

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.3900
TO BE ANSWERED ON 09.08.2018**

NEW SCHEME OF NTPC

3900. SHRI G. HARI:

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

- (a) whether the new scheme of the Government allowing thermal power generation companies to blend renewable energy to meet their existing contractual supply obligation may raise returns on equity for implementing power plants by 100-200 basis months, if so, the details thereof;
- (b) whether companies such as NTPC having coal dominated portfolios would benefit from it by neutralizing the perceived threat by competitive renewable power, if so, the details thereof;
- (c) whether the NTPC would gain more from the move as most of its power purchase agreements are on a cost plus basis, contrary to its private sector counterparts which have shifted largely to competitive bidding for tariff discovery; and
- (d) if so, the details thereof?

A N S W E R

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

(SHRI R. K. SINGH)

(a) : Government of India has issued a scheme on 5th April 2018 providing for flexibility in Generation and Scheduling of Thermal Power Stations to reduce emissions which enables Thermal Generating Companies to use generation from Renewable Energy sources to meet their supply obligations from thermal stations under existing contracts. The scheme is optional to the Generating Companies and can be used by them if found feasible. As per the scheme net gains arising out of such supply shall be shared between Generating Company and Beneficiaries in the ratio of 50:50. The returns to any generating company on account of the scheme would depend upon factors such as capacity of RE that is added under the scheme and the rate of RE power.

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(b) : Presently, any new Renewable Energy (RE) power contracted by Discoms is through a process of competitive bidding. NTPC also intends to source RE power for this scheme through a competitive process. This scheme will provide an opportunity to power generators to optimally utilize generation from RE sources, help in reducing emissions and facilitate RE capacity addition.

(c) & (d) : The Scheme is applicable presently to thermal projects developed/ being developed under Section 62 of the Electricity Act. Therefore, the scheme applies equally to all projects – both NTPC projects and private sector IPPs whose tariff is regulated under section 62 of the Electricity Act.
