

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2588
ANSWERED ON:11.03.2011
ULTRA MEGA POWER PROJECTS
Pakkirappa Shri S.

Will the Minister of POWER be pleased to state:

- (a) whether an Empowered Group of Ministers has decided to bar project developers of Ultra Mega Power Projects (UMPPs) from sourcing equipment from abroad;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the domestic suppliers are likely to be benefited by such decision;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to check the cost of equipment required for UMPPs in the country?

Answer

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

(a) to (d) : The Empowered Group of Ministers (EGoM), set up for facilitating expeditious decisions in all cases concerning Ultra Mega Power Projects (UMPPs), examined the matter regarding the sourcing of the supercritical equipment for UMPPs with Phased domestic Manufacturing Program (PMP). Accordingly, a committee under the chairmanship of Member (Industry), Planning Commission has been set up to look into the details and work out the modalities in this regard.

(e) : The developer for UMPPs are selected through case-II international competitive bidding process conducted by the project-specific Special Purpose Vehicle (SPV) formed as 100% subsidiaries of Power Finance Corporation (PFC), the nodal agency for UMPP. At the end of the bidding process, the project is awarded to the identified developer, who quotes the lowest levelised tariff for power from the project. Presently, the developer is free to source the equipment for the project from anywhere. Further, the UMPPs are eligible for the benefits available to other mega power projects as per the Mega Power Policy.