

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:792

ANSWERED ON:25.02.2011

INCENTIVES FOR CAPACITY ADDITION OF POWER

Kaswan Shri Ram Singh;Sethi Shri Arjun Charan

Will the Minister of POWER be pleased to state:

- (a) whether incentives are being provided by the Union Government to increase the capacity addition of power to meet the shortage of power in energy deficit States particularly Orissa;
- (b) if so, the details thereof;
- (c) the total funds allocated by the Government to State Governments of Rajasthan and Orissa for development of power sector;
- (d) whether the funds allocated has been utilized by these States; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL)

(a) & (b): There is no central scheme to fund or incentivize generating capacity addition in the States. However, CERC tariff regulations provide for an additional return of 0.5% over and above 15.5% return on equity in case of projects commissioned on or after 1st April, 2009, if such projects are completed within the specified time line.

(c) to (e): The details of total fund allocated and its utilization for the last three Annual Plans in the States of Rajasthan and Orissa by the Planning Commission are as under:

(Rs. Crores)

State	2008-09	2009-10	2010-11
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	Approved	Actual	Approved	Actual/RE	Approved	Anticipated
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Rajas- than	6196.68	6044.60	7483.00	7763.24	12433.00	9933.00
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Orissa	750.21	370.33	1874.17	1874.17	1246.94	N.A.
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