



Uttar Pradesh Accelerates Thermal Power Projects

Why in News

The **Uttar Pradesh government** is accelerating the **Ghatampur and Obra C thermal power projects** to address the state's growing energy demand.

Key Points

- The **combined capital expenditure (capex)** for these projects exceeds **Rs 32,000 crore**.
- The **Ghatampur project (1,980 MW)** is estimated to **cost Rs 19,006 crore** and is being developed by **Neyveli Uttar Pradesh Power (NUPPL)**.
- All three units of the **Ghatampur project** are expected to be commissioned in **2024-25**, with the state receiving **75%** of the production of electricity.
- The **Obra C thermal power plant (1,320 MW)** had a cost overrun due to changes in prices and exchange rates.
 - The state will meet **70%** of the **augmented cost of Obra** through **borrowings**, while the remaining **30%** will be provided through **share capital**.

Capital Expenditure

- It is incurred with the purpose of increasing assets of a durable nature or of reducing recurring liabilities.
 - **Example:** The expenditure incurred for constructing new schools or new hospitals. All these are classified as capital expenditure as they lead to creation of new assets.

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