

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3023
ANSWERED ON:10.08.2000
DELICENSING IN POWER GENERATION SECTOR
NEDURUMALLI JANARDHANA REDDY;SUBODH MOHITE

Will the Minister of POWER be pleased to state:

- (a) whether his Ministry has sought Cabinet's approval to delicensing the power generation sector in the country;
- (b) whether the views of the State Governments and other Power Generating PSU's have been obtained on the subject;
- (c) if so, the details thereof;
- (d) whether delay in according approval to delicense power generation sector has affected several projects which are ready to sign Power Purchase Agreements; and
- (e) if so, the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (e): Under the existing law, there is no requirement of license for power generation. New power projects need techno-economic clearance of the Central Electricity Authority. With a view to facilitating investment in generation, the limit of capital expenditure of the schemes exceeding which techno-economic clearance of Central Electricity Authority is required was last enhanced in June, 2000 as under:-

- (i) Rs.5000/- crores for thermal projects on the International Competitive Bidding (ICB) route and conforming to the amendment dated 23rd May, 1997 to the tariff notification dated 30.3.1992.
- (ii) Rs.1000/- crores for other thermal generating stations on the ICB route.
- (iii) Rs.20000/- crores for the identified mega projects in the private sector whose scheme is approved by any agency or body authorised by the Central Government.
- (iv) Rs.1000/- crores for hydro-electric generating station on the ICB route.
- (v) Rs.500/- crores for R&M schemes.
- (vi) Rs.250/- crores for all other schemes.

All hydro-electric schemes utilising water of inter-State rivers shall be submitted to the Authority for its concurrence (irrespective of the cost).