

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.4126
TO BE ANSWERED ON 18.07.2019**

SUBSIDIES IN POWER SECTOR

4126. SHRI CHANDRA SEKHAR SAHU:

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

- (a) whether the Union Government has prepared a scheme with the State Governments to provide electricity connection to every poor household in the country and if so, the details thereof;**
- (b) the steps taken or suggested to plug DISCOMs losses;**
- (c) whether there is a need to route subsidies in power sector through Direct Benefit Transfer (DBT) and if so, the details thereof;**
- (d) the steps taken to streamline the subsidies in power sector; and**
- (e) whether a mechanism is needed to be put in place so that power from most efficient plants is utilized first to bring down electricity prices and if so, the guidelines issued in this regard?**

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) : Government of India launched Pradhan Mantri Sahaj Bijli Har Ghar Yojana-“Saubhagya” with the objective to achieve universal household electrification by providing electricity connections to all the remaining unelectrified households in rural and all poor households in urban areas across the country by March, 2019. Under the scheme free connections are given to poor households, and Rs. 500 per connection in 10 equal installment along with bill would be collected from others.

.....2/-

(b) : The Government of India launched Ujwal Discom Assurance Yojana (UDAY) in November, 2015 for operational & financial turn around of utilities. The Government has taken several measures to reduce DISCOM losses which includes amongst others close monitoring of billing, collection and overall DISCOM performance, identification of divisions with high AT&C losses and capability building of utilities in reducing AT&C losses. Government of India supports States through schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS), which help them in infrastructure development as well as reducing losses.

(c) & (d) : As per the provisions of Electricity Act 2003 ("Act"), Retail Supply Tariff is determined by the respective State Electricity Regulatory Commissions (SERCs). As per Section 65 of the Act, State Governments may grant subsidy to any consumer or class of consumers in the tariff determined by the SERCs. The extant Tariff Policy provides that direct subsidy is a better way to support the weaker sections of consumers than the mechanism of cross-subsidizing the tariff across the board.

(e) : At present power is procured by Distribution Licenses based on Merit Order despatch. A mechanism of Security Constrained Economic Despatch (SCED) for Inter State Generating Stations pan India has been issued by Central Electricity Regulatory Commission on 31.01.2019.
