

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1298
ANSWERED ON:15.07.2004
POWER PROJECT BY KOCHI REFINERIES LIMITED
Radhakrishnan Shri Varkala

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government has given clearance to set up 500 MW power project by Kochi Refineries Limited;
- (b) if so, the details thereof; and
- (c) the present status of proposed power project?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c) Kochi Refineries Limited (KRL) had a proposal for setting up a 500 MW Power Project utilizing asphaltene (heavy residue obtained while processing crude oil) as fuel, for which a Detailed Feasibility Report (DFR) was also prepared. However, the project could not reach financial closure since Kerala State Electricity Board could not offer firm commitment on escrow cover, guarantee on payment of power purchase etc.

The following statutory clearances were obtained for the proposed project:-

- (i) In principle clearance from Central Electricity Authority (on 22.12.1995).
- (ii) Stage-I approval from Government of India for DFR preparation (on 28.2.1997).
- (iii) Environmental clearance from Ministry of Environment & Forests (on 18.5.1999).

As the project could not reach financial closure, further clearances were not taken.