

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:590

ANSWERED ON:07.05.2015

POWER TARIFF

Pradhan Shri Nagendra Kumar;Shinde Dr. Shrikant Eknath

Will the Minister of POWER be pleased to state:

- (a) whether there is a wide gap in consumption of electricity during peak and non-peak hours and if so, the details thereof;
- (b) the steps taken by the Government to disincentivise power consumption during peak hours;
- (c) whether the Government proposes to rationalise/replace the existing tariffs structure and encourage non-peaking consumption and if so, the details and status thereof; and
- (d) the time by which new power tariff structure is likely to be implemented?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY (SHRI PYUSH GOYAL)

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

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 590 TO BE ANSWERED IN THE LOK SABHA ON 07.05.2015 REGARDING POWER TARIFF.

(a) : Yes, Madam. Due to variability of demand during the day / night, there is generally a gap in consumption (demand met) of electricity during peak and non-peak hours. On a typical day, say 30th April, 2015, the demand met during peak and non-peak hours was 1,29,395 MW and 1,17,020 MW respectively. Thus, there was a difference of 12,375 MW in the peak demand and non-peak demand in a day on 30th April, 2015. This figure may vary for any given day depending on demand and generation.

(b) to (d) : The Electricity Act, 2003 has entrusted the responsibility of distribution tariff fixation on the State Electricity Regulatory Commissions (SERCs) / Joint Electricity Regulatory Commissions (JERCs) for various categories of consumers. In this regard, SERCs / JERCs notify the terms and conditions of tariff fixation from time to time for both public and private distribution licensees. Section 61 of the Act provides for guiding principles which the Appropriate Commission is required to consider for specifying the terms and conditions of tariff. As per Section 61

(i) of the Act, the Regulatory Commissions are also guided by the Tariff Policy notified by the Central Government.

Time of Day (TOD) tariff is an important Demand Side Management (DSM) measure which can be used for incentivizing consumers to shift a portion of their loads from peak times to off-peak times, thereby improving the system load factor by reducing the demand on the system during peak period. 20 States have already implemented the TOD tariff for various categories of consumers.

Ministry of Power has proposed for amendment in the existing provisions of the Tariff Policy so as to mandate the Appropriate Commissions to introduce time differentiated tariff within a specified time.