



## Electricity Amendment Bill, 2020

### What is the issue?

- The Electricity Amendment Bill 2020, recently drafted by the Union power ministry will amend the Electricity Act 2003.
- Due to this Bill, a big challenge lies ahead for Punjab that provides free power to the agriculture sector.

### What does the Bill propose to do?

- The new bill has proposed providing subsidy on power to farmers through Direct Benefit of Transfer (DBT).
- This would be different from the prevailing 'free power' system.
- Experts and farmers say that under the garb of DBT, it is a move to stop the free power supply to them.

### What is the current system of power subsidy for farmers in Punjab?

- At present, Punjab is supplying free power to 14.16 lakh electricity-run tube wells of the agriculture sector.
- These tube wells are getting power through 5,900 Agricultural Pump set Feeders (APFs).
- These APFs are metered and the Punjab State Power Corporation charges the state government Rs 5.26 per unit for consumed units recorded in metered APFs.
- There are no individual meters installed on every tube well in Punjab, which is among the first states to separate agriculture sector feeders.
- Farmers are getting power supply for their Kharif and Rabi crops from these feeders as per the recommendations of the Punjab Agriculture University (PAU).
- It is supplied for around 8 hours every day in Kharif season and 4 hours on alternate days during Rabi crop season.
- Punjab government pays Rs 6,000 crore power subsidy bill to Punjab State Power Corporation Limited (PSPCL) every year under its 'free power scheme' to the farming sector.

## **What would change under the DBT allowed under the 2020 Bill?**

- Under DBT, farmers will have to pay the bill for the power consumed for agriculture purposes.
- After that, they will get the subsidy in their bank accounts through DBT.
- A meter would be installed on every individual tube well.
- In Punjab, the consumption per tube well, having motors with power rating between 7.5 and 12 horse power (HP), is 8,000-9,000 units.
- So the annual power bill will come to around Rs 46,000 to Rs 48,000, and farmers are required to pay a bill of Rs 4,000 per month.
- In Punjab, 67% farmers come under the small and marginal categories with 1-2 hectares land.
- Paying bills in advance is not possible for them due to debt.
- If farmers don't pay their bills, the department will disconnect their connection.
- This could lead to several clashes in Punjab between PSPCL employees and farmers' unions as well as power theft.

## **Can it work like DBT on LPG gas cylinders?**

- It may or may not, only time will tell, said experts.
- The bill suggests the subsidy be paid directly to consumers in cash on the pattern of LPG subsidy.
- This proposal should be tried in a pilot project and if results are encouraging, only then it should be included in the amendment bill.
- In the agriculture sector, free or subsidised power is being provided on the basis of a load of pump sets to consumers in every state without any provision of meter on the basis of fixed charges.
- It is impractical to provide meters on every pump set up across India and then give cash subsidy every month after the consumer has paid the bill.

## **How will it affect PSPCL?**

- Currently, PSPCL is maintaining only 5,900 power meters installed on feeders.
- But as per the new bill, PSPCL needs to installed electricity meters on every tubewell.
- This will require at least Rs 1,200 crore along with 10% recurring charges on these annually.
- PSPCL needs to appoint more manpower to maintain it.
- It will be a huge burden on PSPCL too.

## **What do farmers' organisations think of this?**

- **Protest** - Farmers' organisations say that if the Punjab government agrees to this bill, they will fight it tooth and nail.
- They ask, from where will poor farmers pay such heavy bills when they get income after six months following the sale of their crop.
- Farmers' organisations have planned to hold massive protests opposing the bill.
- **Data discrepancy** - Punjab government seems to be in favour of the bill when it says it will benefit 26 lakh farmers against the 10 lakh currently who own tubewells.
- According to PAU, there are around 12.50 lakh farming households in Punjab.
- Even if the division has taken place among the brothers, they share the water of the same tubewell connections, which are installed in their joint properties.

**Source: The Indian Express**



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