GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:520
ANSWERED ON:19.05.2006
FREE LICENCE TO CAPTIVE POWER PLANTS
Mahtab Shri Bhartruhari

Will the Minister of POWER be pleased to state:

(a) whether the Government has any proposal to free captive power plants from licence control;

(b) if so, the details thereof and the reasons therefor;

(c) whether group power facilities and open access on transmission are also likely to be extended;

(d) if so, the details thereof;

(e) the steps taken to enhance the installed power generation capacity in the country during the last two years; and

(f) the details of the projects likely to be set up during the next three years?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (f) : A Statement is laid on the Table of the House.
STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF STARRED QUESTION NO. 520 TO BE ANSWERED IN THE LOK SABHA ON 19.05.2006 REGARDING FREE LICENCE TO CAPTIVE POWER PLANTS.

(a) & (b) : Under the provisions of the Electricity Act, 2003, no license is required for setting up of captive power plants (including group captive power plants).

(c) & (d) : The Act also provides non-discriminatory open access for conveyance of electricity generated by a person from a captive generating plant to the destination of its own use, subject to availability of transmission capacity. For such open access the person owning the captive generating plant has been exempted from the requirement of payment of surcharge. Sale of surplus power from the captive generating plant to the grid is subject to regulatory control.

(e) : Government has taken the following initiatives to enhance the generation capacity in the country:

(i) Ultra Mega Power Project Initiative. This initiative has been launched for development of Ultra Mega Power Projects each with a capacity of 4000 MW, with scope for further expansion. Seven sites have been identified one each in the States of Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Chhattisgarh, Andhra Pradesh and Orissa for development of Ultra Mega Power Projects.

(ii) Under the 50,000 MW Hydro Electric initiative, pre-feasibility reports of 162 projects have been prepared and 77 projects having advantage in terms of tariff, aggregating about 34,000 MW have been identified for detailed survey and investigation and preparation of Detailed Project Report. This exercise would provide a shelf of viable hydroelectric projects for implementation during the 11th Plan period and beyond.

(iii) An Inter Institutional Group (IIG) was constituted in January, 2004 to facilitate financial closure of private sector projects. The IIG has provided a forum for interaction amongst promoters of power projects, banks and financial institutions and the Ministry of Power. The IIG has been instrumental in bringing about speedy financial closure through better coordination with the relevant agencies. In the past few months, financial closure of 13 private sector power projects with an aggregate installed capacity of about 4927 MW has been facilitated. In addition, the IIG is presently facilitating financial closure of another 10 projects with a total installed capacity of 11,432 MW.

(iv) Based on demand projections and also on preparedness, tentatively, capacity addition of over 62,000 MW during the 11th Plan period is aimed at.

(v) During the course of 11th Plan, capacity addition to the tune of over 33,500 MW is being aimed at under Central sector, which is about 47 per cent more than the original target set for the X Plan. Out of the proposed capacity addition in the Central sector, about 9,000 MW is envisaged by way of extension projects.

(vi) Projects totalling over 15,200 MW have been identified for implementation under the State sector during XI Plan, which is about 40 per cent more than the 10th Plan target. Out of the proposed capacity addition in the state sector, over 7,500 MW is envisaged by way of extension projects.

(vii) In addition, States have been asked to encourage private sector participation in the capacity addition programme by adhering to various norms prescribed under the guidelines for Tariff based competitive bidding.
(f): At present 88 generation projects having a total capacity of over 40,000 MW are under execution and out of these, capacity of over 19,500 MW is envisaged for completion during the 10th Five Year Plan. The remaining projects capacity are slated to come up in the 11th Plan. The details of projects, which are due for commissioning in next three years i.e. 2006-07 to 2008-09 are Annexed.