

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.640
TO BE ANSWERED ON 04.02.2021
RELAXATION TO POWER SECTOR**

640. DR. PRITAM GOPINATHRAO MUNDE:

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

- (a) whether the Government has approved one-time relaxation to power sector;**
- (b) if so, the details thereof along with the objectives for such relaxation;**
- (c) whether any assessment has been made to find out the details of financial stress suffered by power sector due to Covid-19 pandemic;**
- (d) if so, the details thereof; and**
- (e) the extent to which the relaxation approved by the Government is likely to boost the sector?**

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) : Recognizing the liquidity problems in the Power Sector arising out of the outbreak of COVID-19 pandemic and to allow an uninterrupted power supply to consumers, Government of India announced a Liquidity Infusion Scheme as part of Atma Nirbhar Bharat Abhiyan on 13th May, 2020. Under the scheme, Power Finance Corporation (PFC) Ltd. and REC Ltd. have extended special long-term transition loans at concessional rates to Power Distribution Companies (DISCOMs) against the receivables of the Discoms from the State Government in the form of electricity dues and subsidy not disbursed to clear their outstanding dues towards Central Public Sector Undertaking (CPSU) Generation Companies (Gencos) & Transmission Companies (Transcos), Independent Power Producers (IPPs) and Renewable Energy (RE) generators, as existing on 30.06.2020.

Further, to enable DISCOMs that do not have adequate headroom available under working capital limits of 25% of last years' revenues, as imposed under Ujwal DISCOM Assurance Yojana (UDAY), or do not have adequate receivables from the State Governments, Government of India has also approved a one-time relaxation to Power Finance Corporation (PFC) Ltd. and REC Ltd. for extending these loans.

.....2.

Furthermore for scheduling of power by DISCOMs, the Government also relaxed the condition of providing Letter of Credit for the cost of power by reducing it to 50% from the required 100%. Relief has also been given to DISCOMs by reducing Late Payment Surcharge from 18% pa to 12% pa. These measures were specifically put in place for fresh dues arising from 24.03.2020 till 30.06.2020. As part of Atma Nirbhar Bharat, the Ministry of Power has also requested all CPSE Gencos and Transcos; and, subsidiaries/ joint ventures of power generation and transmission CPSEs to consider deferring capacity charges for power not scheduled, to be payable without interest after the end of lockdown period in three equal monthly instalments; and, also allow a rebate of 20-25% on fixed charges of power supply billed to DISCOMs and inter-State transmission charges levied by POWERGRID Corporation of India Limited (PGCIL), amounting to almost Rs.2985 crore.

(c) & (d) : As per information available with this Ministry, the State Government dues to DISCOMs and that of DISCOMs to Central Public Sector Undertaking (CPSU) Generation Companies (Gencos) & Transmission Companies (Transcos), Independent Power Producers (IPPs) and Renewable Energy (RE) generators increased by Rs.14,619 crores and Rs. 45,505 crore respectively in the period 31.03.2020 to 30.06.2020.

(e) : So far, Loans of Rs.1,25,000 crore have been sanctioned and Rs.46,074 crore have been released to States/DISCOMs by REC and PFC. This has enabled continuation of uninterrupted power supply throughout the Covid period across the country. Mitigation of liquidity issues enabled the power sector to cater to highest ever peak demand of 189.64 GW as seen on 30th January, 2021.
