

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:860
ANSWERED ON:13.07.2004
DABHOL POWER PROJECT
Gadakh Shri Tukaram Gangadhar

Will the Minister of POWER be pleased to state:

- (a) the percent status of Dabhol Power Project;
- (b) the details thereof and the role of the Union Government therein;
- (c) whether the project has since started generating power;
- (d) if so, the total output and the name of States which are likely to be benefited there from; and
- (e) if not, the time by which the project is likely to be made functional?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

(a) & (b) : The Dabhol Power Plant (Phase-I) has been shut down since 29.05.2001 after the Maharashtra State Electricity Board (MSEB) stopped taking power following contractual disputes with M/s. Dabhol Power Company (DPC) and subsequent rescission of the Power Purchase Agreement (PPA) by MSEB. Construction work on phase 2 of the plant has also been halted.

The PPA for purchase of power from the Dabhol power project was entered into between DPC and MSEB and the Government of India (GOI) is not a signatory to the same. However, GOI had issued a counter guarantee to DPC guaranteeing some of the obligations of Government of Maharashtra. Under the counter guarantee, GOI had assumed two sets of obligations viz. covering the Capacity and Energy Payments to be made by MSEB to DPC under the PPA and the Termination Payments in the event of termination of the PPA. Both these obligations are capped.

(c) : No, Sir.

(d) : Does not arise.

(e) : Discussions among various stake-holders of the project to resolve various disputes and restructure the project are on, however, no set time frame is available regarding revival of the Dabhol project.