GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
UNSTARRED QUESTION NO.1107
ANSWERED ON 09.02.2026

DRAFT OF NATIONAL ELECTRICITY POLICY

1107 SHRI ASHOKRAO SHANKARRAO CHAVAN:

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

(a) whether Government has released the Draft National Electricity Policy (NEP), 2026 and if so, the details thereof;

(b) aims and objectives of the said policy;

(c) time by when the new NEP is likely to be replace old/existing policy and goals set under new NEP;

(d) whether Government has set any timeline for receiving feedback and suggestions from stakeholders, including State Governments, industry bodies, power utilities and consumer groups and if so, the details thereof; and

(e) whether Government has undertaken any impact assessment of the proposed policy on electricity tariffs, power distribution companies (DISCOMs) and private investment and if so, the details thereof?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) : A Draft National Electricity Policy (NEP) 2026 has been prepared by the Ministry of Power and circulated for stakeholder consultation on 20.01.2026. The draft policy comprehensively addresses emerging challenges and outlines corresponding strategies across all major segments of the power sector, including generation (renewable, thermal, hydro, and nuclear), energy storage, transmission and distribution, power markets, grid operations, cybersecurity, data sharing, technology deployment, skill development, energy efficiency, and financing.

(b): The draft National Electricity Policy, 2026 sets out clear goals and objectives for achieving financial turnaround and commercial viability of the electricity sector; ensuring adequate availability of power with reliable and quality supply to meet both peak demand and overall energy requirements; and enabling supply of electricity at competitive prices to support the vision of *Viksit Bharat @ 2047*. The draft policy also seeks to increase the share of non-fossil fuel–based capacity in line with India's Nationally Determined Contribution (NDC) targets, promote competition in electricity supply, and support per capita electricity consumption to about 2,000 kWh by 2030 and over 4,000 kWh by 2047, while emphasizing energy efficiency. Further, it aims to strengthen grid resilience to support large-scale renewable energy integration, flexible system operations, and preparedness for climate adaptation and cybersecurity challenges; enhance consumer-centric services and demand-side interventions; and strengthen dispute resolution mechanisms to ensure faster resolution of disputes and reduce the financial burden on consumers.

(c) & (d) : The timeline for finalization and notification of the revised Policy, which will replace the existing National Electricity Policy, will be determined after completion of the stakeholder consultation process and due consideration of the comments and suggestions received. The draft Policy has been circulated to invite comments and suggestions from stakeholders, including State Governments, industry bodies, utilities, and consumer groups, with a consultation period of 30 days from the date of issuance of the letter, i.e., up to 19.02.2026.

(e) : The policy articulates its vision as providing reliable, 24X7 quality power through a financially viable and environmentally sustainable power sector, thereby strengthening energy security while ensuring affordability.

The draft National Electricity Policy, 2026 inter alia envisages measures to ensure the financial sustainability and improve operational efficiency of distribution utilities through greater cost optimization and strengthened financial discipline supported by cost-reflective tariffs and loss reduction.

To attract private investment and mobilize long-term, low-cost financing, the draft policy proposes a comprehensive set of measures aimed at improving competition, bankability, and investor confidence across the power sector. In line with the intent of the Electricity Act, monopoly in distribution is proposed to be phased out by enabling multiple licensees, with promotion of Public-Private Partnerships and listing of utilities, supported by the Central Government. To further enhance efficiency and transparency, competitive bidding is envisaged as the default mode for all inter- and intra-state transmission projects. The draft policy also proposes introduction of innovative contracting mechanisms such as Virtual Power Purchase Agreements and Bilateral Contract Settlement to facilitate investment in non-fossil fuel–based generation. To accelerate capacity addition in clean energy, the draft policy proposes to ensure unrestricted access for industrial consumers to renewable power through Open Access and captive generation, free from regulatory or procedural barriers. Further, the establishment of dedicated platforms and sector-specific funds under the National Bank for Financing Infrastructure and Development (NaBFID) and the National Investment and Infrastructure Fund (NIIF) is envisaged to mobilise capital for non-fossil energy infrastructure, supported by risk-mitigation instruments such as first-loss guarantees, reserve funds, and multilateral guarantees from Multilateral Development Banks. In addition, the draft policy proposes exploration of a climate finance taxonomy to facilitate concessional green financing and support the power sector's transition towards net-zero emissions.

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