

Investment in power by private sector

298. SHRI DEVENDER GOUD T.: Will the Minister of POWER be pleased to state:

- (a) the details of private sector investment in power sector;
- (b) whether it is a fact that as per the information of Central Electricity Authority there has been a gradual reduction of private sector participation in power sector from 2009-10;
- (c) if so, the details thereof since 2009-10 to this year; and
- (d) what efforts, his Ministry is making to attract more and more private investment in power sector?

THE MINISTER OF STATE OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA MADHAV RAO SCINDIA): (a) to (c) Details of private sector investment from 2009-10 to 2012-13, based on information available with Central Electricity Authority (CEA), are as below:

(in Rs. crore)				
Year	2009-10	2010-11	2011-12 (P)	2012-13 (P)
TOTAL	48132.04	81853.88	98283.23	54953.02

(P): Provisional

In view of above, investment in thermal projects has consistently risen. Data for 2012-13 are provisional and do not essentially predict a declining trend in investment. Share of private sector in new capacity addition has increased from 9.1% in the 10th Plan to 41.9% in the 11th Plan.

(d) As per extant policy, Foreign Direct Investment (FDI) up to 100% is permitted in power sector, under the automatic route for generation, transmission and distribution. Recently, the Government has liberalized the FDI policy for Power Trading Exchanges. Foreign Investment in power exchanges registered under the Central Electricity Regulatory Commission (Power Market) Regulations, 2010 allowed up to 49% through automatic route.

Moreover, the Union Budget enumerates Government's efforts to promote private investment. Some of these include:

- India Infrastructure Finance Co. Ltd provides long-term financial assistance to infrastructure projects through take-out finance, re-finance of bank loans and credit enhancement.
- Investment in tax-free long-term infrastructure bonds was permitted since 2010-11 and continues in a limited fashion in 2013-14.
- The ceiling of foreign institutional investment in corporate infrastructure bonds of over 5-year maturity has been enhanced to US \$ 25 billion in 2011-12.
- ECBs can be raised for investment by imports of capital goods, new projects, modernization and expansion of existing production units.
- The sunset date to claim 10-year tax holiday for power projects has been extended to March 31, 2014.
- Infrastructure Debt Funds have been launched to raise resources.
- A Cabinet Committee on Investment monitors investment proposals and projects under implementation.
- 15% investment allowance is allowed to be deducted by companies investing over Rs. 100 cr. in plant and machinery during 2013-15.

Government of India has also taken a number of legislative, policy and administrative measures to enhance private participation in the power sector. Some of these measures in the last few years have been:

- (i) Enactment of new Electricity Act, 2003.
- (ii) De-licensing of thermal generation. Further captive generation is freely permitted.
- (iii) Formation of Central and State Regulatory Commissions.

- (iv) Development of National Grid.
- (v) Open Access in Transmission and Distribution.
- (vi) Power trading being recognized as a distinct activity.
- (vii) Mega Power Policy for promoting large size projects (withdrawn since 19.07.2012).
- (viii) Issue of guidelines for competitive bidding for procurement of Power by distribution licensees under the Electricity Act.
- (ix) Notification of Tariff Policy.
- (x) Notification of National Electricity Policy.
- (xi) Notification of the Hydro Policy, 2008.
- (xii) Ultra Mega Power Plants (UMPP) initiative.

Shifting of NTPC project from Odisha

299. SHRI RAMA CHANDRA KHUNTIA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that National Thermal Power Corporation (NTPC) is shifting some of its projects and investments to some other States from Odisha for non-availability of land and noncooperation of the State Government; and

(b) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) No, Sir.

(b) Gajmara (2x800MW) Project was part of Bulk Tendering-II for 800 MW units. Since there was delay in land acquisition, the order for Main Plant has been diverted to Gadawara (2x800 MW) in Madhya Pradesh, with due approval of Member (Planning Commission) who has been authorized by Government of India for substitution of any proposed project under Bulk Tendering-II. The Gajmara (2x800MW) project continues to be part of future plan and further process for ordering will be taken up after land is acquired.