

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:498
ANSWERED ON:20.02.2009
INTER-STATE POWER TRADING
Chinta Mohan Dr. ;Singh Shri Suraj

Will the Minister of POWER be pleased to state:

- (a) whether a large share of power generated in the country is being sold through inter-state trading by companies;
- (b) if so, the details of companies granted licences for the purpose during the last three years;
- (c) whether many companies are violating the conditions laid down while issuing licences;
- (d) if so, the details thereof; and
- (e) the action taken by the Government against such erring companies?

Answer

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE & INDUSTRY AND MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI JAIRAM RAMESH)

- (a) : The share of inter-state power trading in total power generation as provided by Central Electricity Regulatory Commission (CERC) was 2.41% in 2006-07, 3.15% in 2007-08 and 2.97% in 2008-09 (April – October, 2008).
 - (b) : The details of the licenses granted by CERC for inter- state trading during last three years are placed at Annex.
 - (c) to (e) : The Electricity Act, 2003 casts the duty of issuing regulations relating to inter-state trading on CERC. The Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading Licence and related matters) Regulations, 2004 have been notified by the Commission. The Electricity Act, 2003 empowers the Appropriate Commission to initiate action for non-compliance of license conditions by the inter-state trading licensees. The CERC has informed that instances of non-compliance of the requirement of the Regulations by Power Trading Corporation (PTC), DLF Power Limited, Visa Power Limited, Kalyani Power Development Private Limited, Malaxmi Energy Trading Private Limited and Maheshwary Ispat Limited have come to their notice. The Commission issued Show Cause Notice to the PTC and in its Order of 19.12.2008 holding that the licensee, inter-alia, has `violated the provisions of the Trading Margin Regulations`, directed to rectify the position for the future. The PTC India has appealed against this order in the Appellate Tribunal for Electricity.
- The Commission has also decided to issue Show Cause Notices to the remaining electricity traders for non-compliance of the requirements under the Regulations.