

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:4032  
ANSWERED ON:03.12.2010  
NATIONAL ELECTRICITY POLICY  
Thakor Shri Jagdish

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

- (a) whether the Electricity Act, 2003 mandates the formulation of the National Electricity Policy and plan for the development of power systems based on optimal utilisation of resources including renewable sources of energy;
- (b) if so, the details thereof;
- (c) whether a duty has been cast under the Act on the State Electricity Regulatory Authority to fix a minimum percentage for purchase of electricity from renewable sources; and
- (d) if so, the follow up action taken thereon?

**Answer**

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

(a) & (b) : Yes, Madam, Section 3 of the Electricity Act, 2003 mandates for formulation of National Electricity Policy and Plan. The provisions of the Policy are at Annex-I.

(c) : Section 86 (1)(e) of the Electricity Act 2003 provides that the State Electricity Regulatory Commissions (SERC) will promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee.

Clause 6.4 of the Tariff Policy also provides that pursuant to provisions of Section 86 (1)(e) of the Act, the Appropriate Commission shall fix a minimum percentage for purchase of energy from such sources taking into account availability of such resources in the region and its impact on retail tariffs. Such percentage for purchase of energy should be made applicable for the tariffs to be determined by the SERCs latest by April 1, 2006.

(d) : 24 States have specified Renewable Energy purchase obligation (RPO). A statement indicating the percentage RPO specified by SERCs is at Annex-II.