

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4449
ANSWERED ON:19.05.2006
COST OF POWER GENERATION
Singh Shri Sitaram

Will the Minister of POWER be pleased to state:

- (a) whether per unit cost of power generated by private sector is more than that of power generated by the public sector;
- (b) if so, the reasons therefor;
- (c) whether the Government has carried out any evaluation to find out the causes of the cost differential in the power generated by the public sector vis-à-vis the private sector; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (d) : Yes, Sir. The per unit cost of power generation by the plants depends on fixed and variable costs. Most of the plants in private sector have come up in the recent past, for which capital cost is higher; hence the average fixed cost of power generated from these plants is higher.