

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO.2740
ANSWERED ON 17.03.2022**

UNIFORM ELECTRICITY PRICING

2740. DR. SANJAY JAISWAL:

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

- (a) the details of the current mechanism used to determine the rate of electricity borne by the end consumer, both residential and commercial;**
- (b) whether the Government provides subsidy on electricity to backward States like Bihar;**
- (c) if so, the details of such subsidies provided during the last three years and the current year;**
- (d) whether the Government proposes to implement Uniform Electricity Pricing throughout the country and if so, the details thereof;**
- (e) whether the Government has estimated the total savings that can be achieved through Uniform Electricity Pricing and if so, the details thereof;**
- (f) whether renewable sources of electricity would also be a part of Uniform pricing;
and**
- (g) if so, the details thereof?**

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) : As per the provisions of the Electricity Act, 2003, the State Electricity Regulatory Commission determines the electricity tariff for retail sale of electricity to end consumers. Section 61 of the Electricity Act, 2003 and the Tariff Policy provide the guiding principles for determination of tariff.

(b) & (c) : 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. The State Governments can give subsidy to the extent they consider appropriate as per the provisions of section 65 of the Act which inter-alia requires State Governments to compensate Discoms for the same.

(d) to (g) : The tariff determination is done by the Appropriate Commission as per the provisions of the Electricity Act, 2003 and the Tariff Policy. Section 62(3) of the Electricity Act, 2003 provides that the Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required. Accordingly, the retail tariffs are determined by the State Commissions.

At present there is no proposal to implement uniform electricity pricing through out the country. However, Government is promoting competition through Power Exchanges. The uniform tariff is discovered on the Power Exchanges for a specific time block of the day. Accordingly, to this extent, for the power procured by the distribution utilities from Power Exchanges the price of electricity remains uniform, except in case of market splitting.
