

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:3359  
ANSWERED ON:31.08.2012  
PLANT LOAD FACTOR  
Basavaraj Shri Gangasandra Siddappa

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

- (a) whether prompted by the deficient monsoons and shortage of coal the Government has asked the public sector power generation companies, both in thermal and hydel systems, to improve upon the plant load factor to optimum capacity;
- (b) if so, the details thereof;
- (c) whether the Damodar Valley Corporation has of late been showing a decline both in power generation and profitability;
- (d) if so, the details thereof for the last three years along with the reasons; and
- (e) the steps being taken to improve its performance?

**Answer**

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

(a) & (b): The utilization of installed capacity of a generating unit is linked to the type of power station (i.e. thermal/ hydro/nuclear). While the thermal and nuclear units are meant to be utilized continuously as base-load units, hydro units are to be utilized, depending on availability of water / reservoir level. Thus, utilization of installed capacity is effectively applicable to thermal (including nuclear) generating units and is expressed in terms of Plant Load Factor (PLF). Monitoring of generation from various sources, including generation from the Public Sector Power Generating Companies is carried out by Central Electricity Authority and Ministry of Power. Subsequent steps are taken to improve PLF of thermal power stations from time to time. These include thrust to import of coal for bridging the gap between requirement of coal and its availability from the domestic sources inter-alia with the attendant advantage of improving the quality of blended coal and the PLF of power stations, monitoring of supply of coal to the thermal power stations by an Inter-Ministerial Group under the aegis of Ministry of Coal, pursuance with Coal India Limited for enhancing production of coal, liquidating pit-head stocks and reduction in e-auction of coal by Coal India Limited.

(c) & (d): During the last three years the electricity generation from the power plants of Damodar Valley Corporation (DVC) has increased from 14,720 Million Unit in 2009-10 to 16,380 Million Unit in 2010-11 and to 19,374 Million Unit in 2011-12.

The latest available figures of operating profit on power and profit / loss after tax in respect of DVC for the last three years are given below :

Rs. in Crore

2008-09 2009-10 2010-11

Operating Profit on Power 1957.72 1188.21 777.3  
Profit / (Loss) after Tax 886.95 299.88 (120.23)

Note : Annual Accounts for FY 2011-12 is under finalisation

While DVC has earned an operating profit as indicated above even after considering the various social expenditures incurred as per mandate of the DVC Act, 1948, the net financial results, however, reflected decline in profit after tax / loss due to the following reasons :

- (1) Interest on Capital contribution by the participating Governments.
- (2) Net results suffered due to borrowing of short-term loan on account of huge outstanding dues of about Rs.5,000 crore payable by JSEB. Significant rise in interest payment on short term loan due to outstanding dues of JSEB;
- (3) After the coming into force of the Electricity Act, 2003 w.e.f. 10.06.2003, tariff of DVC for generation and inter-State transmission is being determined by the Central Electricity Regulatory Commission (CERC). CERC did not allow expenditure on certain items for fixation of tariff from 1.04.2006 to 31.03.2009. DVC has filed appeal in the Hon'ble Supreme Court on 18.06.2010 against the Order

of APTEL for revision of tariff. The matter is pending in the Hon'ble Supreme Court;

(4) To meet the contractual obligations import of power through Unscheduled Interchange (UI) mechanism at a higher rate;

(5) Expenditure the Social Integration Programme(SIP);

(6) Teething troubles of new thermal power stations of DVC;

(7) Shortage of coal; and

(8) Loss on Flood Control and Irrigation activities.

(e) : The steps taken to improve its performance of DVC include the following :

(i) DVC has approached the Central Electricity Regulatory Commission (CERC), the Appellate Tribunal for Electricity and Hon'ble Supreme Court for decision on certain disputed tariff issues.

(ii) Ministry of Power has approached Ministry of Finance, Government of India for recovery of an amount of Rupees 1728 Crore (reconciled till January, 2011) through Central Plan devolution from Jharkhand State in terms of the Tripartite Agreement (TPA) of the securitization scheme of GOI. Ministry of Finance has requested Ministry of Power to seek legal opinion in the matter. The matter has been referred to the Ministry of Law & Justice, Department of Legal Affairs and their opinion in the matter is awaited.

(iii) Government of India has accorded guarantee to DVC for Rs.4,400 crore for issue of bonds during 2011-12 by DVC. The bonds have since been issued by DVC. Further, Government of India has agreed to accommodate guarantee requirement of DVC for Rs.2,600 crore during 2012-13.

(iv) DVC has also taken up following initiatives to improve the plant performance :

# Operation and maintenance (O&M) initiatives such as Gap analysis/technical audit, implementation of optimized O&M practices and implementation of rolling plant to address the O&M issues in a holistic manner.

# Comprehensive Renovation & Modernisation (R&M), Life Extension (LE) programme/energy efficiency through Central Electricity Authority for Bokaro Thermal Power Station `B` (BTPS `B`) (3x210 MW) and Durgapur Thermal Power Station (DTPS) Units # 3&4.

# Coal mine development and import of coal to overcome the coal shortage.