

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:320
ANSWERED ON:17.08.2004
PRIVATE PARTICIPATION IN POWER SECTOR
Panda Shri Prabodh;Yerrannaidu Shri Kinjarapu

Will the Minister of POWER be pleased to state:

- (a) whether the Government propose to allow private sector participation for modernization and technology upgradation of the power sector;
- (b) if so, the details thereof; and
- (c) the role of Private and Public Sector envisaged in power generation and the quantum of funds required for the purpose in the next five years?

Answer

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

(a) to (c) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF STARRED QUESTION NO. 320 TO BE ANSWERED IN THE LOK SABHA ON 17.08.2004 REGARDING PRIVATE PARTICIPATION IN POWER SECTOR.

(a) : Yes, Sir.

(b) : Government of India issued guidelines for private sector participation in the field of Renovation and Modernization (R&M) of old power plants in October, 1995. The policy envisages various options for private sector participation such as (i) lease, rehabilitate, operate and transfer (LROT); (ii) sale of plant; and (iii) joint venture between State Electricity Boards (SEBs) and private companies. These options are, however, only illustrative. The choice and initiative clearly lies with the States and power utilities owning the plants. Further, guidelines have also been issued in January, 2004 for undertaking R&M and life extension works in respect of thermal power plants.

(c) : A capacity addition of 5951 MW in the thermal and 1170 MW in the Hydro has been envisaged through private sector during the Tenth Plan. Similarly, a capacity addition of 19,466 MW in thermal and 13223 MW in Hydro is envisaged through public sector (Central & State) during the same period. The quantum of funds required for the purpose in next five years (viz. 2004-05 to 2008-09) is of the order of Rs.242000 crores including the requirement of 11th Plan projects which are also being taken up in this period.