

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:1664  
ANSWERED ON:07.03.2013  
SALE OF POWER BY GAS BASED PLANTS  
Annayagari Shri Sai Prathap

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

- (a) whether the Government has issued directions to the gas-based power plants that are availing gas at concessional rates not to sell the power produced by them at exorbitant prices;
- (b) if so, the details thereof;
- (c) whether some of the said power plants are not adhering to the directions of the Government; and
- (d) if so, the corrective measures being taken by the Government in this regard including the penal action taken against such power plants?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b) Empowered Group of Ministers (EGoM) in its meeting dated 24.02.2012 has decided that 'the existing and future allocations of New Exploration Licensing Policy (NELP) gas to power plants be subject to the condition that the entire electricity produced from the allocated gas shall only be sold to the Distribution Licensees at tariffs determined or adopted (in case of bidding) by the tariff regulator of the power plant. The gas will be supplied only for the duration of the Power Purchase Agreement (PPA) and supply of gas will start only after the signing of PPA. The PPA may be initially for one year (short term PPA) during which electricity shall be sold at the tariff determined by the regulator and the subsequent PPA should be for medium term or long term'. The EGoM also authorized the Ministry of Petroleum & Natural Gas (MOP&NG) to cancel the current allocation of any power plant(s) not complying with the aforesaid conditions.

(c) No complaint has been received in this Ministry regarding power plants not adhering to the directions of the Government neither MOP&NG has intimated such aberration.

(d) In view of (c) above does not arise.