

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO. 3894
ANSWERED ON 23.03.2023**

DEMAND AND PRODUCTION OF ELECTRICITY

3894. SHRI RAJMOHAN UNNITHAN:

**Will the Minister of POWER
be pleased to state:**

- (a) whether there is a major gap between the electricity demand and production which has widened in Kerala and if so, the details thereof;
- (b) whether the electricity charge at Rs. 50 per unit is a big threat to States like Kerala and which depend on electricity from power plants in other States during the peak periods and if so, the details thereof;
- (c) whether the privatization of the electricity sector leads to energy crisis and the high cost of electricity would be an additional burden to common man in States like Kerala and if so, the details thereof; and
- (d) whether the Government would revise and withdraw the decision of privatisation of power sector and further hike unit cost of electricity which is upto Rs. 50 per unit and if not, the reasons therefor?

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) : The power supply position of Kerala in terms of energy and peak during the last year i.e. 2021-22 and the current year i.e. 2022-23 (period April, 2022 to February, 2023) is given at Annexure. The energy supplied has been commensurate to the energy requirement. Even this gap between energy requirement and energy supplied is generally on account of factors other than inadequacy of power availability in the country e.g. constraints in distribution network, financial constraints, commercial reasons, outages of generating units, etc.

(b): The States meet their electricity demand from their own generating stations, share from central generating stations, purchase from private generating stations and power exchanges. Generally, power traded in power exchange is about 4-5% of the power generated in the country. Last year, the Ministry of Power after taking note of the fact that on some days the prices in the electricity exchange had gone upto Rs.20 per unit, had given directions to the CERC to put a price cap on the exchange so that there is no profiteering. The cap of Rs.12 per unit was imposed by CERC from 01.04.2022 in Day Ahead Market & Real Time Market, and further in all segments from 06.05.2022.

Further, a new segment of power market called High Price Day Ahead Market (HP-DAM) has been launched in March 2023, where costly power from gas based plants, imported coal-based plants and renewable energy stored in battery-energy storage system could be sold. In the HP-DAM market, a technical cap of Rs.50 per unit has been fixed by CERC. This is also being reviewed. It may be noted that average market clearing price in DAM during 2022 was Rs.5.77 per unit while the cap was Rs 10/- per unit. Transaction is yet to take place in HP-DAM.

(c): Price of electricity in the markets generally gets discovered based on competition. Demand supply balance is major factor directly affecting the discovered price in the market.

(d): Rs.50/unit is only a technical cap for participating in H-DAM market segment that has been carved out for those generation systems where the cost of generating power may cross Rs.12/unit (gas / imported coal / RE plus storage etc.). This cap is also being reviewed. However, competitive forces would ensure a reasonable rate with better portfolio management by all the States including Kerala.

ANNEXURE**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) OF UNSTARRED QUESTION NO. 3894 ANSWERED IN THE LOK SABHA ON 23.03.2023**

The power supply position of Kerala in terms of energy and peak during the last year i.e. 2021-22 and the current year i.e. 2022-23 (period April, 2022 to February, 2023)

Year	ENERGY (MU)				PEAK (MW)			
	Energy requirement	Energy supplied	Energy not supplied		Peak demand	Peak met	Demand not met	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
2021-22	26,579	26,570	9	0.0	4,374	4,364	10	0.2
2022-23 (upto Feb, 2023) *	25,028	25,007	21	0.1	4,699	4,370	329	7.0

(*) Provisional
