

(a) whether it is fact that contribution of the private sector in increasing the capacity in the power sector has been disappointing; and

(b) whether Government would take measures for increasing the capacity in power sector during the Eleventh Five Year plan?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI JAIRAM RAMESH): (a) and (b) Although a Policy on Private Sector participation was announced in 1991, the pace of private investment has been slow due to (i) inability of most Independent Power Producers (IPPs) to achieve financial closure in spite of progressing well on the other inputs/clearances; (ii) poor financial health of the state utilities who did not have the financial capabilities to support more private projects in terms of regular reimbursement of bills, opening of letter of credit and escrow accounts; (iii) delays in finalization of Power Purchase Agreements; and (iv) high cost of power estimated for the projects.

Government of India has taken a number of legislative, policy and administrative measures to enhance private participation in the power sector. Some of these measures are:

- (i) Enactment of new Electricity Act, 2003;
- (ii) De-licensing of thermal generation. Further, captive generation is freely permitted;
- (iii) Structural reforms for State Electricity Boards;
- (iv) Formation of Central & State Regulatory Commissions;
- (v) Formulation of National Grid;
- (vi) Open access in Transmission & Distribution;
- (vii) Power trading being recognized as a distinct activity;
- (viii) Accelerated Power Development and Reforms Programme;
- (ix) Reduction in T&D losses;
- (x) Introduction of Mega ' Power Policy;
- (xi) Issue of guidelines for competitive bidding for procurement of Power by distribution licensees under the Electricity Act;
- (xii) Notification of Tariff Policy;
- (xiii) Notification of National Electricity Policy;
- (xiv) Notification of the new Hydro Policy, 2008; and
- (xv) Ultra Mega Power Projects (UMPP) initiative.

As a result of the above measures, private sector capacity addition in the eleventh Plan is expected to be much higher compared to earlier Plans.

#### **Multi-purpose power project at Dikhu**

1500. SHRI KHEKIHO ZHIMOMI: Will the Minister of POWER be pleased to state:

(a) whether setting up of a multipurpose power project at Dikhu in Nagaland is under Government's consideration;

(b) if so, the details thereof; and

(c) what is the time-frame within which the project would commence electricity generation?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI JAIRAM RAMESH): (a) and (b) Central Water Commission (CWC) had prepared the Detailed Project Report (DPR) of Dikhu as a Multipurpose Project in Nagaland envisaging hydro power generation besides irrigation benefits. The DPR of the project having installed capacity of (3x40 = 120 MW) was sent to the Technical Advisory Committee (TAG) of CWC for its clearance. Meanwhile, Government of Nagaland has informed that they propose to drop the irrigation component and pursue it only as a hydro power project.

(c) Since the Government of Nagaland has yet to allocate the project to an agency for development, a time frame for electricity generation cannot be given.

#### **Environmental Clearances for UMPPs**

†1501. SHRI MOTILAL VORA:

SHRI SATYAVRAT CHATURVEDI:

Will the Minister of POWER be pleased to state:

(a) whether Government is aware that due to forests and environment laws, work related to six Ultra Mega Power Projects (UMPPs) and several other projects, beneficial for the people, have either not started or have got delayed as a result of which their cost has escalated;

(b) if so, whether approval from the Ministry of Environment and Forests to the projects of national importance would be expedited;

(c) if so, by when; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI JAIRAM RAMESH): (a) In respect of the Ultra Mega Power Projects (UMPPs), which have either been awarded or where the bidding process has been initiated, the environment clearance has been received. As far as forest clearance is concerned, the same has been received for Sasan UMPP; for Mundra UMPP, in-principle forest clearance has been received and for Tilaiya UMPP, a revised application is to be submitted in view of change in land requirement. Further, according to the Ministry of Environment and Forest (MoEF), 27 thermal power projects, consisting of Central, State and private sector projects, are currently under process for environment clearance. Regarding cost escalation, according to the MoEF, no construction work, preliminary or otherwise, relating to the setting up of the project, may be undertaken till the environmental and/or site clearance is obtained.

(b) and (c) The power utilities make applications for grant of environment clearance to the MoEF directly. However, in case of delay in grant of environment/ forest clearance, the matter is taken up with the MoEF by Ministry of Power.

(d) Does not arise in view of (b) & (c) above.

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†Original notice of the question was received in Hindi.