

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:4674  
ANSWERED ON:23.04.2010  
OPEN ACCESS OF POWER  
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**Will the Minister of POWER be pleased to state:**

- (a) whether the Government has drafted norms for the open access of power which will enable power producers to sell electricity to the most creditworthy buyers;
- (b) if so, the details thereof;
- (c) whether at present Public Sector Undertakings (PSUs) like the National Thermal Power Corporation (NTPC) has to compulsorily sell about 14 per cent of the power produced in the State where it is located and the balance is to be offered to whosoever bids maximum;
- (d) if so, the details thereof;
- (e) whether it will adversely affect the States to provide electricity to farmers at the reasonable prices; and
- (f) if so, the details thereof?

**Answer**

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

(a) & (b) : The Electricity Act, 2003 provides for an enabling framework for non discriminatory open access in transmission and distribution. The responsibility of introducing open access in inter-state transaction vests with the Central Electricity Regulatory Commission (CERC). CERC has issued Regulations on `Grant of connectivity, Long-term Access and Medium-term Open Access in interstate transmission and related matters` on short term open access.

(c) & (d) : Presently, the CPSUs like the NTPC are allocating power in accordance with the guidelines laid down in the `Formula for allocation of power from Central Sector generating Stations to the State/UTs.` The salient features of the same are as under:

(A) Allocation of power from thermal and nuclear power stations:-

# 10% of the power to be allocated to the state in which the central thermal power plant is located (Home State).

# 75% of the power to be distributed among the states in the region (including Home State) in accordance with the Central Plan assistance to, and energy consumption in the states of the region for previous five years. These two factors to be given equal weightage. The requirement of the Union Territories in the region was to be met through appropriate allocations.

# 15% of the power to be kept as unallocated at the disposal of the Central Government for meeting the urgent requirement of the individual states in the region from time to time.

(B) Allocation of power from central hydro-electric projects:-

# 15% of the generation capacity to be kept as unallocated at the disposal of the Central Government to be distributed within the region or outside, depending upon overall requirement.

# 12% of power from the energy generated by the power station to be supplied free of cost to those states of the region (including the state where the hydro electric project is located), where distress like submergence, dislocation of population, etc. is caused due to setting up of the project at the specific site, the allocation being made in proportion to the extent of such distress. The energy generate figures for the purpose to be calculated at the bus level i.e. after discounting auxiliary consumption but without taking into account the transmission line losses. For the purpose of allocation of 12% free power, the extent of distress caused would be assessed by the Central Electricity Authority (CEA) in consultation with the concerned states.

# The remaining power (73%) to be distributed between states of the region on the basis of the central plan assistance given to various states in the region during the previous five years and on the basis of consumption of electricity in the states of the region in the previous five years, the two factors to be given equal weightage.

Under section 79(1) (a) of the Electricity Act, 2003, the tariff of generating companies owned or controlled by the Central Government is regulated by Central Electricity Regulatory Commission (CERC). Accordingly, tariff for supply of power from NTPC to the distribution companies is determined by CERC from time to time after public hearing under multi-year tariff principles.

(e) & (f) : Section 61 of the Act stipulates that the Appropriate Commission, while specifying the terms and conditions for the determination of tariff, shall be guided, inter alia, by `safeguarding of consumers` interest and at the same time recovery of the cost of electricity in a reasonable manner` and in- consonance with the Tariff Policy and National Electricity Policy. Further, the Tariff Policy indicates that a higher level of subsidy could be considered to support poorer farmers of the region where adverse ground water table condition requires larger quantity of electricity for irrigation purposes subject to suitable restrictions to ensure maintenance of ground water levels and sustainable ground water usage.