



# Subsidy in Electricity Rates

## Why in News

In the virtual meeting of the Council of Ministers held under the chairmanship of Chief Minister Shivraj Singh Chouhan on October 19, 2021, it was decided to give subsidy of more than Rs 20 thousand crore in electricity rates to domestic and agricultural consumers for the financial year 2021-22.

## Key Points

- Along with this, a subsidy of Rs 4981.69 crore has been approved under the **Grih Jyoti Yojana**.
- A flat rate of Rs. 1500 per horsepower per year will be payable from the consumer of meterless permanent agricultural pump with a capacity of more than 10 horsepower. The remaining amount will be payable by the state government to the distribution companies as a subsidy. For this a subsidy of Rs 644 crore will be provided. This will benefit about 50,000 agricultural pump consumers of the state.
- Energy charges, fuel charges and fixed charges will be waived on metered permanent and temporary agricultural pump connections. The exemption amount will be paid by the state government to the companies in the form of subsidy. An amount of Rs 350 crore will be payable for this and about 2 lakh temporary and 20 thousand meter permanent agricultural pump consumers will be benefitted.
- Free electricity will be provided to Scheduled Caste and Scheduled Tribe agricultural consumers up to 5 horsepower having land up to one hectare. The entire amount of the bill will be payable by the state government as subsidy and about 9 lakh 25 thousand agricultural pump consumers will be benefitted. For this, an amount of Rs 4,733 crore will be given by the state government as subsidy to the distribution companies.
- Energy charges and annual minimum charges will be waived off for high pressure lift/group irrigation consumers. The exemption amount will be borne by the state government as subsidy. For this, an amount of Rs 90 crore will be payable as subsidy.
- With the decision taken by the cabinet, the consumers of agriculture sector of the state will get annual relief of Rs 15,722.87 crore in electricity bill.