

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2167

ANSWERED ON:24.08.2012

PROBLEM OF THERMAL POWER PLANTS

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Will the Minister of POWER be pleased to state:

(a) whether there is still a lot that needs to be done to address the growing concerns of power producers, both with respect to their feedstock as well as downstream reforms in the power distribution and land acquisition sectors;

(b) if so, the factual position in this regard;

(c) whether cumulative capacity of power plants especially for thermal stations in India is not fully exploited;

(d) if so, whether there is a demand of policy direction to address the fuel problem of Thermal Power Plants; and

(e) if so, the steps taken by the Government to address the fuel problem of thermal power plants?

Answer

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

(a) & (b) : Yes, Madam. Availability of adequate fuel and financial viability of Distribution Companies are major concerns in the Twelfth Plan. Land acquisition for generation projects and right of way for transmission of projects were also identified as project delaying factors.

(c) : Utilization of thermal stations is measured in terms of Plant Load Factor which on overall basis, was 75.08% and 73.32% in financial year 2010-11 and 2011-12 respectively.

(d) & (e) : It has, inter alia, been decided that Coal India Ltd. (CIL) will sign Fuel Supply Agreements (FSAs) with power plants that have entered into long-term Power Purchase Agreements (PPAs) with DISCOMs and have been commissioned or would be commissioned on or before 31st March, 2015. The FSAs will be signed for full quantity of coal mentioned in the Letters of Assurance (LoAs) for a period of 20 years with a trigger value of 80% for levy of disincentive and 90% of levy of incentive. In case of any shortfall in fulfilling its commitment under Fuel Supply Agreements from its own production, CIL will arrange for supply of coal even through imports.