

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:280
ANSWERED ON:29.08.2013
NATIONAL ELECTRICITY FUND
Singh Shri Jagada Nand

Will the Minister of POWER be pleased to state:

- (a) the details of the National Electricity Fund (Interest Subsidy Scheme) launched by the Government to improve the infrastructure in the power distribution sector;
- (b) whether the pre-conditions for eligibility under the same are linked to the reform measures taken by the States and the amount of interest subsidy is linked to the progress achieved in reforms linked parameters;
- (c) if so, the details thereof along with the compliance of the same by various States in this regard, State-wise;
- (d) whether the State of Bihar has also signed any agreement in this regard and is complying with the same; and
- (e) if so, the details thereof?

Answer

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

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 280 TO BE ANSWERED IN THE LOK SABHA ON 29.08.2013 REGARDING NATIONAL ELECTRICITY FUND.

(a) :National Electricity Fund (NEF), an interest subsidy scheme has been set up to provide interest subsidy on loans raised by distribution companies to improve the distribution network. Under the Scheme, loan amounting to Rs.25,000 cr. sanctioned by lenders during the financial year 2012-13 & 2013-14 for capital projects in distribution sector duly approved by the Steering Committee shall be eligible to take the benefits of interest subsidy for a tenure of 13 years based on annual evaluations as per the guidelines. NEF does not cover the works undertaken under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Restructured Accelerated Power Development and Reforms Programme(R-APDRP) schemes.

(b) & (c) :Yes, Madam. The pre-conditions for eligibility under NEF are linked to reform measures taken by the States and the amount of interest subsidy is linked to the progress achieved in reforms linked parameters. The pre-condition for eligibility are, Operationalization of State Electricity Regulatory Commission, Formulation of business plan for turnaround of utilities, Reorganization of State Electricity Boards (SEBs), Release of subsidy by State Government to DISCOMs, Submission of audited annual accounts and Timely filing of tariff petition. Further, the eligible DISCOMs shall be scored against - Reduction in AT&C losses; Reduction in revenue gap (Average Cost of Supply (ACS)-Average revenue realized on subsidy received basis); Return on equity and Multi-year tariff (MYT).

The State Discoms operating in the States of Maharashtra, Andhra Pradesh, Haryana, Uttarakhand, Himachal Pradesh, West Bengal, Madhya Pradesh, Chhattisgarh, Rajasthan, Delhi, Gujarat, Karnataka, Tamil Nadu & Punjab have so far availed benefit of the NEF.

(d) & (e) : No, Madam. No proposal has been received from the State of Bihar.