

GOVERNMENT OF ODISHA
DEPARTMENT OF ENERGY

No. 5650 /En., Bhubaneswar Dated 18/7/2012
PRD-TH-7/2011

From

Sri G. Mathivathanan, IAS
Commissioner-cum- Secretary to Govt.

To

The Commissioner-cum-Secretary to Govt.,
Industries Department

Ref:- XIV-HI62/2012/3293 dated 21.04.2012

Sir,

With reference to your letter cited above, I am to say that the Expert Committee on Revenue Enhancement Measure constituted under the Chairmanship of Sri S C Hota, IAS (Retd.) has made certain recommendations suggesting amendments in the existing IPR. The Expert Committee viewed that by 2014-15, the projected availability of power will be at 5983 MW from all sources as against the projected demand of 4746 MW resulting in sizeable surplus. In view of the surplus power situation expected to prevail in the State from the year 2014 onwards, the Committee viewed that captive Power Plants need not be encouraged as they cause loss of Electricity Duty to the State as well as loss cross subsidy which would be otherwise available for the targeted consumer groups such as LT domestic & agriculture. As per the existing IPR, the CPPs not only utilise power for their captive consumption within the State, but also export power for captive consumption of their units outside the State in which State is losing Electricity duty as well as cross subsidy for that quantity of power. The Industries also put up Captive Power Plants with capacities in excess of their captive requirement and use the power generated for merchant trading.

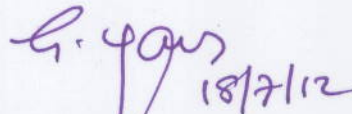
The committee constituted under the chairmanship of Principal Secretary, Finance Department on comprehensive policy recommendations covering coal mining, coal washery and washery reject based power plants in Odisha., has recommended the following to the Government in their meeting held on 20th January, 2012 at 4.00 P.M. & 2nd February, 2012 at 4.00 P.M.

"Exemption from payment of 50% of electricity duty for captive power plant for a period of five years self-consumption from the date of its commissioning set up by new industrial unit shall be withdrawn. Necessary amendment in IPR-2007 to be made to this effect by Industries Department."

Further, Department of Energy has already intimated that approval of Chief Secretary has been taken in principle for the need to amend the IPR frame work governing CPPs in Energy Department file No. PPD-TH.7/2011.

Hence, it is requested that Industries Department may take steps to repeal Section 20.2 of the IPR, 2007 and paragraph 20.2 under "POWER" of IPR,2007 may be withdrawn and Industries Department may take suitable action for amendment of IPR,2007 as per the above decision.

Yours faithfully,

 18/7/12

Commissioner-cum- Secretary to Govt.