

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:36
ANSWERED ON:24.11.2014
.DR.KIRITP.SOLANKI POWER PROJECTS BY BHEL
Solanki Dr. Kirit Premjibhai

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Bharat Heavy Electricals Limited (BHEL) has undertaken any new power projects and Reliability and Maintainability (R&M) projects of existing power plants in the country particularly in Gujarat;
- (b) if so, the details thereof, including status of the projects and timeline for its completion;
- (c) whether there has been a considerable delay in completion of service-related contracts of these projects;
- (d) if so, the reasons therefor; and
- (e) the steps taken by the Government to ensure that projects undertaken by BHEL are completed on time?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI G.M. SIDDESHWARA)

(a) : Yes Madam, Bharat Heavy Electricals Limited (BHEL) is currently associated in the implementation / executing of various customer orders for setting up of new power projects and also Renovation & Modernisation (R&M) of old power plants in the Country including in Gujarat.

(b) : In so far as new thermal power projects are concerned, BHEL is currently associated in the execution of 107 nos. of such units in the country, including 5 in Gujarat. The status of these is as follows:

Nos.	Remarks
Units under various stages of implementation	84 # 24 units are progressing as per schedule
	# 47 units delayed due to issues related to customer / project authority i.e. for reasons not attributable to BHEL in all these cases
	# 2 units are delayed due to BHEL
	# 11 units are delayed due to reasons partly attributable to BHEL
Units under hold	23 Due to customer funds constraints and other issues like fuel availability, clearances etc., i.e. for reasons not attributable to BHEL in all these cases.

As regards thermal projects under R&M, BHEL is engaged in R&M of 10 nos. of such units in the country wherein none are in Gujarat. Presently, work in respect of 3 units is progressing well whereas 7 units are on delayed path. The R&M of thermal units is generally delayed due to various reasons which inter-alia include reluctance by utilities to shut down generating units for R&M, delay in finalisation and subsequent changes in the scope for R&M, changes in layout plan, delay in customer approvals, non-availability of spares [customer scope], contractual issues, surprises during implementation, etc. As such, as the R&M work is jointly undertaken by the customer/ utility, various contractors and BHEL, delays generally occur in various interfaces / issues and cannot be attributed to BHEL alone.

As regards new hydro projects, BHEL is engaged in the implementation of 17 such projects in the country wherein none are in Gujarat. The status of these projects is as follows:

Nos.	Remarks
Projects under various stages of implementation	16 # 3 projects are progressing as per schedule
	# 13 projects delayed due to issues related to customer / project authority including 1 project also affected due to local issues i.e. for reasons not

attributable to BHEL in all these cases
Project under hold 1 Due to customer funds constraints and
other issues i.e. for reasons not
attributable to BHEL

As regards hydro projects under R&M, BHEL is engaged in R&M of 4 units of a hydro project in Uttar Pradesh. The project has been delayed due to customer issues, as well as due to delay in handing over of the units to BHEL by the customer.

(c) & (d) : No Madam, there are no considerable delays in respect of service-related contracts of these projects for reasons attributable to BHEL. The main reasons for delays in completion of power projects inter-alia include slow civil works, delay in Balance of Plants equipment/ systems, contractual issues, logistics, force majeure situations, law & order problem etc. Besides, delay in customer inputs such as approvals and other inputs also contribute towards delay in timely completion of the projects.

(e) : Several steps have been taken by the Government so as to ensure that the projects undertaken by BHEL are completed in timely manner. These, inter-alia, include:-

(i) Continuous monitoring by the Central Electricity Authority (CEA) of the power projects through interaction with the developers, suppliers and monthly progress reports. Further, regular review meetings are taken by the CEA with equipment suppliers, utilities/ CPSUs/ project developers etc. to sort out various issues.

(ii) A Power Project Monitoring Panel (PPMP) has been set up by the Ministry of Power for monitoring the progress of power projects.

(iii) For speedy implementation of R&M projects, CEA conducts review meetings on regular basis with the utilities and concerned agencies to discuss various issues related to timely completion of ongoing R&M works and the follow-up action/remedial measures, if any, are accordingly taken up by CEA with the concerned agencies.

(iv) Regular reviews are undertaken at various levels including Ministry of Power and the Department of Heavy Industry to identify the constraint areas and facilitate faster resolution of outstanding issues.