

***Korba East Power Project***

The project has been accorded TEC by CEA and some preliminary work like acquisition of some part of the land has been carried out. However, the project developers have filed a writ petition in the High Court of Madhya Pradesh, Jabalpur on 20.10.2000, which has been admitted. Due to the matter being subjudice, there has been no further progress on the project. The developer has asked for return of the security deposit from MPEB in view of the inability of MPEB to provide payment security.

**Super Thermal Plant at Ropar**

1844. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that Super Thermal Plant of PSEB at Ropar has become a major source of pollution making life miserable for thousands of people living in about 30 villages in its immediate periphery; and

(b) if so, what steps are being taken by Government to remedy the situation?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and (b) No, Sir. The Super Thermal Plant (1260 MW) of Punjab State Electricity Board at Ropar is a 'pollution free' plant and its environmental standards are well within the permissible limits prescribed by the Punjab Pollution Control Board as well as the Central Pollution Control Board.

**Private Investment in Power Sector**

1845. SHRI R.P. GOENKA: Will the Minister of POWER be pleased to state:

(a) whether his Ministry proposes to come out with a transparent road map for attracting private investment in the power sector;

(b) whether his Ministry has identified the road blocks coming in the way of the independent power producers;

(c) out of the additional 100,000 MW to be installed during the next 10 years what is expected to be the share of the IPPs; and

(d) by when a new policy is likely to be announced?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and (d) The policy to attract and encourage greater

private sector participation in the power sector was announced in 1991. This policy has been reviewed/modified, wherever necessary, from time to time, with a view to streamlining the procedures ensuring transparency and for speedy development of the power projects. This includes the following:—

- (i) award of power project, with a few exceptions, through International Competitive Bidding (ICB) route made mandatory from 18.2.1995 onwards.
- (ii) delegation of power for environmental clearance.
- (iii) raising of capital cost limit upto which techno-economic clearance is not required from the Central Electricity Authority (CEA).
- (iv) automatic approval of foreign investment.
- (v) tariff notification, and prescribing norms of operations for various types of power projects, etc.
- (vi) preparation of model documents like Power Purchase Agreements, etc.

Out of a total of around 1,00,000 MW of generation capacity expected to be added during the 10th and 11th five year plans, the share of Independent Power Producers (IPP) would be around 50,000 MW. This is, however, dependent on the ability of SEBs and States, utilities to pay for the power generated by IPPs. Poor financial health of the SEBs and low confidence of lenders about payment capacity of the SEBs; large transmission and distribution losses are some of the major road blocks coming in the way of private power development. Attempts are being made to address these problems through setting up of regulatory commissions at the Centre and the States and in initiating reforms and restructuring process in the States especially distribution reforms.

#### **Incentives for Private Investment in Power Sector**

1846. SHRI K.M. KHAN: Will the Minister of POWER be pleased to state:

(a) what are the details of the incentives that have been announced to encourage the private investment in power sector;

(b) whether the Indian Electricity Act, 1910 and the Electricity Supply Act, 1948 are required to be amended further to bring a new legal and financial environment for private enterprises in power sector;