

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:2897  
ANSWERED ON:21.03.2002  
CENTRAL ENERGY CONSERVATION AWARD  
CHELLAMELLA SUGUNA KUMARI

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

(a) whether the Government are considering for setting up a National Energy Conservation Award to provide technical and financial assistance to the upcoming power projects; and

(b) if so, the steps taken by the Government to attract private investment in power sector?

**Answer**

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

(a) : The Government of India launched a National Energy Conservation Awardscheme in 1991 to give recognition to industrial units, in production for at least three years, in identified large/medium/small scale industry and have made special efforts to save energy and environment.

(b) : Steps taken to attract private investment in the power sector include :-

(i) Private Sector can set up power projects of any size and any type thermal project on conventional fuel, hydel projects or non-conventional based on wind/solar energy.

(ii) Debt: equity ratio up to 4:1 allowed.

(iii) 100% foreign equity participation allowed in generation, transmission & distribution.

(iv) Guidelines also issued for tariff based competitive bidding (availability based tariff) for thermal power stations.

(v) Award of power projects, with a few exceptions, through International Competitive Bidding (ICB) route made mandatory from 18.2.1995 onwards.

(vi) Powers for grant of environmental clearance decentralized to the extent feasible.

(vii) Capital cost limits exceeding which techno-economic clearance is required from the Central Electricity Authority (CEA), raised suitably.

(viii) Automatic approval for foreign investment without any upper limit.

(ix) Relaxation of 40% cap on debt exposure by Indian Financial Institutions.