

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:7479
ANSWERED ON:15.05.2000
ROLE OF MINISTRY IN PPA(S)
CHELLAMELLA SUGUNA KUMARI

Will the Minister of POWER be pleased to state:

- (a) the role of his ministry in Power Purchase Agreements;
- (b) whether the States are free to enter in to Power Purchase Agreements;
- (c) if so, whether his ministry has a say in Power Purchase Agreements which the State Governments are entering into these agreements;
- (d) the number of Power Purchase Agreements entered into by the State Governments during each of the last three years, State-wise; and
- (e) the unit purchase rate in these Power Purchase Agreements by the respective State Governments during each of the last three years, State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) : The Power Purchase Agreement (PPA) is a contract between the State Electricity Board (SEB) and the Independent Power Producers (IPP) in which the modalities for purchase/sale of power and allocation of various risks are negotiated between the two parties. As such, the issue of monitoring of PPAs comes under the purview of the respective State Governments.

(b) : Yes, Sir. States are free to enter into PPAs keeping in view their requirement of power, cost of power and their capacity to pay for it.

(c) : No, Sir.

(d) : As on date, CEA has accorded techno-economic clearance to 57 schemes for setting up of power projects aggregating to a capacity of 29362.3 MW. Of these, details of number of PPAs entered into by the State Governments during the last three years (i.e. 1.4.1997-31.3.2000) are given below:

Year Name of the State No. of PPAs

1997-1998 Himachal Pradesh 1
Madhya Pradesh 3
Gujarat 2
Orissa 1
Bihar 1
Andhra Pradesh 1
Karnataka 1
Tamil Nadu 2

1998-1999 Uttar Pradesh 2
Maharashtra 1
West Bengal 1
Andhra Pradesh 1
Tamil Nadu 2

1999-2000 Karnataka 2
Tamil Nadu 1

(e) : Government of India does not monitor the cost of generation in the PPAs entered into between the generating company and the States. Tariff for sale of power by all the private sector power projects is presently worked out in accordance with the factors laid down in Government of India's Notifications in this regard and other terms and conditions.