
States offered 1,114MW power capacity from central pool

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New Delhi: The power ministry has offered 1,114MW (megawatt) gas-fired generation capacity from the central utility NTPC, which was surrendered earlier by the allottees, including Delhi, to states amid a clamour for more electricity as the continued heat wave keeps demand high and fuel stocks low at power stations.

The ministry on April 28 wrote to states, saying they can apply for allocation of the surrendered capacity with the quantity and duration for which the additional power is required.

Gas-based power plants are ideal for managing peak

demand as they can be switched on and off at short notice, unlike coal-based units. But due to shortage of gas at government-controlled prices from domestic fields, these plants may have to be run with imported fuel, prices of which have appreciated by 35-40% since Russia-Ukraine conflict began.

Industry sources said at current imported gas prices, power may cost upward of Rs 20 per unit against an average of Rs 6 from domestic coal-based plants and Rs 9-10 from imported coal-fired units and a maximum of Rs 12 from the energy exchanges.

The ministry last week-end asked state-run GAIL to ensure gas supply to Delhi's

gas-fired power plants from "all sources", including imported fuel — LNG (liquefied natural gas).

Indeed, the high cost of gas-fired power was one of the reasons why Delhi, Haryana, Himachal Pradesh, Punjab, Rajasthan and Madhya Pradesh surrendered the capacity allotted to them from NTPC's gas-fired plants at Anta, Auraiya and Dadri in UP and Kawas and Gandhar in Gujarat.

The states had relinquished their share of power from these plants by exercising the option that allows buyers to exit a PPA (power purchase agreement) after completion of 25 years, considered useful life of a plant.