

GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
UNSTARRED QUESTION NO.737
TO BE ANSWERED ON 27.07.2015

CONCESSION FOR POWER PLANTS

737. SHRI SUKHENDU SEKHAR ROY:

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

- (a) whether Government has evolved a mechanism of gas pooling for merger of price of imported natural gas and domestic price of LNG;
- (b) if so, the details thereof;
- (c) the details of specific concessions like waiver of custom duty, VAT, etc. being extended to gas based power plants;
- (d) what is the cost of tariff per unit of gas/coal/hydro/solar based power plants respectively; and
- (e) the details of concessions given to power plants other than gas-based plants?

A N S W E R

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

(SHRI PIYUSH GOYAL)

(a) to (c) : Government of India has sanctioned a scheme for importing spot RLNG in 2015-16 and 2016-17 for the stranded gas based power plants as well as for plants receiving gas upto the target PLF selected through a reverse e-bidding process. The concessions provided for under the scheme are as under:

- (i) Custom duty waiver on imported LNG;
- (ii) Waiver of Value Added Tax, Central Sales Tax, Octroi and Entry Tax ;
- (iii) Waiver of Service Tax on regasification and transportation;
- (iv) Reduction in pipeline tariff charges, regasification charges and marketing margin;
- (v) Exemption from transmission charges and losses for stranded gas based power projects.

(d) : The cost of tariff per unit of gas/coal/hydro/solar based power plants varies and depends upon parameters like type of fuel, source of fuel, location of plant, size of the unit, technology of the plant and plant efficiency.

(e) Concessions given to power generation plants are given at **Annex**.

ANNEX REFERRED TO IN REPLY TO PART (e) OF UNSTARRED QUESTION NO.737 TO BE ANSWERED IN THE RAJYA SABHA ON 27.07.2015.

- (i) Under the Mega Power Policy, power projects are given benefits for Zero Customs Duty for import of capital equipment, Deemed Export Benefits under Chapter 8 of Foreign Trade Policy (FTP) and Income Tax Benefits for Income-tax holiday regime as detailed in section 80-IA of the Income Tax Act, 1961. Mega Power policy is withdrawn for new projects other than those already issued mega/provisional mega certificates before 19.07.2012.
- (ii) The concessions/ incentives offered by the Government for solar power plants are as follows:
- (a) Exemption from excise duties and concession on import duties on components and equipment required to set up a solar plant.
 - (b) A 10- year Income-Tax holiday for solar power projects.
 - (c) Wheeling, banking and third party sales, buyback facility by states.
 - (d) Market through solar power purchase obligation for states.
 - (e) GBI schemes for small solar projects connected to a grid below 33KV.
 - (f) Reduced wheeling charges as compared to those for conventional energy.
 - (g) Special incentives for exports from India in renewable energy technology under renewable sector-specific SEZ.
