

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:2695  
ANSWERED ON:05.12.2002  
DPC BY NTPC  
IQBAL AHMED SARADGI

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

- (a) whether the Union Government have convened a meeting of Maharashtra State Electricity Board, National Thermal Power Corporation and GE Capital, a promoter of the Dabhol Power Project on September 25, 2002;
- (b) if so, the main purpose of this meeting and the decision taken therein;
- (c) whether the Union Government have offered a package of interest and duty concessions to reduce Dabhol Plant's capacity costs and fuel charges to the Maharashtra Government;
- (d) if so, the steps taken by the Government in this regard;
- (e) the names of the States to whom power will be supplied from the Dabhol station;
- (f) whether the Union Government have also called another meeting of all concerned on November 11, 2002 to discuss the Dabhol Power Project;
- (g) if so, the outcome of the discussion; and
- (h) the steps taken by the Government to rule out any special concession or fresh guarantee to the Enron promoted Dabhol Power Project?

**Answer**

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

(a) : Yes, Sir. The Government of India (Ministry of Power) had convened a meeting on 25th September, 2002 which was attended by representatives from National Thermal Power Corporation (NTPC), M/s. GE India, Industrial Development Bank of India (IDBI), Maharashtra State Electricity Board (MSEB) and the Central Electricity Authority (CEA).

(b) : The meeting was convened to discuss issues relating to restarting of Phase-I of the Dabhol power project. In the meeting, it was decided that a preliminary inspection of the Dabhol power plant would be conducted jointly by M/s. GE India, M/s. Bechtel, NTPC, CEA, MSEB and IDBI, to ascertain its condition and to work out an action plan for restart of phase-I.

(c) to (e) & (h) : Indian Financial Institutions having stakes in the Dabhol power project, Government of Maharashtra and sponsors of Dabhol Power Company, have given certain proposals for revival of the Dabhol project which includes grant of certain reliefs/concessions by various agencies such as off-shore and on-shore lenders, Government of Maharashtra, MSEB, project sponsors as well as the Government of India. Any scheme finalised for revival of the Dabhol project would come as a comprehensive package and would have to resolve complex legal, financial and technical issues. While this may take time, as a first step, it has been agreed that an interim revival package for restarting phase-I be worked out by the concerned agencies. NTPC has agreed to act as Operation & Maintenance contractor for running phase-I. The agencies concerned i.e. MSEB, GE India, Bechtel, IDBI, NTPC and the CEA as the representative of Ministry of power, have conducted an inspection of the plant and are presently engaged in discussions for restart of Phase-I. Government of Maharashtra has conveyed that MSEB would recommence off-take of entire power from the existing phase-I power station, with certain conditions.

(f) & (g) : Preliminary inspection of the Dabhol power plant was carried out jointly by M/s. GE India, M/s. Bechtel, NTPC, CEA, MSEB and IDBI from October 28-30, 2002. A meeting was held in the Ministry of Power on 11th November, 2002 to review the observations made by the officials who had visited the plant site. The observations of the team were reviewed in the said meeting, where it was decided that a more detailed assessment and internal inspection of the equipment would need to be carried out by a team of experts, so as to ascertain the time frame for restarting the project as well as the likely expenditure involved.