

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2827
ANSWERED ON:17.08.2004
POWER GENERATION BY PRIVATE SECTOR
Kushwaha Shri Narendra Kumar

Will the Minister of POWER be pleased to state:

- (a) whether per unit cost of power generated by the private sector power plants is higher than the per unit cost of power generated by the public sector power plants;
- (b) if so, the reasons therefor;
- (c) whether the Government is contemplating to form a uniform costing policy for both the sectors; and
- (d) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

(a) & (b) : The per unit cost of power generation by the plants depends on fixed and variable cost. Most of the plants in private sector have come up in the recent past, for which capital investment is more, hence the fixed cost is higher. Hence, the cost of generation may be more in comparison to the public sector power plants.

(c) & (d) : As per the provisions of the Electricity Act, 2003, the tariff for supply electricity by a generating company to a distribution licensee is to be determined by Electricity Regulatory Commission in accordance with its regulations on terms and conditions for the determination of tariff.