

**GOVERNMENT OF INDIA  
MINISTRY OF POWER  
LOK SABHA  
UNSTARRED QUESTION NO.1996  
ANSWERED ON 09.12.2021**

**ELECTRICITY CHARGES**

**1996. SHRI NATARAJAN P.R.:**

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

- (a) whether the Government is aware that the higher rates per unit of electricity are charged by the private power generating units in the country;**
- (b) if so, the details thereof;**
- (c) whether any review has been made by the Government regarding increased rate of electricity charges and if so, the details thereof; and**
- (d) the decision taken by the Government to improve production by using domestic coal and to ensure that there will be no power blackout, if any, in future?**

**A N S W E R**

**THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY**

**(SHRI R.K. SINGH)**

**(a) & (b) : Power Generating companies supply electricity to distribution licensees on tariff which is fixed by the CERC/SERCs under Sections 62 and 63 of the Electricity Act, 2003 respectively. No power generating company is allowed to charge from distribution licensees tariff higher than that determined or adopted by the Commission, as the case may be. In Power Exchanges, tariff is discovered competitively.**

**(c) & (d) : Government of India have taken the following steps to reduce the cost of power generation and resultant reduction in cost of electricity to consumers by use of domestic coal:**

**(i) Government have allowed flexibility in utilization of domestic coal by State/Central Gencos amongst their generating stations to reduce the cost of power generation by allocating more coal to their most efficient plants as well as by saving in transportation cost. The States may also transfer their linkage coal to IPPs selected through bidding process and take equivalent power.**

**(ii) Rationalization of linkage sources of State/Central Gencos and IPPs with a view to optimize transportation cost has been carried out.**

**(iii) Government has introduced the SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India)-2017 Scheme to provide coal linkages to the power plants which do not have linkage, thus helping the generators to get coal.**

**(iv) A national level Merit Order Despatch System has been put in place for Inter State Generating Stations under which electricity from more efficient/lower cost plant are dispatched first. This has led to a saving of around Rs.1200 crore per year.**

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