

GOVERNMENT OF INDIA  
MINISTRY OF POWER

**RAJYA SABHA**  
**UNSTARRED QUESTION NO.83**  
TO BE ANSWERED ON 17.07.2017

**SETTING UP OF A "HOLDING COMPANY" TO RESCUE STRESSED  
PRIVATE POWER PLANTS**

83. SHRI DHARMAPURI SRINIVAS:  
SHRI T.G. VENKATESH:

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

- (a) whether the Ministry has reviewed the status of debt-laden private power plants in the country;
- (b) if so, the details thereof;
- (c) whether it is a fact that Government is contemplating on setting up of a holding company with the help of NTPC, PFC, REC and banks to acquire the debt-laden private power plants and run the companies and if so, the details thereof; and
- (d) the details of outcome of the review meeting 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) & (d) :** Government has reviewed the status of 34 stressed Thermal Power Projects, as per the list provided by Department of Financial Services. During the review meeting, Government has identified the major reasons for stress in the Power Sector, which are as follows:

- (i) Non-availability of regular fuel supply arrangements - For grant of regular coal linkages, 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.

(ii) Lack of Power Purchase Agreement (PPA) tie-ups - To improve the demand of Power, following measures have been taken:

- a. Ujwal DISCOM Assurance Yojana (UDAY) scheme for Financial and Operational Turnaround of power distribution utilities (DISCOMs) of the country.
- b. Power For All (PFA) initiative with States and UTs for bringing uninterrupted quality of power to each household, industry, commercial business, small & medium enterprise and establishment.
- c. Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for Rural Electrification; strengthening of sub-transmission and distribution networks in the rural areas; separation of agriculture and non-agriculture feeders and metering of distribution transformers/ feeders/consumers in the rural area.
- d. 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 and IT enablement of distribution sector.
- e. Augmenting Transmission capacity to remove transmission constraints.
- f. Flexibility in utilisation of domestic coal for reducing the cost of power generation.

(iii) Inability of the Promoter to infuse the equity and service debt.

(iv) Regulatory and Contractual issues.

(c) : The issue of setting up of a fund has been discussed among other options with stakeholders.

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