

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
UNSTARRED QUESTION NO.2189  
TO BE ANSWERED ON 04.07.2019**

**ENERGY CRISIS**

**2189. SHRI B.B. PATIL:**

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

- (a) whether there is any energy-crisis in the country and if so, the details thereof;
- (b) whether power producers sit on thousands of megawatts of underutilized capacities and are facing insolvency proceedings and the consumers are facing power cuts as well as load shedding and if so, the details thereof; and
- (c) the details of the major problems faced by the power producers and the remedial measures/steps taken/being taken to solve the problems?

**A N S W E R**

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

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

(a) & (b) : As reported by States to Central Electricity Authority (CEA), during April-May, 2019 the peak and energy shortages was only 0.5% and 0.4% respectively in the country. Thus, there is no energy crisis in the country. As on 31.05.2019, the installed generation capacity is about 357 Giga Watt (GW) which is sufficient to meet the power demand of the country. The maximum peak demand during the current year was around 183 GW which was successfully met.

(c) : Government of India constituted a High Level Empowered Committee (HLEC) under the Chairmanship of Cabinet Secretary to address the issues of stressed thermal power projects. The report of the HLEC was submitted on 12.11.18 and was also placed in the public domain on the website of Ministry of Power. HLEC report mentions the major reasons for stress in the Power Sector, which are as follows:

- (i) Issues related to Coal supply,
- (ii) Inability of the Promoter to infuse equity and service debt,
- (iii) Slow implementation of project by the developers,
- (iv) Issues related to Banks/ Financial Institutions (FIs)
- (v) Aggressive tariffs quoted by bidders in competitive bidding process,
- (vi) Regulatory and contractual disputes,
- (vii) Legal issues related to auctioned coal mines,
- (viii) Other operational issues such as delay in land acquisitions, inadequate transmission system etc.

**Based on High Level Empowered Committee (HLEC) recommendations, a Group of Ministers (GoM) has made recommendations regarding stressed power projects. The major recommendations of the GoM as approved by the Government are:**

- I. Grant of linkage coal for short-term Power Purchase Agreement (PPA).**
- II. Allowed existing coal linkage to be used in case of termination of PPAs due to payment default by DISCOMs.**
- III. Procurement of bulk power by a nodal agency against pre-declared linkages.**
- IV. Central/State Gencos may act as an aggregator of power.**
- V. Increase in quantity of coal for special forward e-auction for power sector.**
- VI. Coal linkage auctions to be held at regular intervals.**
- VII. Non-lapsing of short supplies of coal.**
- VIII. Annual Contracted Quantity (ACQ) to be determined based on efficiency.**
- IX. Payment of Late Payment Surcharge (LPS) has been made mandatory.**
- X. Non-cancellation of Power Purchase Agreement (PPA)/Fuel Supply Agreement (FSA)/ Long Term Open Access (LTOA) post National Company Law Tribunal (NCLT) scenario.**
- XI. Non-cancellation of PPA for non-compliance of Commercial Operation Date (COD).**

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