

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO.2943
ANSWERED ON 08.08.2024**

REDUCTION IN ELECTRICITY RATE

†2943 SMT. GENIBEN NAGAJI THAKOR:

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

- (a) whether any steps are being taken by the Government to slash electricity rates;**
- (b) if so, the details thereof;**
- (c) whether the power generation is declining; and**
- (d) if so, the steps taken/being taken by the Government to increase the power generation in the country?**

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) & (b): Electricity tariffs in India are determined by the Appropriate Electricity Regulatory Commissions under the Electricity Act, 2003. These Commissions are guided by the National Tariff Policy formulated by the Central Government. State Electricity Regulatory Commissions determine the retail tariff considering power procurement, transmission, wheeling and supply costs. State Governments may provide subsidy to any class of consumers in the tariff determined by the State Commission. The retail tariff varies from state to state for different consumer categories depending upon, *inter-alia*, the power procurement cost, distribution losses and subsidies provided, if any.

Central Government has taken various initiatives aimed at reducing the cost of electricity. Guidelines have been issued for competitive procurement of electricity by Distribution companies. Discoms have been enabled to purchase

electricity from power exchanges at competitive prices. Under the scheme for flexibility in utilisation of domestic coal, plants supplying electricity to Distribution companies have been allowed to use cheaper coal for generation. Lower-cost inter-state generating stations are being prioritised for dispatch of electricity. Discoms have been incentivised to reduce their technical and commercial losses under Revamped Distribution Sector Scheme (RDSS).

(c): There has been consistent growth in generation of electricity in the country except for a marginal decline in 2020-21 due to lower energy requirement in the country due to COVID-19 pandemic. The details of total quantity of power generated in the country during the last five years and the current year (upto June, 2024), are given at Annexure.

(d): Government of India has taken following steps to increase the power generation in the country since 2014:

(i) Increase in installed capacity from 2,48,554 MW in March 2014 to 4,46,190 MW in June 2024.

Further, as against minimum 80,000 MW thermal capacity targeted to be added by 2031-32, 28,400 MW Thermal Capacity is under construction. In addition, 18,087.5 MW Hydro Capacity and 7,300 MW Nuclear Capacity are also expected to be operationalized by 2031-32.

(ii) Addition of 1,95,181 circuit kilometer (ckm) of transmission lines, 7,30,794 MVA of Transformation capacity and 82,790 MW of Inter-Regional capacity with capability of transferring 1,18,740 MW from one corner of the country to another.

Further, addition of 21,766 ckm transmission line and 1,77,755 MVA transformation capacity is targeted to be completed by 2026-27.

(iii) Waiver of ISTS charges on transmission of electricity generated from Solar, Wind, Pumped Storage Plants and Battery Energy Storage Systems.

(iv) Renewable Purchase Obligations (RPOs) and Energy Storage obligations Trajectory till 2029-30.

(v) Construction of Green Energy Corridors and putting in place 13 Renewable Energy Management Centres.

(vi) Setting up of Ultra Mega Renewable Energy Parks to provide land and transmission to RE developers for installation of RE projects at large scale.

- (vii) Reduction of AT&C losses from 22.62% in 2013-14 to 15.40% in 2022-23. All current payment of GENCOs are up-to-date and the legacy dues of GENCOs have come down from Rs. 1,39,947 crore to Rs. 35,119 Crore.**
- (viii) Under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development (IPDS) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana- (SAUBHAGYA) schemes, 18,374 villages have been electrified and 2.86 crore household were provided electricity connections.**
- (ix) Introduction of SHAKTI policy for transparent allocation of coal to Thermal Power plants. This enabled efficient domestic coal allocation to Thermal Power Plants and also ensured revival of various stressed Thermal Power Projects.**
- (x) Construction of the Inter-State transmission system ahead of the generation capacity.**

ANNEXURE

ANNEXURE REFERRED IN REPLY TO PART (c) OF UNSTARRED QUESTION NO. 2943 ANSWERED IN THE LOK SABHA ON 08.08.2024

The total quantity of power generated in the country during the last five years and the current year (upto June, 2024)

(All figures are in Million Units)

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (Upto June)
Total Power Generated	13,89,121	13,81,855	14,91,859	16,24,466	17,39,091	4,85,337
