

**Remark of Forum of Regulators on Electricity (Amendment) Bill, 2021 ( dated 05.02.2021)**  
**during the Special Meeting held on 27th February, 2021**

Existing Provisions	Proposed Provisions	Comments
Section 1  (1) This Act may be called the Electricity Act, 2003. (2) It extends to the whole of India except the State of Jammu and Kashmir. ...	Section 1  (1) This Act may be called the Electricity (Amendment) Act, 2021 (2) It extends to the whole of India <del>except the State of Jammu and Kashmir.</del> ...	
Section 2  (3) "area of supply" means the area within which a distribution licensee is authorised by his licence to supply electricity;	Section 2  (3) "area of supply" means the <del>area for which a distribution company is registered with the Appropriate Commission to supply electricity:</del>  <del>Provided that the area within a Municipal Council or a Municipal Corporation as defined in Article 243Q of the Constitution of India or a revenue district or an smaller area as notified by the Appropriate Government shall be the minimum area of supply";</del>	This will lead to cherry picking.
New Insertion	Section 2  <del>"(15a) "Cross border trade of electricity" means transactions involving import or export of electricity between India and any other country</del>	

	and includes transactions between two other countries that involve the use of the transmission lines of India.	
Section 2  (17) "distribution licensee" means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;	Section 2  (17) “distribution company” means a company or body corporate registered under section 24B for the purpose of supply of electricity through its own distribution system or using the distribution system of other distribution companies to the consumers in its area of supply;”.	
PART IV – LICENSING	Part IV- Licensing and Registration	
Section 12  No person shall (a) transmit electricity; or (b) distribute electricity; or (c) undertake trading in electricity,  unless he is authorised to do so by a licence issued under section 14, or is exempt under section 13.	Section 12  No person shall (a) transmit electricity; or <del>(b) distribute electricity; or</del> <del>(c)</del> (b) undertake trading in electricity,  unless he is authorised to do so by a licence issued under section 14, or is exempt under section 13.	
Section 14 The Appropriate Commission may, on an application made to it under section 15, grant any person licence to any person – (a) to transmit electricity as a transmission licensee; or (b) to distribute electricity as a distribution licensee; or	Section 14 The Appropriate Commission may, on an application made to it under section 15, grant any person licence to any person – (a) to transmit electricity as a transmission licensee; or <del>(b) to distribute electricity as a distribution licensee; or</del>	

<p>(c) to undertake trading in electricity as an electricity trader, in any area as may be specified in the licence:</p> <p>(1<sup>st</sup> Proviso)</p> <p>Provided that any person engaged in the business of transmission or supply of electricity under the provisions of the repealed laws or any Act specified in the Schedule on or before the appointed date shall be deemed to be a licensee under this Act for such period as may be stipulated in the licence, clearance or approval granted to him under the repealed laws or such Act specified in the Schedule, and the provisions of the repealed laws or such Act specified in the Schedule in respect of such licence shall apply for a period of one year from the date of commencement of this Act or such earlier period as may be specified, at the request of the licensee, by the Appropriate Commission and thereafter the provisions of this Act shall apply to such business:</p> <p>(3<sup>rd</sup> Proviso)</p> <p>Provided also that in case an Appropriate Government transmits electricity or distributes electricity or undertakes trading in electricity, whether before or after the commencement of this Act, such Government shall be deemed to be a licensee under this Act, but shall not be required</p>	<p>(c) to undertake trading in electricity as an electricity trader, in any area as may be specified in the licence:</p> <p>(1<sup>st</sup> Proviso)</p> <p>Provided that any person engaged in the business of transmission <del>or</del> supply of electricity under the provisions of the repealed laws or any Act specified in the Schedule on or before the appointed date shall be deemed to be a licensee under this Act for such period as may be stipulated in the licence, clearance or approval granted to him under the repealed laws or such Act specified in the Schedule, and the provisions of the repealed laws or such Act specified in the Schedule in respect of such licence shall apply for a period of one year from the date of commencement of this Act or such earlier period as may be specified, at the request of the licensee, by the Appropriate Commission and thereafter the provisions of this Act shall apply to such business:</p> <p>(3<sup>rd</sup> Proviso)</p> <p>Provided also that in case an Appropriate Government transmits electricity <del>or distributes</del> electricity or undertakes trading in electricity, whether before or after the commencement of this Act, such Government shall be deemed to be a licensee under this Act, but shall not be required</p>	
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<p>to obtain a licence under this Act:</p> <p>(6<sup>th</sup> Proviso)</p> <p>Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements (including the capital adequacy, credit-worthiness, or code of conduct) as may be prescribed by the Central Government, and no such applicant who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose:</p> <p>(7<sup>th</sup> Proviso)</p> <p>Provided also that in a case where a distribution licensee proposes to undertake distribution of electricity for a specified area within his area of supply through another person, that person shall not be required to obtain any separate licence from the concerned State Commission and such distribution licensee shall be responsible for distribution of electricity in his area of supply:</p>	<p>to obtain a licence under this Act:</p> <p><del>(6<sup>th</sup> Proviso)</del></p> <p><del>Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements (including the capital adequacy, credit-worthiness, or code of conduct) as may be prescribed by the Central Government, and no such applicant who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose:</del></p> <p><del>(7<sup>th</sup> Proviso)</del></p> <p><del>Provided also that in a case where a distribution licensee proposes to undertake distribution of electricity for a specified area within his area of supply through another person, that person shall not be required to obtain any separate licence from the concerned State Commission and such distribution licensee shall be responsible for distribution of electricity in his area of supply:</del></p>	
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<p>(8<sup>th</sup> Proviso)</p> <p>Provided also that where a person intends to generate and distribute electricity in a rural area to be notified by the State Government, such person shall not require any licence for such generation and distribution of electricity, but he shall comply with the measures which may be specified by the Authority under section 53:</p> <p>(9<sup>th</sup> Proviso)</p> <p>Provided also that a distribution licensee shall not require a licence to undertake trading in electricity.</p>	<p><del>(8<sup>th</sup> Proviso)</del></p> <p><del>Provided also that where a person intends to generate and distribute electricity in a rural area to be notified by the State Government, such person shall not require any licence for such generation and distribution of electricity, but he shall comply with the measures which may be specified by the Authority under section 53:</del></p> <p>(9<sup>th</sup> Proviso)</p> <p>Provided also that a <del>distribution licensee</del> <b>distribution company</b> shall not require a licence to undertake trading in electricity.</p>	
<p>Section 24</p> <p>Insertion of new Sections 24A-24D</p>	<p>Section 24</p> <p><b>“24A. Distribution company.-</b> (1) Any company which fulfills the prescribed qualifications and has registered itself with the Appropriate Commission may supply electricity to consumers in its area of supply either using its own distribution system or using the distribution system of another distribution company provided that it complies with the provisions of this Act and the rules and regulation made there under. (2) Any reference to include or to mean a distribution licensee in this Act and the rules and regulations made thereunder shall be construed to</p>	<p>1 Who will <del>be the</del> have the responsibility to manage the network?;</p> <p>2. Strong Consumer Indexing is required.</p> <p>3. Who will ensure universal supply obligation?;</p> <p>4. Section 79(Ja) proposes that multi-State Distribution Company can be registered with CERC. However, power</p>

	<p>mean a reference to a distribution company and any reference to a distribution licence shall be construed to mean registration for distribution.</p> <p><b>24B. Registration for distribution of electricity.-</b> (1) Any person who meets the eligibility criteria prescribed to operate as a distribution company, may commence operations in an area of supply after registration with the Appropriate Commission or deemed registration in terms of fourth proviso to sub-section (2): Provided that where an Appropriate Government distributes electricity, whether before or after the commencement of this Act, it shall be deemed to be a distribution company under this Act, and shall not be required to register under this Act: Provided also that two or more distribution companies may register to distribute electricity in the same area: Provided also that a distribution company may propose to undertake distribution of electricity for a specified area through another person and such person shall not be required to register separately: Provided also that where a person intends to generate and distribute electricity in a rural area to be notified by the State Government, such person shall not require any registration for such generation and distribution of electricity, but shall comply with the measures which may be specified by the Authority under section 53: Provided also that a distribution licensee functioning on or before the commencement of</p>	<p>to cancel the registration is vested with SERCs under Section 24D. Further, the terms and conditions of supply of electricity are also to be determined by the SERCs under Section 24C. Therefore, there is contradictions and overlapping of authority.</p> <p>5. As mentioned in Section 24A(2), any reference to Distribution licensee shall be construed to mean reference to Distribution Company. However, this is in contradiction to several sections.</p> <p>6. Who will be responsible for correct consumer metering and T&amp;D Losses? How will the disputes regarding the energy accounting be resolved between the network company and supply company?</p> <p>7. Where will be the point of handshake between the network operators and electricity suppliers?</p>
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	<p>the Electricity (Amendment) Act, 2021 shall be deemed to have been registered as a distribution company and authorized to supply electricity under the Act.</p> <p>(2) The Appropriate Commission, on receipt of an application complete in all respects regarding the specified qualifications from a person, in such form, manner and accompanied with such fees, as prescribed by the Central Government, shall, within a period of 60 days, issue a registration certificate if the person meets the eligibility criteria prescribed by the Government:</p> <p>Provided that an application for registration may be rejected only on the ground that the applicant does not fulfill the qualifications prescribed for registration:</p> <p>Provided also that the Appropriate Commission shall inform the applicant of any deficiency in the application, or if any additional information is required, and shall give the applicant adequate opportunity to remove the deficiencies or supply the additional information, and an application can be rejected only after the applicant has been given adequate opportunity to correct the deficiencies as above, and only after hearing the applicant:</p> <p>Provided also that if no order is passed by the Appropriate Commission within 60 days, the registration shall be deemed to have been</p>	
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	<p>granted:          Provided also that for adequate reasons to be recorded in writing and after hearing, the Appropriate Commission may extend the period of 60 days by an additional period of 15 days.</p> <p>(3) In the case of an application concerning an area including the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Appropriate Commission shall ascertain that there is no objection from the Central Government to the grant of the registration.</p> <p>(4) A registration shall continue to be in force unless cancelled in accordance with the provisions of this Act.</p> <p><b>24C. Conditions of registration.-</b> The State Commission may specify terms and conditions for supply which shall apply to all distribution companies and such conditions shall be deemed to be the conditions of registration.</p> <p><b>24D. Amendment and cancellation of registration.-</b> (1) The State Commission, after making an enquiry, may amend or cancel the registration, if it is satisfied that:</p> <p>(a) the distribution company has made willful and</p>	
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	<p>prolonged default in doing anything required of it or under this Act or the rules or regulations made thereunder; or</p> <p>(b) the distribution company is not eligible as per the qualification criteria prescribed for registration; or</p> <p>(c) the distribution company within the period specified in this behalf, or any longer period which the State Commission may grant, has failed to:-</p> <p>(i) show that it is in a position to fully and efficiently discharge the duties and obligations imposed on it under the Act and the rules and regulations made thereunder; or</p> <p>(ii) make the deposit or furnish the registration fees, as prescribed by the Central Government.</p> <p>Provided that no registration shall be cancelled unless the State Commission has given to the distribution company at least three months' notice, in writing, stating the grounds on which it is proposed to cancel the registration, and has considered any objections by the distribution company within the period provided in the notice.</p> <p>(2) The State Commission may, instead of cancelling a registration under sub-section (1), permit it to remain in force subject to such further terms and conditions or amendment as it thinks fit to impose, which shall become binding upon</p>	
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	<p>and be observed by the distribution company and shall be deemed to be conditions of the registration, while making suitable arrangements to secure supply to the consumers of such distribution company.</p> <p>(3) Where the State Commission cancels a registration under this section, it shall serve a notice of cancellation upon the distribution company and fix a date on which the cancellation shall take effect.</p> <p>(4) Any vesting or sale of utility of the distribution company shall be in accordance with the procedure provided under sections 20, 21 and 22, as the case may be.”</p>	
Section 26  (2) The constitution and functions of the National Load Despatch Centre shall be such as may be prescribed by the Central Government:	Section 26  “(2) The constitution of the National Load Despatch Centre shall be such as may be prescribed by the Central Government.”	
Section 26  New Insertion	Section 26  “(4) The National Load Despatch Centre shall —  a) be the apex body to ensure integrated operation of the power system in the country;  b) be responsible for optimum scheduling and despatch of electricity in the country	Trading should not be allowed for NLDC.

	<p>across different States and regions in accordance with the contracts entered into with the licensees or the generating companies;</p> <ul style="list-style-type: none"> <li>c) monitor grid operations and ensure security of the electricity grid and for this purpose give directions as necessary to Regional Load Despatch Centre or State Load Despatch Centre, as the case may be;</li> <li>d) exercise supervision and control over the inter-regional and inter-state transmission network; and</li> <li>e) have overall authority for carrying out real time operations of the national grid.</li> </ul> <p>(5) The National Load Despatch Centre may give such directions and exercise such supervision and control over the power system as may be required for the safety and security of the national grid, for ensuring the stability of grid operation and for achieving maximum economy and efficiency in the operation of the power system throughout the country.</p> <p>(6) The National Load Despatch Centre may give the directions directly or through the Regional or State Despatch Centre concerned.</p> <p>(7) Every Regional Load Despatch Centre, State Load Despatch Centre, licensee, generating company, generating station, sub-station and any</p>	
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	other person connected with the operation of the power system shall comply with the directions issued by the National Load Despatch Centre.”	
<p>Section 28</p> <p>(3) The Regional Load Despatch Centre shall -</p> <p>(a) be responsible for optimum scheduling and despatch of electricity within the region, in accordance with the contracts entered into with the licensees or the generating companies operating in the region;</p> <p>.....</p>	<p>Section 28</p> <p>(3) The Regional Load Despatch Centre shall -</p> <p>(a) be responsible for optimum scheduling and despatch of electricity within the region, in accordance with the contracts entered into with the licensees or the generating companies operating in the region; <b>Provided that no electricity shall be scheduled or despatched under such contract unless adequate security of payment, as agreed upon by the parties to the contract, has been provided.</b></p> <p>.....</p>	
<p>Section 32</p> <p>(2) The State Load Despatch Centre shall -</p> <p>(a) be responsible for optimum scheduling and despatch of electricity within a State, in accordance with the contracts entered into with the licensees or the generating companies operating in that State;</p> <p>.....</p>	<p>Section 32</p> <p>(2) The State Load Despatch Centre shall -</p> <p>(a) be responsible for optimum scheduling and despatch of electricity within a State, in accordance with the contracts entered into with the licensees or the generating companies operating in that State; <b>Provided that no electricity shall be scheduled or despatched under such contract unless adequate security of payment, as agreed upon by the parties to the contract, has been provided.</b></p>	

<p>Section 42</p> <p>.....</p> <p>(4) Where the State Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the distribution licensee of his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling, as may be specified by the State Commission, to meet the fixed cost of such distribution licensee arising out of his obligation to supply.</p>	<p>Section 42</p> <p>.....</p> <p>(4) Where the State Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the distribution licensee of his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling, as may be specified by the State Commission, to meet the fixed cost of such distribution licensee arising out of his obligation to supply.</p> <p>“(4a) A distribution company shall provide non-discriminatory access through its distribution system to all distribution companies registered within the same area of supply, subject to payment of wheeling charges and the regulations specified by the State Commission.”</p> <p>“(4b) In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that a distribution company has knowingly failed to provide access through its distribution system to another distribution company or hindered it in any manner from using its distribution network, the Appropriate Commission may, after giving the distribution company an opportunity of being heard in the matter, issue such directions and /or</p>	<p>It should be subject to cross subsidy surcharge.</p>
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	impose such penalties as it considers necessary.”	
<p>Section 47</p> <p>.....</p> <p>(5) A distribution licensee shall not be entitled to require security in pursuance of clause (a) of sub-section (1) if the person requiring the supply is prepared to take the supply through a pre-payment meter.</p>	<p>Section 47</p> <p>.....</p> <p>(5) A distribution company shall not be entitled to require security in pursuance of clause (a) of sub-section (1), in case of supply of electricity through a pre-payment meter.</p>	
<p>Section 49</p> <p>Where the Appropriate Commission has allowed open access to certain consumers under section 42, such consumers notwithstanding the provisions contained in clause (d) of sub-section (1) of section 62, may enter into an agreement with any person for supply or purchase of electricity on such terms and conditions (including tariff) as may be agreed upon by them.</p> <p>New Insertion</p>	<p>Section 49</p> <p>Where the Appropriate Commission has allowed open access to certain consumers under section 42, such consumers notwithstanding the provisions contained in clause (d) of sub-section (1) of section 62, may enter into an agreement with any person for supply or purchase of electricity on such terms and conditions (including tariff) as may be agreed upon by them.</p> <p><b>49A. Cross Border Trade of Electricity. - (1)</b> The Central Government may prescribe rules and issue guidelines for allowing and facilitating cross border trade of electricity in accordance with the provisions of this Act:</p> <p>Provided that the guidelines governing Cross Border Trade of Electricity issued prior to the</p>	

	<p>notification of Electricity (Amendment) Act, 2021 shall be deemed to have been issued under this Act.</p> <p>(2) The Central Commission may make regulations consistent with the provisions of the Act and the rules and the guidelines made thereunder for cross border trade of electricity:</p> <p>Provided that the regulations issued prior to the notification of Electricity (Amendment) Act, 2021 shall be deemed to have been made under this Act.</p>	
<p>Section 60</p> <p>The Appropriate Commission may such issue directions as it considers appropriate to a licensee or a generating company if such licensee or generating company enters into any agreement or abuses its dominant position or enters into a combination which is likely to cause or causes an adverse effect on competition in electricity industry.</p> <p>New Insertion</p>	<p>Section 60</p> <p>The Appropriate Commission may such issue directions as it considers appropriate to a licensee or a generating company if such licensee or generating company enters into any agreement or abuses its dominant position or enters into a combination which is likely to cause or causes an adverse effect on competition in electricity industry.</p> <p><b>60A. Management of power purchase, cross subsidy, etc.-</b> (1) Notwithstanding anything contained in the Act, on the registration of more than one distribution company in an area of supply, the power from the existing power purchase agreements with the existing distribution company, as on the date of</p>	

	<p>registration of another distribution company, shall be shared among all the distribution companies in the area of supply as per the arrangements specified by the State Commission in accordance with the rules, if any, prescribed by the Central Government.</p> <p>Provided that the State Commission shall review the sharing of power from the existing power purchase agreements periodically:</p> <p>Provided further that a distribution company may enter into additional power purchase agreements, after meeting the commitments of the existing power purchase agreements, to meet any additional requirement of power without sharing with other distribution companies.</p> <p>(2) On the registration of more than one distribution company in an area of supply, a universal service obligation fund to be managed by a Government company or entity, designated by the State Government, shall be created. Any surplus with a distribution company on account of cross subsidy or cross subsidy surcharge or additional surcharge shall be deposited into this fund, and this fund shall be utilised to fund any deficits in cross subsidy in the same or any other area of supply.</p>	<ol style="list-style-type: none"> <li>1. Universal Supply Obligation needs to be defined.</li> <li>2. The proposed fund also needs to be defined.</li> <li>3. More clarity on the word “surplus” is required</li> </ol>
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<p>Section 62</p> <p>(1) The Appropriate Commission shall determine the tariff in accordance with provisions of this Act for –</p> <p>(a) supply of electricity by a generating company to a distribution licensee:</p> <p>Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;</p> <p>(b) transmission of electricity ;  (c) wheeling of electricity;  (d) retail sale of electricity.</p> <p>.....</p>	<p>Section 62</p> <p>(1) The Appropriate Commission shall determine the tariff in accordance with provisions of this Act for –</p> <p>(a) supply of electricity by a generating company to a distribution licensee:</p> <p>Provided that the Appropriate Commission <del>may</del> <b>shall</b>, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;</p> <p><b>Provided further that in such ceiling tariff, the cross subsidy shall be indicated separately by the Appropriate Commission.</b></p> <p>(b) transmission of electricity ;  (c) wheeling of electricity;  (d) retail sale of electricity.</p> <p>.....</p>	

<p>Section 63</p> <p>Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.</p>	<p>Section 63</p> <p>(1) Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.</p> <p>(2) The Appropriate Commission shall, after receipt of application complete in all respects, adopt the tariff so determined under sub-section (1), not later than ninety days from the date of application:</p> <p>Provided that, if the tariff is not decided by the Appropriate Commission, on expiry of ninety days from receipt of such application, the proposed tariff shall be deemed to have been adopted.</p>	
<p>Section 64</p> <p>(1) An application for determination of tariff under section 62 shall be made by a generating company or licensee in such manner and accompanied by such fee, as may be determined by regulations.</p> <p>.....</p>	<p>Section 64</p> <p><del>(1) An application for determination of tariff under section 62 shall be made by a generating company or licensee in such manner and accompanied by such fee, as may be determined by regulations.</del></p> <p>(1) An application for determination of tariff under section 62 shall be made by a generating company or distribution company or licensee in such manner and accompanied by such fee, as</p>	

<p>.....</p> <p>.....</p> <p>.....</p> <p>(3) The Appropriate Commission shall, within one hundred and twenty days from receipt of an application under sub-section (1) and after considering all suggestions and objections received from the public,-</p>	<p>may be determined by regulations:</p> <p>Provided that if an application is not made by a distribution company in time, the State Commission shall not later than 30 days of the last date specified in the regulations, initiate proceedings for determination of tariff and call for such information, details and documents as may be required for such determination with the objective of determining the tariff before the beginning of the financial year.</p> <p>Provided further that, where two or more distribution companies are registered to operate in the same area, the Appropriate Commission shall fix the ceiling tariff suo moto after calling for requisite information from the distribution companies.</p> <p>.....</p> <p>(3) The Appropriate Commission shall, within <del>one hundred and twenty days from receipt of an application</del> ninety days from receipt of application or initiation of proceedings, as the case may be under sub-section (1) and after considering all suggestions and objections received from the public,-</p>	<p>More clarity is required.</p>
<p>Section 76</p>	<p>Section 76</p>	

<p>.....</p> <p>(5) The Central Commission shall consist of the following Members namely:-</p> <p>(a) a Chairperson and three other Members;</p> <p>(b) the Chairperson of the Authority who shall be the Member, ex officio.</p>	<p>.....</p> <p>(5) The Central Commission shall consist of the following Members namely:-</p> <p>(a) a Chairperson and <del>three</del> four other Members;</p> <p>(b) the Chairperson of the Authority who shall be the Member, ex officio.</p>	
<p>Section 77</p> <p>(1) The Chairperson and the Members of the Central Commission shall be persons having adequate knowledge of, or experience in, or shown capacity in, dealing with, problems relating to engineering, law, economics, commerce, finance or, management and shall be appointed in the following manner, namely:-</p> <p>(a) one person having qualifications and experience in the field of engineering with specialisation in generation, transmission or distribution of electricity;</p> <p>(b) one person having qualifications and experience in the field of finance;</p> <p>(c) two persons having qualifications and experience in the field of economics, commerce,</p>	<p>Section 77</p> <p><del>(1) The Chairperson and the Members of the Central Commission shall be persons having adequate knowledge of, or experience in, or shown capacity in, dealing with, problems relating to engineering, law, economics, commerce, finance or, management and shall be appointed in the following manner, namely:-</del></p> <p>(1) The Chairperson of the Central Commission shall be a person of ability, integrity and standing, having adequate knowledge of and experience in the power sector, or, is or has been Secretary or Additional Secretary for a total of at least two years in the Ministry or Department of the Central Government dealing with power sector or Chief secretary of the State or Additional Chief secretary dealing with power</p>	

<p>law or management:</p> <p>Provided that not more than one Member shall be appointed under the same category under clause (c).</p> <p>(2) Notwithstanding anything contained in subsection (1), the Central Government may appoint any person as the Chairperson from amongst persons who is, or has been, a Judge of the Supreme Court or the Chief Justice of a High Court:</p> <p>Provided that no appointment under this subsection shall be made except after consultation with the Chief Justice of India.</p>	<p><b>sector of the State</b></p> <p>(a) one person having qualifications and experience in the field of engineering with specialisation in generation, transmission or distribution of electricity;</p> <p>(b) one person having qualifications and experience in the field of finance;</p> <p>(c) two persons having qualifications and experience in the field of economics, commerce, law or management:</p> <p>Provided that not more than one Member shall be appointed under the same category under clause (c).</p> <p><del>(2) Notwithstanding anything contained in subsection (1), the Central Government may appoint any person as the Chairperson from amongst persons who is, or has been, a Judge of the Supreme Court or the Chief Justice of a High Court:</del></p> <p><del>Provided that no appointment under this subsection shall be made except after consultation with the Chief Justice of India.</del></p> <p>“(2) The Members, other than the Chairperson, of the Central Commission shall be persons of ability, integrity and standing, having adequate</p>	
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	<p>knowledge of and experience in the fields of engineering, law, economics, commerce, finance, public policy / administration or, management and shall be appointed in the following manner, namely:-</p> <p>(a) one person having qualifications and experience in the field of engineering with specialisation in generation, transmission or distribution of electricity;</p> <p>(b) one person having qualifications and experience in the field of finance;</p> <p>(c) one person, who is or has been a District Judge for at least two years; and</p> <p>(d) one person having qualifications and experience in the field of economics, commerce, public policy/ public administration or management.</p>	
<p>Section 78</p> <p>(1) The Central Government shall, for the purposes of selecting the Members of the Appellate Tribunal and the Chairperson and Members of the Central Commission, constitute a Selection Committee consisting of –</p> <p>(a) Member of the Planning Commission incharge</p>	<p>Section 78</p> <p>(1) The Central Government shall, for the purposes of selecting the Members of the Appellate Tribunal and the Chairperson and Members of the Central Commission, constitute a Selection Committee consisting of –</p> <p>(a) Member of the <del>Planning Commission</del> Niti</p>	

<p>of the energy sector ..... Chairperson; .....</p> <p>(9) No appointment of the Chairperson or other Member shall be invalid merely by reason of any vacancy in the Selection Committee:</p> <p>Provided that nothing contained in this section shall apply to the appointment of a person as the Chairperson of the Central Commission where such person is, or has been, a Judge of the Supreme Court or the Chief Justice of a High Court.</p>	<p><b>Aayog</b> incharge of the energy sector ..... Chairperson; .....</p> <p>(9) No appointment of the Chairperson or other Member shall be invalid merely by reason of any vacancy <b>other than that of the Chairperson of the Selection Committee</b> in the Selection Committee:</p> <p><del>Provided that nothing contained in this section shall apply to the appointment of a person as the Chairperson of the Central Commission where such person is, or has been, a Judge of the Supreme Court or the Chief Justice of a High Court.</del></p>	
<p>Section 79</p> <p><b>Functions of Central Commission</b></p> <p>(1) The Central Commission shall discharge the following functions, namely:-</p> <p>(a) .....</p> <p>(b).....</p> <p>(f) to adjudicate upon disputes involving generating companies or transmission licensee in regard to matters connected with clauses (a) to (d)</p>	<p>Section 79</p> <p><b>Functions and Duties of Central Commission</b></p> <p>(1) The Central Commission shall discharge the following functions, namely:-</p> <p>(a) .....</p> <p>(b).....</p> <p><del>(f) to adjudicate upon disputes involving generating companies or transmission licensee in regard to matters connected with clauses (a) to</del></p>	

<p>above and to refer any dispute for arbitration;</p> <p>.....</p> <p>(j) to fix the trading margin in the inter-State trading of electricity, if considered, necessary;</p> <p>(k) to discharge such other functions as may be assigned under this Act.</p>	<p><del>(d) above and to refer any dispute for arbitration;</del></p> <p>(f) to adjudicate upon disputes including matters regarding performance of obligations under a contract related to sale, purchase or transmission of electricity, involving generating companies or licensee in regard to matters connected with clauses (a) to (d) of sub-section (1) and to refer any dispute for arbitration.</p> <p>(fa) to adjudicate upon disputes involving National Load Despatch Centre or Regional Load Despatch Centre in regard to matters connected with section 26, section 28 and section 29.</p> <p>.....</p> <p>(j) to fix the trading margin in the inter-State trading of electricity, if considered, necessary;</p> <p>(ja) registration of a distribution company for supplying electricity in more than one state.</p> <p>(k) to discharge such other functions as may be assigned under this Act or as may be prescribed by the Central Government.</p> <p>Provided that a Bench of the Central Commission consisting of the Member appointed under clause (c) of sub-section (2) of section 77 and at most one more Member, as may be nominated by the Chairperson, shall discharge the functions given</p>	
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	in clauses (f) and (fa).	
<p>Section 82</p> <p>.....</p> <p>(4) The State Commission shall consist of not more than three Members, including the Chairperson.</p> <p>(5) .....</p>	<p>Section 82</p> <p>.....</p> <p><del>(4) The State Commission shall consist of not more than three Members, including the Chairperson.</del></p> <p>(4) The State Commission shall consist of a Chairperson and three other Members</p> <p>(5) .....</p> <p>(6) If any State Commission is unable to perform its functions on account of vacancies, the Central Government may, in consultation with the State Government concerned, entrust its functions to any other State Commission or Joint Commission, as it deems proper.</p>	
<p>Section 84</p> <p>(1) The Chairperson and the Members of the State Commission shall be persons of ability, integrity and standing who have adequate knowledge of, and have shown capacity in, dealing with problems relating to engineering, finance, commerce, economics, law or management.</p>	<p>Section 84</p> <p><del>(1) The Chairperson and the Members of the State Commission shall be persons of ability, integrity and standing who have adequate knowledge of, and have shown capacity in, dealing with problems relating to engineering, finance, commerce, economics, law or management.</del></p>	<p>The provision for appointment of Chairperson should include eligibility for a judicial person as well.</p>

<p>(2) Notwithstanding anything contained in sub-section (1), the State Government may appoint any person as the Chairperson from amongst persons who is, or has been, a Judge of a High Court:</p> <p>Provided that no appointment under this sub-section shall be made except after consultation with the Chief Justice of that High Court.</p>	<p>(1) The Chairperson of the State Commission shall be a person of ability, integrity and standing, having adequate knowledge of and experience in the power sector, or, is or has been a Chief Secretary or Additional Chief Secretary or Principal Secretary Power; or equivalent for at least one year in the State Government and has experience of at least two years in power sector.</p> <p><del>(2) Notwithstanding anything contained in sub-section (1), the State Government may appoint any person as the Chairperson from amongst persons who is, or has been, a Judge of a High Court:</del></p> <p><del>Provided that no appointment under this sub-section shall be made except after consultation with the Chief Justice of that High Court.</del></p> <p>“(2) The Members, other than the Chairperson, of the State Commission shall be persons of ability, integrity and standing, having adequate knowledge of and experience in the fields of engineering, law, economics, commerce, finance, public policy I public administration or, management and shall be appointed in the following manner, namely:-</p> <ol style="list-style-type: none"> <li>a) one person having qualifications and experience in the field of engineering with specialisation in generation, transmission</li> </ol>	
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	<p>or distribution of electricity;</p> <p>b) one person having qualifications and experience in the field of finance, economics, commerce, public policy / public administration or management;</p> <p>c) a serving District Judge to be appointed on the recommendation of the Chief Justice of the High Court concerned.”.</p>	
<p>Section 85</p> <p>(1) The State Government shall, for the purposes of selecting the Members of the State Commission, constitute a Selection Committee consisting of –</p> <p>(a) a person who has been a Judge of the High Court.... Chairperson;</p> <p>(b) the Chief Secretary of the concerned State....Member;</p> <p>(c) the Chairperson of the Authority or the Chairperson of the Central Commission .....Member:</p> <p>.....</p>	<p>Section 85</p> <p>(1) The State Government shall, for the purposes of selecting the Members of the State Commission, constitute a Selection Committee consisting of –</p> <p>(a) a person who has been a Judge of the High Court.... Chairperson;</p> <p>(b) the Chief Secretary of the concerned State....Member;</p> <p><del>(e) the Chairperson of the Authority or the Chairperson of the Central Commission .....Member:</del></p> <p>(c) nominee of the Central Government, not below the rank of Additional Secretary to Government Member.</p> <p>.....</p>	

<p>(6) No appointment of Chairperson or other Member shall be invalid merely by reason of any vacancy in the Selection Committee.</p>	<p>(6) No appointment of Chairperson or other Member shall be invalid merely by reason of any vacancy <b>other than that of the Chairperson of the Selection Committee</b> in the Selection Committee.</p>	
<p>Section 86</p> <p><b>Functions of State Commission</b></p> <p>(1) The State Commission shall discharge the following functions, namely :-</p> <p>(a).....</p> <p>(b).....</p> <p>.....</p> <p>(e) promote congeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licence;</p> <p>(f) adjudicate upon the disputes between the licensees, and generating companies and to refer any dispute for arbitration;</p>	<p>Section 86</p> <p><b>Functions and duties of State Commission</b></p> <p>(1) The State Commission shall discharge the following functions, namely :-</p> <p>(a).....</p> <p>(b).....</p> <p>.....</p> <p>(e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution <b>licence as may be prescribed by the Central Government from time to time;</b></p> <p><del>(f) adjudicate upon the disputes between the licensees, and generating companies and to refer any dispute for arbitration;</del></p> <p><b>(f) to adjudicate upon disputes including matters</b></p>	<p>RPO must be fixed by the SERCs not by MoP</p> <p>“Distribution Company” needs to be</p>

<p>.....</p> <p>(j) fix the trading margin in the intra-State trading of electricity, if considered, necessary; and</p> <p>(k) discharge such other functions as may be assigned to it under this Act.</p>	<p>regarding performance of obligations under a contract related to sale, purchase or transmission of electricity, involving generating companies or licensee and to refer any dispute for arbitration;</p> <p>(fa) to adjudicate upon disputes involving State Load Despatch Centre in regard to matters connected with section 32 and section 33;</p> <p>(j) fix the trading margin in the intra-State trading of electricity, if considered, necessary; and</p> <p>(ja) registration of a distribution company for supplying electricity, suspension, amendment and cancellation of registration of a distribution company and specifying conditions of registration;</p> <p>(jb) issue directions or guidelines or regulations to secure consumer choice and an efficient, coordinated and economical use of distribution system, where there are more than one distribution companies in an area of supply;</p> <p>(k) discharge such other functions as may be assigned to it under this Act or as may be prescribed by the Central Government.</p> <p>(1st Proviso)</p> <p>Provided that a Bench of the State Commission consisting of the Member appointed under clause</p>	<p>inserted specifically in the provision of Section 86(1)(f).</p> <p>Required to be replaced with "as prescribed by the Rules".</p>
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	(c) of sub-section (2) of section 84 and at most one more Member, as may be nominated by the Chairperson, shall discharge the functions given in clauses (f) and (fa).	
Section 89  New Insertion	Section 89  (6) Notwithstanding anything contained in this Act, the term, salary, allowances and other terms and conditions of Members appointed under sub-section (2) (c) of section 85 shall be governed by their service rules.	
Section 90  (2)..... (a)..... ..... (f) has been guilty of proved misbehaviour:  Provided that no Member shall be removed from his office on any ground specified in clauses (d), (e) and (f) unless the Chairperson of the Appellate Tribunal on a reference being made to him in this behalf by the Central Government, or the State Government, as the case may be, has, on an inquiry, held by him in accordance with such procedure as may be prescribed by the Central	Section 90  (2)..... (a)..... ..... (f) has been guilty of proved misbehaviour:  (g) has violated or overlooked the provisions of the Act or the rules made there under, or  (h) has been grossly negligent in performing one or more functions assigned to him or the Commission under the Act or rules made thereunder:	The provisions are in contradiction with Section 168.

<p>Government, reported that the Member ought on such ground or grounds to be removed.</p>	<p>Provided that no Member shall be removed from his office on any ground specified in <del>clauses (d), (e) and (f)</del> clauses (d), (e), (f), (g) and (h) unless the Chairperson of the Appellate Tribunal on a reference being made to him in this behalf by the Central Government, or the State Government, as the case may be, has, on an inquiry, held by him in accordance with such procedure as may be prescribed by the Central Government, reported that the Member ought on such ground or grounds to be removed.</p>	
<p>Section 91  New Insertion</p>	<p>Section 91  (1a) The Appropriate Commission shall establish a monitoring unit with sufficient number of officers and employees, with the approval of the Appropriate Government, specifically for the purpose of ascertaining the compliance by the distribution companies of the provisions of the Act and the rules and regulations made thereunder and laying down the standards of service and the rights of consumers / prosumers as prescribed by the Central Government.</p>	
<p>Section 94  New Insertion</p>	<p>Section 94  (4) An order made by the Bench of the Central Commission under subsection (1) of section 79 or the Bench of the State Commission under subsection (1) of section 86, shall be executable as a</p>	

	<p>decree of civil court and, for this purpose the Bench of the Central Commission or the State Commission, as the case may be, shall have all the powers of a civil court including but not limited to powers of attachment and sale of property, arrest and detention in prison and appointment of a receiver.</p> <p>(5) Notwithstanding anything contained in sub-section (4), the Bench referred to in sub-section (4) may transmit an order made by the Appropriate Commission to a civil court having local jurisdiction and such civil court shall execute the order as if it were a decree made by that court.”</p>	
<p>Section 112</p> <p>(1) The Appellate Tribunal shall consist of a Chairperson and three other Members.</p>	<p>Section 112</p> <p>(1) The Appellate Tribunal shall consist of a Chairperson and <del>three other Members</del>. such number of other Members, not less than seven, as may be prescribed by the Central Government.</p>	
<p>Section 142</p> <p>In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person has contravened any of the provisions of this Act or rules or regulations made thereunder, or any direction issued by the Commission, the Appropriate Commission may after giving such person an opportunity of being heard in the</p>	<p>Section 142</p> <p><b>142. Penalty for contravention of the provisions of the Act</b></p> <p>(1) In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person has contravened any of the provisions of this Act or</p>	<p>The words “or regulations” should be added after the word “rules” in Section 142(1).</p>

<p>matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, which shall not exceed one lakh rupees for each contravention and in case of a continuing failure with an additional penalty which may extend to six thousand rupees for every day during which the failure continues after contravention of the first such direction.</p>	<p>the rules made thereunder, the Appropriate Commission may after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, which shall not exceed one crore rupees for each contravention and in case of a continuing failure with an additional penalty which may extend to six lakh rupees for every day during which the failure continues after contravention of the first such direction.</p> <p>(2) In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person has contravened any direction or order issued by the Commission, the Appropriate Commission may after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, which shall not exceed ten lakh rupees for each contravention and in case of a continuing failure with an additional penalty which may extend to sixty thousand rupees for every day during which the failure continues after contravention of the first such direction.</p> <p>(3) Notwithstanding anything contained in subsection (1) and subsection (2), in case any</p>	
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	<p>complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person has not purchased power from renewable sources of energy as prescribed by the Central Government, the Appropriate Commission shall after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, a sum calculated at the rate of not less than twenty- five paisa per kilowatt-hour and not more than fifty paisa per kilowatt- hour for the shortfall in purchase in the first year of default, at a rate of not less than fifty paisa per kilowatt-hour and not more than one rupee per kilowatt-hour for the shortfall in purchase in the second successive year of default and at the rate of not less than one rupee per kilowatt- hour and not more than two rupees per kilowatt-hour for the shortfall in purchase continuing after the second year.”.</p>	
<p>Section 146</p> <p>Whoever, fails to comply with any order or direction given under this Act, within such time as may be specified in the said order or direction or contravenes or attempts or abets the contravention of any of the provisions of this Act or any rules or regulations made thereunder, shall be punishable with imprisonment for a term which may extend to three months or with fine, which may extend to</p>	<p>Section 146</p> <p>Whoever, fails to comply with any order or direction given under this Act, within such time as may be specified in the said order or direction or contravenes or attempts or abets the contravention of any of the provisions of this Act or any rules or regulations made thereunder, shall be punishable with imprisonment for a term which may extend to three months or with fine,</p>	

<p>one lakh rupees, or with both in respect of each offence and in the case of a continuing failure, with an additional fine which may extend to five thousand rupees for every day during which the failure continues after conviction of the first such offence:</p>	<p>which may extend to one <del>lakh crore</del> rupees, or with both in respect of each offence and in the case of a continuing failure, with an additional fine which may extend to <del>five thousand one lakh</del> rupees for every day during which the failure continues after conviction of the first such offence:</p>	
<p>Section 176  (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.</p> <p>(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely: -</p> <p>(a) the time within which the objection and suggestions on the draft National Electricity Plan to be invited by the Authority under the proviso to sub-section (4) of section 3;</p> <p>(b) the additional requirements relating to the capital adequacy, creditworthiness or code of conduct under sixth proviso to section 14;</p> <p>(c) the payment of fees for application for grant of licence under sub-section (I) of section 15;</p> <p>(d) the constitution and functions of the National Load Despatch Centre under sub-section (2) of</p>	<p>Section 176  (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.</p> <p>(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely: -</p> <p>(a) the time within which the objection and suggestions on the draft National Electricity Plan to be invited by the Authority under the proviso to sub-section (4) of section 3;</p> <p>(b) the additional requirements relating to the capital adequacy, creditworthiness or code of conduct under sixth proviso to section 14;</p> <p>(c) the payment of fees for application for grant of licence under sub-section (I) of section 15;</p> <p><b>(ca) eligibility criteria to operate as a distribution</b></p>	

<p>section 26;</p> <p>(e) the works of licensees affecting the property of owner or occupier under sub-section (2) of section 67;</p> <p>(f).....</p> <p>(g).....</p> <p>(h).....</p> <p>(i) the functions and duties of the Central Electricity Authority under section 73;</p> <p>.....</p>	<p>company under section 24B;</p> <p>(cb) manner, mode and payment of fees for registration of distribution companies under section 24B;</p> <p>(d) the constitution and functions of the National Load Despatch Centre under sub-section (2) of section 26;</p> <p>(da) rights of consumers/prosumers under sub-section (1a) of section 91;</p> <p>.....</p> <p>(i) the functions and duties of the Central Electricity Authority under section 73;</p> <p>(ia) quantum of purchase of electricity under clause (e) of subsection (1) of section 86;</p> <p>.....</p>	<p>“Prosumer” needs to be defined.</p> <p>It should be left to the State Government/State Commissions to decide.</p>
<p>Section 178</p> <p>(1) The Central Commission may, by notification make regulations consistent with this Act and the rules generally to carry out the provisions of this Act.</p> <p>(2) In particular and without prejudice to the</p>	<p>Section 178</p> <p><del>(1) The Central Commission may, by notification make regulations consistent with this Act and the rules generally to carry out the provisions of this Act.</del></p> <p>(1) The Central Commission may, by</p>	

<p>generality of the power contained in sub-section (1), such regulations may provide for all or any of following matters, namely:-</p> <p>(a) period to be specified under the first proviso to section 14;</p> <p>.....</p> <p>.....</p> <p>(ze) any other matter which is to be, or may be, specified by regulations.</p>	<p><del>notification, make regulations in respect of the functions assigned to it in the Act.</del></p> <p>(2).....</p> <p>(a) period to be specified under the first proviso to section 14;</p> <p><del>(aa) Cross border trade of electricity, if any, under sub section (2) of section 6A;</del></p> <p>.....</p> <p><del>(ze) any other matter which is to be, or may be, specified by regulations.</del></p>	
<p>Section 181</p> <p>(1) The State Commissions may, by notification, make regulations consistent with this Act and the rules generally to carry out the provisions of this Act.</p> <p>(2).....</p> <p>(d) the conditions of licence section 16;</p> <p>.....</p> <p>(n) the manner of payment of surcharge under the fourth proviso to sub-clause (ii) of clause (c) of</p>	<p>Section 181</p> <p><del>(1) The State Commissions may, by notification, make regulations consistent with this Act and the rules generally to carry out the provisions of this Act.</del></p> <p>(1) The State Commissions may, by notification, make regulations in respect of the functions assigned to it in the Act.</p> <p>(2).....</p> <p>(d) the conditions of licence section 16;</p>	

<p>section 40;</p>	<p>(da) conditions of registration under section 24C;</p> <p>.....</p> <p>(n) the manner of payment of surcharge under the fourth proviso to sub-clause (ii) of clause (c) of section 40;</p> <p>(na) setting up and management of universal service obligation fund under sub-section (2) of section 60A;</p>	
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