
PPIB scraps coal based integrated power project of Mitsui

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It is reported that Private Power Infrastructure Board has scrapped the 1000 to 1200 MW imported coal based integrated power project of Mitsui & Co of Japan on the grounds that the company did not obtain a generation licence from the National Electric Power Regulatory Authority in spite of two reminders.

This project had been planned near Gadani, Balochistan, under the 2002 Power Generation Policy and was amended several times to extend incentives to the sponsors. The sources said the PPIB had advised Mitsui & Company (Pvt) Limited through letters dated May 27th 2008 and April 11th 2009 to approach the Nepra for tariff determination and procurement of generation licence, but the company failed to take any action.

The Board, in its meeting held on October 3rd 2009 with minister for water and power Mr Raja Parvez Ashraf in the chair, reviewed the progress of independent power producers to be commissioned under the policy. The meeting observed that the company, despite the passage of 17 months, failed to procure generation licence and tariff determination from the Nepra.

In view of such failures, having a material adverse impact on the power demand-supply situation, the Board decided to terminate its permission for further processing of the project.

Accordingly, the PPIB's authorization to the company and its sponsors for processing the project under the policy had been terminated. It is pertinent to mention here that the key world players, like Mitsui & Company of Japan and AES Corporation of the US, had expressed their willingness to invest up to one billion dollars each to set up 1,000 to 1,200 MW integrated power plants based on imported coal and developing related infrastructure.

Pakistan Environmental Protection Agency, in a letter addressed to PPIB Managing Director on August 23rd 2008, stated that the contents of the Balochistan Environmental Protection Agency letter had been examined. Further, a summary of the EIA of 1000 to 1200 MW imported coal power project was carried out.

It is not known if General Manager of Mitsui & Company Limited Mr Koichiro Miyazaki has reacted to the project's termination so far. PPIB MD of Fayyaz Elahi wrote the letter on October 28th 2009, a copy of which was also made available to this correspondent.

(Sourced from www.pakwatan.com)

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