

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:5966
ANSWERED ON:02.05.2013
GAS BASED POWER PLANTS
Thamaraiselvan Shri R.

Will the Minister of POWER be pleased to state:

- (a) whether the upcoming gas based power plants could become bankrupt if the Government doubles the price of natural gas;
- (b) if so, the details thereof;
- (c) whether the hiked prices of gas will raise the costs for the gas based power plants by over Rs. 46,000/- crore per annum; and
- (d) if so, the details thereof ?

Answer

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

(a) & (b) :Doubling of the gas price could have an adverse impact on the power generation from existing/upcoming gas based power plants. As on date many existing gas based power plants are operating at a low Plant Load Factor (PLF) due to inadequate supply of domestic gas. At present domestic gas prices vary from \$4.2/Mbtu to \$5.73/Mbtu taking the delivered price of domestic gas to about \$7/Mbtu. It is estimated that if the price of domestic gas is doubled the unit cost of Electricity would rise thereby affecting the merit order despatch of gas based generation. This might result in gas based plants operating at unviable levels.

(c) & (d) : No specific information is available in this regard. However, it is felt that the hiked price of gas will raise the cost for the gas based power generation. On the basis of generation from the gas based power plants during the year 2012-13 the rise in cost could be around Rs.19,400 crores (approximately). However, the quantum of increase also depends on the capacity of the gas based power plant and the PLF at which the gas based plant operates depending on the quantum of gas available.