

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:261  
ANSWERED ON:26.07.2006  
THERMAL POWER PLANT IN ORISSA .  
Shaheen Shri Abdul Rashid

**Will the Minister of COAL be pleased to state:**

(a) Whether any progress has been made in the implementation of 2000 MW Coal based Thermal Power Plant at IB Valley in Orissa under the joint venture of the Neyveli Lignite Corporation Ltd. (NLC) and the Mahanadi Coalfields Ltd.; and

(b) If so, the details thereof?

**Answer**

MINISTER OF STATE FOR COAL (DR. DASARI NARAYANA RAO)

(a): Yes, Sir.

(b): In the meeting of Chief Secretary, Government of Orissa with Chairman-cum-Managing Director, Neyveli Lignite Corporation on 27.5.2006, it was decided to identify the suitable land for setting up the project as the site earlier identified near Hirma village was allocated to private firms. Rengall Village, Sambalpur District has been identified as alternate site and collection of land details is in progress. After firming up the project site MOU will be signed with Government of Orissa and the project will be taken up for implementation. The annual coal requirement for the project has been estimated to be about 11-12 million tonnes and Talabira II & III coal blocks have been allocated for joint mining by Neyveli Lignite Corporation (NLC), Mahanadi Coalfields Limited (MCL) & Hindalco for the purpose. Central Electricity Authority has made a tentative power allocation from this project to Western Region and State of Orissa. The tentative cost of the project is estimated as Rs. 9000 crore and the project is expected to generate power in the XI Plan period. Advance Action Plan for preparation of Feasibility Report, Environment Report, survey work etc. is under implementation.

Discussions were held with Government of Orissa for signing of Memorandum of Understanding (MOU) to provide infrastructure facilities like land, water, power etc for setting up the project. Government of Orissa stipulated additional conditions that Neyveli Lignite Corporation (NLC) to earmark 12 % of power at variable cost to Orissa and contribute 5 Paise per unit of power exported out side Orissa for peripheral development and it should form part of the MOU. NLC requested Government of Orissa not to insist on these conditions as the project would become uneconomical and also requested Ministry of Power to resolve the issues with Government of Orissa. During the meeting held on 29.5.2006 at New Delhi among NLC Government of Orissa and the Secretary, Ministry of Power it was decided that NLC to discuss with the Chief Secretary, Government of Orissa for identification of suitable site and allotment of land for the project since the Government of Orissa had agreed in principle not to insist on additional conditions.