

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:5307
ANSWERED ON:14.08.2014
POWER SECTOR REFORMS
Roy Prof. Saugata

Will the Minister of POWER be pleased to state:

- (a) the details of the States that adopted the power sector reforms approved by the Union Government;
- (b) the grants and loans provided by the Union Government to the States for adopting the power reforms during the last three years and the current year;
- (c) whether the Union Government has reviewed the functioning of power sector in the States where reforms have taken place;
- (d) if so, the details thereof;
- (e) whether any State Government has demanded extension of time to implement the power reforms; and
- (f) if so, the details in this regard and the reaction of the Union Government thereto, State-wise?

Answer

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

(a) : The enactment of Electricity Act, 2003 along with the policies and regulations made thereunder have brought in comprehensive reforms in the electricity sector with the overall objective of extending benefits to the end consumers and balanced growth of the sector.

Electricity being a concurrent subject, the provisions of the Act are applicable to the Central and State Governments as well as to the different statutory bodies and entities defined under the Act. The Electricity Act, 2003 provides for the framework of reforms in power sector. In terms of section 172 of the Electricity Act, 2003, all States have re-organized their State Electricity Boards.

(b) : While no grant/loan is specifically provided for adopting reforms in the power sector, however, some of the schemes/programs like National Electricity Fund (NEF), Restructured-Accelerated Power Development and Reforms Programme (R-APDRP) and Scheme for Financial Restructuring of State Distribution Companies (Discoms) made by Central Government have indices which also include reform measures in the power sector.

(c) & (d) : Ministry of Power has got conducted a study by the Indian Institute of Public Administration (IIPA) on the impact of reorganization of the State Electricity Boards. The study concluded that `despite some short comings, the overall impact of restructuring has been positive and in the right direction`.

(e) & (f): All States have now re-organized their State Electricity Boards. The Central Government had earlier granted extension to the concerned State Governments from time to time.