

## **Plan Panel Member Chaturvedi Urges Private Sector to Expedite Development of Coal Blocks**

*CEOs See Project Management, Fuel Linkages, Land Acquisition, Balance of Plant, Environment Issues as Main Hurdles*

**NEW DELHI, October 28, 2009.** Mr. B K Chaturvedi, Member, Planning Commission, today exhorted the private sector to expedite the development of coal block allotted to them as fuel linkage was a critical issue in the capacity addition programme of the Ministry of Power.

Chairing the *CEO's Roundtable on Meeting 11<sup>th</sup> Plan Targets* at the 12<sup>th</sup> India Power Forum here today, Mr. Chaturvedi said that the challenges before the power sector were many and complex. For instance, the issues relating to project management capabilities needed to be resolved in right earnest so that power projects did not suffer for want of good decision making. For BHEL, the problem was not the order book position but that of execution, he said.

He emphasized the need for laying down short and long term requirement of fuel and the policy on how to achieve these.

Mr. Chaturvedi said that the 11<sup>th</sup> Plan had witnessed a remarkable increase in the share of the private sector in capacity addition and the Plan is likely to achieve a capacity addition of between 60,000 to 70,000 MW. During the 12<sup>th</sup> Plan, 50% of the capacity addition would come from the private players and "this is a healthy sign", Mr Chaturvedi added.

He underlined the need for a coordinated approach in the policy framework governing the power sector. In this context, he said that power equipment built by the Chinese to produce over 2000 MW of power was awaiting commissioning. "We need to resolve the issue of manpower working in these projects" to make available additional power during the year," he pointed out.

The Planning Commission Member said that the main issues to be tackled in speedy capacity addition were acquisition of land, availability of water and balance of plant.

“We need to worry about improving all-round efficiencies in the power sector”, he said, adding that the 12<sup>th</sup> Plan should see 50% capacity addition from supercritical units which are more efficient.

Mr. Rakesh Nath, Chairman, Central Electricity Authority (CEA) told the delegates that advance planning had been undertaken to achieve the Plan targets.

In the hydro sector a capacity of 30,000 MW was targeted for the 12<sup>th</sup> Plan. It is likely that 25,000 MW will fructify during the Plan period as between 5,000 to 6000MW capacity was locked up due environmental issues.

Mr. Nath said that 25,000 MW capacity was expected to come from gas based plants in the 12<sup>th</sup> Plan. Gas-based stations, he said, must come up in States which are away from coal centres and also do not have hydro potential. He mentioned that in recent times there had been an improvement in the time schedule for commissioning of projects.

Mr. R S Sharma, CMD, NTPC, outlined the steps taken to improve project management activities and held out the assurance that NTPC would take advance action to reduce the time cycle.

Mr. Sharma, however, cautioned about the problem of fuel linkages, particularly its transportation, as the capacity of the power sector grows. NTPC, he said, was trying to achieve the target of ordering BOP contracts along with the main plant equipment.

The corporation, Mr. Sharma pointed out, had a target of 22430 MW in the 11<sup>th</sup> Plan and it had already commissioned 2240 MW.

Mr. Sushil Maroo, MD, Jindal Steel & Power; Mr. J K Sharma, Director (Projects), NHPC and Mr. V P Arora, Jaypee Group, also addressed the CEOs RoundTable. They touched upon the problems bedeviling hydro projects. Environmental issues, they said were becoming difficult to handle. Mr. Arora mentioned that with proper drafting of contracts sound project management could see completion of hydro projects on time.