

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO.3592
ANSWERED ON 24.03.2022**

RETAIL POWER TARIFF TO CONSUMERS

3592. SHRI P.C. MOHAN:

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

- (a) whether the Union Government has asked the Governments of State/UTs to request the State Electricity Regulatory Commissions (SERC) to consider reducing the retail power tariff to consumers who purchase power through prepayment meters.**
- (b) if so, the details thereof;**
- (c) the time by which such kind of policy would be implemented;**
- (d) whether the Union Government proposes to provide subsidy or financial assistance to the States for implementation of such scheme;**
- (e) if so, the details thereof and if not, the incentive for the State Governments to implement such scheme;**
- (f) whether the Union Government or State Governments would bear the cost of prepayment meters and the ancillary infrastructure; 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) to (c) : Ministry of Power, vide its letter dated 16.01.2020, had asked all the States/UTs to request their respective State Electricity Regulatory Commissions (SERCs) to consider reduction in power retail tariff to the consumers for the power purchased through prepayment meters and also requested that the necessary changes in the relevant Regulations/Orders/Mechanism to reduce the cost of power in case of advance payments/prepayment by any entity or consumers should be implemented within six months of issuance of the said letter.

(d) to (g) : The installation of meters including pre-payment meters falls under the purview of respective Discoms. However, Government of India is also providing funds to the States under various schemes for installation of smart meters in the prepayment mode. Presently, Smart Meters in pre-paid mode are being installed under various schemes of Government of India as well as by the State Utilities themselves. Government of India is providing funding to the States for implementation of smart prepaid metering under National Smart Grid Mission (NSGM) and the “Revamped Distribution Sector Scheme: (RDSS)” notified on 20.07.2021 with an outlay of Rs.3,03,758 Crore and an estimated Gross Budgetary Support (GBS) of Rs.97,631 Crore from the Central Government. Under this scheme, the eligible DISCOMs (all State-owned Distribution companies and State/UT Power Departments excluding private Sector power companies) would be provided financial support for installation of prepaid smart meters for consumers in TOTEX (Total Expenditure) mode. Under this scheme, a fixed amount of Rs.900 per consumer meter or 15% of the cost per consumer meter worked out for the whole project, whichever is lower, would be funded for “Other than Special Category States”. However, in case of “Special Category States”, a fixed amount of Rs.1350 per consumer meter or 22.5% of the cost per consumer meter worked out for the whole project, whichever is lower, would be provided.

Further, to incentivize the States/UTs for deployment of prepaid Smart Meters by December, 2023, an incentive @ 7.5% of the cost per consumer meter worked out for the whole project or Rs. 450 per consumer meter, whichever is lower, would be provided for “Other than Special Category States” whereas the incentive @ 11.25% of the cost per consumer meter worked out for the whole project or Rs.675 per consumer meter, whichever is lower, would be provided for “Special Category States”. Remaining cost is to be invested by AMISP (Advance Metering Infrastructure Service Provider) which will be paid on per meter per month basis by distribution company. Generally, improvement in revenue has been reported (after installation of pre-paid smart meter) to be higher than monthly amount to be paid to AMISP.
