

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1771
ANSWERED ON:23.03.2012
POWER GENERATION IN PRIVATE SECTOR
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Will the Minister of POWER be pleased to state:

- (a) whether the private sector power generating companies are not generating power to their full capacity;
- (b) if so, the details along with the reasons therefor;
- (c) whether these companies are not getting required quantum of coal;
- (d) if so, the reasons therefor and the measures taken by the Government to tackle this problem; and
- (e) the details of the steps taken for encouraging private participation in power generation and other facilities including financial assistance being provided/proposed to be provided to private power generating companies in the country?

Answer

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

(a) to (d) : The performance of power plants is dependent on a number of factors, like type/category of plant (hydro or thermal), design and age of the units, outages for repairs (forced) and planned maintenance, availability of water, quantity & quality of fuel, availability of transmission system for evacuation of generated power and adequate schedules from the beneficiaries etc.

The Plant Load Factor (PLF) is an index of utilization of the installed capacity of thermal generating units. A statement indicating Private Sector thermal power stations having PLF below the national average PLF during the period April, 2011-February, 2012 along with the status of coal supply is enclosed at Annex.

The target for supply of domestic coal for the year 2011-12 was 402 MT of which Coal India Limited was to supply 347 MT for power sector. The actual supply by Coal India Limited to the Power Utilities upto February, 2012 was approximately 283 Million Tonne, representing materialization of the order of 90% of the proportionate target for the period and the less supply of coal has affected generation across all the sectors.

Following steps have been / are being taken by the Government to mitigate shortage of coal for the thermal power plants in the country:

Ministry of Coal / Coal India Ltd. are being insisted upon to enhance production of domestic coal in the country.

Power Utilities have been advised to import coal to extent technically feasible to bridge the gap between requirement of coal and its availability from domestic sources.

The coal supply position to thermal power stations is regularly reviewed in Ministry of Coal, Ministry of Power and Cabinet Secretariat with participation from the concerned Ministries, Central Electricity Authority, Coal India Limited and NTPC Limited.

Reduction in e-auction by CIL from 10% to 7% of its production progressively till the end of 12th Plan, if required, to meet its commitment to power sector.

(e) : The Electricity Act created an enabling legal framework for encouraging private sector participation in power. It allows developers to set up merchant power plants which have no power purchase agreements, with the tariff being market driven. Liberal provisions have been made in the Electricity Act in regard to captive power plants. The Act also provides for non-discriminatory open access for transmission of electricity from a captive generating plant to the destination of its use, subject to availability of transmission capacity. Initiatives for setting up of Ultra Mega Power Projects, super critical technology in thermal generation, allocation of captive coal blocks to private developers are some of the other salient measures.

The 2012-13 budget has proposed to extend the sunset date for setting up power sector undertakings by a year to March 31, 2013 for claiming 100% deduction of profits for the purpose of tax for 10 years. Additional depreciation of 20% in the first year would be extended to new assets acquired by power generation companies.