

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:5226
ANSWERED ON:14.08.2014
CAP ON SALE PRICE OF ELECTRICITY
Khalsa Shri Harinder Singh

Will the Minister of POWER be pleased to state:

- (a) whether the Central Electricity Regulatory Commission (CERC) proposes to put a cap on the sale price of electricity in order to curtail the rising prices;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) the steps being taken by the Government to decrease the electricity tariffs across the country?

Answer

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

- (a) : No, Madam. As per the information made available by Central Electricity Regulatory Commission, there is no such proposal before the Commission.
- (b) : Does not arise in view of reply to (a) above.
- (c) : From 2009-10, the prices of electricity transacted in the short term market have declined. A statement indicating the price trends for the period from 2009-10 to 2013-14 is given at Annex.
- (d) : Tariff is determined under Sections 61 to 64 of the Electricity Act, 2003 by the Appropriate Regulatory Commission in line with the provisions of the Act and the policies made thereunder. Whereas the tariff for generation and transmission companies owned or controlled by Central Government is regulated by the Central Electricity Regulatory Commission, the tariff for generation, supply and transmission within the State is determined by the State Regulatory Commissions. Similarly, the State/Joint Electricity Regulatory Commissions (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. There is no provision for direct regulation of the electricity tariff by the Government. However, through appropriate policy framework and programmes, the Government is promoting efficiency in generation, transmission and distribution business with a view to decrease cost of supply of power.