

Gujarat wants centre to bend rules on power allocation

The Gujarat government has asked for all the power from the proposed 1,000 MW project in a joint venture with the state-run Neyveli Lignite Corp (NLC) in Tamil Nadu, though the norms are that at least 57 percent of the electricity generated to be fed to the national grid.

'We have already written to the central government asking for the entire power for consumption in our state. We are waiting for a response,' a Gujarat government official who requested anonymity told IANS on phone from Gandhinagar.

NLC too has written a letter to the centre expressing the Gujarat government's desire.

The lignite-fuelled power plant is proposed at Valia in Gujarat where the state-run Tamil Nadu-based NLC has been roped in as 74 percent partner. The rest of the equity in the Rs.51.4 billion project will be held by the Gujarat Power Corp.

The pact between NLC and Gujarat government was signed two years ago to mine 12 million tonnes of lignite per annum and set up a 1,500 MW power project in two phases.

The first phase proposes to mine eight million tonnes of lignite and build a 1,000 MW power plant.

A senior NLC official explained that by a formula that has been in force for more than two decades, any joint venture with a state-run power company requires 57 percent of the electricity generated to be supplied to the national grid.

The official, however, cited the case of a similar project between the Andhra Pradesh government and the state-run National Thermal Power Corp in Simhadri where the state was allowed to utilise the entire 1,000 MW generated.

He said even NLC, which is setting up a 250 MW power project in Rajasthan, will supply the entire output to the state, adding that the Gujarat government has the option of roping in the private sector as a partner if its demands were not met.

'The reason why they want to come to us is because we have much better experience in mining and handling lignite-fired power plants,' the official said, adding that NLC had a mining capacity of 24 million tonnes per annum and an installed capacity of 2,490 MW.

A joint venture company will be formed once the power allocation issue is sorted out, the official added.

Venkatachari Jagannathan (© IANS / India eNews)