

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:163
ANSWERED ON:22.11.2012
POWER SECTOR REFORMS
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Will the Minister of POWER be pleased to state:

- (a) the names of the States that adopted the power sector reforms approved by the Union Government;
- (b) the grants and loans provided by the Union Government to the States for adopting the power reforms during the last three years and the current year, State-wise;
- (c) whether the Union Government has reviewed the functioning of power sector in the States where reforms have taken place;
- (d) if so, the details thereof;
- (e) whether any State Government has demanded extension of implementation of the power reforms in their States; and
- (f) if so, the details thereof, State-wise?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

(a) : The enactment of Electricity Act, 2003 along with the policies and regulations made there under have brought in comprehensive reforms in the electricity sector with the overall objective of extending benefits to the end consumers and balanced growth of the sector.

Electricity being a concurrent subject, the provisions of the Act are applicable to the Central and State Governments as well as to the different statutory bodies and entities defined under the Act. However, it does not specifically provide for adoption of power sector reforms approved by the Union Government by the States.

The Electricity Act, 2003 provides for the framework of reforms in power sector. Different States are at different stages of reforms. In terms of section 172 of the Electricity Act, 2003, 19 States have re-organized their State Electricity Boards, except State of Jharkhand and Kerala.

(b) : While no grant/loan is specifically provided for adopting reforms in the power sector, however, some of the schemes/programs like National Electricity Fund (NEF), Restructured-Accelerated Power Development and Reforms Programme (R-APDRP) and Scheme for Financial Restructuring of State Distribution Companies (Discoms) made by Central Government have indices which also include reform measures in the power sector.

(c) & (d) : Ministry of Power has got conducted a study by the Indian Institute of Public Administration (IIPA) on the impact of reorganization of the State Electricity Boards. The study concluded that `despite some short coming, the overall impact of restructuring has been positive and in the right direction`. The report given by IIPA states that the following overall improvements have been noticed in four States which have reorganized their SEBs (Andhra Pradesh, Haryana, Karnataka and Orissa)-

- I) Trend towards reducing AT&C losses.
- II) Increased and more focused investments.
- III) Capacity addition and strengthening of the power systems.
- IV) Localisation and reduction of inefficiencies.
- V) Improved customer care.
- VI) Progress in metering, billing and collection etc.
- VII) Increased accountability of the Utilities.
- VIII) Establishment of Regulatory Mechanism.

IX) Empowerment of consumers.

X) Reporting and reviewing of performance of the Utilities on a regular basis.

(e) & (f) : 19 States have re-organized their State Electricity Boards, except State of Jharkhand and Kerala. The Central Government has granted extension to the concerned States Governments from time to time.