

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
UNSTARRED QUESTION NO.4212  
TO BE ANSWERED ON 19.03.2020**

**POWER GENERATION COST**

**†4212. SHRI AJAY BHATT:**

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

- (a) whether there is a huge difference in the cost of power generation and power tariff of electricity supplied to the consumers;**
- (b) if so, the State-wise details thereof and the reasons therefor; and**
- (c) the steps taken by the Government to bridge this gap of per unit power generation cost and power tariff of electricity supplied to the consumers?**

**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) : Yes, Sir. Besides cost of power generation, the tariff of electricity supplied to the end consumers includes the transmission charges, transmission losses, distribution network charges, distribution losses and commercial losses, cross subsidy surcharge, finance cost and other administrative expenses etc. Thus, there will be a gap between the cost of power generation and the retail tariff of electricity supplied to the consumers.**

**The Central Government has been urging the DISCOMs to take steps for reduction of losses in the distribution of electricity, increase efficiency in metering, billing and collection and strengthening the distribution system through schemes such as the Ujwal DISCOM Assurance Yojana (UDAY), Deen Dayal Upadhyaya Gram Jyoti Yojana ( DDUGJY) and Integrated Power Development Scheme (IPDS) and give subsidies through Direct Benefit Transfer etc.**

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