



Government takes steps to Ease Stress in Stalled Thermal Power Projects: Shri Piyush Goyal

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The Minister of State (IC) for Power, Coal, New & Renewable Energy and Mines, Shri Piyush Goyal, while giving a written reply to a question in Lok Sabha today, informed the House that Government has reviewed the status of 34 stressed Thermal Power Projects, as per the list provided by Department of Financial Services (DFS), with an estimated debt of about Rs. 1.77 lakh crore. The Minister also informed that as per DFS data, the total advances towards electricity generation sector reported by Scheduled Commercial Banks (SCBs) is about Rs. 4.71 lakh crore and most of them are standard assets.

Shri Goyal stated that Neyveli Lignite Corporation of India Limited (NLCIL) has identified Ragunathpur Thermal Power Station- Phase-I (2x660 MW), a stressed asset of Damodar Valley Corporation (DVC) for acquisition. NLC has also shortlisted two suitable stressed power assets for possible acquisition to augment its power generation capacity. Currently, NTPC has no proposal to acquire stressed power projects or enable their lenders to operate on contract basis, the Minister added.

Government has identified the major reasons for stress in the Power Sector, which are as follows:

- Non-availability of regular fuel supply arrangements
- Lack of Power Purchase Agreement (PPA) tie-ups
- Inability of the Promoter to infuse the equity and service debt
- Regulatory and Contractual issues

Shri Goyal informed that the Government has also taken a number of steps to ease stress in the sector. These include:

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 Public Sector Undertakings of Central and State Government, and Independent Power Producers (IPPs) against already concluded long-term Power Purchase Agreements (PPAs) and long-term & medium-term PPAs, to be concluded in future.

To encourage increased purchase of Power, following measures have been taken:

- Ujwal DISCOM Assurance Yojana (UDAY) scheme for Financial and Operational Turnaround of power distribution utilities (DISCOMs) of the country.
- 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.
- 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.
- 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.
- Augmenting Transmission capacity to remove transmission constraints.
- Flexibility in utilization of domestic coal for reducing the cost of power generation.

Shri Goyal also informed that RBI has notified schemes such as (i) Scheme for Sustainable Structuring of Stressed Assets (S4A) and (ii) Strategic Debt Restructuring Scheme (SDR) for the revival of stressed assets. Due diligence and financial restructuring by Banks to make projects viable would attract new promoters or States to bring in fresh equity investments. The issue of setting up of a fund has been discussed among other options with stakeholders, he added.

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