has raised a most important question. It is not the only one issue which delays projects.

श्री सी.एम. इब्राहिम: इनका रिप्लाइ इतना लम्बा है तो काम कितना लम्बा चलेगा।

SHRI P.R. KUMARAMANGALAM: One minute. One minute. At least give me an opportunity to thank the Member बस कल मखा दोगे।

MR. CHAIRMAN: Please, please, let him reply.

मौलाना अबैदुल्ला खान आज़मी: रिप्लाइ कम और सप्लाइ ज्यादा हो तो काम चलेगा।

المولانا عبید اللہ خان اعظمی: ریپلای کم اور سپلائی زیادہ ہو تو کام چلے گا۔

SHRI P.R. KUMARAMANGALAM: Mr. Chairman, Sir, within a period of three sittings we have sorted out 15 projects. Most probably these 15 projects would go in for financial closure by 31st March which is in record time. This is because of the Crisis Resolution Committee. We have identified the areas. In each area we have 17 major points We are shortening the time and in fact clearing it often at the Ministerial level and at the official level. We have been able to achieve a system of quickly bringing the projects on the ground.

MR. CHAIRMAN: Q. No. 23.

श्री ओंकार सिंह लखावत: सर, क्वेश्चन नं० 27 भी इसी से संबंधित है।

श्री सधापति: ठीक है, कर रहा हूँ। उसको भी इसके साथ ही कर रहा हूँ।