

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4277
ANSWERED ON:20.02.2014
AMENDMENT IN TARIFF POLICY
Kumar Shri P.

Will the Minister of POWER be pleased to state:

- (a) whether the Government proposes to make changes in the Tariff Policy and the Electricity Act, 2003;
- (b) if so, the details thereof and the likely impact on the income expected to be earned by the power utilities after the implementation of the new Tariff Policy;
- (c) whether the Government has discussed all the issues relating to the power sector in the advisory group meeting held during December 2013; and
- (d) if so, the details of the deliberations made during the said meeting?

Answer

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

(a) & (b) : Yes, Madam. Based on the recommendations of the Working Group which was constituted by the Planning Commission under the Chairmanship of Secretary, Ministry of Power and proposals received from Power Grid Corporation of India Limited and Central Electricity Authority, the draft amendments in the Tariff Policy were uploaded on the website of Ministry of Power on 12th September, 2013 and also circulated to all stakeholders for comments. Based on comments received from stakeholders and further deliberations held in this regard, suitable amendments are under finalization. The proposed amendment in Tariff Policy would benefit the various categories of consumers, including the below poverty line consumers. Besides, these amendments would reduce the carbon footprint and lead to sustainable growth.

Simultaneously, the aforesaid Working Group, inter-alia, also recommended certain changes in the Electricity Act, 2003. These recommendations were further discussed in the Ministry and a Committee was constituted for the examination and recommendation on the proposed amendments in the Electricity Act, 2003. Based on report of the Committee, the proposed amendments in the Act were uploaded on the website of Ministry of Power on 17th October, 2013 and also circulated to all stakeholders for comments. Based on comments received from stakeholders and further deliberations held in this regard, suitable amendments are under finalization. The proposed amendments in the Electricity Act, 2003 will promote competition, efficiency in operations and improvement in quality of supply of electricity in the country resulting in capacity addition and ultimate benefit to the consumers.

(c) & (d): The issue of proposed amendments in Tariff Policy and in the Electricity Act, 2003 have also been discussed in various meetings of the Advisory Group under the Minister of State for Power (Independent Charge) in the Ministry of Power. The Advisory Group in the meeting held on 24.12.2013 discussed the issues relating to Transmission and Banking/Financial Institutions in the power sector. During the said meeting, Advisory Group was also informed about the status on proposed amendments in the Act.