

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:813

ANSWERED ON:27.11.2014

SETTING UP OF POWER TRANSMISSION PROJECTS BY PRIVATE COMPANIES

Ram Mohan Naidu Shri Kinjarapu

Will the Minister of POWER be pleased to state:

- (a) whether the Union Government proposes to allow private companies to set up the power transmission projects in the country including Andhra Pradesh;
- (b) if so, the details thereof;
- (c) the mechanism evolved to exercise control on the functioning of such private sector companies;
- (d) whether the Union Government has discussed the matter with the State Governments; and
- (e) if so, the response of the State Governments in this regard?

Answer

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

(a) & (b) : Yes, Madam. As per the provisions under Section 63 of the Electricity Act, 2003 and the National Electricity Policy, Ministry of Power has issued on 13.04.2006 both 'Guidelines for Encouraging Competition in Development of Transmission Projects' and 'Tariff Based Competitive Bidding Guidelines for Transmission Services' to facilitate private sector participation in the transmission by identifying projects for implementation through Tariff Based Competitive Bidding (TBCB). The details of the projects so far taken up through TBCB route including in Andhra Pradesh are given at Annex.

(c) : Ministry of Power has issued a Standard Bidding Document (SBD), which acts as guideline for the bidders for taking up projects under Tariff Based Competitive Bidding. The SBD covers the Transmission Service Agreement (TSA), i.e the transmission service to be provided by the licensee. License to the developer is issued by Central Electricity Regulatory Commission (CERC) and the company has to operate as per condition of license. CERC has brought out regulations to ensure compliance of the Standard of Performance of the inter-state transmission licensees to provide efficient, reliable, coordinated and economical system of electricity transmission. Any failure by the inter-state transmission licensee to maintain the standard of performance specified in the regulations shall render the said licensee liable to payment of compensation to the person claiming the compensation.

(d) & (e) : Regulations are framed and issued by CERC through a transparent process and is done through wide consultation with all the stake holders including the State Governments.