

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:2169

ANSWERED ON:24.08.2012

SUPPLY OF POWER TO STATES

Dhruvanarayana Shri R. ;Lal Shri Kirodi ;Punia Shri P.L. ;Rao Shri Sambasiva Rayapati

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

- (a) the criteria being followed for distribution of power to States from the unallocated power available at the disposal of the Union Government;
- (b) whether the distributor franchisees of power are allowed to directly buy and sell power for certain period;
- (c) if so, the details thereof;
- (d) whether various States in the country are not getting the power supply as per their requirement/demand;
- (e) if so, the State/UT-wise details thereof along with the reasons therefor;
- (f) whether the Government proposes to increase the quota of power to be supplied to States from power grids;
- (g) if so, whether various Union Territories/State Governments including Karnataka, Bihar, Uttar Pradesh, Madhya Pradesh and North-Eastern States have requested for allocation of additional power to their States; and
- (h) if so, the State/UT-wise details thereof and the response of the Government thereto?

**Answer**

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

(a) : The allocation of unallocated power from Central Generating Stations (CGSs), kept at the disposal of the Central Government, is reviewed and revised from time to time keeping in view the emergent and seasonal nature of the requirement, the relative power supply position, utilization of available power resources, operational and payment performance, etc.

(b) & (c) : Ministry of Power has prepared a Standard Bidding Document for appointment of Input based urban distribution franchisee on the basis of recommendations of the Task Force on 'Private Participation in Distribution of Electricity'. Ministry of Power has recommended that the Distribution Franchisee model may be adopted by the States and State Power Utilities with suitable customization as per their need. As per the provisions of this Standard Bidding Document, in case the Utility is unable to provide sufficient energy to meet the requirement of the franchise area; the franchisee may request the Utility to source extra energy from the open market. The Utility need to comply with Section 86(1)(b) of the Electricity Act, 2003 by making necessary applications to the State Electricity Regulatory Commission for scrutiny and approval. The Distribution Franchisee need to identify the additional sources of power purchase and the price for the same. The Utility shall be responsible for justifying the need for power, its price, its contractual arrangement under power purchase agreements, for scrutiny and approval of the State Electricity Regulatory Commission. The Utility will enter into tri-partite Power Purchase Agreements as the principal Party with contracted parties and the Franchisee as one of the parties to the Power Purchase Agreement. The required quantum of additional power shall be allocated to the franchisee area. In order to fully recover the cost of energy to meet such deficit, the franchisee may charge the consumers in the form of a Reliability Charge per unit. The Utility shall obtain prior approval of the State Electricity Regulatory Commission for the levy of such charge.

(d) & (e) : The requirement of power in a State is met with their own generation, and private generation stations in the state, their share in the Central Generating Stations (CGSs) and import of power. Supply of power to the States against their allocation of power from CGSs, caters to part of their requirement. The quantum of energy scheduled from the Central Generating Stations to various States in the country during current year (upto June, 2012) is given at Annex.

(f) to (h) : The 15% unallocated power in CGSs, kept at the disposal of the Central Government, is reviewed and revised from time to time keeping in view the emergent and seasonal nature of the requirement, the relative power supply position, utilization of available power resources, operational and payment performance, etc. As most of the States and UTs in the country have been facing shortage of power, various States/UTs request for additional allocation of unallocated power of CGSs from time to time. The quantum of unallocated power in the CGSs being limited, it can only supplement the power available from other sources. The cumulative demand preferred by the States/UTs is invariably more than the unallocated power available. However, the entire unallocated power of Central Generating Stations remaining allocated to the States/UTs, allocation of unallocated power to the States/UTs to the extent of their request is, therefore, not feasible many a times.