

GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
UNSTARRED QUESTION NO.79
TO BE ANSWERED ON 17.07.2017

PROBLEMS FACED BY MEGA POWER PROJECTS

79. SHRI RAJKUMAR DHOOT:

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

- (a) whether it is a fact that absence of fuel linkages and power purchase agreements is hampering as many as 25 mega power projects in the country;
- (b) if so, the details thereof;
- (c) whether Government is aware that tax sops alone can not help these mega power projects to survive; and
- (d) if so, what remedial measures Government proposes to take in this regard?

A N S W E R

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

(SHRI PIYUSH GOYAL)

(a) & (b) : Distribution Companies (DISCOMs) bid for Power Purchase Agreements (PPAs) depending on the requirement for Power. Some of the Mega Power Projects do not have Power Purchase Agreements (PPAs) or have part PPAs. Govt. of India has approved New coal allocation policy, 2017 for Power sector on 17.05.2017 viz. SHAKTI (Scheme for Harnessing and Allocating Koyala Transparently in India) under which inter-alia, coal is made available to Independent Power Producers (IPPs) against long-term Power Purchase Agreements (PPAs) and medium-term PPAs to be concluded in future in a transparent bidding process.

(c) & (d) : As per Mega Power Policy, the mega power projects are eligible to avail certain fiscal concessions/benefits. The projects which have been granted 'provisional' mega power status are also eligible to avail these fiscal concessions/benefits, subject to the condition that the developers of these projects fulfil the conditions stipulated in the 'provisional' mega certificates and furnish the final mega certificates to the Tax Authorities within a period of 60 months. As most of the developers have not been able to meet the above condition, Government of India has extended the above time frame from 60 months to 120 months.

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Apart from the above, following measures have been taken to ease out the stress in power sector:

- i. Ujwal DISCOM Assurance Yojana (UDAY) scheme for Financial and Operational Turnaround of power distribution utilities (DISCOMs) of the country.
- ii. Augmenting Transmission capacity to remove transmission constraints.
- iii. Flexibility in utilisation of domestic coal for reducing the cost of power generation.
- iv. Power For All (PFA) initiative with 36 States and UTs for bringing uninterrupted quality of power to each household, industry, commercial business, small & medium enterprise and establishment, any other public needs and adequate power to agriculture consumer as per the state policy.
- v. Deen Dayal Upadhyaya Gram JyotiYojana (DDUGJY) for:
 - Separation of agriculture and non-agriculture feeders;
 - Strengthening of sub-transmission and distribution networks in the rural areas;
 - Metering of distribution transformers / feeders / consumers in the rural area;
 - Rural Electrification.
- vi. Integrated Power Development Scheme (IPDS) for:
 - Strengthening of sub-transmission and distribution networks in the urban areas;
 - Metering of distribution transformers / feeders / consumers in the urban areas;
 - IT enablement of distribution sector and strengthening of distribution network.
