

# Centre fires state power dream

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**Bhubaneswar, Nov. 23:** The spectre of coalgate might still loom on the political horizon but two central government undertakings today agreed to finance the new coal-fired units of the IB thermal power plant, a joint venture between the Odisha government and the US-based AES Corporation.

An eight-year long wait for funds came to an end with two central government undertakings — the Power Finance Corporation and the Rural Electrification Corporation — committing Rs 8,660 crore for unit III and IV of the project promoted by the Odisha Power Generation Corporation (OPGC).

The two units will together produce 1,340MW of power.

The two existing units of the plant at present generate 420MW.

The two central entities, which today inked an agreement with the OPGC here, will equally share the financial burden they have agreed to undertake. The remaining amount of the total project cost of Rs 11,547 crore will be borne by the two shareholders of the OPGC — Odisha government which has 51 per cent share and AES which owns the remaining stake.

In the wake of the coal block allotment controversy, which took the state by storm, this is the first MoU the state has inked for the setting up of a coal-fired thermal plant.

Sources said that OPGC was allotted the Manoharpur coal block in Sundergarh district for the project and there



**Energy minister Arun Sahu (second from right) and secretary PK Jena (third from right) during a tie-up with Power Finance Corporation and Rural Electrification Corporation for the OPGC expansion project in Bhubaneswar on Friday. Picture by Sanjib Mukherjee**

was no controversy involved in it.

State's energy secretary P.K. Jena said: "Setting up of two units of OPGC, which were to be started in 2003, has been delayed for the past eight years because of lack of ade-

quate finance and necessary statutory clearances."

Managing director of OPGC Venkatachalam Kupusami said: "The project is likely to take off from the next year and would be commissioned in 2016. We have over-

come almost all the hurdles."

Permission has also been obtained for land acquisition for mines and an exclusive railway corridor connecting the plant site.

Jena also added: "Both the shareholders have agreed to

give their share of Rs 2,600 crore. We have a surplus of Rs 800 crore. The rest of the amount will be arranged in the next four years."

In another development, the OPGC has already entered into a long-term power purchase agreement with Gridco. The power generation corporation will sell 660MW power and has also applied for long-term open access for direct sale of surplus power.

In a related development, chairman-cum-managing director of the finance corporation Satnam Singh, who met chief minister Naveen Patnaik, said: "We have already invested Rs 12,000 crore in the state and are ready to invest to the tune of Rs 30,000 crore. The state should take benefit out of it."

In order to become a power surplus state, the Odisha gov-

ernment has signed agreements with 29 independent power producers to produce 37,440MW. Of these companies, Sterlite Energy has already started power generation. Another seven companies are likely to start their production from March 2014. With this, the state will be able to get a surplus of 1,800MW.

The state government has received an assurance from the Centre that works for the three upcoming ultra mega power projects, with a generation capacity of 4,000MW each, would start shortly.

"Land acquisition for the Sundergarh Bedhabahal Project has already made a substantial progress. Site selection for two other projects (one at Kesinga in Kalahandi and another at Chandbali in Bhadrak district) is going on."