

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.1059
TO BE ANSWERED ON 27.06.2019**

EFFICIENCY OF POWER DISTRIBUTION COMPANIES

†1059. SHRI PANKAJ CHAUDHARY:

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

- (a) whether the Government proposes to formulate any scheme to improve the condition of power distribution companies;**
- (b) if so, the details thereof;**
- (c) the steps taken by the Government to ensure affordable and 24 hours power supply particularly in rural areas of the country;**
- (d) whether the Government proposes to formulate any scheme to revive closed power plants to increase power generation so as to ensure supply as per the demand; and**
- (e) if so, the details thereof?**

A N S W E R

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, NEW & RENEWABLE ENERGY AND THE MINISTER OF STATE FOR SKILL DEVELOPMENT & ENTREPRENEURSHIP

(SHRI R.K. SINGH)

(a) to (c) : Government of India has formulated and launched Ujwal Discom Assurance Yojana (UDAY) in November, 2015 for the financial and operational turnaround of state owned Power Distribution Companies (DISCOMs). The aim of this scheme is to reduce interest burden, reduce the cost of power, reduce power losses in Distribution sector and improve operational efficiency of DISCOMs.”

.....2.

Government has also launched various schemes like Integrated Power Development Scheme (IPDS) and Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for strengthening of sub-transmission and distribution networks in urban and rural areas in order to ensure reliable and affordable power supply in the country.

(d) & (e) : Government of India constituted a High Level Empowered Committee (HLEC) under the Chairmanship of Cabinet Secretary to address the issues of Stressed Thermal Power Projects. Based on High Level Empowered Committee (HLEC) recommendations, a Group of Ministers (GoM) has made recommendations regarding stressed power projects. The major recommendations of the GoM as approved by the Government are:-

- **Grant of linkage coal for short-term Power Purchase Agreement (PPA).**
- **Allowed existing coal linkage to be used in case of termination of PPAs due to payment default by Discoms.**
- **Procurement of bulk power by a nodal agency against pre-declared linkages.**
- **Central / State Gencos may act as an aggregator of power.**
- **Increase in quantity of coal for special forward e-auction for power sector.**
- **Coal linkage auctions to be held at regular intervals.**
- **Non-lapsing of short supplies of coal.**
- **Annual Contracted Quantity (ACQ) to be determined based on efficiency.**
- **Payment of Late Payment Surcharge (LPS) has been made mandatory.**
- **Non-cancellation of Power Purchase Agreement (PPA)/Fuel Supply Agreement (FSA)/Long Term Open Access (LTOA) post National Company Law Tribunal (NCLT) scenario.**
- **Non-cancellation of PPA for non-compliance of Commercial Operation Date (COD)”**

