

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:912
ANSWERED ON:10.07.2009
INTER- STATE TRANSMISSION
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Will the Minister of POWER be pleased to state:

- (a) whether the Government proposes to open up inter-State transmission of power in the country;
- (b) if so, the details thereof;
- (c) whether the matter has been taken up with the State Governments;
- (d) if so, the details thereof; and
- (e) the decision arrived at in this regard?

Answer

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

(a) to (e) : The Electricity Act, 2003 allows private participation in transmission business. The Tariff Policy framed by the Government of India after consultation inter alia with the State Governments provides in Para 7.1 (6) as under :-

‘Investment by transmission developer other than CTU/STU would be invited through competitive bids. The Central Government will issue guidelines in three months for bidding process for developing transmission capacities. The tariff of the projects to be developed by CTU/STU after the period of five years or when the Regulatory Commission is satisfied that the situation is right to introduce such competition (as referred to in para 5.1) would also be determined on the basis of competitive bidding.’

The Government of India has framed guidelines for competitive bidding in transmission service in exercise of its powers under section 63 of the Act. The Government of India has also formulated guidelines for encouraging competition in development of transmission projects. An empowered committee has been constituted in terms of the guidelines with the mandate, inter alia, to identify and facilitate development of projects under the scheme. Under the Tariff Based Competitive Route through Private Sector Participation, presently, two projects, viz.,

- (i) Augmentation of Talcher-II transmission system and
- (ii) System Strengthening in NR for import of power from North Karanpura and other projects outside NR and System Strengthening in WR for import of power from North Karanpura and other projects outside Western Region and also for projects within Western Region are being implemented by Special Purpose Vehicles (SPVs) of Rural Electrification Corporation (REC) and one project, viz.,
- (iii) Scheme for enabling import of NER/ER surplus by NR through Power Finance Corporation (PFC). Empowered Committee has identified three more projects recently for implementation through Competitive Bidding. Apart from this, Power Grid Corporation of India Ltd. (PGCIL), Central Transmission Utility (CTU), has entered into Joint Venture with the following private companies for Inter-State Transmission:

- (i) JV with TATA Power Ltd (POWERLINK Transmission Ltd.)
- (ii) JV with Torrent Power Ltd. (Torrent Powergrid Co. Ltd.)
- (iii) JV with Jaiprakash Hydro Power Ltd (Jaypee Powergrid Ltd.)
- (iv) JV with Reliance Energy Ltd (Parbati Koldam Transmission System Co. Ltd.)
- (v) JV with Teesta Urja. Ltd (Teesta Valley Power Transmission Ltd.)