

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:2728  
ANSWERED ON:15.03.2001  
GESTATION OF POWER PROJECTS  
CHELLAMELLA SUGUNA KUMARI

**Will the Minister of POWER be pleased to state:**

- (a) whether the Government propose to authorize short gestation power projects to change their fuel from Naphtha to gas or naphtha to diesel;
- (b) if so, whether permission has been granted to change from one fuel to other fuel;
- (c) if so, the right to claim liquidation damages from these projects;
- (d) whether the conversion from Naphtha to Gas saves Rs. 100 to 200 crores in the capital costs; and
- (e) if so, the difference in the cost of production per unit of electricity and the steps taken to pass on this difference to the consumers?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER ( SHRIMATI JAYAWANTI MEHTA )

(a) to (c) : The present policy permits change over of fuel from naphtha to gas or naphtha to diesel, subject to feasibility. Permissions for change from one fuel to another have been given in certain cases on the request of the concerned State Government/project developer after considering the feasibility of such switch over and availability of fuel. The provisions relating to claiming of liquidated damages are covered under the Fuel Supply Agreement entered into between the fuel supplier and the project developer and varies from case to case.

(d) : No, Sir.

(e) : Does not arise.