

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:5896

ANSWERED ON:02.05.2013

COMPLIANCE OF ELECTRICITY ACT

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Will the Minister of POWER be pleased to state:

(a) the manner in which improvement has taken place in the quality, production and distribution of power after implementation of the Electricity Act, 2003;

(b) whether any central body/authority has been constituted for ensuring proper compliance of the provisions of the Electricity Act, 2003 and to monitor the works executed as per the objective of the said Act;

(c) if so, the details thereof and if not, the reasons therefor along with the corrective measures being taken by the Government in this regard;

(d) the number of private power distribution companies operating in the power distribution sector in the country at present, State-wise along with the provisions made in the said Act to review or survey the work done by these private companies for their better performance; and

(e) the manner in which the licence holders of private power distribution companies under sub-section 2(11) of section 19 of the said Act have been able to ensure quality, regularity and reliability of power supply and the action taken by the Government under the said sub-section for non-compliance of the provisions by them during each of the last three years, State wise?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

(a) : The Electricity Act, 2003 has consolidated the laws relating to the generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to the development of electricity industry promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff and for matters connected therewith and incidental thereto.

The policy and regulatory framework facilitated by the Electricity Act, 2003, has ushered in the following benefits in quality, production and distribution of power:

(i) De-licensing of generation of electricity: Delicensing of generation together with competitive bidding for power procurement has facilitated investment in generation projects and reduced cost of generation benefiting the ultimate consumers.

(ii) Open Access in Transmission/ Distribution Systems: Promotion of competition through introduction of Open Access in power sector by the Electricity Act, 2003 has provided choice to the consumers

(iii) Electricity Regulatory Commissions have been established in all States and Union Territories to regulate the sector including award and revoking of licences, tariff setting consistent with National Electricity Policy and Tariff Policy defining and enforcing performance standards and quality of service to consumers.

(iv) Establishment of Appellate Tribunal: An Appellate Tribunal has been established for disposal of appeals against the order of the CERC and State Electricity Regulatory Commissions so that there is speedy disposal of such matters.

(v) Establishment of Consumer Grievances Redressal Forums and establishment of Special Courts has empowered the consumers to demand better quality and supply of power.

(b) & (c) : Under the Electricity Act, 2003, the Appropriate Commission which includes Central Electricity Regulatory Commission (CERC), State Electricity Regulatory Commissions (SERCs)/Joint Electricity Regulatory Commissions (JERCs), Central Electricity Authority (CEA), the Load Despatch Centres and District Committees have the responsibilities inter-alia of monitoring different aspects of the working of various provisions of the Electricity Act. The relevant provisions of the Act, viz., sections 79 and 86 deals with the functions of Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs) respectively, section 73 deals with the functions of CEA, sections 28 and 32 deals with the functions of Load Despatch Centres and Section 166 (5) deals with the District Committees.

Further, the Appropriate Commission has powers under section 142 of the Act to impose penalty against any person for contravention

of the provisions of the Act, policies, rules and regulations framed under the Act. The Commission has also the power under Section 143 of the Act to impose penalty on any person for non-compliance of the directions of Regulation Load Despatch Centre (RLDC).

(d) & (e): As per available information, a list of private distribution companies operating in power sector in various parts of the country is given at Annex.

Section 19 of the Electricity Act, 2003 provides for revocation of licence of the power distribution companies by the Appropriate Commission for prolonged violation of provisions of the Act or rules or regulations made there under. However, there is no such subsection 2(11) of section 19 of the said act as mentioned in the question.