

Meanwhile, it has become clear that the risk that a new government may review commitments made by a previous administration is not confined to Maharashtra. The new State government of Orissa has sought renegotiation of AES Trans-power's Ib Valley project, and has asked four other promoters with which MOUs have been signed to submit

fresh proposals to reduce the costs of power, failing which it will put the projects up for bidding. Several other states have requested renegotiation of PPAs, including those for most of the "fast track" projects. (Cogentrix is reported to have reduced the capital cost of its Mangalore proposal by over 25 per cent.)