

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
UNSTARRED QUESTION NO.3174  
TO BE ANSWERED ON 12.03.2020**

**SUBSIDIES ON ELECTRICITY**

**3174. SHRI ANURAG SHARMA:**

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

- (a) whether the Government is aware that there is a general trend evolving amongst States to lure voters by providing subsidies on electricity and if so, the details thereof;**
- (b) whether cheaper or free electricity will prove to be a burden on the Government exchequer and if so, the details thereof;**
- (c) whether the Government has advised or likely to advise all States/UTs to desist from offering such sops which are bad economically; and**
- (d) 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 (d) : Electricity is a concurrent subject. Section 61(g) of the Electricity Act, 2003 provides that the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity.**

**As per provisions of Section 65 of the Electricity Act, 2003, State Governments can provide subsidy to any consumer or class of consumers in the tariff determined by the State Electricity Regulatory Commission. In such case(s) the concerned State Government need to pay, such subsidy in advance and in such manner as may be specified by the State Commission to compensate the person affected by the grant of subsidy. Thus, the subsidy amount is to be paid from the state government finances in accordance with the provisions of Electricity Act, 2003.**

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