GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:440
ANSWERED ON:25.04.2013
PERFORMANCE OF POWER GENERATION EQUIPMENT
Chitthan Shri N.S.V.;Gaikwad Shri Eknath Mahadeo

Will the Minister of POWER be pleased to state:

(a) the details of the Chinese firms supplying power generation equipment in the country;

(b) whether the Central Electricity Authority (CEA) is aware about the problems being faced by some power project developers that have used Chinese equipment and if so, the details thereof;

(c) whether the CEA has evaluated the performance of power generation equipment in the country supplied by the Chinese firms;

(d) if so, the details thereof and the outcome thereof; and

(e) the steps taken/being taken by the Government to reduce the dependency on Chinese power equipment?

Answer

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

(a) to (e) :A Statement is laid on the Table of the House.

STATEMENT
STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 440 TO BE ANSWERED IN THE LOK SABHA ON 25.04.2013 REGARDING PERFORMANCE OF POWER GENERATION EQUIPMENT.

(a) : Generation equipment (boilers and turbine generators) for thermal generating units being imported from China is mostly being supplied by three major Chinese manufacturers M/s Dongfang Electric, Shanghai Electric and Harbin Power along with their group companies.

(b) to (d) : As informed by CEA no problems with Chinese equipment have been brought out by the developers at large. However, incidents of forced shutdown on Chinese units in Yamunanagar Thermal Power Station (2x300 MW) due to damage to HIP turbine rotor and Failure of LP turbine blades and in Hissar Thermal Power Station − Unit 1 of 600 MW due to high vibration and blade damage were reported by Haryana Power Generation Corporation Ltd. (HPGCL). Repairs were undertaken by the HPGCL/suppliers and the units have been restored to service.

(e) :The following steps have been taken by the Government to reduce dependency on Chinese power equipments:-

(i) In view of large thermal capacity addition programme envisaged mostly through supercritical units, efforts have been made to create indigenous manufacturing capacity for supercritical equipment. BHEL have entered into technology collaboration agreements with M/s. Alstom (France) and Siemens (Germany) for manufacturing of supercritical boiler and turbine generators respectively. BHEL have also taken up augmentation of its manufacturing capacity and is stated to have achieved a capacity of 20,000 MW/year. Apart from BHEL, several Joint Ventures for manufacture of supercritical boilers and turbine generators have been set up in the country and the total manufacturing capacity envisaged by the JVs is about 16000 MW/Year for boilers and 15,000 MW/Year for turbine generators.

(ii) With a view to encourage domestic suppliers and provide orders to them, bulk orders for 11 nos. 660 MW supercritical units for NTPC and DVC and 9 nos. 800 MW supercritical units for NTPC were approved by the Government and have been undertaken by NTPC. These bulk orders are with mandatory requirement of indigenization of manufacturing of supercritical units by the successful bidders as per a pre-agreed Phased Manufacturing Programme (PMP). The roadmap for PMP has also been defined indicating milestones for setting up manufacturing facilities for boilers and turbine generators.

(iii) In order to compensate the disadvantages suffered by the domestic power equipment manufacturing industry on account of higher interest rates, local taxes and infrastructural inadequacies, create a level playing field to the domestic power equipment manufacturing industry vis-Ã -vis foreign vendors and promote self sufficiency in this vital sector, Government has levied Custom Duty @5%, Countervailing Duty (CVD) @12% (as applicable and equal to excise duty on domestic industry from time to time) & Special Additional Duty (SAD) @ 4% on the imported equipments of all categories of Power generation projects, viz., Mega Power Projects (including UMPPs) and non-Mega Power Projects.