

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3723
ANSWERED ON:21.08.2003
LICENCE FREE POWER GENERATION
BHUPENDRASINH PRABHATSINH SOLANKI

Will the Minister of POWER be pleased to state:

- (a) whether the Government propose to make power generation licence free;
- (b) if so, whether the Government have taken any action in this regard so far;
- (c) if so, the details thereof; and
- (d) if not, the reasons therefor?

Answer

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

(a) to (d) : With the enactment of Electricity Act, 2003 generation has been made licence free. Section 7 of the Act provides that any generating company may establish, operate and maintain a generating station without obtaining a licence under this Act if it complies with the technical standards relating to connectivity with the grid.

However, according to the provisions of Section 8 of the Act, a generating company intending to set up a hydro-generating station is required to submit the scheme to the Central Electricity Authority for its concurrence, if such a scheme is estimated to involve a capital expenditure exceeding such sum, as may be fixed by the Central Government by notification.

No license is required for establishing a captive generating plant.