

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:3854  
ANSWERED ON:27.04.2012  
POWER TRANSMISSION PROJECTS  
Singh Alias Pappu Singh Shri Uday

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

- (a) whether the Union Government proposes to allow private companies to set up power transmission projects in various States across the country;
- (b) if so, the details of private sector power companies which have shown interest to set up power transmission projects in the country;
- (c) whether the Government has evolved any mechanism to exercise control on the functioning of such private sector companies;
- (d) whether the Union Government has discussed this matter with the State Government; and
- (e) if so, the details thereof and the response of the State Governments in this regard?

**Answer**

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

(a): Yes, Madam.

As per the Tariff Policy of the Government, Inter-State Transmission System (ISTS) projects after 5.1.2011 are to be implemented through competitive bidding, barring certain exemptions given in the Policy. The Policy also provides that - the intra-state transmission projects by State Transmission Utilities (STUs) will be exempted from competitive bidding route for further 2 years beyond 06.01.2011. Further, as per the provisions under Section 63 of the Electricity Act, 2003 and the National Electricity Policy, Ministry of Power has issued `Guidelines for Encouraging Competition in Development of Transmission Projects` and `Tariff Based Competitive Bidding Guidelines for Transmission Services` which aim at laying down a transparent procedure for facilitating competition, through wide participation, for providing transmission services and tariff determination through tariff based competitive bidding. The tariff based competitive bidding of transmission projects has provided opportunity to private companies to set up transmission projects across the country.

(b): A list of some of the private companies which have recently participated in the tariff based competitive bidding for ISTS projects is at `Annex`.

(c): The private sector power companies implementing transmission projects have to obtain transmission license from Central Electricity Regulatory Commission (CERC) in case of ISTS projects and from the respective State Electricity Regulatory Commission (SERC) in case of intra-State transmission projects. Thus, they are bound by CERC/SERC regulations for transmission license. They are also bound by the Indian Electricity Grid Code (IEGC), State Grid Code and Regulations of CEA (`Safety requirements for construction, operation and maintenance of electrical plants and electric lines`, `Technical Standards for Construction of Electrical Plants and Electric Lines`, `Grid Standards`, `Technical Standards for Connectivity to the Grid` and `Measures relating to Safety and Electricity Supply`).

(d) & (e) : A workshop was convened by Ministry of Power on 29th February, 2012 wherein the State Governments were advised to gear up for tariff based competitive bidding from 6th January, 2013.