

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4508
ANSWERED ON:07.09.2012
BIDDING DOCUMENTS FOR POWER PROJECTS
Adhalrao Patil Shri Shivaji;Shetkar Shri Suresh Kumar;Yadav Shri Dharmendra

Will the Minister of POWER be pleased to state:

- (a) whether the Government has finalized the standard bidding documents for upcoming power projects;
- (b) if so, the details thereof;
- (c) whether the Government has allowed domestic power project developers to pass on the entire fuel cost to consumers while imported coal based projects will have to bear the fuel price risks themselves; and
- (d) if so, the details thereof and the reasons for passing the entire fuel cost to consumers?

Answer

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

(a) to (d) :In compliance with Section 63 of the Electricity Act, 2003, Ministry of Power issued guidelines for procurement of power by distribution licensees through competitive bidding for long-term (for a period of seven years and above) & medium-term (exceeding one year and up to seven years) on 19th January, 2005 and amended it from time to time. On 15th May, 2012, Ministry of Power has also issued Guidelines for procurement of Power by distribution licensees for short term (for a period of less than or equal to one year).

Further, in response to the references received from various stakeholders regarding fuel availability risk of domestic coal, price risk due to change in prices of fuel in coal exporting countries, delay/denial in environment & forest clearance pertaining to coal blocks and different options for termination of projects etc., a committee has been set up in the Ministry of Power to review the Standard Bidding documents and to make appropriate recommendations.