

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.554
TO BE ANSWERED ON 13.12.2018**

DIRECT BENEFIT TRANSFER

554. SHRI SUSHIL KUMAR SINGH:

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

- (a) whether there are any plans for introducing Direct Benefit Transfer (DBT) mechanism to disburse the power subsidies, if so, the details thereof;
- (b) whether pilot studies have been conducted in this regard, if so, the details thereof along with the key findings and benefits of such policy; and
- (c) the mechanism to assess the exact subsidies in case of agricultural sector here the beneficiaries are often unmetered and subsidy is provided on assumed consumption norms, which are often underestimated?

A N S W E R

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

(SHRI R. K. SINGH)

(a) : A state government can give subsidy to any class of consumers including Agricultural sector, to the extent they consider appropriate as per provision of Section 65 of the Electricity act, 2003. Clause 8.3 of the Tariff Policy notified on 28.01.2016 also mentions that "Direct subsidy is a better way to support the power categories of consumers than the mechanism of cross subsidizing the tariff across the board". Further, the draft amendments to Tariff Policy, circulated for stakeholders comments on 30.5.2018, proposes that in case State Government decides to subsidize any category of consumers, the relief shall be passed on to such consumers through Direct Benefit Transfer (DBT) mechanism.

(b) & (c) : As the subsidy is to be given by the state government, the pilot studies may be conducted by them. State Government of Punjab on 14th June, 2018 has notified a pilot project for Direct Benefit Transfer for Electricity (DBTE) for their Agriculture consumers. In the pilot scheme, the agricultural consumers are given a fixed electricity entitlement (KWh) free of cost and any consumption measured lower than the fixed entitlement would be reimbursed @ Rs 4 / KWh through DBT in the consumer bank account. This pilot scheme is voluntary in nature and is still in initial stages of implementation. This scheme is to conserve the ground water and may also result into crop diversification, accurate Energy Accounting, accurate Transmission & Distribution (T&D) Losses, curbing of wasteful energy consumption, etc.
