

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:55
ANSWERED ON:26.02.2015
RENOVATION AND MODERNISATION OF POWER PLANTS
Kodikunnil Shri Suresh;Sule Smt. Supriya Sadanand

Will the Minister of POWER be pleased to state:

- (a) whether a number of power plants have outlived their utility and are on the verge of closure and need renovation and modernization;
- (b) if so, the details of such power plants, State/UT-wise along with the fuel being allocated to them for the generation of electricity;
- (c) whether some of the power companies have sought financial assistance for maintenance and operations of such plants and if so, the details thereof along with production cost in these old plants vis-a-vis new plants;
- (d) whether requests have been received from some discoms to allocate fuel to new plants instead of old plants and if so, the details thereof along with action taken thereon; and
- (e) the measures taken/proposed to be taken to augment power generation in new power plants?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY (SHRI PMUSH GOYAL)

(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. 55 TO BE ANSWERED IN THE LOK SABHA ON 26.02.2015 REGARDING RENOVATION AND MODERNISATION OF POWER PLANTS.

(a) & (b) : A list of 70 thermal generating units with aggregate capacity of 12066 MW, which have outlived their useful economic life (25 years), identified for Life Extension (LE) through comprehensive Renovation & Modernisation (R&M) at the beginning of 12th Plan, State / UT-wise along with fuel allocated is annexed.

(c) : No, Madam. No such request has been received in the Ministry of Power.

(d) : The State Governments of Gujarat, Haryana, Maharashtra and Madhya Pradesh had requested for transfer of coal linkage from old thermal power plants to new thermal power plants. In this regard, the Government of India has approved the following policy:

"Letter of Assurance (LA) / linkage granted to the old plant is automatically transferred to the new plant of nearest supercritical capacity. If the capacity of the new supercritical plant is higher than the old plant, additional coal may be accorded priority subject to the availability of coal on the best effort basis from CIL.

At least 50% of capacity of new supercritical plant has to be retired. Old plants can be clubbed together to achieve this minimum benchmark of 50% of proposed supercritical capacity. This policy is applicable to pre-New Coal Distribution Policy in public sector only, which have already been granted long term Linkages (LoAs). Automatic transfer of LoA as explained above is permissible only when the new plant is set up within the State in which the old plant was located and the old plant is actually scrapped. The old plant continues to operate till the CoD of new plant."

(e) : In order to ensure adequate availability of coal for new projects having coal linkages, following steps have been taken by the Government of India:

1. Steps have already been taken by Coal India Ltd to enhance production of domestic coal.
2. Power Utilities can import coal to bridge the shortfall in domestic coal availability.
3. The availability of coal is regularly monitored.
4. Further, the Government of India has promulgated an Ordinance stipulating the methodology for allocation of coal blocks through auction/allotment.