

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:56
ANSWERED ON:28.02.2000
CHANGES IN ELECTRICITY ACTS
SUBODH ROY

Will the Minister of POWER be pleased to state:

- (a) whether Confederation of Indian Industry has suggested to the Government to make changes in the Electricity Acts for making the private investment more attractive;
- (b) if so, whether the Government propose to consider the said suggestions; and
- (c) if so, the details in this regard?

Answer

THE MINISTER OF POWER

(SHRI P.R. KUMARAMANGALAM)

(a) to (c) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF STARRED QUESTION NO.56 TO BE ANSWERED IN THE LOK SABHA ON 28.2.2000 REGARDING CHANGES IN ELECTRICITY ACTS.

(a) : Yes, Sir. Confederation of Indian Industry (CII) has made suggestions on changes in the Electricity (Supply) Act, 1948.

(b) & (c) : The Ministry of Power had asked the National Council of Applied Economic Research (NCAER) as a consultant to suggest legislative changes if considered necessary to accelerate the reform process. The suggestions made by CII were referred to the NCAER.

The NCAER has submitted a draft Electricity Bill to replace the existing three electricity laws (The Indian Electricity Act, 1910, The Electricity (Supply) Act, 1948 and The Electricity Regulatory Commissions Act, 1998). The draft Bill suggests corporatisation of all the State Electricity Boards and their restructuring into separate entities that would provide for accountability based on profit centres, whether public or private; and setting up or reinforcing the Regulatory Commissions on the lines of the Electricity Regulatory Commissions Act, 1998. It stresses the need for efficiency and competition with the objective of providing reliable power supply to all consumers at competitive prices. It also provides for a clear delineation of roles and responsibilities.

In order to generate a national debate on the issue and to evolve a consensus on the draft Bill suggested by NCAER, its copies have been circulated to all concerned for their comments, suggestions and advice.