

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:387

ANSWERED ON:25.02.2016

Power Tariff Policy

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Will the Minister of POWER be pleased to state:

- (a) whether the Government proposes to introduce a consumer friendly power tariff policy, if so, the details and objective thereof along with the time by which the policy is likely to be implemented;
- (b) the manner and the extent to which the consumer and suppliers are likely to be benefited therefrom; and
- (c) the other steps taken/being taken by the Government to provide round the clock power supply?

Answer

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

(SHRI PIYUSH GOYAL)

(a) & (b) : The Union Cabinet on 20th January, 2016, has approved the proposal for amendments in Tariff Policy. The revised Tariff Policy has been notified in the official Gazette on 28th January, 2016. The objectives of this revised policy are to:

- (i) Ensure availability of electricity to consumers at reasonable and competitive rates;
- (ii) Ensure financial viability of the sector and attract investments;
- (iii) Promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;
- (iv) Promote competition, efficiency in operations and improvement in quality of supply;
- (v) Promote generation of electricity from Renewable sources;
- (vi) Promote Hydroelectric Power generation including Pumped Storage Projects (PSP) to provide adequate peaking reserves, reliable grid operation and integration of variable renewable energy sources;
- (vii) Evolve a dynamic and robust electricity infrastructure for better consumer services;
- (viii) Facilitate supply of adequate and uninterrupted power to all categories of consumers;
- (ix) Ensure creation of adequate capacity including reserves in generation, transmission and distribution in advance, for reliability of supply of electricity to consumers.

The amendments in the policy will benefit power consumers and suppliers in multiple ways. It will ensure availability of electricity to consumers at reasonable and competitive rates, ensure financial viability of the sector and attract investments, promote transparency, consistency and predictability in regulatory approaches across jurisdictions. It will further facilitate competition, efficiency in operations and improvement in quality of supply of electricity and will spur renewable power for a cleaner environment and protect India's energy security. It will boost the power sector and make its growth more sustainable.

(c) : The following steps have been taken/being taken by the Government to provide round the clock power supply:

- (i) Capacity addition of 1,18,537 MW (including 88,537 MW conventional and 30,000 MW renewable) during the 12th Plan, i.e. by 2016-17. As against this, about 74871 MW from conventional sources has been achieved till 20.02.2016 and about 14,612 MW from renewable sources till 31.1.2016.
- (ii) Construction of 1,07,440ckm transmission lines and setting up of 2,82,740 MVA transformation capacity during the 12th Plan, i.e. by 2016-17. As against this, 80501 ckm of transmission lines and 228390 MVA of transformation capacity have been achieved till 31st January, 2016.
- (iii) Government of India has taken initiative to prepare State specific Action Plans for providing 24X7 Power For All (PFA) in

partnership with the States.

(iv) Two new schemes are being implemented by the Government of India, namely, Deendayal Upadhyaya Gram Jyoti Yojana and Integrated Power Development Scheme for strengthening of sub-transmission and distribution networks and for segregation of agricultural feeders to give adequate and reliable supply and reduce line losses.

(v) Promotion of energy conservation, energy efficiency and other demand side management measures.

(vi) Central Government has notified a new scheme namely Ujjawal Discom Assurance Yojana (UDAY) on 20.11.2015 for Operational & Financial Turnaround of Discoms.

(vii) Expeditious resolution of issues relating to Environmental and forest clearances for facilitating early completion of generation and transmission projects.

(viii) Providing support from Power System Development Fund for stranded gas based generation.
