

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4088
ANSWERED ON:07.08.2014
REGULATED TARIFF REGIME
Patil Shri Shivaji Adhalrao

Will the Minister of POWER be pleased to state:

- (a) whether power sector lenders have requested the Government to shift back to the regulated tariff regime as an alternative to the current norms prescribing competitive bidding as the mandatory route for power procurement through long term Power Purchase Agreements;
- (b) if so, whether the Government has made it mandatory for States to procure electricity through the competitive bidding route; and
- (c) if so, the details thereof the steps proposed to be taken by the Government in this regard?

Answer

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

- (a): As per available information, power sector lenders have not requested to this Ministry to shift back to the regulated tariff regime.
- (b) & (c): To protect interests of consumers and to promote competition in power generation, the Central Government notified Tariff Policy on 6.1.2006 under Section 3 of the Electricity Act, 2003.

Tariff Policy provides that from 6th January, 2011 onwards, all future procurement of power by distribution licensees should be done through tariff based competitive bidding, including power procured from Government/State owned entities. However, there is a specific exemption to hydro projects till 31.12.2015 from mandatory tariff based competitive bidding.

Further, under Section 63 of the Electricity Act, 2003 Central Government has revised and notified the Standard Bidding Documents and guidelines issued in the year 2013-14 and all States / Distribution companies have been advised to procure power based on these documents for ensuring adequate power supply to the consumers.