

**Government of India
Ministry of Power**

ULTRA MEGA POWER PROJECTS

1. Background

Central Government in 2005-06 has taken the initiative for facilitating the development of a few Ultra Mega Power Projects of about 4,000 MW capacity each under tariff based competitive bidding route using super critical technology on build, own and operate basis.

2. Role of the Ministry of Power

The Ministry of Power is playing a crucial role for the development of the UMPPs by coordinating between various concerned Ministries/Agencies of the Central Government, and with various State Governments/Agencies. Some of the key areas requiring the Ministry of Power's intervention include :-

- Coordination with Central Ministries/Agencies for ensuring:
 - Coal block allotment/coal linkage
 - Environment/forest clearances
 - Water linkage
- Required support from State Governments and their agencies.
- Working out allocation of power to different States from UMPPs in consultation with the States. Facilitating PPA and proper payment security mechanism with State Governments/State Utilities. Monitoring the progress of the SPVs with respect to predetermined timelines.

3. Salient features

3.1. The Ultra Mega Power Projects would use Super Critical Technology with a view to achieve higher thermal efficiency, which results in fuel saving and lower greenhouse gas emissions.

3.2. Flexibility in unit size subject to adoption of specified minimum Supercritical parameters.

3.3. Integrated power project with dedicated captive coal blocks for pithead projects.

4. The Bidding Process

For these projects, as per the provisions of the competitive bidding guidelines, a two stage selection process has been adopted. The first stage of

bidding involves Request for Qualification (RfQ) containing qualifying criteria for selection of bidders. The RfQ documents submitted by the bidders are evaluated to identify those bidders who will be eligible to participate in the second stage of the process. The second stage of the bidding process invites Request for Proposals (RfP) from the bidders so qualified. After evaluation of the RfP documents, the successful bidder is identified on the basis of the lowest levelled tariff.

5. Selection of Sites for Setting up of UMPPs

Originally nine such projects had been identified to be taken up, 4 at pithead and 5 at coastal locations. Later few more sites are identified on the requests of the State Governments. CEA/ PFC examine the suitability of location in consultation with the States.

6. Concept of Special Purpose Vehicles (SPVs)

PFC is the nodal agency for the development of these projects. PFC sets up separate Special Purpose Vehicles (SPVs) for each UMPPs to act as authorized representatives of the procurers (distribution companies of the power procuring States).

The SPVs are responsible for carrying out various activities on behalf of the procurers. Completion of these activities prior to award of the project is considered necessary to enhance the investor's confidence, reduce risk perception and get a good response to the competitive bidding process. Some of the main activities undertaken by the SPVs are:-

- Appointment of Consultants to undertake preparation of Project Report, preparation of Rapid Environment Impact Assessment Report etc.
- Appointment of Consultants for International Competitive Bidding (ICB), document preparation & evaluation
- To carry out bidding process and award of project
- Initiation of land acquisition process for the project
- Allocation of Coal blocks for pit-head projects
- Getting clearance regarding allocation of water by the State Govt. for pithead locations
- Approval for use of sea water from Maritime Board/ other Govt. Agencies for coastal locations
- Obtain clearance from the State Pollution Control Board, initiate forest clearance etc. as are required for the project and for the coal mines, followed by environment and forest clearances from the Central Government.

- Obtaining geological reports/ other related data from CMPDI for the coal blocks.
- Tie up the off-take/ sale of power

7. Role of States

7.1 From the initial step to the final commissioning of the UMPPs, the role of concerned State Governments is of immense importance. In fact, no major activity can be started without a clear identification of a suitable site by the State Government concerned (including water linkage in case of a pit head project).

7.2 After the site identification, the host State and the other power procuring States are required to continue to play a highly pro-active role. In particular, some of the activities in which the concerned States are required to play a decisive role include implementation of the R&R Plan, provide authorization to the PFC/SPV to carry out the bidding process on behalf of the distribution utilities, participate through its representatives in various committees set up for undertaking the competitive bidding process, facilitate signing of the Power Purchase Agreement, ensure proper payment security mechanism with the distribution utilities etc.

8. STATUS OF AWARDED UMPPs

Sl. No	Name of UMPP	Location	Levelised tariff	Status
1	Sasan UMPP (6x660 MW)	Sasan in District Singrauli, Madhya Pradesh	1.196	Project awarded and transferred to M/s. Reliance Power Ltd. On 07.08.2007. All units (6x660 MW) have been commissioned.
2	Mundra UMPP (5x800 MW)	Mundra in village Tundawand in District Kutch, Gujarat	2.263	Project awarded and transferred to M/s.Tata Power Ltd. On 24.04.2007. Project is fully commissioned.
3	Krishnapatnam UMPP (6x660 MW)	Krishnapatnam in District Nellore, Andhra Pradesh	2.330	The project was handed over to Reliance Power Ltd. on 29.01.2008.The developer has stopped work at site, citing new regulation of coal pricing in Indonesia. Lead Procurer namely Andhra Pradesh Southern Power Distribution Company (APSPDCL) has issued termination notice to Coastal Andhra Power Ltd (CAPL). The case is subjudice in division bench, Delhi High Court.
4	Tilaiya UMPP (6x660 MW)	Near Tilaiya village in Hazaribagh and Koderma Districts, Jharkhand	1.770	Project awarded and transferred on 7 th August, 2009 to M/s Reliance Power Ltd. The developer (Jharkhand Integrated Power Ltd, a subsidiary of RPL) has issued notice of termination of Power Purchase Agreement on 28.4.2015 citing non transfer of land to the developer by Jharkhand Government.

9. UMPP where SPV formed/power allocation made:

Sl. No	Name of UMPP	Location	SPV formed	Power allocated	Status
1.	Bedabahal	Bedabahal in Sundergarh District, Odisha.	yes	yes	The site for this UMPP is in village Bedabahal in Sundergarh district. RfQ and RfP issued in 2013 were withdrawn. Fresh RFQ and RFP are to be issued after finalization of Standard Bidding Documents by the expert committee.
2.	Tamil Nadu	Village Cheyyur, District Kancheepuram .	yes	yes	The site at Cheyyur in Kanchipuram district in Tamil Nadu has been identified along with captive port at Panaiyur village. Request for Qualification (RfQ) and Request for Proposal (RfP) issued in 2013 were withdrawn. Fresh RFQ and RFP are to be issued after finalization of Standard Bidding Documents.
3.	Bihar	Kakwara in Banka Distt	yes	yes	A site at Kakwara in Banka Distt has been identified for setting up of UMPP in Bihar. Operating SPV namely Bihar Mega Power Limited (BMPL) and Infrastructure SPV namely Bihar Infrapower Limited has been incorporated on 09.07.2015 and 30.06.2015 respectively.

4.	2nd Jharkhand UMPP	Husainabad, Deoghar Distt	yes	yes	A site at Husainabad, Deoghar Distt has been identified for setting up of 2 nd UMPP in Jharkhand. Operating SPV namely Deoghar Mega Power Ltd and Infrastructure SPV namely Deoghar Infra Limited has been incorporated on 26.4.2012 and 30.06.2015 respectively.
5.	1st additional UMPP in Orissa	Bijoypatna in Chandbali Tehsil of Bhadrak district for coastal location	yes	yes	Based on the site visit report submitted by CEA, site near village Bijoypatana in Chandbali Tehsil of Bhadrak district was finalised . Consent from Govt. of Odisha is awaited.
6.	2nd additional UMPP in Orissa	Narla&Kasinga sub division of kalahandi District for inland location	yes	yes	Based on the site visit report submitted by CEA, the site near Narla and Kesinga subdivision of Kalahandi district was finalised. Consent from Govt. of Odisha is awaited.
7.	Chhattisga rh	Near Salka & Khameria villages in District Surguja.	yes	yes	Govt. of Chhattisgarh vide letter dt. 05.04.2016 has confirmed that it is not keen on setting up 4000 MW Chhattisgarh UMPP

10. Other Ultra Mega Power Projects in preliminary stage:

Sl. No	Name of UMPP	Location	Status
1.	2nd Gujarat UMPP	---	On 12.01.2016, CEA & PFCCL team has visited site in Gir Somnath District, Gujarat identified by Govt of Gujarat to explore the possibilities for setting up of UMPP. The matter is under process.