LOK SABHA

Monday, March 20, 1995/Phalguna 29, 1916 (Saka)

ORAL ANSWERS TO QUESTIONS

[Translation]

Power Production with US Collaboration

+

*81. SHRI RAMPAL SINGH:
DR. RAMAKRISHNA KUSMARIA:

Will the Minister of POWER be pleased to state:

(a) whether an American agency has shown interest to conduct a study to ascertain the commercial potentialities of generating hydel power and power from garbage in the country;

(b) if so, the details in this regard;

(c) the number of power stations proposed to be set up in the country, particularly in Uttar Pradesh, for generating power from the garbage of private mills;

(d) the estimated cost likely to be incurred on setting up of power stations; and

(e) the details regarding power projects to be set up in collaboration with US Government and other American Agencies?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) to (e) A *Statement* is laid on the Table of the House.

STATEMENT

(a) No American agency has expressed interest in studying the commercial potentialities of hydro power in India. As to power from garbage/biomass, two proposals have been submitted by an American firm to the States of Maharashtra and Tamil Nadu and one proposal has been received from an Indian agency and its American collaborator for setting up a project near Delhi.

(b) Full details of these projects have not yet been furnished by the promoters.

(c) No proposal has been received by the Central Government for setting up power generating units from garbage by private mills in other States including U.P.

(d) According to the American firm, the cost of each 50 MW station near Bombay and Madras would be about Rs. 208 crores. The financial details of the project near Delhi have yet to be received.

(e) The necessary information is furnished in the Annexure to this *Statement*.

ANNEXURE

Details of expression of interests by U.S. Private Sector Companies in conventional power

Sl. No.	Name of Project	Capacity (MW)	Cost (Rs. Crs.)	Type	Firm	Name of Company
Andhra Pradesh						
1.	Godavari	208	748.430	Gas/NAPT	Joint Venture	Spectrum Tech. USA/ Jaya Foods & NTPC
2.	Jegurupadu GBPP	235	827.000	Gas/NAPT	Joint Venture	GVK Industries Ltd. USA
3.	Krishnapatnam TPS	2×500	3400.000	Coal	Foreign	GVK Industries Ltd. & Besocorp Int. Power
	Total 3	1443.00	4975.430			
Assam						
4.	Anguri GBPP	280	1280.000	Gas	Foreign	Assam Power Partners, Northern Engg. Inc. USA/AGRA Ind.
	Total 1	280.00	1280.000			

Sl. No.	Name of Project		Capacity (MW)	Cost (Rs. Crs.)	Type	Firm	Name of Company
Himachal Pradesh							
5.	Dhamwari HEP		70	272.000	Hydel	Foreign	Harza Engineering Company, USA.
6.	Hibra HEP		231	708.500	Hydel	Foreign	Harza Engineering Company, USA.
	Total	2	301.00	980.500			
Karnataka							
7.	Almatti Dam		600	1900.00	Hydel	Foreign	Asia Power Company Ltd. (TAPCO) USA. KPC
8.	Hospet TPS		2×250	2240.00	Coal	Foreign	Hoke Inter-continental Ltd., USA.
9.	Mangalore TPS		4×250	4387.480	Coal	Foreign	Cogentrix Inc. USA
10.	Raichur St. V&VI		2×250	1922.000	Coal	Foreign	Public Power Int. Inc. (North East Energy), USA.
	Total	4	2600.00	10449.480			
Maharashtra							
11.	Dabhol CCGT (LNG)		2015 (695-PH)	9051.270	LNG	Foreign	Enron Dev. Corpn. GE & Bechtel, USA.
	Total	1	2015.00	9051.270			
Madhya Pradesh							
12.	Maheshwar HEP		10×40	1073.000	Hydel	Joint Venture	M/s. S.Kumars/ Bechtel, USA.
13.	Pench TPS		500	1500.000	Coal	Foreign	Sores Fund Management USA.
	Total	2	900.00	2573.000			
Orissa							
14.	Bomlai TPS		2×250	1750.000	Coal	Foreign	Galaxy Power Co. USA & Indeck of Chicago.
15.	Duburi TPS		500	1750.000	Coal	Joint Venture	Kalinga Power Corporation (NE Power, USA).
16.	IB Valley TPS		420	1993.630	Coal	Foreign	AES Corporation, USA.
17.	Kamalangpa TPS		2x250	2400.000	Coal	Foreign	L&T with CEA, USA.

Sl. No.	Name of Project	Capacity (MW)	Cost (Rs. Crs.)	Type	Firm	Name of Company
18.	Lapanga TPS	500	1750.000	Coal	Foreign	Pioneer & Panda Engineering, USA-SARLAI (P) LA-Danga Co.
	Total 5	2420.00	9643.630			
Tamil Nadu						
19.	Cuddalore TPS	2×660	5664.000	Coal	Foreign	International contracting & MKT/EG, USA.
20.	Pillai Peru Malnallur	300	1235.820	Gas-NAPH	Joint Venture	Dyna Vision of Reddy Group/J. Makowski, USA.
21.	Zero Unit (NLC)	250	1320.110	Lignite	Foreign	ST Power Systems Inc. USA.
	Total 3	1870.00	8224.930			
West Bengal						
22.	Bakreswar TPS	420	1860.000	Coal	Joint Ventrue	DCL Kuljian Corp. GMS, Generation, USA & WBPDCL
23.	Dankuni	20	70.000	Gas	Joint Venture	Specturm Technology, USA.
24.	Sagardighi TPS	2×500	4960.000	Coal	Joint Ventrue	DCL Kuljian Corpn., CMS Generation, USA & WBPDCL
	Total 3	1440.00	6890.00			
	Grand Total 24	13269.00	54068.240			

List of US Companies having Collaboration in Non Conventional Sources of Power

	Indian	US Agencies	Objectives
MOUs SIGNED IN JULY 1994			
1.	Thermax Ltd.	F.E.R.C.O. U.S.A.	For a joint venture on advanced biomass gasification.
2.	Bharat Elect. Ltd., India.	M/s. Spire, U.S.A.	In the area of Solar Photovoltaics
3.	M/s. Emgee Solar India.	M/s. Martin, Marietta, USA	In the area of Solar Photovoltaics
4.	Solec Pentafour India.	Solec, U.S.A.	To establish a manufacturing line that will assemble photovoltaic modules of components manufactured in the US between Solec, USA and Solec Pentafour India.
5.	Bangur Group Calcutta.	Cannon Power California, USA.	To construct a 25 MW Wind Farm. Cannon is the first US Wind Energy Company to open a permanent office in India.

	Indian	US Agencies	Objectives
6.	Delton Cables India.	Energy Conservation Devices/Ovonic Battery Co. USA	To form a joint venture for manufacturing and sale of Ovonic nickel metal hydride rechargable batteries.
7.	Esvinn Advanced Tech. Ltd., India.	Manufacturing and Tech. Conversion International (MTCI)	For cooperation in the field of Steam Reformer Technology of pollution abatement, energy and chemical recovery in pulp and paper mills, sugar mills and distilleries.
8.	India	US-Canada Consortium	Consortium to develop the project on biomass cogeneration at a Sugar Mill in India.
9.	T.E.R.I. & Simbhaoli Sugar Mill Limited.	US-Canada Consortium	For the purpose of pre-feasibility analysis on biomass cogeneration in Sugar Mill.
10.	C.I.I.	US Export Council	For Cooperation in the field of renewable Energy activities.
MOUs BETWEEN JULY-DECEMBER 1994.			
11.	M/s. Siemens Solar		Announced commencement of their Indian operations in the area of Solar Photovoltaics.
12.	Sun Source (I) Ltd.	Cannon Power USA	For alternate energy projects line Solar, Wind etc.
13.	M/s. Eco Solar Pune	University of Colorado, USA	For developing Cadmium Telluride based photovoltaic Modules with an annual capacity of 700 MW.
14.	T.E.R.I & Willard India Ltd.	Energy International Cooperation,. USA	For the purpose of pre-feasibility analysis on biomass cogeneration in a Sugar Mill.
15.	Devices & Systems Ltd., India.	Sea-West, USA	For establishing DAS—West Wind Energy Services Ltd. to provide a full range services to Wind Energy Sector in India.
16.	Klain & Marshal Manufacturers & Exporters, Madras	Sea-West, USA	For projects on renewable Energy as well as Conventional power.
17.	M/s. Triveni Eng. India	Zond Systems, USA.	For the manufacturing Wind Turbines and for Private Sector Wind Power development.
MOUs SIGNED ON 21st DECEMBER 1994			
18.	S.E.C.	N.R.E.L.	For closer cooperation in the field of Solar Thermal and photovoltaic products, exchange of non-Proprietary Scientific Information, Solar Radiation Data Collection, Analysis and dissemination, establishment of links between renewable energy networks in both countries.
19.	T.E.R.I.	Ovonics Battery.	Utilisation of significant progress made by Ovonics working in the Advanced battery Consortium to develop and market electric power two and three wheel scooters in India.
20.	B.H.E.L.	E.P.R.I.	On low speed variable speed wind turbines and advanced high efficiency PV Concentrators.
21.	I.R.E.D.A.	I.F.P.E.E.	For cooperation in energy efficiency issues.
22.	I.R.E.D.A.	Solstar Power and Light, USA	On PV training courses.
23.	I.R.E.D.A.	Global Trade Inc., USA	Aimed at strengthening the renewable energy industries financing infrastructure.
24.	I.R.E.D.A.	International Development Business Consultants	On cooperation aimed at extending IREDA's business network to international level.
25.	I.R.E.D.A.	Environmental Entererprises Assistance	Aimed at setting up of NRSE projects on a large-scale in India.
26.	T.E.R.I.	Solstar Power & light, USA	On wind energy resource mapping.

	Indian	US Agencies	Objectives
27.	NEPC-MICON	Spire Corporation	For establishing a photovoltaic module manufacturing facility in India to be owned and managed by NEPC-MION using Spire technology.
28.	Esvin Tech. India, Ajinkyatara coop Sugar Factory (Maharashtra)	Thermochem, USA	On preparation of a detailed project report and subsequent implementation of a demonstration project for bagasse gasification based cogeneration.
29.	Kalinga Power Corpn. Ltd., India	Essex Hydro, USA	On two small hydro projects in Orissa State, India totaling 11.5 MW.
30.	Intr. Power Corp. Ltd. India	Essex Hydro, USA	On two small hydro projects in Karnataka State totaling 11 MW.
31.	Swasti Power Engg. Ltd.	Essex Hydro, USA	On small hydro run-of-the-river project in Uttar Pradesh, India to construct 3—5 plants with a target total capacity of 9-25 MW.
32.	dian Institute petroleum	Bioenergy Development Corpn., USA	On biomass cooperation
33.	Gujarat Auto Services Ltd.	American Methanol Institute, USA	On Alternative fuels for transportation
34.	Diacon Impex India	High lifter International, USA and Alternative Energy Engg. Inc., USA	For manufacturing and marketing of renewable energy water pumps.
35.	State of Kerala	Optium Power, USA	For the first ever power purchase agreement for a 25 MW windfarm.
36.	KEI Energy	KENETECH, USA	For development of wind power India generation stations in India.
37.	KEI Energy India	J. Makowski Co., a division of pacific gas and Electric, USA.	On a biomass and agricultural waste power development.
38.		Intch Global Resources, USA	Announcement on beginning of a project development efforts in the areas of solar power, bagasse-based power and renewable energy resource assessment.
MOUs SIGNED ON 13TH FEBRUARY 1995			
39.	Energy Consultants Pvt. Ltd.	Tenas, Inc. Texas	Congeneration and renewable energy.
40.	Mukul International Pvt. Ltd.	EHF Corpn. Peensylvania Ltd.	10 MW solar electric power plant; 100 MW coal-fueled power plant with 300 TPD coal washing plant near New Delhi (at the same site)
41.	Pentafour	Zond Corpn., California	20 MW wind energy project in Tamil Nadu.
42.	RES, Hyderabad	E.P.R.I. USA	Partnership for evaluation of low-cost photovoltaic cells.
43.	Swasti Power Engg. Ltd.	Acres Int. Corpn., Newyork	Small Hydro Projects in U.P.
44.	MPSEB	Dodson-Lindbloom Intl/., Illnois & OPIC	5 small hydro projects totalling 5.1 MW in M.P. through DLI's Indian subsidiary (Ascent Hydro Projects Ltd.) with financial assistance from OPIC.
45.	TERI	Lockheed Env. systems and Tech. (Texas)/ Econergy Intl. Corpn. (D.C) & OPIC.	Funding feasibility study for two 50 MW biomass-fuelled Co-generation plants in U.P.
46.	ABAN Lloyd Chiles Off-Shore Ltd.	Kenetech Corpn. California	Sales contract for delivery of 600 advanced wind turbines.

	Indian	US Agencies	Objectives
47.	Solaris Systems, Cochin	Intech Global Resources, Inc.	To build a 2 MW solar power plant in Palakkad, Kerala.
48.	IREDA-KEI energy Ltd.	Pechtel Corpn.	To create a facility to accelerate commercial use of renewable technologies in India.
49.	NPEC-MICON Ltd.	Omnion Power Engg.	To install a 150 KW SPV power plant in Tamil Nadu.
50.	UDAY Ltd.	Intech Global Resources Inc.	To develop inverters and allied hardware for gridinteractive renewable energy systems.
51.	IREDA	EPRI, California	To design and evaluate methods for US industry interaction and technology co-operation with counterparts.
52.	MNES	EPRI California	To expand cooperation between MNES and US utilities with emphasis on PV, wind and biomass.

[Translation]

SHRI RAMPAL SINGH: Mr. Speaker, Sir, Hon'ble Minister has stated in the reply to the part (a) of the question that two proposals have been received from an American firm for setting up power generating units based on garbage/biogas in Maharashtra and Tamil Nadu. The hon'ble Minister has said in the conference that the power received from the private companies will be much more expensive. I would like to know from the hon'ble Minister whether these proposals have been brought forward for providing expensive power supply? I would also like to know the name of that agency and the time by which this project is likely to start?

[English]

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI S. KRISHNA KUMAR): Sir, a United States firm called Zelcron industry has made a proposal to the Ministry of Power to set up these power generating plants in Maharashtra and Tamil Nadu. The proposal is of a preliminary nature. It costs about Rs. 200 crore. They do have the technology. They are yet to make a serious project proposal or a feasibility report. This particular subject is being dealt with by the Ministry of Non-conventional Energy Sources. We have received about 17 proposals for generating energy from waste.

(b/1105/Kg/mkg)

The technologies are now becoming mature. We have general incentives and we also propose to make a scheme applicable to the whole country to make use of this potential for generating energy from urban wastes as a corollary to urban waste management and environmental control programmes.

[Translation]

SHRI RAMPAL SINGH: Mr. Speaker, Sir, I had just now asked in my question whether this power will be expensive or cheap but no reply has been given in this regard.

I am asking another supplementary question. In the same part of the answer it has been stated that a power project is likely to set up near Delhi. I would like to know that upto when this project is likely to set up and whether it will meet the requirements of Delhi? If not, to what extent it will meet the requirements of Delhi?

THE MINISTER OF POWER (SHRI N.K.P. SALVE): So far as the generating cost of the power is concerned, this proposal is on the preliminary stage, so the details about the prices are not available. This was the reply agiven by the hon'ble Minister.

The project which is to be started in Delhi is also in the preliminary stage. This porposal is for a project of 200 Megawatt. The requirements of power in Delhi are much more and this project will not be able to meet the requirements of Delhi but alongwith this they want to set up Energy Efficiency Centre also.

[English]

"This would be an educational resource and includes demonstration models, exhibition and classroom facilities."

[Translation]

DR. RAMKRISHNA KUSMARIA: Hon'ble Mr. Speaker, Sir, I would like to tell to the hon'ble Minister that because of the acute shortage of power in the country farmers are facing lot of difficulties and in the modern times the scarcity of power is causing many hindarances. The lift irrigation scheme in Madhya Pradesh is lying pending just because of power shortage. I would like to know from the hon'ble Minister that if the private companies have not shown much interest in it then in view of this what steps the Government is likely to take for the generation of power so that adequate supply of power can be ensured to the farmers?

SHRI N.K.P. SALVE: Mr. Speaker, Sir, it has a wide scope. You are right. The hon'ble Member has said rightly that there is too much scarcity of power in the country and this shortage is everywhere in the length and width of the country. This shortage is in Madhya Pradesh and in every state. As this industry is capital intensive industry and we don't have capital neither in Centre nor in states so we can not generate adequate quantity of power. We are making efforts so that maximum number of people shall join the power generation sector.

In Madhya Pradesh also the work of 20 projects have been allotted to various comapnies. We are trying our best to bring the private sector in this field as early as possible. Once the work of generation of power will start, we will be able to supply power to Agriculture, industries as well as the domestic sector.

SHRI RAJNATH SONKAR SHASTRI: Whether a working group of experts constituted for the private sector has warned the Government that if foreign companies particularly American companies enter in the field of power generation in private sector in India then electricity will cost more, regional imbalances will increase in regard to the power generation and supply and it will seriously affect the balance of payment position? If so, what is the reaction of the Government in this regard?

A reference has also been made about Uttar Pradesh in this question. There is a severe crisis of power in Uttar Pradesh and power supply is also irregular there. I would like to raw the attention of the hon'ble Minister towards the part 'B' of this question that whether Government is aware about the consequences of the short supply of the power and losses to the industry and crops? If so, the action taken to improve the situation?

[English]

MR. SPEAKER: Last portion of the question need not to be replied to because it is arleady replied.

[Translation]

SHRI N.K.P. SALVE: It is a fact that this thing is being criticised that the power to be supplied by the Private sector will be expensive. This all criticism was started by people of Andhra Pradesh. They are paying high prices.We are generting power in the public sector at the same capital cost. The main thing is that anybody who want to set up a plant, he can set up that plant. If he wants to set up at low cost he can do so. That will be their reasonable cost. The Parliament has enacted a law about Central Electricity Authority. It examines it throughly. It is the authority in this matter. It gets approval only when their capital cost and generation cost is reasonable.

DR. LAXMINARAYAN PANDEYA: The hon'ble Minister has given statement in his reply to a qeustion that we want to increase the generation of power by giving assistance to the indigenious and foreign comapnies in regard to the various hydro power projects. The Maheshwar project in Madhya Pradesh is being given to the S. Kumar and the Pench Hydro Project is being given to a foreign company. Is it a fact that an indegenious company had requested for awarding the work of the Pench Hydro Electricity Project to them but this work has been given to a foreign company i.e. an American company. I would like to know the reason for it.

SHRI N.K.P. SLAVE: Mr. Speaker, Sir, for this he will have to give me a separate notice....*(Interruptions)* you please see the scope of the question. Hon'ble Member is asking about the particular aspect. His question is not related to the biogas. So I can not give the information right now.

DR. LAXMINARAYAN PANDEYA: In the statement you have made a reference to the Maheshwar Project and I am asking a question about it only. If you would have not mentioned it, I would not have asked you a question.

[English]

MR. SPEAKER: I have accepted your answer.

SHRI N.K.P. SALVE: I am grateful.

[Translation]

SHRI MURLI DEORA: Just now the hon'ble Minister has stated that power generating companies of private sector have entered in India because we have a resource crunch. It is a fact. We would like to congratulate the for it. Just now he has stated that their prices are very high. This is an incorrect concept. I don't agree with it. I would like to know from the hon'ble Minister the number of power plants in private sector in which the expenditure incurred is less than rupees 3 crore per MW and the number of private sector plants in which expenditure has been incurred more than Rs. 4 crore 25 lakhs. Why there is so much gap?

[English]

There should be one criteria, one parameter which decides as to what is the maximum price which the State Electricity Board will pay by means of power purchasing agreement. There is so much difference between different States.

SHRI N.K.P. SALVE: The hon. Member is capable of putting up a plant himself. If a cheaper power plant can be put, I would welcome him and invite him.

SHRI MURLI DEORA: At Rs. 4 crore per MW anybody can put up a power plant. You need not worry.

SHRI N.K.P. SALVE: I would invite him to put up a power plant at a cost lesser then Rs. 4 crore per MW. We would welcome it very much.

SHRI RAM NAIK: It is very offending reply.

MR. SPEAKER: The Member is not offended.

SHRI RAM NAIK: I know he would not be offened. But as MPs we feel offended. *(Interruptions)*

SHRI N.K.P. SALVE: If any Member feels offended, I apologise for that. I thought I was paying tribute to the hon. Member by saying that he can put up a power plant. I am sure, he feels complemented.

SHRI MURLI DEORA: I feel complemented.

SHRI N. K. P. SALVE: Be that as it may. I will come to the point.

Sir, the crucial question for consideration is when you are comparing the capital cost of a power project being put up, one has to see as to what would be the project cost after four or five or seven or nine years.

To compare that cost with the cost of the power plants which were put up five years ago is very unfair. Today the only way out is to compare the cost of the power projects in the public sector as against the private sector. If they were to be seen in that context, then the Central Electricity Authority is consious of the fact. You let us know about any particular project that you want to complain about.

Everyone is saying that the cost is high. I have openly challenged that you let us know about any particular State where the Central Electricity Authority has accepted a particular cost. We will give the reasons; we will give you the rationale.

SHRI MURLI DEORA: What is the highest cost that yhou are allowing?

SHRI N.K.P. SALVE: It cannot be fixed; it differs from project to project. Where a project is purely for expansion, where the infrastructure is not required, it cannot be fixed. But where a large infrastrcuture is requried, there it depends upon the infrastucture required. In Sikkim, if a hydel plant is to come up, where they have to construct roads, where they have to construct bridges for 120 miles, there it depends upon the infrastructure. So, the cost depends the location of a particular plant, the infrastructure required for that plant and on the total factors which go into the making of project.

I want to repeat here and submit in all humility through you that tthis notion is utterly erroneous that the Central Electricity Authority is allowing the captial cost which is higher than the cost otherwise at which the public sector is putting up its plant.

[Translation]

SHRI RAJVEER SINGH: Mr. Speaker, Sir, through you, I would like to ask the hon. Minister the time by when the power generation work of domestic and foreign companies would be complete and when would we be cent percent self-reliant in the field of power generation? Secondly, the electrification of thousands of villages has been completed on paper but will the hon. Minister enquire into it as to whether it has truly been done or not? In fact, not to talk of an electricity cable, even a pole has not been installed. I don't know what reasons have led to this fake electrification. Will you hold an enquiry in the states to find out whether the electrification has been done in fact or not and if it has only been done on papers, then, who is responsible for it and when will the guilty people be punished?

[English]

MR. SPEAKER: The last part of the question relates to the state government authority. If you want, you can rely to the first part of the question.

[Translation]

SHRI RAJVEER SINGH: Mr. Speaker, Sir, I am not against your ruling. I would like to say that the central government provides assistance and the central government should itself look into it whether the funds have been properly utilised by the state governments or whether the state governments have misappropriated the funds.

[English]

MR. SPEAKER: Is it possible for you to give the time frame within which India can be self-sufficient in energy?

SHRI N.K.P. SALVE: I am scared to answer that question.

[Translation]

SHRI RAJVEER SINGH: No matter whether you continue to be a Minister or not, but you can always reply.

SHRI N.K.P. SALVE: My remaining a Minister or not will not solve the problem of self-sufficiency in the generation of electricity. The central electricity authority has given its report that if we are able to generate one lakh forty eight thousand megawatt power more by the year 2007 then we might become self-reliant in this field. One lakh forty eight thousand means 200 billion dollars or Rs. 600 crore. This is not an easy target. We are trying our level best. The governments do not have money-neither the central government nor the state govenments. We are getting a good response from the private sector and we are trying not to give the contract through MOU in response and give it after bidding. Because then several questions which are being raised now such as, you are giving more price, you are allowing more capital cost etc; will not be raised. We are trying to achieve self-reliance with the help of the private sector and when can that be possible is something which is difficult to say at present.

SHRI RAJVEER SINGH: Mr. Speaker, sir, please get an answer to my second question also. They can at least hold an enquiry. Crores of rupees are being wasted.

MR. SPEAKER: The state governments will get annoyed.

[English]

SHRI ANIL BASU: From whatever he has stated in the written reply and in reply to oral questions put up by Shri Murli Deora, it is crystal clear that there is no uniform policy at the Union level so far as participation of the private sector in power generation is concerned.

What appears is that instead of fixing the cost of power per unit, the Government has chosen a path that the foreign companies which are coming and participating in power generation in our country are given incentives without any restriction.

In the Dhabol project.....

MR. SPEAKER: Please come to the question.

SHRI ANIL BASU: Sir, my specific question is whether it is a fact that the foreign companies which are coming in our country in the field of power generation, espcally the Enron Company of USA, which is setting up power generation station at Dhabol in Maharashtra, have not insisted on 16 per cent guarantee on the rate of return.

I would also like to know whether the Government of India has announced a policy of guaranteeing 16 per cent rate of return and because of this policy, the lenders who were lending money to Enron Co. in Dhabol insisted on a counter-guarantee.

SHRI N.K.P. SALVE: It is not correct... (*Interruptions*)

SHRI BASUDEB ACHARIA (Bankura): He has not replied to his question.

MR. SPEAKER: He said, "it is not a fact."

[Translation]

SHRI RABI RAY: Mr. Speaker, Sir, the hon. Minister is very excited when he says that they are going to get a big support from the private sector and that is why they see a possibility of achieving self-reliance by the year 2000 A.D. I would like to know from the hon. Minister whether the government give a guarantee to this effect that foreign companies, especially the multinationals which are being invited to come to our country would not be allowed to earn as much profit as we do. For example, if a state

government is finding it difficult to give profit then, in that case, will the central government give a guarantee and make suitable arrangement on behalf of the state government. I would like to know from the hon. Minister that if this is the attitude of the government then how can they expect self-reliance by the year 2000 A.D.

SHRI N.K.P. SALVE: Mr. Speaker, Sir, I did not talk of achieving self-reliance in excitement. I said it with due regard. Secondly, we do not give any guarantee of profit. Our counter guarantee is not counter guarantee of profit.

[English]

SHRI D. VENKATESWARA RAO: Sir, as far as this power investment and generation is concerned, the policy of the Government is very much confusing. For example, there is a Muddanuru plant which is being constructed by the Andhra Pradesh Electricity Board and the total cost of 500 MW unit is about Rs. 700 to 800 crore. That means even below I MW the cost comes out to nearly Rs. 1.75 crore where as these private people who are coming in this field are giving Rs. 4 crore, 5 crore or 7 crore. It is under construction right now. They are putting the MW cost below Rs. 2 crore. This is one of the variations in the cost.

On the other hand, the other variation is that the total production in Andhra Pradesh, Thermal as well as Hydel projects, both put together, comes to 4,500 MW. Now according to the answer given here, the estimated proposals and other things are going to be about 30,500 MW. At the moment, if the Government purchases the total power, the total amount allocated in the Budget has to be given to the power purchase programme only. This kind of atmosphere right now has appeared on paper on the power sector.

At the same time, the Government is.....

MR. SPEAKER: Please come to the question.

SHRI D. VENKATESWARA RAO : This is the confusion, which we are able to see outside; so much of confusion is there.

MR. SPEAKER: What is your question please?

SHRI D. VENKATESWARA RAO: Recently I am told that the Government has issued an Order to the State Governments that 18th February is the last date for entering or taking up applications in regard to putting up the plants by the private people. Is that true? I want to know whether that is the deadline for the Governments to take up the power projects. Is there any concrete plan for cost reduction in the power sector? Also I want to know whether it is going to be on bidding or on MoU basis.

MR. SPEAKER: The Minister has said that it is going to be on bidding.

SHRI N.K.P. SALVE: As of now, from 18th February the CEA would be directed not to consider any proposal which is on MoU route. It will have to be through bidding process.

As to the other question that he is asking - he has said that in some project the cost is Rs. 1.7 crore per MW—I do not have the particulars with me. If the hon. Memberis kind enough to write to me, I will certainly let him know the variation between the cost of that project, which is Rs. 1.7 crore, and the other project.

MR. SPEAKER: Shri Sharad Dighe.....*(Interruptions)*

MR. SPEAKR: We have given half-an-hour to this question. Now we should go to the next question after Shri Sharad Dighe puts his Supplementary.

SHRI SHARAD DIGHE: While allowing these power projects to be set up in collaboration with US Government or other American agencies in the States, I would like to know whether the Central Government has given any guideline to the States that the tender should be invited for this purpose.

MR. SPEAKER: Shri Dighe, that question has been replied.

SHRI SHARAD DIGHE: In the case of Dabhol project in Maharashtra, I want to know whether any tender was invited. I am asking this question because the present Government is announcing that the tender has not been called and, therefore, they will review this project.

MR. SPEAKER : No reply to hypothetical question please.....*(Interruptions)*

SHRI MURLI DEORA: The Minister is prepared to reply. Let him reply.

MR SPEAKER: He has replied that the contract will be on bidding.

SHRI SHARAD DIGHE: I want to know whether guidelines have been given.....*(Interruptions)*

[Translation]

SHRI BASUDEV ACHARYA: Mr. Speaker, Sir, please allow a half-an-hour discussion on this topic.

MR. SPEAKER: Half-an-hour is already over.

[English]

Deep Sea Fishing Policy

*83 SHRI K.G. SHIVAPPA:
SHRI BOLLA BULLI RAMAIAH:

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the Union Government have decided to review the deep sea fishing policy by appointing a committee to protect the interests of traditional fishermen;

(b) if so, the details thereof and the time by which the committee is expected to submit its report;

(c) whether it is a fact that the issuance of new licences to joint ventures in this sector has been frozen; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI TARUN GOGOI): (a) to (d) Yes, Sir. The Government has decided not to process any new applications for introduction of deep sea fishing vessels under Joint Venture till the whole