

Delayed power projects: Government will crackdown on developers, says RK Singh

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India is planning to crackdown on developers of power projects who miss the scheduled commercial date of operation or project completion deadline, said RK Singh, Union Minister of Power and New and Renewable Energy, on Thursday.

According to him, electricity generation capacity addition is a big challenge, and many developers are reportedly delaying projects they won under the bidding process.

Nearly 50,000 MW of under construction projects — for capacity addition — have been held back by bidders.

TO BE BANNED

According to the initial plans, if developers miss the scheduled-commercial date of operation or deadline to complete the project (SCOD) — which was won under a bidding process — then they will be banned from participating in



RK Singh, Union Minister of Power and New and Renewable Energy

project bidding for one year.

For a repeat of the same offence, a second-time failure, the developer will be banned for five years, said Singh.

“We [plan] to put this [rule] in [policy]. Failing in SCOD will not be healthy, until and unless you have good reasons. So, if you bid, bid with foresight and [due] deliberations,” he said while speaking at the annual session of the CII. Power project developers are waiting for demand to grow, but this will not happen, he said. Discom losses are down from 22 per

cent to 17 per cent last fiscal, and will come down to “less than 15 per cent, next year”, said Singh, adding that legacy dues of the sector are down 50 per cent, and will be “wiped out in the next 8-9 months or so”.

India’s per capita emissions are among the lowest in the world, and 40 per cent of India’s power capacities comes from non-fossil fuel sources. The target is to get 45 per cent of capacities from non-fossil fuel sources by 2030.

“We have over 52,000 MW of thermal capacity under construction,” he said, adding that until battery energy storage becomes viable, India will have to add thermal power capacity to meet demand. At present, battery storage is ₹10 per unit (per kilo watt hr) and the energy rate is ₹2.30.

“We have to come up with more viability gap funding,” he said. And if storage becomes viable by then, nearly 65 per cent of capacities will come from non-fossil fuel sources by 2030.