

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3599
ANSWERED ON:11.12.2009
STABILIZATION OF POWER MARKET
Bhadana Shri Avtar Singh

Will the Minister of POWER be pleased to state:

- (a) whether State Government of Haryana had made some suggestions to the Ministry regarding stabilization of the power market in the interest of consumers;
- (b) if so, the details of the measures taken by the Ministry on these suggestions; and
- (c) the progress made so far in stabilizing the power market in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRI BHARATSINH SOLANKI)

(a): Yes, Madam.

(b) & (c): Electricity Regulatory Commissions are mandated to determine tariff and issue guidelines/regulations under the Electricity Act, 2003, National Electricity Policy and Tariff Policy in the discharge of their functions.

Section 62(1)(a) of the Electricity Act, 2003 provides that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable price of electricity.

The Central Electricity Regulatory Commission, in exercise of powers conferred under the Electricity Act, 2003, had issued an order on 11-09-2009 on a suo motto petition fixing minimum and maximum tariffs for sale and purchase of electricity in a day ahead transactions through bilateral agreement and on Power Exchanges. The minimum tariff for such transaction was fixed at Rs.0.10 per Kwh and a maximum tariff was fixed at Rs.8.00 per Kwh for a period of 45 days from the date of the order, which is over.

Trading has been identified as a distinct activity under the Electricity Act, 2003 and the responsibility of promotion and development of the power market lies with the Appropriate Commission.

The regulations on open access are issued by the Appropriate Commission under the Electricity Act, 2003.