

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:1812  
ANSWERED ON:19.11.2010  
TRANSMISSION SYSTEM  
Panda Shri Prabodh

**Will the Minister of POWER be pleased to state:**

- (a) whether the power transmission sector was opened up for private investment in 1998;
- (b) if so, the details thereof;
- (c) whether till date a very limited responses were received by the Government in this sector from private industries;
- (d) if so, the details thereof along with the reasons therefor;
- (e) whether the Government has made any enquiry to ascertain the causes;
- (f) if so, the details thereof;
- (g) whether the Government has taken any step to encourage private investment in the sector; and
- (h) if so, the details thereof?

**Answer**

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

(a) to (f) : Power Transmission sector was opened up for private investment in 1998 through the Electricity Laws (Amendment) Act, 1998. Subsequently, Government of India issued guidelines for private sector participation in transmission sector in January, 2000. These guidelines envisaged two distinct routes for private sector participation in transmission: Joint Venture (JV) Route, wherein the CTU/STU shall own at least 26% equity and the balance shall be contributed by the Joint Venture Partner (JVP) and also by Independent Private Transmission Company (IPTC) Route, wherein 100 percent equity shall be owned by the private entity. Following schemes are under implementation/process of implementation through JV and IPTC routes:

**A. JV Route**

- (i) JV with TATA Power Ltd (POWERLINK Ltd.) for implementing transmission system associated with the Tala Hydro-Electric Project being developed in Bhutan.
- (ii) JV with Torrent Power Ltd. (Torrent Powergrid Co. Ltd.) for implementation of transmission system for evacuation of power from their 1100 MW generation project in Gujarat.
- (iii) JV with Jaiprakash Hydro Power Ltd. (Jaypee Powergrid Ltd.) for implementation of transmission system for evacuation of power from 1000 MW Karcham-Wangtoo HEP in Himachal Pradesh being developed by M/S Jaypee Karcham Hydro Corporation Ltd.
- (iv) JV with Reliance Energy Ltd. (Parbati Koldam Transmission Co. Ltd.) for implementation of transmission system for evacuation of power from proposed Parbati-II & III (800 MW and 520 MW of NHPC) and Koldam HEP (800 MW of NTPC) in Himachal Pradesh.
- (v) JV with Teesta Urja. Ltd. (Teesta Valley Power Transmission Ltd.) for implementation of part transmission system for development of pooling station in Sikkim and transfer of power to a new pooling station in north West Bengal / Bihar.
- (vi) JV with ONGC Tripura Power Co. (North East transmission Company Ltd.) for implementation of evacuation system for 726 MW Pallatana gas based project in Tripura.

**B. IPTC Route**

- (i) Western Regional System Strengthening-II-B
- (ii) Western Region System Strengthening-II-C

Government of India issued guidelines for encouraging competition in the development of transmission projects and guidelines for

tariff based competitive bidding for transmission services in April, 2006. These guidelines are aimed at facilitating competition in the sector through wider participation in providing transmission services and tariff determination through a process of tariff based bidding. Three (3) schemes are under implementation by the Transmission Service Providers (TSP) selected through the tariff based bidding process and another three(3) schemes are under bidding process. There has been very encouraging response from the private sector for these six schemes so far.

(g) & (h) : Several steps have been taken to encourage private investment in transmission during the XI Plan. An Empowered Committee headed by Member, CERC and representatives of Ministry of Power, Central Electricity Authority, Planning Commission, Central Transmission Utility and experts from the Power Sector has been constituted for identifying inter-state transmission projects for private sector participation. Standard Bid Documents (SBDs), viz., Request for Qualification, Request for Proposal (RfP) and Transmission Service Agreement (TSA) have been issued by the Ministry of Power. Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) have been designated as nodal agencies by the Government for steering the bidding process for the identified transmission schemes.