## GOVERNMENT OF INDIA POWER LOK SABHA

UNSTARRED QUESTION NO:1902 ANSWERED ON:17.07.2009 FDI IN POWER SECTOR Antony Shri Anto

## Will the Minister of POWER be pleased to state:

(a) whether the Government proposes to encourage Foreign Direct Investment (FDI) in the Power Sector;

(b) if so, the details thereof; and

(c) the investment made in the power sector during the last three years and the current year, year-wise?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI)

(a) & (b): Some of the major initiatives taken by the Government to encourage foreign investment in the power sector are as follows:

i) Foreign Direct Investment

100% FDI has been permitted on the automatic approval route in respect of projects relating to electricity generation, transmission and distribution (other than Nuclear Power Plants). Recently, power trading has also been included in the above, subject to compliance with the regulations under the Electricity Act, 2003.

ii) Ultra Mega Power Projects

The Government has taken up an initiative for facilitating the development of Ultra Mega Power Projects of about 4000 MW capacity each under the tariff based competitive bidding route using super critical technology.

iii) Competitive Bidding Guidelines-

The Central Government has on 19th January 2005 issued guidelines for competitive bidding for determination of tariff for procurement of power by distribution licensees after due consultation with the Central Electricity Regulatory Commission (CERC). This is expected to further encourage foreign as well as private sector investment. Subsequently, the Central Government has also issued detailed guidelines for tariff based competitive bidding process for procurement of transmission services for transmission of electricity vide notification dated 17th April, 2006.

(c) : As per information available with the Department of Industrial Policy & Promotion (DIPP), which maintains the data on Foreign Direct Investment (FDI), the statement showing the details of the FDI made in the power sector during the last three years and the current year, year-wise is given below:

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(Amount in million)
2006-07 2007-08 2008-09
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Jan-Dec Jan-Dec Jan-Dec FDI FDI FDI FDI FDI in Rs in US\$ in Rs in US\$ in US\$ in Rs

8,931.46 197.95 10,207.64 253.37 54,612.13 1,339.25

2009-10 Total

(upto March, 2009)

FDI FDI FDI FDI in US\$ in Rs in Rs in US\$

18,890.75 385.41 93,588.99 2,197.36