

factors *viz.* power purchase requirement, expected revenue from sales, AT&C loss levels, operation and maintenance expenditure, return on capital employed, depreciation etc. while determining electricity tariff for different categories of consumers.

#### **Fund raising by REC and PFC**

2915. SHRI B.S. GNANADESIKAN: Will the Minister of POWER be pleased to state:

(a) whether the Rural Electrification Corporation (REC) and the Power Finance Corporation (PFC) have decided to raise 1 billion dollars each from external commercial borrowings to finance Ultra Mega Power Projects and have sought Government's approval;

(b) whether these corporations have also requested for exemption of customs duty on construction equipments used in power projects; and

(c) if so, the details thereof and Government's decision in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL): (a) to (c) PFC has approached RBI for in-principle approval of US\$ 1 billion to set up a Medium Term Notes (MTN) programme for raising ECBs. The proceeds of the ECB would be utilized for funding the power projects including Ultra Mega Power Projects financed by PFC.

REC intend to mobilize more than US\$ 1 billion from ECBs during the current financial year *i.e.* 2011-12. The money will be utilized to fund infrastructure projects in the power sector. REC has since received approval for raising US\$ 750 million through ECB.

No proposals have been received from PFC and REC for exemption of custom duty on construction equipment using power projects

#### **Effect of short-supply of coal on power generation**

2916. SHRI D. RAJA:

SHRI R.C. SINGH:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that ambitious capacity addition targets in the power sector during the Twelfth Five Year Plan is not likely to be met due to acute shortage of coal;

(b) if so, what is the proposed additional power generation capacity during the Plan and the estimated requirement of coal to achieve this target; and

(c) the measures proposed to be taken to ensure adequate supply of coal for the new and upcoming projects?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL): has not yet been firmed up by the Planning Commission. However, Planning Commission has set up