

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

STARRED QUESTION NO:114

ANSWERED ON:12.12.2013

EQUIPMENT FOR POWER PROJECTS

Mahendrasinh Shri Chauhan ;Roy Shri Arjun

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

(a) whether the use of Chinese power generation equipment has increased in the country during the last few years as compared to the use of indigenously manufactured equipment;

(b) if so, the details thereof and the reasons therefor;

(c) whether any evaluation was made by the Central Electricity Authority (CEA) regarding the performance of Chinese power generation equipment vis-a- vis the indigenously produced ones and if so, the conclusions reached by CEA thereon;

(d) whether the Government proposes to make structural changes in the import policy for power related equipment in the country; and

(e) if so, the details thereof along with the steps taken/being taken by the Government to keep the cost of equipment required for Ultra Mega Power Projects (UMPPs) low and to reduce the dependency on imported power equipment in the country?

**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 REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 114 TO BE ANSWERED IN THE LOK SABHA ON 12.12.2013 REGARDING EQUIPMENT FOR POWER PROJECTS.

(a) & (b): Out of total thermal capacity addition of 75222.7 MW in the 11th and 12th Plan (till November, 2013), main plant equipment for 28492 MW have been supplied by the Chinese manufacturers, mostly to Private Sector Developers.

(c) : The performance of Chinese equipment vis-À-vis Indian equipment based on sub-critical technology and installed in the thermal power stations during the first four years of the 11th Plan was analysed by the Central Electricity Authority. The conclusions of the study are as follows:

# Both Chinese and BHEL units have adequate flow margins over maximum continuous ratings except Chinese 330 MW units.

# The Operating Load Factor of Chinese stations based on indigenous coal is lower than for BHEL units. However, the Operating Heat Rate of Chinese indigenous coal based units is higher than in BHEL units.

# The BHEL units show remarkably better performance with respect to Secondary Fuel oil consumption as compared to Chinese units based on indigenous coal.

# The operating Load Factor, operating Heat Rate and Secondary Fuel oil consumption of Chinese units based on Imported coal are better than BHEL units based on domestic coal

(d) & (e): The following steps have been taken by the Government of India to reduce dependency on imported power equipment and to keep the cost of equipment required for Ultra Mega Power Projects (UMPPs) competitive :

i. Government has decided that a provision for mandatory use of main plant equipment manufactured in India be incorporated in the Standard Bidding Guidelines, specifically in UMPPs.

ii. Normative Station Heat Rate (SHR) for the purpose of fuel charge has been prescribed in order to incentivize the efficient equipment and fuel consumption.

iii. An advisory was issued to all Central and State thermal power generating companies by CEA advising incorporation of condition of phased indigenous manufacture by suppliers in bids to be invited for Boilers and Turbine generators of Supercritical projects up to October- 2015, on similar lines as in bulk orders approved by the Govt.

iv. Apart from BHEL`s capacity of 20,000 MW, several joint venture(s) for the manufacture of Super critical boiler (16000 MW/Year)

and turbine (15000 MW/Year) have been set up in the country. The resulting competition would lead to competitive prices for power plant equipment.