

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1453
ANSWERED ON:27.11.2009
MODERNIZATION OF POWER PLANTS
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Will the Minister of POWER be pleased to state:

- (a) the details of the power plants the Government had decided to modernize in the last three years, plant-wise, State/UTwise;
- (b) the details of the works undertaken in this regard as on date plant-wise;
- (c) whether the Government is facing difficulties in the modernization of these plants;
- (d) if so, the details thereof; and
- (e) the remedial measures taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI)

(a) & (b): A total of 36 nos. of thermal units (4791 MW) for life extension (LE), 61 nos. of thermal units (15075 MW) for renovation & modernization (R&M) and 32 numbers of hydro stations (10016 MW) have been identified during the last three years. The details of the identified units and the status of the plants, where work have been completed and those where works are under progress is enclosed (Annex-I for thermal and Annex-II for hydro plants respectively).

(c) & (d): Yes, Madam, some difficulties are being encountered in execution of work mainly:

- i. Procedural delay in the formulation of schemes and finalisation of orders by SEBs/Utilities.
- ii. Poor response from various agencies to conduct Residual Life Assessment (RLA)/Condition Assessment (CA) studies. Lack of standardization in results of RLA studies.
- iii. Delay in finalizing detail project reports (DPRs).
- iv. Reluctance on the part of SEBs/Utilities to undertake renovation and modernization since this needs to the units going out of the system temporarily, thereby lowering generation.
- v. The response from bidder for R&M works have been poor and in some cases, single bids were received resulting delay in award of works.
- vi. Delay in supply of material and execution of R&M/LE works as it is considered as a non-priority activity resulting into non-adherence to completion schedule.
- vii. Technical surprises during the time of execution.

(e): The following steps are proposed for timely completion of R&M activities:

(i) The utilities generally prefer to go for direct placement of order for R&M works to the original equipment manufacturer (OEM). This approach has resulted in accumulated work orders with the indigenous manufacturers thereby resulting in delay in supplying of spares / equipment. Now, BHEL the main OEM supplier has taken steps towards augmenting its manufacturing capacity to cater to R&M works besides meeting the requirement of new generation projects. In order to make implementation of R&M schemes more broad based and to ensure the participation of more contracting agencies, the process of competitive bidding is being encouraged.

(ii) In order to make R&M investment more cost effective and self sustaining, the option of integrating the objective of plant efficiency improvement with that of R&M scheme is being proposed where ever it is found techno economically viable. In this regard the financial assistance through bi-lateral co-operation from Germany, World Bank, JBIC etc. are also being envisaged besides fund availability from Indian agencies such as PFC & REC.