

LIFTING IMPORTED GAS SUBSIDY

Gas Power Plants Need Long-term Solution for Fuel Scarcity: Goyal

Our Bureau

New Delhi: India's gas-fired power plants need a long-term solution to their problem of fuel scarcity, power minister Piyush Goyal has said even as the government discontinued a two-year-old scheme that offered imported gas at subsidised rates to stranded and underutilised power stations.

Goyal on Monday also said the government would encourage more local solar manufacturing under the Make in India campaign for the solar energy sector that depended heavily on imports of solar panels and modules. "Those setting up solar manufacturing units should locate them close to NTPC power plants so that power supply is not a problem," he said.

ET had reported on February 19 that the power ministry was

unlikely to extend the scheme for supplying subsidised imported gas that had benefited power stations with total capacity of 24,000 MW.

Industry associations had made representations to the ministry for extension of the scheme that ended on March 31. State-run gas transporter GAIL India, too, had made the same request. A senior power ministry official said state governments that participated in the programme to revive private and state-sector plants withdrew from it.

"In the backdrop of low gas prices and state governments withdrawing from the scheme, we have decided not to extend the scheme," the official said.

Goyal said there was surplus coal production in India with 60 mt of stock with Coal India. He said he encouraged states to shift their plans to set up impor-



ted coal-based ultra-mega power plants to domestic coal-based plants. He said Tamil Nadu has agreed to shelve its imported coal-based ultra-mega power plant at Cheyyur and would set up a domestic coal-based UMPP. The scheme for importing spot regasified LNG was started in 2015-16 for stranded gas-based power plants and plants receiving inadequate domestic supply of the fuel. The Power System Development

Fund provided financial support under the programme. Companies that got gas in three rounds of auction under it include NTPC, Ratnagiri Gas & Power, Torrent Power, GVK Industries, Lanco Kondapalli, GMR Energy, Gujarat State Electricity Corp, and CLP India.

Under the scheme that was meant to make gas affordable, state governments were required to forego some taxes. Also, gas transporters and import terminals had offered discounts on charges for their services. The power ministry held two rounds of auction to supply imported gas — for supplies from June 2015 to September 2015 and from October 2015 to May 2016. Under those, bidders had to indicate the total incremental electricity they would generate by using gas sourced from e-bid and quote the subsidy requirement.

