

GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
STARRED QUESTION NO.148
ANSWERED ON 09.12.2024

ELECTRICITY SUPPLY IN RURAL AREAS

148 # DR. SUDHANSHU TRIVEDI:

Will the Minister of Power be pleased to state:

- (a) the steps being taken to encourage investment in the power sector to maintain the quality and reliability of power in rural areas;
- (b) whether it is also a fact that limited availability of skilled professionals also hinders technology installation and maintenance; and
- (c) if so, the measures being proposed to address the shortage of skilled professionals in the Power Sector?

A N S W E R

THE MINISTER OF POWER

(SHRI MANOHAR LAL)

(a) to (c) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) IN RESPECT OF RAJYA SABHA STARRED QUESTION NO.148 FOR REPLY ON 09.12.2024 REGARDING ELECTRICITY SUPPLY IN RURAL AREAS ASKED BY DR. SUDHANSHU TRIVEDI.

(a) : The Ministry of Power has taken the following steps to encourage investment in the power sector to maintain the quality and reliability of power including in rural areas.

(1) The National Electricity Plan has been notified by the Central Electricity Authority for the period 2022-23 to 2031-32 to meet the projected peak demand. Central Government, in December 2022, has notified Electricity Rules mandating Resource Adequacy at the State level. State Electricity Regulatory Commissions (SERCs) are tasked with issuing regulations aligned with these rules, monitor compliance, and impose penalties for non-compliance. Distribution Licensees are responsible for preparing Resource Adequacy plans and tie up the required generation capacity to meet the peak demand and ensure 24x7 power supply in all areas including rural areas. The Resource Adequacy plans provide visibility to potential investors.

(2) Tariff Policy 2016 mandates timely issuance of tariff orders by SERCs to ensure cost reflective tariff. This will help in financial viability of the power sector across the value chain.

(3) Central Government has amended Electricity Rules introducing the following provisions:

(i) Automatic pass-through of any increase in power purchase costs on a monthly basis is mandated. All prudent Development & Maintenance costs of Distribution Assets and reasonable Return on Equity have been mandated to be passed through.

(ii) SERCs shall not allow any revenue gap while fixing the tariff except in cases of natural calamities. The existing gap should be liquidated in seven annual instalments.

(iii) If there is a change in the law, the electricity cost can be adjusted without waiting for approval from the Appropriate Commission. This ensures that the affected party is fairly compensated, bringing them back to the same economic position they were in before the change in law occurred.

(iv) Distribution licensees are now required to properly account for subsidies under Section 65 of the Electricity Act, 2003. They are required to follow the Standard Operating Procedures (SoP) of the Central Government. SERCs may take action against the defaulting entities.

(v) The Late Payment Surcharge Rules mandate that Generating Companies and Inter-State Transmission Licensees should receive their payments on time else Inter-State Transmission System access to the defaulting entity would be regulated.

(4) Tariff Based Competitive Bidding Guidelines of Central Government have fostered competition and provided opportunities for investments in the generation and transmission sectors.

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(5) Central Government, under various schemes, supports the efforts of Distribution Licensees in the States by providing funding to achieve 24x7 power supply for all consumers. An expenditure of approximately Rs.1.85 lakh crore was incurred for strengthening the distribution system of the country through the schemes: Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA).

(6) Central Government launched the Revamped Distribution Sector Scheme (RDSS) in July 2021 to improve the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector in the country. Under the scheme, financial assistance is being provided to the eligible DISCOMs/Power Departments (excluding Private Sector DISCOMs) for the upgradation and modernisation of distribution infrastructure. This will improve not only the distribution infrastructure but also improve the financial viability of the distribution sector leading to more investments.

(b) & (c) : To improve the availability of skilled professionals in power sector, the following initiatives have been taken:

- i. Skill Development Programs through Power Sector Skill Council (PSSC) have been taken up to train professionals.
- ii. Customized Training Modules have been prepared.
- iii. Capacity-Building in collaboration with educational institutions and industry has been taken up.
- iv. Special programs for skilling and up skilling of rural youth near project sites have been taken up.
- v. On-the-job training is encouraged through apprenticeships with power companies
- vi. RDSS focuses on skill development including training in technical matters, advanced technology, advance metering infrastructure etc. for personnel involved in execution of the scheme.
