

GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
UNSTARRED QUESTION NO.4156
TO BE ANSWERED ON 03.04.2018

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

4156. 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, if so, the details thereof; and
- (d) the details of the outcome of the review meeting?

A N S W E R

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

(SHRI R.K. SINGH)

(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 fuel supply arrangement-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 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. Letter of Assurance (LoA) have been issued to 10 projects so far with total capacity of 11549 MW, under SHAKTI.

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(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 areas.
- 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.
- g. Saubhagya Scheme - All DISCOMs including Private Sector DISCOMs, State Power Departments and Rural Electric Cooperative Societies shall be eligible for financial assistance under the scheme in line with DDUGJY.

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

(iv) Regulatory and contractual issues.

(c) : No, Sir.
