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Title: Need to ensure criteria for sanctioning gas allocation certificates to power plants before they get loans from Power Finance Corporations (PFCs).

SHRI PONNAM PRABHAKAR (KARIMNAGAR): I would like to draw the kind attention of the august House regarding the important issue of loans given by Power Finance Corporations to Power Plants which are having gas allocation certificates prior to the construction of such power plants .

The power plants require gas allocation. Recently, EGoM has adopted a criteria that the gas should be allocated to the ongoing projects only. But it is evident that the private players are setting up power plants and taking loans from Power Finance Corporation without any gas allocation in the initial stages. Later, the private companies are insisting that they need gas allocation because they have already set up the power plants and taken the loans from Power Finance Corporation and if the Power Plants are closed , it is not their responsibility to re-pay the loan amount to PFCs. During the last one decade, many power plants especially Nedunoor project of 2100 MW gas based Combined Cycle Power Plant in my Karimnagar Parliamentary Constituency was closed down due to the non-allocation of gas for which the reasons are not known. I have already represented this to Hon'ble Prime Minister, Hon'ble Minister for Petroleum & Natural Gas. Not action has been taken on the request. Whereas, during the last one decade, many private players have constructed power plants and earned a huge amount by selling the same to various State Governments and for other purposes, which is actually not in the national interest. PFCs may incur heavy losses by giving the loans to the power plants on the verge of close.

In this regard, I request the Hon'ble Minister for Power, through the Chair, to kindly include and ensure criteria for sanctioning of gas allocation certificate before the Government or private Power Plants get the loans through PFCs in order to protect the national interest of our country.