

Power crisis forces states to pay dues

Centre Pushes For Clearing Bills, Giving Stressed Generation Projects New Life

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Mumbai: The power crisis has come to the aid of independent producers who were finding it difficult to recover electricity dues from state governments. It has also given a fresh lease of life to power projects facing liquidation. In its meeting on operationalising commissioned power plants, the power ministry got states to agree on payments to power producers.

In the case of IL&FS Tamil Nadu Power, which has two projects of 600MW in the southern state, it was decided in the meeting that Tangedco, which distributes power in Tamil Nadu, would pay Rs 75 crore every week to liquidate around Rs 1,500 crore in the next five months. Lenders led by Punjab National Bank have agreed to facilitate the restructuring of the plant. The company would also be allowed to sell balance power to other states

During the last meeting, it was discussed that Tangedco would extend the pass-through arrangement for the power purchase agreement until December 2022. After that, 900MW (600MW in PPA and 300MW in short-term PPA) will be tied up with Tangedco and balance

of its short-term fund requirements. The company has also been facing severe challenges in restructuring its loans, pending receivables by Tangedco and PTC to the tune of around Rs 4,000 crore. These payments will also support the new board in its restructuring efforts of

RIGHT CONNECTIONS

Power project	Action to be taken
Essar Power Gujarat (2x600MW)	A tripartite agreement between SBI & Gujarat Urja Nigam
IL&FS TN Power Co	Tangedco to pay Rs 75cr every week to liquidate dues
Meenakshi Energy (2x150MW)	NTPC to act as an operations and management agency
Sinnar Thermal Power Plant Limited (STPPL) at Nashik (5x270 MW)	Govt to facilitate withdrawal of DRT case by Canara Bank
SKS Power Generation (2x300 MW)	NTPC to act as O&M Agency
Vidarbha Industries Power (600MW)	NTPC's technical due diligence

power will be sold to other discoms/exchange.

“This is a welcome step that will help ITPCL scale up its power generation to maximum capacity and take care

ITPCL,” said IL&FS spokesperson Sharad Goel.

The meeting was attended by bureaucrats, NTPC officials, lenders and independent power producers.