

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
UNSTARRED QUESTION NO.3125  
TO BE ANSWERED ON 03.08.2017**

**POWER PURCHASE AGREEMENT**

**3125. SHRIMATI RITA TARAI:**

**Will the Minister of POWER  
be pleased to state:**

- (a) whether power is no more a scarce commodity in the present scenario and is available on exchanges at an instantly agreed rate;
- (b) if so, the details thereof;
- (c) whether it has become virtually difficult and even unpredictable to know the power rate over a longer period of time and if so, the details thereof;
- (d) whether the risk borne by the States like Odisha entering into 25 years PPA becomes too high to handle on account of volatility of power prices in the long run, if so, the details thereof; and
- (e) whether his Ministry proposes to consider necessary modification for signing of the PPAs between the Generator and Beneficiary for a period of 5 years (not for 25 years) with provision for review after 5 years, if so, the details thereof and the time-frame for the same?

**A N S W E R**

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

**( SHRI PIYUSH GOYAL )**

(a) & (b) : Yes, Madam, power is no more a scarce commodity. The peak and energy shortages have progressively reduced over the year and were at 1.6% and 0.7% respectively in the year 2016-17. Price discovered on exchanges follows principles of demand and supply. The price and quantum of electricity to be transacted is determined through a double sided closed auction bidding process on exchanges. The details of Power Supply position and Peak Demand/Peak met of the states for the month of June, 2017 as per the Central Electricity Authority report is attached at Annexure-I. The rates prevalent on the Power Exchanges as per the Central Electricity Regulatory Commission (CERC) Market Monitoring Cell report are attached at Annexure-II.

**(c) : In the case of long term PPAs under cost plus approach, the tariff is governed by certain pre-specified factors in the Regulations of the Appropriate Commission, which is generally determined annually. In case of long term PPAs based on tariff based competitive bidding; the year to year tariff is based on adjustments based on pre-specified indices on escalable components. In case of short term contracts, the rate of power is unpredictable only because the rate fluctuates significantly according to the demand and supply during the period.**

**(d) & (e) : State Distribution Companies are expected to manage their power purchase portfolio to optimize power purchase cost and risks using various power purchase agreement (PPAs) under Long Term (upto 25 years), Medium term (more than 1 Year upto 5 years) and Short Term (upto 1 year) for which adequate provisions already exists under the Model Bidding Documents notified under section 63 of the Electricity Act, 2003.**

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**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (d) OF UNSTARRED QUESTION NO. 3125 TO BE ANSWERED IN THE LOK SABHA ON 03.08.2017.**

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**Energy Power Supply Position Report (Revised)**

**Figures in MU net**

State/System/ Region	May,2017				April,2017 to May,2017			
	Energy Requirement	Energy Supplied	Energy not Supplied		Energy Requirement	Energy Supplied	Energy not Supplied	
Chandigarh	174	174	0	0.0	308	308	0	0.0
Delhi	3,375	3,373	3	0.1	5,985	5,981	4	0.1
Haryana	4,649	4,649	0	0.0	8,301	8,301	0	0.0
Himachal Pradesh	803	799	4	0.5	1,572	1,564	8	0.5
Jammu & Kashmir	1,597	1,274	323	20.2	3,104	2,478	626	20.2
Punjab	5,004	5,004	0	0.0	8,541	8,541	0	0.0
Rajasthan	6,015	5,927	88	1.5	11,271	11,172	99	0.9
Uttar Pradesh	11,055	10,935	120	1.1	20,819	20,600	219	1.1
Uttarakhand	1,226	1,221	5	0.4	2,307	2,301	6	0.3
<b>Northern Region</b>	<b>33,900</b>	<b>33,357</b>	<b>542</b>	<b>1.6</b>	<b>62,207</b>	<b>61,244</b>	<b>963</b>	<b>1.5</b>
Chhattisgarh	2,271	2,271	0	0.0	4,782	4,782	0	0.0
Gujarat	9,853	9,853	0	0.0	19,793	19,793	0	0.0
Madhya Pradesh	5,544	5,544	0	0.0	10,876	10,876	0	0.0
Maharashtra	14,145	14,112	33	0.2	28,300	28,249	51	0.2
Daman & Diu	217	217	0	0.0	424	424	0	0.0
Dadra & Nagar Haveli	518	518	0	0.0	1,024	1,024	0	0.0
Goa	356	356	0	0.0	724	724	0	0.0
<b>Western Region</b>	<b>32,905</b>	<b>32,872</b>	<b>33</b>	<b>0.1</b>	<b>65,923</b>	<b>65,872</b>	<b>51</b>	<b>0.1</b>
Andhra Pradesh	4,984	4,979	5	0.1	10,026	10,019	7	0.1
Telangana	4,422	4,421	2	0.0	9,414	9,410	4	0.0
Karnataka	5,455	5,453	2	0.0	11,684	11,679	5	0.0
Kerala	2,232	2,228	3	0.1	4,505	4,500	5	0.1
Tamil Nadu	9,599	9,596	3	0.0	19,043	19,035	8	0.0
Puducherry	244	244	0	0.1	480	480	0	0.0
Lakshadweep #	4	4	0	0	8	8	0	0
<b>Southern Region</b>	<b>26,936</b>	<b>26,920</b>	<b>16</b>	<b>0.1</b>	<b>55,154</b>	<b>55,123</b>	<b>31</b>	<b>0.1</b>

<b>Bihar</b>	<b>2,325</b>	<b>2,219</b>	<b>107</b>	<b>4.6</b>	<b>4,443</b>	<b>4,260</b>	<b>183</b>	<b>4.1</b>
<b>DVC</b>	<b>1,770</b>	<b>1,762</b>	<b>7</b>	<b>0.4</b>	<b>3,519</b>	<b>3,510</b>	<b>9</b>	<b>0.3</b>
<b>Jharkhand</b>	<b>658</b>	<b>656</b>	<b>2</b>	<b>0.4</b>	<b>1,337</b>	<b>1,330</b>	<b>7</b>	<b>0.5</b>
<b>Odisha</b>	<b>2,556</b>	<b>2,555</b>	<b>1</b>	<b>0.0</b>	<b>5,056</b>	<b>5,054</b>	<b>2</b>	<b>0.0</b>
<b>West Bengal</b>	<b>4,827</b>	<b>4,799</b>	<b>28</b>	<b>0.6</b>	<b>9,533</b>	<b>9,477</b>	<b>56</b>	<b>0.6</b>
<b>Sikkim</b>	<b>37</b>	<b>37</b>	<b>0</b>	<b>0.0</b>	<b>74</b>	<b>74</b>	<b>0</b>	<b>0.0</b>
<b>Andaman- Nicobar</b>	<b>20</b>	<b>15</b>	<b>5</b>	<b>25</b>	<b>40</b>	<b>30</b>	<b>10</b>	<b>25.0</b>
<b>Eastern Region</b>	<b>12,174</b>	<b>12,029</b>	<b>145</b>	<b>1.2</b>	<b>23,962</b>	<b>23,707</b>	<b>255</b>	<b>1.1</b>
<b>Arunachal Pradesh</b>	<b>64</b>	<b>63</b>	<b>1</b>	<b>1.9</b>	<b>126</b>	<b>124</b>	<b>2</b>	<b>1.6</b>
<b>Assam</b>	<b>756</b>	<b>714</b>	<b>42</b>	<b>5.6</b>	<b>1,404</b>	<b>1,321</b>	<b>83</b>	<b>5.9</b>
<b>Manipur</b>	<b>63</b>	<b>62</b>	<b>1</b>	<b>1.9</b>	<b>123</b>	<b>121</b>	<b>2</b>	<b>1.6</b>
<b>Meghalaya</b>	<b>129</b>	<b>129</b>	<b>0</b>	<b>0.0</b>	<b>253</b>	<b>253</b>	<b>0</b>	<b>0.0</b>
<b>Mizoram</b>	<b>44</b>	<b>43</b>	<b>1</b>	<b>2.0</b>	<b>86</b>	<b>85</b>	<b>1</b>	<b>1.2</b>
<b>Nagaland</b>	<b>68</b>	<b>67</b>	<b>1</b>	<b>1.6</b>	<b>128</b>	<b>126</b>	<b>2</b>	<b>1.6</b>
<b>Tripura</b>	<b>264</b>	<b>260</b>	<b>4</b>	<b>1.5</b>	<b>490</b>	<b>480</b>	<b>10</b>	<b>2.0</b>
<b>North-Eastern Region</b>	<b>1,389</b>	<b>1,339</b>	<b>50</b>	<b>3.6</b>	<b>2,610</b>	<b>2,510</b>	<b>100</b>	<b>3.8</b>
<b>All India</b>	<b>107,304</b>	<b>106,517</b>	<b>787</b>	<b>0.7</b>	<b>209,856</b>	<b>208,455</b>	<b>1,401</b>	<b>0.7</b>

# Lakshadweep and Andaman & Nicobar Islands are stand- alone systems, power supply position of these, does not form part of Regional requirement and availability .

**Peak Power Supply Position Report (Revised)**

Figures in MW net

State System Region	May,2017				April,2017 to May,2017			
	Peak Demand	Peak Met	Demand not Met		Peak Demand	Peak Met	Demand not Met	
	( MW )	(MW)	(MW)	( % )	( MW)	(MW)	(MW)	( % )
<b>Chandigarh</b>	340	340	0	0.0	340	340	0	0.0
<b>Delhi</b>	6,021	6,021	0	0.0	6,021	6,021	0	0.0
<b>Haryana</b>	7,780	7,780	0	0.0	7,780	7,780	0	0.0
<b>Himachal Pradesh</b>	1,349	1,349	0	0.0	1,349	1,349	0	0.0
<b>Jammu &amp; Kashmir</b>	2,668	2,134	534	20.0	2,668	2,134	534	20.0
<b>Punjab</b>	8,229	8,229	0	0.0	8,229	8,229	0	0.0
<b>Rajasthan</b>	10,305	10,305	0	0.0	10,305	10,305	0	0.0
<b>Uttar Pradesh</b>	18,646	17,819	827	4.4	18,646	17,819	827	4.4
<b>Uttarakhand</b>	1,992	1,992	0	0.0	1,992	1,992	0	0.0
<b>Northern Region</b>	52,517	51,820	697	1.3	52,517	51,820	697	1.3
<b>Chhattisgarh</b>	3,737	3,713	24	0.6	3,888	3,887	1	0.0
<b>Gujarat</b>	15,325	15,325	0	0.0	15,325	15,325	0	0.0
<b>Madhya Pradesh</b>	8,227	8,227	0	0.0	8,402	8,402	0	0.0
<b>Maharashtra</b>	21,874	21,778	96	0.4	22,542	22,494	48	0.2
<b>Daman &amp; Diu</b>	339	339	0	0.0	339	339	0	0.0
<b>Dadra &amp; Nagar Haveli</b>	768	768	0	0.0	768	768	0	0.0
<b>Goa</b>	505	504	1	0.1	558	557	1	0.2
<b>Western Region</b>	49,208	49,048	160	0.3	49,860	49,788	72	0.1
<b>Andhra Pradesh</b>	7,914	7,882	32	0.4	7,914	7,882	32	0.4
<b>Telangana</b>	7,412	7,396	16	0.2	9,009	9,001	8	0.1
<b>Karnataka</b>	9,376	9,358	17	0.2	9,992	9,987	5	0.1
<b>Kerala</b>	3,889	3,837	52	1.3	3,889	3,862	27	0.7
<b>Tamil Nadu</b>	14,749	14,743	6	0.0	15,001	14,975	26	0.2
<b>Puducherry</b>	379	379	0	0.0	388	387	0	0.1
<b>Lakshadweep#</b>	8	8	0	0	8	8	0	0
<b>Southern Region</b>	41,127	40,885	242	0.6	42,770	42,535	235	0.5

<b>Bihar</b>	<b>4,122</b>	<b>4,021</b>	<b>101</b>	<b>2.5</b>	<b>4,122</b>	<b>4,021</b>	<b>101</b>	<b>2.5</b>
<b>DVC</b>	<b>2,684</b>	<b>2,684</b>	<b>0</b>	<b>0.0</b>	<b>2,684</b>	<b>2,684</b>	<b>0</b>	<b>0.0</b>
<b>Jharkhand</b>	<b>1,211</b>	<b>1,211</b>	<b>0</b>	<b>0.0</b>	<b>1,211</b>	<b>1,211</b>	<b>0</b>	<b>0.0</b>
<b>Odisha</b>	<b>4,208</b>	<b>4,208</b>	<b>0</b>	<b>0.0</b>	<b>4,227</b>	<b>4,227</b>	<b>0</b>	<b>0.0</b>
<b>West Bengal</b>	<b>7,515</b>	<b>7,495</b>	<b>20</b>	<b>0.3</b>	<b>7,820</b>	<b>7,793</b>	<b>27</b>	<b>0.3</b>
<b>Sikkim</b>	<b>78</b>	<b>78</b>	<b>0</b>	<b>0.0</b>	<b>91</b>	<b>91</b>	<b>0</b>	<b>0.0</b>
<b>Andaman- Nicobar</b>	<b>40</b>	<b>32</b>	<b>8</b>	<b>20</b>	<b>40</b>	<b>32</b>	<b>8</b>	<b>20</b>
<b>Eastern Region</b>	<b>19,149</b>	<b>19,032</b>	<b>117</b>	<b>0.6</b>	<b>19,238</b>	<b>19,191</b>	<b>47</b>	<b>0.2</b>
<b>Arunachal Pradesh</b>	<b>145</b>	<b>145</b>	<b>0</b>	<b>0.2</b>	<b>145</b>	<b>145</b>	<b>0</b>	<b>0.2</b>
<b>Assam</b>	<b>1,649</b>	<b>1,580</b>	<b>69</b>	<b>4.2</b>	<b>1,649</b>	<b>1,580</b>	<b>69</b>	<b>4.2</b>
<b>Manipur</b>	<b>163</b>	<b>161</b>	<b>2</b>	<b>1.2</b>	<b>163</b>	<b>161</b>	<b>2</b>	<b>1.2</b>
<b>Meghalaya</b>	<b>304</b>	<b>304</b>	<b>0</b>	<b>0.1</b>	<b>304</b>	<b>304</b>	<b>0</b>	<b>0.1</b>
<b>Mizoram</b>	<b>86</b>	<b>85</b>	<b>1</b>	<b>0.8</b>	<b>86</b>	<b>85</b>	<b>1</b>	<b>0.8</b>
<b>Nagaland</b>	<b>132</b>	<b>131</b>	<b>1</b>	<b>0.4</b>	<b>132</b>	<b>131</b>	<b>1</b>	<b>0.4</b>
<b>Tripura</b>	<b>280</b>	<b>276</b>	<b>4</b>	<b>1.4</b>	<b>280</b>	<b>276</b>	<b>4</b>	<b>1.4</b>
<b>North-Eastern Region</b>	<b>2,472</b>	<b>2,391</b>	<b>81</b>	<b>3.3</b>	<b>2,472</b>	<b>2,391</b>	<b>81</b>	<b>3.3</b>
<b>All India</b>	<b>159,816</b>	<b>156,733</b>	<b>3,083</b>	<b>1.9</b>	<b>159,816</b>	<b>158,393</b>	<b>1,423</b>	<b>0.9</b>

**#Lakshadweep and Andaman & Nicobar Islands are stand-alone systems, power supply position of these, does not form part of Regional requirement and availability**

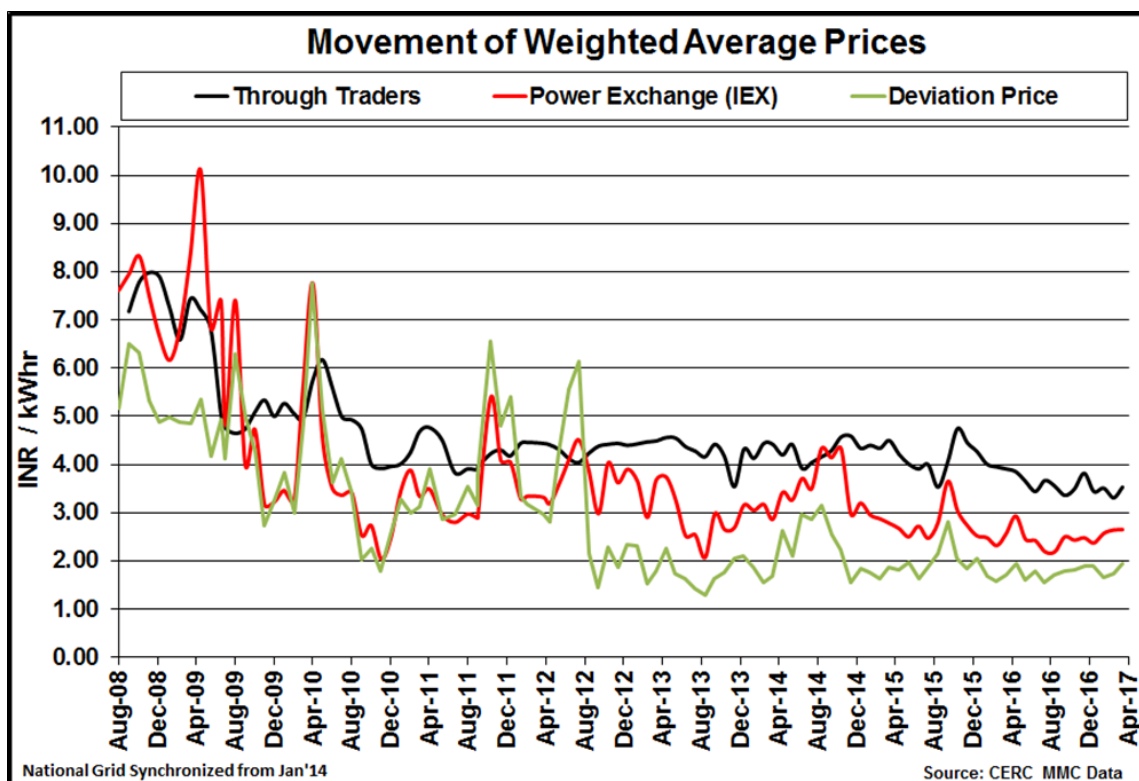
<b>Notified Power Cuts/Restrictions on Industries during June,2017</b>	
<b>State/ Region</b>	<b>Energy/Demand Cut</b>
<b>Northern Region</b>	
<b>Chandigarh*</b>	
<b>Delhi</b>	<b>No Notified Cuts</b>
<b>Haryana</b>	<b>No Notified Cuts</b>
<b>Himachal Pradesh</b>	<b>No Notified Cuts</b>
<b>Jammu &amp; Kashmir*</b>	
<b>Punjab</b>	<b>No Notified Cuts</b>
<b>Rajasthan</b>	<b>No Notified Cuts</b>
<b>Uttar Pradesh</b>	<b>No Notified Cuts</b>
<b>Uttarakhand</b>	<b>No Notified Cuts</b>
<b>Western Region</b>	
<b>Chhattisgarh</b>	<b>No Notified Cuts</b>
<b>Gujarat</b>	<b>No Notified Cuts</b>
<b>Madhya Pradesh</b>	<b>No Notified Cuts</b>
<b>Maharashtra</b>	<b>No Notified Cuts</b>
<b>Goa</b>	<b>No Notified Cuts</b>
<b>Southern Region</b>	
<b>Andhra Pradesh</b>	<b>No Notified Cuts</b>
<b>Telangana</b>	<b>No Notified Cuts</b>
<b>Karnataka</b>	<b>No Notified Cuts</b>
<b>Kerala</b>	<b>No Notified Cuts</b>
<b>Tamil Nadu</b>	<b>No Notified Cuts</b>
<b>Puducherry</b>	<b>No Notified Cuts</b>
<b>Eastern Region</b>	
<b>Bihar</b>	<b>No Notified Cuts</b>
<b>Jharkhand</b>	<b>No Notified Cuts</b>
<b>Odisha</b>	<b>No Notified Cuts</b>
<b>West Bengal</b>	<b>No Notified Cuts</b>
<b>* Data not received .</b>	

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**ANNEXURE-II**

**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (d) OF UNSTARRED QUESTION NO. 3125 TO BE ANSWERED IN THE LOK SABHA ON 03.08.2017.**

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**Source: CERC Market Monitoring Cell report**

**CERC notifies the Average Power Purchase cost(APPC) at the National level by computing the average of APPC of all States and Union Territories, weighted by volume of conventional power purchased by the respective State/UT. CERC order dated 25.1.2016, for “Determination of Average Power Purchase Cost (APPC) at the national level(Petition No. 15/SM/2015) prescribed the National APPC as Rs 3.40/ kWh.**

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