MINUTES OF THE 71stMEETING OF THE

FORUM OF REGULATORS (FOR) HELD THROUGH VIDEO CONFERENCING

Venue : Video Conferencing

Day / Date : 11th, 15th and 18th May and

2nd June, 2020

List of Participants: At Appendix -I (Enclosed)

The meeting was chaired by Shri P.K.Pujari, Chairperson, Central Electricity Regulatory Commission (CERC) and Forum of Regulators (FOR).

Chairperson, CERC/ FOR welcomed all the Members of the Forum to the 71stmeeting of the FOR which was being conducted through video conferencing in the wake of the Covid-19 pandemic He also welcomed ShriArunGoyal, Member, Central Electricity Regulatory Commission who was attending the meeting for the first time after he assumed office in CERC.

Chairperson, CERC apprised the Forum that a number of issues relating to accounts and other matters of FOR along with matters related to references received from the Ministry of Power and SERCs have been placed as agenda itemsfor discussion.

Thereafter, the Forum took up the agenda items for consideration.

AGENDA ITEM NO. 1: CONFIRMATION OF THE MINUTES OF THE 70thMEETING OF THE FORUM OF REGULATORS HELD ON 31st JANUARY 2020 AT DIU, DAMAN & DIU.

The Forum considered and endorsed the minutes of the 70thMeeting of FOR, held on 31st January, 2020 at Diu.

AGENDA ITEM NO. 2: ACCOUNTS RELATED MATTERS

a) Budget for FY 2020-2021

Deputy Chief (RA), CERC apprised the salient features of the budget including the estimated income and expenditure

It was opined by some members that due to ongoing pandemic, expenditure towards meetings or other heads of expenses may not be as substantial as it is projected in the budget. Therefore, it was decided that the budget is approved as proposed, for now and may be reviewed after 4 months to assess whether the same needs to be revised based on actual expenditure and whether heads of expenses need to be re-appropriated and re-adjusted.

Accordingly, the budget was approved.

b) Appointment of Auditor for the FY 2019-2020

The Forum was apprised on the completion of the tenure of five years by M/s MBR & Company LLP (formerly MBR & Co.), Chartered Accountants, New Delhi being the Auditor of FOR, viz. from the FY 2014-15 to 2018-19. Further, the Members were also apprised that FOR Secretariat has already initiated the process for appointing a new Auditor for the FY 2019-2020, from the list of

empanelled audit firms obtained from the C&AG of India. The Forum noted the same.

c) Appointment of Tax Consultant for filing the Income Tax Return for the FY 2019-2020.

The Forum was apprised that the process of appointing a tax consultant for filing the Income Tax Return (ITR) of FOR for FY 2019-20 and onwards, on retainership basis is under process. The same was noted by the Forum.

d) Re-appointment of GST Consultant for filing the returns for the FY 2020-2021.

The Forum approved the re-appointment of M/s MBR & Company LLP, Chartered Accountants, New Delhi as Consultant to handle the GST return filings of FOR for the FY 2020-21. However, they opined that no such consultant should be appointed for more than five years.

e) Status of ongoing IT cases

- (i) Request for grant of exemption from payment of Income Tax under section 10(46) of the Income Tax Act, 1961.
- (ii) Penalty matter of FOR for the AY 2016-2017(F.Y 2015-16)

Dy Chief (RA) informed the Forum about the ongoing case w.r.t seeking exemption from paying income tax under Section 10(46) of the Income Tax Act, 1961 with the IT authorities. Secretary, CERC along with the Chief (RA) and other officials of the FOR Secretariat met the Chairman of CBDT and other senior Income Tax Officers on this issue. However, it transpired from the discussions that since FOR does not have any power of "regulating and administering" like the CERC and SERCs, the requirement of Section 10(46) of the Income Tax Act does not seem to be satisfied. It was impressed that the

Forum is also not comparable to CERC and SERC as unlike these institutions FOR does not have powers to issue orders, adjudicate and frame regulations. Therefore, going by the interpretation of provisions of Income tax, there was very little possibility of receiving exemption for FOR.

The Forum was also informed that the Secretariat has started paying applicable income tax from FY 2016-17 onwards. The Secretariat has paid the assessed amount for FY 2015-16, based on a scrutiny notice which was received. However, the penalty against the assessed amount is pending.

It was brought to the notice of the Forum a Scheme of "Vivad se Vishwas" pertaining to FY 2015-16 has been announced by the Government, which may be availed by paying 25% of the penalty amount to resolve the issue. After deliberations, the members observed that since it is a long pending issue and despite regular follow up by officials of FOR secretariat, the matter regarding obtaining exemption seems unlikely, the FOR may avail the Vivad se Vishwas scheme.

Chairperson, UPERC observed that this problem may have recurring effect and whatever surplus is generated in FOR income will be liable to payment of tax. Hence, he suggested that the Forum could consider adopting a variable subscription formula on the basis of which members may be asked to pay subscription in two parts. One part would be a fixed component and the second part could be variable based on the expenditure of FOR. This would lead to optimum generation of income and utilization of funds for the expenses of the Forum.

Chairperson CERC appreciated the suggestion and directed the FOR Secretariat to examine the proposal and work out a fee structure. After discussion it was

agreed that a working group of the FOR may be constituted for deciding on the fee structure and working out other modalities. Chairperson FOR was authorized to constitute the working group.

AGENDA ITEM NO. 3: CAPACITY BUILDING PROGRAMS AND STUDIES PROPOSED TO BE CONDUCTED IN THE FINANCIAL YEAR 2020-2021

Dy Chief (RA) apprised the Forum that, in comparison to the previous years, this time there has been a considerable reduction in the grant of funds to the FOR. Rs. 47.00lakh has been allocated by the Ministry of Power to the Forum of Regulators for conducting the capacity building programmes and availing consultancy services for conducting studies.

Therefore, the Forum approved for the following Capacity building programme and studies to be conducted in the FY 2020-21:

A. Capacity building Program:

Protection of Consumer Interest for officers of CGRF and Ombudsman of States

B. Studies:

- a) Consumer Protection (ongoing)
- b) Evolving principles of Depreciation for distribution assets and operating and financial norms for Distribution Sector (on going)
- c) Distribution Franchisee-Experience so far and way forward
- d) Resource Adequacy

Chairperson, BERC requested that in addition to the officers of CGRF and Ombudsman, SERCs may be permitted to send their law officers to attend the capacity building program on Protection of consumer interest. This was agreed.

As regards the proposed study on Distribution Franchisee, the Forum opined that while conducting the study, the views of the Distribution licensees and SERCs (especially where the franchisees are operating) may be taken.

AGENDA ITEM NO.4: REQUEST FOR REDUCTION AND WAIVER OF MEMBERSHIP FEES - REFERENCE FROM TRIPURA ERC

Tripura ERC had requested for adjustment of the fees paid during the year 2017-18 and 2018-19 to the fees to be paid for the year 2019-20 & 2020-21. TERC had also requested for re-assessment of their annual membership fees for the F.Y. 2019-2020 onwards considering the proportionate ratio of the consumers strength in Tripura.

Chairperson, TERC further apprised the Forum that though they have paid the fees for the current year, the Forum may consider refunding it as Tripura is a small State with a very small consumer base and that there was no active Commission in the previous years.

Some Members stated that all SERCs and CERC are paying the same membership fees. Others stated that North Eastern States should be given discounted fees considering the lack of adequate resources.

After discussion, Chairperson, FOR/ CERC proposed that, as deliberated and decided in the previous agenda item, the membership fee of FOR may be divided into two parts, viz. basic fixed fee and variable fee and the Working Group may also examine the issue of differential membership fees.

AGENDA ITEM NO. 5: REFERENCE FROM MINISTRY OF POWER REGARDING INVESTMENT APPROVAL/ PROVISIONAL TARIFF ON ACCOUNT OF FGD BY THERMAL POWER PLANTS

Secretary, CERC/FOR briefed the Forum that this issue was also discussed in the 70th FOR meeting. Thereafter, a meeting was taken by the Secretary(Power), Ministry of Power with bankers and Department of Financial Services wherein concerns were raised by the bankers about sanctioning of loan for FGD installation without provisional tariff for such installations. It was, however, clarified that the Act does not have any provision for grant of provisional tariff in respect of generating stations. However, to address the concern of the financial institutions, the process of tariff determination could be expedited once petitions to this effect are filed after installation of FGD system. CERC has already recognized revised environmental norms as change in law event and in some cases also granted provisional approval of capital cost for FGD installations. This should give comfort to the lenders.

Further, the Commission vide order dated 23.4.2020 in Petition No. 446/MP/2019, has directed the staff of the Commission to float a staff paper on the issue of compensation mechanism and tariff implications on account of the 2015 Notification of Ministry of Environment, Forests and Climate Change, Government of India in case of those thermal power plants where the PPA does not have explicit provision for compensation mechanism during the operation period (i.e. after the construction of plant is over) and the PPA requires the Commission to devise mechanism of compensation.

Chairperson, UPERC informed the Forum that in some cases, UPERC considered the FGD cost under "Change in law" and provided annual truing up for the same, while in other cases, it was not considered as change in law.

Therefore, FGD cost implications and its treatment would have to be examined on case to case basis.

Joint Secretary (Thermal), Ministry of Power apprised the Forum that during the meeting held with Secretary (Power), two issues were flagged. The first issue was whether the FGD cases may be disposed of in a time bound manner, say, within 3 months. The second issue was whether, in the absence of provisional tariff, investment approval could be given. As the timeline given for installation of FGD is upto December 2022, it is necessary that approval for FGD installation be granted by the Commissions latest by June 2020.

Chairperson, GERC stated that two sets of approvals are required to be granted one for the State generating utilities and the second for the IPPs. Some State generating companies have already undertaken the process of tendering and capital investment would be allowed once they file their petition before GERC. This process is expected to take 6 months. The tariff impact for such plants has been estimated to be around 30 paise for Capex and additional 20 paise for Opex. Gujarat ERC is in the process of granting approval to State gencos for the FGD investments. As regards IPPs, approval would be given for ultra-mega power plants. Chairperson, GERC further proposed that for the old plants which have a remaining useful life of 5 years, the FGD installations may be taken up only for those cases where plant capacity is above 200 MW. He further requested the Ministry of Power to extend the timelines for FGD installation till 2023 considering the force majeure events such as the ongoing pandemic of Covid-19.

Joint Secretary (Thermal), Ministry of Power appraised the Forum that the issue of FGD installation is being monitored directly by a committee appointed by the Hon'ble Supreme Court. Moreover, many units have placed their orders for FGD

installation by December 2019. However, MoEF&CC has also intimated that the cases of extension will be taken on case to case basis based on the applications.

Chairperson, JSERC and Chairperson, PSERC stated that small plants (of capacity less than 200 MW) which have a very short residual life should not be subjected to FGD installations as the cost implications would be huge.

Chairperson, GERC also proposed that FOR may conduct a study for examining the issues pertaining to benchmarking of cost of Capex and Opex for FGD.

Chairperson, CERC/FOR summarized the whole discussion stating that provisions of change in law have to be examined on case to case basis. He further informed that CEA has identified plants which may be retrofitted and other which are not required to be retrofitted in terms of their life and plant size. Therefore, such plants may be taken up for retrofitting of FGD based on the recommendation of CEA. He further stated that CEA has also come up with indicative benchmark costs and recommended technologies which CERC has considered as the basis for allowing the provisional costs towards FGD installation for the plant which have followed the process of competitive bidding. However, CERC does not approve the provisional tariff. Further, he maintained that as compared to Section 62, there is no specific formula for recovery of additional capitalization during the operation period in Section 63. Therefore, CERC would come up with a generic formula for recovery of additional capitalization which will bring in more certainty.

Joint Secretary (Thermal), Ministry of Power updated the Forum that while CEA has identified the list of plants where retrofitting is possible, it has also identified the capacity (5389 MW) where FGD installation is not possible and that this capacity would be phased out. He stated that the list of such plants would be shared with SERCs.

Chairperson, TNERC proposed that some portion of the cost of installation may be borne by the Central Government through subsidy or any other medium such as coal cess. Joint Secretary (Thermal), Ministry of Power informed that though the Ministry had taken up the matter with Ministry of Finance, the proposal of subsidy or bearing the cost through coal cess was not agreed upon.

Chairperson, BERC sought clarification as to who will have the authority to decide in case of plants under composite schemes with regard to FGD, to which Chairperson, CERC/FOR clarified that the plants under composite scheme are under the jurisdiction of CERC as per the Act.

Chairperson, Kerala ERC proposed to improve financing of FGD by way of borrowings from banks based on a good balance sheet and credit rating of the generator. The other option was to float bonds in the market.

Joint Secretary (Thermal), Ministry of Power stated that the banks are willing to finance only when provisional cost gets approved within a specified timeline. He further added that the IPPs are facing FGD financing issue.

After detailed deliberations, the Forum noted the need for disposal of petitions on priority basis.

AGENDA ITEM NO. 6: UPDATES

a) IMPLEMENTATION OF E-COURT IN SERCs/JERCs

Dy Chief (RA), CERC updated the status of the request of FOR seeking funds from MoP for implementation of E court for the SERCs, through NIC. The Forum was also apprised that, as advised in the 70th FOR meeting, the FOR Secretariat has sent a reminder to the MoP for the funds and that there is no response till date. However, regarding the cost estimates given by NIC earlier,

the FOR Sectt spoke to NIC officials who confirmed that there is no change in costs.

Chairperson, OERC suggested that FOR may fund the project through its own funds and implement the same in all the States. Chairperson, UPERC said that due care should be taken to ensure completion of the project within stipulated timeline. Chairperson, CERC remarked that each SERC needs to vigorously follow up for implementation of the project.

Chief (RA), CERC informed that as FOR would be developing a generic tool for all the States, the same could be adopted by all SERCs with suitable customization at nominal additional costs.

As discussed and concurred in the 70th meeting of the FOR, the Forum reaffirmed that this project be implemented with the assistance of NIC. FOR will earmark the fund of approx. Rs 62 lakh (as proposed by NIC) from its own funds for development of the generic ecourt for the SERCs. Accordingly, the budget would be modified. FOR Secretariat shall communicate the decision and award the project to NIC at the earliest. The Forum also agreed that the SERCs would closely interact with NIC for implementation of the ecourt system in their offices.

b) WORKING GROUP OF FOR IN THE CONTEXT OF STANDARD BIDDING DOCUMENTS FOR PROCUREMENT OF POWER FOR MEDIUM TERM

Chairperson, WBERC being the Chairman of the Working Group informed that the Forum mandated the Group to:

- a. Examine the rationale for the creation of categories which is restricting the competition.
- b. Examine the necessity for replacing Short term contracts / medium term contracts with Forward contracts.

After discussion the Working group decided that the issues raised in the context of the Standard Bidding Documents for procurement of power for Medium term, along with deliberations/minutes of the meeting of the Working Group be forwarded to MoP for suitable action by the Committee constituted by the Ministry on SBD for medium term procurement of power.

On the issue related to forward contracts, Chief(RA), CERC informed that the matter relating to the governance of the forward and futures contracts is at present subjudice before the Hon'ble Supreme Court.

The Forum endorsed the decision of the Working Group and directed the FOR Secretariat to forward the minutes of the meeting of the Working Group to the Ministry of Power for necessary action at their end.

ADDITIONAL AGENDA NO. 7: DRAFT ELECTRICITY (AMENDMENT) BILL 2020

The Ministry of Power vide letter dated 17th April, 2020 issued the Draft Electricity (Amendment) Bill 2020 seeking comments of stakeholders. The Forum deliberated on the Draft bill and approved the constitution of a Working Group of FOR comprising of Chairperson, DERC as Chairman of the Working Group with Chairpersons of OERC, UPERC, APERC and Member, MERC as Members of the Working Group. The FOR mandated the Working Group to deliberate on the Draft Bill and prepare the comments. The comments so prepared will be discussed in a further meeting of the Forum before forwarding the same to the Ministry of Power.

The Group examined the proposed amendments and made recommendations for consideration of the Forum. The recommendations of the Working Group were considered by the Forum and the Forum endorsed the recommendations of the Working Group. The Forum further resolved that the recommendations as approved by the FOR (Annexure I) be forwarded to the Ministry of Power.

At the end of the meetings, Secretary, FOR/CERC thanked all the members for attending the meeting through video conferencing, the first of its kind. He acknowledged the efforts taken by the officials of FOR Secretariat and the IT team of CERC in helping conduct the video conference effortlessly and seamlessly. The meeting concluded with vote of thanks to the Chair.

LIST OF PARTICIPANTS OF THE 71STMEETING

<u>OF</u>

FORUM OF REGULATORS (FOR)

HELD ON 11TH, 15TH AND 18THMAY, 2020.

S.	NAME	ERC
No.		
01.	Shri P.K. Pujari	CERC/FOR
	Chairperson	– in Chair.
02.	Justice (Shri) C.V. Nagarjuna Reddy	APERC
	Chairperson	
03.	ShriSubhash Chandra Das	AERC
	Chairperson	
04.	Shri S.K. Negi	BERC
	Chairperson	
05.	Justice (Shri) Satyendra Singh Chauhan	DERC
	Chairperson	
06.	ShriAnand Kumar	GERC
	Chairperson	
07.	ShriDepinder Singh Dhesi	HERC
	Chairperson	
08.	Shri S.K.B.S. Negi	HPERC
	Chairperson	
09.	Dr.Arbind Prasad	JSERC
	Chairperson	
10.	ShriM.K. Goel	JERC (State of Goa
	Chairperson	& UTs)
11.	ShriNgangomSarat Singh	JERCfor M & M
	Chairperson	
12.	ShriShambhuDayalMeena	KERC
	Chairperson	
13.	ShriPremanDinaraj	KSERC
	Chairperson	

14.	ShriMukulDhariwal	MPERC
	Chairperson	
15.	Shri P. W. Ingty	MSERC
	Chairperson	
16	Er. ImlikumzukAo	NERC
	Chairperson	
17	Shri U.N. Behera	OERC
	Chairperson	
18	Ms. KusumjitSidhu	PSERC
	Chairperson	
19	ShriShreematPandey	RERC
	Chairperson	
20	Shri Nanda Ram Bhattarai	SSERC
	Chairperson	
21	ShriM. Chandrasekar	TNERC
	Chairperson	
22	ShriT. SrirangaRao	TSERC
	Chairperson	
23	Shri D. Radhakrishna	TERC
	Chairperson	
24	ShriRajPratap Singh	UPERC
	Chairperson	
25	ShriD.P. Gairola	UERC
	Officiating Chairperson/Member (Law)	
26	ShriSutirtha Bhattacharya	WBERC
	Chairperson	
27	ShriMukeshKhullar	MERC
	Member	
28	ShriBandaruKrishnaiah	APERC
	Member	
29	ShriS.N.Kalitha	AERC
	Member	
30	ShriSanoj Kumar Jha	CERC
	Secretary	
31	Dr. Sushanta K. Chatterjee	CERC
	Chief (RA)	
32	Ms. RashmiSomasekharan. Nair	CERC
	Dy. Chief (RA)	

SPECIAL INVITEES		
Shri V.K. Dewangan	MOP	
Joint Secretary (Thermal)		
ShriGhanshyam Prasad	MOP	
Chief Engr. (R&R)		
ShriSandeepNaik	MOP	
Director (R&R)		
ShriInduShekharJha	CERC	
Member		
ShriArunGoyal	CERC	
Member		
ОТН	ERS	
Ms. Geetu Joshi	CERC	
Chief (Eco.)		
Shri S.C. Shrivastava	CERC	
Chief (Engg.)		
ShriP.K. Awasthi	CERC	
Chief (Fin.)		



FORUM OF REGULATORS (FOR) <u>Sectt.:</u> C/o CENTRAL ELECTRICITY REGULATORY COMMISSION (CERC) 3rd & 4th Floor, Chanderlok Building, 36 Janpath,

New Delhi - 110 001. (Tele.: 23353503 / Fax: 23753923)

F.NoFOR-11011(13)/1/2020-CERC

Date: 4th June 2020

Shri Debranjan Chattopadhyay Under Secretary Ministry of Power (R&R) Shram Shakti Bhavan New Delhi

Subject: Draft Electricity (Amendment) Bill, 2020- comments of Forum of Regulators (FOR) - regarding

Sir

The proposed amendments to the Electricity Act were deliberated in detail in the 71st FOR meeting.

- 2. Based on the deliberations, the Forum has finalized its comments. The Forum further resolved that the comments as finalized and approved by the FOR, be forwarded to the Ministry of Power.
- 3. Accordingly, the comments of FOR on the proposed amendments to the Electricity Act are enclosed.

Encl: as above

Yours Sincerely

Arun Kumar Assistant Secretary, FOR

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
Section 1	Section 1	No comments.
 (1) This Act may be called the Electricity Act, 2003. (2) This Act may be called the Electricity Act, 2003. It extends to the whole of India except the State of Jammu and Kashmir 	 (1) This Act may be called the Electricity Act, 2003. (2) This Act may be called the Electricity Act, 2003. It extends to the whole of India except the State of Jammu and Kashmir 	
Section 2 (11) "Chairperson" means the Chairperson of the Authority or Appropriate Commission or the Appellate Tribunal as the case may be;	Section 2 (11) "Chairperson" means the Chairperson of the Authority or Appropriate Commission or Electricity Contract Enforcement Authority or the Appellate Tribunal as the case may be;	No comments.
New Insertion	Section 2 (15a) Cross border trade of electricity" means transactions involving import or export of electricity between India and any other country and includes transactions related to passage of electricity through our country in transit between two other countries;	The expression "our country" may be reworded.
New Insertion	Section 2 (17a) "Distribution sub-licensee" means a person recognized as such and authorized by the distribution licensee to distribute electricity on its behalf in a particular area within its area of supply, with the permission of the appropriate State Commission. Any reference to a distribution licensee under the Act shall include a reference to a sub-distribution licensee;	Creation of the non-regulated entity Distribution Sub Licensee is not required. Reasons: 1. There is no clarity about the role and responsibility of Distribution Sub Licensee. 2. As the Distribution Sub Licensee could discharge the functions of a licensee, it has no obligation to buy power exclusively from the Distribution Licensee. It would mean that it could procure power independently to the exclusion of power contracted by distribution licensee which will get stranded. It will add to the Licensee's costs for

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
5		recovery through higher tariff. 3. As the Distribution Sub Licensee is not subjected to regulatory regime, there is an apprehension that a part of the area of Distribution Licensee or a set of its consumers could be assigned to it with no liability to pay cross subsidy surcharge. It would then adversely impact the remaining consumers of the incumbent Distribution Licensee in terms of tariff. 4. Capital expenditure by the Sub Licensee for infrastructure creation on behalf of the Licensee has been cited as a justification for its creation. No arrangement has been suggested for recovery of the cost. There is no clarity on this. 5. Lastly, for any area such sub distribution licensees would also be monopolies with no choice for the consumers so as to build pressure for better service and reasonable returns on investment.
New Insertion	Section 2 (24a)"Electricity Contract Enforcement Authority" means an Electricity Contract Enforcement Authority referred to in sub-section (1) of section 109A;	There is no need for such an Authority. Relevant comments have been detailed against proposed Section 109A.
Section 2 (27) "franchisee means a person authorised by a distribution licensee to distribute electricity on its behalf in a particular area within his area of supply;	Section 2 (27) "franchisee means a person recognized as such and authorized by a distribution licensee to distribute electricity on its behalf in a particular area within his area of supply, under information to the appropriate State Commission. Subject to the provisions of the agreement entered into between the distribution licensee and the franchisee, any reference to a distribution licensee in the Act shall include a franchisee;	No Comments
Section 2 (43) "Member" means the Member of the Appropriate Commission or Authority or	Section 2 (43) "Member" means the Member of the Appropriate Commission or Authority or Joint	No amendment is necessary.

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
Joint Commission, or the Appellate Tribunal,	Commission, or Electricity Contract Enforcement	
as the case may be, and includes the	Authority or the Appellate Tribunal, as the case may	
Chairperson of such Commission or	be, and includes the Chairperson of such	
Authority or appellate tribunal;	Commission or Electricity Contract Enforcement	
	Authority or Authority or Appellate Tribunal;	
New Insertion	Section 3A	Addition of Section 3A is not needed as there is no
	National Renewable Energy Policy - The Central	need for a separate National Renewable Energy
	Government may, from time to time, after such	Policy.
	consultation with the State Governments, as may be	
	considered necessary, prepare and notify a National	Reasons:
	Renewable Energy Policy for the promotion of	
	generation of electricity from renewable sources of	1. The National Electricity Policy is mandated under
	energy and prescribe a minimum percentage of	Section 3 (1) of Electricity Act, 2003 to take care of
	purchase of electricity from renewable and hydro	the utilization of hydro and renewable energy
	sources of energy.	sources also. Therefore, existing National
		Electricity policy is adequate and the intention in
		the proposed amendment could be easily covered
		while formulating or making any changes to
		National Electricity Policy. 2. Making it discretionary to consult State
		Governments is contrary to the provisions of
		Section 3. Excluding States from the consultative
		process is ultra vires of the constitution as
		Electricity is in concurrent list.
		3. Giving a country wide prescription through a
		central policy for uniform adherence to given
		targets of RE procurement is not well conceived.
		State Commissions are best placed to give the
		trajectory for RE integration taking into account the
		financial impact on the consumers and the status of
		power infrastructure to integrate the RE into the
		State Grid.
		4. Given the stage of development of various
		renewable technologies in India fixing source wise
		RPO targets may not be required. For a state,
		source should not matter as long as it is renewable.
Section 14	Section 14	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
The Appropriate Commission may, on an	The Appropriate Commission may, on an	
application made to it under section 15, grant	application made to it under section 15, grant any	
any person licence to any person –	person licence to any person –	
(a) to transmit electricity as a transmission	(a) to transmit electricity as a transmission licensee;	
licensee; or	or	
(b) to distribute electricity as a distribution	(b) to distribute electricity as a distribution licensee;	
licensee; or	or	
(c) to undertake trading in electricity as an	(c) to undertake trading in electricity as an	
electricity trader, in any area as may be	electricity trader, in any area as may be specified in	
specified in the licence:	the licence:	
Provided that	Provided that	
(7 th Proviso)	(7 th Proviso)	
Provided also that in a case where a	Provided also that a franchisee shall not be required	
distribution licensee proposes to undertake	to obtain any separate license from the appropriate	
distribution of electricity for a specified area	State Commission and such distribution licensee	
within his area of supply through another	shall continue to remain responsible for distribution	
person, that person shall not be required to	of electricity in its area of supply:	
obtain any separate licence from the	7 11 7	
concerned State Commission and such	(after 7 th Proviso, insertions of a new Proviso)	
distribution licensee shall be responsible for	Provided also that a distribution sub-licensee shall	In view of the comments given against the proposed
distribution of electricity in his area of	not be required to obtain any separate license from	section 2(17a), the proposed addition of 8 th Proviso
supply:	the appropriate State Commission:	relating to Distribution Sub Licensee, be deleted.
Section 26	Section 26	
(1) The Central Government may establish a	(1) The Central Government may establish a centre	Proposed amendment should make it clear that the
centre at the national level, to be known as	at the national level, to be known as the National	directives from NLDC to state utilities should be
the National Load Despatch Centre for	Load Despatch Centre for optimum scheduling and	through RLDC and SLDC to avoid any conflict or
optimum scheduling and despatch of	despatch of electricity among the Regional Load	ambiguity.
electricity among the Regional Load	Despatch Centres.	Intra- State Transmission decisions should be left to
Despatch Centres.	(2) The constitution and functions of the National	the SLDC only, which is already envisaged under the
(2) The constitution and functions of the	Load Despatch Centre shall be such as may be	existing provision of the Act.
National Load Despatch Centre shall be such	prescribed by the Central Government:	
as may be prescribed by the Central	Provided that the National Load Despatch Centre	
Government:	shall not engage in the business of trading in	
Provided that the National Load Despatch	electricity.	
Centre shall not engage in the business of	(3) The National Load Despatch Centre shall be	
trading in electricity.	operated by a Government company or any	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
(3) The National Load Despatch Centre shall	authority or corporation established or constituted	
be operated by a Government company or	by or under any Central Act, as may be notified by	
any authority or corporation established or	the Central Government.	
constituted by or under any Central Act, as may be notified by the Central Government.	(A) (I) N (C) (I) II	
may be notified by the Central Government.	(4) the National Load Despatch Centre shall	
	(a) be responsible for optimum scheduling and	
	despatch of electricity in the country across different	
	regions in accordance with the contracts entered into	
	with the licensees or the generating companies;	
	(b) monitor grid operations;	
	(c) exercise supervision and control over the inter-	
	regional and inter- state transmission network; and	
	(d) have overall authority for carrying out real time	
	operations of the national grid.	
	(5) The National Load Despatch Centre may give	
	such directions and exercise such supervision and	
	control as may be required for the safety and	
	security of the national grid and for ensuring the	
	stability of grid operation throughout the country.	
	(6) Every Regional Load Despatch Centre, State	
	Load Despatch Centre, licensee, generating company, generating station, sub-station and any	
	other person connected with the operation of the	
	power system shall comply with the directions	
	issued by the National Load Despatch Centre.	
	g .: 20	
Section 28	Section 28 (1) The Regional Load Despetch Centre shall be the	
(1) The Regional Load Despatch Centre shall be the apex body to ensure integrated	(1) The Regional Load Despatch Centre shall be the apex body to ensure integrated operation of the	
operation of the power system in the	power system in the concerned region.	
operation of the power bystein in the	po or officers in the concession region.	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
concerned region.	•	Ü
(2) The Regional Load Despatch Centre shall comply with such principles, guidelines and methodologies in respect of the wheeling and optimum scheduling and despatch of electricity as the Central Commission may specify in the Grid Code.	(2) The Regional Load Despatch Centre shall comply with such principles, guidelines and methodologies in respect of the wheeling and optimum scheduling and despatch of electricity as the Central Commission may specify in the Grid Code.	
specify in the Oria Code.	(3) The Regional Load Despatch Centre shall -	
(3) The Regional Load Despatch Centre shall -	(a) be responsible for optimum scheduling and	
 (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) monitor grid operations; (c) keep accounts of the quantity of electricity transmitted through the regional grid; 	despatch of electricity within the region, in accordance with the contracts entered into with the licensees or the generating companies operating in the region; 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) monitor grid operations; (c) keep accounts of the quantity of electricity transmitted through the regional grid;	Addition of the proviso to sub section (3) (a) proposed by the amendment is not necessary. Payment security mechanism is part of PPAs approved by the Commission. Compliance to such mechanism needs to be enforced by Commission. NLDC and SLDCs are highly technical bodies that have scheduling and despatch of electricity as their core competence. Asking them to monitor payment security mechanism would not be proper. Instead, Central/ State Commissions could be strengthened with legal mandate to ensure compliance of the conditions of PPA approved by them.
Section 32	Section 32	
 (1) The State Load Despatch Centre shall be the apex body to ensure integrated operation of the power system in a State. (2) The State Load Despatch Centre shall - (a) be responsible for optimum scheduling 	 (1) The State Load Despatch Centre shall be the apex body to ensure integrated operation of the power system in a State. (2) The State Load Despatch Centre shall - (a) be responsible for optimum scheduling and 	Similar views as at section 28.

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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;	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) monitor grid operations;	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) monitor grid operations;	
Section 38	Section 38	
 (1) The Central Government may notify any Government company as the Central Transmission Utility (2) The functions of the Central Transmission Utility shall be – (a) to undertake transmission of electricity through inter-State transmission system; 	 (1) The Central Government may notify any Government company as the Central Transmission Utility (2) The functions of the Central Transmission Utility shall be – (a) to undertake transmission of electricity through inter-State transmission system; 	The portion "as may be specified by the State Commission under sub-section (2) of section 42, if required by the Appropriate Commission to be collected by it" appearing in the sub section (3) (d) (ii) may be replaced by "as may be specified by the Appropriate State Commission under sub-section (2) of section 42". Reason: There is lack of clarity in the proposed provision. All charges including surcharge are to be collected by the concerned Discom, and not by the Commission.
(d) to provide non-discriminatory open access to its transmission system for use by-	(d) to provide non-discriminatory open access to its transmission system for use by-	
(i) any licensee or generating company on payment of the transmission charges; or	(i) any licensee or generating company on payment of the transmission charges; or	
(ii) any consumer as and when such open	(ii) any consumer as and when such open access is	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
access is provided by the State Commission	provided by the State Commission under sub-	
under sub-section (2) of section 42, on	section (2) of section 42, on payment of the	
payment of the transmission charges and a	transmission charges and a surcharge threon, as may	
surcharge thereon, as may be specified by the	be specified by the Central Commission and a	
Central Commission:	surcharge, as may be specified by the State	
	Commission under sub-section (2) of section 42, if	
	required by the Appropriate Commission to be	
	collected by it.	
Section 39	Section 39	
		Similar views as at Section 38.
(1) The State Government may notify the	(1) The State Government may notify the Board or a	
Board or a Government company as the State	Government company as the State Transmission	
Transmission Utility:	Utility:	
(2) The functions of the State Transmission	(2) The functions of the State Transmission Utility	
Utility shall be -	shall be -	
(d) to provide non-discriminatory open	(d) to provide non-discriminatory open access to its	
access to its transmission system for use by-	transmission system for use by-	
(i) any licensee or generating company on	(i) any licensee or generating company on payment	
payment of the transmission charges; or	of the transmission charges; or	
	_	
(ii) any consumer as and when such open	(ii) any consumer as and when such open access is	
access is provided by the State Commission	provided by the State Commission under sub-	
under sub-section (2) of section 42, on	section (2) of section 42, on payment of the	
payment of the transmission charges and a	transmission charges and a surcharge thereon, as	
surcharge thereon, as may be specified by the	may be specified by the State Commission and a	
State Commission:	surcharge, as may be specified by the State	
	Commission under sub-section (2) of section 42, if	
	required by the State Commission to be collected by	

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	it.	
Section 40	Section 40	
It shall be the duty of a transmission licensee	It shall be the duty of a transmission licensee -	
	(c) to provide non-discriminatory open access to its	
(c) to provide non-discriminatory open access to its transmission system for use by-	transmission system for use by-	
	(i) any licensee or generating company on payment	
(i) any licensee or generating company on payment of the transmission charges; or	of the transmission charges; or	
(ii) any consumer as and when such open	(ii) any consumer as and when such open access is provided by the State Commission under sub-	
access is provided by the State Commission	section (2) of section 42, on payment of the	
under sub- section (2) of section 42, on payment of the transmission charges and a	transmission charges and a surcharge thereon, as may be specified by the StateAppropriate	
surcharge thereon, as may be specified by the State Commission:	Commission.	
State Commission.		
Section 42	Section 42	
		No amendment to this section is required.
(1) It shall be the duty of a distribution licensee to develop and maintain an efficient,	(1) It shall be the duty of a distribution licensee to develop and maintain an efficient, co-ordinated and	Roadmap for progressive reduction of cross subsidy should be decided by the State Commissions so that
co-ordinated and economical distribution	economical distribution system in his area of supply	they can do it effectively without causing tariff shock.
system in his area of supply and to supply electricity in accordance with the provisions	and to supply electricity in accordance with the provisions contained in this Act.	If it is governed ipso facto by prescription from central tariff policy, there would be huge financial
contained in this Act.		impact on the distribution utilities and the consumer
(2) The State Commission shall introduce	(2) The State Commission shall introduce open access in such phases and subject to such	tariff as it would not be feasible for the State Governments to provide commensurate revenue
open access in such phases and subject to	conditions, (including the cross subsidies, and other	support.

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such conditions, (including the cross	operational constraints) as may be specified within	
subsidies, and other operational constraints)	one year of the appointed date by it and in	A common thread runs through the third proviso to
as may be specified within one year of the	specifying the extent of open access in successive	Section 42(2), Sections 61 (g), 62 (3) and 86 (1) (e) of
appointed date by it and in specifying the	phases and in determining the charges for wheeling,	the Act.
extent of open access in successive phases	it shall have due regard to all relevant factors	
and in determining the charges for wheeling,	including such cross subsidies, and other operational	
it shall have due regard to all relevant factors	constraints:	The proposed amendment to the third proviso to
including such cross subsidies, and other		section 42 (2) would take away the discretion of the
operational constraints:	Provided that such open access shall be allowed on	Electricity Regulatory Commissions in discharge of
	payment of a surcharge, in addition to the charges	their statutory/legislative function relating to fixation
Provided thatsuch open access shall be	and charges for wheeling, as may be determined by	of tariffs. The existing provision inter alia vests
allowed on payment of a surcharge in	the State Commission in addition to the charges for	absolute discretion in the Commissions in the matter
addition to the charges for wheeling as may	intra-state transmission, as determined under section	of progressive reduction of surcharge and cross
be determined by the State Commission:	39, if applicable, and charges for inter-state	subsidies. By the amendment to the third proviso, this
	transmission, as determined by the Central	power is sought to be completely taken away from the
Provided further that such surcharge shall be	Commission under section 38, if applicable:	Commissions and they have to determine the
utilised to meet the requirements of current	••	surcharge and cross subsidies as envisaged in the
level of cross subsidy within the area of	Provided further that such surcharge shall be utilised	Tariff Policy (Emphasis added). Section 61 of the Act
supply of the distribution licensee:	to meet the requirements of current level of cross	enjoins upon the Electricity Regulatory Commissions
	subsidy within the area of supply of the distribution	to specify the terms and conditions for determination
Provided also that such surcharge and cross	licensee:	of the tariff. Under the existing clause (g) progressive
subsidies shall be progressively reducedin		reduction of cross subsidies shall be as specified by
the manner as may be specified by the State	Provided also that such surcharge and cross	the appropriate Commissions. By the proposed
Commission:	subsidies shall be progressively reduced by the State	amendment, such a progressive reduction of cross
	Commission in the manner as may be specified by	subsidies shall be made by the Commissions based on
Provided also that such surcharge shall not	the State Commission provided in the Tariff Policy:	the Tariff Policy. Under the existing Section 62 (3) of
be leviable in case open access is provided to	F10 - 100 -	the Act, the power to fix different tariffs by
a person who has established a captive	Provided also that such surcharge shall not be	differentiating among the consumers based on the
generating plant for carrying the electricity to	leviable in case open access is provided to a person	relevant factors such as load factor, nature and
the destination of his own use.	who has established a captive generating plant for	purpose of supply of power, geographical position of
the destination of this own ase.	carrying the electricity to the destination of his own	any area etc., is absolutely vested in the appropriate
Provided also that the State Commission	use.	Commissions. By the proposed amendment, the power
shall, not later than five years from the date		of the State Commissions in this regard is made
of commencement of the Electricity	(New Proviso)	subject to the provisions of the Tariff Policy. Under
(Amendment) Act, 2003, by regulations,	(110W 110V150)	Section 86 (1) (e) of the Act, absolute power given to
provide such open access to all consumers	Provided also that the manner of payment and	the Electricity Regulatory Commissions inter alia to
provide such open access to an consumers	11011000 also that the manner of payment and	specify for purchase of electricity from renewable

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who require a supply of electricity where the	utilization of the surcharge shall also be specified by	sources of energy is sought to be curtailed by
maximum power to be made available at any	the State Commission:	mandating that such percentages shall be fixed as
time exceeds one megawatt.		prescribed by the Central Government from time to
	Provided also that the State Commission shall, not	time. In PTC India Limited Vs CERC (2010) 4 SCC
	later than five years from the date of	603 , the Hon'ble Supreme Court held that Electricity
	commencement of the Electricity (Amendment) Act,	Act, 2003 has been enacted in furtherance of the
	2003, by regulations, provide such open access to all	policy envisaged under the Electricity Regulatory
	consumers who require a supply of electricity where	Commissions Act, 1998 as it mandates independent
	the maximum power to be made available at any	and transparent Regulatory Commissions entrusted
	time exceeds one megawatt.	with wide ranging responsibilities and objectives <i>inter</i>
		alia protection of consumers of the electricity. By the
		proposed amendments to the aforementioned
		provisions, this objective will be totally defeated as in
		the matters of surcharge and cross subsidies for open access consumers and in fixing different tariffs for
		different categories of consumers, the element of
		discretion vested in the Electricity Regulatory
		Commissions is sought to be taken away and
		Regulatory Commissions are proposed to be reduced
		to the status of mere executing agencies of Tariff
		Policies and Central Government directions on a very
		important legislative/statutory function of tariff
		fixation. Thus, the proposed amendments make the
		Electricity Regulatory Commissions completely shed
		their independent character. This is in total derogation
		of the objects for which Regulatory Commissions are
		constituted to discharge the functions hitherto
		discharged by the respective State Governments and
		the Electricity Boards. The proposed amendments also
		affect the federal spirit as the Central Government is
		seeking to hold complete sway over all the matters
		concerning tariff fixation. Indubitably the State
		Governments are important and major stakeholders in
		power sector as they have to discharge socio
		economic responsibilities in making available
		electricity to their subjects. The 2003 Act made
		Electricity Regulatory Commissions neutral and

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		independent authorities by vesting in them three vital functions, namely, Tariff Fixation (Legislative/Statutory), Regulatory and Adjudicatory. By the above discussed proposed amendments, the function of tariff fixation by the Electricity Regulatory Commissions is sought to be made symbolic as they have no discretion except to follow the Central Government Tariff Polices and directions. Therefore, the Forum strongly opposes these amendments with a request to retain the existing provisions without any change whatsoever.
Section 49 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.	Section 49 Agreement with respect to supply or purchase or transmission of electricity) (1) A generating company or a licensee may enter into an agreement with a licensee for supply, purchase or transmission of electricity on such terms and conditions, as may be agreed upon by them, including tariff and adequate security of payment consistent with the provisions of this Act. (2) 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.	Insertion of the new Sub Section (1) through the proposed amendment is not desirable and, hence, is strongly objected. One of the primary objectives of the Electricity Act, 2003 was to promote competition and the existing provision promotes competition in power purchase. Bilateral power purchase contracts without regulatory control will increase the private sector gaming as private distribution companies may sign PPA with their related generating companies driven by their own interest. It is contradictory to the regulatory responsibilities of the State Commissions. There is no need for such contracts when the generation has been delicensed resulting in buyer's market in a power surplus situation. All bilateral power procurements as per Tariff policy are to be made through competitive bidding for day ahead, short, medium or long term requirement.
New Insertion	Section 49A Cross Border Trade of Electricity - (1) 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.	Consequential Change w.r.t. Cross Border Trade.`

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Section 61 The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely: (g) that the tariff progressively reflects the cost of supply of electricity and also reduces cross-subsidies in the manner specified by the Appropriate Commission; (h) the promotion of co-generation and generation of electricity from renewable sources of energy;	(2) The Central Government may require the Central Commission to make regulations for cross border trade of electricity. Section 61 The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely: (g) that the tariff progressively reflects the cost of supply of electricity and also reduces cross-subsidies in the manner specified by the Appropriate Commissionas provided in the Tariff Policy; (h) the promotion of co-generation and generation of electricity from renewable and hydro sources of energy;	Sub section (g) may not be amended. Detailed justification for this has been given against Section 42. As already discussed reduction in cross subsidy regime should be left to the State Commissions who are well conversant with the consumer profile of the State. Besides a diktat from policy would have severe financial impact on the state utilities. State Government would not be able to provide for commensurate revenue to the utilities. Clause (h) should be reframed to drop the word 'hydro' as renewable sources include hydro sources. In view of the comments against the proposed Section 3A, the proposed amendment in Clause (i) is not required.
(i) the National Electricity Policy and tariff policy:	(i) the National Electricity Policy and tariff policy and National Renewable Energy Policy:	
Section 62	Section 62	
(1) The Appropriate Commission shall determine the tariff in accordance with provisions of this Act for — (a) supply of electricity by a generating company to a distribution licensee:	 (1) The Appropriate Commission shall determine the tariff in accordance with provisions of this Act for – (a) supply of electricity by a generating company to a distribution licensee: 	Implementing DBT on the lines of LPG subsidy transfer is premature for electricity consumers. Firstly, electricity users pay their subsidized bills after consumption. In any case, the manner of payment of subsidy being in the domain of the state government, its administration may be left to them.
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	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	Secondly, there is associated cross subsidy surcharge which would be available to utility even with non-payment by subsidised consumers. Amendment to the Sub Section (3) is strongly

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electricity in pursuance of an agreement,	agreement, entered into between a generating	opposed. Asking Commissions to fix tariff subject to
entered into between a generating company	company and a licensee or between licensees, for a	tariff policy as proposed in amendment to Sub Section
and a licensee or between licensees, for a	period not exceeding one year to ensure reasonable	3 fetters its role and constrains it significantly to
period not exceeding one year to ensure	prices of electricity;	discharge its statutory duties. Rather than being an
reasonable prices of electricity;		autonomous body for setting up level playing field for
	(b) transmission of electricity;	the utilities to operate, Commissions would be
(b) transmission of electricity;	•	rendered as executive bodies of the Government to
	(c) wheeling of electricity;	implement the tariff policy. It would lead to a lot of
(c) wheeling of electricity;	(7 8	ambiguity and uncertainty as EA at several places
	(d) retail sale of electricity.	states the Commission would be guided by Tariff
(d) retail sale of electricity.	(a) Totali sure of electricity.	policy, but proposed amendments make it mandatory
(a) Tetan saire of electricity.	Provided that the Appropriate Commission shall fix	for Commission to follow the tariff policy. It is felt
Provided that in case of distribution of	tariff for retail sale of electricity without accounting	that Commissions have been envisaged as
electricity in the same area by two or more	for subsidy, which, if any, under section 65 of the	independent expert bodies to enforce rule bound fair
distribution licensees, the Appropriate	Act, shall be provided by the government directly to	play. Curtailing its role through the modicum of tariff
Commission may, for promoting competition	the consumer;	policy would be counter-productive. Further
among distribution licensees, fix only	the consumer,	justification on this has been provided against Section
maximum ceiling of tariff for retail sale of	Provided further that in case of distribution of	42.
electricity.	electricity in the same area by two or more	
,	distribution licensees, the Appropriate Commission	
	may, for promoting competition among distribution	
	licensees, fix only maximum ceiling of tariff for	
(3) The Appropriate Commission shall not,	retail sale of electricity.	
while determining the tariff under this Act,		
show undue preference to any consumer of		
electricity but may differentiate according to		
the consumer's load factor, power factor,	(3) The Appropriate Commission shall not, while	
voltage, total consumption of electricity	determining the tariff under this Act, show undue	
during any specified period or the time at	preference to any consumer of electricity but may,	
which the supply is required or the	subject to provisions of the Tariff	
geographical position of any area, the nature	Policy, differentiate according to the consumer's	
of supply and the purpose for which the	load factor, power factor, voltage, total consumption	
supply is required.	of electricity during any specified period or the time	
11 7	at which the supply is required or the geographical	
	position of any area, the nature of supply and the	

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	purpose for which the supply is required.	
Section 63 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.	Section 63 (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.	The time limit of 60 days prescribed in sub section (2) is short and it may be changed to 90 days as the hearing takes some time. 90 days should be counted from the date of admission of the petition, found complete in all respects.
	(2) The Appropriate Commission shall, after receipt of application complete in all respects, adopt the tariff so determined under sub-section (1), in a timely manner but not later than sixty days from the date of application:	
	Provided that on expiry of sixty days from the date of application, if it is not decided by the Appropriate Commission, the tariff shall be deemed to have been adopted by the Appropriate Commission.	
Section 65	Section 65	No amendment is required in Section 65.
If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State	If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government the amount of subsidy directly to the consumer and the licensee shall charge the consumers as per the tariff	

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Government:	determined by the Commission:	
Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard.	Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard.	
Section 77	Section 77	
(1)	(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:-	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, public policy or, management and shall be appointed in the following manner, namely:-	The proposed amendment is agreeable.
(a) one person having qualifications and experience in the field of engineering with specialisation in generation, transmission or distribution of electricity;	(a) one person having qualifications and experience in the field of engineering with specialisation in generation, transmission or distribution of electricity;	
(b) one person having qualifications and experience in the field of finance;	(b) one person having qualifications and experience in the field of financelaw;	
c) two persons having qualifications and experience in the field of economics, commerce, law or management:	c) two persons having qualifications and experience in the field of finance economics, commerce, law public policy or management:	
Provided that not more than one Member shall be appointed under the same category	Provided that not more than one Member shall be appointed under the same category under clause (c)	

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under clause (c)	(2) Notwithstanding anything contained in sub-	
	section (1), the Central Government may appoint	
(2) Notwithstanding anything contained in	any person as Chairperson from amongst persons	
sub-section (1), the Central Government may	who is,or has been, a Judge of the Supreme Court or	
appoint any person as Chairperson from	the Chief Justice of a High Court:	
amongst persons who is, or has been, a Judge		
of the Supreme Court or the Chief Justice of	Provided that no appointment under this sub-section	
a High Court:	shall be made except after consultation with the	
	Chief Justice of India.	
Provided that no appointment under this sub-		
section shall be made except after		
consultation with the Chief Justice of India.		
Section 78	Section 78	Proposed amendment is strongly opposed on the
	Constitution of Selection Committee to	following grounds.
(1) The Central Government shall, for the	recommend Members: -	1. It goes against the federal principles of the
purposes of selecting the Members of the	(1) The Central Government shall, for the purposes	Constitution to provide for a central selection
Appellate Tribunal and the Chairperson and	of selecting the Members of the Appellate Tribunal	committee for selection of Chairman and Members
Members of the Central Commission,	and the Chairperson and Members of the Central	of State Electricity Regulatory Commissions. There
constitute a Selection Committee consisting	Commission, Electricity Contract Enforcement	is already an impartial high level Committee at
of –	Authority, State Commissions and Joint Commissions constitute a Selection Committee	States provided under the existing statutory provisions which is headed by a person who has
		been a High Court Judge and has Chief Secretary
(a) Member of the Planning Commission	consisting of –	and Chairman of CERC/CEA as the other members.
incharge of the energy sector	(a) A management of a section of the	2. In the proposed arrangement the state will not have
Chairperson;	(a) A person who is, or has been, a Judge of the	any participation in the selection process. It will not
	Supreme Court to be nominated by the Chief Justice of IndiaChairperson;	be fair to completely alienate the State Government,
(b) Secretary-in-charge of the Ministry of	of findiaChairperson,	which is the primary stakeholder, from the selection
the Central Government dealing with the	(b) Constant in about of the Ministry of the	process. State Commissions cannot be equated to
Department of the Legal Affairs	(b) Secretary-in-charge of the Ministry of the	APTEL or the CERC because SERCs are more
Member;	Central Government to be nominated by the Central GovernmentMember;	State consumer specific. Functions of the State
	Governmentiviember;	Commission listed in Section 86 of the Act are
(c) Chairperson of the Public Enterprises	(c) Chief Secretaries of two State Governments in	primarily linked to the affairs of the State. Each
Selection Board	accordance with sub-section	State has its own local issues. Functionaries
Member;	accordance with sub-section	associated in the selection process should have
		r

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(d) a person to be nominated by the Central	(2)Member;	close understanding of the issues of the state as
Government in accordance with sub-		much as the Members of the Commission selected
section (2)	(d) Secretary-in-charge of the Ministry of the	by them. 2. Constituting the committee at state level and filling.
Member;	\mathcal{E}	3. Constituting the committee at state level and filling up the vacancies based on the recommendations is
(a) a manage to be manifested by the Control	powerMember.	the responsibility of the State Government. Process
(e) a person to be nominated by the Central Government in accordance with sub-		involved in issuing an advertisement calling for
section (3)	(2) For the purposes of clause (c) of sub-section (1),	candidates to apply, issuing a gazette notification
Member;	the Chief Secretary of the State Governments in alphabetical order of the states starting with Andhra	constituting the selection committee, convening the
Wichioci ,	Pradesh, Arunachal Pradesh shall be the members of	meeting and recording the minutes, recommending
(f) Secretary-in-charge of the Ministry of	the Selection Committee for a period of one year.	the two candidates for each vacancy, taking
the Central Government dealing	the selection committee for a period of one year.	approval of the Government are important steps that
with power	(3) Secretary-in-charge of the Ministry of the	need to be meticulously followed so as to defend
Member.	Central Government dealing with Power shall be the	the due process when selection is challenged in a
	Convener of the Selection Committee.	court of law. By constituting a central committee
(2) For the purposes of clause (d) of sub-	Convener of the percetion committee.	the entire responsibility of the process would be that
section (1), the Central Government shall	(4) The Central Government shall, within a period	of central government. Doing it for all the states in
nominate from amongst persons holding the	of one month from the date of occurrence of any	the country would be cumbersome.
post of chairperson or managing director, by	vacancy by reason of death, resignation or removal	4. It would be extremely difficult for a single central
whatever name called, of any public financial	of a Member of the Appellate Tribunal, or the	selection committee for the entire country to find
institution specified in section 4A of the	Chairperson or a Member of the Central	adequate time to go through the selection of such a
Companies Act, 1956.	Commission or the Electricity Contract	large number of Chairpersons and Members of all
	Enforcement Authority and within a period of	the Commissions.
(3) For the purposes of clause (e) of sub-	twelve months before the superannuation or end of	5. Central selection committee should restrict itself to
section (1), the Central Government shall, by	tenure of the Member of the Appellate Tribunal or	central regulatory bodies – APTEL, CERC and JERC. States should continue to follow the set
notification, nominate from amongst persons	Chairperson or Member of the Central Commission	process for selecting Chairman and Members of
holding the post of director or the head of the	or Electricity Contract Enforcement Authority,	SERCs as per the terms of service conditions,
institution, by whatever name called, of any	make a reference to the Selection Committee for	emoluments, allowances etc and the status of the
research, technical or management institution	filling up of the vacancy.	Commission as prescribed in the rules notified by
for this purpose.		them.
	(5) The State Government shall, within a period of	6. Unless there is a centralised cadre for State
(4) Secretary-in-charge of the Ministry of	one month from the date of occurrence of any	Commissions and the service conditions of the
the Central Government dealing with Power	vacancy by reason of death, resignation or removal	members of the commissions require them to be
shall be the Convenor of the Selection	of the Chairperson or a Member and within a period	posted anywhere in the country, there is no
Committee.	of twelve months before the superannuation or end of tenure of the Chairperson or Member, make a	propriety to call for a central institution to force
	of tenure of the Chairperson of Member, make a	itself on the state in the manner proposed.

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
(5) The Central Government shall, within	reference to the Selection Committee for filling up	7. The Central Selection Committee is predominantly
one month from the date of occurrence of	of the vacancy.	manned by serving secretaries of the Government
any vacancy by reason of death, resignation		which is not in accordance with the judgment of the
or removal of a Member of the Appellate	(6) The proceedings of the Selection Committee	Supreme Court in Roger Mathews Vs. South Indian
Tribunal or the Chairperson or a Member of	shall be held in Delhi or such other places as the	Bank Ltd and others.
the Central Commission and six months	Central Government may notify.	8. There is no representative of technical organizations
before the superannuation or end of tenure of		like CERC or CEA in the selection committee even
the Member of the Appellate Tribunal or Member of the Central Commission, make a	(7) The Selection Committee shall finalise the	though the evaluation of technical member's qualification is required to be done.
reference to the Selection Committee for	selection of the Chairperson and Members referred	9. The sub section (7) of the original Act requiring
filling up of the vacancy.		recommendation of a panel of two names for every
ining up of the vacancy.	recommendation for every vacancy referred to it within three months of the receipt of the reference.	vacancy has been done away with making the
(6) The Selection Committee shall finalise	within three months of the receipt of the reference.	recommendation for every post binding on the
the selection of the Chairperson and	(8) Before recommending any person for	Appropriate Government which is not fair.
Members referred to in sub-section (5)	appointment as Member of the Appellate Tribunal,	
within three month from the date on which	or the Chairperson or other Member of the	
the reference is made to it.	Appropriate Commission or Electricity Contract	
	Enforcement Authority, the Selection Committee	
(7) The Selection Committee shall	shall satisfy itself that such person does not have	
recommend a panel of two names for every	any financial or other interest which is likely to	
vacancy referred to it.	affect prejudicially his functions as the Chairperson	
	or Member.	
(8) Before recommending any person for		
appointment as Member of the Appellate	(9) No appointment of the Chairperson or other	
Tribunal or the Chairperson or other Member	Member shall be invalid merely by reason of any	
of the Central Commission, the Selection	vacancy other than that of the Chairperson in the	
Committee shall satisfy itself that such	Selection Committee.	
person does not have any financial or other interest which is likely to affect prejudicially		
his functions as the Chairperson or Member.		
ins reflections as the Champerson of Welliott.		
(9) No appointment of the Chairperson or		
other Member shall be invalid merely by		
reason of any vacancy in the Selection		
Committee:		

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
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.		
Section 79	Section 79	
Section 19	Section 79	
(1)The Central Commission shall discharge	(1)The Central Commission shall discharge the	
the following functions, namely:-	following functions, namely:-	
, ,	, ,	
(f) to adjudicate upon disputes involving	(f) to adjudicate upon disputes except matters	No amendment to Section 79(1)(f) is required.
generating companies or transmission	referred to in section 109A involving generating	140 amendment to Section 73(1)(1) is required.
licensee in regard to matters connected with	companies or transmission licensee in regard to	
clauses (a) to (d) above and to refer any	matters connected with clauses (a) to (d) above and	
dispute for arbitration;	to refer any dispute for arbitration;	
(4) In discharge of its functions, the Central	(New Insertion)	
Commission shall be guided by the National		
Electricity Policy, National Electricity Plan	(ja)To regulate cross border trade of electricity in	
and tariff policy published under section 3.	accordance with the provisions of this Act and rules	
	made there under;	
	(A) In discharge of the formations the Co. t. 1	
	(4) In discharge of its functions, the Central	70/0
	Commission shall be guided by the National Electricity Policy, National Electricity Plan and	No Amendment in section 79(4) is required.
	tariff policy published under section 3 and National	
	Renewable Energy Policy under section 3A.	
Section 82	Section 82	
	0000000	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract and shall, by the said name, sue or	be sued. (3) The head office of the State Commission shall be at such place as the State Government may, by	
 (3) The head office of the State Commission shall be at such place as the State Government may, by notification, specify. (4) The State Commission shall consist of not more than three Members, including the 	notification, specify. (4) The State Commission shall consist of not more than three four Members, including the Chairperson. (5) The Chairperson and Members of the State Commission shall be appointed by the State Government on the recommendation of a Selection	
Chairperson. (5) The Chairperson and Members of the State Commission shall be appointed by the State Government on the recommendation of a Selection Committee referred to in section 85.	Committee referred to in section 85 section 78. (7) "If there is no chairperson and member in a State Commission to perform its functions, 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."	
New Insertion Section 84	Section 84	
(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.	(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 having adequate knowledge of, or experience in, or shown capacity in, dealing with, problems relating to engineering, law, economics, commerce, finance, public policy or management and shall be appointed in the following manner, namely:-	The expression "(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" may be retained as such without any modification. Reason:
(2) Notwithstanding anything contained in sub-section (1), the State Government may appoint any person as the Chairperson from	(a) one person having qualifications and experience in the field of engineering with specialization in	The original wording of Chairperson and the members to be persons of ability, integrity and standing should be retained as these are critical measures to assure

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
amongst persons who is, or has been, a Judge	generation, transmission or distribution of	creditworthy selection.
of a High Court:	electricity;	
Provided that no appointment under this sub-	(b) one person having qualifications and experience	
section shall be made except after consultation with the Chief Justice of that	in the field of law;	
High Court.	(c) two persons having qualifications and	
Thigh Court.	experience in the field of finance, economics,	
	commerce, public policy or management.	
	comments, proceed process, or animal grantom	
	(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:	
	Provided that no appointment under this sub-section shall be made except after consultation with the	
	Chief Justice of that High Court.	
	Cinci sustice of that ringh Court.	
Section 85	Section 85	
(1)The State Government shall, for the	(1)The State Government shall, for the purposes of	Section 85 does not require any amendment.
purposes of selecting the Members of the	selecting the Members of the State Commission,	
State Commission, constitute a Selection	constitute a Selection Committee consisting of	In addition to the detailed justification given against
Committee consisting of –		Section 78, the following points are made.
(a) a person who has been a Judge of the	(a) a person who has been a Judge of the High Court	Death and and a second and the secon
High Court	ringii Court Chair person,	By the proposed amendment to section 85 the federal character of the Constitution has been put at naught.
Chairperson;	(b) the Chief Secretary of the concerned	While exercising power under the Concurrent List, the
	State	Central Government cannot take away the right of the
(b) the Chief Secretary of the concerned	,	State Government to make appointment in respect of
State	(c) the Chairperson of the Authority or	State Regulatory Commission. Mere issue of
Member;	the Chairperson of the Central	appointment letter by the State Government does not
	Commission Member:	amount to selection of Chairperson and Members of
(c) the Chairperson of the Authority or		

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
the Chairperson of the Central	Provided that nothing contained in this section shall	State Commission by the State Government.
Commission	apply to the appointment of a person as the	
Member:	Chairperson who is or has been a Judge of the High	Opening words used in Section 78 itself go to indicate
	Court.	that the power of selection has been usurped by the
Provided that nothing contained in this		Central Government, when it says in Section 78 sub-
section shall apply to the appointment of a	(2) The State Government shall, within one month	section (1) that "the Central Government shall for the
person as the Chairperson who is or has been	from the date of occurrence of any vacancy by	purpose of selecting the members of the Appellate
a Judge of the High Court.	reason of death, resignation or removal of the	Tribunal and the chairperson and members of the
	Chairperson or a Member and six months before the	Central Commission, Electricity Contract
(2) The State Government shall, within one	superannuation or end of tenure of the Chairperson	Enforcement Authority, State Commissions and Joint
month from the date of occurrence of any	or Member, make a reference to the Selection	Commissions".
vacancy by reason of death, resignation or	Committee for filling up of the vacancy.	
removal of the Chairperson or a Member and		The proposed amendment goes against the basic
six months before the superannuation or end	(3) The Selection Committee shall finalise the	structure of the Constitution when the State
of tenure of the Chairperson or Member,	selection of the Chairperson and Members within	Government is denied the power of appointment in
make a reference to the Selection Committee	three months from the date on which the reference is	respect of state entities. Such exercise of power by
for filling up of the vacancy.	made to it.	Central Government under Concurrent List would
		lead to colourable exercise of power, excessive
(3) The Selection Committee shall finalise	(4) The Selection Committee shall recommend a	delegation of power and is also ultra vires of the
the selection of the Chairperson and	panel of two names for every vacancy referred to it.	Constitution.
Members within three months from the date	The state of the s	
on which the reference is made to it.	(5) Before recommending any person for	It is axiomatic that selection will be made by the
	appointment as the Chairperson or other Member of	Central Government and appointment letter will be
(4) The Selection Committee shall	the State Commission, the Selection Committee	issued by the State Government and all the expenses
recommend a panel of two names for every	shall satisfy itself that such person does not have	in respect of salary and perks and office maintenance,
vacancy referred to it.	any financial or other interest which is likely to	etc. will be borne by the State Government. Such
Turanity referred to 10	affect prejudicially his functions as Chairperson or	arrangement is not contemplated under the service
(5) Before recommending any person for	Member, as the case may be.	jurisprudence or under the Constitution. The Selection
appointment as the Chairperson or other	11201110021, 410 04100 11441 000	Committee also denudes the representation of the
Member of the State Commission, the	(6) No appointment of Chairperson or other	State Government. Such a committee cannot exist in
Selection Committee shall satisfy itself that	Member shall be invalid merely by reason of any	law.
such person does not have any financial or	vacancy in the Selection Committee.	
other interest which is likely to affect	. actively in the solution committee.	Similar attempt was made by the Central Government
prejudicially his functions as Chairperson or		in respect of 25 tribunals by making amendments in
Member, as the case may be.		Part XIV of the Finance Act, 2017. By similar
		process the provisions of 25 different tribunals were

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
(6) No appointment of Chairperson or other	_	amended to give effect to the requisite qualifications,
Member shall be invalid merely by reason of		method of appointment, terms of office, salary and
any vacancy in the Selection Committee.		allowances, and various other terms of services of the
		member of the presiding officer of different Statutory
		Tribunals. The aforesaid amendment was disapproved
		by the Apex Court, by means of majority judgement
		of the Constitution Bench, in Rojer Mathews vs South
g 06		Indian Bank Limited and others dated 13.11.2019.
Section 86	Section 86	Carting Of many mat be a great dad
(1) The State Commission shall	(1) The State Commission shall discharge the	Section 86 may not be amended.
discharge the following functions,	following functions, namely: -	As almosty highlighted in the comments assignt
namely: -		As already highlighted in the comments against proposed section 42, given the stage of development
	(a) magnete accompation and consuction of	of various renewable technologies in India fixing
(a) promote accompration and congretion of	(e) promote cogeneration and generation of electricity from renewable and hydro sources of	source wise RPO targets may not be required. For a
(e) promote cogeneration and generation of electricity from renewable sources of energy	energy by providing suitable measures for	state, source should not matter as long as it is
by providing suitable measures for	connectivity with the grid and sale of electricity to	renewable.
connectivity with the grid and sale of	any person, and also specify, for purchase of	Tene waster
electricity to any person, and also specify, for	electricity from such sources, a percentage of the	
purchase of electricity from such sources, a	total consumption of electricity in the area of a	
percentage of the total consumption of	distribution licensee as may be prescribed by the	
electricity in the area of a distribution	Central Government from time to time;	
licensee;		
	(f) adjudicate upon the disputes except matters	
(f) adjudicate upon the disputes between the	referred to in section 109A between the licensees,	
licensees, and generating companies and to	and generating companies and to refer any dispute	
refer any dispute for arbitration;	for arbitration;	
_		
(4) In discharge of its functions the State	(4) In discharge of its functions the State	
Commission shall be guided by the National	Commission shall be guided by the National	
Electricity Policy, National Electricity Plan	Electricity Policy, National Electricity Plan and	
and tariff policy published under section 3.	tariff policy published under section 3 and National	
	Renewable Energy Policy under section 3A.	
Section 90	Section 90	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
ŭ	•	No comments
(1) No Member shall be removed from office except in accordance with the provisions of this section.	(1) No Member shall be removed from office except in accordance with the provisions of this section.	
(3) The Central Government or the State Government, as the case may be, may, in consultation with the Chairperson of the Appellate Tribunal suspend any Member of the Appropriate Commission in respect of whom a reference has been made to the Chairperson of the Appellate Tribunal, under sub-section (2) until the Central Government or the State Government, as the case may be, has passed orders on receipt of the report of the Chairperson of the Appellate Tribunal, on such reference: Provided that nothing contained in this	(3) The Central Government or the State Government, as the case may be, may, in consultation with the Chairperson of the Appellate Tribunal suspend any Member of the Appropriate Commission in respect of whom a reference has been made to the Chairperson of the Appellate Tribunal, under sub-section (2) until the Central Government or the State Government, as the case may be, has passed orders on receipt of the report of the Chairperson of the Appellate Tribunal, on such reference: Provided that nothing contained in this section shall apply to the Chairperson of the Appropriate Commission who, at the time of his appointment as	
section shall apply to the Chairperson of the Appropriate Commission who, at the time of	such is a sitting Judge of the Supreme court or the Chief Justice of a High Court or a Judge of a High	
his appointment as such is a sitting Judge of the Supreme court or the Chief Justice of a High Court or a Judge of a High Court.	Court.	
Section 92	Section 92	
(1) The Appropriate Commission shall meet at the head office or any other place at such time as the Chairperson may direct, and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at its meetings) as it may specify.	(1) The Appropriate Commission shall meet at the head office or any other place at such time as the Chairperson may direct, and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at its meetings) as it may specify.	Insertion of sub section (6) is not necessary.

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
(5) All orders and decisions of the Appropriate Commission shall be authenticated by its Secretary or any other officer of the Commission duly authorised by the Chairperson in this behalf.	(5) All orders and decisions of the Appropriate Commission shall be authenticated by its Secretary or any other officer of the Commission duly authorised by the Chairperson in this behalf.	
	(6) Where before or during the course of a proceeding, the Appropriate Commission comes to a conclusion that the Electricity Contract Enforcement Authority has the sole authority and jurisdiction to adjudicate a matter, it shall refer the same to the	
	Electricity Contract Enforcement Authority for its orders.	
New Insertion	PART XA ELECTRICITY CONTRACT ENFORCEMENT AUTHORITY	Proposed Sections 109A to 109N are not necessary and hence may be dropped.
	ENFORCEMENT AUTHORITI	Reasons:
	109A. Establishment of Electricity Contract	Temporal C
	Enforcement Authority	1. Setting up an exclusive authority at a central level to adjudicate disputes relating to PPA is against the
	(1)The Central Government shall, by notification, establish an Electricity Contract Enforcement Authority to exercise the powers conferred on, and discharge the functions assigned to, it under the Act.	spirit of creation of State Commissions vested with regulatory, legislative and adjudicative powers. Once the adjudicating responsibility is divested, the work of the Commission will remain limited to setting of tariff and issuing of license
	(2) Notwithstanding anything contained in this Act or any other law in force, the Electricity Contract Enforcement Authority shall have the sole authority and jurisdiction to adjudicate upon matters regarding performance of obligations under a	2. There is no complaint that the Commissions are over burdened with the PPA cases and that there is inordinate delay in disposal of such cases. No evidence to support this rationale is provided in SOR.
	contract related to sale, purchase or transmission of electricity, provided that it shall not have any jurisdiction over any matter related to regulation or determination of tariff or any dispute involving	3. With the induction of member (law) from the judicial background in compliance with Hon'ble Supreme Court's order the Commissions are better placed to adjudicate and resolve such disputes.4. Though most of the orders in PPA disputes are

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
	tariff.	complied by the utilities, some are challenged in
		appeal before APTEL. If at all, powers to execute
	(3) Every contract between a generation company	the orders should be given to the SERCs on the
	and a licensee shall be filed with the Appropriate	lines of the powers available with APTEL for
	Commission within 30 days of the said contract	execution of its orders. In fact, in the earlier draft
	having been concluded.	amendment circulated by Power Ministry, a new
		sub section (2A) was proposed under section 94
	109B. Application to Electricity Contract	giving powers to Commission to execute its orders.
	Enforcement Authority and order thereon - (1)	It read as under "An order made by the Appropriate
	Any person aggrieved in any matter referred to in	Commission under this Act shall be executable by
	section 109A may prefer an application to the	the Appropriate Commission as a decree of civil
	Electricity Contract Enforcement Authority.	court and for this purpose the Appropriate Commission shall have all the powers of a civil
	(2) Every application under sub-section (1) shall be	court."
	filed within a period of six months from the non-	5. Commissions are able to resolve disputes by
	performance of the obligation under the contract:	invoking their regulatory powers in addition to
		adjudication on any peculiar issue. Supreme Court
	Provided that the Electricity Contract Enforcement	in Energy Watchdog case has sanctified such
	Authority may entertain an application after the	powers. Proposed ECEA has no such powers and it would therefore be difficult for it to resolve those
	expiry of the said period of six months if it is	kinds of issues in disputes.
	satisfied that there is sufficient cause for not filing it	6. All PPA related disputes have tariff implications.
	within that period.	Commissions are determining tariffs and therefore
		are better placed to resolve such disputes with full
	(3) Every application received under sub section (1)	compliance.
	shall be in such form, verified in such manner and	7. PPAs are approved by Commission and it is quite
	be accompanied by such fee as may be prescribed.	natural and proper that they would be able to
		interpret the provisions of PPA much better.
	(4) On receipt of an application or matter under sub-	8. Delay in adjudication of disputes could be
	section (6) of section 92, the Electricity Contract	addressed by setting time limits for the
	Enforcement Authority may, after giving the parties	Commissions.
	to the application an opportunity of being heard,	9. The contract enforcement powers proposed to be
	determine whether a valid contract subsists between	given to ECEA can be given to CERC/ SERCs to
	the parties and whether any party is in violation of	make them empowered and effective.
	any of its obligations under the contract.	10.Any party not satisfied with the order of CERC/
	(5) There is finding that there has a violation //www.l-	SERC can always approach the APTEL. Therefore,
	(5) Upon a finding that there has a violation/breach	there is no justification for constitution of another

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
_	b)	-
	1. a) a Chairperson;	
	2. b) two or more Judicial Members as may	
	be prescribed by the Central	
	Government from time to time; and	
	3. c) three or more Technical Members, as	
	may be prescribed by the	
	Central Government from time to time.	
	Subject to the provisions of this Act,	
	the jurisdiction of the Electricity Contract	
	Enforcement Authority may be exercised by	
	Benches thereof;	
	a Bench may be constituted by the Chairperson of	
	the Electricity Contract Enforcement Authority with	
	two or more Members of the Electricity Contract	
	Enforcement Authority as the Chairperson of the	
	Electricity Contract Enforcement Authority may deem fit:	
	Provided that every Bench shall include at least one	
	Judicial Member and one Technical Member;	
	(c) the Benches of the Electricity Contract	
	Enforcement Authority shall ordinarily sit in Delhi	
	and such other places as the Central Government	
	may, in consultation with the Chairperson of the	
	Electricity Contract Enforcement Authority, notify;	
	(d) the Central Government shall, in consultation	
	with the Chairperson of the Electricity Contract	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
Existing Provisions	Proposed Provisions Enforcement Authority, notify the areas in relation to which each Bench of the Electricity Contract Enforcement Authority may have exercise jurisdiction. (3) Notwithstanding anything contained in subsection (2), the Chairperson of the Electricity Contract Enforcement Authority may transfer a Member of the Electricity Contract Enforcement Authority from one Bench to another Bench. Explanation For the purposes of this section, a Judicial Member shall include the Chairperson of the Electricity Contract Enforcement Authority. 109D.Qualification for appointment of Chairperson and Members of Electricity Contract Enforcement Authority(1) A person shall not be qualified for appointment as the Chairperson of the Electricity Contract Enforcement Authority or a Member of the Electricity Contract Enforcement Authority unless he- 1. (a) in the case of the Chairperson of the Electricity Contract Enforcement Authority, is, or has been a Judge of a High Court; and 2. (b) in the case of a Judicial Member of the Electricity Contract Enforcement Authority, is, or has been a District Judge or Additional District Judge for a minimum period of seven years; and 3. (c) in the case of a Technical Member of the Electricity Contract	Comments of Forum of Regulators
	Enforcement Authority,-	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
	 i. is, or has been, an officer of the rank of Additional Secretary or above for at least one year in the Ministry or Department of the Central Government dealing with power or any other sector of infrastructure; or ii. is, or has been, a person of ability and standing, having adequate knowledge or experience in dealing with the matters relating to electricity generation, transmission, distribution and regulation, or economics, finance, public policy, commerce, or management with experience in infrastructure related matters. 	
	 (2) The Chairperson and Members of the Electricity Contract Enforcement Authority shall be appointed by the Central Government on the recommendation of the Selection Committee referred to in section 78. (3) Before appointing any person for appointment as Chairperson or other Member of the Electricity Contract Enforcement Authority, the Central Government shall satisfy itself that such person does not have any financial or other interest which is likely to affect prejudicially his functions as such Chairperson or Member. 	
	109E. Term of Office and Terms and Conditions of serviceThe Chairperson of the Electricity Contract Enforcement Authority or a Member of the Electricity Contract Enforcement Authority shall hold office as such for a term of five years from the date on which he enters upon his office: Provided that such Chairperson or other Member shall not be eligible for reappointment in the same	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
	capacity as the Chairperson or a Member in the	
	Electricity Contract Enforcement Authority;	
	Provided further that no Chairperson of the	
	Electricity Contract Enforcement Authority or	
	Member of the Electricity Contract Enforcement	
	Authority shall hold office after attaining the age of	
	sixty-seven years.	
	109F. Vacancies If, for reason other than	
	temporary absence, any vacancy occurs in the office	
	of the Chairperson of the Electricity Contract	
	Enforcement Authority or a Member of the	
	Electricity Contract Enforcement Authority, the	
	Central Government shall appoint another person in	
	accordance with the provisions of this Act to fill the	
	vacancy and the proceedings may be continued	
	before the Electricity Contract Enforcement	
	Authority from the stage at which the vacancy is	
	filled.	
	109G. Resignation and Removal (1) The	
	Chairperson of the Electricity Contract Enforcement	
	Authority or a Member of the Electricity Contract	
	Enforcement Authority may, by notice in writing	
	under his hand addressed to the Central	
	Government, resign his office:	
	Provided that the Chairperson of the Electricity	
	Contract Enforcement Authority or a Member of the	
	Electricity Contract Enforcement Authority shall,	
	unless he is permitted by the Central Government to	
	relinquish his office sooner, continue to hold office	
	until the expiry of three months from the date of	
	receipt of such notice or until a person duly	
	appointed as his successor enters upon his office or	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
=	until the expiry of term of office, whichever is the	
	earliest.	
	(2) The Chairperson of the Electricity Contract	
	Enforcement Authority or a Member of the	
	Electricity Contract Enforcement Authority shall not	
	be removed from his office except by an order of the	
	Central Government on the ground of proved	
	misbehavior or incapacity after an inquiry made by	
	Chairperson of the Appellate Tribunal in which the	
	Chairperson or a Member of the Electricity Contract	
	Enforcement Authority concerned has been	
	informed of the charges against him and given a	
	reasonable opportunity of being heard in respect of	
	such charges.	
	109 H. Member to act as Chairperson in certain	
	circumstances. - (1) In the event of the occurrence	
	of any vacancy in the office of the Chairperson of	
	the Electricity Contract Enforcement Authority by	
	reason of his death, resignation or otherwise, the	
	senior-most Member of the Electricity Contract	
	Enforcement Authority shall act as the Chairperson	
	of the Electricity Contract Enforcement Authority	
	until the date on which a new Chairperson,	
	appointed in accordance with the provisions of this	
	Act to fill such vacancy, enters upon his office.	
	(2) When the Chairperson of the Electricity Contract	
	Enforcement Authority is unable to discharge his	
	functions owing to absence, illness or any other	
	cause, the senior-most Member of the Electricity	
	Contract Enforcement Authority shall discharge the	
	functions of the Chairperson of the Electricity	
	Contract Enforcement Authority until the date on	
	which the Chairperson of the Electricity Contract	

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	Enforcement Authority resumes his duties.	
	109I. Officers and other employees of Electricity	
	Contract Enforcement Authority (1) The Central Government shall provide the Electricity Contract	
	Enforcement Authority with such officers and other	
	employees as it may deem fit.	
	(2) The officers and other employees of the	
	Electricity Contract Enforcement Authority shall	
	discharge their functions under the general	
	superintendence of the Chairperson of the	
	Electricity Contract Enforcement Authority.	
	(3) The salaries and allowances and other terms and	
	conditions of service of the officers and other	
	employees of the Electricity Contract Enforcement	
	Authority shall be such as may be prescribed by the	
	Central Government.	
	(4) The Chairperson of Electricity Contract	
	Enforcement Authority shall exercise such financial	
	and administrative powers as may be prescribed by	
	the Central Government.	
	109 J. Procedure and powers of Electricity	
	Contract Enforcement Authority (1) The	
	Electricity Contract Enforcement Authority shall not be bound by the procedure laid down by the Code of	
	Civil Procedure, 1908but shall be guided by the	
	principles of natural justice and, subject to the other	
	provisions of this Act, the Electricity Contract	
	Enforcement Authority shall have powers to	
	regulate its own procedure.	
	(2) The Electricity Contract Enforcement Authority	

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	shall have, for the purposes of discharging its	_
	functions under this Act, the same powers as are	
	vested in a civil court under the Code of Civil	
	Procedure, 1908, while trying a suit, in respect of	
	the following matters, namely:-	
	 a) summoning and enforcing the attendance of any person and examining him on oath; b) requiring the discovery and production of documents; 	
	3. c) receiving evidence on affidavits;	
	4. d) subject to the provisions of sections 123 and 124 of the Indian Evidence	
	Act, 1872, requisitioning any public record or document or copy of	
	such record or document from any office;	
	5. e) issuing commissions for the examination of witnesses or	
	documents;	
	6. f) reviewing its decisions;	
	7. g) dismissing an application on default or deciding it ex parte;	
	8. h) setting aside any order of dismissal of an application on default or any	
	order passed by it ex parte;	
	9. i) pass an interim order (including granting an injunction or stay) after	
	providing the parties concerned an	

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	opportunity to be heard; and	
	10. j) any other matter which may be prescribed by the Central	
	Government.	
	(3) An order made by the Electricity Contract Enforcement Authority under this Act shall be executable by it as a decree of civil court and, for this purpose, the Electricity Contract Enforcement Authority shall have all the powers of a civil court including but limited to powers of attachment and sale of property, arrest and detention in prison and appointment of a receiver.	
	(4) Notwithstanding anything contained in subsection (3), the Electricity Contract Enforcement Authority may transmit any order made by it 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.	
	(5) All proceedings before the Electricity Contract Enforcement Authority shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code and the Electricity Contract Enforcement	
	Authority shall be deemed to be a civil court for the purposes of section 345 and 346 of the Code of Criminal Procedure, 1973.	
	109 K. Distribution of business amongst Benches and transfer of cases from one Bench to another Bench (1) Where Benches are constituted, the	

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=	Chairperson of the Electricity Contract Enforcement	<u>-</u>
	Authority may, from time to time, by notification,	
	make provisions as to the distribution of the	
	business of the Electricity Contract Enforcement	
	Authority amongst the Benches and also provide for	
	the matters which may be dealt with by each Bench.	
	(2) On the application of any of the parties and after	
	notice to the parties, and after hearing such of them	
	as he may desire to be heard, or on his own motion	
	without such notice, the Chairperson of the	
	Electricity Contract Enforcement Authority may	
	transfer any case pending before one Bench, for	
	disposal, to any other Bench.	
	109 L. Decision to be by majority If the	
	Members of the Electricity Contract Enforcement	
	Authority of a Bench consisting of two Members	
	differ in opinion on any point, they shall state the	
	point or points on which they differ, and make a	
	reference to the Chairperson of the Electricity	
	Contract Enforcement Authority who shall either	
	hear the point or points himself or refer the case for	
	hearing on such point or points by one or more of	
	the other Members of the Electricity Contract	
	Enforcement Authority and such point or points	
	shall be decided according to the opinion of the	
	majority of the Members of the Electricity Contract	
	Enforcement Authority who have heard the case,	
	including those who first heard it.	
	109 M. Right of parties to take assistance of legal	
	practitioner. - A person preferring an application to	
	the Electricity Contract Enforcement Authority	
	under this Act and any other party to the case may	
	either appear in person or take the assistance of a	

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	legal practitioner of his choice to present his case	
	before the Electricity Contract Enforcement	
	Authority, as the case may be.	
	109 N. Appeal to Appellate TribunalAny person aggrieved by any decision or order of the Electricity Contract Enforcement Authority, may, file an appeal to the Appellate Tribunal within sixty days from the date of communication of the decision or order of the Electricity Contract Enforcement Authority to him: Provided that the Appellate Tribunal may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days.	
Section 110	Section 110	N. A. 1. (1. 1. 1.
		No Amendment is required
The Central Government shall, by	The Central Government shall, by notification,	
notification, establish an Appellate Tribunal	establish an Appellate Tribunal to be known as the	
to be known as the Appellate Tribunal for	Appellate Tribunal for Electricity to hear appeals	
Electricity to hear appeals against the orders	against the orders of the adjudicating officer or the	
of the adjudicating officer or the Appropriate	Appropriate Commission or the Electricity Contract	
Commission under this Act.	Enforcement Authority under this Act.	
Section 111	Section 111	
(1) Any person aggrieved by an order made		No amendment is required
by an adjudicating officer under this Act	(1) Any person aggrieved by an order made by an	
(except under section 127) or an order made	adjudicating officer under this Act (except under	
by the Appropriate Commission under this	section 127) or an order made by the Appropriate	
Act may prefer an appeal to the Appellate	Commission or an order made by the Electricity	
Tribunal for Electricity:	Contract Enforcement Authority under this Act may	
	prefer an appeal to the Appellate Tribunal for	
•••		

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
	Electricity:	
Section 112	Section 112	No comments
(1) The Appellete Teibunglahall consist of a	(1) The Annellete Tribunal shall consist of a	No comments
(1) The Appellate Tribunal shall consist of a Chairperson and three other Members.	(1) The Appellate Tribunal shall consist of a Chairperson and three other Members such number	
Champerson and three other ivienders.	of other Members, not less than seven, as may be	
	prescribed by the Central Government.	
Section 119	Section 119	
		No comments
(1) The Central Government shall provide	(1) The Central Government shall provide the	
the Appellate Tribunal with such officers and	Appellate Tribunal with such officers and other	
other employees as it may deem fit.	employees as it may deem fit.	
(2) The officers and other employees of the	(2) The officers and other employees of the	
Appellate Tribunal shall discharge their	Appellate Tribunal shall discharge their functions	
functions under the general superintendence	under the general superintendence of the	
of the Chairperson of the Appellate Tribunal.	Chairperson of the Appellate Tribunal.	
(3) The salaries and allowances and other	(3) The salaries and allowances and other terms and	
terms and conditions of service of the	conditions of service of the officers and other	
officers and other employees of the	employees of the Appellate Tribunal shall be such	
Appellate Tribunal shall be such as may be prescribed by the Central Government.	as may be prescribed by the Central Government.	
preserioed by the central Government.	(4) The Chairperson of Appellate Tribunal shall	
	exercise such financial and administrative powers as	
	may be prescribed by the Central Government.	
Section 120	Section 120	
(1) The Appellate Tribunal shall not be	(1) The Appellate Tribunal shall not be bound by	
bound by the procedure laid down by the	the procedure laid down by the Code of Civil	
Code of Civil Procedure, 1908, but shall be	Procedure, 1908, but shall be guided by the	
guided by the principles of natural justice and, subject to the other provisions of this	principles of natural justice and, subject to the other provisions of this Act, the Appellate Tribunal shall	
and, subject to the other provisions of this	provisions of this Act, the Appenate Tribunal Shall	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
Act, the Appellate Tribunal shall have powers to regulate its own procedure.	have powers to regulate its own procedure.	
(2) The Appellate Tribunal shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:-	(2) The Appellate Tribunal shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:	
(g) dismissing a representation of default or	(g) dismissing a representation of an appeal or an application on default or deciding it <i>ex parte</i> ;	
deciding it <i>ex parte</i> ;	(h) setting aside any an order of dismissal or any representation for of an appeal or an application on	
(h) setting aside any order of dismissal or any representation for default or any order	default or any order passed by it ex parte;	
passed by it ex parte;		
Section 121 The Appellate Tribunal may, after hearing	Section 121	
the Appropriate Commission or other interested party, if any, from time to time, issue such orders, instructions or directions as it may deem fit, to any Appropriate Commission for the performance of its statutory functions under this Act.	(1)The Appellate Tribunal may, after hearing the Appropriate Commission Electricity Contract Enforcement Authority or other interested party, if any, from time to time, issue such orders, instructions or directions as it may deem fit, to any Appropriate Commission or Electricity Contract Enforcement Authority for the performance of its statutory functions under this Act.	Proposed amendment to sub-section (1) is not required.
	(2)The Appellate Tribunal shall have the same jurisdiction, powers and authority to take action on wilful disobedience to any of its judgment, decree,	Additional provision introduced by the new sub section (2) is not desirable.
	direction, order or other process or wilful breach of	Section 121 vests a limited power of supervisory

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	an undertaking given to a it, as a High Court under	jurisdiction on the Appellate Tribunal for Electricity
	the provisions of the Contempt of Courts Act, 1971	over the Electricity Regulatory Commissions to the
	(70 of 1971) on its own motion or on a motion made	extent of issuing orders and instructions to perform its
	by the Advocate General or such Law Officer as the	statutory functions under the Act. In PTC India
	Central Government may, by notification in the	Limited Vs CERC (2010) 4 SCC 603 while dealing
	Official Gazette, specify in this behalf, or any other	with the scope of power of the Appellate Tribunal for
	person, with the consent in writing of such Law	Electricity, the Hon'ble Supreme Court held that there
	Officer or the Advocate General, and a reference in	is no power of judicial review vested in it in order to
	the Contempt of Courts Act, 1971 to a High Court	examine the legality or otherwise of regulations
	shall be construed as including a reference to the	framed by the Electricity Regulatory Commissions.
	Appellate Tribunal.	No doubt under Section 111 of the Act, orders passed
		by the appropriate Commissions are appealable to the
		Appellate Tribunal and on such appeals, the Tribunal
		can pass appropriate orders. The orders passed by the
		Appellate Tribunal shall be executable by it under
		Section 120 (3) as decree of Civil Court and, for this
		purpose, it has been conferred with the powers of a
		Civil Court. Under Section 146 of the Act, non-
		compliance of the orders or directions is made a
		punishable offence. It is noteworthy that the orders passed or directions issued to the appropriate
		Commissions under Section 121 are exempted from
		the purview of Section 146 of the Act. In the absence
		of power of judicial review and having regard to the
		limited supervisory jurisdiction under Section 121 of
		the Act, it cannot be said that the Electricity
		Regulatory Commissions are direct subordinates to
		the Appellate Tribunal for Electricity for the purpose
		of exercising contempt jurisdiction. When there is
		already a mechanism for execution of orders passed
		by the Appellate Tribunal for Electricity under Section
		120 (3) of the Act apart from imposing punishment
		under Section 146 of the Act for non-compliance of
		the orders, there could be no sound reason for vesting
		the contempt power in the Appellate Tribunal for
		Electricity. Ordinarily the power of contempt is
		vested only in courts of record such as High Courts

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Existing Provisions	Proposed Provisions	and Supreme Court established under the constitution. Hence it is not desirable to vest the Appellate Tribunal with the power of contempt. Alternatively, it is submitted that the proposed provision could be inserted under Section 120 of the Act, instead of under Section 121 of the Act as the latter provision exclusively deals with the directions issued to the appropriate Commissions creating a serious apprehension that it is intended to punish the Regulatory Commissions. Having regard to the independent nature of and wide ranging powers vested in the Electricity Regulatory Commissions, it is neither appropriate nor desirable to subject the Commissions to the contempt jurisdiction of the Appellate Tribunal for Electricity as such a measure may affect the independent functioning of the Commissions. It is therefore suggested that the proposed provision
		may be deleted. In the alternative, the provision may be shifted to Section 120 of the Act with a proviso similar to that existing under Section 146 of the Act for exempting the Commissions from the purview of the contempt.
Section 142 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 matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this	(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 rules or regulations made thereunder, or 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	A

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
Act, such person shall pay, by way of	any other penalty to which he may be liable under	
penalty, which shall not exceed one lakh	this Act, such person shall pay, by way of penalty,	
rupees for each contravention and in case of	which shall not exceed one lakhcrore rupees for	
a continuing failure with an additional	each contravention and in case of a continuing	
penalty which may extend to six thousand	failure with an additional penalty which may extend	
rupees for every day during which the failure	to six thousand rupees upto one lakh rupees for every	
continues after contravention of the first such	day during which the failure continues after	
direction.	contravention of the first such direction.	
	(2) Notwithstanding anything contained in sub-	
	section (1), in case any complaint is filed before the	
	Appropriate Commission by any person or if that	
	Commission is satisfied that any person, with effect	The proposed sub-section (2) should be deleted.
	from such date as may be notified by the Central	
	Government, has not purchased power from	
	renewable or hydro sources of energy as specified	
	by it using its powers under the Act, 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 e liable under this Act,	
	such person shall pay, by way of penalty, a sum	
	calculated at the rate of fifty paise per kilowatt-hour	
	for the shortfall in purchase in the first year of	
	default, one rupees per kilowatt-hour for the	
	shortfall in purchase in the second successive year	
	of default and at the rate of two rupees per unit for	
	the shortfall in purchase continuing after the second	
	year.	
Section 146	Section 146	
Whoever, fails to comply with any order or	Whoever, fails to comply with any order or	No Comments
direction given under this Act, within such	direction given under this Act, within such time as	
time as may be specified in the said order or	may be specified in the said order or direction or	
direction or contravenes or attempts or abets	contravenes or attempts or abets the contravention	
the contravention of any of the provisions of	of any of the provisions of this Act or any rules or	
this Act or any rules or regulations made	regulations made thereunder, shall be punishable	
thereunder, shall be punishable with	with imprisonment for a term which may extend to	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
imprisonment for a term which may extend	three months or with fine, which may extend to one	
to three months or with fine, which may	lakh crore rupees, or with both in respect of each	
extend to one lakh rupees, or with both in	offence and in the case of a continuing failure, with	
respect of each offence and in the case of a	an additional fine which may extend to five	
continuing failure, with an additional fine	thousand one lakh rupees for every day during	
which may extend to five thousand rupees	which the failure continues after conviction of the	
for every day during which the failure	first such offence:	
continues after conviction of the first such	¹ Provided that nothing contained in this section	
offence:	shall apply to the orders, instructions or directions	
1	issued under section 121.	
¹ Provided that nothing contained in this		
section shall apply to the orders, instructions		
or directions issued under section 121.		
Section 176	Section 176	
(1) The Central Government may, by	(1) The Central Government may, by notification,	
notification, make rules for carrying out the	make rules for carrying out the provisions of this	In view of the comments in the context of proposed
provisions of this Act.	Act.	sections 3A, 49, 49A, 109 A to I,. The proposal to add
provisions of this fiet.		clauses (aa), (ac), (ad), (ae), (da), (pa), (pb), (pc) and
(2) In particular and without prejudice to the	(2) In particular and without prejudice to the	(pd) may be dropped.
generality of the foregoing power, such rules	generality of the foregoing power, such rules may	(ha) may be an efficient
may provide for all or any of the following	provide for all or any of the following matters,	
matters, namely: -	namely: -	
(a) the time within which the objection and	(a) the time within which the objection and	
suggestions on the draft National Electricity	suggestions on the draft National Electricity Plan to	
Plan to be invited by the Authority under the	be invited by the Authority under the proviso to sub-	
proviso to sub-section (4) of section 3;	section (4) of section 3;	
(b) the additional requirements ¹ relating to	(aa) the minimum percentage of purchase of	
the capital adequacy, creditworthiness or	electricity from renewable and hydro sources of	
code of conduct under sixth proviso to	energy under section 3A;	
section 14;		
	(ab) allowing and facilitating cross border trade of	
	electricity and any matter related to it under sub	

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	section (1) of section 49A;	_
(d) the constitution and functions of the National Load Despatch Centre under subsection (2) of section 26;	(ac) laying down the modalities of bundling of renewable energy (including hydro) with thermal energy;	
(e) the works of licensees affecting the property of owner or occupier under subsection (2) of section 67;	(ad) Renewable Generation Obligation; (ae) regarding maintaining adequate capacity resources;	
(p) the form in which and time at which the Central Commission shall prepare its budget under section 106;	(b) the additional requirements ¹ relating to the capital adequacy, creditworthiness or code of conduct under sixth proviso to section 14;	
(q) the form and the manner of verifying such form, and fee for filing appeal under sub-section (2) of section 111;	(d) the constitution and functions of the National Load Despatch Centre under sub-section (2) of section 26;	
(r) the salary and allowances payable to and the other terms and conditions of service of the Chairperson of the Appellate Tribunal and Members of the Appellate Tribunal under section 115;	(da) payment security mechanism under section 49;(e) the works of licensees affecting the property of owner or occupier under sub-section (2) of section 67;	
(s) the salary and allowances and other conditions of service of the officers and employees of the Appellate Tribunal under sub-section (3) of section 119;	(p) the form in which and time at which the Central Commission shall prepare its budget under section 106;	
	(pa) the form, the manner of verifying the form, and fee for filing the application under sub-section (4) of	

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	section 109B;	_
	(pb) the number of Judicial and Technical Members to be included in the Electricity Contract Enforcement Authority under sub-section (1) of section 109C;	
	(pc) the salaries and allowances and other terms and conditions of service of the officers and other employees of the Electricity Contract Enforcement Authority under sub-section (3) of section 109I;	
	(pd) the exercise of financial and administrative powers by the Electricity Contract Enforcement Authority under sub-section (4) of section 109I;	
	(q) the form and the manner of verifying such form, and fee for filing appeal under sub-section (2) of section 111;	
	(qa) the number of Members to be included in the Appellate Tribunal under sub section 1 of section 112;	
	(r) the salary and allowances payable to and the other terms and conditions of service of the Chairperson of the Appellate Tribunal and Members of the Appellate Tribunal under section 115;	
	(s) the salary and allowances and other conditions of service of the officers and employees of the Appellate Tribunal under sub-section (3) of section 119;	
	(sa) exercise of financial and administrative powers by the Chairperson of Appellate Tribunal under sub	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
	section 4 of section 119;	
Section 178	Section 178	
 (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. (2)In particular and without prejudice to the generality of the power contained in subsection (1), such regulations may provide for all or any of following matters, namely:- (a) period to be specified under the first proviso to section 14; (b) the form and the manner of the application under sub-section (1) of section 15; 	 (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.in respect of the functions assigned to it in the Act. (2)In particular and without prejudice to the generality of the power contained in sub-section (1), such regulations may provide for all or any of following matters, namely:- (a) period to be specified under the first proviso to section 14; (aa) Cross border trade of electricity, if any, under sub section (2) of section 6A; 	Sub section (1) and clause (ze) of sub sectin (2) of section 178 ensure that the regulations are made within the ambit of the Act and to carry out the provisions of the Act, while at the same time enabling the Commission to frame regulations which may not be specifically mentioned under sub section (2) of the Act. The electricity sector is dynamic and undergoing rapid transformation due to disruptive technologies. In this context, it is not possible to specify all the possible subjects under sub section (2) to which the Commission's regulation framing powers would get limited to. The same approach has been followed in the context of the provisions dealing with the rule making powers of the Central Government (section 176), State Government (section 180) and regulation making powers of CEA (section 177) as well.
(c) the manner and particulars of notice under sub- section (2) of section 15;	(b) the form and the manner of the application under sub-section (1) of section 15;	In view of the above proposed amendments to sub section (1) and clause (ze) may be dropped.
(d) the conditions of licence under section 16;	(c) the manner and particulars of notice under subsection (2) of section 15;	
(e) the manner and particulars of notice under clause (a) of sub-section (2) of section 18;(f) publication of alterations or amendments to be made in the licence under clause (c) of sub-section (2) of section 18;	 (d) the conditions of licence under section 16; (e) the manner and particulars of notice under clause (a) of sub-section (2) of section 18; (f) publication of alterations or amendments to be made in the licence under clause (c) of sub-section 	

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(g) Grid Code under sub-section (2) of	(2) of section 18;	
section 28;	(g) Grid Code under sub-section (2) of section 28;	
(h) levy and collection of fees and charge from generating companies or transmission utilities or licensees under sub-section (4) of section 28;	(h) levy and collection of fees and charge from generating companies or transmission utilities or licensees under sub-section (4) of section 28;	
(i) rates, charges and terms and conditions in respect of intervening transmission facilities under proviso to section 36;	(i) rates, charges and terms and conditions in respect of intervening transmission facilities under proviso to section 36;	
(j) payment of the transmission charges and a surcharge under-sub-clause (ii) of clause (d) of sub-section (2) of section 38;	(j) payment of the transmission charges and a surcharge-under-sub-clause (ii) of clause (d) of subsection (2) of section 38;	
(k) reduction ¹ of surcharge and cross subsidies under second proviso to sub-clause (ii) of clause (d) of sub-section (2) of section 38;	(k) reduction ¹ of surcharge and cross subsidies under second proviso to sub-clause (ii) of clause (d) of sub-section (2) of section 38;	
(l) payment of transmission charges and a surcharge under sub-clause (ii) of clause(c)	(l) payment of transmission charges and a surcharge under sub-clause (ii) of clause(c) of section 40;	
of section 40;	(m) reduction ² of surcharge and cross subsidies	
(m) reduction ² of surcharge and cross subsidies under the second proviso to sub-	under the second proviso to sub-clause (ii) of clause (c) of section 40;	
clause (ii) of clause (c) of section 40;	(n) proportion of revenues from other business to	
(n) proportion of revenues from other business to be utilised for reducing the	be utilised for reducing the transmission and wheeling charges under proviso to section 41;	
transmission and wheeling charges under proviso to section 41;	(o) duties of electricity trader under sub-section (2) of section 52;	
(o) duties of electricity trader under sub-	(p) standards of performance of a licensee or class	

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section (2) of section 52;	of licensees under sub-section (1) of section 57;	
(p) standards of performance of a licensee or class of licensees under sub-section (1) of section 57;	(q) the period within which information to be furnished by the licensee under sub-section (1) of section 59;	
(q) the period within which information to be furnished by the licensee under subsection (1) of section 59;	(r) the manner for reduction of cross-subsidies under clause (g) of section 61;	
(r) the manner for reduction of cross- subsidies under clause (g) of section 61;	(s) the terms and conditions for the determination of tariff under section 61;	
(s) the terms and conditions for the determination of tariff under section 61;	(t) details to be furnished by licensee or generating company under sub-section (2) of section 62;	
(t) details to be furnished by licensee or generating company under sub-section (2) of section 62;	(u) the procedures for calculating the expected revenue from tariff and charges under sub-section (5) of section 62;	
(u) the procedures for calculating the expected revenue from tariff and charges under sub-section (5) of section 62;	(v) the manner of making an application before the Central Commission and the fee payable therefor under sub-section (1) of section 64;	
(v) the manner of making an application before the Central Commission and the fee	(w) the manner of publication of application under sub-section (2) of section 64;	
payable therefor under sub-section (1) of section 64;	(x) issue of tariff order with modifications or conditions under sub-section (3) of section 64;	
(w) the manner of publication of application under sub-section (2) of section 64;	(y) the manner by which development of market in power including trading specified under section 66;	
(x) issue of tariff order with modifications or conditions under sub-section (3) of section 64;	(z) the powers and duties of the Secretary of the Central Commission under sub-section (1) of	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
(y) the manner by which development of	section 91;	
market in power including trading specified		
under section 66;	(za) the terms and conditions of service of the	
	Secretary, officers and other employees of Central	
(z) the powers and duties of the Secretary of	Commission under sub-section (3) of section 91;	
the Central Commission under sub-section		
(1) of section 91;	(zb) the rules of procedure for transaction of	
	business under sub-section (1) of section 92;	
(za) the terms and conditions of service of		
the Secretary, officers and other employees	(zc) minimum information to be maintained by a	
of Central Commission under sub-section (3)	licensee or the generating company and the manner	
of section 91;	of such information to be maintained under sub-	
	section (8) of section 128;	
(zb) the rules of procedure for transaction of		
business under sub-section (1) of section 92;	(zd) the manner of service and publication of notice	
	under section 130;	
(zc) minimum information to be maintained		
by a licensee or the generating company and	(ze) any other matter which is to be, or may be	
the manner of such information to be	specified by regulations.	
maintained under sub-section (8) of section		
128;		
(-d) the manner of comics and multication		
(zd) the manner of service and publication		
of notice under section 130;		
(70) any other metter which is to be as		
(ze) any other matter which is to be, or may be specified by regulations.		
Section 181	Section 181	
Section 101	Section 101	
(1) The State Commissions may, by	(1) The State Commissions may, by notification,	There is no need to make any amendment to Section
notification, make regulations consistent	make regulations in respect of the functions	181 of the Act. The entire Section of the Act may be
with this Act and the rules generally to carry	assigned to it in the Act. consistent with this Act and	left as such in order to protect the independence and
out the provisions of this Act.	the rules generally to carry out the provisions of this	effectiveness of the SERCs.
	Act.	
(2)In particular and without prejudice to the		
generality of the power contained in sub-	(2)In particular and without prejudice to the	

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section (1), such regulations may provide for	generality of the power contained in sub-section (1),	
all or any of the following matters, namely: -	such regulations may provide for all or any of the following matters, namely: -	
(a) period to be specified under the first		
proviso of section 14;	(a) period to be specified under the first proviso of section 14;	
(b) the form and the manner of application		
under sub- section (1) of section 15;	(b) the form and the manner of application under sub- section (1) of section 15;	
(c) the manner and particulars of application		
for licence to be published under sub-section (2) of section 15;	(c) the manner and particulars of application for licence to be published under sub-section (2) of section 15;	
(d) the conditions of licence under section		
16;	(d) the conditions of licence under section 16;	
(e) the manner and particulars of notice	(e) the manner and particulars of notice under	
under clause(a) of sub-section (2) of section 18;	clause(a) of sub-section (2) of section 18;	
	(f) publication of the alterations or amendments to	
(f) publication of the alterations or	be made in the licence under clause (c) of sub-	
amendments to be made in the licence under clause (c) of sub-section (2) of section 18;	section (2) of section 18;	
	(g) levy and collection of fees and charges from	
(g) levy and collection of fees and charges	generating companies or licensees under sub-	
from generating companies or licensees under sub- section (3) of section 32;	section (3) of section 32;	
	(h) rates, charges and the terms and conditions in	
(h) rates, charges and the terms and	respect of intervening transmission facilities under	
conditions in respect of intervening	proviso to section 36;	
transmission facilities under proviso to		
section 36;	(i) payment of the transmission charges and a	
(i) payment of the transmission charges and	surcharge under sub-clause (ii) of clause(d) of sub-section (2) of section 39;	
a surcharge under sub-clause (ii) of clause(d)	Section (2) of Section 39,	

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of sub- section (2) of section 39;	(j) reduction ¹ of surcharge and cross subsidies	
	under second proviso to sub-clause (ii) of clause (d)	
(j) reduction ¹ of surcharge and cross	of sub-section (2) of section 39;	
subsidies under second proviso to sub-clause		
(ii) of clause (d) of sub-section (2) of section	(k) manner and utilisation of payment and	
39;	surcharge under the fourth proviso to sub-clause(ii)	
	of clause (d) of sub-section (2) of section 39;	
(k) manner and utilisation of payment and surcharge under the fourth proviso to sub-	(1) payment of the transmission charges and a	
clause(ii) of clause (d) of sub-section (2) of	surcharge under sub-clause(ii) of clause (c) of	
section 39;	section 40:	
section 37,	section 40,	
(l) payment of the transmission charges and	(m) reduction ² of surcharge and cross subsidies	
a surcharge under sub-clause(ii) of clause (c)	under second proviso to sub-clause (ii) of clause (c)	
of section 40;	of section 40;	
	5. seemen 10,	
(m) reduction ² of surcharge and cross	(n) the manner of payment of surcharge under the	
subsidies under second proviso to sub-clause	fourth proviso to sub-clause (ii) of clause (c) of	
(ii) of clause (c) of section 40;	section 40;	
(n) the manner of payment of surcharge	(o) proportion of revenues from other business to	
under the fourth proviso to sub-clause (ii) of	be utilised for reducing the transmission and	
clause (c) of section 40;	wheeling charges under proviso to section 41;	
(o) proportion of revenues from other	(oa) determination and payment of surcharge and	
business to be utilised for reducing the	wheeling charges under the first proviso to sub-	
transmission and wheeling charges under	section (2) of section 42;	
proviso to section 41;		
	(p) reduction of surcharge and cross subsidies in	
(p) reduction ¹ of surcharge and cross-	surcharge and cross subsidies, as may be provided	
subsidies under the third proviso to sub-	for in the Tariff Policy under the third proviso to	
section (2) of section 42;	sub-section (2) of section 42;	
	(pa) the manner of payment and utilization of the	
(q) payment of additional charges on	surcharge under the fifth proviso to sub-section (2)	
charges of wheeling under sub-section (4) of	sarcharge ander the firm proviso to sao section (2)	

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section 42;	of section 42;	_
(r) guidelines under sub-section (5) of section 42;	(q) payment of additional charges on charges of wheeling under sub-section (4) of section 42;	
(s) the time and manner for settlement of grievances under sub-section (7) of section	(r) guidelines under sub-section (5) of section 42;	
42;	(s) the time and manner for settlement of grievances under sub-section (7) of section 42;	
(t) the period to be specified by the State		
Commission for the purposes specified under sub-section (1) of section 43;	(t) the period to be specified by the State Commission for the purposes specified under sub- section (1) of section 43;	
(u) methods and principles by which charges for electricity shall be fixed under subsection (2) of section 45;	(u) methods and principles by which charges for electricity shall be fixed under sub-section (2) of section 45;	
(v) reasonable security payable to the distribution licensee under sub-section (1) of section 47;	(v) reasonable security payable to the distribution licensee under sub-section (1) of section 47;	
(w) payment of interest on security under sub-section (4) of section 47;	(w) payment of interest on security under subsection (4) of section 47;	
(x) electricity supply code under section 50;	(x) electricity supply code under section 50;	
(y) the proportion of revenues from other business to be utilised for reducing wheeling charges under proviso to section 51;	(y) the proportion of revenues from other business to be utilised for reducing wheeling charges under proviso to section 51;	
(z) duties of electricity trader under subsection (2) of section 52;	(z) duties of electricity trader under sub-section (2) of section 52;	
(za) standards of performance of a licensee or a class of licensees under sub-section (1)	(za) standards of performance of a licensee or a class of licensees under sub-section (1) of section	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
of section 57;	57;	
(zb) the period within which information to be furnished by the licensee under subsection (1) of section 59;	(zb) the period within which information to be furnished by the licensee under sub-section (1) of section 59;	
2(zc) the manner of reduction of cross- subsidies under clause (g) of section 61;	(zc) the manner of reduction of cross-subsidies under clause (g) of section 61;	
(zd) the terms and conditions for the determination of tariff under section 61;	(zd) the terms and conditions for the determination of tariff under section 61;	
(ze) details to be furnished by licensee or generating company under sub-section (2) of section 62;	(ze) details to be furnished by licensee or generating company under sub-section (2) of section 62;	
(zf) the methodologies and procedures for calculating the expected revenue from tariff and charges under sub-section (5) of section 62;	(zf) the methodologies and procedures for calculating the expected revenue from tariff and charges under sub-section (5) of section 62;	
(zg) the manner of making an application before the State Commission and the fee payable therefor under sub-section (1) of	(zg) the manner of making an application before the State Commission and the fee payable therefor under sub-section (1) of section 64;	
section 64;	(zh) issue of tariff order with modifications or conditions under sub-section(3) of section 64;	
(zh) issue of tariff order with modifications or conditions under sub-section(3) of section 64;	(zi) the manner by the which development of market in power including trading specified under section 66;	
(zi) the manner by the which development of market in power including trading specified under section 66;	(zj) the powers and duties of the Secretary of the State Commission under sub-section (1) of section 91;	
(zj) the powers and duties of the Secretary of	(zk) the terms and conditions of service of the	

Existing Provisions	Proposed Provisions	Comments of Forum of Regulators
the State Commission under sub-section (1)	secretary, officers and other employees of the State	
of section 91;	Commission under sub-section (2) of section 91;	
(zk) the terms and conditions of service of the secretary, officers and other employees of the State Commission under sub-section (2) of section 91;(zl) rules of procedure for transaction of	(zl) rules of procedure for transaction of business under sub-section (1) of section 92;(zm) minimum information to be maintained by a licensee or the generating company and the manner of such information to be maintained under sub-	
business under sub-section (1) of section 92;	section (8) of section 128;	
(zm) minimum information to be maintained by a licensee or the generating company and the manner of such information to be maintained under sub-section (8) of section 128;(zn) the manner of service and publication	(zn) the manner of service and publication of notice under section 130;(zo) the form of preferring the appeal and manner in which such form shall be verified and the fee for preferring the appeal under sub-section (1) of section 127;	
of notice under section 130;		
(zo) the form of preferring the appeal and manner in which such form shall be verified and the fee for preferring the appeal under sub-section (1) of section 127;	(zp) any other matter which is to be, or may be, specified. (3) All regulations made by the State Commission under this Act shall be subject to the condition of	
(zp) any other matter which is to be, or may be, specified.	previous publication.	
(3) All regulations made by the State Commission under this Act shall be subject to the condition of previous publication.		
