

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2671
ANSWERED ON:04.12.2009
REFORMS IN POWER SECTOR
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Will the Minister of POWER be pleased to state:

- (a) whether the Government proposes to bring reforms in the power sector for providing power to the consumers at cheaper rate in view of the continuously rising power tariffs in the country;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI)

(a) & (b): Electricity Regulatory Commissions are mandated to determine tariff and issue guidelines/ regulations under the Electricity Act, 2003, National Electricity Policy and the Tariff Policy in the discharge of their functions.

Electricity is a concurrent subject and reforms in power sector are ongoing process. The Central Government has taken various reforms initiatives such as:

- (i) The Electricity Act, 2003 has put in place a liberal and progressive legal framework including features like open access, non-requirement of license for generation and freely permitting captive power plants.
 - (ii) An independent regulatory framework at Centre and State levels.
 - (iii) The Appellate Tribunal for Electricity under the Electricity Act, 2003 has been made operational facilitating expeditious settlement of disputes.
 - (iv) The Accelerated Power Development and Reforms Programme (APDRP) for assisting the States in investment in sub-transmission and distribution segments and also for incentivising better financial performance by the State Power Utilities.
 - (v) Rajiv Gandhi Grameen Vidyutikaran Yojana with 90% capital subsidy from the Central Government for providing access to electricity in rural areas. The scheme gives a special emphasis on mechanisms for improved revenue collection.
 - (vi) The Tariff Policy notified under the Act provides for competitive procurement of power in a transparent manner in accordance with the guidelines issued by the Central Government.
- (c) : Does not arise in view of reply to (a) and (b) above.