

No-42/6/2011-R&R (Vol-VIII)
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 5th February, 2021

To,
Principal Secretaries/Secretaries, Energy/Power Dept., All State Government/ UTs

Subject: Proposed amendments in the Electricity Act 2003 - Reg.

Sir/Madam,

I am directed to inform that a number of measures have been announced in the Union Budget 2021-22 with respect to the Power Sector. One of the key announcements is regarding giving choice to all categories of consumers to choose Discom for electricity supply for availing efficient and cost effective services. It is proposed to delicense distribution. The present Distribution Companies will continue operating as they are now, but other Distribution Companies can also come in and compete. Consumers shall have the opportunity to select their service provider. In order to implement this proposal, an amendment in the Electricity Act, 2003 is required.

2. In order to also address some other urgent issues related to the Power Sector, it has been proposed to amend the Electricity Act, 2003, keeping the following major objectives in the mind:

(i) Giving choice to the electricity consumers as per the announcement in the Union Budget 2021-22.

(ii) Mandatory appointment of a Member from Law background in the Electricity Regulatory Commissions in compliance to the Hon'ble Supreme Court Judgement dated 12th April, 2018.

(iii) Strengthening of APTEL by increasing number of Members in view of long pendency of cases and consequent delay in deciding the appeals.


(iv) In order to meet the India's International commitment, new provisions related to compliance of Renewable Purchase Obligations (RPO) is being proposed to promote use of renewable energy.

3. A Brief proposal on the above points is at **Annexure-I**.

4. Accordingly, a draft of amendments is enclosed (**Annexure-II**) with the request to provide comments to this Ministry within two weeks from the date of this letter.

Yours faithfully

Encl: As Above


(Ghanshyam Prasad)
Joint Secretary to the Govt. of India
Tel. 2371 0389

A brief on the proposed changes in the Electricity Act 2003

(i) Giving choice to the electricity consumers as per the announcement in the Union Budget 2021-22.

Following announcement has been made in the Union Budget 2021-22 on 01.02.2021:

“The distribution companies across the country are monopolies, either government or private. There is a need to provide choice to consumers by promoting competition. A framework will be put in place to give consumers alternatives to choose from among more than one Distribution Company.”

In order to provide choice to the consumer in selecting supplier of electricity, multiple distribution companies have to operate in the same area of supply. This will lead to competition and improvement in services to the consumer.

The existing distribution companies shall continue to function as they are now. The existing distribution company shall continue to supply electricity to the consumers without any change in the area of supply. With delicensing other distribution companies can come in and compete.

Companies meeting the prescribe eligibility criteria will register themselves with the Appropriate Commission before beginning supply of electricity. The Commission shall be required to register the company within a period of 60 days. It can reject to register only if the company does not meet the eligibility criteria. All companies shall be required to function according to the provision of the Act, the Rules and Regulations made thereunder and the oversight of the State Electricity Regulatory Commission.

The competition, will enable improvement in the distribution services and provide efficient services to the electricity consumers.

2. Mandatory appointment of a Member from Law background in the Electricity Regulatory Commissions in compliance to the Hon'ble Supreme Court Judgment dated 12th April, 2018

To give effect to the judgment dated 12.4.2018 of the Hon'ble Supreme Court in Civil Appeal No. 14697 of 2015, State of Gujarat & Others versus Utility Users' Welfare Association & Others, whereby it has been held that all Electricity Regulatory Commissions must have a Member with experience and qualifications in law. Accordingly, amendments are proposed for this purpose including constitution of a Bench in each of the Commissions for adjudicatory functions. It is further proposed to make these Benches responsible for adjudication of disputes including matters regarding performance of obligations under a contract related to sale, purchase or transmission of electricity, involving generating companies or licensee and empower them with powers to execute their orders as a decree of a civil court.

The strength of the ERCs is being increased by one more member so that there is proper representation of experts from various field in the Electricity Regulatory Commissions.

3. Strengthening of APTEL by increasing number of Members in view of long pendency of cases and consequent delay in deciding the appeals.

In view of the large pendency of cases and consequent delay in deciding the appeals, it is proposed to increase the number of the Members of the Appellate Tribunal for Electricity. So from the present strength of two benches, it would increase to four benches.

4. International Obligations regarding Clean Energy.

In order to meet the India's International commitment, new provisions related to Renewable Purchase Obligations (RPO) is being proposed to increase the share of renewable energy.

The Bill introduces a specific provision for penalties for not meeting RPO. These are necessary in view of the importance of green energy for our environment in the context of global climate change concerns and our international commitments to increase the share of renewable energy.



Draft THE ELECTRICITY (AMENDMENT) BILL, 2021

A Bill to further amend the Electricity Act, 2003

Be it enacted by Parliament in the Seventy First Year of the Republic of India as follows:—

Short title and commencement

1. (1) This Act may be called the Electricity (Amendment) Act, 2021.
- (2) It shall come into force on such date, as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of Section 1

2. In sub-section (2) of section 1 of the Electricity Act, 2003 (hereinafter referred as “the principal Act”), the words “except the State of Jammu and Kashmir” shall be omitted.

Amendment of Section 2

3. In section 2 of the principal Act:-
 - (i) for clause (3), the following clause shall be substituted, namely:-

““area of supply” means the area for which a distribution company is registered with the Appropriate Commission to supply electricity:

Provided that the area within a Municipal Council or a Municipal Corporation as defined in Article 243Q of the Constitution of India or a revenue district or an smaller area as notified by the Appropriate Government shall be the minimum area of supply”;

- (ii) after clause (15), the following new clause shall be inserted, namely:—

“(15a) “Cross border trade of electricity” means transactions involving import or export of electricity between India and any other country and includes transactions between two other countries that involve the use of the transmission lines of India;”;

- (iii) for clause (17), the following clause shall be substituted, namely:-

“distribution company” means a company or body corporate registered under section 24B for the purpose of supply of electricity through its own distribution system or using the distribution system of other distribution companies to the consumers in its area of supply;”.

Amendment of heading of Part IV

4. For the heading of Part IV of the principal Act, the following heading such be substituted, namely:-

“Part IV- Licensing and Registration”.

Amendment of Section 12

5. In section 12 of the principal Act, clause (b) shall be deleted and clause (c) shall be renumbered as clause (b).

Amendment of Section 14

6. In section 14 of the principal Act,-
 - (i) clause (b) namely “to distribute electricity as a distribution licensee; or” shall be omitted;
 - (ii) in the first proviso, the words “or supply” shall be omitted;

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- (iii) in the third proviso, the words “or distributes electricity” shall be omitted;
 - (iv) the sixth to eighth provisos shall be omitted;
 - (v) in the ninth proviso, the words “distribution licensee” shall be substituted with the words “distribution company”.

*Insertion of new
Sections 24A-
24D*

7. After section 24 of the principal Act, the following sections shall be inserted, namely:-

“24A. Distribution company.- (1) Any company which fulfills the prescribed qualifications and has registered itself with the Appropriate Commission may supply electricity to consumers in its area of supply either using its own distribution system or using the distribution system of another distribution company provided that it complies with the provisions of this Act and the rules and regulation made there under.

(2) Any reference to include or to mean a distribution licensee in this Act and the rules and regulations made thereunder shall be construed to mean a reference to a distribution company and any reference to a distribution licence shall be construed to mean registration for distribution.

24B. Registration for distribution of electricity.- (1) Any person who meets the eligibility criteria prescribed to operate as a distribution company, may commence operations in an area of supply after registration with the Appropriate Commission or deemed registration in terms of fourth proviso to sub-section (2):

Provided that where an Appropriate Government distributes electricity, whether before or after the commencement of this Act, it shall be deemed to be a distribution company under this Act, and shall not be required to register under this Act:

Provided also that two or more distribution companies may register to distribute electricity in the same area:

Provided also that a distribution company may propose to undertake distribution of electricity for a specified area through another person and such person shall not be required to register separately:

Provided also that where a person intends to generate and distribute electricity in a rural area to be notified by the State Government, such person shall not require any registration for such generation and distribution of electricity, but shall comply with the measures which may be specified by the Authority under section 53:

Provided also that a distribution licensee functioning on or before the commencement of the Electricity (Amendment) Act, 2021 shall be deemed to have been registered as a distribution company and authorized to supply electricity under the Act.

(2) The Appropriate Commission, on receipt of an application complete in all respects regarding the specified qualifications from a person, in such form, manner and accompanied with such fees, as

prescribed by the Central Government, shall, within a period of 60 days, issue a registration certificate if the person meets the eligibility criteria prescribed by the Government:

Provided that an application for registration may be rejected only on the ground that the applicant does not fulfill the qualifications prescribed for registration:

Provided also that the Appropriate Commission shall inform the applicant of any deficiency in the application, or if any additional information is required, and shall give the applicant adequate opportunity to remove the deficiencies or supply the additional information, and an application can be rejected only after the applicant has been given adequate opportunity to correct the deficiencies as above, and only after hearing the applicant:

Provided also that if no order is passed by the Appropriate Commission within 60 days, the registration shall be deemed to have been granted:

Provided also that for adequate reasons to be recorded in writing and after hearing, the Appropriate Commission may extend the period of 60 days by an additional period of 15 days.

(3) In the case of an application concerning an area including the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Appropriate Commission shall ascertain that there is no objection from the Central Government to the grant of the registration.

(4) A registration shall continue to be in force unless cancelled in accordance with the provisions of this Act.

24C. Conditions of registration.- The State Commission may specify terms and conditions for supply which shall apply to all distribution companies and such conditions shall be deemed to be the conditions of registration.

24D. Amendment and cancellation of registration.- (1) The State Commission, after making an enquiry, may amend or cancel the registration, if it is satisfied that:

- (a) the distribution company has made willful and prolonged default in doing anything required of it or under this Act or the rules or regulations made thereunder; or
- (b) the distribution company is not eligible as per the qualification criteria prescribed for registration; or
- (c) the distribution company within the period specified in this behalf, or any longer period which the State Commission may grant, has failed to:-
 - (i) show that it is in a position to fully and efficiently discharge the duties and obligations imposed on it under

the Act and the rules and regulations made thereunder;
or

- (ii) make the deposit or furnish the registration fees, as prescribed by the Central Government.

Provided that no registration shall be cancelled unless the State Commission has given to the distribution company at least three months' notice, in writing, stating the grounds on which it is proposed to cancel the registration, and has considered any objections by the distribution company within the period provided in the notice.

2) The State Commission may, instead of cancelling a registration under sub-section (1), permit it to remain in force subject to such further terms and conditions or amendment as it thinks fit to impose, which shall become binding upon and be observed by the distribution company and shall be deemed to be conditions of the registration, while making suitable arrangements to secure supply to the consumers of such distribution company.

(3) Where the State Commission cancels a registration under this section, it shall serve a notice of cancellation upon the distribution company and fix a date on which the cancellation shall take effect.

(4) Any vesting or sale of utility of the distribution company shall be in accordance with the procedure provided under sections 20, 21 and 22, as the case may be.”.

8. In section 26 of the principal Act, -

- i) for sub-section (2), the following shall be substituted, namely, :-

“(2) The constitution of the National Load Despatch Centre shall be such as may be prescribed by the Central Government.”;

- ii) after sub-section (3), the following sub-sections shall be inserted, namely:-

“(4) The National Load Despatch Centre shall —

(a) be the apex body to ensure integrated operation of the power system in the country;

(b) be responsible for optimum scheduling and despatch of electricity in the country across different States and regions in accordance with the contracts entered into with the licensees or the generating companies;

(c) monitor grid operations and ensure security of the electricity grid and for this purpose give directions as necessary to Regional Load Despatch Centre or State Load Despatch Centre, as the case may be;

(d) exercise supervision and control over the inter-regional and inter-state transmission network; and

(e) 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 over the power system as may be required for the safety and security of the national grid, for ensuring the stability of grid operation and for achieving maximum economy and efficiency in the operation of the power system throughout the country.

(6) The National Load Despatch Centre may give the directions directly or through the Regional or State Despatch Centre concerned.

(7) 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.”

*Amendment of
Section 28*

9. In section 28 of the principal Act, the following proviso shall be inserted in clause (a) of sub-section (3), namely :—

“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.”.

*Amendment of
Section 32*

10. In section 32 of the principal Act, the following proviso shall be inserted in clause (a) of sub-section (2), namely:—

“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.”.

*Insertion of new
sub Section 4A
and 4B in
section 42*

11. After subsection 4 of section 42 of the principal Act, the following subsections shall be inserted, namely:-

“(4a) A distribution company shall provide non-discriminatory access through its distribution system to all distribution companies registered within the same area of supply, subject to payment of wheeling charges and the regulations specified by the State Commission.”

“(4b) In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that a distribution company has knowingly failed to provide access through its distribution system to another distribution company or hindered it in any manner from using its distribution network, the Appropriate Commission may, after giving the distribution

company an opportunity of being heard in the matter, issue such directions and /or impose such penalties as it considers necessary.”

*Insertion of new
Section 47*

12. In section 47 of the principal Act, the following shall be substituted for sub-section (5), namely:—

“(5) A distribution company shall not be entitled to require security in pursuance of clause (a) of sub-section (1), in case of supply of electricity through a pre-payment meter.”

13. After section 49 of the principal Act, the following section shall be inserted, namely:—

*Insertion of new
Section 49 A*

“**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:

Provided that the guidelines governing Cross Border Trade of Electricity issued prior to the notification of Electricity (Amendment) Act, 2021 shall be deemed to have been issued under this Act.

(2) The Central Commission may make regulations consistent with the provisions of the Act and the rules and the guidelines made thereunder for cross border trade of electricity:

Provided that the regulations issued prior to the notification of Electricity (Amendment) Act, 2021 shall be deemed to have been made under this Act.”

*Insertion of new
Section 60 A*

14. After section 60 of the principal Act, the following section 60A shall be inserted, namely:-

“**60A. Management of power purchase, cross subsidy, etc.**— (1) Notwithstanding anything contained in the Act, on the registration of more than one distribution company in an area of supply, the power from the existing power purchase agreements with the existing distribution company, as on the date of registration of another distribution company, shall be shared among all the distribution companies in the area of supply as per the arrangements specified by the State Commission in accordance with the rules, if any, prescribed by the Central Government.

Provided that the State Commission shall review the sharing of power from the existing power purchase agreements periodically:

Provided further that a distribution company may enter into additional power purchase agreements, after meeting the commitments of the existing power purchase agreements, to meet any additional requirement of power without sharing with other distribution companies.

(2) On the registration of more than one distribution company in an area of supply, a universal service obligation fund to be managed by a Government company or entity, designated by the State Government, shall be created. Any surplus with a distribution company on account of cross subsidy or cross subsidy surcharge or additional surcharge shall be deposited into this fund, and this fund shall be utilised to fund any deficits in cross subsidy in the same or any other area of supply.”.

*Amendment of
Section 62*

15. In section 62 of the principal Act, -

i) In the proviso of subsection (1), after the words “the Appropriate Commission”, the word “may” shall be substituted by “shall”.

ii) a new proviso after the 1st proviso of subsection (1) shall be added as under

“Provided further that in such ceiling tariff, the cross subsidy shall be indicated separately by the Appropriate Commission.”

*Insertion of new
Section 63*

16. Section 63 of the principal Act shall be numbered as sub-section (1) thereof and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:—

“(2) The Appropriate Commission shall, after receipt of application complete in all respects, adopt the tariff so determined under sub-section (1), not later than ninety days from the date of application:

Provided that, if the tariff is not decided by the Appropriate Commission, on expiry of ninety days from receipt of such application, the proposed tariff shall be deemed to have been adopted.”.

*Amendment of
Section 64*

17. In section 64 of the principal Act,—

(i) Sub-section (1) shall be substituted by the following, namely:—

“(1) An application for determination of tariff under section 62 shall be made by a generating company or distribution company or licensee in such manner and accompanied by such fee, as may be determined by regulations:

Provided that if an application is not made by a distribution company in time, the State Commission shall not later than 30 days of the last date specified in the regulations, initiate proceedings for determination of tariff and call for such information, details and documents as may be required for such determination with the objective of determining the tariff before the beginning of the financial year.

Provided further that, where two or more distribution companies are registered to operate in the same area, the Appropriate Commission shall fix the ceiling tariff suo moto after calling for requisite information from the distribution companies. ”;

(ii) in sub-section (3), in the opening portion, for the words “one hundred and twenty days from receipt of an application”, the words “ninety days from receipt of application or initiation of proceedings, as the case may be,” shall be substituted.

*Amendment of
Section 76*

18. In section 76 of the principal Act, for the word “three” appearing in clause (a) in sub-section (5), the word “four” shall be substituted.

*Amendment of
Section 77*

19. In section 77 of the principal Act —

i) sub-section (1) shall be substituted by following, namely:—

“(1) The Chairperson of the Central Commission shall be a person of ability, integrity and standing, having adequate knowledge of and experience in the power sector, or, is or has been Secretary or Additional Secretary for a total of at least two years in the Ministry or Department of the Central Government dealing with power sector or Chief secretary of the State or Additional Chief secretary dealing with power sector of the State.”;

ii) sub-section (2) shall be substituted by the following, namely:—

“(2) The Members, other than the Chairperson, of the Central Commission shall be persons of ability, integrity and standing, having adequate knowledge of and experience in the fields of engineering, law, economics, commerce, finance, public policy / administration or, management and shall be appointed in the following manner, namely:-

(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;

(c) one person, who is or has been a District Judge for at least two years; and

(d) one person having qualifications and experience in the field of economics, commerce, public policy/ public administration or management.”.

*Amendment of
Section 78*

20. In section 78 of the principal Act, —

i) in clause (a) of sub-section (1), for the words “Planning Commission”, the words “Niti Aayog” shall be substituted;

ii) in subsection (9), after the word “vacancy”, the word, “other than that of the Chairperson of the Selection Committee” shall be inserted;

iii) the proviso shall be omitted;

*Amendment of
Section 79*

21. In section 79 of the principal Act,-
- i) in the title after the word “Function”, the word “and Duties” shall be inserted.
 - ii) for clause (f) in sub-section (1), the following shall be substituted, namely:—
 - “(f) to adjudicate upon disputes including matters regarding performance of obligations under a contract related to sale, purchase or transmission of electricity, involving generating companies or licensee in regard to matters connected with clauses (a) to (d) of sub-section (1) and to refer any dispute for arbitration;”;
 - iii) after clause (f) in sub-section (1), the following shall be inserted, namely:—
 - “(fa) to adjudicate upon disputes involving National Load Despatch Centre or Regional Load Despatch Centre in regard to matters connected with section 26, section 28 and section 29;”;
 - iv) after clause (j) in sub-section (1), the following clause shall be inserted, namely:—
 - “(ja) registration of a distribution company for supplying electricity in more than one state;”.
 - v) In clause (k) of sub-section (1), after the clause “under this Act” the clause “or as may be prescribed by the Central Government” shall be added.
 - vi) After clause (k) in sub-section (1), the following proviso shall be inserted, namely:—
 - “Provided that a Bench of the Central Commission consisting of the Member appointed under clause (c) of sub-section (2) of section 77 and at most one more Member, as may be nominated by the Chairperson, shall discharge the functions given in clauses (f) and (fa). ”;

*Amendment of
Section 82*

22. In section 82 of the principal Act,—
- i) sub-section (4) shall be substituted by the following, namely:—
 - “(4) The State Commission shall consist of a Chairperson and three other Members.”;
 - ii) after sub-section (5), the following sub-section shall be inserted, namely:-

“(6) If any State Commission is unable to perform its functions on account of vacancies, the Central Government may, in consultation with the State Government concerned, entrust its functions to any other State Commission or Joint Commission, as it deems proper.”.

*Amendment of
Section 84*

23. In section 84 of the principal Act, —

i) sub-section (1) shall be substituted by following, namely:—

“(1) The Chairperson of the State Commission shall be a person of ability, integrity and standing, having adequate knowledge of and experience in the power sector, or, is or has been a Chief Secretary or Additional Chief Secretary or Principal Secretary Power; or equivalent for at least one year in the State Government and has experience of at least two years in power sector.”;

ii) sub-section (2) shall be substituted by the following, namely:—

“(2) The Members, other than the Chairperson, of the State Commission shall be persons of ability, integrity and standing, having adequate knowledge of and experience in the fields of engineering, law, economics, commerce, finance, public policy / public administration or, management and shall be appointed in the following manner, namely:-

(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, economics, commerce, public policy / public administration or management;

(c) a serving District Judge to be appointed on the recommendation of the Chief Justice of the High Court concerned.”.

24. In section 85 of the principal Act, —

*Amendment of
Section 85*

i) clause (c) of sub-section (1) shall be substituted by the following, namely:—

“(c) nominee of the Central Government, not below the rank of Additional Secretary to Government Member.”.

ii) in subsection (6), after the word “vacancy”, the word, “other than that of the Chairperson of the Selection Committee” shall be inserted;

25. In section 86 of the principal Act,--

*Amendment to
Section 86*

i) in the title after the word “Function”, the word “and duties” shall be inserted.

ii) in clause (e) of sub-section (1), after the words “a distribution licensee”, the words “, as may be prescribed by the Central Government from time to time” shall be inserted;

iii) for clause (f) in sub-section (1) of section 86 of the principal Act, the following shall be substituted, namely:—

“(f) to adjudicate upon disputes including matters regarding performance of obligations under a contract related to sale, purchase or transmission of electricity, involving generating companies or licensee and to refer any dispute for arbitration;”;

iv) after clause (f) in sub-section (1), the following shall be inserted, namely:—

“(fa) to adjudicate upon disputes involving State Load Despatch Centre in regard to matters connected with section 32 and section 33”;

v) after clause (j) in sub-section (1), the following clause (ja) shall be added, namely:-

“(ja) registration of a distribution company for supplying electricity, suspension, amendment and cancellation of registration of a distribution company and specifying conditions of registration;

(jb) issue directions or guidelines or regulations to secure consumer choice and an efficient, coordinated and economical use of distribution system, where there are more than one distribution companies in an area of supply; ”.

vi) In clause (k) in sub-section (1), after the words “under this Act” the words “ or as may be prescribed by the Central Government.” shall be added;

vii) in subsection (1), the following proviso shall be inserted, namely:-

“Provided that a Bench of the State Commission consisting of the Member appointed under clause (c) of sub-section (2) of section 84 and at most one more Member, as may be nominated by the Chairperson, shall discharge the functions given in clauses (f) and (fa).”;

*Amendment of
Section 89*

26. In section 89 of the principal Act, the following sub-section shall be inserted after sub-section (5), namely:—

“(6) Notwithstanding anything contained in this Act, the term, salary, allowances and other terms and conditions of Members appointed under sub-section (2) (c) of section 85 shall be governed by their service rules.”.

*Amendment of
Section 90*

27. In subsection (2) of section 90 of the principal Act,—

i) following new clauses shall be inserted after clause (f), namely:-

“(g) has violated or overlooked the provisions of the Act or the rules made there under, or

(h) has been grossly negligent in performing one or more functions assigned to him or the Commission under the Act or rules made thereunder.”;

ii) In first proviso, for the words “clauses (d), (e) and (f)” in second line shall be substituted by the words “clauses (d), (e), (f), (g) and (h)”

*Amendment of
Section 91*

28. In section 91 of the principal Act, the following sub-sections shall be inserted after sub-section (1), namely:—

“(1a) The Appropriate Commission shall establish a monitoring unit with sufficient number of officers and employees, with the approval of the Appropriate Government, specifically for the purpose of ascertaining the compliance by the distribution companies of the provisions of the Act and the rules and regulations made thereunder and laying down the standards of service and the rights of consumers / prosumers as prescribed by the Central Government.

*Amendment of
Section 94*

29. In section 94 of the principal Act, the following sub-sections shall be inserted after sub-section (3), namely:—

“(4) An order made by the Bench of the Central Commission under sub-section (1) of section 79 or the Bench of the State Commission under sub-section (1) of section 86, shall be executable as a decree of civil court and, for this purpose the Bench of the Central Commission or the State Commission, as the case may be, shall have all the powers of a civil court including but not limited to powers of attachment and sale of property, arrest and detention in prison and appointment of a receiver.

(5) Notwithstanding anything contained in sub-section (4), the Bench referred to in sub-section (4) may transmit an order made by the Appropriate Commission to a civil court having local jurisdiction and such civil court shall execute the order as if it were a decree made by that court.”.

*Amendment of
Section 112*

30. In sub-section (1) of section 112 of the principal Act, for the words “three other Members”, the words “such number of other Members, not less than seven, as may be prescribed by the Central Government” shall be substituted.

*Amendment of
Section 142*

31. Section 142 of the principal Act shall be substituted by the following, namely:—

“142. Penalty for contravention of the provisions of the Act

(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 the rules made thereunder, the Appropriate Commission may after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, which shall not exceed one crore rupees for each contravention and in case of a continuing failure with an additional penalty which may extend to six lakh rupees for every day during which the failure continues after contravention of the first such direction.

(2) In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person has contravened any direction or order issued by the Commission, the Appropriate Commission may after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, which shall not exceed ten lakh rupees for each contravention and in case of a continuing failure with an additional penalty which may extend to sixty thousand rupees for every day during which the failure continues after contravention of the first such direction.

(3) Notwithstanding anything contained in sub-section (1) and sub-section (2), in case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person has not purchased power from renewable sources of energy as prescribed by the Central Government, the Appropriate Commission shall after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, a sum calculated at the rate of not less than twenty-five paise per kilowatt-hour and not more than fifty paise per kilowatt-hour for the shortfall in purchase in the first year of default, at a rate of not less than fifty paise per kilowatt-hour and not more than one rupee per kilowatt-hour for the shortfall in purchase in the second successive year of default and at the rate of not less than one rupee per kilowatt-hour and not more than two rupees per kilowatt-hour for the shortfall in purchase continuing after the second year.”.

*Amendment of
Section 146*

32. In section 146 of the principal Act, for the word “lakh”, the word “crore” and for the words “five thousand rupees”, the words “one lakh rupees” shall be substituted.

*Amendment of
Section 176*

33. In sub-section (2) of section 176 of the principal Act,-

(i) After clause (c), the following clauses (ca) and (cb) shall be inserted, namely:-

“(ca) eligibility criteria to operate as a distribution company under section 24B;

(cb) manner, mode and payment of fees for registration of

distribution companies under section 24B;”.

- (ii) After clause (d), the following clause (da) shall be inserted, namely:-
“(da) rights of consumers/prosumers under sub-section (1a) of section 91;”.
- (iii) After clause (i), the following clause (ia) shall be inserted, namely:-
“(ia) quantum of purchase of electricity under clause (e) of sub-section (1) of section 86;”.

34. In section 178 of the principal Act,—

i) for sub-section (1), the following shall be substituted, namely:-

“(1) The Central Commission may, by notification, make regulations in respect of the functions assigned to it in the Act.”.

(ii) In sub-section (2) of section 178 of the principal Act, -

i) after clause (a), the following clause shall be inserted, namely:-

“(aa) Cross border trade of electricity, if any, under sub section (2) of section 6A;”;

ii) clauses (ze) shall be omitted.

35. In section 181 of the principal Act,

i) for sub-section (1), the following shall be substituted, namely:-

“(1) The State Commissions may, by notification, make regulations in respect of the functions assigned to it in the Act.”.

ii) In sub-section (2) of section 181 of the principal Act:-

(i) After clause (d), the following clause (da) shall be inserted, namely:-

“(da) conditions of registration under section 24C ;”.

(ii) After clause (n), the following clause (na) shall be inserted, namely:-

“(na) setting up and management of universal service obligation fund under sub-section (2) of section 60A;”.

*Amendment of
Section 178*

*Amendment of
Section 181*