

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2254
ANSWERED ON:14.12.2004
MEGA POWER PROJECTS
Owaisi Shri Asaduddin;Rao Shri Sambasiva Rayapati

Will the Minister of POWER be pleased to state:

- (a) whether in a bid to encourage mega power project in the country the Central Electricity Regulatory Authority (CERA) has finalized draft norms for tariff basis competitive bidding to facilitate private and public sector participation in the procurement of power through long term contracts; and
- (b) if so, the details thereof;
- (c) whether new norms so finalized, emphasis for development of large regional projects and reliability of power supply;
- (d) if so, whether there is any penalty clause for delay and non-achievement of target;
- (e) if so, the details thereof; and
- (f) the time by which these guidelines are likely to be finalized?

Answer

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

(a) to (f) : Section 63 of the Electricity Act, 2003 requires the Appropriate Commission to adopt tariff if such tariff is determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.

The Central Electricity Regulatory Commission (CERC) has prepared `Draft Guidelines for competitive bidding` for procurement of generation on long term contract. These draft guidelines suggest tariff based bidding.

The guidelines for process of bidding under Section 63 of the Electricity Act, 2003 are expected to be issued by the Central Government soon.