

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:2849  
ANSWERED ON:24.07.2009  
CAPTIVE POWER PLANTS  
Siddeswara Shri Gowdar Mallikarjunappa

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

- (a) whether the generation capacity of sanctioned captive power plants in the country is more than their requirements;
- (b) if so, the details thereof along with the power generation capacity of these plants, State-wise;
- (c) whether the Government has formulated any scheme to utilize this additional capacity; and
- (d) if so, the details thereof?

**Answer**

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

(a) & (b) : According to Section 9 of the Indian Electricity Act, 2003, sanction/ licence for setting up of captive power plant is not required. Mostly the industries representing producers of Aluminum, Cement, Chemicals, Fertilizers, Iron & Steel, Paper and Sugar etc. have their own captive power plants either to supplement the electricity purchased from the Utilities or for emergency use. The installed generating capacity state wise of captive power plants in industries having demand of 1 MW & above as on 31.03.2008 is at Annex.

(c)& (d) : The Government has taken various legislative, policy and administrative measures to facilitate captive generation and utilization of surplus capacity. The details are given below:

i) Under the Electricity Act, 2003, captive power plants, including group captive, have been freely permitted. The Act provides that any person may construct, maintain or operate a captive generating plant and dedicated transmission lines. Under the provisions of the Act, every person, who has constructed a captive generating plant and maintains and operates such plant, shall have the right to open access for the purposes of carrying electricity from his captive generating plant to the destination of his use subject to the availability of transmission capacity.

ii) National Electricity Policy, notified in February, 2005, emphasizes the need for bringing surplus capacity available with captive and standby generating stations in India to the grid continuously or during certain time periods.

iii) Tariff Policy, notified in January 2006, recognizes that captive generation is an important means to make competitive power available and urges the Electricity Regulatory Commission to create an enabling environment that encourages captive plants to be connected to the grid.

iv) The Conference of Chief Ministers on Power Sector issues held in May, 2007, has resolved to facilitate captive power plants to provide the spare generating capacity to the grid and strive to do away with restrictive levies, duties and regulations in a time bound manner.