

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.896
ANSWERED ON 04.12.2025**

ELECTRICITY AMENDMENT ACT

896. DR. KALYAN VAIJINATHRAO KALE:

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

(a) whether the Union Government has examined any proposal to issue multiple distribution licenses in a single area as envisaged in the Electricity (Amendment) Bill, 2025 which would increase the financial burden on existing Government distribution companies and lead to higher tariffs for domestic and agricultural consumers;

(b) if so, the details thereof; and

(c) the steps proposed to be taken by the Government to mitigate such financial risks?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) to (c) : Electricity Act, 2003 (Act), under Section 14, already enables the granting of multiple distribution licenses in the same area of supply to promote competition and efficiency in the power sector. However, at present, licensees in the same area are required to maintain separate networks, leading to duplication and avoidable costs. To address this, it has been proposed to allow distribution licensees to supply electricity through either their own or a shared network, subject to payment of applicable network charges and regulatory oversight by the State Electricity Regulatory Commission (SERC).

The proposal doesn't entail any additional financial burden on the existing Government or private distribution licensees as the users of the distribution network are required to pay the network charges determined by the SERC.

Further, under Section 65 of the Act, State Governments shall continue to have the flexibility to support specific consumer categories including domestic and agricultural, by providing subsidies ensuring that no consumer group is unduly burdened.
