

3. Where the Opportunities Are

The recent confusion and uncertainty surrounding the status of private power projects should not obscure a basic fact:

India needs all the power it can get. Whatever the mix that emerges between private and public investment, or domestic and international financing, growth in the power sector over the next decade will be enormous, and will occur at every stage of generation, transmission and distribution. It will involve both the building of new facilities and the refurbishing of old ones. It will create tremendous demand for both equipment and services.

There are many potential points of entry for Canadian firms in India's power sector.

Power generating projects

New power generating projects will be undertaken at three levels:

- Central government projects, undertaken mostly by NTPC and NHPC for direct feed into regional grids, with individual States assigned shares of the output;
- State projects, undertaken mainly by the SEBs or their commercialized successors, including some public-private ventures in the so-called "joint" sector;

- Private projects, either

(a) in response to invitations-to-bid issued by Central agencies or individual States: the majority of such projects will be for coal-fired stations; but some will be for CCGT and hydel; or

(b) unsolicited (like Enron's Dabhol station): these will include private captive and co-generation power, as well as large grid-feed projects.

Box 3.1 A Canadian "first": Jawaharpur

Pacific Electric Power Development Corp. of Vancouver has received approval to develop a US\$ 1.1 billion, 2x400 MW coal-fired private power project in the State of Uttar Pradesh. It will be located at Jawaharpur, 250 km from Delhi in one of the most populous and power-deficient districts of India.

PEPDC, an affiliate of Mr. Ashok Dhillon's Canasia Power Corp of Vancouver, will develop the project on a build-own-operate basis, under a power purchase agreement signed last June with the Uttar Pradesh State Electricity Board. It is the first "all-Canadian" private power project in India. SNC-Integ, Monenco-Agra and New Brunswick Power are also involved.

Final clearances are expected shortly, and construction is slated to begin in mid-1996.

