

U.P. Cabinet approves steps to capacity building in power generation

- *Extension of agreements to set up nine power generation projects*
- *Location of three projects changed to facilitate water availability*

Lucknow | June 7, 2012:

With an aim of mitigating ever rising power demand-supply gap and to ensure reliable power supply to entire state, Uttar Pradesh Cabinet of Ministers today approved extension of agreements maximum by 18 months to set up nine thermal power generation projects by private developers. The developers had requested for varying time extension, ranging from six months to 24 months, however, the government has agreed to provide a maximum time of only 18 months or earlier as requested by the developer. These pending power projects were to be established through Memoranda of Understanding, which had the provision of forfeiture of security if the development work was not started within the stipulated time period that is expiring soon.

Of these nine projects, Cabinet also granted approval for change of location of three projects to facilitate water availability. Projects to be developed at Bargadh, Farrukhabad and Ghazipur have been relocated at Lalitpur, Barabanki and Mirzapur respectively.

Infrastructure and Industrial Development Commissioner (IIDC) and Principal Secretary-Energy, Anil K Gupta said, "Chief Minister has given the directions to explore all routes of augmenting power availability in order to ensure reliable power supply throughout the State, hence government is adopting all possible ways." He clarified that extension of agreements by 18 months was the maximum time-period and has been granted **taking into account the pan-India shortage of coal and delay in coal supply linkages at the level of Central government**. All private developers have asked for varying time ranging from six months to 24 months on this basis. However, after the expiry of extension period, government would have the option of the forfeiture of security amount deposited by private developers. Different developers have requested for varying extension time. "Till now these projects were on paper, the government is providing them a window to come on ground in implementation mode, developers would be granted extension of time by the period as requested by them, maximum upto 18 months," IIDC said.

The nine power projects that have been granted extension of time period include- (i) 1320 MW Bhognipur-I, (ii) 1320 MW Bhognipur-II, (iii) 1980 MW Lalitpur, (iv) 600 MW Murka, (v) 1980 MW Lalitpur (earlier Bargadh), (vi) 250 MW Barabanki (earlier Farrukhabad), (vii) 250 MW Auriya, (viii) 1320 MW Sandila, and (ix) 1320 MW Mirzapur (earlier Ghazipur).

It may be noted that before the cut of date of January 05, 2011, Memoranda of Understanding was signed for ten power projects with a total capacity of 10,790 MW. Of these, only one coal based sugar-mill generation project of 450 MW is being implemented.

Chairman and MD, U.P. Power Corporation Ltd. (UPPCL), Awanish Awasthi said, "We are faced with a great challenge of ensuring power supply to such a big state, when there is shortage of power all over the country. Therefore, we are adopting all five routes of development of power projects in State sector, through joint venture and in private sector through Case-I, Case-II competitive bidding process along with giving extra time to developers through MoU route." CMD informed that the state government has given green signal to procure 6000 MW through Case-I bidding process (power is procured, irrespective of location of generation project under Case-I) and the process will be started very soon. Likewise, 1320 MW Jawaharpur project under Case-II bidding is also on right course and bidding process will be started soon.