

**Third Party Evaluator's Opinion on
Bakreswar Thermal Power Station Project(I)(II) /
Bakreswar Thermal Power Station Unit 3 Extension Project (I)(II)**

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Criteria-1: Effectiveness

Bakreswar Thermal Power Station (BkTPS) units 1 to 3, with a combined generating capacity of 630 MW, are consistently performing better than the rest of the thermal generating units in West Bengal. As the Evaluation points out, BkTPS has got one of the best Plant Load Factor (PLF), Auxiliary Power Ratio and Heat Rate. The PLF in BkTPS was 89 per cent in 2006-07 compared to the corresponding All India State sector average of 70.6 per cent in the same period. BkTPS is one of the main contributing factors for reducing the gap between Average Cost of Supply (ACS) and Average Revenue Realised (ARR) to 3 paise (or 0.03 Indian Rupee) per Kwh in West Bengal during 2004-05, which is one of the best in the country. Despite this, power sector experts suggest that the low quality coal gives a heat rate of 2600 BTU/kWh in BkTPS against the desirable amount of 2900 BTU/kWh. Similarly, scope remains for improvement of Auxiliary power ratio to 6 or 7 per cent which is the best practice international standard. Overall, Bakreswar Thermal Power Station has performed very well but there should be efforts to improve its performance through better coal supply and managerial efficiency.

Criteria-2: Impact

BkTPS contributed very significantly in improving power situation in West Bengal. According to Central Electricity Authority of India data, power shortage percentage in West Bengal during peak hours has gone down from 8.90 per cent in 2002-03 to 3 per cent in 2005-06. Given the industrial resurgence in West Bengal in recent periods, the commissioning of BkTPS is very significant. The other significant point is the successful rehabilitation of local displaced population- there is almost no outstanding litigation pending in the court. The task was made easy since the location was in the relatively less densely Birbhum district in West Bengal- the rural population density per square kilometer in the district in 2001 census was 613 against 676 for whole of West Bengal and more than 1000 for some districts closer to capital Kolkata. WBPDC had provided jobs to locals (in many cases through the contractors) and provided finance for shelter, education and health for the relocated people. Locals have also benefited from electrification which is much higher than West Bengal average. Also, the emission standards are well within the norm. Thus the location of the BkTPS is appropriate and timely.