

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2530
ANSWERED ON:04.12.2009
POWER TRADING LICENSES
Mani Shri Jose K.

Will the Minister of POWER be pleased to state:

- (a) whether the Central Electricity Regulatory Commission has issued any new set of Inter-State trading regulations to tighten the terms and conditions for grant of trading license for electricity;
- (b) if so, the details thereof;
- (c) whether the said regulations are applicable to the existing licensees; and
- (d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI)

(a): Yes, Madam.

(b): The important features of the new Trading Regulations, 2009 are as under:

Definition of inter-state trading has been revised to explicitly include electricity imported for re-sale.

Number of categories of licensees has been reduced to 3 from 6.

Net worth requirement has been increased to the range of Rs.5 crores to Rs.50 crores keeping the prevalent prices of traded power in view.

Net-worth definition has been revised to discount the loans and advances given to the associates.

New conditions of liquidity i.e. current ratio and liquidity ratio have been introduced to adjudge the credit-worthiness of the applicant.

Technical qualifications of the full time professionals have been specified.

Definition of associate has been rationalized.

A provision has been made that licensee shall not purchase electricity from the entities which are defaulting in payment of UI charges, transmission charges, charges of NLDC/RLDC/ ULDC etc., if so directed by the CERC.

(c) & (d): As per CERC notification No. L-7/165(180)/2008-CERC dated 26.05.2009, the existing licensees are required to comply with new net-worth and liquidity requirement by 31.03.2010.