
Update on Bara and Karchana thermal projects in UP

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BS reported that the 2X600 MW Bara thermal power projects and 3X660 MW Karchana thermal projects with a total installed capacity of 3,120 MW are struck as the Uttar Pradesh government is unable to find a suitable investor.

As per report, both the Bara and Karchana projects are to be awarded on tariff based bidding. The International Competitive Bids earlier floated twice for both the projects have been cancelled by the government without assigning any technical or financial reason. The earlier two bids for both the projects were invited together but in the third time bidding, the bids for both the projects have been separated.

On November 6th 2008, the bids for the Bara project were opened, while the last date for filing the request for proposal document for the Karchana project is November 20th 2008. The state government's bid to award Bara power projects to the private sector on the basis of tariff based bidding received a setback after the lowest price quoted in the third time bidding for the 1,200 MW Karchana thermal power project in Allahabad was found to be far higher than what was quoted in the first time bidding.

The first global tender for the Karchana project was floated in December 2007. Five bids were received for the project and Lanco emerged as the successful bidder with the lowest tariff of INR 2.83 per unit. This round of the bidding was cancelled by the state government as the price was found to be too high by the state government.

The bids were floated for the second time in June 2008, where Reliance Power emerged as the successful, bidder with tariff of INR 2.60 per unit. The state government again scrapped the bidding process without assigning any reason.

The report added that the bids were floated for the third time in September. The financial bids of the Karchana project were opened on November 6th 2008. The Jai Prakash Associates emerged as the front runner to grab the 600 MW Kanchana thermal power project in Allahabad. The levelized tariff of JP for 25 years was found to be the lowest by the consultant Feedback ventures Pvt Ltd at INR 2.970 per unit followed by the Adani enterprise at INR 2.981, Lanco Infratech Ltd INR 3.188 per unit and Reliance power Ltd price was found to be the highest at INR 3.984 per unit.

Mr Avneesh Awasthi MD of UP Power Corporation Ltd said that the consultant would soon submit its report to the bid evaluation committee. Later, the committee would submit its report to the state government for further action. In the ICB floated for the first time and opened on April 11th last, Lanco had won both coal based thermal power INR 9,000 crore Bara thermal power project of 1980 MW and INR 6,500 crore, Karchana thermal power projects on levelised tariff based International Competitive Bidding.

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