

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:3149

ANSWERED ON:29.08.2013

REFORMS IN POWER SECTOR

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

(a) whether the Government has introduced reforms to boost the power sector and give a new lease of life to the sector where investments have come to a standstill;

(b) if so, the details thereof;

(c) whether the private power companies have requested the Government to address the issues related to financial viability of the existing competitively- bid projects;

(d) if so, the details thereof; and

(e) the manner in which these reforms would help to improve the investment climate in the power sector and the extent to which these would help to facilitate the generation of more power in the country?

**Answer**

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

(a) & (b) : The Electricity Act, 2003 has consolidated the laws relating to generation, transmission, distribution, trading and use of electricity and for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalisation of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies etc. and for matters incidental thereto.

With a view to bringing improvement in the power sector and to provide electricity at economical rates to the consumers, the Government notified National Electricity Policy in 2005, Tariff Policy in 2006. Guidelines and Standard Bidding Documents have been issued for determination of tariff by bidding process for procurement of power by distribution licensees and for transmission projects. Further, the Rural Electrification Policy, National Electricity Plan, Hydro Power Policy have also been notified. In addition to this, Distribution reforms through APDRP and R-APDRP schemes have been launched. National Electricity Fund (NEF) Scheme has been approved to provide reforms-linked interest subsidy to the public and private power utilities for improvement in their distribution network.

(c) to (e) : The Government had received references from various stakeholders regarding fuel availability risk of domestic coal, price risk due to change in prices of fuel in coal exporting countries, delay/denial in environment & forest clearance pertaining to coal blocks etc. To address these concerns, Ministry of Power is in the process of revising the Standard Bidding Documents which will be applicable for future projects.

Higher cost of imported coal is to be considered for pass through as per modalities suggested by CERC. Ministry of Coal has issued suitable orders supplementing the New Coal Distribution Policy (NCDP). Ministry of Power has issued appropriate advisory to CERC/SERCs to consider the request of individual power producers to decide for pass through of higher cost of imported coal on case to case basis.