

KSK Mahanadi Power Project

KSK Mahanadi Power Project, also known as **Akaltara or Nariyara TPP**, is a 3,600-megawatt (MW) project under various stages of construction in Chhattisgarh, India.

This article is part of the CoalSwarm coverage of India and coal.

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Location

The satellite photo below shows the power station about 4 km northwest of Nariyara village, Janjgir-Champa district, Chhattisgarh, India.



Background

In 2011, KSK Energy Ventures stated on its website that "the original project was a 1,800 MW power project based on coal supplies from the Morga-II coal block by GMDC. With the availability of additional fuel from the Gare Pelma Sector III coal block in Chhattisgarh, the KSK Mahanadi Power Project has been expanded through the fast track development of an additional 1,800 MW of power generation capacity in the same location. This power project of 3600 MW is being setup in a single location and is scheduled to be commissioned on a unit-wise basis through 2012 and 2013." The company also stated that "seven million tonnes of coal per annum will be sourced from GMDC's Morga-II coal block in Chhattisgarh and a further seven million tonnes per annum from GIDC's Gare Pelma Sector III coal mines." SEPCO of China had been selected to design and construct the power station.^[1]

In June 2014, the Central Electricity Authority reported that Unit 1 was commissioned August 14, 2013 and Units 2-6, each 600 MW, were under construction, with completion dates not specified.^[2]

On its website (2015), KSK lists the second unit as commissioned in August 2014, and the remainder planned for 2015. However, the company also states that it has faced uncertainty over securing coal supplies, relying on a mix of sources.^[3]

In November 2015 the India government stated the power station will be completed in 2017-2018.^[4] In July 2016 the estimated commissioning date was pushed back to 2018-2020 for units 3-4, while commissioning for units 5-6 was labelled "uncertain."^[5]

Environmental clearance for the plant was extended in May 2016.^[6]

As of December 2016, it appears that Units 3-6 are either stalled or progressing at very slow speed. Little progress has been reported in the Broad Status Report since 2012, and the report states: "Coal blocks of Gujarat and Goa linked to the power project for [sic] cancelled by the Ministry of Coal on 30.06.13. Long term coal linkage is required for the power project, for which policy is under formulation with GOI." The report also states, "Delay due to shortage of manpower and agitations by Villagers. Supply of material due to shortage of funds."^[7]

In May 2017, Piramal Enterprises and private equity fund Bain Capital Credit said they plan to acquire the KSK Mahanadi Power Project through their distressed asset investment platform.^[8]

Unit 3 was synchronized in December 2017, with commissioning and operation planned for 2018.^[9] Unit 3 was commissioned in January 2018.^[10]

In its 2017 Annual Report, KSK Energy Ventures say unit 4 will be commissioned shortly after unit 3. KSK also says progress on the last two units depend on "equity finance" and "fuel supply".^[11] According to the India Ministry of Power, units 4-6 are planned for commissioning in 2019.^[12]

The plant is considered one of India's 34 "stressed coal plant assets" in India. As of April 2019 its situation has not been resolved, with Adani Group declining to acquire the plant due to reduced tariffs for the power.^[13]

Financing

In November 2010, a financing agreement was closed for the 3600-MW project. US\$2672.04 million in loans will be provided by SBI Capital Markets, Axis Bank, Power Finance Corporation, State Bank of India, Union Bank of India, Punjab National Bank, United Bank of India, Canara Bank, Indian Overseas Bank, Jammu & Kashmir Bank, Federal Bank of India, State Bank of Travancore, State Bank of Hyderabad, IDBI Bank, Rural Electrification Corp, Andhra Bank, Uco Bank, Indian Bank, Bank of India, Oriental Bank of Commerce, Life Insurance Corporation of India, Bank of Baroda, State Bank of Patiala, State Bank of Bikaner & Jaipur, Punjab & Sind Bank, and Housing and Urban Development Corp (Hudco). The financial advisor for the project is SBI Capital Markets. US\$712.57 million in equity is being provided by the sponsor KSK Energy Ventures Limited.^[14]

January 2011: Farmers beaten and detained following land protests

The KSK Mahanadi Power Project is in the Janjgir-Champa district of Chhattisgarh, an agricultural area where the state government has signed memoranda of understanding for 34 new thermal power plants totalling 34,000 MW, almost one-fourth of India's current thermal power capacity. Although the area lacks coal, it became a focal point for developers after neighboring Korba was listed as the fifth most polluted among the Critically Polluted Areas of India in 2009, leading the Ministry of Environment and Forests (MoEF) to impose a moratorium on further environmental clearances.^[15] In an article entitled "Chhattisgarh: How to destroy a district," Prakhar Jain describes the conflicts over land acquired to build the plant:^[15]

With good rail and road connectivity to coal-rich Odisha and Jharkhand, Janjgir-Champa is the least forested district in the state and was traditionally known for silk, brass and gold. It has now been bombarded with more than 100 new offers by various business houses. An estimated 40,000 acres, equal to half the area of capital city Raipur, is being acquired for thermal power plants alone. People who first sold the land to power companies at very low prices felt cheated later. Villages around Akaltara town are a classic example of this. KSK Energy Ventures, which is setting up a 3,600 MW power plant, paid Rs 1.2-2.3 lakh per acre when it first started acquiring land in 2008 through mediators. After the Chhattisgarh Revised Rehabilitation Policy came into force in 2010, the price per acre rose to Rs 6 lakh for barren land, Rs 8 lakh for single-crop unirrigated land and Rs 10 lakh for an acre of double-crop irrigated land. However, when in January 2011, farmers protested about influential families getting more than Rs 30 lakh per acre, villagers were beaten up by the police and detained. Still, the rates were revised to Rs 17 lakh per acre. By that time, there were very few farmers eligible for this increased compensation. Saurabh Singh, local MLA from the Bahujan Samaj Party, says that the farmers were also at fault. "How can we help when their land sale deed clearly says that the sale would not come under the Resettlement and Rehabilitation (R&R) policy of Chhattisgarh government?" he asks.

In January 2011, 25 farmers were reported to have been injured during the January protests. Early 100 farmers were arrested during a protest march when they allegedly attempted to storm the offices of KSK Energy Ventures.^[16]

Akaltara was one of nine Ultra Mega Power Projects proposed by the government of India as part of a strategy to add an additional 100,000 megawatts of generation capacity by 2017. The 3,360 megawatt project is in the state of Chhattisgarh,^{[17][18]} and is being proposed by Akaltara Power.^[19]

The *Hindustan Times* reported that of the 9 locations initially selected for Ultra Mega Power Project "three including Girye in Maharashtra, Akaltara in Chhattisgarh and Tadri in Karnataka may have to be eventually abandoned. Despite being a pit head project, the Akaltara project has been dogged by coal linkage issues, while the Tadri project has been delayed due to various reasons, including the unstable political situation in Karnataka."^[20]

A 2006 Ministry of Power overview of the proposed Ultra-Mega projects states that "the site for the project has been identified in association with the CSEB officials. CEA has written to Govt. of Chhattisgarh on 16th January 2006 to confirm the availability of land and water at the identified site to enable the shell company to issue the expression of interest for the project.. Ministry of Power has requested Ministry of coal to allocate captive coal block from Korba coal fields. In its meeting of Energy Coordination Committee held on 8th February, 2006 under the chairmanship of hon'ble Prime Minister, it was decided that the Ministry of Coal would allocate the needed coal blocks by 28th February, 2006. A technical consultant for the preparation of project report has been selected. The consultants will commence work after receipt of confirmation from the state government."^[21]

The Ministry of Power also identified three issues that needed to be resolved with the government of Chhattisgarh before the project could proceed. These were:^[22]

- "Chhattisgarh Government is required to sent the consent for water, land, Power off-take and equity participation";
- "12% free power demanded by Chhattisgarh is unreasonable. This needs to be withdrawn"; and
- "Allocation of entire 4000 MW to Chhattisgarh is not feasible as these projects are being developed as Inter State projects."

Project Details

Sponsor: KSK Energy Ventures

Location: Nariyara village, Akaltara tehsil, Janjgir-Champa district, Chhattisgarh

Coordinates: 21.9602956, 82.4090642 (exact)

Status:

- Unit 1: Operating (August 14, 2013)^[23]
- Unit 2: Operating (August 26, 2014)
- Unit 3: Operating (January 2018)
- Units 4-6: Construction

Nameplate capacity: 3,600 MW (Units 1-6: 600 MW)

Type: Ultra Mega Power Project

Projected in service: 2021-2022^[24]

Coal Type:

Coal Source: Domestic and imported coal

Source of financing: **US\$2672.04 million** in debt from SBI Capital Markets, Axis Bank, Power Finance Corporation, State Bank of India, Union Bank of India, Punjab National Bank, United Bank of India, Canara Bank, Indian Overseas Bank, Jammu & Kashmir Bank, Federal Bank of India, State Bank of Travancore, State Bank of Hyderabad, IDBI Bank, Rural Electrification Corp, Andhra Bank, Uco Bank, Indian Bank, Bank of India, Oriental Bank of Commerce, Life Insurance Corporation of India, Bank of Baroda, State Bank of Patiala, State Bank of Bikaner & Jaipur, Punjab & Sind Bank, and Housing and Urban Development Corp (Hudco); **US\$712.57 million** in equity from KSK Energy Ventures Limited^[14]

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