

# 2005 CAPTIVE REPORT

## Table of Contents

### Part I

#### Section I: Captive Growth from Mid-2001 to Mid-2004

1.0 Key Points	3
1.1 Growth from Mid-2001 to Mid-2004	5
1.1.1 Fuel type	6
1.1.2 Industry profile	6
1.1.3 Size	7
1.1.4 Regionality	7
1.1.5 Fuel by industry	8
1.1.6 Size by fuel	8
1.1.7 Industry by size	9
1.2 Expansion at Existing Units	10

#### Section II: Existing Capacity

2.0 Key Points	13
2.1 Existing Capacity	15
2.2 Captive Plants: A Significant Contributor	16
2.3 Existing Capacity Analysis	17
2.3.1 Captive contribution by state	17
2.3.2 Fuel type	18
2.3.3 Industry profile	18
2.3.4 Size distribution	19
2.3.5 Regionality	19
2.3.6 Fuel by industry	20
2.3.7 Size by fuel	22
2.3.8 Fuel by state	23
2.3.9 Industry by size	25
2.3.10 Industry by state	27
2.3.11 Size by state	30

#### Section III: Policy Framework

3.0 The New Policy Framework for Captive Power	35
3.1 Electricity Act: Key Provisions, Issues and Developments	37
3.1.1 Key objectives and salient points	37
3.1.2 Key provisions for captive power	38
3.1.3 Some issues and developments	39
3.1.4 Net net	41
3.2 Historic Review of State Policies	42
3.2.1 Captive policy guidelines (August 2001)	42
3.2.2 State policies before policy guidelines of 2001	43
3.2.3 State-wise summary of captive power policies before Electricity Act, 2003	45
3.3 Open Access	51
3.4 Wheeling and Banking Charges	52
3.5 Buy-back Rates	55
3.6 Cesses and Surcharges	56
3.7 Trading: Policy, Players, Process, Trends and Impediments	58

#### Section IV: Case for Captive

4.0 Case for Captive	63
4.1 Captive versus Grid Power: Cost Comparison	65
4.2 Inadequate Supply of Grid Power	68
4.3 Captive Power Plant Structuring Options	70

#### Section V: Captive Experience

5.0 Key Points	75
5.1 Case Histories	77

#### Section VI: Potential and Prospects

6.0 Key Points	103
6.1 Captive Potential Over the Next Three Years	105
6.1.1 Bottom-up approach	106
6.1.2 Top-down approach	107
6.1.2.1 Key assumptions	107
6.1.2.2 Macro projections	109
6.1.3 Captive potential	109
6.2 New Proposal Analysis	110
6.2.1 Fuel	110
6.2.2 Size	111
6.2.3 Regionality	112
6.2.4 Industry	112

### Part II

#### Appendix

1. List of captive power plants commissioned during mid-2001 to mid-2004	119
2. Existing captive power plants	137
3. The Electricity Act, 2003 - Excerpts	213
4. The CEA Estimates	227
5. National Electricity Policy - Excerpts	251
6. Draft Tariff Policy - Excerpts	265
7. Ministry of Environment and Forests - notification on thermal power plants	275
8. Ministry of Environment and Forests - notification on emissions of diesel engines	285
9. Ministry of Environment and Forests - notification on noise pollution	295
10. Ministry of Environment and Forests - approved fuels for NCT Delhi	299
11. Ministry of NCE guidelines for state level promotion and fiscal incentives	303
12. Ministry of NCE notification on bio-mass based generation - Excerpts	309
13. Ministry of NCE notification on small hydro power	323
14. List of proposed captive power plants	345
15. Industrial classification	361
16. Installed capacity (Ministry of Power)	365
17. Abbreviations	369