

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:1423  
ANSWERED ON:04.03.2011  
ELECTRICITY ACT  
Agarwal Shri Jai Prakash

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

- (a) whether the Electricity Act, 2003 was enacted to speed up the reforms in power sector;
- (b) if so, the details thereof along with the objectives thereof;
- (c) whether there has been any improvement in generation and distribution of power after implementation of the above said Act in the country; and
- (d) if so, the details thereof and if not, the reasons therefor?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL)

(a) to (d): Yes, Madam. The Electricity Act, 2003 was enacted to speed up the reforms in power sector by consolidating the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto.

Various reforms measures undertaken with the implementation of the Electricity Act, 2003, have resulted in significant improvement in power generation and distribution in the country. The electricity generation has gone up from 531.6 Billion Unit (BU) during 2002-03 to 771.6 BU during 2009-10. The generation in the current year 2010-11 (upto January, 2011) has been 669 BU.

Further, four Ultra Mega Power Projects (UMPPs) viz. Mundra UMPP (5x800 MW) in Gujarat, Sasan UMPP (6x660 MW) in Madhya Pradesh, Krishnapatnam UMPP (5x800 MW) in Andhra Pradesh & Tilaiya UMPP (6x660 MW) in Jharkhand have already been awarded viz. Mundra to M/s Tata Power Company and Sasan, Krishnapatnam & Tilaiya to M/s Reliance Power Limited on tariff based competitive bidding. The total installed generation capacity which was 107877.36 MW in 2002-03 (as on 31.3.2003) has gone upto 170228.86 MW by 2010-11 (upto 31.01.2011). Captive power generation has also benefited from the provisions of the Electricity Act and has reached a capacity of 19,509 MW as on 31.03.2010. The implementation of the reforms envisaged in the Electricity Act, 2003 has also resulted in significant improvement in distribution sector. The AT&C losses have been reduced from 30.62% in 2006-07 to 28.44% in 2008-09. In addition, there has been significant achievement in the areas of 11 kv feeder metering and consumer metering.