

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:6859
ANSWERED ON:07.05.2010
MODERNIZATION OF POWER PLANTS
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Will the Minister of POWER be pleased to state:

- (a) whether there has been delay in the modernization work of various power plants in the country;
- (b) if so, the reasons therefor; and
- (c) the corrective measures taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRI BHARATSINH SOLANKI)

(a) & (b) : Delays in Renovation & Modernization(R&M) works taken up by various power utilities are, inter alia, attributable to:

- (i) Non-availability of funds and poor financial condition of State Electricity Boards (SEBs)/Power utilities.
- (ii) Non-availability of dedicated R&M teams.
- (iii) In power deficits scenario, utilities hesitate to take longer shut down for undertaking Life Extension (LE) works.
- (iv) Delay in supplies of equipment by suppliers.
- (v) Shortage of Balance of Plant (BOP) suppliers/contractors in the country.

(c) : The utilities generally prefer placing order for R&M works directly to the original equipment manufacturer (OEM). This resulted in accumulated work orders with the indigenous manufacturers. This caused delayed supply of spares/equipment. Now, BHEL, the main OEM supplier, has taken steps towards augmenting its manufacturing capacity to cater to R&M works besides meeting the requirement of new generation projects. In order to make implementation of R&M schemes more broad based and to ensure the participation of more contracting agencies, the process of competitive bidding is being encouraged which is likely to bring in new players to do R&M works.

Ministry of Power and CEA are following up with the utilities and equipment suppliers for expediting the R&M /LE works.