

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4417
ANSWERED ON:24.04.2000
PRIVATE INVESTMENT IN POWER SECTOR
A.D.K. JEYASEELAN

Will the Minister of POWER be pleased to state:

- (a) whether the Union Government have asked the State Governments to avoid competitive offer on power projects;
- (b) if so, the names of States adopting competitive methods to attract private investment in power sector so far; and
- (c) the steps taken to ensure uniform policy?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) : Competitive bidding for award of power projects to private sector was made mandatory after 18.2.1995. However, certain categories of projects, where Competitive Bidding route have been exempted are mentioned below.

(i) Expansion projects

(ii) Joint venture projects between State Electricity Board

(SEB)/Public Sector Unit (PSU) and private company where the SEB/PSU holds majority shares of the joint venture company.

(iii) Generating stations exclusively for captive use by an industry or a group of industries and set up by generating companies as long as no sale to State Grid is involved.

(iv) Power projects based on heavy bottom residue and set up by existing refineries.

(b) : As per information available, some of the States who have adopted competitive bidding procedure for inviting private investment in power include Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Haryana, Maharashtra, Punjab, Uttar Pradesh, Rajasthan and Tamil Nadu.

(c) : The policy on competitive bidding for award of power projects to private sector is a uniform one equally applicable to all State Governments and no distinction has been made in this regard.