

[7 May, 2007]

RAJYA SABHA

(b) if so, the details thereof;

(c) whether it is also a fact that the NTPC is considering to set up two thermal power projects in Tamil Nadu; and

(d) if so, whether any study has been conducted in this regard?

THE MINISTER OF POWER (SHRI SUSHIL KUMAR SHINDE): (a) and (b) The existing Simhadri Super Thermal Power Station Stage-I (2x500 MW) of NTPC Ltd., located in Andhra Pradesh, is dedicated to the State of Andhra Pradesh. However, NTPC Ltd. is currently implementing expansion project at Simhadri, namely, Simhadri Super Thermal Power Station Stage-II (2x500 MW) as a regional station envisaged for benefits in the 11th Plan. Power from this expansion project shall be supplied to all the States of Southern Region subject to signing of Power Purchase Agreement and compliance with conditions of Mega Power Policy.

(c) and (d) NTPC Ltd., in joint venture with Tamil Nadu Electricity Board (TNEB), has a proposal to establish thermal power plant of 2x500 MW capacity at Ennore in Tamil Nadu. Detailed Project Report for the project has been prepared and coal linkage has been approved. The project is proposed to be commissioned in 11 th Plan. In addition to this, two potential sites, one near village Cheyyur, District Kanchipuram and second near village Marakhanam, Distt. Villupuram have been identified in Tamil Nadu for setting up coal based Thermal Power Projects. Site specific studies/ investigations will be initiated after tie up for basic inputs (land etc.) for the proposed power projects.

Shortage of Electricity

3452. SHRI C. PERUMAL: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the power sector is reeling under an average shortage of over 8 per cent and 13 per cent as peak power deficit; and

(b) if so, the action taken by Government to improve power infrastructure and incentives to attract both domestic as well as Foreign investors in this sector?

THE MINISTER OF POWER (SHRI SUSHIL KUMAR SHINDE)': (a) During the period 2006-07, the energy shortage and peak shortage in the country were 9.6% and 13.8% respectively.

(b) The actions are being taken by the Government to improve power infrastructure and incentives being provided to attract domestic/foreign investors in power sector are as under:

- (i) Capacity addition of 78,577 MW has been proposed during 11th Plan. In addition, Working Group on Power for the -11th Plan has envisaged 13,500 MW through grid interactive renewable power.
- (ii) Power Grid Corporation of India Ltd. has made a plan to invest about Rs. 55,000 crores to augment and improve the transmission system in the country during the 11th Plan. The inter-regional transmission link capacity is also planned to be enhanced to over 37,000 MW by the end of 11th Plan.
- (iii) Strengthening/augmentation of sub-transmission and distribution system in States have been undertaken under Accelerated Power Development Reforms Programme.
- (iv) Electrification of all villages and rural households in the entire country by 2009 has been initiated under-Rajiv Gandhi Grameen Vidyutikaran Yojana.
- (v) The Electricity Act, 2003 creates a liberal framework for development of power sector and removes entry barriers in different segments of power supply industry. Thermal generation has been fully delicensed and captive generation has been freely permitted, Central & State Regulatory Commissions have been set up and power trading has been recognized as an independent activity.

Open access in transmission has been introduced to promote competition amongst the generating companies who can now sell power to different distribution licensees across the country. Guidelines for competitive bidding for procurement of power by distribution licensees under the Electricity Act, 2003 have been issued.

Government has also initiated the process of reforms and restructuring of power sector which would improve the finances of the power utilities, thereby attracting private investment.

- (vi) One hundred percent (100%) Foreign Direct Investment had already been permitted on the automatic approval route in respect of projects relating to electricity generation, transmission and distribution (other than Atomic Energy power plants). Recently, power trading has also been included in the above, subject to compliance with the regulations under the Electricity Act, 2003.
- (vii) Recognizing the fact that economies of scale leading to cheaper power can be secured through development of large size power projects, the Government has taken an initiative for facilitating the development of a few Ultra Mega Power Projects of about 4000 MW capacity each under tariff based competitive bidding route using supercritical technology. Power Finance Corporation has been identified as nodal agency and has set up special purpose vehicles to initiate the bidding process.

Rise in power tariffs due to power shortage

3453. SHRI C. RAMACHANDRAIAH: Will the Minister" of POWER be pleased to state:

- (a) whether it is a fact that with the States trying to tie-up power from whatever limited sources available during the peak summer months, power tariffs for some of the deals recently signed have short up to Rs. 7-10 per unit;
- (b) if so, whether the above said development will have a negative impact on the economy particularly with regard to the price discovery mechanism in the power sector;
- (c) if so, what steps are being taken/proposed to be taken to address the price distortions that have cropped up due to uneven supply demand mismatch; and
- (d) whether any financial package in the form of subsidy would be provided to the States which bear the high tariff burden?