

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:2634

ANSWERED ON:12.03.2015

T & D LOSSES

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

- (a) whether any standard with regard to transmission and distribution of electricity has been fixed by the advanced countries;
- (b) if so, the details thereof along with the Transmission and Distribution (T&D) losses suffered in the country in comparison to the advanced countries, State-wise;
- (c) whether the factors responsible for losses has been assessed in the country;
- (d) if so, the steps taken by the Government to reduce T&D losses along with the success achieved there from; and
- (e) whether the Government proposes to modernize the State Electricity Boards (SEBs) specifically in order to reduce leakages and losses and if so, the details thereof?

**Answer**

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

(a) : There are no universally accepted standards for T&D losses. However, the equipment and material used in electricity transmission and distribution has to comply with the applicable statutory requirements and the respective national standards.

(b) : A statement of T&D losses as percentage of output (published in World Development Indicators by the World Bank) in other countries of the world is enclosed at Annex-I. The comparison of T&D losses in India with advanced countries may not be fully valid as the losses in any system depend on the pattern of energy used, intensity of load demand, load density, capability and configuration of the transmission and distribution system that varies for various system elements. T&D losses, as a measure of grid losses, have been replaced by Aggregate Technical and Commercial (AT&C) Losses for better clarity. T&D losses together with loss in revenue collection give AT&C losses. Statement indicating the percentage of AT&C losses from 2011-12 to 2013-14 in various Discoms is at Annex-II.

(c) : The factors responsible for AT&C losses are indicated at Annex-III.

(d) & (e) : The responsibility of reduction of AT&C losses in the Distribution network is primarily with the Discoms and power departments/utilities. However, to facilitate the reduction of AT&C losses and to improve power distribution system, the Government has launched the following programmes/Schemes:

Integrated Power Development Scheme (IPDS):

The Government has approved IPDS with the objectives of:

- (i) Strengthening of sub-transmission and distribution network in the urban areas;
- (ii) Metering of distribution transformers /feeders / consumers in the urban areas.
- (iii) IT enablement of distribution sector and strengthening of distribution network as per CCEA approval dated 21.06.2013 for completion of targets laid down under Restructured Accelerated Power Development and Reforms Programme (RAPDRP), which is now subsumed under IPDS, for 12th and 13th Plans by carrying forward the approved outlay for RAPDRP to IPDS.

The scheme will help in reduction in AT&C losses, establishment of IT enabled energy accounting / auditing system, improvement in billed energy based on metered consumption and improvement in collection efficiency.

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY):

The Government has approved the Scheme of "Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)" with following components:

- (i) to separate agriculture and non agriculture feeders facilitating judicious supply of electricity to agricultural and non-agricultural

consumers in rural areas; and

(ii) Strengthening and augmentation of sub transmission and distribution infrastructure in rural areas, including metering of distribution transformers/feeders/consumers.

The ongoing scheme of RGGVY in 12th and 13th Plans is subsumed in DDUGJY as a distinct component for rural electrification, for which Government has already approved to carry forward the balance amount of RGGVY to DDUGJY.

The Financial Restructuring Plan (FRP):

The Financial Restructuring Plan (FRP) of State owned Discoms was approved and notified by the Central Government in October 2012, to enable financial turnaround of State Discoms. The Scheme for Financial Restructuring of State Owned Discoms was formulated and approved by the Government keeping in view the declining operational performance and financial health of State Discoms and to ensure their long term viability, which have accumulated huge losses and unsustainable debt. The scheme contains measures to be taken by the State Discoms and State Government for achieving financial turnaround by restructuring their debt with support through a Transitional Finance Mechanism by Central Government. Under FRP, the amount considered eligible under the scheme is Rs.1,19,000 crs. approximately. Bonds worth Rs.56,908 cr. approximately have been issued and Short Term Loan(STL) amounting to Rs.51,204 Cr. approximately have been restructured by the lenders. The financial restructuring will enable the Discoms to find resources for system upgradation leading to reduction in AT&C losses.

National Electricity Fund(NEF):

Government of India launched the National Electricity Fund (Interest Subsidy Scheme) in July 2012 to provide Interest Subsidy on loans raised by both public and private Distribution Companies (DISCOMS), for capital works sanctioned by financial institutions to improve the infrastructure in distribution sector during the financial year 2012-13 and 2013-14. Under National Electricity Fund, interest subsidy aggregating to Rs.8,466 crores spread over 14 years is available. Projects sanctioned are worth Rs.26, 000 cr. approximately. The preconditions for eligibility 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.