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Title: Need to allow State Government of Orissa to levy duty on power generated from the State.

SHRI B. MAHTAB (CUTTACK): Orissa has a vast coal deposit. Orissa is a power surplus State and it exports power to other States. Since electricity duty can be charged on consumption only, the importing State benefits while the exporting State has to bear the negative externality such as environmental degradation due to mining and depletion of mineral resources etc. This tantamounts to transfer of the sources from the producers State without any compensation for the huge negative externality and depletion of its natural resources. If 1000 MW power is generated in Orissa and evacuated, the importing State gets electricity duty to the extent of Rs. 100 crore, while the State in which the power is produced does not get anything.

This situation has to be altered by either allowing the State to levy duty on generation or else mandate that a percentage of power generated should be given free of cost to the State by the Central Public Sector generating companies as is the case in Hydro Power generation. I would urge upon the Government to allow the State to levy duty on generation of power or else provide a percentage of power generated there free of cost to the State.

SHRI BRAJA KISHORE TRIPATHY (PURI): It is most important. The Government should consider this.