

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.1847
TO BE ANSWERED ON 22.09.2020**

AMENDMENTS TO ELECTRICITY ACT

1847. SHRI NAMA NAGESWARA RAO:

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

- (a) whether the Union Government proposes any amendments in the Electricity Act, 2003;**
- (b) if so, the details thereof;**
- (c) whether the proposed amendments are likely to affect adversely the small household consumers and farmers as highlighted by the Telangana Government;**
- (d) whether farmers are likely to lose subsidy on electricity bills due to the proposed amendments and if so, the details thereof; and**
- (e) whether the Union Government intends to amend the tariff policy once the proposed amendments are carried out in the said Act?**

A N S W E R

**THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
NEW & RENEWABLE ENERGY AND THE MINISTER OF STATE FOR
SKILL DEVELOPMENT & ENTREPRENEURSHIP**

(SHRI R.K. SINGH)

(a) & (b) : Yes, Sir. A draft Electricity (Amendment) Bill 2020 was published on 17th April 2020 seeking comments from the stakeholders including the State Governments. The draft proposal, inter-alia, includes provisions related to Direct Benefit Transfer of subsidy, cross subsidies, selection committee for selection of Chairperson and Members

of the regulatory commissions, contract enforcement mechanism, payment security mechanism, promotion of renewable energy, introduction of Distribution Sub Licensee etc. Comments have been received from the stakeholders including the State Governments. The suggestions made by the stakeholders will be examined and incorporated suitably in the draft Amendment Bill.

(c) : No, Sir. The proposed amendments will enhance the sustainability of the power sector and help all consumers, including small household consumers and farmers in getting quality and reliable power at reasonable rates.

(d) : No, Sir. There is no proposal to remove the provision empowering State Governments to release subsidy to the needy. The State Governments can continue to provide subsidy to any class of consumer, as they deem fit. The proposal is to give the subsidy in the account of the consumer maintained by DISCOMs for better accounting, higher transparency and proper targetting.

(e) : Amendment of Tariff Policy is considered from time to time to align it with the changing needs of the power sector, take advantage of the technological advancements and address evolving challenges. Proposals for Revision in the Tariff Policy are already in an advanced stage of consideration.
