

NTPC, L&T Among Eight Cos Bidding for Cheyyur UMPP

CLP India only foreign company in fray for ₹24,200-crore project

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NTPC, Jindal Power and Adani Power are among eight companies to have responded to the proposed ₹24,200-crore ultra mega power project (UMPP) at Cheyyur in Tamil Nadu, signaling a good investor response, the Power Finance Corp said in a statement. Larsen & Toubro, GMR Energy, Sterlite Infraventures and JSW Energy have also submitted technical bids for the project based on imported coal, it said.

CLP India is the only foreign company to be in fray for the project. Thursday was the last day to submit technical bids for the 4,000-mw project. Power Finance Corp, bid coordinator for UMPPs, will later call price bids from the qualifying companies. Tata Power, which is operating an imported coal-based ultra mega power project at Mundra in Gujarat, did not bid.

The PFC statement said the response highlights the high degree of comfort and confidence the investors perceive owing to the state of preparedness of the project.

“Environment clearance, forest clearance and water linkage for the project are in place and land for the project is expected to be in possession shortly,” it said.



Debashish Mishra, senior director of Deloitte in India, said the response to Cheyyur ultra mega power project was surprisingly good.

“The response to an imported coal-based project is surprisingly good, given the poor investor sentiments and a change in the bidding parameters. However, the challenges of funding still remain as the developers have no ownership of land or coal mine and can only source local equipment that are not backed by overseas debt,” he said. The Central Electricity Regulatory Commission has reserved judgements on tariff hike pleas made by Tata Power and Adani Power for their imported coal-

based projects of 4,000-mw in Gujarat. The companies claim that rising costs of coal due to regulatory changes in Indonesia that meets 50% of India’s coal imports has made operating thermal power projects economically unviable.

Private power companies had earlier opposed the new bidding norms for UMPPs that do not give companies ownership of land and coal mines. The companies had also opposed to clauses related to sourcing made-in India equipment, cap on fuel charges and intrusive role of independent engineers. On Monday, PFC received bids from nine companies for a domestic coal-based UMPP at Bedhabahal in Odisha.