

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO.3051
ANSWERED ON 04.08.2022**

PRODUCTION OF ELECTRICITY AT NTPC KAYAMKULAM

3051. ADV. A.M. ARIFF:

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

- (a) whether the Government proposes to restart the production of electricity in the NTPC power plant at Kayamkulam in Kerala using alternate fuel like Liquefied Natural Gas (LNG) and if so, the details thereof;
- (b) whether the Government is aware that the Kerala State Electricity Board (KSEB) Limited is paying an Annual Fixed Charge (AFC) of Rs. hundred crore to NTPC upto 28.02.2025 and if so, the details thereof;
- (c) whether the Government would consider paying the recurring expense of around Rs. three crore per annum for the functioning of NTPC Kendriya Vidyalaya, Kayamkulam from the AFC; and
- (d) if so, the details thereof?

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) : **Rajiv Gandhi Combined Cycle Power Plant (RGCCPP) is a Naphtha fuel fired station. The entire power (359.58 MW) from the station has been allocated to the state of Kerala by Ministry of Power (MoP), GoI. On substantial increase of Naphtha prices, Kerala stopped scheduling the power due to high Energy Charge Rate. However, even now, this Station is kept on ready for generation on Naphtha after due notice.**

Multi fuel firing system has been installed at Kayamkulam with the consent of KSEBL, making the system suitable for Gas firing in addition to the present Naphtha firing.

However, Kerala has not agreed for the option of pipeline to transport RLNG from PLL's (Petronet LNG Limited) Kochi Regasification Terminal, which is around 120 kms from Kayamkulam.

(b) : **RGCCPP, Kayamkulam has been set up based on the request of Kerala State to meet its demand on a long term basis. This plant has been set up to recover its cost through tariff (Including Fixed Charges) throughout useful life of the plant. The Tariff/fixed charges are determined by the CERC (Central Electricity Regulatory Commission), a statutory body.**

Currently, due to substantial increase of Naphtha prices, Kerala stopped scheduling the power due to high Energy Charge Rate. Accordingly, a special dispensation was evolved after mutual discussions and agreement, wherein it was inter-alia agreed that Kerala will pay Rs. 100 Crore/year from 1.4.2019 as fixed charges as against fixed charges of around Rs. 240 Crore/year. This Station is kept ready for generation on Naphtha after due notice.

(c) & (d) : The matter regarding Kendriya Vidyalaya is sub judice; case reference being SLP (C) No 6030 of 2022 in the Hon'ble Supreme Court of India.
