

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4493
ANSWERED ON:07.09.2012
PRIVATE SECTOR INVESTMENTS
Angadi Shri Suresh Chanabasappa

Will the Minister of POWER be pleased to state:

- (a) whether the private sector investments in power sector has reduced in the current financial year in comparison to previous years;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether short supply of coal and natural gas is causing uncertainty in the power sector; and
- (d) if so, the details thereof and the remedial steps taken/being taken by the Government in this regard?

Answer

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

(a) & (b) :As per the Report of the Expert Committee on Private Investment in the Power Sector of Central Electricity Authority (CEA), there is an increase in investment made by private sector power companies during the last three years. The details are as below:

(Rs. Crores)

Year	2009-10	2010-11	2011-12
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Investment	56476	86646	106975
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The information regarding the current financial year is not available in the CEA/MOP.

(c) & (d) :Regarding coal, for the year 2012-13, against a requirement of 428 Million Tonnes (MT) from Coal India Limited (CIL), CIL had committed to supply 347 MT of coal. In order to bridge the gap between the requirement and availability of indigenous coal for thermal power stations designed on indigenous coal, power utilities have been assigned an import target of 46 MT. During the period April- July 2012, coal based generation had a growth of 13.1% over previous year during the same period. However, power utilities have reported a generation loss of 3.2 Billion Units (BUs) due to shortage of coal. Following steps have been taken by the Government to ensure adequate supply of coal to power utilities:

(i) A meeting was held on 1st February 2012, wherein following decisions, inter- alia, were arrived at:

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/would get 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 trigger level of 80% for levy of disincentive and 90% for levy of incentive.

(ii) CIL is being persistently impressed upon for expediting signing of FSAs with a trigger value of 80%.

(iii) Ministry of Coal/Coal India Limited were insisted upon to enhance production of domestic coal in the country.

(iv) Power utilities are being advised to expedite import of coal to bridge the gap between requirement and availability of indigenous coal.

In view of reduced production of gas in the country, additional gas is presently not available for allocation to existing/new gas based power plants and the Ministry of Power/CEA has issued an advisory in this regard to all the developers of gas based power plants.