

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:3158

ANSWERED ON:11.12.2014

POWER TARIFF

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

- (a) whether there is any proposal under consideration of the Government to allow the power generating companies to buy coal blocks through e-auction and if so, the details thereof along with its likely impact on the production cost as well as sale price of power;
- (b) the existing minimum and maximum sale price of power to consumers in each State of the country and their impact on per capita consumption of power;
- (c) the details of requests received from various States including Maharashtra during the last three years and the current year to resolve the issue of power tariff and its supply by both private as well as public sector power generating companies along with action taken by the Government thereon; and
- (d) the steps taken/to be taken by the Government to provide power to consumers at a reasonable price?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY ( SHRI PIYUSH GOYAL )

(a) : The Government of India has promulgated an Ordinance to re-allocate coal blocks cancelled by the Hon'ble Supreme Court through e-auction to bidders or allotment to Government companies, as the case may be.

(b) : The average minimum and maximum sale price of power to various categories of consumers is worked out from the available Tariff notified by the State

Governments/ Tariff Orders issued by the State Electricity Regulatory Commissions and is based upon assumed load (MW) and consumption (kWh) by different categories of consumers. These average sale price also include the electricity duties charged by the States. State wise average minimum and maximum sale price of power to various categories of consumers is given in the Annex.

(c) : After enactment of Electricity Act, 2003 issue of addressing power tariff of various states are dealt by the respective Regulators.

(d) : Some of the steps taken by the Government to provide power to consumers at a reasonable price are as follows:

(i) Promoting use of more efficient super-critical technology in thermal power generation with a view to reduce the cost of fuel required per unit of generation.

(ii) Encouraging captive coal mining for thermal power projects with the object of, inter alia, lowering cost of fuel for coal-fired stations.

(iii) Renovation and Modernization of ageing / inefficient thermal and hydro power stations for improving operational efficiency.

(iv) Tariff Policy notified on 06.01.2006 mandates procurement of power by distribution licensees competitively.

(v) Initiative to set up Ultra Mega Power Projects (UMPPs) of 4000 MW capacity each through tariff-based International Competitive Bidding to reap benefits of economy of scale.

(vi) Competitive tariffs have been discovered through tariff based competitive bidding for procurement of power.

(vii) Restructured Accelerated Power Development & Reforms Programme (R-APDRP) launched by the Government to reduce Aggregate Technical & Commercial (AT & C) losses to below 15% in towns with population greater than 30,000 as per 2001 Census.