

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
UNSTARRED QUESTION NO.2205  
TO BE ANSWERED ON 08.03.2018**

**CAPITAL CRUNCH IN ENERGY SECTORS**

**2205. SHRI JYOTIRADITYA M. SCINDIA:  
KUMARI SUSHMITA DEV:**

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

- (a) whether NITI Aayog in its National Energy Policy has stressed the need to invest \$ 150 billion capital in the energy sector;**
- (b) if so, the details thereof;**
- (c) whether several thermal power projects which are under construction have been stalled due to capital crunch;**
- (d) if so, the facts and details thereof; and**
- (e) the steps Union Government proposes to take to face the challenge**

**A N S W E R**

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

**( SHRI R. K. SINGH )**

**(a) & (b): NITI Aayog in the draft National Energy Policy has indicated that “Capital requirement in the energy domain is the biggest challenge before the country. This is aggravated by high interest rates as compared to developed economies. A near \$150 billion capital investment is needed in energy sector on an annual basis until 2040 (International Energy Agency). This has to be met without impacting availability of capital in other sectors”.**

**(c) to (e): 22 number of under construction thermal power projects, aggregating to a capacity of about 21,900 MW, are stalled due to various reasons including inability of promoters to infuse equity.**

**Setting up of a power plant is a de-licensed activity. As per Section 7 of the Electricity Act, 2003, any generating company may establish, operate and maintain a generating station without obtaining a license/permission if it complies with the technical standards relating to connectivity with the grid. Decision to set up a power plant is taken by concerned developer based on his assessment of market conditions, demand of power in future, finance options, viability of the project etc. Developer has to arrange the capital and all the inputs required to produce power i.e. land, water & fuel & necessary clearances. Sale of power under the Power Purchase Agreement is also arranged by the developer. Banks/Financial Institutions finance projects based on their commercial assessment/appraisal.**

**Central Electricity Authority (CEA) monitors the progress of under construction power projects through frequent site visits and interaction with the developers, equipment suppliers and other stakeholders to identify issues critical for commissioning of projects and help in resolving them. Regular reviews are also undertaken by Ministry of Power, Ministry of Heavy Industries and Cabinet Secretariat to identify the constraint areas and facilitate quick resolution of inter-ministerial and other outstanding issues. A Power Project Monitoring Panel (PPMP) has been set up by the Ministry of Power for monitoring of on-going Thermal and Hydro Generation projects along with the associated transmission system. However, if the promoters do not bring in enough equity then the projects cannot proceed and the lending institutions are compelled to take action in accordance with the directions of the RBI and the law.**

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