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In Powerhouse Move, NTPC to Set up 6,400mw Jharkhand Plant

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State-owned power generator NTPC will build India's biggest power plant with an annual generation capacity of 6,400 megawatt in a joint venture with Jharkhand state utility , an example of a big ticket public investment which most economists say is needed to kickstart the investment cycle. The project will be set in two phases of 4,000mw, which was announced on Sunday , and 2,400 mw to be taken up later.

While NTPC will hold 76% stake in the ` . 35,000-crore coal-fired plant, Jharkhand State Electricity Board (JSEB) will own the remaining 24%.

The Jharkhand government has decided to hand over 6,800 acre at Patratu in Ramgarh district to the staterun energy giant for the project, a state government official said. A memorandum of understanding to this effect was signed in Ranchi on Sunday . The onus of vacating illegal inhabitants on the plot will be on the government, the official said.

The land at Patratu houses 10 units of thermal power, totalling 840 MW.The units are operated by JSEB.

The new plan includes scrapping the old units and setting up four 800 MW super critical units in the first phase and another four similar units in the second phase. The Patratu plant is working at an efficiency of 5% and the power minis try has asked NTPC to take it over and build a new plant instead to trying to revive it through bidding, which is likely to take a long time. NTPC plans to commission the first phase of the project in 23 months from the day land is handed over to the joint venture. According to an official, the value of the 6,800 acre will be used as equity in the project by Jharkhand government. The earlier plan was to hand over some 3,000 acres to NTPC for setting up 1,320 MW of thermal power generation capacity.

"This plan has now been replaced with a new one, where the entire land at PTPS will be transferred to NTPC, on which the new generation units will be built through the JV ," an NTPC executive said."NTPC will take 74% stake in the proposed company , while JSEB will hold 26% in lieu of vacant land at PTPS, which will be transferred to the venture." NTPC had earlier helped JSEB in renovation and modernisation of PTPS to improve generation and plant load factor. "However, it did not help much as generation dwindled. Subsequently , JSEB wanted to strike a deal with NTPC for jointly running the plant.But the power major did not agree to the proposal and wanted to take over the plant but employees did not agree to it," the NTPC executive said.

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