

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.867
TO BE ANSWERED ON 17.09.2020**

FINANCIAL STRESS FACED BY DISCOMs

867. SHRIMATI SANGEETA KUMARI SINGH DEO:

DR. SUKANTA MAJUMDAR:

DR. JAYANTA KUMAR ROY:

SHRI VINOD KUMAR SONKAR:

SHRI BHOLA SINGH:

SHRI RAJA AMARESHWARA NAIK:

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

- (a) whether DISCOMs have been facing financial stress due to low power consumption during the lockdown;**
- (b) if so, the details thereof and the action taken thereon;**
- (c) whether the Government has formulated revised Power Tariff Policy and if so, the details thereof;**
- (d) whether the Government proposes to bring Electricity (Amendment) Bill, 2020 and if so, the details thereof;**
- (e) whether there is urgent need for uniform power tariff structure across the country; and**
- (f) if so, the details thereof along with the steps being taken by the Government thereto?**

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) & (b) : To alleviate the problems faced by Power Distribution Companies (DISCOMs) due to low power consumption during the lockdown imposed due to COVID-19, the Government decided to infuse liquidity of Rs.90000 Cr in the power sector through Power Finance Corporation (PFC) Ltd. and Rural Electrification Corporation (REC) Ltd. as a part of Aatma Nirbhar Bharat Abhiyan. Against Rs.90000 Cr of liquidity infusion package announced by the Government, Rs.70,590 Cr worth of loans have been sanctioned and Rs.24,742 Cr has already been disbursed/released till 14-09-2020.

(c) : The Government has proposed amendments in the Tariff Policy with the key focus being on ensuring sustainability of power sector, encouraging competition, addressing environmental concerns, performance improvement, efficiency and accountability of the Distribution Sector in addition to other issues.

(d) : The Government has proposed draft amendments to the Electricity Act 2003 and the same were circulated for Stake Holders comments.

(e) & (f): Electricity is a concurrent subject. As per the provision of the Electricity Act, 2003, the responsibility for fixing retail supply tariff of electricity falls under the purview of respective State Electricity Regulatory Commissions. Retail supply tariff varies across the Distribution Licensees across the country. Tariff structures inherently vary across utilities since cost of service varies across various DISCOMs according to DISCOM specific power purchase agreements (PPAs), varying set of consumers/ class of consumers, geographical area, efficiency levels, including aggregate technical and commercial losses etc. As per provisions of the Electricity Act, 2003, the Regulatory Commissions undertake due diligence before approving the retail tariff of consumers in their DISCOM under guidance of the Tariff policy. The Tariff Policy, 2016 issued by Central Government provides that Appropriate Commission shall notify a roadmap in such a manner that tariffs are brought within $\pm 20\%$ of the average cost of supply.
