

**13.50 hrs.**

**Title:** Introduction of the Electricity Bill, 2001.

THE MINISTER OF POWER (SHRI SURESH PRABHU): I beg to move for leave to introduce a Bill to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, rationalisation of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto.

MR. SPEAKER: Motion moved:

"That leave be granted to introduce a Bill to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, rationalisation of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto."

SHRI BASU DEB ACHARIA (BANKURA): Sir, I oppose the introduction of this Bill.

SHRI K. YERRANNAIDU (SRIKAKULAM): Shri Acharia, when every time you are opposing the introduction of a Bill, you are getting more chances to speak.

SHRI BASU DEB ACHARIA : You come to this side. Then you will also get chances to speak.

Sir, although the Bill has been circulated this morning, we did not get time to go through the Bill as it is a voluminous Bill.

SHRI M.V.V.S. MURTHI (VISAKHAPATNAM): Without going through the Bill, how can you oppose its introduction?

SHRI BASU DEB ACHARIA : You also got it only this morning. Sir, you have allowed it under Direction 19 (b) but the reason put forward by the Minister for the delay in circulation is not convincing because this Bill was approved by the Cabinet on 16<sup>th</sup> August. Why did the Ministry take 13 days time to circulate the Bill?

Moreover, this Bill seems to undermine the concurrent character of electrical power industry enshrined in the Constitution. Electricity is a concurrent subject. This proposed legislation restructures and renders redundant all institutions in the industry without giving the States even the option to continue with the existing institutions. The main purpose is to unbundle the State Electricity Boards, trifurcate generation, transmission and distribution and hand over both transmission and distribution to the private sector. If distribution is handed over to the public sector, what will be our experience in the country? What will be the tariff in the agricultural sector? Sir, agricultural sector is cross-subsidised.

MR. SPEAKER: Again, you are going into the merits of the Bill.

SHRI BASU DEB ACHARIA : What is the T&D loss in Andhra Pradesh after the reform? The loss is 45 per cent.

SHRI M.V.V.S. MURTHI (VISAKHAPATNAM): It has come down to 32 per cent.

SHRI BASU DEB ACHARIA : In Orissa, it is 42 per cent. It is the highest in your State after reforms. This violates the Constitution and hence, I oppose the introduction of this Bill.

SHRI N.N. KRISHNADAS (PALGHAT): Sir, I oppose the Bill at the introduction stage. According to our Constitution, electricity power generation, distribution and tariff fixation are concurrent. It is not only that. If the Bill is passed, the Government's right will be lost in fixing up the tariff and subsidies to the farmers will be lost. In this situation, I once again oppose the Bill at the introductory stage.

SHRI SURESH PRABHU: Sir, this Bill has been introduced with short notice. I have to satisfy the hon. Speaker about the reasons for not circulating it on time. I think seven days is the normal required time. It has already been discussed. Now why we took time is because we had to get it vetted from the Law Ministry and the officials of the Law Ministry have worked overnight. And that is why, I could introduce it today. But I can appreciate the feeling of my esteemed friend, Shri Acharia when he said that he had no time to read it. If he would have read the Bill, then he would not have opposed it.

I can understand that. I take the blame for that because he could not get time, so obviously he has to oppose it. Therefore, when you go into the merit of the Bill when it goes to the Standing Committee, if the hon. Speaker refers it to the Standing Committee, I am sure Shri Basu Deb Acharia is also one of the distinguished Members of the Standing Committee, he would come here to support it in the next Session of Parliament. Shri Basu Deb Acharia has said that the subject of the Bill comes under the Concurrent List. It is in the Concurrent List. Under the Constitution it is in the Concurrent List. Therefore, Parliament has got authority to legislate. The very fact that it is in the Concurrent List, gives us the competence to legislate.

Secondly, who passed the laws, like The Electricity Supply Act and the 1948 Act, under which the SEBs were set up? Parliament passed those laws. Therefore, where is the question of interfering in the State Legislature domain? Therefore, we have all the competence. The Parliament has the competence to legislate. We are not interfering with the State Legislatures' domain. This Bill is a step in the right direction. Why? Under this Bill, we are giving freedom for a particular State to choose a model that it likes. For example, if the State Government feels that they would continue with the State Electricity Boards, they may do so. But in the previous regime, it was mandatory for all the States to have Electricity Boards. Now, we are only changing it from being mandatory to an enabling provision, wherein it is possible for the State to set up Electricity Board. For example, if the West Bengal Government wishes to have an Electricity Board, they are free to do so. They are welcome to do it. But West Bengal found it necessary and incumbent to privatise the distribution of power in Kolkata.

SHRI BASU DEB ACHARIA : It is there since inception.

SHRI SURESH PRABHU: I know. You continued with that.

SHRI BASU DEB ACHARIA : From inception, Calcutta Electricity Supply Company was there both for generation and distribution like Bombay.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): From inception everywhere it should have been the same.

SHRI SURESH PRABHU: He is absolutely right. Since inception, you have carried on like this. The Left Front has been voted to power for 26<sup>th</sup> year in succession. They continue to do it for the last 25 years. It is because they found it more convenient to have a private model in West Bengal. Therefore, it has been done.

Another distinguished friend has stated that tariff fixing power will be taken away by this Bill. It is not so. In fact, we have already passed a legislation in the year 1998 under which the power to fix tariff was given to the Regulators. That Bill has already been passed. I am only consolidating that Bill. Now, the Kerala Government is also thinking of having a Regulatory Commission. Most of the States are setting up their own Commissions. That is the best way to fix the tariff.

They have not addressed one issue which I am addressing. It is about protecting workers' interest. By doing this, we will be able to protect the rights and privileges. It is because if the same situation that now prevails in the power sector continues, then the workers will not get, leave apart terminal benefits, even salaries because the State Electricity Boards are losing more than Rs. 30,000 crores in a year. â€ (Interruptions)

MR. SPEAKER: Shri Yerrannaidu, you have to give a notice. This is introduction of Bills.

SHRI K. YERRANNAIDU : Sir, we have to discuss this issue for one or two days. After passing the Bill, everybody is taking political advantage. There is no uniform policy as far as this sector is concerned. If one State Government goes for electricity reforms, then the Opposition in that State takes advantage of that. But the same party in another State goes for electricity reforms. That is why India is not progressing. With regard to electricity reforms, there should be a uniform policy.

MR. SPEAKER: Shri Yerrannaidu, there is a time to discuss all these things.

The question is:

"That leave be granted to introduce a Bill to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, rationalisation of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto."

*The motion was adopted.*

**SHRI SURESH PRABHU:** I introduce the Bill.

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