

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

STARRED QUESTION NO:121  
ANSWERED ON:09.12.2004  
GAS BASED POWER PLANTS  
Shivanna Shri M

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) whether the ONGC has plans to set up major power plants using natural gas at various places in the country;
- (b) if so, the details thereof;
- (c) whether the ONGC has also signed agreements with State Governments to set up Special Economic Zones, by establishing 1500 M.W. gas based power plants;
- (d) if so, the details thereof including the objectives of ONGC going into the power business; and
- (e) the risks involved for ONGC to invest huge sums of money in such a new business?

**Answer**

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF THE LOK SABHA STARRED QUESTION NO. 121 BY SHRI M. SHIVANNA TO BE ANSWERED ON 9TH DECEMBER 2004 REGARDING GAS BASED POWER PLANTS

(a) to (e): In addition to concentrating on its areas of core competence, ONGC is exploring various options for diversification of its activities by forward and backward integration, including power generation. In this context, ONGC has signed MOUs with the governments of Gujarat and Karnataka for setting up Special Economic Zones at Dahej and Mangalore respectively, to facilitate development of the required infrastructure for ONGC's value addition projects. All these projects are at a conceptual stage. ONGC has not signed any agreement with the State Governments for establishing gas based power plants. However, in view of unutilized gas, ONGC is also looking at the option of conversion of natural gas from isolated gas pools to power in Tripura. This would, however, be dependent on the existence of the necessary infrastructure for evacuation of surplus power from the region, after meeting local needs.

From the national perspective of Energy Security, of which oil security is an essential component, ONGC remains committed to its core functions viz., the exploration and production of oil and gas. Diversification into other areas can only be supplemented to, and not at the cost of, concentration on its areas of core competence.