

POWER COMPENDIUM

**A Compilation
of
Acts, Rules, Policies, Guidelines
2011
(Updated till 31st March 2011)**



Ministry of Power
Government of India
Website : www.powermin.nic.in

विद्युत मंत्री
भारत सरकार
नई दिल्ली-110 001



D.O. No. MOP/VIP/455/2011

MINISTER OF POWER
GOVERNMENT OF INDIA
NEW DELHI-110 001

7 JUL 2011



सुशीलकुमार शिंदे
SUSHILKUMAR SHINDE

MESSAGE

The first Compendium containing Acts, Rules, Policies, Guidelines was brought out in the year 2006 and the same was updated by way of subsequent edition as Power Compendium, 2008. However, fast paced changes in the Power Sector warranted revision of certain provisions in the Acts/Policies/Guidelines to keep pace with the changing scenario. Hence, many new rules, regulations, guidelines have been notified since then by the Ministry of Power.

This new edition of the Compendium encapsulates all such changes. I am sure that everyone associated with the Power Sector will find the new compendium useful reference material.

(SUSHILKUMAR SHINDE)

विद्युत राज्य मंत्री
भारत सरकार



MINISTER OF STATE FOR POWER
GOVERNMENT OF INDIA

D.O. NO. MOSP/VIP/ 716 /2011

के.सी. वेणुगोपाल
K.C. VENUGOPAL

MESSAGE

7th July, 2011

Several legislative and policy initiatives taken by the Ministry of Power in the past ensured that these initiatives lead to creation of enabling environment for investments in power sector and more consumer friendly approach to meet the growing needs of industry, commerce, agriculture and households.

The two earlier editions of the Power Compendium were not only well received but also highlighted the need to have a regular updation.

I am happy to note that the revised edition of the Power Compendium 2011 is being brought out, which will give an updated version of the Acts, Rules, Regulations and Policy Guidelines relating to the Power Sector. I am sure that the revised Compendium would serve as a reference book like the previous editions.

(K.C. VENUGOPAL)

पी. उमा शंकर

सचिव,
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P. Uma Shankar
Secretary
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FOREWORD

The power sector in India has seen a multi faceted development in the last few years. The landmark enactments, numerous new policies and initiative schemes have rewritten the canvas for the power industry. Power sector management has now been recognised as a comprehensive specialized activity in almost all States. Unprecedented development activity in the power sector is a testimony to the facilitative and catalytic role played by the Ministry of Power. Regulators in the power sector have now established themselves across the country. Their spread and watchful eye will provide long term benefits to the sector through enhancement of the efforts towards transparency and efficiency and greater benefits to the consumers.

2. The 11th Five Year Plan has witnessed a substantial transformation and upcoming 12th Plan will see even more pronounced developments in the power sector to bring a basic change in the character of the power sector. While accepting the need and challenge to increase capacities by a factor of multiples rather than increments in percentiles, the sector will witness a very significant infusion of private ownership and control. Starting from generation, this trend is spreading to transmission and distribution. The various initiatives in respect of energy efficiency and the steady increase in the number of labeled products will provide impetus to low energy intensity activities and the economy will be healthier and more competent. We have given a very strong emphasis to demand side management, as reflected in the numerous codes and notifications relating to energy efficiency.

3. The compendium brought out in the year 2006 was updated by way of subsequent edition in 2008. Many policy initiatives have taken place afterwards and certain changes have also been brought out in the extant provisions taking note of the concerns raised at various platforms. I am very happy to note that revised edition of Power Compendium 2011 being brought out will give the updated version of the acts, rules, regulations and policy guidelines. I am sure this book will prove as useful as the previous ones.

New Delhi
13th July, 2011

(P. Uma Shankar)

Contents

S. No.	Page No.
1. Electricity Act, 2003 (with both amendments incorporated)	3
(Notification dated 10.6.2003 bringing into force the Electricity Act, 2003)	
1 (a) Electricity (Amendment) Act, 2003 (Notification dated 27.1.2004 bringing into force the Electricity (Amendment) Act, 2003)	114
1 (b) Electricity (Amendment) Act, 2007 (Notification dated 12.6.2007 bringing into force the Electricity (Amendment) Act, 2007)	124
2. Rules under Electricity Act, 2003	
i) Electricity Rules, 2005 regarding requirements of captive generating plant, compliance by transmission lines etc. (Notification dated 8.6.2005) (amendment made vide notification dated 26.10.2006 incorporated).	127
(i) (a) Electricity (Amendment) Rules, 2006 (Notification dated 26.10.2006).	
ii) (a) CERC Rules, 2004 (Salary, Allowance and other conditions of service of Chairperson and Members) Rules, 2004 (Notification dated 8.3.2004)	132
(b) Amend the CERC (Salary, Allowances and other Conditions of Service of Chairperson and Members) Rules, 2004 (Notificated dated 9.3.2010)	135
iii) Fees for Making Application for Grant of Licence Rules, 2004 (Notification dated 23.3.2004)	137
iv) National Electricity Plan Notification Rules, 2004 (Notification dated 6.4.2004)	138
v) Appellate Tribunal for Electricity (Salaries, Allowances and other conditions of service of Chairperson and Members) Rules, 2004 (Notification dated 13.4.2004)	139
(v) (a) Appellate Tribunal for Electricity (Salaries, Allowances and other conditions of service of Chairperson and Members) (Amendment) Rules, 2008 (Notification dated 29.9.2008)	142
vi) Appellate Tribunal for Electricity (Procedure, Form, Fee and Record of Proceedings) Rules, 2007 (Notification dated 22.1.2007)	143
vii) Appeal to the Appellate Authority Rules, 2004 (Notification dated 16.4.2004) (the amendment notification dated 7.9.2006 incorporated)	180
viii) Procedure for conducting Inquiry against a Member of Appropriate Commission Rules, 2004 (Notification dated 21.6.2004)	181
ix) Means of Delivery of Notice, Order or Document Rules, 2004 (Notification dated 21.6.2004)	183
x) Procedure for Holding Inquiry by Adjudicating Officer Rules, 2004 (Notification dated 31.8.2004)	184
xi) Appellate Tribunal for Electricity Salary, Allowances and other conditions of service of the Officers and Employees Rules, 2004 (Notification dated 28.10.2004) (the amendment notification dated 6.5.2005 incorporated)	186

S. No.	Page No.
(xi) (a) Appellate Tribunal for Electricity Salary, Allowances and other conditions of service of the Officers & Employees (Amendment) Rules, 2005 (Notification dated 6.5.2005)	192
(xi) (b) Appellate Tribunal for Electricity Salary, Allowances and other conditions of service of the Officers & Employees (Second Amendment) Rules, 2008 (Notification dated 22.7.2008)	193
xii) Intimation of Accidents (Form & Time of Service of Notice) Rules, 2004 (Notification dated 22.12.2004)	194
(xii) Notification on Intimation of Accidents (Form & Time of Service of Notice) (Amendment) Rules, 2005 (Notification dated 11.8.2005)	197
xiii) CERC (Preparation of Annual Report) Rules, 2004 (Notification dated 28.1.2005)	198
(xiii) (a) Central Electricity Regulatory Commission (Preparation of Annual Report) (Amendment) Rules, 2005. (Notification dated 11.8.2005)	200
xiv) Forum of Regulators Rules, 2005 (Notification dated 16.2.2005)	201
xv) National Load Despatch Centre Rules, 2004 (Notification dated 2.3.2005)	203
xvi) Distribution of Electricity Licence (additional requirements of capital adequacy, creditworthiness and Code of Conduct) Rules, 2005 (Notification dated 23.3.2005)	205
xvii) CEA (Terms & Conditions of Chairperson & other Members) Rules, 2005 (Notification dated 24.11.2005)	207
xviii) Works of Licensees Rules, 2006 (Notification dated 18.4.2006)	210
xix) Qualifications, Powers and Functions of Chief Electrical Inspector and Electrical Inspectors Rules, 2006 (Notification dated 17.8.2006)	216
xx) Central Electricity Regulatory Commission Fund (Constitution and the manner of application, of the Fund) and Form and Time for Preparation of Budget Rules, 2007. (Notification dated 22.10.2007)	219
xxi) Central Electricity Regulatory Commission (Form of Annual Statement of Accounts and Records) Rules, 2007. (Notification dated 22.10.2007)	228
xxii) Electricity (Procedure for Previous Publication) Rules, 2005 (Notification dated 9.6.2005)	250
3. National Electricity Policy	251
4. Tariff Policy (amendment made vide resolution dated 31.3.2008 incorporated)	271
4 (i) Amendment to Tariff Policy (31.3.2008)	293
(ii) Amendment to Tariff Policy (20.1.2011)	296
5. Rural Electrification Policy	297
6. Notification for removal of Difficulties – issued under the Electricity Act, 2003	
i) Inclusion of measures to control theft in Electricity Supply Code (Notification dated 8.6.2005)	311
ii) Exemption from payment of surcharge on direct sale or supply of electricity under the authorizations/Consent under the repealed laws (Notification dated 8.6.2005)	313

S. No.	Page No.
iii) Disposal of free electricity received by a State Government from hydro power generating stations (Notification dated 8.6.2005)	315
iv) Supply of electricity by the generating companies to the housing colonies of its operating staff (Notification dated 8.6.2005)	317
v) Establishment, operation or maintenance of dedicated transmission lines (Notification dated 8.6.2005)	318
vi) Levy and collection of fees and charges for using transmission system (Notification dated 8.6.2005)	320
vii) Supply of electricity to housing colony of sub-station (Notification dated 8.6.2005)	321
viii) Supply of electricity to Cooperative Group Housing Society, supply of electricity by distribution licensee at single point to a person for his employees (Notification dated 9.6.2005)	322
ix) Previous publication of regulations by State Commission (Notification dated 9.6.2005)	324
7. Clarifications under the Electricity Act, 2003.	
i) Clarifications on Rule 8 of Electricity Rules 2005 regarding approval by PPA by Appropriate Commission for Inter-State Projects (dated 28.8.2006)	327
ii) Clarification on setting up of generating station (dated 9.8.2007)	328
iii) Clarification on Captive Power Plant (dated 6.8.2007)	329
iv) Regulatory jurisdiction over the DVC under the Electricity Act, 2003 (dated 2.6.2005)	330
v) Clarification regarding supply obligation in respect of DVC (dated 27.11.2007)	331
vi) Applicability of provisions of section 126 and 135 of the Electricity Act, 2003 (dated 12.11.2007)	332
vii) On compounding of theft offence (dated 26.10.2005).	333
viii) Clarification on Tariff Policy regarding PPA before 6.1.2006 (dated 28.3.2006)	334
ix) Clarification on Tariff Policy regarding PPA before 6.1.2006 (dated 15.2.2008).	336
x) Clarification regarding Para 5.1 of Tariff Policy (dated 29.11.2010)	337
xi) Clarification regarding Para 5.1 and 7.1 of Tariff Policy (dated 9.12.2010)	338
xii) Clarification regarding Para 6.4 of Tariff Policy (dated 19.4.2011)	340
xiii) Clarification regarding short-term purchase of power by a DISCOM (13.4.2011)	342
xiv) Clarification regarding meter rent in power sector under Electricity Act, 2003 (dated 28.2.2011).	343
xv) Clarification on captive Power Plant (dated 7.10.2010)	344

S. No.	Page No.
8. Competitive Bidding Guidelines for procurement of Electricity (Contains amendments dated 30.3.2006, 18.8.2006, 27.9.2007, 27.3.2009 and 21.7.2010)	345
9. Resolution on Establishment of Regional Power Committees for the five regions (dated 25.5.2005) (amendments made vide resolution 29.11.2005 and 9.5.2008 incorporated)	365
9 (a) Amendments to the Resolution on Regional Power Committees (dated 29.11.2005)	378
9 (b) Amendments to the Resolution on Regional Power Committees (dated 9.5.2008)	386
10. Resolution on Constitution of Coordination Forum by the Central Government (dated 19.2.2008).	391
11. Notification on Joint Electricity Regulatory Commissions.	
i) Notification on constitution of Joint Electricity Regulatory Commission for all Union Territories except Delhi (dated 2.5.2005).	397
ii) Notification for inclusion of Goa in JERC for Union Territories (dated 30.5.2008).	398
iii) Joint Electricity Regulatory Commission for Union Territories except Delhi (Salary, Allowances and other Conditions of Services of Chairperson and Member) Rules, 2007 (dated 19 th March, 2007).	399
iv) Notification on constitution of Joint Electricity Regulatory Commission for Manipur and Mizoram (dated 18.1.2005).	402
v) Joint Electricity Regulatory Commission for the States of Manipur and Mizoram (Salaries, Allowances and other Conditions of Services of Chairperson and Members) Rules, 2006 (dated 14.8.2006).	403
vi) JERC for Goa & UTs (Preparation of Annual Report) Rules, 2010 (Notification dated 21.6.2010)	405
vii) JERC for Manipur & Mizoram (Preparation of Annual Report) Rules, 2010 (Notification dated 21.6.2010)	407
12. Energy Conservation Act, 2001	409
Energy Conservation (Amendment) Act, 2010	443
13. Rules and Regulations under Energy Conservation Act	449
i) The Bureau of Energy Efficiency Appointment and Terms and Conditions of Service of the Director-General Rules, 2003 (Notification dated 24/9/2003) (Amendment made vide notification dt. 2/9/05 incorporated)	451
ii) The Bureau of Energy Efficiency Appointment and Terms and Conditions of Service of the Director-General (Amendment) Rules, 2005	453
iii) The Bureau of Energy Efficiency (Annual Report) Rules, 2005 [Notification dated 5/9/2005] (Amendment made vide notification dt. 29/11/2006 incorporated)	454
iv) The Bureau of Energy Efficiency (Annual Report) Amendment Rules, 2006 (Notification dated 29/11/2006)	457

v) The Bureau of Energy Efficiency (Appointment of Secretary) Rules, 2004 [Notification dated 15/6/2004]	458
vi) The Bureau of Energy Efficiency [Procedures for Conduct of Business of the Governing Council] Regulations 2005 (Notification dated 27/9/2005)	460
vii) The Bureau of Energy Efficiency (Form of Annual Statement of Accounts and Records) Rules, 2007 (Notification dated 28/2/2007)	462
viii) The Bureau of Energy Efficiency (Appointment of Members, Manner of Filling Vacancies, Fees and Allowances and Procedure for Discharging their Functions) Rules–2007 (Notification dated 3/8/2007)	497
ix) The Energy Conservation (Minimum Qualification for Energy Managers) Rules, 2006 (Notification dated 8/12/2006)	500
x) The Energy Conservation (The form and manner for submission of report on the status of energy consumption by the designated consumers) Rules, 2007 (Notification dated 2/3/2007)	502
xi) Altered List of Energy Intensive Industries and other establishments [Notification dated 12/3/2007]	508
xii) The Energy Conservation [Form and Manner and Time for Furnishing Information with Regard to Energy Consumed and Action Taken on Recommendations of Accredited Energy Auditor] Rules, 2008 (Notification dated 26/6/2008)	511
xiii) The Bureau of Energy Efficiency (Advisory Committees) Regulation 2008 (Notification dated 25/11/2008)	521
xiv) Energy Conservation (Manner of holding Inquiry) Rules, 2009 (Notification dated 25/02/2009)	527
xv) Bureau of Energy Efficiency (the manner and intervals of time for conduct of energy audit) Regulations, 2008 (Notification dated 10.6.2008);	528
xvi) Bureau of Energy Efficiency (Certification Procedures for Energy Managers) Regulations, 2009 (Notification dated 15.07.2009).	544
xvii) Bureau of Energy Efficiency (Qualifications for Accredited Energy Auditors and Maintenance of their List) Regulations, 2010 (Notification dated 31.03.2010);	558
xviii) Bureau of Energy Efficiency (Manner and Intervals of Time for Conduct of Energy Audit) Regulations, 2010 (Notification dated 28.04.2010)	569
14. Award Scheme of Energy Conservation	585
15. Scheme for Energy Efficiency Labeling	589

16. Energy Conservation Building Code (ECBC)	617
17. Guidelines for Accelerated Power Development and Reforms Programme (APDRP)	621
18. Tariff based Competitive- bidding Guidelines for Transmission Service	637
19. Guidelines for Encouraging Competition in Development of Transmission System	645
20. Revised Mega Power Project Policy	651
21. Concept of Ultra Mega Power Projects (UMPPs)	655
22. Notification on Operationalisation of Power System Operation Corporation Limited (POSOCO) (dated 27.9.2010)	661
23. Rajiv Gandhi Grameen Vidyutikaran Yojana Scheme	665
(a) RGGVY Web Portal and Milestone Based Project Monitoring	
24. Decentralised Distributed Generation (DDG) Scheme Under RGGVY	673
25. Rural Area Notification	701
26. A Scheme for Supply of Electricity in 5 km Area around Central Power Plants	705
27. Guidelines for taking Renovation & Modernization	711
28. Hydro Policy	721
29. Coal Allotment Procedure	739
30. Award Scheme for Generation, Transmission and Distribution	749
31. Formula for allocation of Power	753
32. Subject Index	761

Chapter 1
The Electricity Act, 2003

[Contains amendments to the Act vide Electricity (Amendment) Act, 2003 and Electricity (Amendment) Act, 2007]


भारत का राजपत्र
The Gazette of India

EXTRAORDINARY PART II—SECTION 1

No. 39

NEW DELHI, MONDAY, JUNE 2, 2003

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 2nd June, 2003

The following Act of Parliament received the assent of the President on the 26th May, 2003, and is hereby published for general information:-

THE ELECTRICITY ACT, 2003

[No. 36 OF 2003]

An Act 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, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, 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.

Be it enacted by Parliament in the Fifty- fourth Year of the Republic of India as follows: -

PART I

PRELIMINARY

Short title,
extent and
commencement

- 1.** (1) This Act may be called the Electricity Act, 2003.
(2) It extends to the whole of India except the State of Jammu and Kashmir.
(3) It shall come into force on such date¹ as the Central Government may, by notification, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Definitions

- 2.** In this Act, unless the context otherwise requires—
(1) “Appellate Tribunal” means the Appellate Tribunal for Electricity established under section 110;

¹Sections 1 to 120 and sections 122 to 185 came into force on 10-6-2003, vide S.O. 669(E), dated 10th June 2003, published in the Gazette of India, Extra., Pt. II, Sec. 3(ii), dated 10th June, 2003.

- (2) “appointed date” means such date as the Central Government may, by notification, appoint;
- (3) “area of supply” means the area within which a distribution licensee is authorised by his licence to supply electricity;
- (4) “Appropriate Commission” means the Central Regulatory Commission referred to in sub-section (1) of section 76 or the State Regulatory Commission referred to in section 82 or the Joint Commission referred to in section 83, as the case may be;
- (5) “Appropriate Government” means, -
 - (a) the Central Government, -
 - (i) in respect of a generating company wholly or partly owned by it;
 - (ii) in relation to any inter-State generation, transmission, trading or supply of electricity and with respect to any mines, oil-fields, railways, national highways, airports, telegraphs, broadcasting stations and any works of defence, dockyard, nuclear power installations;
 - (iii) in respect of the National Load Despatch Centre; and Regional Load Despatch Centre;
 - (iv) in relation to any works or electric installation belonging to it or under its control ;
 - (b) in any other case, the State Government having jurisdiction under this Act;
- (6) “Authority” means the Central Electricity Authority referred to in sub-section(1) of section 70;
- (7) “Board” means, a State Electricity Board, constituted before the commencement of this Act, under sub-section (I) of section 5 of the Electricity (Supply) Act, 1948;
- (8) “Captive generating plant” means a power plant set up by any person to generate electricity primarily for his own use and includes a power plant set up by any co-operative society or association of persons for generating electricity primarily for use of members of such co-operative society or association;
- (9) “Central Commission” means the Central Electricity Regulatory Commission referred to in sub-section (1) of section 76;
- (10) “Central Transmission Utility” means any Government company which the Central Government may notify under sub-section (1) of section 38;
- (11) “Chairperson” means the Chairperson of the Authority or Appropriate Commission or the Appellate Tribunal as the case may be;

- (12) “Cogeneration” means a process which simultaneously produces two or more forms of useful energy (including electricity);
- (13) “company” means a company formed and registered under the Companies Act, 1956 and includes any body corporate under a Central, State or Provincial Act; 1 of 1956
- (14) “conservation” means any reduction in consumption of electricity as a result of increase in the efficiency in supply and use of electricity;
- (15) “consumer” means any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person, as the case may be;
- (16) “Dedicated Transmission Lines” means any electric supply-line for point to point transmission which are required for the purpose of connecting electric lines or electric plants of a captive generating plant referred to in section 9 or generating station referred to in section 10 to any transmission lines or sub-stations or generating stations or the load centre, as the case may be;
- (17) “distribution licensee” means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;
- (18) “distributing main” means the portion of any main with which a service line is, or is intended to be, immediately connected;
- (19) “distribution system” means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers;
- (20) “electric line” means any line which is used for carrying electricity for any purpose and includes—
- (a) any support for any such line, that is to say, any structure, tower, pole or other thing in, on, by or from which any such line is, or may be, supported, carried or suspended; and
 - (b) any apparatus connected to any such line for the purpose of carrying electricity;
- (21) “Electrical Inspector” means a person appointed as such by the Appropriate Government under sub-section (1) of section 162 and also includes Chief Electrical Inspector;
- (22) “electrical plant” means any plant, equipment, apparatus

or appliance or any part thereof used for, or connected with, the generation, transmission, distribution or supply of electricity but does not include-

- (a) an electric line; or
 - (b) a meter used for ascertaining the quantity of electricity supplied to any premises; or
 - (c) an electrical equipment, apparatus or appliance under the control of a consumer;
- (23) “electricity” means electrical energy-
- (a) generated, transmitted, supplied or traded for any purpose; or
 - (b) used for any purpose except the transmission of a message;
- (24) “Electricity Supply Code” means the Electricity Supply Code specified under section 50;
- (25) “electricity system” means a system under the control of a generating company or licensee, as the case may be, having one or more -
- (a) generating stations; or
 - (b) transmission lines; or
 - (c) electric lines and sub-stations,
- and when used in the context of a State or the Union, the entire electricity system within the territories thereof;
- (26) “electricity trader” means a person who has been granted a licence to undertake trading in electricity under section 12;
- (27) “franchisee means a person authorised by a distribution licensee to distribute electricity on its behalf in a particular area within his area of supply;
- (28) “generating company” means any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person, which owns or operates or maintains a generating station;
- (29) “generate” means to produce electricity from a generating station for the purpose of giving supply to any premises or enabling a supply to be so given;
- (30) “generating station” or “station” means any station for generating electricity, including any building and plant with step-up transformer, switch yard, switch-gear, cables or other appurtenant equipment, if any used for that purpose and the site thereof, a site intended to be used for a generating station, and any building used for housing the operating staff of a generating station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not in any case include any sub-station;

- (31) "Government company" shall have the meaning assigned to it in section 617 of the Companies Act, 1956; 1 of 1956
- (32) "grid" means the high voltage backbone system of interconnected transmission lines, sub-stations and generating plants;
- (33) "Grid Code" means the Grid Code specified by the Central Commission under clause (h) of sub-section (1) of section 79;
- (34) "Grid Standards" means the Grid Standards specified under clause (d) of section 73 by the Authority;
- (35) "high voltage line" means an electric line or cable of a nominal voltage as may be specified by the Authority from time to time;
- (36) "inter-State transmission system" includes -
- (i) any system for the conveyance of electricity by means of main transmission line from the territory of one State to another State;
 - (ii) the conveyance of electricity across the territory of an intervening State as well as conveyance within the State which is incidental to such inter-State transmission of electricity;
 - (iii) the transmission of electricity within the territory of a State on a system built, owned, operated, maintained or controlled by a Central Transmission Utility.
- (37) "intra -State transmission system" means any system for transmission of electricity other than an inter-State transmission system ;
- (38) "licence" means a licence granted under section 14;
- (39) " licensee " means a person who has been granted a licence under section 14;
- (40) " line" means any wire, cable, tube , pipe, insulator, conductor or other similar thing (including its casing or coating) which is designed or adapted for use in carrying electricity and includes any line which surrounds or supports, or is surrounded or supported by or is installed in close proximity to, or is supported, carried or suspended in association with, any such line;
- (41) "local authority" means any Nagar Panchayat, Municipal Council, municipal corporation, panchayat constituted at the village, intermediate and district levels, body of

port commissioners or other authority legally entitled to, or entrusted by the Union or any State Government with, the control or management of any area or local fund;

- (42) “main” means any electric supply-line through which electricity is, or is intended to be, supplied ;
- (43) “Member” means the Member of the Appropriate Commission or Authority or Joint Commission, or the Appellate Tribunal, as the case may be, and includes the Chairperson of such Commission or Authority or appellate tribunal;
- (44) “National Electricity Plan” means the National Electricity Plan notified under sub-section (4) of section 3;
- (45) “National Load Despatch Centre” means the Centre established under sub-section (1) of section 26;
- (46) “notification” means notification published in the Official Gazette and the expression “notify” shall be construed accordingly;
- (47) “open access” means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Appropriate Commission;
- (48) “overhead line” means an electric line which is placed above the ground and in the open air but does not include live rails of a traction system;
- (49) “person” shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- (50) “power system” means all aspects of generation, transmission, distribution and supply of electricity and includes one or more of the following, namely:-
 - (a) generating stations;
 - (b) transmission or main transmission lines;
 - (c) sub-stations;
 - (d) tie-lines;
 - (e) load despatch activities;
 - (f) mains or distribution mains;
 - (g) electric supply-lines;
 - (h) overhead lines;
 - (i) service lines;
 - (j) works;

- (51) “premises” includes any land, building or structure;
- (52) “prescribed” means prescribed by rules made by the Appropriate Government under this Act;
- (53) “public lamp” means an electric lamp used for the lighting of any street;
- (54) “real time operation” means action to be taken at a given time at which information about the electricity system is made available to the concerned Load Despatch Centre;
- (55) “Regional Power Committee” means a committee established by resolution by the Central Government for a specified region for facilitating the integrated operation of the power systems in that region;
- (56) “Regional Load Despatch Centre” means the centre established under sub-section (1) of section 27;
- (57) “regulations” means regulations made under this Act;
- (58) “repealed laws” means the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commissions Act, 1998 repealed by section 185; 9 of 1910
54 of 1948
14 of 1998
- (59) “rules “ means rules made under this Act;
- (60) “schedule” means the schedule to this Act;
- (61) “service-line” means any electric supply line through which electricity is, or is intended to be, supplied -
- (a) to a single consumer either from a distributing main or immediately from the Distribution Licensee’s premises; or
 - (b) from a distributing main to a group of consumers on the same premises or on contiguous premises supplied from the same point of the distributing main;
- (62) “specified” means specified by regulations made by the Appropriate Commission or the Authority, as the case may be, under this Act;
- (63) “stand alone system” means the electricity system set up to generate power and distribute electricity in a specified area without connection to the grid;
- (64) “State Commission” means the State Electricity Regulatory Commission constituted under sub-section (1) of section 82 and includes a Joint Commission constituted under sub-section (1) of section 83;
- (65) “State Grid Code” means the State Grid Code referred under clause (h) of sub-section (1) of section 86;

- (66) “State Load Despatch Centre” means the centre established under sub-section (1) of section 31;
- (67) “State Transmission Utility” means the Board or the Government company specified as such by the State Government under sub-section (1) of section 39;
- (68) “street” includes any way, road, lane, square, court, alley, passage or open space, whether a thoroughfare or not, over which the public have a right of way, and also the roadway and footway over any public bridge or causeway;
- (69) “sub-station” means a station for transforming or converting electricity for the transmission or distribution thereof and includes transformers, converters, switchgears, capacitors, synchronous condensers, structures, cable and other appurtenant equipment and any buildings used for that purpose and the site thereof;
- (70) “supply”, in relation to electricity, means the sale of electricity to a licensee or consumer;
- (71) “trading” means purchase of electricity for resale thereof and the expression “trade” shall be construed accordingly;
- (72) “transmission lines” means all high pressure cables and overhead lines (not being an essential part of the distribution system of a licensee) transmitting electricity from a generating station to another generating station or a sub-station, together with any step-up and step-down transformers, switch-gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switch-gear and other works;
- (73) “transmission licensee” means a licensee authorised to establish or operate transmission lines;
- (74) “transmit” means conveyance of electricity by means of transmission lines and the expression “transmission” shall be construed accordingly;
- (75) “utility” means the electric lines or electrical plant, and includes all lands, buildings, works and materials attached thereto belonging to any person acting as a generating company or licensee under the provisions of this Act;
- (76) “wheeling” means the operation whereby the distribution system and associated facilities of a transmission licensee or distribution licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges to be determined under section 62;

- (77) “works” includes electric line, and any building, plant, machinery, apparatus and any other thing of whatever description required to transmit, distribute or supply electricity to the public and to carry into effect the objects of a licence or sanction granted under this Act or any other law for the time being in force.

PART II

NATIONAL ELECTRICITY POLICY AND PLAN

3. (1) The Central Government shall, from time to time, prepare the National Electricity Policy and tariff policy, in consultation with the State Governments and the Authority for development of the power system based on optimal utilisation of resources such as coal, natural gas, nuclear substances or materials, hydro and renewable sources of energy. National Electricity Policy and Plan
- (2) The Central Government shall publish National Electricity Policy and tariff policy from time to time.
- (3) The Central Government may, from time to time, in consultation with the State Governments and the Authority, review or revise, the National Electricity Policy and tariff policy referred to in sub-section (1) .
- (4) The Authority shall prepare a National Electricity Plan in accordance with the National Electricity Policy and notify such plan once in five years:
- Provided that the Authority while preparing the National Electricity Plan shall publish the draft National Electricity Plan and invite suggestions and objections thereon from licensees, generating companies and the public within such time as may be prescribed:
- Provided further that the Authority shall -
- (a) notify the plan after obtaining the approval of the Central Government;
- (b) revise the plan incorporating therein the directions, if any, given by the Central Government while granting approval under clause (a).
- (5) The Authority may review or revise the National Electricity Plan in accordance with the National Electricity Policy.
4. The Central Government shall, after consultation with the State Governments, prepare and notify a national policy, permitting stand alone systems (including those based on renewable National policy on stand alone systems for rural areas and non-conventional energy systems

sources of energy and non-conventional sources of energy)
for rural areas.

5. The Central Government shall also formulate a national policy, in consultation with the State Governments and the State Commissions, for rural electrification and for bulk purchase of power and management of local distribution in rural areas through Panchayat Institutions, users' associations, co-operative societies, non-Governmental organisations or franchisees.

National policy
on
electrification
and local
distribution in
rural areas.

Joint
Responsibility
of State
Government
and Central
Government
in rural
electrification

16. The concerned State Government and the Central Government shall jointly endeavour to provide access to electricity to all areas including villages and hamlets through rural electricity infrastructure and electrification of households.

PART III

GENERATION OF ELECTRICITY

Generating
Company and
requirement for
setting up of
generating
station

7. Any generating company may establish, operate and maintain a generating station without obtaining a licence under this Act if it complies with the technical standards relating to connectivity with the grid referred to in clause (b) of section 73.

Hydro-electric
generation

8. (1) Notwithstanding anything contained in section 7, any generating company intending to set-up a hydro-generating station shall prepare and submit to the Authority for its concurrence, a scheme estimated to involve a capital expenditure exceeding such sum, as may be fixed by the Central Government, from time to time, by notification.
- (2) The Authority shall, before concurring in any scheme submitted to it under sub-section (1) have particular regard to, whether or not in its opinion,-
- (a) the proposed river-works will prejudice the prospects for the best ultimate development of the river or its tributaries for power generation, consistent with the requirements of drinking water, irrigation, navigation, flood-control, or other public purposes, and for this purpose the Authority shall satisfy itself, after consultation with the State Government, the Central Government, or such other agencies as it may deem appropriate, that an adequate study has been made of the optimum location of dams and other river-works;
- (b) the proposed scheme meets, the norms regarding dam design and safety.
- (3) Where a multi-purpose scheme for the development of

¹ Subs. By Act 26 of 2007, sec. 2, for section 6 (w.e.f. 15-6-2007). Section 6, before substitution stood as under:
"6. Obligations to supply electricity to rural areas.- The Appropriate Government shall endeavour to supply electricity to all rural areas including villages and hamlets."

any river in any region is in operation, the State Government and the generating company shall co-ordinate their activities with the activities of the person responsible for such scheme in so far as they are inter-related.

Captive
Generation

9. (1) Notwithstanding anything contained in this Act, a person may construct, maintain or operate a captive generating plant and dedicated transmission lines:

Provided that the supply of electricity from the captive generating plant through the grid shall be regulated in the same manner as the generating station of a generating company.

¹Provided further that no licence shall be required under this Act for supply of electricity generated from a captive generating plant to any licensee in accordance with the provisions of this Act and the rules and regulations made thereunder and to any consumer subject to the regulations made under sub-section (2) of section 42.

- (2) Every person, who has constructed a captive generating plant and maintains and operates such plant, shall have the right to open access for the purposes of carrying electricity from his captive generating plant to the destination of his use:

Provided that such open access shall be subject to availability of adequate transmission facility and such availability of transmission facility shall be determined by the Central Transmission Utility or the State Transmission Utility, as the case may be:

Provided further that any dispute regarding the availability of transmission facility shall be adjudicated upon by the Appropriate Commission.

Duties of
Generating
Companies

10. (1) Subject to the provisions of this Act, the duties of a generating company shall be to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines connected therewith in accordance with the provisions of this Act or the rules or regulations made thereunder.

- (2) A generating company may supply electricity to any licensee in accordance with this Act and the rules and regulations made thereunder and may, subject to the regulations made under sub-section (2) of section 42, supply electricity to any consumer.

- (3) Every generating company shall -
(a) submit technical details regarding its generating stations to the Appropriate Commission and the Authority;

¹Ins. By Act 26 of 2007, sec. 3 (w.e.f. 15-6-2007).

- (b) co-ordinate with the Central Transmission Utility or the State Transmission Utility, as the case may be, for transmission of the electricity generated by it.

Direction to generating companies

- 11. (1) The Appropriate Government may specify that a generating company shall, in extraordinary circumstances operate and maintain any generating station in accordance with the directions of that Government.

Explanation. - For the purposes of this section, the expression “extraordinary circumstances” means circumstances arising out of threat to security of the State, public order or a natural calamity or such other circumstances arising in the public interest.

- (2) The Appropriate Commission may offset the adverse financial impact of the directions referred to in subsection (1) on any generating company in such manner as it considers appropriate.

PART IV

LICENSING

Authorised persons to transmit, supply, etc., electricity

- 12. No person shall
 - (a) transmit electricity; or
 - (b) distribute electricity; or
 - (c) undertake trading in electricity,
 unless he is authorised to do so by a licence issued under section 14, or is exempt under section 13.

Power to exempt

- 13. The Appropriate Commission may, on the recommendations, of the Appropriate Government, in accordance with the national policy formulated under section 5 and in public interest, direct, by notification that subject to such conditions and restrictions, if any, and for such period or periods, as may be specified in the notification, the provisions of section 12 shall not apply to any local authority, Panchayat Institution, users’ association, co-operative societies, non-governmental organizations, or franchisees:

Grant of Licence

- 14. The Appropriate Commission may, on an application made to it under section 15, grant any person licence to any person -
 - (a) to transmit electricity as a transmission licensee; or
 - (b) to distribute electricity as a distribution licensee; or
 - (c) to undertake trading in electricity as an electricity trader, in any area as may be specified in the licence:

Provided that any person engaged in the business of

transmission or supply of electricity under the provisions of the repealed laws or any Act specified in the Schedule on or before the appointed date shall be deemed to be a licensee under this Act for such period as may be stipulated in the licence, clearance or approval granted to him under the repealed laws or such Act specified in the Schedule, and the provisions of the repealed laws or such Act specified in the Schedule in respect of such licence shall apply for a period of one year from the date of commencement of this Act or such earlier period as may be specified, at the request of the licensee, by the Appropriate Commission and thereafter the provisions of this Act shall apply to such business:

Provided further that the Central Transmission Utility or the State Transmission Utility shall be deemed to be a transmission licensee under this Act:

Provided also that in case an Appropriate Government transmits electricity or distributes electricity or undertakes trading in electricity, whether before or after the commencement of this Act, such Government shall be deemed to be a licensee under this Act, but shall not be required to obtain a licence under this Act:

14 of 1948

Provided also that the Damodar Valley Corporation, established under sub-section (1) of section 3 of the Damodar Valley Corporation Act, 1948, shall be deemed to be a licensee under this Act but shall not be required to obtain a licence under this Act and the provisions of the Damodar Valley Corporation Act, 1948, in so far as they are not inconsistent with the provisions of this Act, shall continue to apply to that Corporation:

Provided also that the Government company or the company referred to in sub-section (2) of section 131 of this Act and the company or companies created in pursuance of the Acts specified in the Schedule, shall be deemed to be a licensee under this Act:

Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements¹ relating to the capital adequacy, creditworthiness, or code of conduct as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose:

Provided also that in a case where a distribution licensee

¹Subs. By Act 57 of 2003, sec. 2, for "(including the capital adequacy, creditworthiness, or code of conduct)" (w.e.f. 27-1-2004).

proposes to undertake distribution of electricity for a specified area within his area of supply through another person, that person shall not be required to obtain any separate licence from the concerned State Commission and such distribution licensee shall be responsible for distribution of electricity in his area of supply:

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 licence for such generation and distribution of electricity, but he shall comply with the measures which may be specified by the Authority under section 53:

Provided also that a distribution licensee shall not require a licence to undertake trading in electricity.

Procedure for
Grant of
Licence

15. (1) Every application under section 14 shall be made in such form and in such manner as may be specified by the Appropriate Commission and shall be accompanied by such fee as may be prescribed.
- (2) Any person who has made an application for grant of licence shall, within seven days after making such application, publish a notice of his application with such particulars and in such manner as may be specified and a licence shall not be granted -
- (i) until the objections, if any, received by the Appropriate Commission in response to publication of the application have been considered by it:
- Provided that no objection shall be so considered unless it is received before the expiration of thirty days from the date of the publication of such notice as aforesaid;
- (ii) until, in the case of an application for a licence for 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 has ascertained that there is no objection to the grant of the licence on the part of the Central Government.
- (3) A person intending to act as a transmission licensee shall, immediately on making the application, forward a copy of such application to the Central Transmission Utility or the State Transmission Utility, as the case may be.
- (4) The Central Transmission Utility or the State

Transmission Utility, as the case may be, shall, within thirty days after the receipt of the copy of the application referred to in sub-section (3), send its recommendations, if any, to the Appropriate Commission:

Provided that such recommendations shall not be binding on the Commission.

(5) Before granting a licence under section 14, the Appropriate Commission shall -

- (a) publish a notice in two such daily newspapers, as that Commission may consider necessary, stating the name and address of the person to whom it proposes to issue the licence;
- (b) consider all suggestions or objections and the recommendations, if any, of the Central Transmission Utility or State Transmission Utility, as the case may be.

(6) Where a person makes an application under sub-section (1) of section 14 to act as a licensee, the Appropriate Commission shall, as far as practicable, within ninety days after receipt of such application, -

- (a) issue a licence subject to the provisions of this Act and the rules and regulations made thereunder; or
- (b) reject the application for reasons to be recorded in writing if such application does not conform to the provisions of this Act or the rules and regulations made thereunder or the provisions of any other law for the time being in force:

Provided that no application shall be rejected unless the applicant has been given an opportunity of being heard.

(7) The Appropriate Commission shall, immediately after issue of licence, forward a copy of the licence to the Appropriate Government, Authority, local authority, and to such other person as the Appropriate Commission considers necessary.

(8) A licence shall continue to be in force for a period of twenty-five years unless such licence is revoked.

Conditions of licence.

16. The Appropriate Commission may specify any general or specific conditions which shall apply either to a licensee or class of licensees and such conditions shall be deemed to be conditions of such licence:

Provided that the Appropriate Commission shall, within one year from the appointed date, specify any general or specific

conditions of licence applicable to the licensees referred to in the first, second, third, fourth and fifth provisos to section 14 after the expiry of one year from the commencement of this Act.

Licensee not to do certain things.

17. (1) No licensee shall, without prior approval of the Appropriate Commission, -
- (a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other licensee; or
 - (b) merge his utility with the utility of any other licensee:

Provided that nothing contained in this sub-section shall apply if the utility of the licensee is situated in a State other than the State in which the utility referred to in clause (a) or clause (b) is situated.

- (2) Every licensee shall, before obtaining the approval under sub-section (1), give not less than one month's notice to every other licensee who transmits or distributes, electricity in the area of such licensee who applies for such approval.
- (3) No licensee shall at any time assign his licence or transfer his utility, or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Appropriate Commission.
- (4) Any agreement relating to any transaction specified in sub-section (1) or sub-section (3), unless made with, the prior approval of the Appropriate Commission, shall be void.

Amendment of licence

18. (1) Where in its opinion the public interest so permits, the Appropriate Commission, may, on the application of the licensee or otherwise, make such alterations and amendments in the terms and conditions of his licence as it thinks fit:

Provided that no such alterations or amendments shall be made except with the consent of the licensee unless such consent has, in the opinion of the Appropriate Commission, been unreasonably withheld.

- (2) Before any alterations or amendments in the licence are made under this section, the following provisions shall have effect, namely: -
- (a) where the licensee has made an application under sub-section (1) proposing any alteration or modifications in his licence, the licensee shall publish a notice of such application with such particulars and in such manner as may be specified;

- (b) in the case of an application proposing alterations or modifications in the area of supply comprising 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 not make any alterations or modifications except with the consent of the Central Government;
- (c) where any alterations or modifications in a licence are proposed to be made otherwise than on the application of the licensee, the Appropriate Commission shall publish the proposed alterations or modifications with such particulars and in such manner as may be specified;
- (d) the Appropriate Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered.

Revocation of
licence

19. (1) If the Appropriate Commission, after making an enquiry, is satisfied that public interest so requires, it may revoke a licence in any of the following cases, namely: -
- (a) where the licensee, in the opinion of the Appropriate Commission, makes wilful and prolonged default in doing anything required of him by or under this Act or the rules or regulations made thereunder;
 - (b) where the licensee breaks any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation;
 - (c) where the licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Appropriate Commission may have granted therefor –
 - (i) to show, to the satisfaction of the Appropriate Commission, that he is in a position fully and efficiently to discharge the duties and obligations imposed on him by his licence; or
 - (ii) to make the deposit or furnish the security, or pay the fees or other charges required by his licence;
 - (d) where in the opinion of the Appropriate Commission the financial position of the licensee is such that he

is unable fully and efficiently to discharge the duties and obligations imposed on him by his licence.

- (2) Where in its opinion the public interest so requires, the Appropriate Commission may, on application, or with the consent of the licensee, revoke his licence as to the whole or any part of his area of distribution or transmission or trading upon such terms and conditions as it thinks fit.
- (3) No licence shall be revoked under sub-section (1) unless the Appropriate Commission has given to the licensee not less than three months' notice, in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation.
- (4) The Appropriate Commission may, instead of revoking a licence under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms or conditions so imposed shall be binding upon and be observed by the licensee and shall be of like force and effect as if they were contained in the licence.
- (5) Where the Commission revokes a licence under this section, it shall serve a notice of revocation upon the licensee and fix a date on which the revocation shall take effect.
- (6) Where an Appropriate Commission has given notice for revocation of licence under sub-section (5), without prejudice to any penalty which may be imposed or prosecution proceeding which may be initiated under this Act, the licensee may, after prior approval of that Commission, sell his utility to any person who is found eligible by that Commission for grant of licence.

Sale of utilities
of licensees.

20. (1) Where the Appropriate Commission revokes under section 19 the licence of any licensee, the following provisions shall apply, namely:-
 - (a) the Appropriate Commission shall invite applications for acquiring the utility of the licensee whose licence has been revoked and determine which of such applications should be accepted, primarily on the basis of the highest and best price offered for the utility;
 - (b) the Appropriate Commission may, by notice in writing, require the licensee to sell his utility and thereupon the licensee shall sell his utility to the person (hereafter in this section referred to as

the “purchaser”) whose application has been accepted by that Commission;

- (c) all the rights, duties, obligations and liabilities of the licensee, on and from the date of revocation of licence or on and from the date, if earlier, on which the utility of the licensee is sold to a purchaser, shall absolutely cease except for any liabilities which have accrued prior to that date;
 - (d) the Appropriate Commission may make such interim arrangements in regard to the operation of the utility as may be considered appropriate including the appointment of Administrators;
 - (e) The Administrator appointed under clause (d) shall exercise such powers and discharge such functions as the Appropriate Commission may direct.
- (2) Where a utility is sold under sub-section (1), the purchaser shall pay to the licensee the purchase price of the utility in such manner as may be agreed upon.
 - (3) Where the Appropriate Commission issues any notice under sub- section (1) requiring the licensee to sell the utility, it may, by such notice, require the licensee to deliver the utility, and thereupon the licensee shall deliver on a date specified in the notice, the utility to the designated purchaser on payment of the purchase price thereof.
 - (4) Where the licensee has delivered the utility referred to in sub- section(3) to the purchaser but its sale has not been completed by the date fixed in the notice issued under that sub-section, the Appropriate Commission may, if it deems fit, permit the intending purchaser to operate and maintain the utility system pending the completion of the sale.

Vesting of utility in purchaser

- 21. Where a utility is sold under section 20 or section 24, then, upon completion of the sale or on the date on which the utility is delivered to the intending purchaser, as the case may be, whichever is earlier-
 - (a) the utility shall vest in the purchaser or the intending purchaser, as the case may be, free from any debt, mortgage or similar obligation of the licensee or attaching to the utility:

Provided that any such debt, mortgage or similar obligation shall attach to the purchase money in substitution for the utility; and
 - (b) the rights, powers, authorities, duties and obligations of the licensee under his licence shall stand transferred to

		the purchaser and such purchaser shall be deemed to be the licensee.
Provisions where no purchase takes place	22.	<p>(1) If the utility is not sold in the manner provided under section 20 or section 24, the Appropriate Commission may, to protect the interest of consumers or in public interest, issue such directions or formulate such scheme as it may deem necessary for operation of the utility.</p> <p>(2) Where no directions are issued or scheme is formulated by the Appropriate Commission under sub-section (1), the licensee referred to in section 20 or section 24 may dispose of the utility in such manner as it may deem fit:</p> <p>Provided that, if the licensee does not dispose of the utility, within a period of six months from the date of revocation under section 20 or section 24, the Appropriate Commission may cause the works of the licensee in, under, over, along, or across any street or public land to be removed and every such street or public land to be reinstated, and recover the cost of such removal and reinstatement from the licensee.</p>
Directions to licensees.	23.	If the Appropriate Commission is of the opinion that it is necessary or expedient so to do for maintaining the efficient supply, securing the equitable distribution of electricity and promoting competition, it may, by order, provide for regulating supply, distribution, consumption or use thereof.
Suspension of distribution licence and sale of utility.	24.	<p>(1) If at any time the Appropriate Commission is of the opinion that a distribution licensee –</p> <p>(a) has persistently failed to maintain uninterrupted supply of electricity conforming to standards regarding quality of electricity to the consumers; or</p> <p>(b) is unable to discharge the functions or perform the duties imposed on it by or under the provisions of this Act; or</p> <p>(c) has persistently defaulted in complying with any direction given by the Appropriate Commission under this Act; or</p> <p>(d) has broken the terms and conditions of licence, and circumstances exist which render it necessary for it in public interest so to do, the Appropriate Commission may, for reasons to be recorded in writing, suspend, for a period not exceeding one year, the licence of the distribution licensee and appoint an Administrator to discharge the functions of the distribution licensee in accordance with the terms and conditions of licence:</p>

Provided that before suspending a licence under this section, the Appropriate Commission shall give a reasonable opportunity to the distribution licensee to make representations against the proposed suspension of license and shall consider the representations, if any, of the distribution licensee.

- (2) Upon suspension of license under sub-section (1) the utilities of the distribution licensee shall vest in the Administrator for a period not exceeding one year or up to the date on which such utility is sold in accordance with the provisions contained in section 20, whichever is later.
- (3) The Appropriate Commission shall, within one year of appointment of the Administrator under sub-section (1) either revoke the licence in accordance with the provisions contained in section 19 or revoke suspension of the licence and restore the utility to the distribution licensee whose licence had been suspended, as the case may be.
- (4) In case where the Appropriate Commission revokes the licence under sub-section (3), the utility of the distribution licensee shall be sold within a period of one year from the date of revocation of the licence in accordance with the provisions of section 20 and the price after deducting the administrative and other expenses on sale of utilities be remitted to the distribution licensee.

PART- V

TRANSMISSION OF ELECTRICITY

Inter-State transmission

Inter-State,
regional and
inter-regional
transmission.

25. For the purposes of this Part, the Central Government may, make region- wise demarcation of the country, and, from time to time, make such modifications therein as it may consider necessary for the efficient, economical and integrated transmission and supply of electricity, and in particular to facilitate voluntary inter-connections and co-ordination of facilities for the inter-State, regional and inter-regional generation and transmission of electricity.

National Load
Despatch
Centre.

26. (1) The Central Government may establish a centre at the national level, to be known as the National Load Despatch Centre for optimum scheduling and despatch of electricity among the Regional Load Despatch Centres.
- (2) The constitution and functions of the National Load Despatch Centre shall be such as may be prescribed by the Central Government:

Provided that the National Load Despatch Centre shall not engage in the business of trading in electricity.

- (3) The National Load Despatch Centre shall be operated by a Government company or any authority or corporation established or constituted by or under any Central Act, as may be notified by the Central Government.

Constitution of
Regional Load
Despatch
Centre.

27. (1) The Central Government shall establish a centre for each region to be known as the Regional Load Despatch Centre having territorial jurisdiction as determined by the Central Government in accordance with section 25 for the purposes of exercising the powers and discharging the functions under this Part.
- (2) The Regional Load Despatch Centre shall be operated by a Government Company or any authority or corporation established or constituted by or under any Central Act, as may be notified by the Central Government:

Provided that until a Government company or authority or corporation referred to in this sub-section is notified by the Central Government, the Central Transmission Utility shall operate the Regional Load Despatch Centre:

Provided further that no Regional Load Despatch Centre shall engage in the business of generation of electricity or trading in electricity.

Functions of
Regional Load
Despatch
Centre.

28. (1) The Regional Load Despatch Centre shall be the apex body to ensure integrated operation of the power system in the concerned region.
- (2) The Regional Load Despatch Centre shall comply with such principles, guidelines and methodologies in respect of the wheeling and optimum scheduling and despatch of electricity as the Central Commission may specify in the Grid Code.
- (3) The Regional Load Despatch Centre shall -
 - (a) be responsible for optimum scheduling and despatch of electricity within the region, in accordance with the contracts entered into with the licensees or the generating companies operating in the region;
 - (b) monitor grid operations;
 - (c) keep accounts of the quantity of electricity transmitted through the regional grid;
 - (d) exercise supervision and control over the inter-State transmission system; and

- (e) be responsible for carrying out real time operations for grid control and despatch of electricity within the region through secure and economic operation of the regional grid in accordance with the Grid Standards and the Grid Code.
- (4) The Regional Load Despatch Centre may levy and collect such fee and charges from the generating companies or licensees engaged in inter-State transmission of electricity as may be specified by the Central Commission.
- Compliance of directions. 29. (1) The Regional Load Despatch Centre may give such directions and exercise such supervision and control as may be required for ensuring stability of grid operations and for achieving the maximum economy and efficiency in the operation of the power system in the region under its control.
- (2) Every licensee, generating company, generating station, sub-station and any other person connected with the operation of the power system shall comply with the direction issued by the Regional Load Despatch Centres under sub-section (1).
- (3) All directions issued by the Regional Load Despatch Centres to any transmission licensee of State transmission lines or any other licensee of the State or generating company (other than those connected to inter State transmission system) or sub-station in the State shall be issued through the State Load Despatch Centre and the State Load Despatch Centres shall ensure that such directions are duly complied with the licensee or generating company or sub-station.
- (4) The Regional Power Committee in the region may, from time to time, agree on matters concerning the stability and smooth operation of the integrated grid and economy and efficiency in the operation of the power system in that region.
- (5) If any dispute arises with reference to the quality of electricity or safe, secure and integrated operation of the regional grid or in relation to any direction given under sub-section (1), it shall be referred to the Central Commission for decision :

Provided that pending the decision of the Central Commission, the directions of the Regional Load Despatch Centre shall be complied with by the State Load Despatch Centre or the licensee or the generating company, as the case may be.

- (6) If any licensee, generating company or any other person fails to comply with the directions issued under sub-

section (2) or sub-section (3), he shall be liable to a penalty not exceeding rupees fifteen lacs.

Intra-State transmission

Transmission within a State 30. The State Commission shall facilitate and promote transmission, wheeling and inter-connection arrangements within its territorial jurisdiction for the transmission and supply of electricity by economical and efficient utilisation of the electricity.

Constitution of State Load Despatch Centres 31. (1) The State Government shall establish a Centre to be known as the State Load Despatch Centre for the purposes of exercising the powers and discharging the functions under this Part.

(2) The State Load Despatch Centre shall be operated by a Government company or any authority or corporation established or constituted by or under any State Act, as may be notified by the State Government.

Provided that until a Government company or any authority or corporation is notified by the State Government, the State Transmission Utility shall operate the State Load Despatch Centre:

Provided further that no State Load Despatch Centre shall engage in the business of trading in electricity.

Functions of State Load Despatch Centres 32. (1) The State Load Despatch Centre shall be the apex body to ensure integrated operation of the power system in a State.

(2) The State Load Despatch Centre shall -

- (a) be responsible for optimum scheduling and despatch of electricity within a State, in accordance with the contracts entered into with the licensees or the generating companies operating in that State;
- (b) monitor grid operations;
- (c) keep accounts of the quantity of electricity transmitted through the State grid;
- (d) exercise supervision and control over the intra-state transmission system; and
- (e) be responsible for carrying out real time operations for grid control and despatch of electricity within the State through secure and economic operation of the State grid in accordance with the Grid Standards and the State Grid Code.

(3) The State Load Despatch Centre may levy and collect such fee and charges from the generating companies and licensees engaged in intra-State transmission of electricity as may be specified by the State Commission.

- Compliance of directions 33. (1) The State Load Despatch Centre in a State may give such directions and exercise such supervision and control as may be required for ensuring the integrated grid operations and for achieving the maximum economy and efficiency in the operation of power system in that State.
- (2) Every licensee, generating company, generating station, sub-station and any other person connected with the operation of the power system shall comply with the direction issued by the State Load Despatch Centre under sub-section (1).
- (3) The State Load Despatch Centre shall comply with the directions of the Regional Load Despatch Centre.
- (4) If any dispute arises with reference to the quality of electricity or safe, secure and integrated operation of the State grid or in relation to any direction given under sub-section (1), it shall be referred to the State Commission for decision:
- Provided that pending the decision of the State Commission, the directions of the State Load Despatch Centre shall be complied with by the licensee or generating company.
- (5) If any licensee, generating company or any other person fails to comply with the directions issued under sub-section(1), he shall be liable to penalty not exceeding rupees five lacs.

Other provisions relating to transmission

- Grid Standards 34. Every transmission licensee shall comply with such technical standards, of operation and maintenance of transmission lines, in accordance with the Grid Standards, as may be specified by the Authority.
- Intervening transmission facilities. 35. The Appropriate Commission may, on an application by any licensee, by order require any other licensee owning or operating intervening transmission facilities to provide the use of such facilities to the extent of surplus capacity available with such licensee.
- Provided that any dispute regarding the extent of surplus capacity available with the licensee, shall be adjudicated upon by the Appropriate Commission.
- Charges for intervening transmission facilities. 36. (1) Every licensee shall, on an order made under section 35, provide his intervening transmission facilities at rates, charges and terms and conditions as may be mutually agreed upon :
- Provided that the Appropriate Commission may specify rates, charges and terms and conditions if these cannot

be mutually agreed upon by the licensees.

- (2) The rates, charges and terms and conditions referred to in sub-section (1) shall be fair and reasonable, and may be allocated in proportion to the use of such facilities.

Explanation. - For the purposes of section 35 and 36, the expression “intervening transmission facilities” means the electric lines owned or operated by a licensee where such electric lines can be utilised for transmitting electricity for and on behalf of another licensee at his request and on payment of a tariff or charge.

Directions by appropriate Government.

37. The Appropriate Government may issue directions to the Regional Load Despatch Centres or State Load Despatch Centres, as the case may be, to take such measures as may be necessary for maintaining smooth and stable transmission and supply of electricity to any region or State.

Central Transmission Utility and functions.

38. (1) The Central Government may notify any Government company as the Central Transmission Utility:

Provided that the Central Transmission Utility shall not engage in the business of generation of electricity or trading in electricity:

1 of 1956

Provided further that, the Central Government may transfer, and vest any property, interest in property, rights and liabilities connected with, and personnel involved in transmission of electricity of such Central Transmission Utility, to a company or companies to be incorporated under the Companies Act, 1956 to function as a transmission licensee, through a transfer scheme to be effected in the manner specified under Part XIII and such company or companies shall be deemed to be transmission licensees under this Act.

(2) The functions of the Central Transmission Utility shall be -

- (a) to undertake transmission of electricity through inter-State transmission system;
- (b) to discharge all functions of planning and co-ordination relating to inter-state transmission system with -
 - (i) State Transmission Utilities;
 - (ii) Central Government;
 - (iii) State Governments;
 - (iv) generating companies;
 - (v) Regional Power Committees;
 - (vi) Authority;

- (vii) licensees;
- (viii) any other person notified by the Central Government in this behalf;
- (c) to ensure development of an efficient, co-ordinated and economical system of inter-State transmission lines for smooth flow of electricity from generating stations to the load centres;
- (d) to provide non-discriminatory open access to its transmission system for use by-
 - (i) any licensee or generating company on payment of the transmission charges; or
 - (ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the Central Commission:

Provided that such surcharge shall be utilised for the purpose of meeting the requirement of current level cross-subsidy:

Provided further that such surcharge and cross subsidies shall be progressively reduced ¹in the manner as may be specified by the Central Commission:²

Provided also that the manner of payment and utilisation of the surcharge shall be specified by the Central Commission:

Provided also that such surcharge shall not be leviable in case open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use.

39. (1) The State Government may notify the Board or a Government company as the State Transmission Utility:

State
Transmission
Utility and
functions

Provided that the State Transmission Utility shall not engage in the business of trading in electricity:

Provided further that the State Government may transfer, and vest any property, interest in property, rights and liabilities connected with, and personnel involved in transmission of electricity, of such State Transmission Utility, to a company or companies to be incorporated under the Companies Act, 1956 to function as transmission licensee through a transfer scheme to be effected in the manner specified under Part XIII and such company or companies shall be deemed to be transmission licensees under this Act.

- (2) The functions of the State Transmission Utility shall be -

¹The words “and eliminated” omitted by Act 26 of 2007, sec. 4(i) (w.e.f. 15-6-2007).

²The third proviso omitted by Act 26 of 2007, sec. 4(ii) (w.e.f. 15-6-2007). The third proviso, before omission, stood as under:

“Provided also that such surcharge may be levied till such time the cross subsidies are not eliminated:”.

- (a) to undertake transmission of electricity through intra-State transmission system;
- (b) to discharge all functions of planning and co-ordination relating to intra-state transmission system with -
 - (i) Central Transmission Utility;
 - (ii) State Governments;
 - (iii) generating companies;
 - (iv) Regional Power Committees;
 - (v) Authority;
 - (vi) licensees;
 - (vii) any other person notified by the State Government in this behalf;
- (c) to ensure development of an efficient, co-ordinated and economical system of intra-State transmission lines for smooth flow of electricity from a generating station to the load centres;
- (d) to provide non-discriminatory open access to its transmission system for use by-
 - (i) any licensee or generating company on payment of the transmission charges ; or
 - (ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission:

Provided that such surcharge shall be utilised for the purpose of meeting the requirement of current level cross-subsidy:

Provided further that such surcharge and cross subsidies shall be progressively reduced ³in the manner as may be specified by the State Commission:

¹Provided also that the manner of payment and utilisation of the surcharge shall be specified by the State Commission:

Provided also that such surcharge shall not be leviable in case open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use.

Duties of
Transmission
licensees

40. It shall be the duty of a transmission licensee -

³The words “ and eliminated” omitted by Act 26 of 2007, sec. 5(i) (w.e.f. 15-6-2007).

¹The third proviso omitted by Act 26 of 2007, sec. 5(ii) (w.e.f. 15-6-2007). The third proviso, before omission, stood as under:

“Provided also that such surcharge may be levied till such time the cross subsidies are not eliminated:”.

- (a) to build, maintain and operate an efficient, co-ordinated and economical inter-State transmission system or intra-State transmission system, as the case may be;
- (b) to comply with the directions of the Regional Load Despatch Centre and the State Load Despatch Centre as the may be,;
- (c) to provide non-discriminatory open access to its transmission system for use by-
 - (i) any licensee or generating company on payment of the transmission charges; or
 - (ii) any consumer as and when such open access is provided by the State Commission under subsection (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission:

Provided that such surcharge shall be utilised for the purpose of meeting the requirement of current level cross-subsidy:

Provided further that such surcharge and cross subsidies shall be progressively reduced² in the manner as may be specified by the Appropriate Commission:³

Provided also that the manner of payment and utilisation of the surcharge shall be specified by the Appropriate Commission:

Provided also that such surcharge shall not be leviable in case open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use.

41. A transmission licensee may, with prior intimation to the Appropriate Commission, engage in any business for optimum utilisation of its assets:

Other business
of transmission
licensee

Provided that a proportion of the revenues derived from such business shall, as may be specified by the Appropriate Commission, be utilised for reducing its charges for transmission and wheeling:

Provided further that the transmission licensee shall maintain separate accounts for each such business undertaking to ensure that transmission business neither subsidizes in any way such business undertaking nor encumbers its transmission assets in any way to support such business:

Provided also that no transmission licensee shall enter into any contract or otherwise engage in the business of trading in electricity :

²The words “ and eliminated” omitted by Act 26 of 2007, sec. 6(i) (w.e.f. 15-6-2007).

³The third proviso omitted by Act 26 of 2007, sec. 6(ii) (w.e.f. 15-6-2007). The third proviso, before omission, stood as under:

“Provided also that such surcharge may be levied till such time the cross subsidies are not eliminated:”.

PART VI
DISTRIBUTION OF ELECTRICITY

Provisions with respect to distribution licensees

Duties of
distribution
licensee and
open access

42. (1) It shall be the duty of a distribution licensee to develop and maintain an efficient, co-ordinated and economical distribution system in his area of supply and to supply electricity in accordance with the provisions contained in this Act.

(2) The State Commission shall introduce open access in such phases and subject to such conditions, (including the cross subsidies, and other operational constraints) as may be specified within one year of the appointed date by it and in specifying the extent of open access in successive phases and in determining the charges for wheeling, it shall have due regard to all relevant factors including such cross subsidies, and other operational constraints:

Provided that ¹such open access shall be allowed on payment of a surcharge in addition to the charges for wheeling as may be determined by the State Commission:

Provided further that such surcharge shall be utilised to meet the requirements of current level of cross subsidy within the area of supply of the distribution licensee:

Provided also that such surcharge and cross subsidies shall be progressively reduced² in the manner as may be specified by the State Commission:

Provided also that such surcharge shall not be leviable in case open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use.

³Provided also that the State Commission shall, not later than five years from the date of commencement of the Electricity (Amendment) Act, 2003, by regulations, provide such open access to all consumers who require a supply of electricity where the maximum power to be made available at any time exceeds one megawatt.

(3) Where any person, whose premises are situated within the area of supply of a distribution licensee, (not being a local authority engaged in the business of distribution of electricity before the appointed date) requires a supply of electricity from a generating company or any licensee other than such distribution licensee, such person may, by notice, require the distribution licensee for wheeling such electricity in accordance with regulations made by

¹Subs. By Act 26 of 2007, sec. 7(i), for the words "such open access may be allowed before the cross subsidies are eliminated, on payment of a surcharge" (w.e.f. 15-6-2007).

²The words "and eliminated" omitted by Act 26 of 2007, sec. 7(ii) (w.e.f. 15-6-2007).

³Ins. By Act 57 of 2003, sec. 3 (w.e.f. 27-1-2004).

the State Commission and the duties of the distribution licensee with respect to such supply shall be of a common carrier providing non-discriminatory open access.

- (4) Where the State Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the distribution licensee of his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling, as may be specified by the State Commission, to meet the fixed cost of such distribution licensee arising out of his obligation to supply.
- (5) Every distribution licensee shall, within six months from the appointed date or date of grant of licence, whichever is earlier, establish a forum for redressal of grievances of the consumers in accordance with the guidelines as may be specified by the State Commission.
- (6) Any consumer, who is aggrieved by non-redressal of his grievances under sub-section (5), may make a representation for the redressal of his grievance to an authority to be known as Ombudsman to be appointed or designated by the State Commission.
- (7) The Ombudsman shall settle the grievance of the consumer within such time and in such manner as may be specified by the State Commission.
- (8) The provisions of sub-sections (5),(6) and (7) shall be without prejudice to right which the consumer may have apart from the rights conferred upon him by those sub-sections.

Duty to supply
on request

43. (1) ⁴Save as otherwise provided in this Act, every distribution licensee, shall, on an application by the owner or occupier of any premises, give supply of electricity to such premises, within one month after receipt of the application requiring such supply :

Provided that where such supply requires extension of distribution mains, or commissioning of new sub-stations, the distribution licensee shall supply the electricity to such premises immediately after such extension or commissioning or within such period as may be specified by the Appropriate Commission.

Provided further that in case of a village or hamlet or area wherein no provision for supply of electricity exists, the Appropriate Commission may extend the said period as it may consider necessary for electrification of such village or hamlet or area.

¹*Explanation.*- For the purposes of this sub-section,

⁴Subs. By Act 26 of 2007, sec. 8(i), for "Every distribution" (w.e.f. 15-6-2007).

¹Ins. By Act 26 of 2007, sec. 8(ii) (w.e.f. 15-6-2007).

“application” means the application complete in all respects in the appropriate form, as required by the distribution licensee, along with documents showing payment of necessary charges and other compliances.

- (2) It shall be the duty of every distribution licensee to provide, if required, electric plant or electric line for giving electric supply to the premises specified in sub-section (1):

Provided that no person shall be entitled to demand, or to continue to receive, from a licensee a supply of electricity for any premises having a separate supply unless he has agreed with the licensee to pay to him such price as determined by the Appropriate Commission .

- (3) If a distribution licensee fails to supply the electricity within the period specified in sub-section (1), he shall be liable to a penalty which may extend to one thousand rupees for each day of default.

Exceptions from duty to supply electricity.

44. Nothing contained in section 43 shall be taken as requiring a distribution licensee to give supply of electricity to any premises if he is prevented from doing so by cyclone, floods, storms or other occurrences beyond his control.

Power to recover charges

45. (1) Subject to the provisions of this section, the prices to be charged by a distribution licensee for the supply of electricity by him in pursuance of section 43 shall be in accordance with such tariffs fixed from time to time and conditions of his licence.
- (2) The charges for electricity supplied by a distribution licensee shall be -
- (a) fixed in accordance with the methods and the principles as may be specified by the concerned State Commission ;
- (b) published in such manner so as to give adequate publicity for such charges and prices.
- (3) The charges for electricity supplied by a distribution licensee may include -
- (a) a fixed charge in addition to the charge for the actual electricity supplied;
- (b) a rent or other charges in respect of any electric meter or electrical plant provided by the distribution licensee.
- (4) Subject to the provisions of section 62, in fixing charges under this section a distribution licensee shall not show undue preference to any person or class of persons or discrimination against any person or class of persons.

- (5) The charges fixed by the distribution licensee shall be in accordance with the provisions of this Act and the regulations made in this behalf by the concerned State Commission.
- Power to recover expenditure
46. The State Commission may, by regulations, authorise a distribution licensee to charge from a person requiring a supply of electricity in pursuance of section 43 any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving that supply.
- Power to require security.
47. (1) Subject to the provisions of this section, a distribution licensee may require any person, who requires a supply of electricity in pursuance of section 43, to give him reasonable security, as determined by regulations, for the payment to him of all monies which may become due to him -
- (a) in respect of the electricity supplied to such persons; or
- (b) where any electric line or electrical plant or electric meter is to be provided for supplying electricity to such person, in respect of the provision of such line or plant or meter, and if that person fails to give such security, the distribution licensee may, if he thinks fit, refuse to give the supply of electricity or to provide the line or plant or meter for the period during which the failure continues.
- (2) Where any person has not given such security as is mentioned in subsection (1) or the security given by any person has become invalid or insufficient, the distribution licensee may, by notice, require that person, within thirty days after the service of the notice, to give him reasonable security for the payment of all monies which may become due to him in respect of the supply of electricity or provision of such line or plant or meter.
- (3) If the person referred to in sub-section(2) fails to give such security, the distribution licensee may, if he thinks fit, discontinue the supply of electricity for the period during which the failure continues.
- (4) The distribution licensee shall pay interest equivalent to the bank rate or more, as may be specified by the concerned State Commission, on the security referred to in sub-section (1) and refund such security on the request of the person who gave such security.
- (5) A distribution licensee shall not be entitled to require security in pursuance of clause (a) of sub-section (1) if the person requiring the supply is prepared to take the supply through a pre-payment meter.

- Additional terms of supply.
48. A distribution licensee may require any person who requires a supply of electricity in pursuance of section 43 to accept -
- (a) any restrictions which may be imposed for the purpose of enabling the distribution licensee to comply with regulations made under section 53;
 - (b) any terms restricting any liability of the distribution licensee for economic loss resulting from negligence of the person to whom the electricity is supplied.
- Agreements with respect to supply or purchase of electricity.
49. Where the Appropriate Commission has allowed open access to certain consumers under section 42, such consumers notwithstanding the provisions contained in clause (d) of subsection (1) of section 62, may enter into an agreement with any person for supply or purchase of electricity on such terms and conditions (including tariff) as may be agreed upon by them.
- The Electricity Supply Code.
50. ¹The State Commission shall specify an electricity supply code to provide for recovery of electricity charges, intervals for billing of electricity charges, disconnection of supply of electricity for non-payment thereof, restoration of supply of electricity, measures for preventing tampering, distress or damage to electrical plant, or electrical line or meter, entry of distribution licensee or any person acting on his behalf for disconnecting supply and removing the meter, entry for replacing, altering or maintaining electric lines or electrical plants or meter and such other matters.
- Other businesses of distribution licensees.
51. A distribution licensee may, with prior intimation to the Appropriate Commission, engage in any other business for optimum utilisation of its assets:
- Provided that a proportion of the revenues derived from such business shall, as may be specified by the concerned State Commission, be utilised for reducing its charges for wheeling :
- Provided further that the distribution licensee shall maintain separate accounts for each such business undertaking to ensure that distribution business neither subsidies in any way such business undertaking nor encumbers its distribution assets in any way to support such business.
- Provided also that nothing contained in this section shall apply to a local authority engaged, before the commencement of this Act, in the business of distribution of electricity.

Provisions with respect to electricity traders

- Provisions with respect to electricity trader.
52. (1) Without prejudice to the provisions contained in clause (c) of section 12, the Appropriate Commission may, specify the technical requirement, capital adequacy requirement and credit worthiness for being an electricity trader.

¹Subs. By Act 26 of 2007, sec. 9, for section 50 (w.e.f. 15-6-2007). Section 50, before substitution, stood as under: "The State Commission shall specify an Electricity Supply Code to provide for recovery of electricity charges, intervals for billing of electricity charges, disconnection of supply of electricity for non-payment thereof, restoration of supply of electricity, tampering, distress or damage to electrical plant, electric lines or meter, entry of distribution licensee or any person acting on his behalf for disconnecting supply and removing the meter, entry for replacing, altering or maintaining electric lines or electrical plant or meter."

- (2) Every electricity trader shall discharge such duties, in relation to supply and trading in electricity, as may be specified by the Appropriate Commission.

Provisions with respect to supply generally

Provisions relating to safety and electricity supply

53. The Authority may in consultation with the State Government, specify suitable measures for –
- (a) protecting the public (including the persons engaged in the generation, transmission or distribution or trading) from dangers arising from the generation, transmission or distribution or trading of electricity, or use of electricity supplied or installation, maintenance or use of any electric line or electrical plant;
 - (b) eliminating or reducing the risks of personal injury to any person, or damage to property of any person or interference with use of such property ;
 - (c) prohibiting the supply or transmission of electricity except by means of a system which conforms to the specification as may be specified;
 - (d) giving notice in the specified form to the Appropriate Commission and the Electrical Inspector, of accidents and failures of supplies or transmissions of electricity;
 - (e) keeping by a generating company or licensee the maps, plans and sections relating to supply or transmission of electricity;
 - (f) inspection of maps, plans and sections by any person authorised by it or by Electrical Inspector or by any person on payment of specified fee;
 - (g) specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing a risk of personal injury or damage to property or interference with its use;

Control of transmission and use of electricity

54. (1) Save as otherwise exempted under this Act, no person other than Central Transmission Utility or a State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding two hundred and fifty watts and one hundred volts –
- (a) in any street, or
 - (b) in any place,-
 - (i) in which one hundred or more persons are ordinarily likely to be assembled; or

(ii) which is a factory within the meaning of the Factories Act, 1948 or a mine within the meaning of the Mines Act, 1952; or

63 of 1948
35 of 1952

(iii) to which the State Government, by general or special order, declares the provisions of this sub-section to apply, without giving, before the commencement of transmission or use of electricity, not less than seven days' notice in writing of his intention to the Electrical Inspector and to the District Magistrate, or the Commissioner of Police, as the case may be, containing particulars of the electrical installation and plant, if any, the nature and the purpose of supply and complying with such of the provisions of Part XVII of this Act, as may be applicable:

Provided that nothing in this section shall apply to electricity used for the public carriage of passengers, animals or goods, on, or for the lighting or ventilation of the rolling stock of any railway or tramway subject to the provisions of the Railways Act, 1989.

24 of 1989

- (2) Where any difference or dispute arises as to whether a place is or is not one in which one hundred or more persons are ordinarily likely to be assembled, the matter shall be referred to the State Government, and the decision of the State Government thereon shall be final.
- (3) The provisions of this section shall be binding on the Government.

55. (1) No licensee shall supply electricity, after the expiry of two years from the appointed date, except through installation of a correct meter in accordance with regulations to be made in this behalf by the Authority:

Use, etc., of
meters

Provided that the licensee may require the consumer to give him security for the price of a meter and enter into an agreement for the hire thereof, unless the consumer elects to purchase a meter:

Provided further that the State Commission may, by notification extend the said period of two years for a class or classes of persons or for such area as may be specified in that notification.

(2) For proper accounting and audit in the generation, transmission and distribution or trading of electricity, the Authority may direct the installation of meters by a generating company or licensee at such stages of generation, transmission or distribution or trading of

electricity and at such locations of generation, transmission or distribution or trading, as it may deem necessary.

- (3) If a person makes default in complying with the provisions contained in this section or regulations made under subsection (1), the Appropriate Commission may make such order as it thinks fit for requiring the default to be made good by the generating company or licensee or by any officers of a company or other association or any other person who is responsible for its default.

Disconnection of supply in default of payment.

56. (1) Where any person neglects to pay any charge for electricity or any sum other than a charge for electricity due from him to a licensee or the generating company in respect of supply, transmission or distribution or wheeling of electricity to him, the licensee or the generating company may, after giving not less than fifteen clear days notice in writing, to such person and without prejudice to his rights to recover such charge or other sum by suit, cut off the supply of electricity and for that purpose cut or disconnect any electric supply line or other works being the property of such licensee or the generating company through which electricity may have been supplied, transmitted, distributed or wheeled and may discontinue the supply until such charge or other sum, together with any expenses incurred by him in cutting off and reconnecting the supply, are paid, but no longer:

Provided that the supply of electricity shall not be cut off if such person deposits, under protest, -

- (a) an amount equal to the sum claimed from him, or
(b) the electricity charges due from him for each month calculated on the basis of average charge for electricity paid by him during the preceding six months, whichever is less, pending disposal of any dispute between him and the licensee.
- (2) Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied and the licensee shall not cut off the supply of the electricity:

Consumer protection: Standards of performance

Standard of performance of licensee.

57. (1) The Appropriate Commission may, after consultation with the licensees and persons likely to be affected, specify

standards of performance of a licensee or a class of licensees.

- (2) If a licensee fails to meet the standards specified under sub-section (1), without prejudice to any penalty which may be imposed or prosecution be initiated, he shall be liable to pay such compensation to the person affected as may be determined by the Appropriate Commission:

Provided that before determination of compensation, the concerned licensee shall be given a reasonable opportunity of being heard.

- (3) The compensation determined under sub-section (2) shall be paid by the concerned licensee within ninety days of such determination.

Different Standards of performance by licensee.

58. The Appropriate Commission may specify different standards under sub-section (1) of section 57 for a class or classes of licensee.

Information with respect to levels of performance.

59. (1) Every licensee shall, within the period specified by the Appropriate Commission, furnish to the Commission the following information, namely:-

- (a) the level of performance achieved under sub-section (1) of the section 57;
- (b) the number of cases in which compensation was made under sub-section (2) of section 57 and the aggregate amount of the compensation.

- (2) The Appropriate Commission shall at least once in every year arrange for the publication, in such form and manner as it considers appropriate, of such of the information furnished to it under sub-section (1).

Market domination

60. The Appropriate Commission may such issue directions as it considers appropriate to a licensee or a generating company if such licensee or generating company enters into any agreement or abuses its dominant position or enters into a combination which is likely to cause or causes an adverse effect on competition in electricity industry.

PART – VII

TARIFF

Tariff Regulations.

61. The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-

- (a) the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;

- (b) the generation, transmission, distribution and supply of electricity are conducted on commercial principles;
- (c) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;
- (d) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;
- (e) the principles rewarding efficiency in performance;
- (f) multi year tariff principles;
- (g) that the tariff progressively reflects the cost of supply of electricity and also reduces cross-subsidies in the manner specified by the Appropriate Commission;
- (h) the promotion of co-generation and generation of electricity from renewable sources of energy;
- (i) the National Electricity Policy and tariff policy:

54 of 1948
14 of 1998

Provided that the terms and conditions for determination of tariff under the Electricity (Supply) Act, 1948, the Electricity Regulatory Commission Act, 1998 and the enactments specified in the Schedule as they stood immediately before the appointed date, shall continue to apply for a period of one year or until the terms and conditions for tariff are specified under this section, whichever is earlier.

Determination
of Tariff.

62. (1) The Appropriate Commission shall determine the tariff in accordance with provisions of this Act for –
- (a) supply of electricity by a generating company to a distribution licensee:

Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;

- (b) transmission of electricity ;
- (c) wheeling of electricity;
- (d) retail sale of electricity.

Provided that in case of distribution of electricity in the same area by two or more distribution licensees, the Appropriate Commission may, for promoting competition among distribution licensees, fix only maximum ceiling of tariff for retail sale of electricity.

- (2) The Appropriate Commission may require a licensee or a generating company to furnish separate details, as may

be specified in respect of generation, transmission and distribution for determination of tariff.

- (3) The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.
- (4) No tariff or part of any tariff may ordinarily be amended more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified.
- (5) The Commission may require a licensee or a generating company to comply with such procedures as may be specified for calculating the expected revenues from the tariff and charges which he or it is permitted to recover.
- (6) If any licensee or a generating company recovers a price or charge exceeding the tariff determined under this section, the excess amount shall be recoverable by the person who has paid such price or charge along with interest equivalent to the bank rate without prejudice to any other liability incurred by the licensee.

Determination of tariff by bidding process.

63. Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.

Procedure for tariff order.

64. (1) An application for determination of tariff under section 62 shall be made by a generating company or licensee in such manner and accompanied by such fee, as may be determined by regulations.
- (2) Every applicant shall publish the application, in such abridged form and manner, as may be specified by the Appropriate Commission.
- (3) The Appropriate Commission shall, within one hundred and twenty days from receipt of an application under sub-section (1) and after considering all suggestions and objections received from the public,-
- (a) issue a tariff order accepting the application with such modifications or such conditions as may be specified in that order;

- (b) reject the application for reasons to be recorded in writing if such application is not in accordance with the provisions of this Act and the rules and regulations made thereunder or the provisions of any other law for the time being in force:

Provided that an applicant shall be given a reasonable opportunity of being heard before rejecting his application.

- (4) The Appropriate Commission shall, within seven days of making the order, send a copy of the order to the Appropriate Government, the Authority, and the concerned licensees and to the person concerned.
- (5) Notwithstanding anything contained in Part X, the tariff for any inter-State supply, transmission or wheeling of electricity, as the case may be, involving the territories of two States may, upon application made to it by the parties intending to undertake such supply, transmission or wheeling, be determined under this section by the State Commission having jurisdiction in respect of the licensee who intends to distribute electricity and make payment therefor:
- (6) A tariff order shall, unless amended or revoked, continue to be in force for such period as may be specified in the tariff order.

Provision of subsidy by State Government.

- 65. If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government:

Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard.

Development of market.

- 66. The Appropriate Commission shall endeavour to promote the development of a market (including trading) in power in such manner as may be specified and shall be guided by the National Electricity Policy referred to in section 3 in this regard..

PART – VIII

WORKS

Works of licensees

Provision as to opening up of streets, railways etc.

67. (1) A licensee may, from time to time but subject always to the terms and conditions of his licence, within his area of supply or transmission or when permitted by the terms of his licence to lay down or place electric supply lines without the area of supply, without that area carry out works such as -
- (a) to open and break up the soil and pavement of any street, railway or tramway;
 - (b) to open and break up any sewer, drain or tunnel in or under any street, railway or tramway;
 - (c) to alter the position of any line or works or pipes, other than a main sewer pipe;
 - (d) to lay down and place electric lines, electrical plant and other works;
 - (e) to repair, alter or remove the same;
 - (f) to do all other acts necessary for transmission or supply of electricity.
- (2) The Appropriate Government may, by rules made by it in this behalf, specify, -
- (a) the cases and circumstances in which the consent in writing of the Appropriate Government, local authority, owner or occupier, as the case may be, shall be required for carrying out works;
 - (b) the authority which may grant permission in the circumstances where the owner or occupier objects to the carrying out of works;
 - (c) the nature and period of notice to be given by the licensee before carrying out works;
 - (d) the procedure and manner of consideration of objections and suggestion received in accordance with the notice referred to in clause (c);
 - (e) the determination and payment of compensation or rent to the persons affected by works under this section;
 - (f) the repairs and works to be carried out when emergency exists;
 - (g) the right of the owner or occupier to carry out certain works under this section and the payment of expenses therefor;

- (h) the procedure for carrying out other works near sewers, pipes or other electric lines or works;
 - (i) the procedure for alteration of the position of pipes, electric lines, electrical plant, telegraph lines, sewer lines, tunnels, drains, etc.;
 - (j) the procedure for fencing, guarding, lighting and other safety measures relating to works on streets, railways, tramways, sewers, drains or tunnels and immediate reinstatement thereof;
 - (k) the avoidance of public nuisance, environmental damage and unnecessary damage to the public and private property by such works;
 - (l) the procedure for undertaking works which are not reparable by the Appropriate Government, licensee or local authority;
 - (m) the manner of deposit of amount required for restoration of any railways, tramways, waterways, etc.;
 - (n) the manner of restoration of property affected by such works and maintenance thereof;
 - (o) the procedure for deposit of compensation payable by the licensee and furnishing of security; and
 - (p) such other matters as are incidental or consequential to the construction and maintenance of works under this section.
- (3) A licensee shall, in exercise of any of the powers conferred by or under this section and the rules made thereunder, cause as little damage, detriment and inconvenience as may be, and shall make full compensation for any damage, detriment or inconvenience caused by him or by any one employed by him.
- (4) Where any difference or dispute [including amount of compensation under sub-section (3)] arises under this section, the matter shall be determined by the Appropriate Commission.
- (5) The Appropriate Commission, while determining any difference or dispute arising under this section in addition to any compensation under sub-section (3), may impose a penalty not exceeding the amount of compensation payable under that sub-section.

Provisions relating to overhead lines

- Overhead lines. 68. (1) An overhead line shall, with prior approval of the Appropriate Government, be installed or kept installed

above ground in accordance with the provisions of sub-section (2).

- (2) The provisions contained in sub-section (1) shall not apply-
 - (a) in relation to an electric line which has a nominal voltage not exceeding 11 kilovolts and is used or intended to be used for supplying to a single consumer;
 - (b) in relation to so much of an electric line as is or will be within premises in the occupation or control of the person responsible for its installation; or
 - (c) in such other cases as may be prescribed.
- (3) The Appropriate Government shall, while granting approval under sub-section (1), impose such conditions (including conditions as to the ownership and operation of the line) as appear to it to be necessary
- (4) The Appropriate Government may vary or revoke the approval at any time after the end of such period as may be stipulated in the approval granted by it.
- (5) Where any tree standing or lying near an overhead line or where any structure or other object which has been placed or has fallen near an overhead line subsequent to the placing of such line, interrupts or interferes with, or is likely to interrupt or interfere with, the conveyance or transmission of electricity or the accessibility of any works, an Executive Magistrate or authority specified by the Appropriate Government may, on the application of the licensee, cause the tree, structure or object to be removed or otherwise dealt with as he or it thinks fit.
- (6) When disposing of an application under sub-section (5), an Executive Magistrate or authority specified under that sub-section shall, in the case of any tree in existence before the placing of the overhead line, award to the person interested in the tree such compensation as he thinks reasonable, and such person may recover the same from the licensee.

Explanation. - For purposes of this section, the expression "tree" shall be deemed to include any shrub, hedge, jungle growth or other plant.

Notice to telegraph authority.

69. (1) A licensee shall, before laying down or placing, within ten meters of any telegraph line, electric line, electrical plant or other works, not being either service lines, or electric lines or electrical plant, for the repair, renewal or amendment of existing works of which the character or position is not to be altered,-

- (a) submit a proposal in case of a new installation to an authority to be designated by the Central Government and such authority shall take a decision on the proposal within thirty days;
- (b) give not less than ten days' notice in writing to the telegraph authority in case of repair, renewal or amendment or existing works , specifying-
 - (i) the course of the works or alterations proposed ;
 - (ii) the manner in which the works are to be utilised ;
 - (iii) the amount and nature of the electricity to be transmitted;
 - (iv) the extent to, and the manner in which (if at all), earth returns are to be used , and the licensee shall conform to such reasonable requirements, either general or special, as may be laid down by the telegraph authority within that period for preventing any telegraph line from being injuriously affected by such works or alterations:

Provided that in case of emergency (which shall be stated by the licensee in writing to the telegraph authority) arising from defects in any of the electric lines or electrical plant or other works of the licensee, the licensee shall be required to give only such notice as may be possible after the necessity for the proposed new works or alterations has arisen.

- (2) Where the works of the laying or placing of any service line is to be executed the licensee shall, not less than forty-eight hours before commencing the work, serve upon the telegraph authority a notice in writing of his intention to execute such works.

PART – IX

CENTRALELECTRICITYAUTHORITY

Constitution and functions of Authority

Constitution,
etc., of Central
Electricity
Authority.

54 of 1948.

- 70. (1) There shall be a body to be called the Central Electricity Authority to exercise such functions and perform such duties as are assigned to it under this Act.
- (2) The Central Electricity Authority, established under section 3 of the Electricity (Supply) Act, 1948 and functioning as such immediately before the appointed date, shall be the Central Electricity Authority for the purposes of this Act and the Chairperson , Members,

Secretary and other officers and employees thereof shall be deemed to have been appointed under this Act and they shall continue to hold office on the same terms and conditions on which they were appointed under the Electricity (Supply) Act, 1948.

- (3) The Authority shall consist of not more than fourteen Members (including its Chairperson) of whom not more than eight shall be full-time Members to be appointed by the Central Government.
- (4) The Central Government may appoint any person, eligible to be appointed as Member of the Authority, as the Chairperson of the Authority, or, designate one of the full time Members as the Chairperson of the Authority.
- (5) The Members of the Authority shall be appointed from amongst persons of ability, integrity and standing who have knowledge of, and adequate experience and capacity in, dealing with problems relating to engineering, finance, commerce, economics or industrial matters, and at least one Member shall be appointed from each of the following categories, namely:-
 - (a) engineering with specialisation in design, construction, operation and maintenance of generating stations;
 - (b) engineering with specialisation in transmission and supply of electricity;
 - (c) applied research in the field of electricity;
 - (d) applied economics, accounting, commerce or finance.
- (6) The Chairperson and all the Members of the Authority shall hold office during the pleasure of the Central Government.
- (7) The Chairperson shall be the Chief Executive of the Authority.
- (8) The head quarters of the Authority shall be at Delhi.
- (9) The Authority shall meet at the head office or any other place at such time as the Chairperson may direct, and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at its meetings) as it may specify.
- (10) The Chairperson, or if he is unable to attend a meeting of the Authority, any other Member nominated by the Chairperson in this behalf and in the absence of such nomination or where there is no Chairperson, any Member

chosen by the Members present from among themselves shall preside at the meeting.

- (11) All questions which come up before any meeting of the Authority shall be decided by a majority of votes of the Members present and voting, and in the event of an equality of votes, the Chairperson or the person presiding shall have the right to exercise a second or casting vote.
- (12) All orders and decisions of the Authority shall be authenticated by the Secretary or any other officer of the Authority duly authorised by the Chairperson in this behalf.
- (13) No act or proceedings of the Authority shall be questioned or shall be invalidated merely on the ground of existence of any vacancy in, or any defect in, the constitution of, the Authority.
- (14) The Chairperson of the Authority and other full time Members shall receive such salary and allowances as may be determined by the Central Government and other Members shall receive such allowances and fees for attending the meetings of the Authority, as the Central Government may prescribe.
- (15) The other terms and conditions of service of the Chairperson and Members of the Authority including, subject to the provisions of sub-section (6), their terms of office shall be such as the Central Government may prescribe.

Members not to have certain interest.

71. No Member of the Authority shall have any share or interest, whether in his own name or otherwise, in any company or other body corporate or an association of persons (whether incorporated or not), or a firm engaged in the business of generation, transmission, distribution and trading of electricity or fuel for the generation thereof or in the manufacture of electrical equipment.

Officers and staff of Authority.

72. The Authority may appoint a Secretary and such other officers and employees as it considers necessary for the performance of its functions under this Act and on such terms as to salary, remuneration, fee, allowance, pension, leave and gratuity, as the authority may in consultation with the Central Government, fix:

Provided that the appointment of the Secretary shall be subject to the approval of the Central Government.

Functions and duties of Authority.

73. The Authority shall perform such functions and duties as the Central Government may prescribe or direct, and in particular to-

- (a) advise the Central Government on the matters relating to the national electricity policy, formulate short-term and perspective plans for development of the electricity system and co- ordinate the activities of the planning agencies for the optimal utilisation of resources to subserve the interests of the national economy and to provide reliable and affordable electricity for all consumers;
- (b) specify the technical standards for construction of electrical plants, electric lines and connectivity to the grid;
- (c) specify the safety requirements for construction, operation and maintenance of electrical plants and electric lines;
- (d) specify the Grid Standards for operation and maintenance of transmission lines;
- (e) specify the conditions for installation of meters for transmission and supply of electricity;
- (f) promote and assist in the timely completion of schemes and projects for improving and augmenting the electricity system;
- (g) promote measures for advancing the skill of persons engaged in the electricity industry;
- (h) advise the Central Government on any matter on which its advice is sought or make recommendation to that Government on any matter if, in the opinion of the Authority, the recommendation would help in improving the generation, transmission, trading, distribution and utilisation of electricity;
- (i) collect and record the data concerning the generation, transmission, trading, distribution and utilisation of electricity and carry out studies relating to cost, efficiency, competitiveness and such like matters;
- (j) make public from time to time information secured under this Act, and provide for the publication of reports and investigations;
- (k) promote research in matters affecting the generation, transmission, distribution and trading of electricity;
- (l) carry out, or cause to be carried out , any investigation for the purposes of generating or transmitting or distributing electricity;
- (m) advise any State Government, licensees or the generating companies on such matters which shall enable them to

operate and maintain the electricity system under their ownership or control in an improved manner and where necessary, in co-ordination with any other Government, licensee or the generating company owning or having the control of another electricity system;

- (n) advise the Appropriate Government and the Appropriate Commission on all technical matters relating to generation, transmission and distribution of electricity; and
- (o) discharge such other functions as may be provided under this Act.

Certain powers and directions

Power to require statistics and returns.

74. It shall be the duty of every licensee, generating company or person generating electricity for its or his own use to furnish to the Authority such statistics, returns or other information relating to generation, transmission, distribution, trading and use of electricity as it may require and at such times and in such form and manner as may be specified by the Authority.

Directions by Central Government to Authority.

75. (1) In the discharge of its functions, the Authority shall be guided by such directions in matters of policy involving public interest as the Central Government may give to it in writing.
- (2) If any question arises as to whether any such direction relates to a matter of policy involving public interest, the decision of the Central Government thereon shall be final.

PART X

REGULATORY COMMISSIONS

Constitution, powers and functions of Central Commission

Constitution of Central Commission.

76. (1) There shall be a Commission to be known as the Central Electricity Regulatory Commission to exercise the powers conferred on, and discharge the functions assigned to, it under this Act.

14 of 1998.

(2) The Central Electricity Regulatory Commission, established under section 3 of the Electricity Regulatory Commissions Act, 1998 and functioning as such immediately before the appointed date, shall be deemed to be the Central Commission for the purposes of this Act and the Chairperson, Members, Secretary, and other officers and employees thereof shall be deemed to have been appointed under this Act and they shall continue to hold office on the same terms and conditions on which they were appointed under the Electricity Regulatory Commissions Act, 1998.

Provided that the Chairperson and other Members of the Central Commission appointed, before the commencement of this Act, under the Electricity Regulatory Commissions Act, 1998, may, on the recommendations of the Selection Committee constituted under sub-section (1) of section 78, be allowed, to opt for the terms and conditions under this Act by the Central Government.

- (3) The Central Commission shall be a body corporate by the name aforesaid, having perpetual succession and a common seal with power to acquire, hold and dispose of property, both movable and immovable, and to contract and shall, by the said name, sue or be sued.
- (4) The head office of the Central Commission shall be at such place as the Central Government may, by notification, specify.
- (5) The Central Commission shall consist of the following Members namely:-
 - (a) a Chairperson and three other Members;
 - (b) the Chairperson of the Authority who shall be the Member, ex officio.
- (6) The Chairperson and Members of the Central Commission shall be appointed by the Central Government on the recommendation of the Selection Committee referred to in section 78.

Qualification for appointment of Members of Central Commission.

77. (1) The Chairperson and the Members of the Central Commission shall be persons having adequate knowledge of, or experience in, or shown capacity in, dealing with, problems relating to engineering, law, economics, commerce, finance 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) two persons having qualifications and experience in the field of economics, commerce, law or management:

Provided that not more than one Member shall be appointed under the same category under clause (c).

- (2) Notwithstanding anything contained in sub-section (1), the Central Government may appoint any person as the

Chairperson from amongst persons who is, or has been, a Judge of the Supreme Court or the Chief Justice of a High Court:

Provided that no appointment under this sub-section shall be made except after consultation with the Chief Justice of India.

(3) The Chairperson or any other Member of the Central Commission shall not hold any other office.

(4) The Chairperson shall be the Chief Executive of the Central Commission.

Constitution
of Selection
Committee to
recommend
Members

78. (1) The Central Government shall, for the purposes of selecting the Members of the Appellate Tribunal and the Chairperson and Members of the Central Commission, constitute a Selection Committee consisting of –

(a) Member of the Planning Commission
incharge of the energy sector Chairperson;

(b) Secretary-in-charge of the Ministry of the
Central Government dealing with the
Department of the Legal Affairs Member;

(c) Chairperson of the Public Enterprises
Selection Board Member;

(d) a person to be nominated by the Central
Government in accordance with sub-
section (2) Member ;

(e) a person to be nominated by the Central
Government in accordance with sub-
section (3) Member ;

(f) Secretary-in-charge of the Ministry of
the Central Government dealing
with power Member.

1 of 1956

(2) For the purposes of clause (d) of sub-section (1), the Central Government shall nominate from amongst persons holding the post of chairperson or managing director, by whatever name called, of any public financial institution specified in section 4A of the Companies Act, 1956.

(3) For the purposes of clause (e) of sub-section (1), the Central Government shall, by notification, nominate from amongst persons holding the post of director or the head of the institution, by whatever name called, of any research, technical or management institution for this purpose.

(4) Secretary-in-charge of the Ministry of the Central Government dealing with Power shall be the Convenor of the Selection Committee.

- (5) The Central Government shall, within one month from the date of occurrence of any vacancy by reason of death, resignation or removal of a Member of the Appellate Tribunal or the Chairperson or a Member of the Central Commission and six months before the superannuation or end of tenure of the Member of the Appellate Tribunal or Member of the Central Commission, make a reference to the Selection Committee for filling up of the vacancy.
- (6) The Selection Committee shall finalise the selection of the Chairperson and Members referred to in sub-section (5) within three month from the date on which the reference is made to it.
- (7) The Selection Committee shall recommend a panel of two names for every vacancy referred to it.
- (8) Before recommending any person for appointment as Member of the Appellate Tribunal or the Chairperson or other Member of the Central Commission, the Selection Committee shall satisfy itself that such person does not have any financial or other interest which is likely to affect prejudicially his functions as the Chairperson or Member.
- (9) No appointment of the Chairperson or other Member shall be invalid merely by reason of any vacancy in the Selection Committee:

Provided that nothing contained in this section shall apply to the appointment of a person as the Chairperson of the Central Commission where such person is, or has been , a Judge of the Supreme Court or the Chief Justice of a High Court.

Functions of
Central
Commission

79. (1) The Central Commission shall discharge the following functions, namely:-
 - (a) to regulate the tariff of generating companies owned or controlled by the Central Government;
 - (b) to regulate the tariff of generating companies other than those owned or controlled by the Central Government specified in clause (a), if such generating companies enter into or otherwise have a composite scheme for generation and sale of electricity in more than one State;
 - (c) to regulate the inter-State transmission of electricity;
 - (d) to determine tariff for inter-State transmission of electricity;
 - (e) to issue licenses to persons to function as Transmission Licensee and electricity trader with respect to their inter-State operations.

- (f) to adjudicate upon disputes involving generating companies or transmission licensee in regard to matters connected with clauses (a) to (d) above and to refer any dispute for arbitration;
 - (g) to levy fees for the purposes of this Act;
 - (h) to specify Grid Code having regard to Grid Standards;
 - (i) to specify and enforce the standards with respect to quality, continuity and reliability of service by licensees.
 - (j) to fix the trading margin in the inter-State trading of electricity, if considered, necessary;
 - (k) to discharge such other functions as may be assigned under this Act.
- (2) The Central Commission shall advise the Central Government on all or any of the following matters, namely:-
- (i) formulation of National Electricity Policy and tariff policy;
 - (ii) promotion of competition, efficiency and economy in activities of the electricity industry;
 - (iii) promotion of investment in electricity industry;
 - (iv) any other matter referred to the Central Commission by that Government.
- (3) The Central Commission shall ensure transparency while exercising its powers and discharging its functions.
- (4) In discharge of its functions, the Central Commission shall be guided by the National Electricity Policy, National Electricity Plan and tariff policy published under section 3.

Central
Advisory
Committee

- 80
- (1) The Central Commission may, by notification, establish with effect from such date as it may specify in such notification, a Committee to be known as the Central Advisory Committee.
 - (2) The Central Advisory Committee shall consist of not more than thirty-one members to represent the interests of commerce, industry, transport, agriculture, labour, consumers, non-governmental organisations and academic and research bodies in the electricity sector.
 - (3) The Chairperson of the Central Commission shall be the ex-officio Chairperson of the Central Advisory Committee and the Members of that Commission and Secretary to the Government of India in charge of the Ministry or

Department of the Central Government dealing with Consumer Affairs and Public Distribution System shall be the ex-officio Members of the Committee.

Objects of
Central
Advisory
Committee

81. The objects of the Central Advisory Committee shall be to advise the Central Commission on:—
- (i) major questions of policy;
 - (ii) matters relating to quality, continuity and extent of service provided by the licensees;
 - (iii) compliance by the licensees with the conditions and requirements of their licence;
 - (iv) protection of consumer interest;
 - (v) electricity supply and overall standards of performance by utilities.

Constitution, powers and functions of the State Commissions

Constitution of
State
Commission

82. (1) Every State Government shall, within six months from the appointed date, by notification, constitute for the purposes of this Act, a Commission for the State to be known as the (name of the State) Electricity Regulatory Commission:

14 of 1998

Provided that the State Electricity Regulatory Commission, established by a State Government under section 17 of the Electricity Regulatory Commissions Act, 1998 and the enactments specified in the Schedule, and functioning as such immediately before the appointed date shall be the State Commission for the purposes of this Act and the Chairperson, Members, Secretary, and officers and other employees thereof shall continue to hold office, on the same terms and conditions on which they were appointed under those Acts.

Provided further that the Chairperson and other Members of the State Commission appointed before the commencement of this Act under the Electricity Regulatory Commissions Act, 1998 or under the enactments specified in the Schedule, may on the recommendations of the Selection Committee constituted under sub-section (1) of section 85 be allowed to opt for the terms and conditions under this Act by the concerned State Government.

- (2) The State Commission shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract and shall, by the said name, sue or be sued.

- (3) The head office of the State Commission shall be at such place as the State Government may, by notification, specify.
- (4) The State Commission shall consist of not more than three Members, including the Chairperson.
- (5) The Chairperson and Members of the State Commission shall be appointed by the State Government on the recommendation of a Selection Committee referred to in section 85.

Joint
Commission

83. (1) Notwithstanding anything to the contrary contained in section 82, a Joint Commission may be constituted by an agreement to be entered into -
- (a) by two or more Governments of States; or
 - (b) by the Central Government, in respect of one or more Union territories, and one or more Governments of States, and shall be in force for such period and shall be subject to renewal for each further period, if any, as may be stipulated in the agreement:

Provided that the Joint Commission, constituted under section 21 A of the Electricity Regulatory Commissions Act, 1998 and functioning as such immediately before the appointed day, shall be the Joint Commission for the purposes of this Act and the Chairperson, Members, Secretary and other officers and employees thereof shall be deemed to have been appointed as such under this Act and they shall continue to hold office, on the same terms and conditions on which they were appointed under the Electricity Regulatory Commissions Act, 1998.

14 of 1998

- (2) The Joint Commission shall consists of 1 Member from each of the participating States and Union Territories and the Chairperson shall be appointed from amongst the Members by consensus, failing which by rotation.
- (3) An agreement under sub-section (1) shall contain provisions as to the name of the Joint Commission, the manner in which the participating States may be associated in the selection of the Chairperson and Members of the Joint Commission, manner of appointment of Members and appointment of Chairperson by rotation or consensus, places at which the Commission shall sit, apportionment among the participating States of the expenditure in connection with the Joint Commission, manner in which the differences of

opinion between the Joint Commission and the State Government concerned would be resolved and may also contain such other supplemental, incidental and consequential provisions not inconsistent with this Act as may be deemed necessary or expedient for giving effect to the agreement.

- (4) The Joint Commission shall determine tariff in respect of the participating States or Union Territories separately and independently.
- (5) Notwithstanding anything contained in this section, the Central Government may, if so authorised by all the participating States, constitute a Joint Commission and may exercise the powers in respect of all or any of the matters specified under sub-section (3) and when so specifically authorized by the participating States.

Qualifications for appointment of Chairperson and Members of State Commission.

84. (1) The Chairperson and the Members of the State Commission shall be persons of ability, integrity and standing who have adequate knowledge of, and have shown capacity in, dealing with problems relating to engineering, finance, commerce, economics, law or management.
- (2) Notwithstanding anything contained in sub-section (1), the State Government may appoint any person as the Chairperson from amongst persons who is, or has been, a Judge of a High Court:
- Provided that no appointment under this sub-section shall be made except after consultation with the Chief Justice of that High Court.
- (3) The Chairperson or any other Member of the State Commission shall not hold any other office.
- (4) The Chairperson shall be the Chief Executive of the State Commission.

Constitution of Selection Committee to select Members of State Commission.

85. (1) The State Government shall, for the purposes of selecting the Members of the State Commission, constitute a Selection Committee consisting of –
- (a) a person who has been a Judge of the High Court Chairperson;
 - (b) the Chief Secretary of the concerned State Member;
 - (c) the Chairperson of the Authority or the Chairperson of the Central Commission Member:

Provided that nothing contained in this section shall apply to the appointment of a person as the Chairperson who is or has been a Judge of the High Court.

- (2) The State Government shall, within one month from the date of occurrence of any vacancy by reason of death, resignation or removal of the Chairperson or a Member and six months before the superannuation or end of tenure of the Chairperson or Member, make a reference to the Selection Committee for filling up of the vacancy.
- (3) The Selection Committee shall finalise the selection of the Chairperson and Members within three months from the date on which the reference is made to it.
- (4) The Selection Committee shall recommend a panel of two names for every vacancy referred to it.
- (5) Before recommending any person for appointment as the Chairperson or other Member of the State Commission, the Selection Committee shall satisfy itself that such person does not have any financial or other interest which is likely to affect prejudicially his functions as Chairperson or Member, as the case may be.
- (6) No appointment of Chairperson or other Member shall be invalid merely by reason of any vacancy in the Selection Committee.

Functions of
State
Commission

86. (1) The State Commission shall discharge the following functions, namely: -
- (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
 - (b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
 - (c) facilitate intra-state transmission and wheeling of electricity;
 - (d) issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;

- (e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
 - (f) adjudicate upon the disputes between the licensees, and generating companies and to refer any dispute for arbitration;
 - (g) levy fee for the purposes of this Act;
 - (h) specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of section 79;
 - (i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
 - (j) fix the trading margin in the intra-State trading of electricity, if considered, necessary; and
 - (k) discharge such other functions as may be assigned to it under this Act.
- (2) The State Commission shall advise the State Government on all or any of the following matters, namely :-
- (i) promotion of competition, efficiency and economy in activities of the electricity industry;
 - (ii) promotion of investment in electricity industry;
 - (iii) reorganization and restructuring of electricity industry in the State;
 - (iv) matters concerning generation, transmission , distribution and trading of electricity or any other matter referred to the State Commission by that Government.
- (3) The State Commission shall ensure transparency while exercising its powers and discharging its functions.
- (4) In discharge of its functions the State Commission shall be guided by the National Electricity Policy, National Electricity Plan and tariff policy published under section 3.
87. (1) The State Commission may, by notification, establish with effect from such date as it may specify in such notification, a Committee to be known as the State Advisory Committee.

State Advisory
Committee

- (2) The State Advisory Committee shall consist of not more than twenty-one members to represent the interests of commerce, industry, transport, agriculture, labour, consumers, non-governmental organisations and academic and research bodies in the electricity sector.
- (3) The Chairperson of the State Commission shall be the ex-officio Chairperson of the State Advisory Committee and the Members of the State Commission and the Secretary to State Government in charge of the Ministry or Department dealing with Consumer Affairs and Public Distribution System shall be the ex-officio Members of the Committee.

Objects of State Advisory Committee

88. The objects of the State Advisory Committee shall be to advise the Commission on –
- (i) major questions of policy;
 - (ii) matters relating to quality, continuity and extent of service provided by the licensees;
 - (iii) compliance by licensees with the conditions and requirements of their licence;
 - (iv) protection of consumer interest; and
 - (v) electricity supply and overall standards of performance by utilities.

Appropriate Commission – Other Provisions

Term of office and conditions of service of Members

89. (1) The Chairperson or other Member shall hold office for a term of five years from the date he enters upon his office;
- Provided that the Chairperson or other Member in the Central Commission or the State Commission shall not be eligible for re-appointment in the same capacity as the Chairperson or a Member in that Commission in which he had earlier held office as such :
- Provided further that no Chairperson or Member shall hold office as such after he has attained the age of sixty-five years.
- (2) The salary, allowances and other terms and conditions of service of the Chairperson and Members shall be such as may be prescribed by the Appropriate Government.

Provided that the salary, allowances and other terms and conditions of service of the Members, shall not be varied to their disadvantage after appointment.

 - (3) Every Member shall, before entering upon his office, make and subscribe to an oath of office and secrecy in such form and in such manner and before such authority as may be prescribed.

- (4) Notwithstanding anything contained in sub-section (1), a Member may-
 - (a) relinquish his office by giving in writing to the Appropriate Government a notice of not less than three months; or
 - (b) be removed from his office in accordance with the provisions of section 90.
- (5) Any member ceasing to hold office as such shall –
 - (a) not accept any commercial employment for a period of two years from the date he ceases to hold such office; and
 - (b) not represent any person before the Central Commission or any State Commission in any manner.

Explanation. - For the purposes of this sub-section “commercial employment” means employment in any capacity in any organisation which has been a party to the proceedings before the Appropriate Commission or employment in any capacity under, or agency of, a person engaged in trading, commercial, industrial or financial business in electricity industry and includes a director of a company or partner of a firm or setting up practice either independently or as partner of a firm or as an advisor or a consultant.

Removal of member.

90. (1) No Member shall be removed from office except in accordance with the provisions of this section.
- (2) The Central Government, in the case of a Member of the Central Commission, and the State Government, in the case of a Member of the State Commission, may by order remove from office any Member, if he-
- (a) has been adjudged an insolvent;
 - (b) has been convicted of an offence which, in the opinion of the Appropriate Government, involves moral turpitude;
 - (c) has become physically or mentally incapable of acting as a Member;
 - (d) has acquired such financial or other interest as is likely to affect prejudicially his functions as a Member;
 - (e) has so abused his position as to render his continuance in office prejudicial to the public interest; or
 - (f) has been guilty of proved misbehaviour:

Provided that no Member shall be removed from his office on any ground specified in clauses (d), (e) and (f) unless the Chairperson of the Appellate Tribunal on a reference being made to him in this behalf by the Central Government, or the State Government, as the case may be, has, on an inquiry, held by him in accordance with such procedure as may be prescribed by the Central Government, reported that the Member ought on such ground or grounds to be removed.

- (3) The Central Government or the State Government, as the case may be, may, in consultation with the Chairperson of the Appellate Tribunal suspend any Member of the Appropriate Commission in respect of whom a reference has been made to the Chairperson of the Appellate Tribunal, under sub-section (2) until the Central Government or the State Government, as the case may be, has passed orders on receipt of the report of the Chairperson of the Appellate Tribunal, on such reference :

Provided that nothing contained in this section shall apply to the Chairperson of the Appropriate Commission who, at the time of his appointment as such is a sitting Judge of the Supreme court or the Chief Justice of a High Court or a Judge of a High Court.

Proceedings and powers of the Appropriate Commission

Secretary
Officers and
other
employees of
Appropriate
Commission .

91. (1) The Appropriate Commission may appoint a Secretary to exercise such powers and perform such duties as may be specified.
- (2) The Appropriate Commission may, with the approval of the Appropriate Government, specify the numbers, nature and categories of other officers and employees.
- (3) The salaries and allowances payable to, and other terms and conditions of service of, the Secretary, officers and other employees shall be such as may be specified with the approval of the Appropriate Government.
- (4) The Appropriate Commission may appoint consultants required to assist that Commission in the discharge of its functions on the terms and conditions as may be specified.

Proceedings of
Appropriate
Commission.

92. (1) The Appropriate Commission shall meet at the head office or any other place at such time as the Chairperson may direct, and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at its meetings) as it may specify.

- (2) The Chairperson, or if he is unable to attend a meeting of the Appropriate Commission, any other Member nominated by the Chairperson in this behalf and, in the absence of such nomination or where there is no Chairperson, any Member chosen by the Members present from amongst themselves, shall preside at the meeting.
- (3) All questions which come up before any meeting of the Appropriate Commission shall be decided by a majority of votes of the Members present and voting, and in the event of an equality of votes, the Chairperson or in his absence, the person presiding shall have a second or casting vote.
- (4) Save as otherwise provided in sub-section (3), every Member shall have one vote.
- (5) All orders and decisions of the Appropriate Commission shall be authenticated by its Secretary or any other officer of the Commission duly authorised by the Chairperson in this behalf.

Vacancies, etc., not to invalidate proceedings.

93. No act or proceeding of the Appropriate Commission shall be questioned or shall be invalidated merely on the ground of existence of any vacancy or defect in the constitution of the Appropriate Commission.

Powers of Appropriate Commission .

94. (1) The Appropriate Commission shall, for the purposes of any inquiry or proceedings under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 in respect of the following matters, namely: -

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) discovery and production of any document or other material object producible as evidence;
- (c) receiving evidence on affidavits;
- (d) requisitioning of any public record;
- (e) issuing commission for the examination of witnesses;
- (f) reviewing its decisions, directions and orders;
- (g) any other matter which may be prescribed.

(2) The Appropriate Commission shall have the powers to pass such interim order in any proceeding, hearing or matter before the Appropriate Commission, as that Commission may consider appropriate.

5 of 1908

(3) The Appropriate Commission may authorise any person, as it deems fit, to represent the interest of the consumers in the proceedings before it.

Proceedings before Commission. 95. All proceedings before the Appropriate Commission shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code and the Appropriate Commission shall be deemed to be a civil court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973. 45 of 1860
2 of 1974

Powers of entry and seizure. 96. The Appropriate Commission or any officer, not below the rank of a Gazetted Officer specially authorised in this behalf by the Commission, may enter any building or place where the Commission has reason to believe that any document relating to the subject matter of the inquiry may be found, and may seize any such document or take extracts or copies therefrom subject to the provisions of section 100 of the Code of Criminal Procedure, 1973, insofar as it may be applicable. 2 of 1974

Delegation. 97. The Appropriate Commission may, by general or special order in writing, delegate to any Member, Secretary, Officer of the Appropriate Commission or any other person subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Act (except the powers to adjudicate disputes under Section 79 and Section 86 and the powers to make regulations under section 178 or section 181) as it may deem necessary.

Grants, Fund, Accounts, Audit and Report

Grants and loans by Central Government 98. The Central Government may, after due appropriation made by Parliament in this behalf, make to the Central Commission grants and loans of such sums of money as that Government may consider necessary.

Establishment of Fund by Central Government 99. (1) There shall be constituted a Fund to be called the Central Electricity Regulatory Commission Fund and there shall be credited thereto-

- (a) any grants and loans made to the Central Commission by the Central Government under section 98;
- (b) all fees received by the Central Commission under this Act;
- (c) all sums received by the Central Commission from such other sources as may be decided upon by the Central Government.

(2) The Fund shall be applied for meeting –

- (a) the salary, allowances and other remuneration of Chairperson, Members, Secretary, officers and other employees of the Central Commission;

- (b) the expenses of the Central Commission in discharge of its functions under section 79;
- (c) the expenses on objects and for purposes authorised by this Act.
- (3) The Central Government may, in consultation with the Comptroller and Auditor-General of India, prescribe the manner of applying the Fund for meeting the expenses specified in clause (b) or clause (c) of sub-section (2).
- Accounts and Audit of Central Commission. 100. (1) The Central Commission shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.
- (2) The accounts of the Central Commission shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Central Commission to the Comptroller and Auditor-General of India.
- (3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of the Central Commission under this Act shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General of India has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Central Commission.
- (4) The accounts of the Central Commission, as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf, together with the audit report thereon, shall be forwarded annually to the Central Government and that Government shall cause the same to be laid, as soon as may be after it is received, before each House of Parliament.
- Annual Report of Central Commission 101. (1) The Central Commission shall prepare once every year, in such form and at such time as may be prescribed, an annual report giving a summary of its activities during the previous year and copies of the report shall be forwarded to the Central Government.
- (2) A copy of the report received under sub-section (1) shall be laid, as soon as may be after it is received, before each House of Parliament.

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| Grants and Loans by State Government | 102. The State Government may, after due appropriation made by Legislature of a State in this behalf, make to the State Commission grants and loans of such sums of money as that Government may consider necessary. |
| Establishment of Fund by State Government | <p>103. (1) There shall be constituted a Fund to be called the State Electricity Regulatory Commission fund and there shall be credited thereto-</p> <ul style="list-style-type: none"> (a) any grants and loans made to the State Commission by the State Government under Section 102; (b) all fees received by the State Commission under this Act; (c) all sums received by the State Commission from such other sources as may be decided upon by the State Government. <p>(2) The Fund shall be applied for meeting –</p> <ul style="list-style-type: none"> (a) the salary, allowances and other remuneration of Chairperson, Members, Secretary, officers and other employees of the State Commission; (b) the expenses of the State Commission in discharge of its functions under Section 86; and (c) the expenses on objects and for purposes authorised by this Act. <p>(3) The State Government may, in consultation with the Comptroller and Auditor-General of India, prescribe the manner of applying the Fund for meeting the expenses specified in clause (b) or clause (c) of sub-section (2).</p> |
| Accounts and audit of State Commission | <p>104. (1) The State Commission shall maintain proper accounts and other relevant records and prepare annual statement of accounts in such forms as may be prescribed by the State Government in consultation with the Comptroller and Auditor-General of India.</p> <p>(2) The Accounts of the State Commission shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the State Commission to the Comptroller and Auditor-General of India.</p> <p>(3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of the State Commission under this Act shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General of India generally has in connection with</p> |

the audit of Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the State Commission.

- (4) The accounts of the State Commission, as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf, together with the audit report thereon shall be forwarded annually to the State Government and that Government shall cause the same to be laid, as soon as may be after it is received, before the State Legislature.

Annual report of State Commission

105. (1) The State Commission shall prepare once every year in such form and at such time as may be prescribed, an annual report giving a summary of its activities during the previous year and copies of the report shall be forwarded to the State Government.
- (2) A copy of the report received under sub-section (1) shall be laid, as soon as may be after it is received, before the State Legislature.

Budget of Appropriate Commission

106. The Appropriate Commission shall prepare, in such form and at such time in each financial year as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of that Commission and forward the same to the Appropriate Government.

Directions by Central Government.

107. (1) In the discharge of its functions, the Central Commission shall be guided by such directions in matters of policy involving public interest as the Central Government may give to it in writing.
- (2) If any question arises as to whether any such direction relates to a matter of policy involving public interest, the decision of the Central Government thereon shall be final.

Directions by State Government.

108. (1) In the discharge of its functions, the State Commission shall be guided by such directions in matters of policy involving public interest as the State Government may give to it in writing.
- (2) If any question arises as to whether any such direction relates to a matter of policy involving public interest, the decision of the State Government thereon shall be final.

Directions to Joint Commission.

109. Notwithstanding anything contained in this Act, where any Joint Commission is established under section 83 –
- (a) the Government of the State, for which the Joint Commission is established, shall be competent to give any direction under this Act only in cases where such

direction relates to matter within the exclusive territorial jurisdiction of the State;

- (b) the Central Government alone shall be competent to give any direction under this Act where such direction relates to a matter within the territorial jurisdiction of two or more States or pertaining to a Union territory if the participating Governments fail to reach an agreement or the participating States or majority of them request the Central Government to issue such directions.

CHAPTER XI

APPELLATE TRIBUNAL FOR ELECTRICITY

Establishment
of Appellate
Tribunal.

110. The Central Government shall, by notification, establish an Appellate Tribunal to be known as the Appellate Tribunal for Electricity to hear appeals against the orders of the adjudicating officer or the Appropriate Commission under this Act.

Appeal to
Appellate
Tribunal.

111. (1) Any person aggrieved by an order made by an adjudicating officer under this Act (except under section 127) or an order made by the Appropriate Commission under this Act may prefer an appeal to the Appellate Tribunal for Electricity:

Provided that any person appealing against the order of the adjudicating officer levying any penalty shall, while filling the appeal, deposit the amount of such penalty:

Provided further that where in any particular case, the Appellate Tribunal is of the opinion that the deposit of such penalty would cause undue hardship to such person, it may dispense with such deposit subject to such conditions as it may deem fit to impose so as to safeguard the realisation of penalty.

- (2) Every appeal under sub-section (1) shall be filed within a period of forty-five days from the date on which a copy of the order made by the adjudicating officer or the Appropriate Commission is received by the aggrieved person and it shall be in such form, verified in such manner and be accompanied by such fee as may be prescribed:

Provided that the Appellate Tribunal may entertain an appeal after the expiry of the said period of forty-five days if it is satisfied that there was sufficient cause for not filing it within that period.

- (3) On receipt of an appeal under sub-section (1), the Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appealed against.

- (4) The Appellate Tribunal shall send a copy of every order made by it to the parties to the appeal and to the concerned adjudicating officer or the Appropriate Commission, as the case may be.
- (5) The appeal filed before the Appellate Tribunal under sub-section (1) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within one hundred and eighty days from the date of receipt of the appeal:

Provided that where any appeal could not be disposed off within the said period of one hundred and eighty days, the Appellate Tribunal shall record its reasons in writing for not disposing of the appeal within the said period.
- (6) The Appellate Tribunal may, for the purpose of examining the legality, propriety or correctness of any order made by the adjudicating officer or the Appropriate Commission under this Act, as the case may be, in relation to any proceeding, on its own motion or otherwise, call for the records of such proceedings and make such order in the case as it thinks fit.

Composition
of Appellate
Tribunal.

112. (1) The Appellate Tribunal shall consist of a Chairperson and three other Members.
- (2) Subject to the provisions of this Act,-
- (a) the jurisdiction of the Appellate Tribunal may be exercised by Benches thereof;
 - (b) a Bench may be constituted by the Chairperson of the Appellate Tribunal with two or more Members of the Appellate Tribunal as the Chairperson of the Appellate Tribunal may deem fit:

Provided that every Bench constituted under this clause shall include at least one Judicial Member and one Technical Member;
 - (c) the Benches of the Appellate Tribunal shall ordinarily sit at Delhi and such other places as the Central Government may, in consultation with the Chairperson of the Appellate Tribunal, notify;
 - (d) the Central Government shall notify the areas in relation to which each Bench of the Appellate Tribunal may exercise jurisdiction.
- (3) Notwithstanding anything contained in sub-section (2), the Chairperson of the Appellate Tribunal may transfer a Member of the Appellate Tribunal from one Bench to another Bench.

Explanation.- For the purposes of this Chapter,-

- (i) “Judicial Member” means a Member of the Appellate Tribunal appointed as such under sub-clause (i) of clause (b) of sub-section (1) of section 113, and includes the Chairperson of the Appellate Tribunal;
 - (ii) “Technical Member” means a Member of the Appellate Tribunal appointed as such under sub-clause (ii) or sub-clause (iii) of clause (b) of sub-section (1) of section 113.
- Qualifications for appointment of Chairperson and Member of the Appellate Tribunal.
113. (1) A person shall not be qualified for appointment as the Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal unless he-
- (a) in the case of the Chairperson of the Appellate Tribunal, is, or has been, a judge of the Supreme Court or the Chief Justice of a High Court; and
 - (b) in the case of a Member of the Appellate Tribunal,-
 - (i) is, or has been, or is qualified to be, a Judge of a High Court; or
 - (ii) is, or has been, a Secretary for at least one year in the Ministry or Department of the Central Government dealing with economic affairs or matters or infrastructure; or
 - (iii) is, or has been, a person of ability and standing, having adequate knowledge or experience in dealing with the matters relating to electricity generation, transmission and distribution and regulation or economics, commerce, law or management.
- (2) The Chairperson of the Appellate Tribunal shall be appointed by the Central Government after consultation with the Chief Justice of India.
- (3) The Members of the Appellate Tribunal shall be appointed by the Central Government on the recommendation of the Selection Committee referred to in section 78.
- (4) Before appointing any person for appointment as Chairperson or other Member of the Appellate Tribunal, the Central Government shall satisfy itself that such person does not have any financial or other interest which is likely to affect prejudicially his functions as such Chairperson or Member.
- Term of office.
114. The Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal shall hold office as such for a term of three years from the date on which he enters upon his office:

Provided that such Chairperson or other Member shall be eligible for reappointment for a second term of three years:

Provided further that no Chairperson of the Appellate Tribunal or Member of the Appellate Tribunal shall hold office as such after he has attained,-

- (a) in the case of the Chairperson of the Appellate Tribunal , the age of seventy years;
- (b) in the case of a Member of the Appellate Tribunal, the age of sixty-five years.

Terms and conditions of service.

115. The salary and allowances payable to, and the other terms and conditions of service of, the Chairperson of the Appellate Tribunal and Members of the Appellate Tribunal shall be such as may be prescribed by the Central Government :

Provided that neither the salary and allowances nor the other terms and conditions of service of the Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal shall be varied to his disadvantage after appointment.

Vacancies.

116. If, for reason other than temporary absence, any vacancy occurs in the office of the Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal, the Central Government shall appoint another person in accordance with the provisions of this Act to fill the vacancy and the proceedings may be continued before the Appellate Tribunal from the stage at which the vacancy is filled.

Resignation and removal

117. (1) The Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal may, by notice in writing under his hand addressed to the Central Government, resign his office:

Provided that the Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of term of office, whichever is the earliest.

- (2) The Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal shall not be removed from his office except by an order by the Central Government on the ground of proved misbehaviour or incapacity after an inquiry made by a judge of the Supreme Court as the Central Government may appoint for this purpose in which the Chairperson or a Member of the Appellate Tribunal concerned has been informed of the charges against him and given a reasonable opportunity of being heard in respect of such charges.

- Member to act as Chairperson in certain circumstances.
118. (1) In the event of the occurrence of any vacancy in the office of the Chairperson of the Appellate Tribunal by reason of his death, resignation or otherwise, the senior-most Member of the Appellate Tribunal shall act as the Chairperson of the Appellate Tribunal until the date on which a new Chairperson, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office.
- (2) When the Chairperson of the Appellate Tribunal is unable to discharge his functions owing to absence, illness or any other cause, the senior-most Member of the Appellate Tribunal shall discharge the functions of the Chairperson of the Appellate Tribunal until the date on which the Chairperson of the Appellate Tribunal resumes his duties.
- Officers and other employees of Appellate Tribunal..
119. (1) The Central Government shall provide the Appellate Tribunal with such officers and other employees as it may deem fit.
- (2) The officers and other employees of the Appellate Tribunal shall discharge their functions under the general superintendence of the Chairperson of the Appellate Tribunal.
- (3) The salaries and allowances and other terms and conditions of service of the officers and other employees of the Appellate Tribunal shall be such as may be prescribed by the Central Government.
- Procedure and powers of Appellate Tribunal.
120. (1) The Appellate Tribunal shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908, but shall be guided by the principles of natural justice and, subject to the other provisions of this Act, the Appellate Tribunal shall have powers to regulate its own procedure. 5 of 1908
- (2) The Appellate Tribunal shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:- 5 of 1908
- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) requiring the discovery and production of documents;
- (c) receiving evidence on affidavits;
- (d) subject to the provisions of sections 123 and 124 of the Indian Evidence Act, 1872, requisitioning 1 of 1872

		any public record or document or copy of such record or document from any office;
		(e) issuing commissions for the examination of witnesses or documents;
		(f) reviewing its decisions;
		(g) dismissing a representation of default or deciding it <i>ex parte</i> ;
		(h) setting aside any order of dismissal or any representation for default or any order passed by it <i>ex parte</i> ;
		(i) any other matter which may be prescribed by the Central Government.
	(3)	An order made by the Appellate Tribunal under this Act shall be executable by the Appellate Tribunal as a decree of civil court and, for this purpose, the Appellate Tribunal shall have all the powers of a civil court.
	(4)	Notwithstanding anything contained in sub-section (3), the Appellate Tribunal may transmit any order made by it 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.
45 of 1860.	(5)	All proceedings before the Appellate Tribunal shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code and the Appellate Tribunal shall be deemed to be a civil court for the purposes of section 345 and 346 of the Code of Criminal Procedure, 1973.
2 of 1974.		
Power of Appellate Tribunal	121.	The Appellate Tribunal may, after hearing the Appropriate Commission or other interested party, if any, from time to time, issue such orders, instructions or directions as it may deem fit, to any Appropriate Commission for the performance of its statutory functions under this Act.
Distribution of business amongst Benches and transfer of cases from one Bench to another Bench.	122. (1)	Where Benches are constituted, the Chairperson of the Appellate Tribunal may, from time to time, by notification, make provisions as to the distribution of the business of the Appellate Tribunal amongst the Benches and also provide for the matters which may be dealt with by each Bench.
	(2)	On the application of any of the parties and after notice to the parties, and after hearing such of them as he may desire to be heard, or on his own motion without such notice, the Chairperson of the Appellate Tribunal may transfer any case pending before one Bench, for disposal, to any other Bench.

Decision to be by majority. 123. If the Members of the Appellate Tribunal of a Bench consisting of two Members differ in opinion on any point, they shall state the point or points on which they differ, and make a reference to the Chairperson of the Appellate Tribunal who shall either hear the point or points himself or refer the case for hearing on such point or points by one or more of the other Members of the Appellate Tribunal and such point or points shall be decided according to the opinion of the majority of the Members of the Appellate Tribunal who have heard the case, including those who first heard it.

Right of appellant to take assistance of legal practitioner and of Appropriate Commission to appoint presenting officers. 124. (1) A person preferring an appeal to the Appellate Tribunal under this Act may either appear in person or take the assistance of a legal practitioner of his choice to present his case before the Appellate Tribunal, as the case may be.
(2) The Appropriate Commission may authorise one or more legal practitioners or any of its officers to act as presenting officers and every person so authorised may present the case with respect to any appeal before the Appellate Tribunal, as the case may be.

Appeal to Supreme Court. 125. Any person aggrieved by any decision or order of the Appellate Tribunal, may, file an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the Appellate Tribunal, to him, on any one or more of the grounds specified in section 100 of the Code of Civil Procedure, 1908:

5 of 1908

Provided that the Supreme Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days.

PART – XII

INVESTIGATION AND ENFORCEMENT

Assessment. 126 (1) If on an inspection of any place or premises or after inspection of the equipments, gadgets, machines, devices found connected or used, or after inspection of records maintained by any person, the assessing officer comes to the conclusion that such person is indulging in unauthorized use of electricity, he shall provisionally assess to the best of his judgement the electricity charges payable by such person or by any other person benefited by such use.
(2) The order of provisional assessment shall be served upon the person in occupation or possession or in charge of the place or premises in such manner as may be prescribed.

- ¹(3) The person, on whom an order has been served under sub-section (2) shall be entitled to file objections, if any, against the provisional assessment before the assessing officer, who shall, after affording a reasonable opportunity of hearing to such person, pass a final order of assessment within thirty days from the date of service of such order of provisional assessment of the electricity charges payable by such person.
- (4) Any person served with the order of provisional assessment, may, accept such assessment and deposit the assessed amount with the licensee within seven days of service of such provisional assessment order upon him:²
- ³(5) If the assessing officer reaches to the conclusion that unauthorised use of electricity has taken place, the assessment shall be made for the entire period during which such unauthorized use of electricity has taken place and if, however, the period during which such unauthorised use of electricity has taken place cannot be ascertained, such period shall be limited to a period of twelve months immediately preceding the date of inspection.
- (6) The assessment under this section shall be made at a rate equal to ⁴twice the tariff applicable for the relevant category of services specified in sub-section (5).

Explanation.- For the purposes of this section,-

- (a) “assessing officer” means an officer of a State Government or Board or licensee, as the case may be, designated as such by the State Government ;
- (b) “unauthorised use of electricity” means the usage of electricity –
- (i) by any artificial means; or
 - (ii) by a means not authorised by the concerned person or authority or licensee; or
 - (iii) through a tampered meter; or

¹Subs. By Act 26 of 2007, sec. 11(i), for sub-section (3) (w.e.f. 15-6-2007). Sub-section (3), before substitution, stood as under:“(3) The person, on whom an order has been served under sub-section (2) shall be entitled to file objections, if any, against the provisional assessment before the assessing officer, who may, after affording a reasonable opportunity of hearing to such person, pass a final order of assessment of the electricity charges payable by such person.”

²The proviso omitted by Act 26 of 2007, sec. 11(ii) (w.e.f. 15-6-2007). The proviso, before omission, stood as under:“Provided that in case the person deposits the assessed amount, he shall not be subjected to any further liability or any action by any authority whatsoever.”

³Subs. By Act 26 of 2007, sec. 11(iii), for sub-section (5) (w.e.f. 15-6-2007). Sub-section (5), before substitution, stood as under:

“(5) If the assessing officer reaches to the conclusion that unauthorised use of electricity has taken place, it shall be presumed that such unauthorized use of electricity was continuing for a period of three months immediately preceding the date of inspection in case of domestic and agricultural services and for a period of six months immediately preceding the date of inspection for all other categories of services, unless the onus is rebutted by the person, occupier or possessor of such premises or place.”

⁴ Subs. By Act 26 of 2007, sec. 11(iv), for “one and half times” (w.e.f. 15-6-2007).

- ¹(iv) for the purpose other than for which the usage of electricity was authorised; or
- (v) for the premises or areas other than those for which the supply of electricity was authorised.

Appeal to Appellate Authority.

127. (1) Any person aggrieved by a final order made under section 126 may, within thirty days of the said order, prefer an appeal in such form, verified in such manner and be accompanied by such fee as may be specified by the State Commission, to an appellate authority as may be prescribed.
- (2) No appeal against an order of assessment under sub-section (1) shall be entertained unless an amount equal to ²half of the assessed amount is deposited in cash or by way of bank draft with the licensee and documentary evidence of such deposit has been enclosed along with the appeal.
- (3) The appellate authority referred to in sub-section (1) shall dispose of the appeal after hearing the parties and pass appropriate order and send copy of the order to the assessing officer and the appellant.
- (4) The order of the appellate authority referred to in sub-section (1) passed under sub-section (3) shall be final.
- (5) No appeal shall lie to the appellate authority referred to in sub-section (1) against the final order made with the consent of the parties.
- (6) When a person defaults in making payment of assessed amount, he, in addition to the assessed amount shall be liable to pay, on the expiry of thirty days from the date of order of assessment, an amount of interest at the rate of sixteen per cent per annum compounded every six months.

Investigation of certain matters

128. (1) The Appropriate Commission may, on being satisfied that a licensee has failed to comply with any of the conditions of licence or a generating company or a licensee has failed to comply with any of the provisions of this Act or rules or regulations made thereunder, at any time, by order in writing, direct any person (hereafter in this section referred to as “Investigating Authority”) specified in the order to investigate the affairs of any generating company or licensee and to report to that Commission on any investigation made by such Investigating Authority:

Provided that the Investigating Authority may, wherever necessary, employ any auditor or any other person for the purpose of assisting him in any investigation under this section.

- (2) Notwithstanding anything to the contrary contained in section 235 of the Companies Act, 1956, the Investigating

¹Subs. By Act 26 of 2007, sec. 11(v), for sub-clause (iv) (w.e.f. 15-6-2007), sub-clause (iv), before substitution, stood as under:

“(iv) for the purpose other than for which the usage of electricity was authorized.”

²Subs. By Act 26 of 2007, sec. 12, for “one-third of the assessed amount” (w.e.f. 15-6-2007).

Authority may, at any time, and shall, on being directed so to do by the Appropriate Commission, cause an inspection to be made, by one or more of its officers, of any licensee or generating company and his books of account; and the Investigating Authority shall supply to the licensee or generating company, as the case may be, a copy of his report on such inspection.

- (3) It shall be the duty of every manager, managing director or other officer of the licensee or generating company, as the case may be, to produce before the Investigating Authority directed to make the investigation under sub-section (1), or inspection under sub-section (2), all such books of account, registers and other documents in his custody or power and to furnish him with any statement and information relating to the affairs of the licensee or generating company, as the case may be, as the said Investigating Authority may require of him within such time as the said Investigating Authority may specify.
- (4) Any Investigating Authority, directed to make an investigation under sub-section (1), or inspection under sub-section (2), may examine on oath any manager, managing director or other officer of the licensee or generating company, as the case may be, in relation to his business and may administer oaths accordingly.
- (5) The Investigating Authority, shall, if it has been directed by the Appropriate Commission to cause an inspection to be made, and may, in any other case, report to the Appropriate Commission on any inspection made under this section.
- (6) On receipt of any report under sub-section (1) or sub-section (5), the Appropriate Commission may, after giving such opportunity to the licensee or generating company, as the case may be, to make a representation in connection with the report as in the opinion of the Appropriate Commission, seems reasonable, by order in writing—
 - (a) require the licensee or the generating company to take such action in respect of any matter arising out of the report as the Appropriate Commission may think fit; or
 - (b) cancel the licence; or
 - (c) direct the generating company to cease to carry on the business of generation of electricity.
- (7) The Appropriate Commission may, after giving reasonable notice to the licensee or the generating company, as the case may be, publish the report submitted by the Investigating Authority under sub-section (5) or such portion thereof as may appear to it to be necessary.

- (8) The Appropriate Commission may specify the minimum information to be maintained by the licensee or the generating company in their books, the manner in which such information shall be maintained, the checks and other verifications to be adopted by licensee or the generating company in that connection and all other matters incidental thereto as are, in its opinion, necessary to enable the Investigating Authority to discharge satisfactorily its functions under this section.

Explanation.- For the purposes of this section, the expression “licensee or the generating company” shall include in the case of a licensee incorporated in India—

- (a) all its subsidiaries formed for the purpose of carrying on the business of generation or transmission or distribution or trading of electricity exclusively outside India; and
 - (b) all its branches whether situated in India or outside India.
- (9) All expenses of, and incidental to, any investigation made under this section shall be defrayed by the licensee or the generating company, as the case may be, and shall have priority over that debts due from the licensee or the generating company and shall be recoverable as an arrear of land revenue.

Orders for securing compliance

- 129 (1) Where the Appropriate Commission, on the basis of material in its possession, is satisfied that a licensee is contravening, or is likely to contravene, any of the conditions mentioned in his licence or conditions for grant of exemption or the licensee or the generating company has contravened or is likely to contravene any of the provisions of this Act, it shall, by an order, give such directions as may be necessary for the purpose of securing compliance with that condition or provision.
- (2) While giving direction under sub-section (1), the Appropriate Commission shall have due regard to the extent to which any person is likely to sustain loss or damage due to such contravention.

Procedure for issuing directions by Appropriate Commission.

130. The Appropriate Commission, before issuing any direction under section 129, shall—
- (a) serve notice in the manner as may be specified to the concerned licensee or generating company;
 - (b) publish the notice in the manner as may be specified for the purpose of bringing the matters to the attention of persons, likely to be affected, or affected;
 - (c) consider suggestions and objections from the concerned licensee or generating company and the persons, likely to be affected, or affected.

PART – XIII

REORGANISATION OF BOARD

Vesting of
property of
Board in State
Government.

131. (1) With effect from the date on which a transfer scheme, prepared by the State Government to give effect to the objects and purposes of this Act, is published or such further date as may be stipulated by the State Government (hereafter in this Part referred to as the effective date), any property, interest in property, rights and liabilities which immediately before the effective date belonged to the State Electricity Board (hereafter referred to as the Board) shall vest in the State Government on such terms as may be agreed between the State Government and the Board.
- (2) Any property, interest in property, rights and liabilities vested in the State Government under sub-section (1) shall be re-vested by the State Government in a Government company or in a company or companies, in accordance with the transfer scheme so published along with such other property, interest in property, rights and liabilities of the State Government as may be stipulated in such scheme, on such terms and conditions as may be agreed between the State Government and such company or companies being State Transmission Utility or generating company or transmission licensee or distribution licensee, as the case may be :
- Provided that the transfer value of any assets transferred hereunder shall be determined, as far as may be, based on the revenue potential of such assets at such terms and conditions as may be agreed between the State Government and the State Transmission Utility or generating company or transmission licensee or distribution licensee, as the case may be.
- (3) Notwithstanding anything contained in this section, where,-
- (a) the transfer scheme involves the transfer of any property or rights to any person or undertaking not wholly owned by the State Government, the scheme shall give effect to the transfer only for fair value to be paid by the transferee to the State Government;
- (b) a transaction of any description is effected in pursuance of a transfer scheme, it shall be binding on all persons including third parties and even if such persons or third parties have not consented to it.

- (4) The State Government may, after consulting the Government company or company or companies being State Transmission Utility or generating company or transmission licensee or distribution licensee, referred to in sub-section (2) (hereinafter referred to as the transferor), require such transferor to draw up a transfer scheme to vest in a transferee being any other generating company or transmission licensee or distribution licensee, the property, interest in property, rights and liabilities which have been vested in the transferor under this section, and publish such scheme as statutory transfer scheme under this Act.
- (5) A transfer scheme under this section may-
- (a) provide for the formation of subsidiaries, joint venture companies or other schemes of division, amalgamation, merger, reconstruction or arrangements which shall promote the profitability and viability of the resulting entity, ensure economic efficiency, encourage competition and protect consumer interests;
 - (b) define the property, interest in property, rights and liabilities to be allocated -
 - (i) by specifying or describing the property, rights and liabilities in question; or
 - (ii) by referring to all the property, interest in property, rights and liabilities comprised in a described part of the transferor's undertaking; or
 - (iii) partly in one way and partly in the other;
 - (c) provide that any rights or liabilities stipulated or described in the scheme shall be enforceable by or against the transferor or the transferee;
 - (d) impose on the transferor an obligation to enter into such written agreements with or execute such other instruments in favour of any other subsequent transferee as may be stipulated in the scheme;
 - (e) mention the functions and duties of the transferee;
 - (f) make such supplemental, incidental and consequential provisions as the transferor considers appropriate including provision stipulating the order as taking effect; and
 - (g) provide that the transfer shall be provisional for a stipulated period.

- (6) All debts and obligations incurred, all contracts entered into and all matters and things engaged to be done by the Board, with the Board or for the Board, or the State Transmission Utility or generating company or transmission licensee or distribution licensee, before a transfer scheme becomes effective shall, to the extent specified in the relevant transfer scheme, be deemed to have been incurred, entered into or done by the Board, with the Board or for the State Government or the transferee and all suits or other legal proceedings instituted by or against the Board or transferor, as the case may be, may be continued or instituted by or against the State Government or concerned transferee, as the case may be.
- (7) The Board shall cease to be charged with and shall not perform the functions and duties with regard to transfers made on and after the effective date.

Explanation.- For the purposes of this Part, -

- (a) "Government company" means a Government Company formed and registered under the Companies Act, 1956. 1 of 1956
- (b) "company" means a company to be formed and registered under the Companies Act, 1956 to undertake generation or transmission or distribution in accordance with the scheme under this Part. 1 of 1956

Use of proceeds of sale or transfer of the Board etc.

- 132. In the event that a Board or any utility owned or controlled by the Appropriate Government is sold or transferred in any manner to a person who is not owned or controlled by the Appropriate Government, the proceeds from such sale or transfer shall be utilised in priority to all other dues in the following order, namely:-
 - (a) dues (including retirement benefits due) to the officers and employees of such Board or utility, who have been affected by the aforesaid sale or transfer;
 - (b) payment of debt or other liabilities of the transferor as may be required by the existing loan covenants.

Provisions relating to officers and employees.

- 133. (1) The State Government may, by a transfer scheme, provide for the transfer of the officers and employees to the transferee on the vesting of properties, rights and liabilities in such transferee as provided under section 131.
- (2) Upon such transfer under the transfer scheme, the personnel shall hold office or service under the transferee on such terms and conditions as may be determined in accordance with the transfer scheme:
 Provided that such terms and conditions on the transfer shall not in any way be less favourable than those which

would have been applicable to them if there had been no such transfer under the transfer scheme:

Provided further that the transfer can be provisional for a stipulated period.

Explanation: - For the purposes of this section and the transfer scheme, the expression “officers and employees” shall mean all officers and employees who on the date specified in the scheme are the officers and employees of the Board or transferor, as the case may be.

Payment of compensation or damages on transfer.

134. Notwithstanding anything contained in the Industrial Disputes Act, 1947 or any other law for the time being in force and except for the provisions made in this Act, the transfer of the employment of the officers and employees referred to in sub-section (1) of section 133 shall not entitle such officers and employees to any compensation or damages under this Act, or any other Central or State law, save as provided in the transfer scheme.

14 of 1947

PART – XIV
OFFENCES AND PENALTIES

Theft of Electricity.

135. ¹(1) Whoever, dishonestly, —
(a) taps, makes or causes to be made any connection with overhead, underground or under water lines or cables, or service wires, or service facilities of a licensee or supplier as the case may be; or
(b) tampers a meter, installs or uses a tampered meter, current reversing transformer, loop connection or any other device or method which interferes with accurate or proper registration, calibration or metering of electric current or otherwise results in a manner whereby electricity is stolen or wasted; or

¹Subs. By Act 26 of 2007, sec. 13(A), for sub-section (1) (w.e.f. 15-6-2007). Sub-section (1), before substitution, stood as under:

“(1) Whoever, dishonestly, —

(a) taps, makes or causes to be made any connection with overhead, underground or under water lines or cables, or service wires, or service facilities of a licensee; or

(b) tampers a meter, installs or uses a tampered meter, current reversing transformer, loop connection or any other device or method which interferes with accurate or proper registration, calibration or metering of electric current or otherwise results in a manner whereby electricity is stolen or wasted; or

(c) damages or destroys an electric meter, apparatus, equipment, or wire or causes or allows any of them to be so damaged or destroyed as to interfere with the proper or accurate metering of electricity, so as to abstract or consume or use electricity shall be punishable with imprisonment for a term which may extend to three years or with fine or both.

Provided that in a case where the load abstracted, consumed, or used or attempted abstraction or attempted consumption or attempted use -

(i) does not exceed 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction the fine imposed shall not be less than six times the financial gain on account of such theft of electricity;

(ii) exceeds 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction, the sentence shall be imprisonment for a term not less than six months, but which may extend to five years and with fine not less than six times the financial gain on account of such theft of electricity:

Provided further that if it is proved that any artificial means or means not authorized by the Board or licensee, exist for the abstraction, consumption or use of electricity by the consumer, it shall be presumed, until the contrary is proved, that any abstraction, consumption or use of electricity has been dishonestly caused by such consumer.”

- (c) damages or destroys an electric meter, apparatus, equipment, or wire or causes or allows any of them to be so damaged or destroyed as to interfere with the proper or accurate metering of electricity, or
- (d) uses electricity through a tampered meter; or
- (e) uses electricity for the purpose other than for which the usage of electricity was authorised, so as to abstract or consume or use electricity shall be punishable with imprisonment for a term which may extend to three years or with fine or with both:

Provided that in a case where the load abstracted, consumed, or used or attempted abstraction or attempted consumption or attempted use -

- (i) does not exceed 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction the fine imposed shall not be less than six times the financial gain on account of such theft of electricity;
- (ii) exceeds 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction, the sentence shall be imprisonment for a term not less than six months, but which may extend to five years and with fine not less than six times the financial gain on account of such theft of electricity:

Provided further that in the event of second and subsequent conviction of a person where the load abstracted, consumed, or used or attempted abstraction or attempted consumption or attempted use exceeds 10 kilowatt, such person shall also be debarred from getting any supply of electricity for a period which shall not be less than three months but may extend to two years and shall also be debarred from getting supply of electricity for that period from any other source or generating station:

Provided also that if it is proved that any artificial means or means not authorized by the Board or licensee or supplier, as the case may be, exist for the abstraction, consumption or use of electricity by the consumer, it shall be presumed, until the contrary is proved, that any abstraction, consumption or use of electricity has been dishonestly caused by such consumer.

- (1A) Without prejudice to the provisions of this Act, the licensee or supplier, as the case may be, may, upon detection of such theft of electricity, immediately disconnect the supply of electricity:

Provided that only such officer of the licensee or supplier, as authorized for the purpose by the Appropriate Commission or any other officer of the licensee or supplier, as the case may be, of the rank higher than the rank so authorised shall disconnect the supply line of electricity:

Provided further that such officer of the licensee or supplier, as the case may be, shall lodge a complaint in writing relating to the commission of such offence in police station having jurisdiction within twenty four hours from the time of such disconnection:

Provided also that the licensee or supplier, as the case may be, on deposit or payment of the assessed amount or electricity charges in accordance with the provisions of this Act, shall, without prejudice to the obligation to lodge the complaint as referred to in the second proviso to this clause, restore the supply line of electricity within forty-eight hours of such deposit or payment.

- (2) ¹Any officer of the licensee or supplier, as the case may be, authorised in this behalf by the State Government may —
- (a) enter, inspect, break open and search any place or premises in which he has reason to believe that electricity ²has been or is being used unauthorisedly;
 - (b) search, seize and remove all such devices, instruments, wires and any other facilitator or article which has been or is being used for unauthorized use of electricity;
 - (c) examine or seize any books of account or documents which in his opinion shall be useful for or relevant to, any proceedings in respect of the offence under sub-section (1) and allow the person from whose custody such books of account or documents are seized to make copies thereof or take extracts therefrom in his presence.
- (3) The occupant of the place of search or any person on his behalf shall remain present during the search and a list of all things seized in the course of such search shall be prepared and delivered to such occupant or person who shall sign the list:

Provided that no inspection, search and seizure of any domestic places or domestic premises shall be carried out between sunset and sunrise except in the presence of an adult male member occupying such premises.

2 of 1974

- (4) The provisions of the Code of Criminal Procedure, 1973, relating to search and seizure shall apply, as far as may be, to searches and seizure under this Act.

Theft of electric lines and materials.

136. (1) Whoever, dishonestly —
- (a) cuts or removes or takes away or transfers any electric line, material or meter from a tower, pole, any other installation or place of installation or any other place, or site where it may be rightfully or

¹Subs. By Act 26 of 2007, sec. 13(B), for “Any officer authorized” (w.e.f. 15-6-2007)

²Subs. By Act 57 of 2003, sec. 5, for “has been, is being or is likely to be” (w.e.f. 27-1-2004)

lawfully stored, deposited, kept, stocked, situated or located including during transportation, without the consent of the licensee or the owner, as the case may be, whether or not the act is done for profit or gain; or

- (b) stores, possesses or otherwise keeps in his premises, custody or control, any electric line, material or meter without the consent of the owner, whether or not the act is committed for profit or gain; or
- (c) loads, carries, or moves from one place to another any electric line, material or meter without the consent of its owner, whether or not the act is done for profit or gain, is said to have committed an offence of theft of electric lines and materials, and shall be punishable with imprisonment for a term which may extend to three years or with fine or with both.

- (2) If a person, having been convicted of an offence punishable under sub-section (1) is again guilty of an offence punishable under that sub-section, he shall be punishable for the second or subsequent offence for a term of imprisonment which shall not be less than six months but which may extend to five years and shall also be liable to fine which shall not be less than ten thousand rupees.

Punishment
for receiving
stolen property

137. Whoever, dishonestly receives any stolen electric line or material knowing or having reasons to believe the same to be stolen property, shall be punishable with imprisonment of either description for a term which may extend to three years or with fine or with both.

Interference
with meters or
works of
licensee.

138. (1) Whoever, -
- (a) unauthorisedly connects any meter, indicator or apparatus with any electric line through which electricity is supplied by a licensee or disconnects the same from any such electric line; or
 - (b) unauthorisedly reconnects any meter, indicator or apparatus with any electric line or other works being the property of a licensee when the said electric line or other works has or have been cut or disconnected; or
 - (c) lays or causes to be laid, or connects up any works for the purpose of communicating with any other works belonging to a licensee; or
 - (d) maliciously injures any meter, indicator, or apparatus belonging to a licensee or willfully or fraudulently alters the index of any such meter, indicator or apparatus or prevents any such meter, indicator or apparatus from duly registering, shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend to ten

thousand rupees, or with both, and , in the case of a continuing offence, with a daily fine which may extend to five hundred rupees; and if it is proved that any means exist for making such connection as is referred to in clause (a) or such re-connection as is referred to in clause (b), or such communication as is referred to in clause (c), for causing such alteration or prevention as is referred to in clause (d), and that the meter, indicator or apparatus is under the custody or control of the consumer, whether it is his property or not, it shall be presumed, until the contrary is proved, that such connection, reconnection, communication, alteration, prevention or improper use, as the case may be, has been knowingly and willfully caused by such consumer.

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| Negligently breaking or damaging works. | 139. Whoever, negligently breaks, injures, throws down or damages any material connected with the supply of electricity, shall be punishable with fine which may extend to ten thousand rupees. |
| Penalty for intentionally injuring works. | 140. Whoever, with intent to cut off the supply of electricity, cuts or injures, or attempts to cut or injure, any electric supply line or works, shall be punishable with fine which may extend to ten thousand rupees. |
| Extinguishing public lamps. | 141. Whoever, maliciously extinguishes any public lamp shall be punishable with fine which may extend to two thousand rupees. |
| Punishment for non-compliance of directions by Appropriate Commission. | 142. 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 rules or regulations made thereunder, or any direction 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 one lakh rupees for each contravention and in case of a continuing failure with an additional penalty which may extend to six thousand rupees for every day during which the failure continues after contravention of the first such direction. |
| Power to adjudicate. | 143 (1) For the purpose of adjudging under this Act, the Appropriate Commission shall appoint any of its Members to be an adjudicating officer for holding an inquiry in such manner as may be prescribed by the Appropriate Government ,after giving any person concerned a reasonable opportunity of being heard for the purpose of imposing any penalty.

(2) While holding an inquiry, the adjudicating officer shall have power to summon and enforce the attendance of |

¹Subs. By Act 57 of 2003, sec. 6, for sections 139 and 140 (w.e.f. 27-1-2004). Prior to substitution it stood as:
“139. Whoever, negligently causes electricity to be wasted, or diverted or negligently breaks, injures, throws down or damages any material connected with the supply of electricity, shall be punishable with fine which may extend to ten thousand rupees.

140. Whoever, maliciously causes electricity to be wasted or diverted, or, with intent to cut off the supply of electricity, cuts or injures, or attempts to cut or injure, any electric supply line or works, shall be punishable with fine which may extend to ten thousand rupees.”

any person acquainted with the facts and circumstances of the case to give evidence or produce any document which in the opinion of the adjudicating officer, may be useful for or relevant to the subject-matter of the inquiry, and if, on such inquiry, he is satisfied that the person has failed to comply with the provisions of section 29 or section 33 or section 43, he may impose such penalty as he thinks fit in accordance with the provisions of any of those sections.

Factors to be taken into account by adjudicating officer.	144.	While adjudicating the quantum of penalty under section 29 or section 33 or section 43, the adjudicating officer shall have due regard to the following factors, namely:- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default; (b) the repetitive nature of the default.
Civil court not to have jurisdiction	145.	No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which an assessing officer referred to in section 126 or an appellate authority referred to in section 127 or the adjudicating officer appointed under this Act is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.
Punishment for non-compliance of orders or directions.	146.	Whoever, fails to comply with any order or direction given under this Act, within such time as may be specified in the said order or direction or contravenes or attempts or abets the contravention of any of the provisions of this Act or any rules or regulations made thereunder, shall be punishable with imprisonment for a term which may extend to three months or with fine, which may extend to one lakh rupees, or with both in respect of each offence and in the case of a continuing failure, with an additional fine which may extend to five thousand rupees for every day during which the failure continues after conviction of the first such offence: ¹ Provided that nothing contained in this section shall apply to the orders, instructions or directions issued under section 121.
Penalties not to affect other liabilities.	147.	The penalties imposed under this Act shall be in addition to, and not in derogation of, any liability in respect of payment of compensation or, in the case of a licensee, the revocation of his licence which the offender may have incurred.
Penalty where works belong to Government.	148.	The provisions of this Act shall, so far as they are applicable, be deemed to apply also when the acts made punishable thereunder are committed in the case of electricity supplied by or of works belonging to the Appropriate Government.
Offences by companies.	149.	(1) Where an offence under this Act has been committed by

¹Ins. By Act 57 of 2003, sec. 7 (w.e.f. 27-1-2004).

a company, every person who at the time the offence was committed was in charge of and was responsible to the company for the conduct of the business of the company, as well as the company shall be deemed to be guilty of having committed the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

- (2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of having committed such offence and shall be liable to be proceeded against and punished accordingly.

Explanation. - For the purpose of this section,-

- (a) “company” means a body corporate and includes a firm or other association of individuals; and
- (b) “director”, in relation to a firm, means a partner in the firm.

Abatement.
45 of 1860.

150. (1) Whoever abets an offence punishable under this Act, shall, notwithstanding anything contained in the Indian Penal Code, be punished with the punishment provided for the offence.
- (2) Without prejudice to any penalty or fine which may be imposed or prosecution proceeding which may be initiated under this Act or any other law for the time being in force, if any officer or other employee of the Board or the licensee enters into or acquiesces in any agreement to do, abstains from doing, permits, conceals or connives at any act or thing whereby any theft of electricity is committed, he shall be punishable with imprisonment for a term which may extend to three years, or with fine, or with both.
- ¹(3) Notwithstanding anything contained in sub-section (1) of section 135, sub-section (1) of section 136, section 137 and section 138, the licence or certificate of competency or permit or such other authorisation issued under the rules made or deemed to have been made under this Act to any person who acting as an electrical contractor,

¹Ins. By Act 26 of 2007, sec. 14 (w.e.f. 15-6-2007)

supervisor or worker abets the commission of an offence punishable under sub-section (I) of section 135, sub-section (I) of section 136, section 137, or section 138, on his conviction for such abetment, may also be cancelled by the licensing authority:

Provided that no order of such cancellation shall be made without giving such person an opportunity of being heard.

Explanation.— For the purposes of this sub-section, “licencing authority” means the officer who for the time being in force is issuing or renewing such licence or certificate of competency or permit or such other authorisation.

Cognizance of offences.

151. No court shall take cognizance of an offence punishable under this Act except upon a complaint in writing made by Appropriate Government or Appropriate Commission or any of their officer authorized by them or a Chief Electrical Inspector or an Electrical Inspector or licensee or the generating company, as the case may be, for this purpose.

Provided that the court may also take cognizance of an offence punishable under this Act upon a report of a police officer filed under section 173 of the Code of Criminal Procedure, 1973:

2 of 1974

Provided further that a special court constituted under section 153 shall be competent to take cognizance of an offence without the accused being committed to it for trial.

²151A. For the purposes of investigation of an offence punishable under this Act, the police officer shall have all the powers as provided in Chapter XII of the Code of Criminal Procedure, 1973.

2 of 1974

¹151B. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, an offence punishable under sections 135 to 140 or section 150 shall be cognizable and non-bailable.

2 of 1974

Compounding of offences.

2 of 1974.

152. (1) Notwithstanding anything contained in the Code of Criminal Procedure 1973, the Appropriate Government or any officer authorized by it in this behalf may accept from any consumer or person who committed or who is reasonably suspected of having committed an offence of theft of electricity punishable under this Act, a sum of money by way of compounding of the offence as specified in the Table below:

²Ins. By Act 26 of 2007, sec. 15 (w.e.f. 15-6-2007).

¹Ins. By Act 26 of 2007, sec. 16 (w.e.f. 15-6-2007).

TABLE

Nature of Service	Rate at which the sum of money for Compounding to be collected per Kilowatt(KW)/ Horse Power(HP) or part thereof for Low Tension (LT) supply and per Kilo Volt Ampere(KVA) of contracted demand for High Tension (HT)
(1)	(2)
1. Industrial Service	twenty thousand rupees;
2. Commercial Service	ten thousand rupees;
3. Agricultural Service	two thousand rupees;
4. Other Services	four thousand rupees:

Provided that the Appropriate Government may, by notification in the Official Gazette, amend the rates specified in the Table above.

- (2) On payment of the sum of money in accordance with sub-section (1), any person in custody in connection with that offence shall be set at liberty and no proceedings shall be instituted or continued against such consumer or person in any criminal court.
- (3) The acceptance of the sum of money for compounding an offence in accordance with sub-section (1) by the Appropriate Government or an officer authorised in this behalf empowered in this behalf shall be deemed to amount to an acquittal within the meaning of section 300 of the Code of Criminal Procedure, 1973.
- (4) The Compounding of an offence under sub-section (1) shall be allowed only once for any person or consumer.

2 of 1974

PART – XV

SPECIAL COURTS

- Constitution of Special Courts.
153. (1) The State Government may, for the purposes of providing speedy trial of offences referred to in sections 135 to 140 and ²section 150, by notification in the Official Gazette, constitute as many Special Courts as may be necessary for such area or areas, as may be specified in the notification.
- (2) A Special Court shall consist of a single Judge who shall be appointed by the State Government with the concurrence of the High Court.
 - (3) A person shall not be qualified for appointment as a Judge of a Special Court unless he was, immediately before such appointment, an Additional District and Sessions Judge.
 - (4) Where the office of the Judge of a Special Court is vacant, or such Judge is absent from the ordinary place of sitting

²Subs. By Act 26 of 2007, sec. 17, for “sections 135 to 139” (w.e.f. 15-6-2007)

of such Special Court, or he is incapacitated by illness or otherwise for the performance of his duties, any urgent business in the Special Court shall be disposed of –

- (a) by a Judge, if any, exercising jurisdiction in the Special Court;
- (b) where there is no such other Judge available, in accordance with the direction of District and Sessions Judge having jurisdiction over the ordinary place of sitting of Special Court, as notified under sub-section(1).

Procedure and power of Special Court.

154. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, every offence punishable under ¹sections 135 to 140 and section 150 shall be triable only by the Special Court within whose jurisdiction such offence has been committed.

2 of 1974

(2) Where it appears to any court in the course of any inquiry or trial that an offence punishable under ²sections 135 to 140 and section 150 in respect of any offence that the case is one which is triable by a Special Court constituted under this Act for the area in which such case has arisen, it shall transfer such case to such Special Court, and thereupon such case shall be tried and disposed of by such Special Court in accordance with the provisions of this Act :

Provided that it shall be lawful for such Special Court to act on the evidence, if any, recorded by any court in the case of presence of the accused before the transfer of the case to any Special Court :

Provided further that if such Special Court is of opinion that further examination, cross-examination and re-examination of any of the witnesses whose evidence has already been recorded, is required in the interest of justice, it may re-summon any such witness and after such further examination, cross-examination or re-examination, if any, as it may permit, the witness shall be discharged.

(3) The Special Court may, notwithstanding anything contained in sub-section (1) of section 260 or section 262 of the Code of Criminal Procedure, 1973, try the offence referred to in ³sections 135 to 140 and section 150 in a summary way in accordance with the procedure prescribed in the said Code and the provisions of sections 263 to 265 of the said Code shall, so far as may be, apply to such trial:

2 of 1974

Provided that where in the course of a summary trial under this sub-section, it appears to the Special Court that the nature of the case is such that it is undesirable to try

¹Subs. By Act 26 of 2007, sec. 18(i), for “sections 135 to 139” (w.e.f. 15-6-2007)

²Subs. By Act 26 of 2007, sec. 18(i), for “sections 135 to 139” (w.e.f. 15-6-2007)

³Subs. By Act 26 of 2007, sec. 18(i), for “sections 135 to 139” (w.e.f. 15-6-2007)

such case in summary way, the Special Court shall recall any witness who may have been examined and proceed to re-hear the case in the manner provided by the provisions of the said Code for the trial of such offence:

Provided further that in the case of any conviction in a summary trial under this section, it shall be lawful for a Special Court to pass a sentence of imprisonment for a term not exceeding five years.

- (4) A Special Court may, with a view to obtaining the evidence of any person supposed to have been directly or indirectly concerned in or privy to, any offence tender pardon to such person on condition of his making a full and true disclosure of the circumstances within his knowledge relating to the offence and to every other person concerned whether as principal or abettor in the commission thereof, and any pardon so tendered shall, for the purposes of section 308 of the Code of Criminal Procedure, 1973, be deemed to have been tendered under section 307 thereof. 2 of 1974
- (5) The Special Court shall determine the civil liability against a consumer or a person in terms of money for theft of energy which shall not be less than an amount equivalent to two times of the tariff rate applicable for a period of twelve months preceding the date of detection of theft of energy or the exact period of theft if determined which ever is less and the amount of civil liability so determined shall be recovered as if it were a decree of civil court.
- (6) In case the civil liability so determined finally by the Special Court is less than the amount deposited by the consumer or the person, the excess amount so deposited by the consumer or the person, to the Board or licensee or the concerned person, as the case may be, shall be refunded by the Board or licensee or the concerned person, as the case may be, within a fortnight from the date of communication of the order of the Special Court together with interest at the prevailing Reserve Bank of India prime lending rate for the period from the date of such deposit till the date of payment.

Explanation. - For the purposes of this section, "civil liability" means loss or damage incurred by the Board or licensee or the concerned person, as the case may be, due to the commission of an offence referred to in sections 135 to 140 and section 150.

2 of 1974.

155. Save as otherwise provided in this Act, the Code of Criminal Procedure, 1973, in so far as they are not inconsistent with the provisions of this Act, shall apply to the proceedings before the Special Court and for the purpose of the provisions of the

Special Court
to have powers
of Court of
Session

⁴Subs. By Act 26 of 2007, sec. 18(ii), for "Special Court may" (w.e.f. 15-6-2007)

¹Subs. By Act 26 of 2007, sec. 18(i), for "sections 135 to 139" (w.e.f. 15-6-2007)

said enactments, the Special Court shall be deemed to be a Court of Session and shall have all powers of a Court of Session and the person conducting a prosecution before the Special Court shall be deemed to be a Public Prosecutor.

2 of 1974. 156. The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973, as if the Special Court within the local limits of the jurisdiction of the High Court is a District Court, or as the case may be, the Court of Session, trying cases within the local limits of jurisdiction of the High Court. Appeal and revision

157. The Special Court may, on a petition or otherwise and in order to prevent miscarriage of justice, review its judgment or order passed under section 154, but no such review petition shall be entertained except on the ground that it was such order passed under a mistake of fact, ignorance of any material fact or any error apparent on the face of the record : Review

Provided that the Special Court shall not allow any review petition and set aside its previous order or judgment without hearing the parties affected.

Explanation.- For the purposes of this Part, “Special Courts” means the Special Courts constituted under sub-section (1) of section 153.

PART XVI

DISPUTE RESOLUTION

Arbitration

Arbitration. 158. Where any matter is, by or under this Act, directed to be determined by arbitration, the matter shall, unless it is otherwise expressly provided in the licence of a licensee, be determined by such person or persons as the Appropriate Commission may nominate in that behalf on the application of either party; but in all other respects the arbitration shall be subject to the provisions of the Arbitration and Conciliation Act, 1996. 26 of 1996.

PART XVII

OTHER PROVISIONS

Protective clauses

Protection of railways, highways, airports and canals, docks, wharfs and piers. 159. No person shall, in the generation, transmission, distribution, supply or use of electricity, in any way injure any railway, highway, airports, tramway, canal or water-way or any dock, wharf or pier vested in or controlled by a local authority, or obstruct or interfere with the traffic on any railway, airway, tramway, canal or water-way.

Protection of telegraphic, telephonic and 160. (1) Every person generating, transmitting, distributing, supplying or using electricity (hereinafter in this section

electric signalling lines.

referred to as the “operator”) shall take all reasonable precautions in constructing, laying down and placing his electric lines, electrical plant and other works and in working his system, so as not injuriously to affect, whether by induction or otherwise, the working of any wire or line used for the purpose of telegraphic, telephone or electric signalling communication, or the currents in such wire or line.

- (2) Where any difference or dispute arises between the operator, and the telegraph authority as to whether the operator has constructed, laid down or placed his electric lines, electrical plant or other works, or worked his system, in contravention of sub-section (1), or as to whether the working of any wire, line or current is or is not injuriously affected thereby, the matter shall be referred to the Central Government and the Central Government, unless it is of opinion that the wire or line has been placed in unreasonable proximity to the electric lines, electrical plant or works of the operator after the construction of such lines, plant or works, may direct the operator to make such alterations in, or additions to, his system as may be necessary in order to comply with the provisions of this section, and the operator shall make such alterations or additions accordingly:

Provided that nothing in this sub-section shall apply to the repair, renewal or amendment of any electric line or electrical plant so long as the course of the electric line or electrical plant and the amount and nature of the electricity transmitted thereby are not altered.

- (3) Where the operator makes default in complying with the requirements of this section, he shall make full compensation for any loss or damage incurred by reason thereof, and, where any difference or dispute arises as to the amount of such compensation, the matter shall be determined by arbitration.

Explanation. - For the purposes of this section, a telegraph line shall be deemed to be injuriously affected if telegraphic, telephonic or electric signalling communication by means of such line is, whether through induction or otherwise, prejudicially interfered with by an electric line, electrical plant or other work or by any use made thereof.

Notice of accidents and inquiries.

161. (1) If any accident occurs in connection with the generation, transmission, distribution, supply or use of electricity in or in connection with, any part of the electric lines or electrical plant of any person and the accident results or is likely to have resulted in loss of human or animal life or

in any injury to a human being or an animal, such person shall give notice of the occurrence and of any such loss or injury actually caused by the accident, in such form and within such time as may be prescribed, to the Electrical Inspector or such other person as aforesaid and to such other authorities as the Appropriate Government may by general or special order, direct.

- (2) The Appropriate Government may, if it thinks fit, require any Electrical Inspector, or any other person appointed by it in this behalf, to inquire and report-
 - (a) as to the cause of any accident affecting the safety of the public, which may have been occasioned by or in connection with, the generation, transmission, distribution, supply or use of electricity, or
 - (b) as to the manner in, and extent to, which the provisions of this Act or rules and regulations made thereunder or of any licence, so far as those provisions affect the safety of any person, have been complied with.

- (3) Every Electrical Inspector or other person holding an inquiry under sub-section (2) shall have all the powers of a civil court under the Code of Civil Procedure, 1908 for the purpose of enforcing the attendance of witnesses and compelling the production of documents and material objects, and every person required by an Electrical Inspector be legally bound to do so within the meaning of section 176 of the Indian Penal Code. 5 of 1908
45 of 1860

Appointment of Chief Electrical Inspector and Electrical Inspector.

- 162. (1) The Appropriate Government may, by notification, appoint duly qualified persons to be Chief Electrical Inspector or Electrical Inspectors and every such Inspector so appointed shall exercise the powers and perform the functions of a Chief Electrical Inspector or an Electrical Inspector under this Act and exercise such other powers and perform such other functions as may be prescribed within such areas or in respect of such class of works and electric installations and subject to such restrictions as the Appropriate Government may direct.
- (2) In the absence of express provision to the contrary in this Act, or any rule made thereunder, an appeal shall lie from the decision of a Chief Electrical Inspector or an Electrical Inspector to the Appropriate Government or if the Appropriate Government, by general or special order so directs, to an Appropriate Commission.

Power for licensee to enter premises and to remove

- 163. (1) A licensee or any person duly authorised by a licence may, at any reasonable time, and on informing the occupier of his intention, enter any premises to which electricity

fittings or other apparatus of licensee.

is, or has been, supplied by him, of any premises or land, under, over, along, across, in or upon which the electric supply-lines or other works have been lawfully placed by him for the purpose of –

- (a) inspecting, testing, repairing or altering the electric supply lines, meters, fittings, works and apparatus for the supply of electricity belonging to the licensee; or
 - (b) ascertaining the amount of electricity supplied or the electrical quantity contained in the supply; or
 - (c) removing where a supply of electricity is no longer required, or where the licensee is authorised to take away and cut off such supply, any electric supply-lines, meters, fittings, works or apparatus belonging to the licensee.
- (2) A licensee or any person authorised as aforesaid may also, in pursuance of a special order in this behalf made by an Executive Magistrate and after giving not less than twenty-four hours notice in writing to the occupier, -
- (a) enter any premises or land referred to in sub-section (1) for any of the purposes mentioned therein;
 - (b) enter any premises to which electricity is to be supplied by him, for the purpose of examining and testing the electric wires fittings, works and apparatus for the use of electricity belonging to the consumer.
- (3) Where a consumer refuses to allow a licensee or any person authorised as aforesaid to enter his premises or land in pursuance of the provisions of sub-section (1) or, sub-section (2), when such licensee or person has so entered, refuses to allow him to perform any act which he is authorised by those sub-sections to perform, or fails to give reasonable facilities for such entry or performance, the licensee may, after the expiry of twenty-four hours from the service of a notice in writing on the consumer, cut off the supply to the consumer for so long as such refusal or failure continues, but for no longer.

Exercise of powers of Telegraph Authority in certain cases.

164. The Appropriate Government may, by order in writing, for the placing of electric lines or electrical plant for the transmission of electricity or for the purpose of telephonic or telegraphic communications necessary for the proper co-ordination of works, confer upon any public officer, licensee or any other person engaged in the business of supplying electricity under this Act, subject to such conditions and restrictions, if any, as the Appropriate Government may think fit to impose and to the

provisions of the Indian Telegraph Act, 1885, any of the powers which the telegraph authority possesses under that Act with respect to the placing of telegraph lines and posts for the purposes of a telegraph established or maintained, by the Government or to be so established or maintained. 13 of 1885

Amendment of Sections 40 and 41 of Act 1 of 1894.

165. (1) In section 40, sub-section (1) of clause (b) and section 41, sub-section (5) of the Land Acquisition Act, 1894, the term "work" shall be deemed to include electricity supplied or to be supplied by means of the work to be constructed. 1 of 1894

(2) The Appropriate Government may, on recommendation of the Appropriate Commission in this behalf, if it thinks fit, on the application of any person, not being a company desirous of obtaining any land for its purposes, direct that he may acquire such land under the provisions of the Land Acquisition Act, 1894 in the same manner and on the same conditions as it might be acquired if the person were a company. 1 of 1894

PART- XVIII

MISCELLANEOUS

Coordination Forum

166. (1) The Central Government shall constitute a Coordination Forum consisting of the Chairperson of the Central Commission and Members thereof, the Chairperson of the Authority, representatives of generating companies and transmission licensees engaged in inter-State transmission of electricity for smooth and coordinated development of the power system in the country.

(2) The Central Government shall also constitute a forum of regulators consisting of the Chairperson of the Central Commission and Chairpersons of the State Commissions.

(3) The Chairperson of the Central Commission shall be the Chairperson of the Forum of regulators referred to in sub-section (2).

(4) The State Government shall constitute a Coordination Forum consisting of the Chairperson of the State Commission and Members thereof representatives of the generating companies, transmission licensee and distribution licensees engaged in generation, transmission and distribution of electricity in that State for smooth and coordinated development of the power system in the State.

(5) There shall be a committee in each district to be constituted by the Appropriate Government -

(a) to coordinate and review the extension of electrification in each district;

		(b) to review the quality of power supply and consumer satisfaction;
		(c) to promote energy efficiency and its conservation.
Exemption of electric lines or electrical plants from attachment in certain cases.	167.	Where any electric lines or electrical plant, belonging to a licensee are placed in or upon any premises or land not being in the possession of the licensee, such electric lines or electrical plant shall not be liable to be taken in execution under any process of any civil court or in any proceedings in insolvency against the person in whose possession the same may be.
Protection of action taken in good faith.	168.	No suit, prosecution or other proceeding shall lie against the Appropriate Government or Appellate Tribunal or the Appropriate Commission or any officer of Appropriate Government, or any Member, Officer or other employees of the Appellate Tribunal or any Members, officer or other employees of the Appropriate Commission or the assessing officer or any public servant for anything done or in good faith purporting to be done under this Act or the rules or regulations made thereunder.
Members, officers, etc., of Appellate Tribunal, Appropriate Commission to be public servants 45 of 1860.	169.	The Chairperson, Members, officers and other employees of the Appellate Tribunal and the Chairperson, Members, Secretary, officers and other employees of the Appropriate Commission and the assessing officer referred to in section 126 shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act to be public servants within the meaning of section 21 of the Indian Penal Code.
Recovery of penalty payable under Act.	170.	Any penalty payable by a person under this Act, if not paid, may be recovered as if it were an arrear of land revenue.
Services of notices, orders or documents	171.	(1) Every notice, order or document by or under this Act required, or authorised to be addressed to any person may be served on him by delivering the same after obtaining signed acknowledgement receipt therefor or by registered post or such means of delivery as may be prescribed - <ul style="list-style-type: none"> (a) where the Appropriate Government is the addressee, at the office of such officer as the Appropriate Government may prescribe in this behalf; (b) where the Appropriate Commission is the addressee, at the office of the Appropriate Commission; (c) where a company is the addressee, at the registered office of the company or, in the event of the registered office of the company not being in India, at the head office of the company in India;

(d) where any other person is the addressee, at the usual or last known place of abode or business of the person.

(2) Every notice, order or document by or under this Act required or authorised to be addressed to the owner or occupier of any premises shall be deemed to be properly addressed if addressed by the description of the owner or occupier of the premises (naming the premises), and may be served by delivering it, or a true copy thereof, to some person on the premises, or if there is no person on the premises to whom the same can with reasonable diligence be delivered, by affixing it on some conspicuous part of the premises.

Transitional provisions.

172. Notwithstanding anything to the contrary contained in this Act,-

(a) a State Electricity Board constituted under the repealed laws shall be deemed to be the State Transmission Utility and a licensee under the provisions of this Act for a period of one year from the appointed date or such earlier date as the State Government may notify, and shall perform the duties and functions of the State Transmission Utility and a licensee in accordance with the provisions of this Act and rules and regulations made thereunder:

Provided that the State Government may, by notification, authorise the State Electricity Board to continue to function as the State Transmission Utility or a licensee for such further period beyond the said period of one year as may be mutually decided by the Central Government and the State Government.

(b) all licences, authorisations approvals, clearances and permissions granted under the provisions of the repealed laws may, for a period not exceeding one year from the appointed date or such earlier period; as may be notified by the Appropriate Government, continue to operate as if the repealed laws were in force with respect to such licence, authorisations, approvals, clearances and permissions, as the case may be, and thereafter such licences, authorisations, approvals, clearances and permissions shall be deemed to be licences, authorisation, approvals, clearances and permission under this Act and all provisions of this Act shall apply accordingly to such licences, authorisations approvals, clearances and permissions.

(c) the undertaking of the State Electricity Boards established under section 5 of the Electricity (Supply) Act, 1948 may after the expiry of the period specified in clause (a) be

54 of 1948

transferred in accordance with the provisions of Part XIII of this Act;

- (d) the State Government may, by notification, declare that any or all the provisions contained in this Act, shall not apply in that State for such period, not exceeding six months from the appointed date, as may be stipulated in the notification.

Inconsistency in laws	173.	Nothing contained in this Act or any rule or regulation made thereunder or any instrument having effect by virtue of this Act, rule or regulation shall have effect in so far as it is inconsistent with any other provisions of the Consumer Protection Act, 1986 or the Atomic Energy Act, 1962 or the Railways Act, 1989.	68 of 1986 33 of 1962 24 of 1989
Act to have overriding effect.	174.	Save as otherwise provided in section 173, the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Act.	
Provisions of this Act to be in addition to and not in derogation of other laws.	175.	The provisions of this Act are in addition to and not in derogation of any other law for the time being in force.	
Power of Central Government to make rules.	176.	<p>(1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.</p> <p>(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely: -</p> <p>(a) the time within which the objection and suggestions on the draft National Electricity Plan to be invited by the Authority under the proviso to sub-section (4) of section 3;</p> <p>(b) the additional requirements ¹relating to the capital adequacy, creditworthiness or code of conduct under sixth proviso to section 14;</p> <p>(c) the payment of fees for application for grant of licence under sub-section (I) of section 15;</p> <p>(d) the constitution and functions of the National Load Despatch Centre under sub-section (2) of section 26;</p> <p>(e) the works of licensees affecting the property of owner or occupier under sub-section (2) of section 67;</p> <p>(f) such other cases which may be prescribed under clause (c) of sub-section (2) of Section 68;</p>	

¹Subs. By Act 26 of 2007, sec. 19, for “(including the capital adequacy, creditworthiness or code of conduct)” (w.e.f. 15-6-2007)

- (g) allowances and fees payable to others Members for attending the meetings of Authority under sub-section (14) of section 70.
- (h) other terms and conditions of service of the Chairperson and Members of the Authority under sub-section (15) of section 70;
- (i) the functions and duties of the Central Electricity Authority under section 73;
- (j) the salary, allowances and other conditions of service of Chairperson and Member of Central Commission under sub-section (2) of section 89;
- (k) the form and manner in which and the authority before whom oath of office and secrecy should be subscribed under sub-section (3) of section 89;
- (l) the procedure to be prescribed by the Central Government under the proviso to sub-section (2) of section 90;
- (m) any other matter required to be prescribed under clause (g) of sub-section (1) of section 94;
- (n) the form in which the Central Commission shall prepare its annual statements of accounts under sub-section (1) of section 100;
- (o) the form in which and time at which the Central Commission shall prepare its annual report under sub-section (1) of section 101;
- (p) the form in which and time at which the Central Commission shall prepare its budget under section 106;
- (q) the form and the manner of verifying such form, and fee for filing appeal under sub-section (2) of section 111;
- (r) the salary and allowances payable to and the other terms and conditions of service of the Chairperson of the Appellate Tribunal and Members of the Appellate Tribunal under section 115;
- (s) the salary and allowances and other conditions of service of the officers and employees of the Appellate Tribunal under sub-section (3) of section 119;
- (t) the additional matters in respect of which the Appellate Tribunal may exercise the powers of a civil court under clause (i) of sub-section (2) of section 120;

- (u) the authority to whom the appeal shall be filed under sub-section (1) of section 127;
- (v) manner of holding inquiry by an adjudicating officer under sub-section (1) of section 143;
- (w) the form in which and the time at which service of notices to any person or to the Central Government for the purpose under sub-section (1) of section 161;
- (x) the powers to be exercised and the functions to be performed by the Inspectors under sub-section (1) of section 162;
- (y) the manner of delivery of every notice, order or document to be served under sub-section (1) of section 171;
- (z) any other matter which is required to be, or may be, prescribed.

Powers of Authority to make regulations.

177. (1) The Authority may, by notification, make regulations consistent with this Act and the rules generally to carry out the provisions of this Act.
- (2) In particular and without prejudice to the generality of the power conferred in sub-section (1), such regulations may provide for all or any of the following matters, namely:—
- (a) the Grid Standards under section 34;
 - (b) suitable measures relating to safety and electric supply under section 53;
 - (c) the installation and operation of meters under section 55;
 - (d) the rules of procedure for transaction of business under sub-section (9) of section 70;
 - (e) the technical standards for construction of electrical plants and electric lines and connectivity to the grid under clause (b) of section 73;
 - (f) the form and manner in which and the time at which the State Government and licensees shall furnish statistics, returns or other information under section 74.
 - (g) any other matter which is to be, or may be, specified;
- (3) All regulations made by the Authority under this Act shall be subject to the conditions of previous publication.

Powers of
Central
Commission to
make
regulations.

178. (1) The Central Commission may, by notification make regulations consistent with this Act and the rules generally to carry out the provisions of this Act.
- (2) In particular and without prejudice to the generality of the power contained in sub-section (1), such regulations may provide for all or any of following matters, namely:-
- (a) period to be specified under the first proviso to section 14;
 - (b) the form and the manner of the application under sub-section (1) of section 15;
 - (c) the manner and particulars of notice under sub-section (2) of section 15;
 - (d) the conditions of licence under section 16;
 - (e) the manner and particulars of notice under clause (a) of sub-section (2) of section 18;
 - (f) publication of alterations or amendments to be made in the licence under clause(c) of sub-section (2) of section 18;
 - (g) Grid Code under sub-section (2) of section 28;
 - (h) levy and collection of fees and charge from generating companies or transmission utilities or licensees under sub-section (4) of section 28;
 - (i) rates, charges and terms and conditions in respect of intervening transmission facilities under proviso to section 36;
 - (j) payment of the transmission charges and a surcharge under-sub-clause (ii) of clause (d) of sub-section (2) of section 38;
 - (k) reduction ¹of surcharge and cross subsidies under second proviso to sub-clause (ii) of clause (d) of sub-section (2) of section 38;
 - (l) payment of transmission charges and a surcharge under sub-clause (ii) of clause(c) of section 40;
 - (m) reduction ²of surcharge and cross subsidies under the second proviso to sub-clause (ii) of clause (c) of section 40;
 - (n) proportion of revenues from other business to be utilised for reducing the transmission and wheeling charges under proviso to section 41;
 - (o) duties of electricity trader under sub-section (2) of section 52;

¹The words “and elimination” omitted by Act 26 of 2007, sec. 20(i) (w.e.f. 15-6-2007).

²The words “and elimination” omitted by Act 26 of 2007, sec. 20(ii) (w.e.f. 15-6-2007).

- (p) standards of performance of a licensee or class of licensees under sub-section (1) of section 57;
 - (q) the period within which information to be furnished by the licensee under sub-section (1) of section 59;
 - ³(r) the manner for reduction of cross-subsidies under clause (g) of section 61;
 - (s) the terms and conditions for the determination of tariff under section 61;
 - (t) details to be furnished by licensee or generating company under sub-section (2) of section 62;
 - (u) the procedures for calculating the expected revenue from tariff and charges under sub-section (5) of section 62;
 - (v) the manner of making an application before the Central Commission and the fee payable therefor under sub-section (1) of section 64;
 - (w) the manner of publication of application under sub-section (2) of section 64;
 - (x) issue of tariff order with modifications or conditions under sub-section (3) of section 64;
 - (y) the manner by which development of market in power including trading specified under section 66;
 - (z) the powers and duties of the Secretary of the Central Commission under sub-section (1) of section 91;
 - (za) the terms and conditions of service of the Secretary, officers and other employees of Central Commission under sub-section (3) of section 91;
 - (zb) the rules of procedure for transaction of business under sub-section (1) of section 92;
 - (zc) minimum information to be maintained by a licensee or the generating company and the manner of such information to be maintained under sub-section (8) of section 128;
 - (zd) the manner of service and publication of notice under section 130;
 - (ze) any other matter which is to be, or may be specified by regulations.
- (3) All regulations made by the Central Commission under this Act shall be subject to the conditions of previous publication.

³Subs. By Act 26 of 2007, sec. 20(iii), for clause (r) (w.e.f. 15-6-2007). Clause (r), before substitution, stood as under:

“(r) the period within which the cross-subsidies shall be reduced and eliminated under clause (g) of section 61;”.

Rules and regulations to be laid before Parliament.

179. Every rule made by the Central Government, every regulation made by the Authority, and every regulation made by the Central Commission shall be laid, as soon as may be after it is made, before each House of the Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

Powers of State Governments to make rules

180. (1) The State Government may, by notification, make rules for carrying out the provisions of this Act.
- (2) In particular and without prejudice to the generality of foregoing power, such rules may provide for all or any of the following matters, namely: -
- (a) the payment of fees for application for grant of licence under sub-section (1) of section 15;
 - (b) the works of licensees affecting the property of other persons under sub-section (2) of section 67;
 - (c) such other matters which may be prescribed under clause (c) of sub-section (2) of section 68;
 - (d) the salary, allowances and other terms and conditions of service of the Chairperson and Members of the State Commission under sub-section (2) of section 89;
 - (e) the form and manner in which and the authority before whom oath of office and secrecy should be subscribed under sub-section (3) of section 89;
 - (f) any other matter required to be prescribed by the State Commission under clause (g) of sub-section (1) of section 94;
 - (g) the manner of applying the Fund under sub-section (3) of section 103;
 - (h) the form in which and time at which the State Commission shall prepare its annual accounts under sub-section (1) of section 104;
 - (i) the form in which and time at which the State Commission shall prepare its annual report under sub-section (1) of section 105;

- (j) the form in which and time at which the State Commission shall prepare its budget under section 106;
- (k) manner of service of provisional order of assessment under sub-section (2) of section 126;
- (l) manner of holding inquiry by an adjudicating officer under sub-section (1) of section 143;
- (m) the form in which and the time at which notice to the Electrical Inspector under sub-section (1) of section 161;
- (n) the manner of delivery of every notice, order or document under sub-section (1) of section 171; and
- (o) any other matter which is required to be, or may be, prescribed.

Powers of State Commissions to make regulations.

181. (1) The State Commissions may, by notification, make regulations consistent with this Act and the rules generally to carry out the provisions of this Act.
- (2) In particular and without prejudice to the generality of the power contained in sub-section (1), such regulations may provide for all or any of the following matters, namely: -
- (a) period to be specified under the first proviso of section 14;
 - (b) the form and the manner of application under sub-section (1) of section 15;
 - (c) the manner and particulars of application for licence to be published under sub-section (2) of section 15;
 - (d) the conditions of licence under section 16;
 - (e) the manner and particulars of notice under clause(a) of sub-section (2) of section 18;
 - (f) publication of the alterations or amendments to be made in the licence under clause (c) of sub-section (2) of section 18;
 - (g) levy and collection of fees and charges from generating companies or licensees under sub-section (3) of section 32;
 - (h) rates, charges and the terms and conditions in respect of intervening transmission facilities under proviso to section 36;

- (i) payment of the transmission charges and a surcharge under sub-clause (ii) of clause(d) of sub-section (2) of section 39;
- (j) reduction ¹of surcharge and cross subsidies under second proviso to sub-clause (ii) of clause (d) of sub-section (2) of section 39;
- (k) manner and utilisation of payment and surcharge under the fourth proviso to sub-clause(ii) of clause (d) of sub-section (2) of section 39;
- (l) payment of the transmission charges and a surcharge under sub-clause(ii) of clause (c) of section 40;
- (m) reduction ²of surcharge and cross subsidies under second proviso to sub-clause (ii) of clause (c) of section 40;
- (n) the manner of payment of surcharge under the fourth proviso to sub-clause (ii) of clause (c) of section 40;
- (o) proportion of revenues from other business to be utilised for reducing the transmission and wheeling charges under proviso to section 41;
- (p) reduction ¹of surcharge and cross-subsidies under the third proviso to sub-section (2) of section 42;
- (q) payment of additional charges on charges of wheeling under sub-section (4) of section 42;
- (r) guidelines under sub-section (5) of section 42;
- (s) the time and manner for settlement of grievances under sub-section (7) of section 42;
- (t) the period to be specified by the State Commission for the purposes specified under sub-section (1) of section 43;
- (u) methods and principles by which charges for electricity shall be fixed under sub-section (2) of section 45;
- (v) reasonable security payable to the distribution licensee under sub-section (1) of section 47;
- (w) payment of interest on security under sub-section (4) of section 47;
- (x) electricity supply code under section 50;
- (y) the proportion of revenues from other business to be utilised for reducing wheeling charges under proviso to section 51;

¹The words "and elimination" omitted by Act 26 of 2007, sec. 20(i) (w.e.f. 15-6-2007).

²The words "and elimination" omitted by Act 26 of 2007, sec. 20(ii) (w.e.f. 15-6-2007).

³The words "and elimination" omitted by Act 26 of 2007, sec. 20(iii) (w.e.f. 15-6-2007).

- (z) duties of electricity trader under sub-section (2) of section 52;
- (za) standards of performance of a licensee or a class of licensees under sub-section (1) of section 57;
- (zb) the period within which information to be furnished by the licensee under sub-section (1) of section 59;
- ²(zc) the manner of reduction of cross-subsidies under clause (g) of section 61;
- (zd) the terms and conditions for the determination of tariff under section 61;
- (ze) details to be furnished by licensee or generating company under sub-section (2) of section 62;
- (zf) the methodologies and procedures for calculating the expected revenue from tariff and charges under sub-section (5) of section 62;
- (zg) the manner of making an application before the State Commission and the fee payable therefor under sub-section (1) of section 64;
- (zh) issue of tariff order with modifications or conditions under sub-section(3) of section 64;
- (zi) the manner by the which development of market in power including trading specified under section 66;
- (zj) the powers and duties of the Secretary of the State Commission under sub-section (1) of section 91;
- (zk) the terms and conditions of service of the secretary, officers and other employees of the State Commission under sub-section (2) of section 91;
- (zl) rules of procedure for transaction of business under sub-section (1) of section 92;
- (zm) minimum information to be maintained by a licensee or the generating company and the manner of such information to be maintained under sub-section (8) of section 128;
- (zn) the manner of service and publication of notice under section 130;
- (zo) the form of preferring the appeal and manner in which such form shall be verified and the fee for preferring the appeal under sub-section (1) of section 127;

² Subs. By Act 26 of 2007, sec. 21(iv), for clause (zc) (w.e.f. 15-6-2007). Clause (zc), before substitution, stood as under:

“(zc) the period within which the cross-subsidies shall be reduced and eliminated under clause (g) of section 61;”

		(zp) any other matter which is to be, or may be, specified.	
		(3) All regulations made by the State Commission under this Act shall be subject to the condition of previous publication.	
Rules and regulations to be laid before State Legislature	182.	Every rule made by the State Government and every regulation made by the State Commission shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or where such Legislature consists of one House, before that House.	
Power to remove difficulties.	183.	(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published, make such provisions not inconsistent with the provisions of this Act, as may appear to be necessary for removing the difficulty: Provided that no order shall be made under this section after the expiry of two years from the date of commencement of this Act.	
		(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House' of Parliament.	
Provisions of Act not to apply in certain cases.	184.	The provisions of this Act shall not apply to the Ministry or Department of the Central Government dealing with Defence, Atomic Energy or such other similar Ministries or Departments or undertakings or Boards or institutions under the control of such Ministries or Departments as may be notified by the Central Government.	
Repeal and saving.	185.	(1) Save as otherwise provided in this Act, the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commissions Act, 1998 are hereby repealed.	9 of 1910 54 of 1948 14 of 1998
		(2) Notwithstanding such repeal, -	
		(a) anything done or any action taken or purported to have been done or taken including any rule, notification, inspection, order or notice made or issued or any appointment, confirmation or declaration made or any licence, permission, authorisation or exemption granted or any document or instrument executed or any direction given under the repealed laws shall, in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act.	
		(b) the provisions contained in sections 12 to 18 of the	9 of 1910

Indian Electricity Act, 1910 and rules made thereunder shall have effect until the rules under section 67 to 69 of this Act are made;

- (c) Indian Electricity Rules, 1956 made under section 37 of the Indian Electricity Act, 1910 as it stood before such repeal shall continue to be in force till the regulations under section 53 of this Act are made. 9 of 1910
 - (d) all rules made under sub-section (1) of section 69 of the Electricity (Supply) Act, 1948 shall continue to have effect until such rules are rescinded or modified, as the case may be; 54 of 1948
 - (e) all directives issued, before the commencement of this Act, by a State Government under the enactments specified in the Schedule shall continue to apply for the period for which such directions were issued by the State Government.”.
- (3) The provisions of the enactments specified in the Schedule, not inconsistent with the provisions of this Act, shall apply to the States in which such enactments are applicable.
 - (4) The Central Government may, as and when considered necessary, by notification, amend the Schedule.
 - (5) Save as otherwise provided in sub-section (2), the mention of particular matters in that section, shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897, with regard to the effect of repeals. 10 of 1897

THE SCHEDULE

ENACTMENTS

(See sub-Section (3) of Section 185)

1. The Orissa Electricity Reform Act, 1995 (Orissa Act no. 2 of 1996)
2. The Haryana Electricity Reform Act, 1997 (Haryana Act no. 10 of 1998)
3. The Andhra Pradesh Electricity Reform Act, 1998 (Andhra Pradesh Act no. 30 of 1998)
4. The Uttar Pradesh Electricity Reform Act, 1999 (Uttar Pradesh Act no. 24 of 1999)
5. The Karnataka Electricity Reform Act, 1999 (Karnataka Act no. 25 of 1999)
6. The Rajasthan Electricity Reform Act, 1999 (Rajasthan Act no. 23 of 1999)
7. The Delhi Electricity Reforms Act, 2000 (Delhi Act No.2 of 2001)
8. The Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000 (Madhya Pradesh Act No. 4 of 2001)
19. The Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 (Gujarat Act No. 24 of 2003)

¹Ins. By S.O. 1039(E), dated 5th September, 2003, published in the Gazette of India, Extra., Pt.II, sec. 3(ii), dated 10th September, 2003.


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY

PUBLISHED BY AUTHORITY

NEW DELHI, TUESDAY, JUNE 10, 2003/JYAISTHA 20, 1925

MINISTRY OF POWER

NOTIFICATION

New Delhi, the 10th June, 2003

S.O. 669(E).-In exercise of the power conferred by Sub-section (3) of Section I of the Electricity Act, 2003 (36 of 2003), the Central Government hereby appoints the 10th day of June, 2003, as the date on which the following provisions of the said Act shall come into force, namely:-

Sections 1 to 120 and Sections 122 to 185

{F.No. 23/24/99-R&R (Vol.XV)}
AJAY SHANKAR, Jt. Secy.


भारत का राजपत्र
The Gazette of India

EXTRAORDINARY

PART II-Section I, No. 71

PUBLISHED BY AUTHORITY

NEW DELHI, WEDNESDAY, DECEMBER 31, 2003/PAUSA 10,1925

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 31st December, 2003/Pausa 10, 1925 (Saka)

The following Act of Parliament received the assent of the President on the 30th December, 2003 and is hereby published for general information:-

THE ELECTRICITY (AMENDMENT) ACT, 2003

No. 57 of 2003

{30th December, 2003}

An Act to amend the Electricity Act, 2003.

BE it enacted by Parliament in the Fifty-fourth Year of the Republic of India as follows:-

1. (1) This Act may be called the Electricity (Amendment) Act, 2003.
(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.
- 36 of 2003. 2. In section 14 of the Electricity Act, 2003 (hereinafter referred to as the principal Act), in the sixth proviso, for the brackets and words “(including the capital adequacy, creditworthiness, or code of conduct)”, the words “relating to the capital adequacy, creditworthiness, or code of conduct” shall be substituted.
- Amendment of section 42 3. In section 42 of the principal Act, in sub-section (2), after the fourth proviso, the following proviso shall be inserted, namely:-
“Provided also that the State Commission shall, not later than five years from the date of commencement of the Electricity (Amendment) Act, 2003, by regulations, provide such open ac-

Short title and commencement.

Amendment of section 14

		cess to all consumers who require a supply of electricity where the maximum power to be made available at any time exceeds one megawatt.”
Substitution of new section for section 121. Power of Appellate Tribunal.	4.	For section 121 of the principal Act, the following section shall be substituted, namely:- “121. The Appellate Tribunal may, after hearing the Appropriate Commission or other interested party, if any, from time to time, issue such orders, instructions or directions as it may deem fit, to any Appropriate Commission for the performance of its statutory functions under this Act”.
Amendment of section 135.	5.	In section 135 of the principal Act, in sub-section (2),– (i) in clause (a), for the words “has been, is being, or is likely to be”, the words “has been or is being” shall be substituted; (ii) in clause (b), for the words “has been, is being, or is likely to be”, the words “has been or is being” shall be substituted.
Substitution of new sections for sections 139 and 140 Negligently breaking or damaging works	6.	For sections 139 and 140 of the principal Act, the following sections shall be substituted, namely:– “139. Whoever, negligently breaks, injures, throws down or damages any material connected with the supply of electricity, shall be punishable with fine which may extend to ten thousand rupees. 140. Whoever, with intent to cut off the supply of electricity, cuts or injures, or attempts to cut or injure, any electric supply line or works, shall be punishable with fine which may extend to ten thousand rupees”.
Penalty for intentionally injuring works		
Amendment of section 146.	7.	In section 146 of the principal Act, the following proviso shall be inserted, namely:– “Provided that nothing contained in this section shall apply to the orders, instructions or directions issued under section 121”.

T.K. VISWANATHAN,
Secy. to the Govt. of India


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भारत का राजपत्र The Gazette of India

EXTRAORDINARY

PART II-Section 3-Sub-section (ii) No. 97

PUBLISHED BY AUTHORITY

NEW DELHI, TUESDAY, JANUARY 27, 2004/ MAGHA, 1925

MINISTRY OF POWER

NOTIFICATION

New Delhi, the 27th January, 2004

S.O. 119 (E)- In exercise of the powers conferred by Sub-section (2) of Section 1 of the Electricity (Amendment) Act, 2003 (57 of 2003), the Central Government hereby appoints the 27th January, 2004, as the date on which the provisions of the said Act shall come into force.

{F.No. 23/23/2004-R&R}

AJAY SHANKAR, Jt Secy.


भारत का राजपत्र
The Gazette of India

EXTRAORDINARY

PART II-Section I

PUBLISHED BY AUTHORITY

No. 31 NEW DELHI, TUESDAY, MAY 29, 2007/JYAISTHA 8, 1929

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 29th May, 2007/Jyaistha 8, 1929 (Saka)

The following Act of Parliament received the assent of the President on the 28th May, 2007 and is hereby published for general information:-

THE ELECTRICITY (AMENDMENT) ACT, 2007

No. 26 of 2007

{ 28th May, 2007 }

An Act further to amend the Electricity Act, 2003.

BE it enacted by Parliament in the Fifty-eighth Year of the Republic of India as follows:-

- | | | |
|----|---|-------------------------------|
| 1. | (1) This Act may be called the Electricity (Amendment) Act, 2007. | Short title and commencement. |
| | (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint. | |
| 2. | For section 6 of the Electricity Act, 2003 (hereinafter referred to as the principal Act), the following section shall be substituted; namely:

“6. The concerned State Government and the Central Government shall jointly endeavour to provide access to electricity to all areas including villages and hamlets through rural electricity infrastructure and electrification of households”. | 36 of 2003. |
- Substitution of new section for section 6
- Joint responsibility of State Government and Central Government in rural electrification

- Amendment of section 9. 3. In section 9 of the principal Act, in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-
“Provided further that no licence shall be required under this Act for supply of electricity generated from a captive generating plant to any licensee in accordance with the provisions of this Act and the rules and regulations made thereunder and to any consumer subject to the regulations made under sub-section (2) of section 42”.
- Amendment of section 38. 4. In section 38 of the principal Act, in sub-section (2), in clause (d) –
(i) in the second proviso, the words “and eliminated” shall be omitted;
(ii) the third proviso shall be omitted.
- Amendment of section 39. 5. In section 39 of the principal Act, in sub-section (2), in clause (d),–
(i) in the second proviso, the words “and eliminated” shall be omitted;
(ii) the third proviso shall be omitted.
- Amendment of section 40. 6. In section 40 of the principal Act,–
(i) in the second proviso, the words “and eliminated” shall be omitted;
(ii) the third proviso shall be omitted.
- Amendment of section 42. 7. In section 42 of the principal Act, in sub-section (2),–
(i) in the first proviso, for the words “such open access may be allowed before the cross-subsidies are eliminated on payment of a surcharge”, the words “such open access shall be allowed on payment of a surcharge” shall be substituted;
(ii) in the third proviso, the words “and eliminated” shall be omitted.
- Amendment of section 43. 8. In section 43 of the principal Act, in sub-section (1),–
(i) for the words “Every distribution”, the words “Save as otherwise provided in this Act, every distributions’ shall be substituted; .
(ii) after the second proviso, the following *Explanation* shall be inserted, namely:–
‘*Explanation.-For the purposes of this sub-section, “application” means the application complete in all respects in the appropriate form, as required by the distribution licensee, along with documents showing payment of necessary charges and other compliances:’.*
- Substitution of new section for section 50. 9. For section 50 of the principal Act, the following section shall be substituted, namely:-
The electricity supply code. “50. The State Commission shall specify an electricity supply code to provide for recovery of electricity charges, intervals for

billing of electricity charges, disconnection of supply of electricity for non-payment thereof, restoration of supply of electricity, measures for preventing tampering, distress or damage to electrical plant or electrical line or meter, entry of distribution licensee or any person acting on his behalf for disconnecting supply and removing the meter, entry for replacing, altering or maintaining electric lines or electrical plants or meter and such other matters”.

10. In section 61 of the principal Act, for clause (g), the following clause shall be substituted, namely: – Amendment of section 61.

“(g) that the tariff progressively reflects the cost of supply of electricity and also reduces cross-subsidies in the manner specified by the Appropriate Commission”.

11. In section 126 of the principal Act, – Amendment of section 126.

(i) for sub-section (3), the following sub-section shall be substituted, namely:–

“(3) The person, on whom an order has been served under sub-section (2), shall be entitled to file objections, if any, against the provisional assessment before the assessing officer, who shall, after affording a reasonable opportunity of hearing to such person, pass a final order of assessment within thirty days from the date of service of such order of provisional assessment, of the electricity charges payable by such person”;

(ii) in sub-section (4), the proviso shall be omitted;

(iii) for sub-section (5), the following sub-section shall be substituted, namely:–

“(5) If the assessing officer reaches to the conclusion that unauthorised use of electricity has taken place, the assessment shall be made for the entire period during which such unauthorised use of electricity has taken place and if, however, the period during which such unauthorised use of electricity has taken place cannot be ascertained, such period shall be limited to a period of twelve months immediately preceding the date of inspection.”;

(iv) in sub-section (6), for the words “one-and-half-times”, the word “twice” shall be substituted;

(v) in the *Explanation* occurring at the end, in clause (b), for sub-clause (iv), the following sub-clauses shall be substituted, namely:–

“(iv) for the purpose other than for which the usage of electricity was authorised; or

(v) for the premises or areas other than those for which the supply of electricity was authorised”.

12. In section 127 of the principal Act, in sub-section(2), for the words “one-third of the assessed amount”, the words “half of the assessed amount” shall be substituted.

Amendment of section 127.

13. In section 135 of the principal Act,–

Amendment of section 135.

(A) for sub-section (1.), the following sub-sections shall be substituted, namely:–

(1) Whoever, dishonestly,–

(a) taps, makes or causes to be made any connection with overhead, underground or under water lines or cables, or service wires, or service facilities of a licensee or supplier, as the case may be; or

(b) tampers a meter, installs or uses a tampered meter, current reversing transformer, loop connection or any other device or method which interferes with accurate or proper registration, calibration or metering of electric current or otherwise results in a manner whereby electricity is stolen or wasted; or

(c) damages or destroys an electric meter, apparatus, equipment, or wire or causes or allows any of them to be so damaged or destroyed as to interfere with the proper or accurate metering of electricity; or

(d) uses electricity through a tampered meter; or

(e) uses electricity for the purpose other than for which the usage of electricity was authorised,

so as to abstract or consume or use electricity shall be punishable with imprisonment for a term which may extend to three years or with fine or with both:

Provided that in a case where the load abstracted, consumed, or used or attempted abstraction or attempted consumption or attempted use–

(i) does not exceed 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction the fine imposed shall not be less than six times the financial gain on account of such theft of electricity;

(ii) exceeds 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction, the sentence shall be imprisonment for a term not less than six months, but which may extend to five years and with fine not less than six times the financial gain on account of such theft of electricity:

Provided further that in the event of second and subsequent conviction of a person where the load abstracted,

consumed, or used or attempted abstraction or attempted consumption or attempted use exceeds 10 kilowatt, such person shall also be debarred from getting any supply of electricity for a period which shall not be less than three months but may extend to two years and shall also be debarred from getting supply of electricity for that period from any other source or generating station:

Provided also that if it is proved that any artificial means or means not authorised by the Board or licensee or supplier, as the case may be, exist for the abstraction, consumption or use of electricity by the consumer, it shall be presumed, until the contrary is proved, that any abstraction, consumption or use of electricity has been dishonestly caused by such consumer.

(1A) Without prejudice to the provisions of this Act, the licensee or supplier, as the case may be, may, upon detection of such theft of electricity, immediately disconnect the supply of electricity:

Provided that only such officer of the licensee or supplier, as authorised for the purpose by the Appropriate Commission or any other officer of the licensee or supplier, as the case may be, of the rank higher than the rank so authorised shall disconnect the supply line of electricity:

Provided further that such officer of the licensee or supplier, as the case may be, shall lodge a complaint in writing relating to the commission of such offence in police station having jurisdiction within twenty-four hours from the time of such disconnection:

Provided also that the licensee or supplier, as the case may be, on deposit or payment of the assessed amount or electricity charges in accordance with the provisions of this Act, shall, without prejudice to the obligation to lodge the complaint as referred to in the second proviso to this clause, restore the supply line of electricity within forty-eight hours of such deposit or payment.”;

(B) in sub-section (2), for the words “Any officer authorised”, the words “Any officer of the licensee or supplier as the case may be, authorised” shall be substituted.

Amendment of section 150. 14. In section 150 of the principal Act, after sub-section (2), the following shall be inserted, namely:—

‘(3) Notwithstanding anything contained in sub-section (1) of section 135, sub-section (1) of section 136, section 137 and section 138, the licence or certificate of competency or permit or such other authorisation issued under the rules made or deemed

to have been made under this Act to any person who acting as an electrical contractor, supervisor or worker abets the commission of an offence punishable under sub-section (1) of section 135, sub-section (1) of section 136, section 137, or section 138, on his conviction for such abetment, may also be cancelled by the licensing authority:

Provided that no order of such cancellation shall be made without giving such person an opportunity of being heard.

Explanation.- For the purposes of this sub-section, “licensing authority” means the officer who for the time being in force is issuing or renewing such licence or certificate of competency or permit or such other authorisation.’.

- | | | |
|------------|---|---|
| 2 of 1974. | <p>15. In section 151 of the principal Act, the following provisos shall be inserted, namely:-</p> <p>“Provided that the court may also take cognizance of an offence punishable under this Act upon a report of a police officer filed under section 173 of the Code of Criminal Procedure, 1973:</p> <p>Provided further that a special court constituted under section 153 shall be competent to take cognizance of an offence without the accused being committed to it for trial”.</p> | Amendment of section 151 |
| 2 of 1974. | <p>16. After section 151 of the principal Act, the following sections shall be inserted, namely:-</p> <p>“151A. For the purposes of investigation of an offence punishable under this Act, the police officer shall have all the powers as provided in Chapter XII of the Code of Criminal Procedure, 1973.</p> | Insertion of new sections 151A and 151B
Power of police to investigate |
| 2 of 1974. | <p>15 1B. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, an offence punishable under sections 135 to 140 or section 150 shall be cognizable and non-bailable”.</p> | Certain offences to be cognizable and non-bailable. |
| | <p>17. In section 153 of the principal Act, in sub-section (1), for the words and figures “sections 135 to 139”, the words and figures “sections 135 to 140 and section 150” shall be substituted.</p> | Amendment of section 153. |
| | <p>18. In section 154 of the principal Act,-</p> <p>(i) for the words and figures “sections 135 to 139” wherever they occur, the words and figures “sections 135 to 140 and section 150” shall be substituted;</p> <p>(ii) in sub-section (5), for the words “Special Court may”, the words “Special Court shall” shall be substituted.</p> | Amendment of section 154. |
| | <p>19. In section 176 of the principal Act, in clause (2), in clause (b), for the brackets and words “(including the capital adequacy, credit worthiness or code of conduct)”, the words “relating to the capital adequacy, credit worthiness or code of conduct” shall be substituted.</p> | Amendment of section 176. |

20. In section 178 of the principal Act, in sub-section (2),– Amendment of
section 178.
- (i) in clause (k), the words “and elimination” shall be omitted;
 - (ii) in clause (m), the words “and elimination” shall be omitted;
 - (iii) for clause (r), the following clause shall be substituted, namely:–
 - “(r) the manner for reduction of cross-subsidies under clause (g) of section 61 ;
21. In section 181 of the principal Act, in sub-section (2),– Amendment of
section 181.
- (i) in clause (j), the words “and elimination” shall be omitted;
 - (ii) in clause (m), the words “and elimination” shall be omitted;
 - (iii) in clause (p), the words “and elimination” shall be omitted;
 - (iv) for clause (zc), the following clause shall be substituted, namely:-
 - “(zc) the manner of reduction of cross-subsidies under clause (g) of section 61;”.

K.N.CHATURVEDI,
Secy. to the Govt. of India


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EXTRAORDINARY

PART II-Section 3-Sub-section (ii)

PUBLISHED BY AUTHORITY

No. 709 NEW DELHI, TUESDAY, JUNE 12, 2007/JYAISTHA 22, 1929

MINISTRY OF POWER

NOTIFICATION

New Delhi, the 12th June, 2007

S.O. 950(E).—In exercise of the powers conferred by sub-section (2) of Section 1 of the Electricity (Amendment) Act, 2007 (26 of 2007), the Central Government hereby appoints the 15th June, 2007, as the date on which the provisions of the said Act shall come into force.

[F.No. 42/2/2005-R&R (Vol-IV)]
ANIL KUMAR,
Addl. Secy

Chapter 2

Rules under Electricity Act


भारत का राजपत्र
The Gazette of India

(Published in Part II, Section 3, Sub-section (i) of the Gazette of India, Extraordinary)

GOVERNMENT OF INDIA MINISTRY OF POWER

New Delhi, the 8th, June, 2005

(Contains amendment made vide notification dated 26.10.2006)

NOTIFICATION

G.S.R. 379(E). - In exercise of powers conferred by section 176 of the Electricity Act, 2003 (Act 36 of 2003), the Central Government hereby makes the following rules, namely:

1. Short title and commencement.

- (1) These rules shall be called the Electricity Rules, 2005.
- (2) These Rules shall come into force on the date of their publication in the Official Gazette.

2. Definitions.

In these rules, unless the context otherwise, requires:

- (a) "Act" means the Electricity Act, 2003;
- (b) the words and expressions used and not defined herein but defined in the Act shall have the meaning assigned to them in the Act.

3. Requirements of Captive Generating Plant.

(1) No power plant shall qualify as a 'captive generating plant' under section 9 read with clause (8) of section 2 of the Act unless

- (a) in case of a power plant
 - (i) not less than twenty six percent of the ownership is held by the captive user(s), and
 - (ii) not less than fifty one percent of the aggregate electricity generated in such plant, determined on an annual basis, is consumed for the captive use:

Provided that in case of power plant set up by registered cooperative society, the conditions mentioned under paragraphs at (i) and (ii) above shall be satisfied collectively by the members of the cooperative society:

Provided further that in case of association of persons, the captive user(s) shall hold not less than twenty six percent of the ownership of the plant in aggregate and such captive user(s) shall consume not less than fifty one percent of the electricity generated, determined on an annual basis, in proportion to their shares in ownership of the power plant within a variation not exceeding ten percent;

- (b) in case of a generating station owned by a company formed as special purpose vehicle for such generating station, a unit or units of such generating station identified for captive use

and not the entire generating station satisfy (s) the conditions contained in paragraphs (i) and (ii) of sub-clause (a) above including-

Explanation :

- (1) The electricity required to be consumed by captive users shall be determined with reference to such generating unit or units in aggregate identified for captive use and not with reference to generating station as a whole; and
- (2) the equity shares to be held by the captive user(s) in the generating station shall not be less than twenty six per cent of the proportionate of the equity of the company related to the generating unit or units identified as the captive generating plant.

Illustration: In a generating station with two units of 50 MW each namely Units A and B, one unit of 50 MW namely Unit A may be identified as the Captive Generating Plant. The captive users shall hold not less than thirteen percent of the equity shares in the company (being the twenty six percent proportionate to Unit A of 50 MW) and not less than fifty one percent of the electricity generated in Unit A determined on an annual basis is to be consumed by the captive users.

- (2) It shall be the obligation of the captive users to ensure that the consumption by the Captive Users at the percentages mentioned in sub-clauses (a) and (b) of sub-rule (1) above is maintained and in case the minimum percentage of captive use is not complied with in any year, the entire electricity generated shall be treated as if it is a supply of electricity by a generating company.

Explanation.- (1) For the purpose of this rule.

- a. "Annual Basis" shall be determined based on a financial year;
 - b. "Captive User" shall mean the end user of the electricity generated in a Captive Generating Plant and the term "Captive Use" shall be construed accordingly;
 - c. "Ownership" in relation to a generating station or power plant set up by a company or any other body corporate shall mean the equity share capital with voting rights. In other cases ownership shall mean proprietary interest and control over the generating station or power plant;
 - d. "Special Purpose Vehicle" shall mean a legal entity owning, operating and maintaining a generating station and with no other business or activity to be engaged in by the legal entity.
- 4. Distribution System.-** The distribution system of a distribution licensee in terms of sub-section (19) of section 2 of the Act shall also include electric line, sub-station and electrical plant that are primarily maintained for the purpose of distributing electricity in the area of supply of such distribution licensee notwithstanding that such line, sub-station or electrical plant are high pressure cables or overhead lines or associated with such high pressure cables or overhead lines; or used incidentally for the purposes of transmitting electricity for others.
- 5. Compliance with the directions by Transmission Licensee.**
- (1) The National Load Despatch Centre, Regional Load Despatch Centre, as the case may be, or the State Load Despatch Centre, may, under section 26, sub-section (3) of section 28, sub-section (1) of section 29, sub-section (2) of section 32 and sub-section (1) of section 33 read with clause (b) of section 40 of the Act, give such directions, as it may consider appropriate for maintaining the availability of the transmission system of a Transmission Licensee and the Transmission Licensee shall duly comply with all such directions.

- (2) The Appropriate Commission, on an application filed by the National Load Despatch Centre, the Regional Load Despatch Centre or the State Load Despatch Centre and after hearing the Transmission Licensee, if satisfied that the Transmission Licensee has persistently failed to maintain the availability of the transmission system, may issue such directions to the National Load Despatch Centre, the Regional Load Despatch Centre or the State Load Despatch Centre to take control of the operations of the transmission system of such Transmission Licensee for such period and on such terms, as the Commission may decide.
- (3) The direction under sub-rules (1) and (2) above shall be without prejudice to any other action which may be taken against the Transmission Licensee under other provisions of the Act.
- 6. The surcharge under section 38 :** The surcharge on transmission charges under section 38, the manner of progressive reduction of such surcharge and the manner of payment and utilization of such surcharge to be specified by the Central Commission under sub-clause (ii) of clause (d) of sub-section (2) of section 38 shall be in accordance with surcharge on the charges for wheeling, the manner of progressive reduction of such surcharge and the manner of payment and utilization of such surcharge as may be specified by the Appropriate Commission of the State in which the consumer is located under sub-section (2) of section 42 of the Act.
- 7. Consumer Redressal Forum and Ombudsman.-** (1) The distribution licensee shall establish a Forum for Redressal of Grievances of Consumers under sub-section (5) of section 42 which shall consist of officers of the licensee. The Appropriate Commission shall nominate one independent member who is familiar with the consumer affairs.
- Provided that the manner of appointment and the qualification and experience of the persons to be appointed as member of the Forum and the procedure of dealing with the grievances of the consumers by the Forum and other similar matters would be as per the guidelines specified by the State Commission
- (2) The Ombudsman to be appointed or designated by the State Commission under sub-section (6) of section 42 of the Act shall be such person as the State Commission may decide from time to time.
- (3) The Ombudsman shall consider the representations of the consumers consistent with the provisions of the Act, the Rules and Regulations made hereunder or general orders or directions given by the Appropriate Government or the Appropriate Commission in this regard before settling their grievances.
- (4) (a) The Ombudsman shall prepare a report on a six monthly basis giving details of the nature of the grievances of the consumer dealt by the ombudsman, the response of the Licensees in the redressal of the grievances and the opinion of the ombudsman on the Licensee's compliance of the standards of performance as specified by the Commission under section 57 of the Act during the preceding six months.
- (b) The report under sub-clause (a) above shall be forwarded to the State Commission and the State Government within 45 days after the end of the relevant period of six months.
- 8. Tariffs of generating companies under section 79.-** The tariff determined by the Central Commission for generating companies under clause (a) or (b) of sub-section (1) of section 79 of the Act shall not be subject to re-determination by the State Commission in exercise of functions under clauses (a) or (b) of sub-section (1) of section 86 of the Act and subject to the above the State Commission may determine whether a Distribution Licensee in the State should enter into Power Purchase Agreement or procurement process with such generating companies based on the tariff determined by the Central Commission.

- 9. Inter-State trading Licence.-** A licence issued by the Central Commission under section 14 read with clause (e) of sub-section (1) of section 79 of the Act to an electricity trader for Inter-State Operations shall also entitle such electricity trader to undertake purchase of electricity from a seller in a State and resell such electricity to a buyer in the same State, without the need to take a separate licence for intra-state trading from the State Commission of such State.
- 10. Appeal to the Appellate Tribunal.-** In terms of sub-section (2) of section 111 of the Act, the appeal against the orders passed by the adjudicating officer or the appropriate commission after the coming into force of the Act may be filed within forty-five days from the date, as notified by the Central Government, on which the Appellate Tribunal comes into operation.
- 11. Jurisdiction of the courts.-** The Jurisdiction of courts other than the special courts shall not be barred under sub-section (1) of section 154 till such time the special court is constituted under sub-section (1) of section 153 of the Act.
- 12. Cognizance of the offence-** (1) The police shall take cognizance of the offence punishable under the Act on a complaint in writing made to the police by the Appropriate Government or the Appropriate Commission or any of their officer authorized by them in this regard or a Chief Electrical Inspector or an Electrical Inspector or an authorized officer of Licensee or a Generating Company, as the case may be.
- (2) The police shall investigate the complaint in accordance with the general law applicable to the investigation of any complaint. For the purposes of investigation of the complaint the police shall have all the powers as available under the Code of Criminal Procedure, 1973.
- (3) The police shall, after investigation, forward the report along with the complaint filed under sub-clause (1) to the Court for trial under the Act.
- (4) Notwithstanding anything contained in sub-clauses (1), (2) and (3) above, the complaint for taking cognizance of an offence punishable under the Act may also be filed by the Appropriate Government or the Appropriate Commission or any of their officer authorized by them or a Chief Electrical Inspector or an Electrical Inspector or an authorized officer of Licensee or a Generating Company, as the case may be directly in the appropriate Court.
- (5) Notwithstanding anything contained in the Code of Criminal Procedure 1973, every special court may take cognizance of an offence referred to in sections 135 to 139 of the Act without the accused being committed to it for trial.
- (6) The cognizance of the offence under the Act shall not in any way prejudice the actions under the provisions of the Indian Penal Code.
- 13. Issue of Orders and Practice Directions.**
- The Central Government may from time to time issue Orders and practice directions in regard to the implementation of these rules and matters incidental or ancillary thereto as the Central Government may consider appropriate.

[F.No. 23/54/2004-R&R]

Sd/
(Ajay Shankar)
Additional Secretary


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[Published in Part II, Section 3, Sub-section (i) of the Gazette of India, Extraordinary]

Government of India
MINISTRY OF POWER

NOTIFICATION

New Delhi, dated the 26th October, 2006

G.S.R.667(E).- In exercise of the powers conferred by section 176 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following rules to amend the Electricity Rules, 2005, namely:-

1. (1) These rules may be called the Electricity (Amendment) Rules, 2006.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Electricity Rules, 2005, in rule 7, for sub-rule (1) the following sub-rule shall be substituted, namely:-
“(1) The distribution licensee shall establish a Forum for Redressal of Grievances of Consumers under sub-section (5) of section 42 which shall consist of officers of the licensee. The Appropriate Commission shall nominate one independent member who is familiar with the consumer affairs.

Provided that the manner of appointment and the qualification and experience of the persons to be appointed as member of the Forum and the procedure of dealing with the grievances of the consumers by the Forum and other similar matters would be as per the guidelines specified by the State Commission”.

[F.No. 23/23/2005-R&R]

Sd/-

(Ajay Shankar)

Additional Secretary to the Government of India

Note:- The Principal Rules were published vide GSR 379(E), dated the 8th June, 2005 in the Gazette of India dated the 8th June, 2005.


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EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 8th March, 2004.

Notification

G.S.R. 177(E) - In exercise of the powers conferred by clauses (j) and (k) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003) the Central Government hereby makes the following rules, namely:-

- 1. Short title and commencement** - (1) These rules may be called the Central Electricity Regulatory Commission (Salary, Allowances and other Conditions of Service of Chairperson and Members) Rules, 2004.
(2) They shall come into force on the date of their publication in the Official Gazette.
- 2. Definitions** - In these rules, unless the context otherwise requires, -
 - (a) "Act" means the Electricity Act, 2003; and
 - (b) words and expressions used herein and not defined but defined in the Act, shall have the meanings respectively assigned to them in the Act.
- 3. Oath of office and secrecy** - The Chairperson and Members shall, before entering upon his office, subscribe to an oath of office and secrecy before the Minister-in-charge of the Ministry of Power. The oath of office and secrecy shall be administered in the following form:-

Oath of secrecy

I,..... do swear in the name of God and solemnly affirm that I shall not directly or indirectly, communicate or reveal to any person or persons any matter which shall be brought under my consideration or shall become known to me as Chairperson/Member of the Central Electricity Regulatory Commission except as may be required for the due discharge of my duties as such Chairperson/Member.

Oath and affirmation of allegiance to Constitution

I,..... having been appointed Chairperson/Member of the Central Electricity Regulatory Commission, do swear in the name of God and solemnly affirm that I shall bear true faith and allegiance to the Constitution of India as by law established, that I shall uphold the sovereignty and integrity of India, that I shall duly and faithfully and to the best of my ability, knowledge and judgement perform the duties of my office without fear or favour, affection or ill will and that I will uphold the Constitution and the laws of the land

4. Pay – The Chairperson and a Member shall be entitled to receive a pay of rupees twenty six thousand per month:

Provided that if the Chairperson has been a Judge of the Supreme Court or Chief Justice of a High Court, he shall receive pay as admissible to a Judge of the Supreme Court or the Chief Justice of a High Court, as the case may be:

Provided further that in case a person appointed as the Chairperson or a Member is in receipt of any pension, the pay of such person shall be reduced by the gross amount of pension drawn by him:

Provided also that the Chairperson or a Member shall be entitled to receive allowances on the original basic pay before such fixation of pay.

5. Dearness allowance and city compensatory allowance - The Chairperson and a Member shall be entitled to receive dearness allowance and city compensatory allowance, and other allowances at the rate admissible to a Group 'A' Officer of the Central Government drawing an equivalent pay:

Provided that in case the Chairperson is or has been a Judge of the Supreme Court or Chief Justice of a High Court, he shall receive dearness allowance at the rate admissible to a Judge of the Supreme Court or the Chief Justice of a High Court, as the case may be.

6. Leave - The Chairperson or a Member shall be entitled to thirty days earned leave for every year of service. The payment of leave salary, during leave, shall be governed under the provisions of rule 40 of Central Civil Services (Leave) Rules, 1972. A person may be entitled to encashment of fifty per cent of earned leave to his credit at any time.

7. Leave sanctioning authority - In the case of the Chairperson, the Minister-in-charge of the Ministry of Power, and in the case of a Member, the Chairperson, shall be the leave sanctioning authority.

8. Provident fund - The Chairperson and a Member shall be governed by the provisions of the Contributory Provident Fund (India) Rules, 1962 and no option to subscribe under the provisions of the General Provident Fund Rules (Central Services), 1960 shall be available. Additional pension and gratuity shall not be admissible for service rendered in the Commission.

9. Travelling allowances – (1) The Chairperson and a Member while on tour within India or on transfer (including the journey undertaken by self and family to join the Commission or on the expiry of term with the Commission to proceed to his home town with family) shall be entitled to the journey allowance, daily allowance and transportation of personal effects at the same scales and at the same rates as are applicable to a Group 'A' Officer of the Central Government drawing an equivalent pay.

(2) Foreign tours to be undertaken by the Chairperson or a Member shall require prior approval of the Minister-in-charge of the Ministry of Power and of the Screening Committee of the Secretaries and clearance from the Ministry of External Affairs from political angle and from the Ministry of Home Affairs for acceptance of foreign hospitality, if any, under the provisions of the Foreign Contribution (Regulation) Act, 1976 :

Provided that the daily allowance and provision for hotel accommodation during the period of tour abroad, shall be in accordance with such orders of the Central Government as are applicable to a Group "A" officer of the Central Government, drawing an equivalent pay and as per the economy instructions or other instructions issued by the Ministry of Finance from time to time.

10. Leave travel concession - The Chairperson and a Member shall be entitled to leave travel concession at the same scale and at the same rate as applicable to Group 'A' Officers of the Central Government drawing an equivalent pay:

Provided that if the Chairperson has been a Judge of the Supreme Court or a Chief Justice of a High Court, he shall be entitled to leave travel concession at the same scale and at the same rate as applicable to a Judge of the Supreme Court or the Chief Justice of High as the case may be.

- 11. Accommodation** - (1) The Chairperson and a Member shall have the option of claiming house rent allowance for residence located in Delhi or in one of the satellite towns surrounding the National Capital Territory of Delhi at the rate of thirty per cent of the basic pay drawn but no house will be allotted by the Central Government.

(2) In the case of a leased accommodation, the entitlement shall be determined by the Central Government keeping in view the entitlements of the Chairman and Managing Director of a Schedule "A" public sector enterprise in terms of plinth area and rental ceiling specified by the Department of Public Enterprises from time to time and also taking into consideration the market rents and plinth area specified by the Ministry of Urban Development for type VI accommodation:

Provided that for such leased accommodation which is according to and within the entitlement of the Chairperson or the Member, the standard license fee shall be the same as in the case of a Group "A" officer of the Central Government drawing an equivalent pay:

Provided further that for leased accommodation which is higher than the entitlement, recovery at the rate of ten per cent of the basic pay i.e., without deducting pension shall be made from the salary of the Chairperson or Member, as the case may be.

- 12. Transport** - The Chairperson and a Member shall be allowed the option to make use of an official vehicle or reimbursement of such amount as may be fixed by the Central Government from time to time in respect of a Group "A" officer of the Central Government drawing an equivalent pay for the use and maintenance of his personal car.
- 13. Medical treatment** - The Chairperson and a Member shall be entitled to medical reimbursement and facility as may be applicable to a Group "A" officer of the Central Government drawing an equivalent pay.
- 14. Telephone facility, official meetings and entertainment expenses** - The Chairperson and a Member shall be eligible for telephone facilities, official meetings and entertainment expenses as admissible to a Group "A" officer of the Central Government drawing an equivalent pay.
- 15. Other conditions of services** - Other conditions of service of the Chairperson and a Member, with respect to which no express provision has been made in these rules, shall be such as are admissible to a Group "A" officer of the Central Government drawing an equivalent pay.

Sd/-

(Ajay Shankar)

Joint Secretary to the Government of India
(F.No. 23/22/2003-R&R)


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EXTRAORDINARY – PART II – Section 3 (i)

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 19th March, 2010

Notification

G.S.R.196(E).— In exercise of the powers conferred by clause (j) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following rules to amend the Central Electricity Regulatory Commission (Salary, Allowances and other Conditions of Service of Chairperson and Members) Rules, 2004, namely:-

1. (1) These rules may be called the Central Electricity Regulatory Commission (Salary, Allowances and other Conditions of Service of Chairperson and Members) Amendment Rules, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Central Electricity Regulatory Commission (Salary, Allowances and other Conditions of Service of Chairperson and Members) Rules, 2004 (hereinafter referred to as the said rules), for rule 4, the following rule shall be substituted, namely:-

“4. Pay . - The Chairperson shall be entitled to receive a pay of rupees three lakhs per mensem and the full-time Members shall receive a pay of rupees two lakh fifty thousand per mensem, without facility of Government Accommodation and Staff Car:

Provided that where the Chairperson has been a Judge of the Supreme Court or Chief Justice of a High Court, he shall be entitled to receive pay as admissible to a Judge of the Supreme Court or the Chief Justice of a High Court, as the case may be.”.

3. For rule 5 of the said rules, the following rule shall be substituted, namely:-

“5. Dearness allowance. – where the Chairperson is or has been a Judge of the Supreme Court or Chief Justice of a High Court, he shall be entitled to receive dearness allowance at the rate admissible to a Judge of the Supreme Court or the Chief Justice of a High Court, as the case may be. “.

4. In rule 9 of the said rules, -

(a) in sub-rule (1), for the words “an equivalent pay” , the words, letters, figures and brackets “pay in the pay scale of Rs.80,000/-(fixed)” shall be substituted;

- (b) in sub-rule (2), -
- (i) the words “and of the Screening Committee of the Secretaries” shall be omitted;
 - (ii) in the proviso, for the word “an equivalent pay and as per the economy instructions or other instructions issued by the Ministry of Finance from time to time.”, the words, letters, figures and brackets “pay in the pay scale of Rs.80,000/- (fixed).” shall be substituted;
5. In rule 10 of the said rules, for the words “an equivalent pay”, the words, letters, figures and brackets “pay in the pay scale of Rs.80,000/-(fixed)” shall be substituted.
6. For rule 11 of the said rules, the following rule shall be substituted, namely:-
- “11. Accommodation. - Where the Chairperson has been a Judge of the Supreme Court or a Chief Justice of a High Court, he shall be entitled to accommodation as is admissible to a Judge of the Supreme Court or a Chief Justice of a High Court, as the case may be.”.
7. For rule 12 of the said rules, the following rule shall be substituted, namely.-
- “12. Transport. - Where the Chairperson has been a Judge of the Supreme Court or a Chief Justice of a High Court, he shall be entitled to transport facility as is admissible to a Judge of the Supreme Court or a Chief Justice of a High Court, as the case may be.”.
8. For rule 14, the following rule shall be substituted, namely.-
- “14. Telephone facility. – The Chairperson and a full-time Member shall be eligible for telephone facility as admissible to a Group ‘A’ officer of the Central Government drawing pay in the pay scale of Rs.80,000/- (fixed) :
- Provided that where the Chairperson has been a Judge of the Supreme Court or a Chief Justice of a High Court, he shall be entitled to Telephone facility as admissible to a Judge of the Supreme Court or a Chief Justice of a High Court, as the case may be.” .
9. In rule 15 of the said rules, -
- (a) for the words “an equivalent pay”, the words, letters, figures and brackets “pay in the pay scale of Rs.80,000/-(fixed)” shall be substituted ;
 - (b) at the end, the following proviso shall be added, namely:-
- “Provided that where the Chairperson has been a Judge of the Supreme Court or a Chief Justice of a High Court, the other conditions of service of the Chairperson, with respect to which no express provision has been made in these rules shall be as applicable to a Judge of the Supreme Court or a Chief Justice of a High Court, as the case may be.”.

[F.No.25/1/2009-R&R]

(I.C.P. Keshari)

Joint Secretary to the Government of India

Foot Note :- The principal rules were published vide number G.S.R. 177(E), dated the 8th March, 2004 .


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EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 23rd March, 2004.

Notification

G.S.R. 206(E) - In exercise of the powers conferred by clause (c) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following rules regarding payment of fees for application for grant of licence under sub-section (1) of section 15, namely:

1. **Short title and commencement** – (1) These rules may be called the Fees for Making Application for Grant of Licence Rules, 2004.

(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** - (1) In these rules unless the context otherwise requires,-
 - (a) “Act” means the Electricity Act, 2003;
 - (b) “section” means a section of the Act; and
 - (c) expression used and not defined in these rules but defined in the Electricity Act, 2003 (36 of 2003), shall have the meanings respectively assigned to them in that Act.
3. **Fees for making application for grant of licence** - (1) Every application under section 14 for grant of licence by the Central Electricity Regulatory Commission, shall be accompanied by a fee of rupees one lakh only.

(2) The fee shall be remitted through demand draft in favour of the Assistant Secretary, Central Electricity Regulatory Commission .

Sd/-
(Ajay Shankar)
Joint Secretary to the Government of India
(F.No. 23/19/2003-R&R)


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 6th April, 2004

Notification

G.S.R. 254(E) - In exercise of the powers conferred by clause (a) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following rules stipulating the time for inviting suggestions and objections by the Central Electricity Authority on the draft National Electricity Plan, namely:-

1. **Short title and commencement** – (1) These rules may be called the National Electricity Plan Notification Rules, 2004.
 - (2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** - (1) In these rules unless the context otherwise requires,-
 - (a) “Act” means the Electricity Act, 2003;
 - (b) Words and expression used here in and not defined but defined in the Act shall have the meanings respectively assigned to them in the Act.
3. **Notification of National Electricity Plan** - (1) A National Electricity Plan prepared under the provisions of sub-section (4) of section 3 of the Act shall be published in the Official Gazette and in at least two daily vernacular language newspapers.
 - (2) For inviting suggestions and objections of licensee, generating companies and general public a period of ninety days, from the date of publication of such Plan, shall be provided by the Authority.

Sd/
(Ajay Shankar)
Joint Secretary to the Government of India
(F.No. 23/17/2003-R&R)


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

Ministry of Power
Government of India

New Delhi, 13th April, 2004.

Notification

G.S.R. 259(E) - In exercise of the powers conferred by clause (r) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following rules, namely:

- 1. Short title and commencement** – (1) These rules may be called the Appellate Tribunal for Electricity (Salaries, Allowances and other Conditions of Service of Chairperson and Members) Rules, 2004.
(2) They shall come into force on the date of their publication in the Official Gazette.
- 2. Definitions** – In these rules, unless the context otherwise requires, -
 - (a) “Act” means the Electricity Act, 2003;
 - (b) “Appellate Tribunal” means the Appellate Tribunal for Electricity established under section 110 of the Act;
 - (c) “Chairperson” means the Chairperson the Appellate Tribunal appointed under section 113 of the Act;
 - (d) “Member” means a Member of the Appellate Tribunal appointed under section 113 of the Act;
 - (e) Words and expressions used herein and not defined but defined in the Act shall have the meanings respectively assigned to them in the Act.
- 3. Salary, allowances, payable to the Chairperson** – The Chairperson shall be entitled to a monthly salary and to such allowances and other benefits, as are admissible to a Judge of the Supreme Court:
Provided that in case a person appointed as the Chairperson is in receipt of any pension, the pay of such Chairperson shall be reduced by the gross amount of pension drawn by him:
Provided further that the Chairperson shall be entitled to draw allowances on the original basic pay before such fixation of pay.
- 4. Contribution to contributory provident fund** – The Chairperson shall be entitled to subscribe to the Contributory Provident Fund which shall be governed by the Contributory Provident Fund Rules, (India), 1962.
- 5. Other conditions of service** – The other conditions of service of Chairperson shall be governed by the Supreme Court Judges (Conditions of Service) Act, 1958 and the rules made there under.
- 6. Salary and allowances payable to Member** – A Member of the Appellate Tribunal shall be entitled to a monthly salary, and such allowances and other benefits as are admissible to a serving Judge of the High Court of Delhi:

Provided that in case a person appointed as the Member is in receipt of any pension, the pay of such Member shall be reduced by the gross amount of pension drawn by him:

Provided further that the Member shall be entitled to draw allowances on the original basic pay before such fixation of pay.

7. **Contribution to contributory provident fund** – The Member shall be entitled to subscribe to the Contributory Provident Fund which shall be governed by the Contributory Provident Fund Rules (India), 1962.
8. **Other conditions of service of Member** – The other conditions of service of a Member shall be governed by the High Court Judges (Salaries and conditions of Service) Act, 1954, and the rules made there under for a serving Judge of the High Court of Delhi.
9. **Oath of office and secrecy** – Every person appointed as the Chairperson or a Member shall, before entering upon his office, make and subscribe an oath of office and secrecy in Form I and Form II respectively annexed to these rules.
10. **Declaration of financial or other interest** – Every person, on his appointment as the Chairperson or Member, as the case may be, shall give a declaration in Form III annexed to these rules, to the satisfaction of the Central Government, that he does not have any such financial or other interest as is likely to affect prejudicially his functions as such Chairperson or Member, as the case may be.
11. **Residuary provision** – Matter relating to the terms and conditions of service of the Chairperson or Member with respect to which no express provision has been made in these rules, shall be referred by the Appellate Tribunal to the Central Government for its decision.

FORM - I

(See Rule 9)

Form of Oath of Office for the Chairperson/Members of the Appellate Tribunal for Electricity)

I, _____, having been appointed as the Chairperson/Member (*cross out portion not applicable*) do solemnly affirm and do swear in the name of God that I will faithfully and conscientiously discharge my duties as the Chairperson/Member (*cross out portion not applicable*), of the Appellate Tribunal for Electricity, to the best of my ability, knowledge and judgement, without fear or favour, affection or ill-will and that I will uphold the Constitution and the laws of the land.

Dated: _____ (Name of the Chairperson/Member)

APPELLATE TRIBUNAL FOR ELECTRICITY

FORM - II

(See rule 9)

Form of Oath of Secrecy for the Chairperson/Members of the Appellate Tribunal for Electricity.

I, _____, having been appointed as the Chairperson/a Member (Cross out portion not applicable) do solemnly affirm and swear in the name of God that I will not directly or indirectly communicate or reveal to any person or persons any matter which shall be brought under my consideration or shall become known to me as the Chairperson/a Member (cross out portion not applicable) of the Appellate Tribunal for Electricity except as may be required for the due discharge of my duties as the Chairperson/a Member (cross out portion not applicable).

Dated

(Name of the Chairperson/Member)

APPELLATE TRIBUNAL FOR ELECTRICITY

FORM - III

(See rule 10)

Declaration against acquisition of any adverse financial or other interest

I, _____, having been appointed as the Chairperson/Member (*cross out portion not applicable*) of the Appellate Tribunal for Electricity, do solemnly affirm and declare that I do not have, nor shall have in future any financial or other interest which is likely to affect prejudicially my functioning as the Chairperson/Member (*cross out portion not applicable*) of the Appellate Tribunal for Electricity.

Dated

(Name of the Chairperson/Member)

APPELLATE TRIBUNAL FOR ELECTRICITY

Sd/-

(Ajay Shankar)

Joint Secretary to the Government of India
[F.No.23/12/2003-R&R (Vol.III)(Pt.III)]


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भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i), No. 533

NEW DELHI, TUESDAY, SEPTEMBER 30, 2008

GOVERNMENT OF INDIA

MINISTRY OF POWER

Notification

New Delhi, the 29th September, 2008

G.S.R. 700(E).– In exercise of the powers conferred by clause (r) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following rules to amend the Appellate Tribunal for Electricity (Salaries, Allowances and other conditions of service of Chairperson and Members) Rules, 2004, namely:–

1. (1) These rules may be called the Appellate Tribunal for Electricity (Salaries, Allowances and other conditions of service of Chairperson and Members) (Amendment) Rules, 2008.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Appellate Tribunal for Electricity (Salaries, Allowances and other conditions of service of Chairperson and Members) Rules, 2004, in Rule 9, the words “before the Minister in charge of the Ministry of Power” shall be omitted.

[F. No. 46/7/2007-R&R]
MALAY SHRIVASTAVA, Director

Note : The Principal Rules were published *vide* G.S.R. 259(E), dated the 13th April, 2004 in the Gazette of India dated the 13th April, 2004.


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[Published in Part II, Section 3, sub-section (i) of the Gazette of India, Extraordinary]

GOVERNMENT OF INDIA

MINISTRY OF POWER

Notification

New Delhi, the 22nd January, 2007

G.S.R. 33(E).- In exercise of the powers conferred by sub-section (1) of section 176 and clauses (q), (t) and (z) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003) and in supersession of the Appellate Tribunal for Electricity (Form, Verification and fee for filing an appeal) Rules, 2004, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely:-

1. **Short title and commencement.**- (1) These rules may be called the Appellate Tribunal for Electricity (Procedure, Form, Fee and Record of Proceedings) Rules, 2007.
 - (2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions.**- In these rules, unless the context otherwise requires,-
 - (a) "Act" means the Electricity Act, 2003 (36 of 2003);
 - (b) "Advocate" means a person who is entitled to practice the profession of law under the Advocates Act, 1961 (25 of 1961);
 - (c) "Chairperson" means the Chairperson of the Appellate Tribunal appointed under sub-section (2) of section 113 of the Act;
 - (d) "Member means", Members of the Tribunal appointed under sub-section (3) of section 113 of the Act;
 - (e) "Interlocutory Application" means an application in any appeal or original petition on proceeding already instituted in the Tribunal, but not being a proceeding for execution of the order or direction of Tribunal;
 - (f) "Registrar" means, the Registrar of the Tribunal and includes any other officer or staff member of the Tribunal to whom the Power and functions of the Registrar may be delegated or assigned or who is authorized to act as such by the Chairperson from time to time;
 - (g) "Registry" means the Registry of the Tribunal;
 - (h) "Tribunal" means the Appellate Tribunal for Electricity established under section 110 of the Act;
 - (i) "Section" means a section of the Act;

- (j) The words and expressions used herein and not defined, but defined in the Act, shall have the meanings respectively assigned to them in the Act.
3. **Computation of time period.-** Where a period is prescribed by the Act and these rules or under any other law or is fixed by the Tribunal for doing any act, in computing the time, the day from which the said period is to be reckoned shall be excluded, and if the last day expires on a day when the office of the Tribunal is closed, that day and any succeeding days on which the Tribunal remains closed shall also be excluded.
 4. **Forms.-** The forms prescribed by these rules with such modifications or variations as the circumstances of each case may require shall be used for the purpose mentioned therein and where no form is prescribed to cover a contingency, a form as may be approved by the Registrar, shall be used.
 5. **Format of order or direction or rule.-** Every rule, direction, order, summons, warrant or other mandatory process shall be issued in the name of the Chairperson and shall be signed by the Registrar or any other officer specifically authorized in that behalf by the Chairperson, with the day, month and year of signing and shall be sealed with the seal of the Tribunal.
 6. **Official seal of the Tribunal.-** The official seal of the Tribunal shall be such, as the Chairperson may from time to time specify and shall be in the custody of the Registrar.
 7. **Custody of the records.-** The Registrar shall have the custody of the records of the Tribunal and no record or document filed in any cause or matter shall be allowed to be taken out of the custody of the Tribunal without the leave of the Tribunal.

Provided a member of the establishment with prior written approval of the Registrar may remove any official paper or record for official purposes from the Tribunal.
 8. **Sitting hours of the Tribunal.-** The sitting hours of the Tribunal shall ordinarily be from 10.30 AM. to 1.15 P.M. and from 2.15 P.M. to 5.00 p.m. subject to any order made by the Chairperson and this will not disable the Bench of the Tribunal to extend its sitting as it deems fit.
 9. **Working hours of the Tribunal.-** (1) The office of the Tribunal shall remain open on all working days from 10.00 A.M. to 5.30 P.M.

(2) The Filing Counter of the Registry shall be open on all working days from 10.30 AM to 5.00 P.M.
 10. **Calender.-** The Calendar of days of working of Tribunal in a year shall be as decided by the Chairperson and Members of the Tribunal.
 11. **Motion cases.-** All urgent matters filed before 12 noon shall be listed before the Tribunal on the following working day, if it is complete in all respects as provided in these rules and in exceptional cases, it may be received after 12 noon but before 3.00 P.M. for listing on the following day, with the specific permission of the Tribunal or Chairperson.
 12. **Power to exempt.-** The Tribunal may on sufficient cause being shown, exempt the parties from compliance with any requirement of these rules and may give such directions in matters of practice and procedure, as it may consider just and expedient on the application moved in this behalf to render substantial justice.
 13. **Power to extend time.-** The Tribunal may extend the time appointed by these rules or fixed by any order, for doing any act or taking any proceeding, upon such terms, if any, as the justice of the case may require, and any enlargement may be ordered, although the application therefore is not made until after the expiration of the time appointed or allowed.

CHAPTER-II
POWERS OF THE REGISTRAR

14. **Powers and functions of the Registrar.-** The Registrar shall have the following powers and functions, namely:-
- (a) registration of appeals, petitions and applications;
 - (b) to receive applications for amendment of appeal or the petition or application or subsequent proceedings.
 - (c) to receive applications for fresh summons or notices and regarding services thereof;
 - (d) to receive applications for fresh summons or notice and for short date summons and notices;
 - (e) to receive applications for substituted service of summons or notices;
 - (f) to receive applications for seeking orders concerning the admission and inspection of documents;
 - (g) transmission of a direction/ order to the civil court as directed by Tribunal with the prescribed certificate(s) for execution etc; and
 - (h) such other incidental/matters as the Chairperson may direct from time to time.
15. **Power of adjournment.-** All adjournments shall normally be sought before the concerned bench in court and in extraordinary circumstances, the Registrar may, if so directed by the Tribunal in chambers, shall at any time adjourn any matter and lay the same before the Tribunal in chambers.
16. **Delegation powers of the Chairperson.-** The Chairperson may assign or delegate to a Deputy Registrar or to any other suitable officer all or some of the functions required by these rules to be exercised by the Registrar.

CHAPTER-III
INSTITUTION OF PROCEEDINGS/PETITION/APPEALS ETC.

17. **Procedure for proceedings.** -(1) Every appeal or petition or application or caveat petition or objection or counter presented to the Tribunal shall be in English and in case it is in some other Indian language, it shall be accompanied by a copy translated in English and shall be fairly and legibly type written, lithographed or printed in double spacing on one side of standard petition paper with an inner margin of about four centimeters width on top and with a right margin of 2.5 cm, and left margin of 5 cm, duly paginated, indexed and stitched together in paper book form;
- (2) The cause title shall state “In the Appellate Tribunal For Electricity” and shall specify the jurisdiction *Appellate, Original or Special Original respectively under section 111(1) and section 121 of the Act* in which it is presented and also set out the proceedings or order of the authority against which it is preferred.
 - (3) Appeal or petition or application or counter or objections shall be divided into paragraphs and shall be numbered consecutively and each paragraph shall contain as nearly as may be, a separate fact or allegation or point.
 - (4) Where Saka or other dates are used, corresponding dates of Gregorian Calendar shall also be given.
 - (5) Full name, parentage, description of each party and address and in case a party sues or being sued in a representative character, shall also be set out at the beginning of the appeal or

petition or application and need not be repeated in the subsequent proceedings in the same appeal or petition or application.

- (6) The names of parties shall be numbered consecutively and a separate line should be allotted to the name and description of each party. These numbers shall not be changed and in the event of the death of a party during the pendency of the appeal or petition or matter, his legal heirs or representative, as the case may be, if more than one shall be shown by sub-numbers. Where fresh parties are brought in, they may be numbered consecutively in the particular category, in which they are brought in.
 - (7) Every proceeding shall state immediately after the cause title the provision of law under which it is preferred.
18. **Particulars to be set out in the address for service.**- The address for service of summons shall be filed with every appeal or petition or application or caveat on behalf of a party and shall as far as possible contain the following items namely:-
- (a) the name of the road, street, lane and Municipal Division/Ward, Municipal Door and other number of the house;
 - (b) the name of the town or village;
 - (c) the post office, postal district and PIN Code; and
 - (d) any other particular necessary to identify the addressee *such as fax number, mobile number and e-mail address, if any.*
19. **Initialing alteration.**- Every interlineation, eraser or correction or deletion in any appeal or petition or application or document shall be initialed by the party or his recognized agent or advocate presenting it.
20. **Presentation of appeal or petition.**- (1) Every appeal, petition, caveat, interlocutory application and documents shall be presented in triplicate by the appellant or petitioner or applicant or respondent, as the case may be, in person or by his duly authorized agent or by an advocate duly appointed in this behalf in the prescribed form with stipulated fee at the filing counter and non compliance of this may constitute a valid ground to refuse to entertain the same.
- (2) Every appeal or petition shall be accompanied by a certified copy of the impugned order.
 - (3) All such documents filed in the Tribunal shall be accompanied by an index in triplicate containing their details and the amount of fee paid thereon.
 - (4) Sufficient number of copies of the appeal or petition or application shall also be filed for service on the opposite party as prescribed.
 - (5) In the pending matters, all applications shall be presented after serving copies thereof in advance on the opposite side or his/her advocate on record.
 - (6) The processing fee prescribed by the rules, with required number of envelopes of sufficient size and notice forms as prescribed shall be filled alongwith memorandum of appeal.
21. **Number of copies to be filed.**- The appellant or petitioner or applicant or respondent shall file three authenticated copies of appeal or petition or application or counter or objections, as the case may be, and shall deliver one copy to each of the opposite party.
22. **Lodging of caveat.**- (1) The respondent may lodge a caveat in triplicate in any appeal or petition or application that may be instituted before this Tribunal by paying the prescribed fee after

forwarding a copy by registered post or serving the same on the expected petitioner or appellant and the caveat shall be in form prescribed and contain such details and particulars or orders or directions, details of authority against whose orders or directions the appeal or petition is being instituted by the expected appellant or petitioner with full address for service on other side, so that the appeal or petition could be served before the appeal or petition or interim application is taken up:

Provided, this will not affect the jurisdiction of the Tribunal to pass interim orders in case of urgency.

(2) The caveat shall remain valid for a period of ninety days from the date of its filing.

23. **Endorsement and Verification.-** At the foot of every petition or appeal or pleading there shall appear the name and signature of the advocate on record, if any, who has drawn the same and also the name of the senior advocate, who may have settled it. Every appeal or petition shall be signed and verified by the party concerned in the manner provided by these rules.
24. **Translation of document.-** (1) A document other than English language intended to be used in any proceeding before the Appellate Tribunal shall be received by the Registry accompanied by a copy in English, *which is* agreed to by both the parties or certified to be a true translated copy by an advocate engaged on behalf of parties in the case or by any other counsel whether engaged in the case or not or if the counsel engaged in the case authenticates such certificate or prepared by a translator approved for the purpose by the Registrar on payment of such charges as he may order.
- (2) Appeal or petition or other proceeding will not be set down for hearing until and unless all parties confirm that all the documents filed on which they intend to rely are in English or have been translated into English and required number of copies are filed into Tribunal.
25. **Endorsement and scrutiny of petition or appeal or document.-**(1) The person in charge of the filing-counter shall immediately on receipt of petition or appeal or application or document affix the date stamp of Tribunal thereon and also on the additional copies of the index and return the acknowledgement to the party and he *shall also affix his initials on the stamp affixed on the first page of the copies and* enter the particulars of all such documents in the register after daily filing *and assign a diary number which shall be entered below the date stamp* and thereafter cause it to be sent for scrutiny.
- (2) If, on scrutiny, the appeal or petition or application or document is found to be defective, such document shall, after notice to the party, be returned for compliance and if there is a failure to comply *within seven days from the date of return*, the same shall be placed before the Registrar who may pass appropriate orders.
- (3) The Registrar may for sufficient cause return the said document for rectification or amendment to the party filing the same, and for this purpose may allow to the party concerned such reasonable time as he may consider necessary or extend the time for compliance.
- (4) Where the party fails to take any step for the removal of the defect within the time fixed for the same, the Registrar may, for reasons to be recorded in writing, decline to register the pleading or document.
26. **Registration of proceedings admitted.-** On admission of appeal or petition or caveat or application, the same shall be numbered and registered in the appropriate register maintained in this behalf and its number shall be entered therein.
27. **Exparte amendments.-** In every appeal or petition or application, arithmetical, grammatical, clerical and such other errors may be rectified on the orders of the Registrar without notice to Parties.

28. **Calling for records.**- On the admission of appeal or petition or application the Registrar shall, if so directed by the Tribunal, call for the records relating to the proceedings from the respective Commission or adjudicating authority and retransmit the same at the conclusion of the proceedings or at any time.
29. **Production of authorization for and on behalf of an association.**- Where an appeal or application or petition or other proceeding purported to be instituted by or on behalf of an association, the person or persons who sign (s) or verify(ies) the same shall produce along with such application, for verification by the Registry, a true copy of the resolution of the association empowering such person(s) to do so:
- Provided that the Registrar may at any time call upon the party to produce such further materials as he deems fit for satisfying himself about due authorization:
- Provided further that it shall set out the list of members for whose benefit the proceedings are instituted.
30. **Interlocutory applications.**- Every Inter-locutory application for stay, direction, condonation of delay, exemption from production of copy of order appealed against or extension of time prayed for in pending matters shall be in prescribed form and the requirements prescribed in that behalf shall be complied with by the applicant, besides filing a affidavit supporting the application.
31. **Procedure on production of defaced, torn or damaged documents.**- When a document produced along with any pleading appears to be defaced, torn, or in any way damaged or otherwise its condition or appearance requires special notice, a mention regarding its condition and appearance shall be made by the party producing the same in the Index of such a pleading and the same shall be verified and initialed by the officer authorized to receive the same.

CHAPTER IV

CAUSELIST

32. **Preparation and publication of daily cause list.**- (1) The Registry shall prepare and publish on the Notice Board of the Registry before the closing of working hours on each working day the cause list for the next working day and subject to the directions of the Chairperson, listing of cases in the Daily Cause List shall be in the following order of priority, unless otherwise ordered by the concerned Bench; namely;-
- a) cases for “pronouncement of orders”;
 - b) cases for “clarification”;
 - c) cases for “admission”;
 - d) cases for “orders or directions”;
 - e) part-heard cases, latest part-heard having precedence;and
 - f) cases posted as per numerical order or as directed by the Bench;
- (2) The title of the daily cause list shall consist of the number of the appeal or petition, the day, date and time of the court sitting, court hall number and the coram indicating the names of the Chairperson, Judicial member and Technical members constituting the Bench.
- (3) Against the number of each case listed in the daily cause list, the following shall be shown, namely;-

- (a) names of the legal practitioners appearing for both sides and setting out in brackets the rank of the parties whom they represent;
 - (b) names of the parties, if unrepresented, with their ranks in brackets.
- (4) The objections and special directions, if any, of the Registry shall be briefly indicated in the daily cause list in remarks' column, whenever compliance is required.
33. **Carry forward of cause list and adjournment of cases on account of non sitting of a Bench.-** (1) If by reason of declaration of holiday or for any other unforeseen reason, the Bench does not function for the day, the Daily Cause List for that day shall, unless otherwise directed, be treated as the Daily Cause List for the next working day in addition to the cases already posted for that day.
- (2) When the sitting of a particular Bench is cancelled for the reason of inability of Member (s) of the Bench, the Registrar shall, unless otherwise directed, adjourn the cases posted before that Bench to a convenient date. The adjournment or posting or directions shall be notified on the Notice Board.

CHAPTER-V

RECORD OF PROCEEDINGS

34. **Diaries.-** Diaries shall be kept by the clerk-in-charge in such form as may be prescribed in each appeal or petition or application and they shall be written legibly. The diary in the main file shall contain a concise history of the appeal or petition or application, the substance of the order(s) passed thereon and in execution proceedings it shall contain a complete record of all proceedings in execution of order or direction or rule and shall be checked by the Deputy Registrar and initialed once in a fortnight.
35. **Order sheet.-** (1) Order sheet shall be maintained in every proceedings and shall contain all orders passed by the Tribunal from time to time .
- (2) All orders passed by the Tribunal shall be in English and the same shall be signed by the members of the Tribunal constituting the Bench:
- Provided that the routine orders, such as call for of the records, put up with records, adjourned and any other order as may be directed by the Member of the Tribunal shall be signed by the Court Master.
- (3) The order sheet shall also contain the reference number of the appeal or petition or application, date of order and all incidental details including short cause title thereof.
36. **Maintenance of court diary.-** (1) The Court Master of the Bench concerned shall maintain legibly a Court Diary, wherein he shall record the proceedings of the court for each sitting with respect to the applications or petitions or appeals listed in the daily cause list.
- (2) The matters to be recorded in the court Diary shall include details as to whether the case is adjourned, or part-heard or heard and disposed of or heard and orders reserved, as the case may be, along with dates of next sitting wherever applicable.
37. **Statutes or citations for reference.-** The parties or legal practitioners shall, before the commencement of the proceedings for the day, furnish to the Court Master a list of law journals, reports, statutes and other citations, which may be needed for reference or xerox copy of full text thereof.
38. **Calling of cases in court.-** Subject to the orders of the Bench, the Court Master shall call the cases listed in the cause list in the serial order.

39. **Regulation of court work.**- (1) When the Tribunal is holding a sitting, the Deputy Registrar shall ensure :-
- (a) that no inconvenience or wastage of time is caused to the Bench in making available the services of Court Master or Stenographer or peon or attender;
 - (b) the Court Master shall ensure that perfect silence is maintained in and around the Court Hall and no disturbance whatsoever is caused to the functioning of the Bench and that proper care is taken to maintain dignity and decorum of the court.
- (2) When the Bench passes order or issues directions, the Court Master shall ensure that the records of the case along with proceedings or orders of the Bench are transmitted immediately to the Registry and the Registry shall verify the case records received from the Court Master with reference to the cause list and take immediate steps to communicate the directions or orders of the Bench.

CHAPTER VI

MAINTENANCE OF REGISTERS

40. **Registers to be maintained.**- The following Registers shall be maintained and posted on a day to day basis by the Registry of the Tribunal by such ministerial officer or officers as the Registrar may, subject to any order of the Chairperson, direct:-
- a) Register of Appeals;
 - b) Register of Petitions;
 - c) Register of original Petitions;
 - d) Register of original special Petitions;
 - e) Register of unnumbered Petitions or Appeals;
 - f) Register of Caveats lodged; and
 - g) Register of *Interlocutory* Applications;
41. **Arrangement of records in pending matters.**- The record of appeal or petition shall be divided into the following four parts and shall be collated and maintained.
- (a) Main file : (Appeal or Petition being kept separately);
 - (b) Miscellaneous application file;
 - (c) Process file; and
 - (d) Execution file
42. **Contents of main file.**- The main file shall be kept in the following order and it shall be maintained as permanent record till ordered to be destroyed under the rules:-
- (a) Index;
 - (b) Order sheet;
 - (c) Final order or judgement;
 - (d) Memo of appeal or petition as the case may be together with any schedule annexed thereto;
 - (e) Counter or reply or objection, if any;

- (f) (i) Oral evidence or *proof of affidavit*
 - (ii) Evidence taken on commission; and
 - (iii) Documentary evidence.
 - (g) Written arguments.
43. **Contents of process file.-** The process file shall contain the following items; namely,-
- a. index;
 - b. powers of attorney or vakalatnama;
 - c. summons and other processes and affidavits relating thereof;
 - d. applications for summoning witness;
 - e. letters calling records; and
 - f. all other miscellaneous papers such as postal acknowledgements
44. **Execution file.-** The execution file shall contain the following items, namely,-
- a. index;
 - b. the order sheet;
 - c. the execution application;
 - d. all processes and other papers connected with such execution proceedings;
 - e. transmission of order to civil court, if ordered; and
 - f. result of execution;
45. **File for miscellaneous applications.-** For all miscellaneous applications there may be only one file with a title page prefixed to it and immediately after the title page, the diary, the miscellaneous applications, supporting affidavit, the order sheet and all other documents shall be filed.
46. **Destruction of record.-** Record of tribunal, except permanent record, shall be ordered to be destroyed by the Registrar or Deputy Registrar after six years from the final conclusion of the proceedings and if any appeal is filed under section 125 of the Act, the same shall be destroyed after obtaining prior order of the Chairperson.
- For purpose of Rule 46 Permanent record shall include order; appeal register, petition register and such other record as may be ordered to be included by the Chairperson.*

CHAPTER-VII

SERVICE OF PROCESS / APPEARANCE OF RESPONDENTS AND OBJECTIONS

47. **Issue of notice.-** (1) Where notice of an appeal or petition for caveat or inter-locutory application is issued by the Tribunal, copies of the same, the affidavit in support thereof and if so ordered by the Tribunal the copy of other documents filed therewith, if any, shall be served along with the notice on the other side.
- (2) The aforesaid copies shall show the date of presentation of the appeal or petition for caveat or inter-locutory application and the name of the advocate, if any, of such party with his full address for service and the interim order, if any, made thereon.

- (3) The Tribunal may order for issuing notice in appropriate cases and also permit the party concerned for service of said notice on the other side by Dasti and in such case, deliver the notice to such party and it is for such party to file affidavit of service with proof.
- (4) Acknowledgement before the date fixed for return of notice.
- 48. Summons.-** Whenever summons or notice is ordered by private service, the appellant or applicant or petitioner as the case may be, unless already served on the other side in advance, shall arrange to serve the copy of all appeals or petitions or applications by registered post or courier service and file affidavit of service with its proof of acknowledgement before the date fixed for hearing.
- 49. Steps for issue of fresh notice.-** If any notice is returned unserved in the circumstances not specified in rule 47, that fact and the reason thereof shall be notified immediately on the notice board of the Registry. The applicant or petitioner or his advocate shall within seven days from the date of such notification take steps to serve the notice afresh.
- 50. Consequence of failure to take steps for issue of fresh notice.-** Where, after a summon has been issued to the other side, and returned unserved, and the applicant or petitioner or appellant, as the case may be, fails to take necessary steps within a period as ordered by the Tribunal from the date of return of the notice on the respondent(s), the Registrar shall post the case before the Bench for further directions or for dismissal for non prosecution.
- 51. Entries regarding service of notice or process.-** The Judicial Branch of the Registry shall record in the column in the order sheet “Notes of the Registry”, the details regarding completion of service of notice on the respondents, such as date of issue of notice, date of service, date of return of notice, if unserved, steps taken for issuing fresh notice and date of completion of services etc.
- 52. Default of appearance of respondent and consequences.-** Where the respondent, despite effective service of summons or notice on him does not appear before the date fixed for hearing, the Tribunal may proceed to hear the appeal or application or petition ex parte and pass final order on merits.
- Provided that it is open to the Tribunal to seek the assistance of any counsel as it deems fit in case the matter involves intricate and substantial questions of law having wide ramifications.
- 53. Filing of objections by respondent, form and consequences.-** (1) The respondent, if so directed, shall file objections or counter within the time allowed by the Tribunal. The objections or counter shall be verified as an appeal or petition and wherever new facts are sought to be introduced with the leave of the Tribunal for the first time, the same shall be affirmed by a supporting affidavit.
- (2) The respondent, if permitted to file objections or counter in any proceeding shall also file three copies thereof after serving copies of the same on the appellant or petitioner or their Counsel on record or authorized representative, as the case may be.
- 54. Sitting of vacation Bench and posting of cases.-** (1) When the Tribunal is closed for vacation, the vacation Bench shall sit on such days as may be specified by Chairperson or in his absence the seniormost member available.
- (2) During the vacation, only the matters which are required to be immediately or promptly dealt with, shall be received in the Registry and the Registrar on being satisfied about the urgency, shall order registration and posting of such cases.
- (3) Inspection of records may be permitted during the vacation according to the rules.

- (4) Certified copies may also be supplied during the vacation according to the rules.
- (5) Nothing in this rules shall disable the vacation Bench from taking the appeal or petition for final hearing, if so directed by the Bench.

CHAPTER VIII

FEE ON PETITION/ APPEAL, PROCESS FEE AND AWARD OF COSTS

55. **Fee payable on appeal or petition etc.-** (1) Fee for filing appeal or petition either under sub-section(2) of section 111 or section 121, interlocutory application, application, enclosures or annexures, lodging caveat and process fee shall be, as prescribed in the Schedule of fee appended to these rules.
 - (2) The fee and process fee shall be deposited by separate demand draft favouring the Pay and Accounts Officer, Ministry of Power payable at New Delhi.
 - (3) The Tribunal may, to advance the cause of justice and in suitable cases, waive payment of such fee or portion thereof, taking into consideration the economic condition or indigent circumstances of the petitioner or appellant or applicant or such other reason, as the case may be.
 - (4) The Central Government shall review the fee prescribed for various purposes after every two years and the Schedule of fee may be amended by a notification.
56. **Award of costs in the proceedings.-** (1) Whenever the Tribunal deems fit, it may award cost for meeting the legal expenses of the respondent of defaulting party.
 - (2) The Tribunal may in suitable cases direct appellant or respondent to bear the cost of litigation of the other side, and in case of abuse of process of court, impose exemplary costs on defaulting party.

CHAPTER IX

INSPECTION OF RECORD

57. **Inspection of the records.-** (1) The parties to any case or their counsel may be allowed to inspect the record of the case by making an application in writing to the Registrar and fee prescribed therein.
 - (2) Subject to such terms and conditions as may be prescribed by the Chairperson by a general or special order, a person who is not a party to the proceeding, may also be allowed to inspect the proceedings after obtaining the permission of the Registrar in writing.
58. **Grant of inspection.-** Inspection of records of a pending or decided case before the Tribunal shall be allowed only on the order of the Registrar.
59. **Application for grant of inspection.-** (1) Application for inspection of record under sub-rule (1) and (2) of rule 57, shall be in the form prescribed and presented at the filing counter of the Registry between 10.30 AM and 3.00 PM on any working day and two days before the date on which inspection is sought, unless otherwise permitted by the Registrar.
 - (2) The Registry shall submit the application with its remarks before the Registrar, who shall on consideration of the same, pass appropriate orders.
 - (3) Inspection of records of a pending case shall not ordinarily be permitted on the date fixed for hearing of the case or on the preceding day.

- 60. Fee payable for inspection.-** Fee as given in the Schedule of the fees appended to these rules shall be payable by way of Demand Draft or Indian Postal Order to be drawn in favour of the Pay and Accounts Officer, Ministry of Power, New Delhi on any application for inspection of records of a pending or decided case.
- 61. Mode of inspection.-** (1) On grant of permission for inspection of the records, the Deputy Registrar shall arrange to procure the records of the case and allow inspection of such records on the date and time fixed by the Registrar between 10.30 AM and 12.30 PM and between 2.30 PM and 4.30 PM in the immediate presence of an officer authorized in that behalf.
- (2) The person inspecting the records shall not in any manner cause dislocation, mutilation, tampering or damage to the records in the course of inspection.
- (3) The person inspecting the records shall not make any marking on any record or paper so inspected and taking notes, if any, of the documents or records inspected may be done only in pencil.
- (4) The person supervising the inspection, may at any time prohibit further inspection, if in his opinion, any of the records are likely to be damaged in the process of inspection or the person inspecting the records has violated or attempted to violate the provisions of these rules and shall immediately make a report about the matter to the Registrar and seek further orders from the Registrar and such notes shall be made in column (8) of the Inspection Register.
- 62. Maintenance of register of inspection.-** The Deputy Registrar shall cause to maintain a Register for the purpose of inspection of documents or records and shall obtain therein the signature of the person making such inspection on the Register as well as on the application on the conclusion of inspection.

CHAPTER X

APPEARANCE OF LEGAL PRACTITIONER

- 63. Appearance of legal practitioners.-** Subject to as hereinafter provided, no legal practitioner shall be entitled to appear and act, in any proceeding before the Tribunal unless he files into Tribunal a vakalatnama in the prescribed form duly executed by or on behalf of the party for whom he appears.
- 64. Nomination or engagement of another legal practitioner.-** Where a legal practitioner who has filed the Vakalatnama engages or nominates another legal practitioner to appear and argue his client's case but not to act for the client, the Tribunal may permit such other legal practitioner to appear and argue on an oral request being made before commencement of the proceedings.
- 65. Consent for engaging another legal practitioner.-:** A legal practitioner proposing to file a Vakalatnama in any pending case or proceeding before the Tribunal in which there is already a legal practitioner on record, shall do so only with the written consent of the legal practitioner on record or when such consent is refused, with the permission of the Tribunal after revocation of Vakalatnama on an application filed in this behalf, which shall receive consideration only after service of such application on the counsel already on record.
- 66. Restrictions on appearance.-** A legal practitioner who has tendered advice in connection with the institution of any case or other proceeding before the Tribunal or has drawn pleadings in connection with any such matter or has during the progress of any such matter acted for a party, shall not, appear in such case or proceeding or other matter arising therefrom or in any matter con-

nected therewith for any person whose interest is opposed to that of his former client, except with the prior permission of the Tribunal.

- 67. Form and execution of Vakalatnama.-** (1) Every Vakalatnama authorizing a legal practitioner to plead and act shall be in the prescribed Form and the name of the legal practitioner so appointed shall be inserted in the Vakalatnama before it is executed and it shall be dated at the time of its execution and acceptance and its execution shall be attested by an advocate or notary or a gazetted officer serving in connection with the affairs of the Union or of any State in India or a legal practitioner other than the legal practitioner accepting the Vakalatnama.
- (2) The authority attesting the Vakalatnama under sub rule (1) shall certify that it has been duly executed in his presence and subscribe his signature giving his name and designation. Attestation shall be made only after the name of the legal practitioner is inserted in the Vakalatnama before its execution. When a Vakalatnama is executed by a party who appears to be illiterate, blind or not acquainted with the language of the Vakalatnama, the attester shall certify that the Vakalatnama was read, translated and explained in his presence to the executant, in the language known to such executant, that he seemed to understand it and that he signed or affixed his thumb mark in his presence with full knowledge and understanding.
- (3) Every Vakalatnama shall contain an endorsement of acceptance by the legal practitioner in whose favour it is executed and shall also bear his address for service and if the Vakalatnama is in favour of more than one legal practitioner, it shall be signed and accepted by all of them, giving the address for service of any one of them.
- 68. Restriction on party's right to be heard.-** The party who has engaged a legal practitioner to appear for him before the Tribunal shall not be entitled to be heard in person unless permitted by the Tribunal.
- 69. Professional dress for the advocate.-** While appearing before the Tribunal, the Advocate shall wear the same professional dress as prescribed for appearance before the Court or wear a coat with a tie or a close coat.

CHAPTER XI

AFFIDAVITS

- 70. Title of affidavits.-** Every affidavit shall be titled as "In the Appellate Tribunal for Electricity." followed by the cause title of the application or other proceeding in which the affidavit is sought to be used.
- 71. Form and contents of the affidavit.-** The affidavit shall conform to the requirements of order XIX, rule 3 of Civil Procedure Code, 1908 (5 of 1908).
- 72. Persons authorized to attest.-** Affidavits shall be sworn or affirmed before any Judicial Magistrate or Civil Judge or Registrar and Deputy Registrar of the Tribunal or Notary or District Registrar or Sub-Registrar, who shall affix his official seal or the Chief Ministerial Officer of any civil or criminal court in the state or any advocate.
- 73. Affidavits of illiterate, blind persons.-** Where an affidavit is sworn or affirmed by any person who appears to be illiterate, blind or unacquainted with the language in which the affidavit is written, the attester shall certify that the affidavit was read, explained or translated by him or in his presence to the deponent and that he seemed to understand it, and made his signature or mark in the presence of the attester in Form No. VIII.

- 74. Identification of deponent.-** If the deponent is not known to the attester, his identity shall be testified by a person known to him and the person identifying shall affix his signature in token thereof.
- 75. Annexures to the affidavit.-** Document accompanying an affidavit shall be referred to therein as Annexure number and the attester shall make the endorsement thereon that this is the document marked putting the Annexure number in the affidavit. The attester shall sign therein and shall mention the name and his designation.

CHAPTER XII

DISCOVERY, PRODUCTION AND RETURN OF DOCUMENTS

- 76. Application for production of documents, form of summons.-**(1) Except otherwise provided hereunder, discovery or production and return of documents shall be regulated by the provisions of the Code of Civil Procedure, 1908.
- (2) An application for summons to produce documents shall be on plain paper setting out the document/s the production of which is sought, the relevancy of the document/s and in case where the production of a certified copy would serve the purpose, whether application was made to the proper officer and the result thereof.
- (3) A summons for production of documents in the custody of a public officer other than a court shall be in Form No. IX and shall be addressed to the concerned Head of the Department or such other authority as may be specified by the Tribunal.
- 77. Suo motu summoning of documents.-** Notwithstanding anything contained in these rules, the Tribunal may, suo motu, issue summons for production of public document or other documents in the custody of a public officer.
- 78. Marking of documents.-** (1) The documents when produced shall be marked as follows :
- (a) If relied upon by the appellant's or petitioner's side, they shall be numbered as 'A' series.
- (b) If relied upon by the respondent's side, they shall be marked as 'B' series.
- (c) The Tribunal exhibits shall be marked as 'C' series.
- (2) The Tribunal may direct the applicant to deposit in Tribunal by way of Demand Draft or Indian Postal Order drawn in favour of the Pay and Accounts Officer, Ministry of Power, New Delhi, a sum sufficient to defray the expenses for transmission of the records before the summons is issued.
- 79. Return and transmission of documents.-** (1) An application for return of the documents produced shall be numbered. No such application shall be entertained after the destruction of the records.
- (2) The Tribunal may, at any time, direct return of documents produced subject to such conditions as it deems fit.

CHAPTER XIII

EXAMINATION OF WITNESSES AND ISSUE OF COMMISSIONS

- 80. Procedure for examination of witnesses, issue of Commissions.-** The provisions of the Orders XVI and XXVI of the Code of Civil Procedure, 1908, shall mutatis mutandis apply in the matter of summoning and enforcing attendance of any person and examining him on oath and issuing commission for the examination of witnesses or for production of documents.

- 81. Examination in camera.-** The Tribunal may in its discretion examine any witness in camera.
- 82. Form of oath or affirmation to witness.-** Oath shall be administered to a witness in the following form :
- “ I do swear in the name of God/solemnly affirm that what I shall state shall be truth, the whole truth and nothing but the truth”.
- 83. Form of oath or affirmation to interpreter.-** Oath or solemn *affirmation shall be administered to the Interpreter in the following form before his assistance is taken for examining a witness :*
- “I do swear in the name of God/solemnly affirm that I will faithfully and truly interpret and explain all questions put to and evidence given by witness and translate correctly and accurately all documents given to me for translation.”
- 84. Officer to administer oath.-** The oath or affirmation shall be administered by the Court Officer or the Commissioner of Oaths.
- 85. Form recording of deposition.-** (1) The Deposition of a witness shall be recorded in Form No. X.
- (2) Each page of the deposition shall be initialed by the Members constituting the Bench.
- (3) Corrections, if any, pointed out by the witness may, if the Bench/Commissioner is satisfied, be carried out and duly initialled. If not satisfied, a note to the effect be appended at the bottom of the deposition.
- 86. Numbering of witnesses.-** The witnesses called by the applicant or petitioner shall be numbered consecutively as PWs and those by the respondents as RWs.
- 87. Grant of discharge certificate.-** Witness discharged by the Tribunal may be granted a certificate in Form No. XI by the Registrar.
- 88. Witness batta payable.-** (1) Where the Tribunal issues summons to a Government servant to give evidence or to produce documents, the person so summoned may draw from the Government traveling and daily allowances admissible to him as per rules.
- (2) Where there is no provision for payment of TA and DA by the employer to the person summoned to give evidence or to produce documents, he shall be entitled to be paid as batta, (a sum found by the Registrar sufficient to defray the traveling and other expenses), having regard to the status and position of the witness. The party applying for the summons shall deposit with the Registrar the amount of batta as estimated by the Registrar well before the summons is issued. If the witness is summoned as a court witness, the amount estimated by the Registrar shall be paid as per the directions of the Tribunal.
- (3) The aforesaid provisions would govern the payment of batta to the interpreter as well.
- 89. Records to be furnished to the commissioner.-** The Commissioner shall be furnished by the Tribunal with such of the records of the case as the Tribunal considers necessary for executing the Commission. Original documents will be furnished only if a copy does not serve the purpose or cannot be obtained without unreasonable expense or delay. Delivery and return of records shall be made under proper acknowledgement.
- 90. Taking of specimen handwriting, signature etc.-**The Commissioner may, if necessary, take specimen of the handwriting, signature or fingerprint of any witness examined before him.

CHAPTER XIV

PRONOUNCEMENT OF ORDERS

- 91. Order.-** The final decision of the Tribunal on an application/petition before the Tribunal shall be described as Judgement.
- 92. Operative portion of the order.-** All orders or directions of the Bench shall be stated in clear and precise terms in the last paragraph of the order.
- 93. Corrections.-** The Member of the Bench who has prepared the order shall initial all corrections and affix his initials at the bottom of each page.
- 94. Pronouncement of order.-** (1) The Bench shall as far as possible pronounce the order immediately after the hearing is concluded.
- (2) When the orders are reserved, the date for pronouncement of order shall be notified in the cause list which shall be a valid notice of intimation of pronouncement.
- (3) Reading of the operative portion of the order in the open court shall be deemed to be pronouncement of the order.
- (4) Any order reserved by a Circuit Bench of the Tribunal may also be pronounced at the principal place of sitting of the Bench in one of the aforesaid modes as exigencies of the situation require.
- 95. Pronouncement of order by any one member of the bench.-** (1) Any Member of the Bench may pronounce the order for and on behalf of the Bench.
- (2) When an order is pronounced under this rule, the Court Master shall make a note in the order sheet, that the order of the Bench consisting of Chairperson and Members was pronounced in open court on behalf of the Bench consisting of Two/Three Members.
- 96. Authorizing any member to pronounce order.-** (1) If the Members of the Bench who heard the case are not readily available or have ceased to be Members of the Tribunal, the Chairperson may authorize any other Member to pronounce the order on his behalf after being satisfied that the order has been duly prepared and signed by all the Members who heard the case. The order pronounced by the Member so authorized shall be deemed to be duly pronounced.
- (2) The Member so authorized for pronouncement of the order shall affix his signature in the order sheet of the case stating that he has pronounced the order as provided in this rule.
- (3) If the order cannot be signed by reason of death, retirement or resignation or for any other reason by any one of the Members of the Bench who heard the case, it shall be deemed to have been released from part-heard and listed afresh for hearing.
- 97. Making of entries by Court Master.-** Immediately on pronouncement of an order by the Bench, the Court Master shall make necessary endorsement on the case file regarding the date of such pronouncement, the nature of disposal and the constitution of the Bench pronouncing the order and he shall also make necessary entries in the court diary maintained by him.
- 98. Transmission of order by the Court Master.-** (1) The Court Master shall immediately on pronouncement of order, transmit the order with the case file to the Deputy Registrar..
- (2) On receipt of the order from the Court Master, the Deputy Registrar shall after due scrutiny, satisfy himself that the provisions of these rules have been duly complied with and in token thereof affix his initials with date on the outer cover of the order. The Deputy Registrar shall

thereafter cause to transmit the case file and the order to the Registry for taking steps to prepare copies and their communication to the parties.

- 99. Format of order.-** (1) All orders shall be neatly and fairly typewritten in double space on one side only on durable foolscap folio paper of metric A-4 size (30.5 cm long and 21.5 cm wide) with left side margin of 5 cm and right side margin of 2.5 cm. Corrections, if any, in the order shall be carried out neatly. Sufficient space may be left both at the bottom and at the top of each page of the order to make its appearance elegant.
- (2) Members constituting the Bench shall affix their signatures in the order of their seniority from right to left.
- 100. Indexing of case files after disposal.-** After communication of the order to the parties or legal practitioners, the official concerned shall arrange the records with pagination and prepare in the Index Sheet in Form no. to be prescribed by the Tribunal. He shall affix initials and then transmit the records with the Index initials to the records room.
- 101. Transmission of files or records or orders.-** Transmission of files or records of the cases or orders shall be made only after obtaining acknowledgement in the movement register maintained at different sections or levels as per the directions of the Registrar.
- 102. Copies of orders in library.-** (1) The officer in charge of the Registry shall send copies of every order (final) to the library.
- (2) Copies of all orders received in each month shall be kept at the library in a separate folder, arranged in the order of date of pronouncement, duly indexed and stitched.
- (3) At the end of every year, a consolidated index shall also be prepared and kept in a separate file in the library.
- (4) The order folders and the indices may be made available for reference in the library to the legal practitioners.

CHAPTER XV

SUPREME COURT ORDERS

- 103. Register of SLPs/Appeal.-** (1) A Register in Form no. XII shall be maintained in regard to SLPs or Appeals against the orders of the Tribunal to the Supreme Court and necessary entries therein be promptly made by the Judicial Branch.
- (2) The register shall be placed for scrutiny by the Chairperson in the first week of every month.
- 104. Placing of Supreme Court orders before Tribunal.-** Whenever an interim or final order passed by the Supreme Court of India in an appeal or other proceeding preferred against a decision of the Tribunal is received, the same shall forthwith be placed before the Chairperson / Members for information and kept in the relevant case file. Immediate attention of the Registrar shall be drawn to the directions requiring compliance.
- 105. Registrar to ensure compliance of Supreme Court orders.-** It shall be the duty of the Registrar to take expeditious steps to comply with the directions of the Supreme Court.

CHAPTER XVI

MISCELLANEOUS

- 106. Filing through electronic media.** - The Tribunal may allow filing of appeal or petition or application through electronic media such as online filing and provide for rectification of defects by e-mail or net and in such filing, these rules shall be adopted as nearly as possible on and from a date to be notified separately and the Chairperson may issue instructions in this behalf from time to time.
- 107. Removal of difficulties and issue of directions.** - Notwithstanding anything contained in the rules, wherever the rules are silent or no provision is made, the Chairperson may issue appropriate directions to remove difficulties and issue such orders or circulars to govern the situation or contingency that may arise in the working of the Tribunal.

SCHEDULE

(FEES)

The fee payable shall be

- | | | |
|--------|--|--------------------|
| (i) | in respect of appeal under sub(2) of section 111 of the Act where the respondents <i>are four or less</i> Rs. One lakh and where Respondents exceed four, an additional fee of Rs.10,000/- shall be paid for each respondent | ... |
| (ii) | For petition under section 121 of the Act, if the Respondents are four or less Rs. One lakh And <i>where</i> Respondents exceed four, Additional Fee of Rs. 10,000/- for each respondent | ... |
| (iii) | If proceedings are instituted by more than one Appellants/Petitioners, or association fee payable on such Appeal/petition | ... Rs. 1,00,000/- |
| (iv) | Review petition fee | ... Rs.30,000/- |
| (v) | Execution Petition | ... Rs.5,000/- |
| (vi) | Transmission of order or <i>direction</i> to Civil Court for execution. | ... Rs.3,000/- |
| (vii) | For lodging caveat | ... Rs.3000/- |
| (viii) | Interlocutory application | ... Rs.1000/- |
| (ix) | Vakalat/authorization Court fee payable | ... Rs. 25/- |
| (x) | Copying charges for furnishing certified copy – per page | ... Rs. 25/- |
| (xi) | One time process fee payable with each appeal/ petition/interlocutory application/every proceeding instituted. | ... Rs.2000/- |
| (xii) | Inspection Fee | ... Rs. 500/- |
| (xiii) | Enclosure/Annexure Court fee | ... Rs. 25/- |

FORM - I
{ See Rule 20 }

Memorandum of Appeal Preferred under sub-section 1 and 2 of Section 111 of

The Electricity Act, 2003

**IN THE APPELLATE TRIBUNAL FOR ELECTRICITY
AT NEW DELHI**

APPELLATE JURISDICTION

APPEAL NO. ____ OF 200

CAUSE TITLE

Between

A.B.Appellant (s)

And

C.D.Respondent(s)

[including appropriate commission/adjudicating officer]
(with short address)

1. Details of Appeal

[appeal under sectionof the Electricity Act, 2003 against impugned order of the (adjudicating officer/appropriate commission) datedpassed under sectionof the Electricity Act, 2003.

2. Date on which the order appealed against is communicated and proof thereof, if any.

3. The address of the appellant for service is as set out hereunder:

- i) Postal address including PIN code
- ii) Phone number including mobile number.
- iii) E-mail
- iv) Fax No.
- v) Address of Counsel with Phone No., Fax No., e-mail

4. The address of the respondents for service of all notices in the appeal are as set out hereunder :

- i) Postal address including PIN code
- ii) Phone number
- iii) E-mail
- iv) Fax Number
- v) Mobile Number
- vi) Address of Counsel with Phone number, Fax number, e-mail and mobile number.

5. Jurisdiction of the Appellate Tribunal

The appellant declares that the subject matter of the appeal is within the jurisdiction of this Tribunal.

6. Limitation

The Appellant/s declare that the appeal is within the period specified in sub-section (2) of section 111 of the Act. (Explain how the appeal is within the period prescribed in case the appeal is preferred after the expiry of 45 days from the date of order/direction/decision against which this appeal is preferred). In case the appeal barred by limitation, the number of days of delay should be given along with interlocutory application for condonation of delay.

7. Facts of the case

The facts of the case are given below :

(give here a concise statement of facts in a chronological order followed by elaboration of issues including the question of law arising in the appeal. Each paragraph should deal with, as far as possible a separate issue.)

8. Formulate (i) the facts in issue or specify the dispute between the parties and (ii) summarize the questions of law that arise for consideration in the appeal :

(a) Facts in issue

(b) Question of law

9. Grounds raised with legal provisions

10. Matters not previously filed or pending with any other court

The appellant further declares that the appellant had not previously filed any writ petition or suit regarding the matter in respect of which this appeal is preferred before any court or any other authority nor any such writ petition or suit is pending before any of them.

[In case the appellant previously had filed any such writ petition or suit, the stage at which it is pending and, if decided, the outcome of the same should be specified and a copy of the order should also be annexed].

11. Specify below explaining the grounds for such relief (s) and the legal provisions, if any, relied upon.

12. Details of Interim Application, if any, preferred along with appeal.

13. Details of appeal/s, if any preferred before this Appellate Tribunal against the same impugned order/direction, by Respondents with numbers, dates... and interim order, if any passed in that appeal (if known).

14. Details of Index

[An index containing the details of the documents in chronological order relied upon is enclosed].

15. Particulars of fee payable and details of bank draft in favour of Pay and Accounts Officer, Ministry of Power, New Delhi.

In respect of the fee for appeal.

Name of the Bank _____ Branch _____ payable at Delhi. DD No.
_____ Date.

16. List of enclosures :

- 1.
- 2.
- 3.
- 4.

17. Whether the order appealed as communicated in original is filed ? If not, explain the reason for not filing the same.

18. Whether the appellant/s is ready to file written submissions/arguments before the first hearing after serving the copy of the same on Respondents.

19. Whether the copy of memorandum of appeal with all enclosures has been forwarded to all respondents and all interested parties, if so, enclose postal receipt/courier receipt in addition to payment of Prescribed process fee.

20. Any other relevant or material particulars / details which the appellant(s) deems necessary to set out :

21. Reliefs Sought

In view of the facts mentioned in para 7 above, points in dispute and questions of law set out in Para 8, the appellant prays for the following relief (s) :

- a)
- b)
- c)

Dated at _____ this _____ day of _____ 200 .

Counsel for Appellant(s)

Appellant (s)

DECLARATION BY APPELLANT

The appellant(s) above named hereby solemnly declare (s) that nothing material has been concealed or suppressed and further declare(s) that the enclosures and typed set of material papers relied upon and filed herewith are true copies of the original(s)/fair reproduction of the originals / true translation thereof.

Verified at _____ on this at _____ day of _____ 200 .

Counsel for Appellant (s)

APPELLANT(S)

Verification

I _____(Name of the appellant) S/o. W/o. D/o. [indicate any one, as the case may be] _____age_____working as _____in the office of _____resident of _____do hereby verify that the contents of the paras_____to _____are true to my personal knowledge/derived from official record) and para _____to _____are believed to be true on legal advice and that I have not suppressed any material facts.

Date :

Place :

Signature of the appellant or authorized officer

FORM II
[See Rule 20]

Petition under Sections 121/111 (6) of the Electricity Act 2003

Before the Appellate Tribunal for Electricity, New Delhi
(Original Jurisdiction)

Original/Original Special Petition No.....of 200

Between

A.B.Petitioner(s)

And

C.D.Respondent(s)

[including appropriate commission/adjudicating officer]
(with address)

The petitioner/s above named beg/s to prefer this original petition for issue of orders or instructions or directions under section 121 of the Electricity Act and state as follows :

1. The address for service on the petitioner is
2. The address for service on Respondent/s appropriate commission/adjudicating officer is / are.....
3. Whether direction/order/rule/instruction sought for is within jurisdiction of the Tribunal under section 121.

Set out the details and explain the circumstances under which the present original petition is being moved.

4. Set out the details of representations/demands made on the Respondent appropriate Commission and reply/order is any received.
5. Set out the grievance or prejudice caused to the petitioner and consequences of not issuing directions/orders/instructions prayed for.
6. Set out the basis of claims, legal contentions/grounds based on which reliefs are sought for.
7. Whether proceedings, if any already instituted before other forums and the result of the proceedings.
8. Whether any other remedy is available under the Electricity Act 2003 or any other Statutory Provision of Law or Rule, If so, why not invoked.

(set out in detail)

9. Whether petition in respect of reliefs prayed for any proceeding in pending before the Appellate Tribunal at the instance of Respondents / or any other third party.
10. Particulars of fee payable and details of bank draft in favour of the Pay and Accounts Officer, Ministry of Power, New Delhi.

In respect of the fee for appeal.

Name of the Bank _____Branch _____payable _____

1. DD No. _____ dated
- 2.
11. List of enclosures and copies filed :
 - 1.
 - 2.
 - 3.
12. Whether the copy of memorandum of petition with all enclosures has been forwarded to all respondents and all interested parties, if so, enclose postal receipt/comer receipt in addition to payment of process fee as prescribed by the rules.
13. Any other material particular which the Petitioner deems relevant for the petition may also be set out.
14. Relief sought for :
 - a)
 - b)
 - c)

Dated at _____ this day _____ of 200 .

Counsel for Petitioner

Petitioner

DECLARATION

The petitioner (s) above named hereby solemnly declare (s) that nothing material has been concealed or suppressed and further declare that the enclosures and typed set of material papers relied upon and filed herewith are original and fair reproduction of originals or true translation thereof.

Verified at _____ dated at _____ this day _____ of ____200 .

Counsel for Petitioner(s)

Petitioner (s)

VERIFICATION

I _____(Name of the petitioner) S/o.W/o.D/o. (indicate any one, as the case may be) _____age _____working as _____ in the office of _____resident of _____ do hereby verify that the contents of the paras _____to _____are true to my personal knowledge / derived from official record) and para _____ to _____are believed to be true on legal advice and that I have not suppressed any material facts.

Date :

Place :

Signature of the Petitioner or authorized officer

FORM III
[See Rule 20]

**INTERLOCUTORY APPLICATION
BEFORE THE APPELLATE TRIBUNAL FOR ELECTRICITY**

IA NO. _____ OF 200

In

Appeal/Original Petition No. _____ of 200 .

CAUSE TITLE

Set out the Appeal No. _____ of 200

Appeal / Petition short cause title

Set out the 1. Appeal No. _____ 200

Cause Title – Interlocutory Application

Petition for stay/direction/dispense with/condone delay/calling records

The applicant above named state/s as follows :

1. Set out the relief (s)
2. Brief facts
3. Basis on which interim orders prayed for
4. Balance of convenience, if any :

(All interlocutory applications shall be supported by an affidavit sworn by the Applicant/on its behalf and attested by a Notary Public).

DECLARATION

The applicant above named hereby solemnly declare that nothing material has been concealed or suppressed and further declare that the enclosures and typed set of material papers relied upon and filed herewith are true copies of the originals or fair reproduction of the originals or true translation thereof.

Verified at _____ dated at _____ this day _____ of _____ 200 .

Counsel for Applicant

Applicant

VERIFICATION

I _____(Name of the applicant) S/o.W/o.D/o. (indicate any one, as the case may be) _____age _____working as _____ in the office of _____resident of _____ do hereby verify that the contents of the paras _____to _____are true to my personal knowledge / derived from official record) and para _____ to _____are believed to be true on legal advice and that I have not suppressed any material facts.

Date :

Place :

Signature of the Appellant/Petitioner or authorized officer

CAVEAT PETITION IV
FORM [See Rule 22]
Memorandum of Caveat
Before the Appellate Tribunal for Electricity
(Caveat No. ____ of 200)
CAUSE TITLE

Between

ABCaveat or

And

CDExpected Appellant/Petitioner

1. Set out details of the order against which appeal/application/petition is expected, in the matter of dispute between AB and CD.
2. a) Address for service on the caveator
b) Address for service on the Counsel for the caveator
3. Specify the authority who passed the order with reference number and date (enclose copy of order appealed against).
4. Set out the details of expected Appellant (s)/Petitioner (s)
With address (i)
(ii)
(iii)
5. Prayer : Let no orders be passed in the appeal expected to be filed or any interlocutory application that may be preferred by the expected Appellant/Petitioner without service of notice on the caveator.

The caveator undertakes to accept service of appeal or petition or application and appear before this Tribunal on the date and time at which the appeal/petition/application is moved by Respondent/expected appellant/petitioner.

Dated at New Delhi _____Day_____of (Month) 200 .

Counsel for Caveator

Caveator

Verification

The caveator above named state and verify that the contents of this caveat lodged are true and correct.

Verified at New Delhi on

This _____day of _____200 .

Caveator

FORM NO. V
[See Rule 57]
Pending/Disposed of

APPELLATE TRIBUNAL FOR ELECTRICITY

_____ **BENCH**

Application No. _____ in _____ of 200 _____

Applicant/s/3rd party/Appellant/Petitioner

vs

Respondent/s

Application for Inspection of Documents/Records under Rule 57

I hereby apply for grant of permission to inspect the documents/records in the above case.
The details are as follows :-

1. Name and address of the person seeking inspection :
2. Whether he is a party to the case/his Legal Practitioner and if so, his rank therein.
3. Details of the papers/documents sought to be inspected.....
4. Reasons for seeking the Inspection
5. The date and duration of the inspection sought for
6. Whether fee is paid and if so, the mode of payment.....
7. If a third party, whether a vakalat has been filed with Court Fee Stamp

Verification :

I.....state that the above facts are true and correct.

Place :

Date : _____ Applicant

Office Use :

Granted inspection for _____ hours on _____/rejected.

Registrar

APTEL.....

Endorsement after inspection:

I....., the applicant above named inspected the documents/records onin the presence of Mr.....betweentoHrs onand inspection is completed/concluded.

Datedday.....2006.

Applicant/Counsel

Form No. VI
[See Rule 67]

FORM OF VAKALATHNAMA
APPELLATE TRIBUNAL FOR ELECTRICITY

_____ **BENCH**

Appeal/Petition /No. _____ of 200 _____

Appellant/s

vs

Respondent/s

I,Appellant No. /Respondent No. in the above
appeal/petition do hereby appoint and retain Shri

..... Advocate/s to appear, plead and act for me/us in the above appeal/
petition and to conduct and prosecute all proceedings that may be taken in respect thereof and
applications for return of documents, enter into compromise and to draw any moneys payable to me/
us in the said proceeding and also to appear in all applications for review and for leave to the Supreme
Court of India in all applications for review of judgement.

Place :

Signature of the Party

Date :

Executed in my presence.

“Accepted”

*Signature with date
(Name and Designation)

*Signature with date
(Name and Designation)

(Address for service on the Counsel for

Appellant/Respondent. Furnish

Full Address.....

Phone No

Fax No.

* The following certification to be given when the party is unacquainted with the language of
the vakalat or is blind or illiterate:-

The contents of the vakalatnama were truly and audibly read over/translated intolanguage
known to the party executing the vakalatnama and he seems to have understood the same.

Signature with date

(Name and Designation)

Form No. VII
[See Rule 70]

APPELLATE TRIBUNAL FOR ELECTRICITY

_____ **BENCH**

Appeal/Petition/ /NO. _____ of 200_____

Appellant/Applicant

vs

Respondent/s

AFFIDAVIT

I,aged.....years, son/daughter/wife of
.....(name and occupation of the deponent).....
residing at (Full address)do hereby swear in the name of God solemnly
affirm and state as follows :

Para. 1

Para. 2

Para. 3

.....
.....
.....

Contents of Paragraphs Nos.are within my personal knowledge and contents of
Paragraphs Nos.....are based on information received by me which I believe the same to be
true (state the source of information wherever possible and the grounds for belief, if any).

.....
.....

Place :
Date :

Signature of the Deponent
Name in Block Letters

No. of corrections on page nos.

Identified by :

Before me

*:.....

Sworn/solemnly affirmed before me on this theday of ...200.....

Signature

(Name and Designation of the
Attesting Authority with Seal)

*To add endorsement in Form No.
when necessary

APPELLATE TRIBUNAL FOR ELECTRICITY

FORM NO. VIII

[See Rule 73]

Certification when deponent is unacquainted with the language of the affidavit or is blind or illiterate.

Contents of the affidavit were truly and audibly read over/translated intolanguage known to the deponent and he seems to have understood the same and affixed his LTI/Signature/Mark.

(Signature)

Name and designation with date.

FORM NO. IX
[See Rule 77]

APPELLATE TRIBUNAL FOR ELECTRICITY
.....BENCH

Appeal/Petition No..... OF 200.....

Between

.....Appellant/Petitioner

(By Advocate Shri.....)

and

..... Respondent/s

(By Advocate Shri.....)

Under Section 120 of Electricity Act 2003 r/w C.P.C.

Whereas the Tribunal suo motu or on consideration of the request made by Shri(Appellant/Petitioner No.) having been satisfied that production of the following documents/records under your control/custody is necessary for proper decision of the above case, you are hereby directed to cause production of the said documents/records before this Tribunal /forward duly authenticated copies thereof on or before theday of.....200.....

(Enter description of documents requisitioned)

“By Order of Tribunal “
Registrar

Date :

FORM NO. X
[See Rule 85]

APPELLATE TRIBUNAL FOR ELECTRICITY
.....BENCH

Appeal/Petition No..... of 200.....

Deposition of PW/RW

1. Name :
2. Father's/Mother's/Husband's Name :
3. Age :
4. Occupation :
5. Place of Residence and address :
6. Name of the Officer administering the
Oath / affirmation :
7. Name of the Interpreter if any, duly
Sworn/ solemnly affirmed :

Duly sworn/ solemnly/ affirmed

Examination-in-chief: By

Date :

.....
.....

Cross examination : By

.....
.....

Re-examination, if any:

.....

(Signature of the witness on each page)

Statement of witness as recorded was read over/translated to the witness, who admitted it to be correct.

Signature of the Member of the Tribunal with date

FORM NO. XI
[See Rule 87]
CERTIFICATE OF DISCHARGE

Certified that appeared before this Tribunal as a witness/in/
No. of 20....., on behalf of the appellant/petitioner/respondent/as Court witness on
this day of 200..... and that he was relieved at on.....
He was paid/not paid any T.A. and D.A./Batta of Rs.....

Date :
(Seal of the Tribunal)

Signature of the Registrar

FORM NO. XII
[See Rule 103]

APPELLATE TRIBUNAL FOR ELECTRICITY

.....BENCH

REGISTER OF SLPs/APPEALS TO SUPREME COURT

Sl. No	No. of SLP/ appeal Before the Supreme Court	No. of the case appealed against	Name of the Applicant/ Respondent	Date of dispatch Of records to SC	Date of receipt of records from SC	SLP dismissed/ allowed with date	Interim Direction If any, with date	Final order In the appeal with date	Direct-ion If any, for compli-ance by the Tribunal	Steps Taken for compli-ance	Remarks

[F.No. 46/6/2005-R&R]

Sd/-

(AJAY SHANKAR)

Additional Secretary to the Government of India


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[Contains amendment vide Notification No. GSR 537(E) dated 7th September, 2006]

GOVERNMENT OF INDIA

MINISTRY OF POWER

Notification

New Delhi, the 16th April, 2004

G.S.R. 265(E).- In exercise of the powers conferred by clause (u) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003) the Central Government hereby makes the following rules prescribing the appellate authority for preferring appeal against the orders of the assessing officer, namely:-

1. Short title and commencement – (1) These rules may be called Appeal to the Appellate Authority Rules, 2004.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions.**– In these rules, unless the context otherwise requires,-
 - (a) “Act” means the Electricity Act, 2003 ;
 - (b) “Section ” means a section of the Act.
 - (2) Words and expression used and not defined in these rules but defined in the Act, 2003 shall have the meanings respectively assigned to them in Act.
3. **Appellate Authority** - For the purpose of appeal under section 127, the State Government may, by notification in the Official Gazette, constitute an Appellate Authority consisting of one or more persons such that one of the persons shall have knowledge of matters related to assessment of electricity charges and none of them shall be directly related to the affairs of the territorial jurisdiction of the licensee or supplier of the electricity”.

Sd/-

(Ajay Shankar)

Additional Secretary to the Government of India

F.No. 23/63/2003-R&R

To

The Manager,
Government of India Press,
Mayapuri, New Delhi


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EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 21st June, 2004

Notification

G.S.R. 370(E) - In exercise of the powers conferred by clause (1) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003) the Central Government hereby makes the following rules for regulating the procedure for conducting an inquiry against a Member of the Appropriate Commission, namely:-

1. **Short title and commencement** – (1) These rules may be called the procedure for conducting Inquiry against a Member of Appropriate Commission Rules, 2004.

(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** - (1) In these rules unless the context otherwise requires,-
 - (a) “Act” means the Electricity Act, 2003;
 - (b) “section” means section of the Act;
 - (c) “Registrar” means Registrar of the Appellate Tribunal.
(2) Words and expression used herein and not defined but defined in the Act shall have the meaning respectively assigned to them in the Act.
3. **Procedure for conducting inquiry** - (1) The Appropriate Government shall make a reference along with imputation of charges and other relevant information for the purpose of conducting such inquiry to the Chairperson of the Appellate Tribunal in pursuance of the provisions of sub-section (2) of section 90 of the Act.
 - (2) On receipt of a reference under sub-rule (1) the Chairperson of the Appellate Tribunal shall issue a notice to the Member concerned to appear before him on the time and date specified in the notice.
 - (3) A copy of the charges preferred against the Member shall be supplied along with the notice.
 - (4) The Chairperson of the Appellate Tribunal may seek assistance of an expert or expert agency for investigating into the charges against the Member.

- (5) For the purposes of discharging his functions under these rules, the Chairperson of the Appellate Tribunal may summon such witnesses or records as he may consider necessary.
- (6) After hearing the views of the Member, Chairperson shall forward his findings to the Appropriate Government.

Sd/-

(Ajay Shankar)

Joint Secretary to the Government of India
(F.No. 23/61/2003-R&R)


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EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 21st June, 2004.

Notification

G.S.R. 371(E) - In exercise of the powers conferred by clause (y) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003) the Central Government hereby makes the following rules regarding the manner of delivery of notice, order or document under the Act, namely :

1. **Short title and commencement** – (1) These rules may be called the Means of delivery of Notice, Order or Document Rules, 2004.

(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** - (1) In these rules unless the context otherwise requires,-
 - (a) “Act” means the Electricity Act, 2003;
 - (b) “section” means a section of the Act.
(2) Words and expression used and not defined in these rules but defined in the Electricity Act, 2003 (36 of 2003), shall have the meanings respectively assigned to them in that Act.
3. **Means of delivery of notice, order or document** - Every notice, order or document by or under this Act required, or authorised to be addressed to any person may in addition to the means provided in sub-section (1) of section 171 may also be delivered by any of the following means:-
 - (a) through special messenger and obtaining signed acknowledgement; or
 - (b) by telegraphic message, or
 - (c) by fax, or
 - (d) by e-mail.

Sd/-
(Ajay Shankar)
Joint Secretary to the Government of India
(F.No. 23/7/2004-R&R)


सत्यमेव जयते

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EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

Government Of India
Ministry of Power

New Delhi, the 31st August, 2004.

Notification

G.S.R. 563(E) - In exercise of the powers conferred by clause (v) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following rules regulating the procedure for holding the inquiry by an adjudicating officer, namely: -

1. **Short title and commencement** - (1) These rules may be called the Procedure for Holding Inquiry by Adjudicating Officer Rules, 2004.
 - (2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** - (1) In these rules unless the context otherwise requires,-
 - (a) "Act" means the Electricity Act, 2003;
 - (b) "adjudicating officer" means the adjudicating officer appointed under sub-section (1) of section 143 of the Act;
 - (c) "section" means a section of the Act.(2) Words and expression used and not defined in these rules but defined in the Act shall have the meanings respectively assigned to them in that Act.
3. **Procedure for holding Inquiry by adjudicating officer** - (1) Whenever the Central Commission appoints an adjudicating officer, a copy of the appointment order shall be provided to the person concerned.
 - (2) In holding an inquiry under the Act, the adjudicating officer shall, in the first instance, issue a notice to the person concerned requiring him to show cause within twenty one days from the date of issue of such notice, as to why an inquiry should not be held against him.
 - (3) Every notice under sub-rule (2) shall indicate the nature of contravention alleged to have been committed.
 - (4) If, after considering the cause, if any, shown by concerned person or where no cause is shown, the adjudicating officer is of the opinion that an inquiry should be held, he shall for reasons to be recorded in writing, issue a notice for fixing a date for the appearance of that person either personally or through an authorised representative.
 - (5) The adjudicating officer shall provide an opportunity to the concerned person to produce such evidence as he may consider relevant and necessary for the inquiry.

- (6) If any person fails, neglects or refuses to appear before the adjudicating officer as required under sub-rule (2), the adjudicating officer may proceed with the inquiry in the absence of such person after recording the reasons for doing so.
- (7) The adjudicating officer, while holding an inquiry, shall follow as far as possible the same procedure as is followed in the proceedings of the Central Commission in exercise of its powers and in discharge of its functions under the provisions of the Act.
- (8) The adjudicating officer shall complete the inquiry within sixty days from the date of his appointment.
- (9) Where the inquiry may not be completed within the period of sixty days, the adjudicating officer may, after recording reasons in writing, seek extension of time from the Central Commission for a further period of sixty days.

Sd/-

(Ajay Shankar)

Additional Secretary to the Government of India

F.No. 23/31/2003-R&R


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EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

GOVERNMENT OF INDIA
MINISTRY OF POWER

Notification

(Amendments made vide notifications dated 06.05.2005 and 22.07.2008 incorporated)

New Delhi, the 28th October, 2004

G.S.R. 721(E) – In exercise of the powers conferred by clause (s) of sub-section (2) of section 176 of the Electricity Act, 2003, the Central Government hereby makes the following rules regulating the method of recruitment to certain posts in the Appellate Tribunal for Electricity, namely:-

1. **Short title and commencement** – (1) These rules may be called the Appellate Tribunal for Electricity Salary, Allowances and other Conditions of Service of the Officers and Employees Rules, 2004.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Application** - These rules shall apply to the posts specified in column 1 of the Schedule annexed to these rules.
3. **Number of posts, classification and scale of pay** - The number of posts, their classification and the scale of pay attached thereto shall be as specified in columns 2 to 4 of the said Schedule.
4. **Method of recruitment, age limit and other qualifications, etc.**- The method of recruitment, age limit, qualifications and other matters relating to the said posts shall be as specified in columns 5 to 14 of the aforesaid Schedule.
5. **Disqualification** - No person,-
 - i) who has entered into or contracted a marriage with a person having a spouse living; or
 - ii) who having a spouse living, has entered into or contracted a marriage with any person, shall be eligible for appointment to the said post:

Provided that the Central Government may, if satisfied that such marriage is permissible under the personal law applicable to such person and the other party to the marriage and that there are other grounds for so doing, exempt any person from the operation of this rule.

6. **Power to relax** - Where the Central Government is of the opinion that it is necessary or expedient so to do, it may, by order and for reasons to be recorded in writing, relax any of the provisions of these rules with respect to any class or category or persons.
7. **Saving** - Nothing in these rules shall affect reservations, relaxation of age limit and other concessions required to be provided for the Scheduled Castes, the Scheduled Tribes ex-servicemen and other special categories of persons in accordance with the orders issued by the Central Government from time to time in this regard.

8. **Other conditions of service** - Other conditions of service of the officers and employees of the Appellate Tribunal for Electricity, for which no specific provisions have been provided, shall be regulated in accordance with such rules as are, from time to time, applicable to officers and employees of the Central Government Group drawing the pay and allowances in corresponding scales of pay.

SCHEDULE

Name of the Post	No. of the Post	Classification	Scale of pay	Whether Selection Post or non selection post	Whether benefit of added years of service is admissible under rule 30 of Central Civil Services (Pension) Rules, 1972
1	2	3	4	5	6
1. Registrar	1*(2004) *Subject to variation dependant on workload	Equivalent to Group 'A' post in the Central Government	Rs. 18400-500-22400	Not applicable	Not applicable
Age limit for direct recruitment	Education and other qualifications required for direct recruitment	Whether age and educational qualifications prescribed for direct recruits will apply in the case of promotees	Period of probation, if any	Method of recruitment whether by direct recruitment or by promotion or by deputation or absorption and percentage of vacancies to be filled by various methods	
7	8	9	10	11	
Not applicable	Not applicable	Not applicable	Not applicable	Deputation	
In case of recruitment by promotion/deputation/absorption to be made		If a Departmental Promotion Committee exists, what is its composition		Circumstances in which Union Public Service Commission is to be consulted in making recruitment	
12		13		14	
1. Officers of the Central Government or State Government possessing degree in law and holding (a) analogous posts in Central Government/State Government/High Court on regular basis; or (b) Post in Central/State Government/High Court with two years regular service in the scale of Rs. 16400-20000 or equivalent; (c) Post in Central/State Government/High Court with three years regular service in the scale of Rs. 14300-18300 or equivalent or		Selection shall be based on the recommendations of a Search-cum Selection Committee consisting of :- (i) Chairperson, Appellate Tribunal for Electricity – Chairperson (ii) Member, Appellate Tribunal for Electricity – Member (iii) Additional Secretary or above in the Ministry of law and justice, Legislative Department to be nominated by the Secretary, Legislative Department		Not applicable	
2. Officers holding posts of District Judge/Additional District Judge/Registrar/Additional Registrar/ Joint Registrar of High Courts.					
1	2	3	4	5	6
2. Deputy Registrar	1*(2004) *Subject to variation dependant on workload	Equivalent to Group 'A' post in the Central Government	Rs. 12000-375-16500	Not applicable	Not applicable

7	8	9	10	11
Not applicable	Not applicable	Not applicable	Not applicable	Deputation

12	13	14
1. Officers possessing degree in law and holding (a) analogous posts in Central Government/State Government/High Court on regular basis; or (b) with five years regular service in the scale of Rs. 10000-325-15200 or equivalent; or judicial officers with minimum service of 8 years officers holding posts of Additional Registrar/ Joint Registrar/Deputy Registrar in High Courts with at least five years regular service.	Selection will be made by the Selection Committee (comprising Chairperson 2 members and Registrar of the Appellate Tribunal)	Not applicable

1	2	3	4	5	6
3. Court Master	1*(2004) *Subject to variation dependant on workload	Equivalent to Group 'A' post in the Central Government	Rs. 6500-200-10500	Not applicable	Not applicable

7	8	9	10	11
Not applicable	Not applicable	Not applicable	Not applicable	Deputation

12	13	14
(1) Officers possessing a bachelors degree or equivalent (2) having speed of 120 wpm in shorthand (English) (i) holding analogous posts on regular basis or (ii) with five years regular service in the scale of Rs. 5500-175-9000 or equivalent	Selection will be made by the Selection Committee (comprising Registrar and Administrative-cum-Accounts Officer of the Appellate Tribunal)	Not applicable

1	2	3	4	5	6
4. Administrative-cum-Accounts Officer	1*(2004) *Subject to variation dependant on workload	Equivalent to Group 'A' post in the Central Government	Rs. 10000-325-15200	Not applicable	Not applicable

7	8	9	10	11
Not applicable	Not applicable	Not applicable	Not applicable	Deputation

12	13	14
Officer under the Central Government (a) (i) holding analogous posts on regular basis; or (ii) with five years regular service in the scale of Rs. 8000-275-13500 or equivalent; (iii) with eight years regular service in the scale of Rs. 6500-200-10500 or equivalent (b) Possessing a Bachelor degree with at least five years experience in administrative and establishment matters at the executive or supervisory level.	Selection will be made by the Selection Committee (comprising chairperson two Members and Registrar of the Tribunal)	Not applicable

1	2	3	4	5	6
5. Principal Private Secretary	4*(2004) *Subject to variation dependant on workload	Equivalent to Group 'A' post in the Central Government	Rs. 10000-325-15200	Not applicable	Not applicable

7	8	9	10	11
Not applicable	Not applicable	Not applicable	Not applicable	Deputation

12	13	14
Officers under the Central Government (a) (i) holding analogous posts on regular basis; or (ii) with eight years regular service in the scale of Rs. 6500-10500 or equivalent; (b) Possessing speed of stenography 100 wpm (English/Hindi).	Selection will be made by the Selection Committee (comprising chairperson two Members and Registrar of the Tribunal)	Not applicable

1	2	3	4	5	6
6. Private Secretary	1*(2004) *Subject to variation dependant on workload	Equivalent to Group 'B' post in the Central Government	Rs. 6500-200-10500	Not applicable	Not applicable

7	8	9	10	11
Not applicable	Not applicable	Not applicable	Not applicable	Deputation

12	13	14
Officers under the Central Government (a) (i) holding analogous posts on regular basis; or (ii) with three years regular service in the scale of Rs. 5500-9000 or equivalent; or (iii) with six years regular service in the scale of Rs. 5000-8000 or equivalent; or (iv) with eight years regular service in the scale of Rs. 4500-7000 or equivalent. (b) Possessing speed of stenography 100 wpm (English/Hindi).	Selection will be made by the Selection Committee (comprising Registrar and Administrative-cum Accounts Officer of the Tribunal)	Not applicable

1	2	3	4	5	6
7. Librarian	1*(2004) *Subject to variation dependant on workload	Equivalent to Group 'B' post in the Central Government	Rs. 5500-175 9000	Not applicable	Not applicable
7	8	9	10	11	
Not applicable	Not applicable	Not applicable	Not applicable	Deputation	
	12		13		14
Officers under the Central Government			Selection will be made by the	Not applicable	
(a) (i)	holding analogous posts on regular basis; or		Selection Committee (comprising Registrar and Administrative-cum Accounts Officer of the Appellate Tribunal)		
(ii)	with 3 years regular service in the scale of Rs. 5000-8000 or equivalent; or				
(iii)	with 10 years regular service in the scale of Rs. 4000-6000 or equivalent; or				
(b) (i)	Possessing a degree or equivalent diploma in Library Science from a recognized University or institute.				
(ii)	5 years experience as Librarian or Assistant Librarian in a reputed Library.				
1	2	3	4	5	6
8. Accountant	1*(2004) *Subject to variation dependant on workload	Equivalent to Group 'B' post in the Central Government	Rs. 5500-175-9000	Not applicable	Not applicable
7	8	9	10	11	
Not applicable	Not applicable	Not applicable	Not applicable	Deputation	
	12		13		14
Officers under the Central Government			Selection will be made by the	Not applicable	
(a) (i)	holding analogous posts on regular basis; or		Selection Committee (comprising Registrar and Administrative-cum Accounts Officer of the Appellate Tribunal)		
(ii)	with ten years regular service in the scale of Rs. 4000-6000 or equivalent;				
(b)	should be well versed with Accounts/ Establishment/Administration work etc.				
1	2	3	4	5	6
9. Assistant	1*(2004) *Subject to variation dependant on workload	Equivalent to Group 'B' post in the Central Government	Rs. 5500-175-9000	Not applicable	Not applicable
7	8	9	10	11	
Not applicable	Not applicable	Not applicable	Not applicable	Deputation	

12		13		14	
Officers under the Central Government		Selection will be made by the		Not applicable	
(a) (i)	holding analogous posts on regular basis; or	Selection Committee (comprising Registrar and Administrative-cum Accounts Officer of the Appellate Tribunal)			
(ii)	with ten years regular service in the scale of Rs. 4000-6000 or equivalent;				
1	2	3	4	5	6
10. Personal Assistant	5*(2004) *Subject to variation dependant on workload	Equivalent to Group 'B' post in the Central Government	Rs. 5500-175-9000	Not applicable	Not applicable
7	8	9	10	11	
Not applicable	Not applicable	Not applicable	Not applicable	Deputation	
12		13		14	
Officers under the Central Government		Selection will be made by the		Not applicable	
(a) (i)	holding analogous posts on regular basis; or	Selection Committee (comprising Registrar and Administrative-cum Accounts Officer of the Appellate Tribunal)			
(ii)	with eight years regular service in the scale of Rs. 4000-6000 or equivalent;				
(b)	Possessing speed of stenography of 100 w.p.m. (English/Hindi)				
1	2	3	4	5	6
11. Steno Gr.D	1*(2004) *Subject to variation dependant on workload	Equivalent to Group 'C' post in the Central Government	Rs. 4000-100-6000	Not applicable	Not applicable
7	8	9	10	11	
Not applicable	Not applicable	Not applicable	Not applicable	Deputation	
12		13		14	
Officers under the Central Government		Selection will be made by the		Not applicable	
(a) (i)	holding analogous posts on regular basis; or	Selection Committee (comprising Registrar and Administrative-cum Accounts Officer of the Appellate Tribunal)			
(ii)	Lower Division Clerk with five years regular service in the scale of Rs. 3050-4590 or equivalent				
(b)	Possessing speed of stenography of 100 w.p.m. (English/Hindi)				
1	2	3	4	5	6
12. Cashier	1*(2004) *Subject to variation dependant on workload	Equivalent to Group 'C' post in the Central Government	Rs. 3050-75-4590	Not applicable	Not applicable
7	8	9	10	11	
Not applicable	Not applicable	Not applicable	Not applicable	Deputation	
12		13		14	
Officer under the Central Government		Selection will be made by the		Not applicable	
(a) (i)	holding analogous posts on regular basis;	Selection Committee (comprising Registrar and Administrative-cum Accounts Officer of the Appellate Tribunal)			
(ii)	Experience of cash and accounts in the Ministry/Department				


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 6th May, 2005.

Notification

G.S.R. 281(E) - In exercise of the powers conferred by clause (s) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following rules to amend the Appellate Tribunal for Electricity Salary, Allowances and other Conditions of Service of the Officers and Employees Rules, 2004, namely:—

1. **Short title and commencement** – (1) These rules may be called the Appellate Tribunal for Electricity Salary, Allowances and other Conditions of Service of the Officers and Employees (Amendment) Rules, 2005.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Appellate Tribunal for Electricity Salary, Allowances and other Conditions of Service of the Officers and Employees Rules, 2004, in the Schedule; at serial number 7 for the post of Librarian—
 - (i) for the entries under column 4, the following shall be substituted, namely :—
“5500-175-9000”
 - (ii) for the entries under column 12, the following shall be substituted, namely :—
“Officers under the Central Government :
 - (a) (i) holding analogous posts on regular basis; or
(ii) with 3 years regular service in the scale of Rs. 5000–8000 or equivalent; or
(iii) with 10 years regular service in the scale of Rs. 4000–6000 or equivalent;
 - (b) (i) possessing a degree or equivalent diploma in Library Science from a recognized University or institute.
(ii) 5 years experience as Librarian or Assistant Librarian in a reputed library”.

[F.No. 23/64/2003-R&R]

AJAY SHANKAR, Addl Secy.

Note :- The principal rules were published in the Gazette of India, Extraordinary, dated the 28th October, 2004, Part II, Section (3) (i) *vide* number G.S.R. 721(E).


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

No. 409 NEW DELHI, TUESDAY, JULY 22, 2008

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 22nd July, 2008.

Notification

G.S.R. 548(E).— In exercise of the powers conferred by clause (s) of sub-section (2) of section 176 of the Electricity Act, 2003 the Central Government hereby makes the following rules to amend the Appellate Tribunal for Electricity Salary, Allowances and other Conditions of Service of the Officers and Employees Rules, 2004, namely:—

1. Short title and commencement:—(1) These rules may be called the Appellate Tribunal for Electricity Salary, Allowances and other Conditions of Service of the Officers and Employees (Second Amendment) Rules, 2008.

(2) They shall come into force on the date of their publication in the Official Gazette.

In the Schedule to the Appellate Tribunal for Electricity Salary, Allowances and other Conditions of Service of the Officers and Employees Rules, 2004, against serial number 1 relating to the post of Registrar, for the entries under column 13, the following entries shall be substituted namely:—

Selection shall be based on the recommendations of a Search-cum-Selection Committee consisting of :—

- | | |
|---|---------------|
| (i) Chairperson, Appellate Tribunal for Electricity | – Chairperson |
| (ii) Member, Appellate Tribunal for Electricity | – Member |
| (iii) Additional Secretary or above in the Ministry of Law and Justice, Legislative Department to be nominated by the Secretary, Legislative Department | – Member |

[F. No. 23/64/2003-R&R]
MALAY SHRIVASTAVA, Director

Foot Note : The principal rules were published in the Gazette of India, Extraordinary dated the 30th October, 2004 in Part II, Section 3(i) *vide* number G.S.R. 721(E) and subsequently amended *vide* G.S.R. 281(E) dated 6th May, 2005.


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

GOVERNMENT OF INDIA

MINISTRY OF POWER

New Delhi, the 22nd December, 2004.

Notification

G.S.R. 1(E) - In exercise of the powers conferred by clause (w) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003) the Central Government hereby makes the following rules regarding the form and time of service of notices of electrical accidents, namely:

1. **Short title and commencement** – (1) These rules may be called the Intimation of Accidents (Form and Time of service of Notice) Rules, 2004.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** - (1) In these rules unless the context otherwise requires,-
 - (a) “Act” means the Electricity Act, 2003;
 - (b) “Inspector” means the Chief Electrical Inspector or the Electrical Inspector appointed under sub-section (1) of section 162 of the Act.(2) Words and expression used and not defined in these rules but defined in the Electricity Act, 2003 (36 of 2003), shall have the meanings respectively assigned to them in that Act.
3. **Intimation of accidents** - (1) If any accident occurs in connection with the generation, transmission, supply or use of electricity in or in connection with, any part of the electric lines or other works of any person and the accident results in or is likely to have resulted in loss of human or animal life or in any injury to a human being or an animal, such person or any authorized person of the generating company or licensee, not below the rank of a Junior Engineer or equivalent shall send to the Inspector a telegraphic report within 24 hours of the knowledge of the occurrence of the fatal accident and a report in writing in **Form A** within 48 hours of the knowledge of occurrence of fatal and all other accidents. Where possible a telephonic message should also be given to the Inspector immediately, if the accident comes to the knowledge of the authorized officer of the generating company/licensee or other person concerned.
(2) For the intimation of the accident, telephone numbers, fax numbers and addresses of Chief Electrical Inspector or Electrical Inspectors, District Magistrate, police station, Fire Brigade and nearest hospital shall be displayed at the conspicuous place in the generating station, sub-station, enclosed sub-station/switching station and maintained in the Office of the in-charge/owner of the Medium Voltage (MV)/High Voltage (HV)/Extra High Voltage (EHV) installations.

Form A

Form for reporting electrical accidents

1. Date and time of accident.
2. Place of accident.
(Village/Town, Tehsil/Thana, District and State).
3. System and voltage of supply (Whether Extra High Voltage (EHV)/High Voltage (HV)/Low Voltage (LV) Line, sub-station/generation station/consumer's installations/service lines/other installations).
4. Designation of the Officer-in-charge of the generating company/licensee in whose jurisdiction the accident occurred.
5. Name of owner/user of energy in whose premises the accident occurred.
6. Details of victim(s):

(a) Human

Sl.No	Name	Father's Name	Sex of victim	Full Postal address	Approximate age	Fatal/non-fatal
1	2	3	4	5	6	7

(b) Animal

Sl.No.	Description of animal(s)	Number(s)	Name(s) of owner(s)	Address(es) of owner(s)	Fatal/non-fatal
1	2	3	4	5	6

7. In case the victim(s) is/are employee(s) of supplier:-
 - (a) designation of such person(s);
 - (b) brief description of the job undertaken, if any;
 - (c) whether such person/persons was/were allowed to work on the job.
8. In case the victim(s) is/are employee(s) of a licensed contractor, -
 - (a) did the victim(s) possess any electric workmen's permit(s), supervisor's certificate of competency?
If yes, give number and date of issue and the name of issuing authority;
 - (b) name and designation of the person who assigned the duties of the victim(s).
9. In case of accident in the system of the generating company/licensee, was the permit to work (PTW) taken?
10. (a) Describe fully the nature and extent of injuries, e.g. , fatal/disablement (permanent or temporary) of any portion of the body or burns or other injuries.
(b) In case of fatal accident, was the post mortem performed?
11. Detailed causes leading to the accident.
(To be given in a separate sheet annexed to this form).
12. Action taken regarding first aid, medical attendance etc. immediately after the occurrence of the accident (give details).
13. Whether the District Magistrate and Police Station concerned have been informed of the accident (if so, give details).

14. Steps taken to preserve the evidence in connection with the accident to extent possible.
15. Name and designation(s) of the person(s) assisting, supervising the person(s) killed or injured.
16. What safety equipments were given to or used by the person(s) who met with this accident (e.g. rubber gloves, rubber mats, safety belts and ladders etc.)?
17. Whether isolating switches and other sectionalizing devices were employed to deaden the sections for working on the same? Whether working section was earthed at the site of work?
18. Whether the work on the live lines was undertaken by authorised person(s)? If so, the name and the designation of such person(s) may be given.
19. Whether artificial resuscitation treatment was given to the person(s) who met with the electric accident? If yes, how long was it continued before its abandonment?
20. Names and designations of persons present at, and witnessed, the accident.
21. Any other information/remarks.

Place:
Time:
Date:

Signature
Name
Designation
Address of the person reporting

(F.No. 23/2/2004-R&R)

Sd/-

Ajay Shankar,

Additional Secretary to the Government of India.


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i)
Government of India
Ministry of Power

New Delhi, dated 11th August, 2005

Notification

G.S.R. 529(E) - In exercise of the powers conferred by clause (w) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following amendment to the Intimation of Accidents (Form and Time of Service of Notice) Rules, 2004, namely:–

1. (1) These rules may be called Intimation of Accidents (Form and Time of Service of Notice) (Amendment)
 - (ii) These Rules shall come into force on the date of their publication in the Official Gazette.
2. In the Intimation of Accidents (Form and Time of Service of Notice) Rules, 2004, for sub-rule (1) of the Rule (1) the following shall be substituted namely:–

“(1) These rules may be called the Intimation of Accidents (Form and Time of Service of Notice) Rules, 2005”.

[F.No. 23/2/2004-R&R]
AJAY SHANKAR, Addl. Secy.

Note :- The Principal Rules were published *vide* G.S.R. 1(E), dated the 22nd December, 2004 in the Gazette of India dated the 1st January, 2005.


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i)
Government of India
Ministry of Power

New Delhi, dated 28th January, 2005

Notification

G.S.R. 48(E) - In exercise of the powers conferred by clause (o) of sub-section (2) of section 176 of the Electricity Act, 2003 (No. 36 of 2003), the Central Government hereby makes the following rules, namely: -

1. **Short title and commencement** – (1) These rules may be called the Central Electricity Regulatory Commission (Preparation of Annual Reports) Rules, 2004.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** - In these rules, unless the context otherwise requires: -
 - (a) “Act” means the Electricity Act, 2003;
 - (b) “Schedule” means the Schedule annexed to these rules;
 - (c) Words and expressions used and not defined but defined in the said Act shall have the meanings respectively assigned to them in the said Act.
3. **Preparation of annual report** – (1) Every year the Central Commission shall prepare an annual report giving/containing a summary of its activities during the previous year commencing from the 1st day of April to the 31st day of March of the following year in the form specified in the Schedule.
(2) The Annual Report shall give an account of the activities during the previous financial year, containing inter alia -
 - (a) A statement of goals and objectives of the Central Commission;
 - (b) Annual targets set for various activities in the background of clause (a) together with a brief review of actual performance with reference to those targets and including in particular a report on the number of cases filed before the Central Commission during the year, number of cases disposed of, time taken to dispose of the cases and number of cases pending;
 - (c) Important additions/ changes in the regulations of the Central Commission;
 - (d) Functioning of the Central Advisory Committee and other consultation with the stakeholders;

- (e) Trends of important parameters such as capital cost, cost of electricity, new investment, efficiency gains;
 - (f) Number and details of cases in which orders/regulations of the Commission were challenged in Courts/Appellate Tribunal and the outcome of such cases.
 - (g) Resolution of disputes including the disputes pending at the end of the year.
4. Submission of annual report – The copies of the annual report shall be forwarded by the Central Commission to the Central Government by the end of October each year.

SCHEDULE

THE CENTRAL ELECTRICITY REGULATORY COMMISSION (PREPARATION OF ANNUAL REPORTS) RULES, 2004

(See rule – 3)

FORM OF ANNUAL REPORT OF THE CENTRAL ELECTRICITY REGULATORY COMMISSION.

1. THE COMMISSION IN BRIEF.
2. THE MANDATE OF THE COMMISSION
3. MISSION STATEMENT.
4. THE YEAR IN RETROSPECT.
5. ANNUAL ACCOUNTS OF THE COMMISSION SHOWING RECEIPTS AND EXPENDITURE.
6. OUTCOME OF REGULATORY PROCESS IN TERMS OF BENEFITS TO CONSUMERS AND DEVELOPMENT OF SECTOR.
7. WORK PLAN FOR THE YEAR AHEAD.

[F.No. 23/74/2003-R&R]

Sd/-

(Ajay Shankar)

Additional Secretary to the Government of India


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i)
GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 11th August, 2005

Notification

G.S.R. 528(E) - In exercise of the powers conferred by clause (o) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following amendment to the Central Electricity Regulatory Commission (Preparation of Annual Reports) Rules, 2004, namely:—

1. (1) These rules may be called the Central Electricity Regulatory Commission (Preparation of Annual Report) (Amendment) Rules, 2005.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Central Electricity Regulatory Commission (Preparation of Annual Report) Rules, 2004, for sub-rule (1) of the Rule (1) the following shall be substituted namely:—
“(1) These rules may be called the Central Electricity Regulatory Commission (Preparation of Annual Report) Rules, 2005”.

[F.No. 23/74/2003-R&R]

AJAY SHANKAR, Addl. Secy.

Note : The Principal Rules were published *vide* G.S.R. 48(E), dated the 28th January, 2004 in the Gazette of India dated the 28th January, 2005.


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

Government Of India

Ministry Of Power

New Delhi, the 16th February, 2005

Notification

G.S.R. 75 (E) - In exercise of the powers conferred by sub-section (1) of section 176 read with sub-sections (2) and (3) of section 166 of the Electricity Act, 2003 (No.36 of 2003), the Central Government hereby makes the following rules, namely:-

1. **Short title and commencement** – (1) These rules may be called the Forum of Regulators Rules, 2005.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** - In these rules, unless the context otherwise requires,-
 - (1) “Forum” means ‘Forum of regulators’ as constituted under rule 3;
 - (2) “Act” means the ‘Electricity Act, 2003 (No.36 of 2003).
 - (3) Words and expressions used herein and not defined, but defined in the Act, shall have the meanings respectively assigned to them in the said Act.
3. **Constitution of the Forum** - (1) The Forum shall consist of the Chairperson of the Central Commission and Chairpersons of the State Commissions. The Chairperson of the Central Commission shall be the Chairperson of the Forum of Regulators.
 - (2) The Secretary to the Central Commission shall be the *ex-officio* Secretary to the Forum.
 - (3) Secretarial assistance to the Forum shall be provided by the Central Commission.
 - (4) The headquarter of the Forum will be located at New Delhi.
4. **Functions of the Forum** - *The Forum shall discharge the following functions, namely:-*
 - (i) analysis of the tariff orders and other orders of Central Commission and State Commissions and compilation of data arising out of the said orders, highlighting, especially the efficiency improvements of the utilities;
 - (ii) harmonization of regulation in power sector;
 - (iii) laying of standards of performance of licensees as required under the Act.
 - (iv) sharing of information among the members of the Forum on various issues of common interest and also of common approach.
 - (v) undertaking research work in-house or through outsourcing on issues relevant to power sector regulation;

- (vi) evolving measures for protection of interest of consumers and promotion of efficiency, economy and competition in power sector; and
- (vii) such other functions as the Central Government may assign to it, from time to time.
5. **Finances of the Forum** - (1) The Central Commission may take necessary financial contributions from the State Commissions for carrying out the activities of the Forum.
- (2) The Central Commission will keep separate accounts for the activities of the Forum.
6. **Meetings of the Forum** - (1) The Forum shall meet at least twice in a year.
- (2) The Forum will frame its own rules of business for the conduct of its meetings.
7. **Annual Report** - The Forum of Regulators shall prepare every year, an annual report, giving a summary of its activities during the previous financial year and copies of the report shall be forwarded to the Central Government.

[F.No. 23/35/2003-R&R]

Sd/-

Ajay Shankar,

Additional Secretary to the Government of India.


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY PART II – SECTION 3(i)

MINISTRY OF POWER

Notification

New Delhi, the 2nd March, 2005

G.S.R. 158(E) – In exercise of the powers conferred by clause (d) of sub-section (2) of section 176 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following rules regarding the constitution and functions of the National Load Despatch Centre, namely:-

1. **Short title and commencement** – (1) These rules may be called the National Load Despatch Centre Rules, 2004.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** – (1) In these rules unless the context otherwise requires, –
 - (a) “Act” means the Electricity Act, 2003;
 - (b) Words and expressions used herein and not defined but defined in the Act shall have the meaning respectively assigned to them in the Act.
3. **Constitution of National Load Despatch Centre** – (1) There shall be a centre at the national level to be known as National Load Despatch Centre for optimum scheduling and despatch of electricity among the Regional Load Despatch Centres.
(2) Functions of National Load Despatch Centre – The National Load Despatch Centre shall be the apex body to ensure integrated operation of the national power system and shall discharge the following functions, namely :-
 - (a) supervision over the Regional Load Despatch Centres;
 - (b) scheduling and despatch of electricity over inter-regional links in accordance with grid standards specified by the Authority and grid code specified by Central Commission in coordination with Regional Load Despatch Centres;
 - (c) coordination with Regional Load Despatch Centres for achieving maximum economy and efficiency in the operation of National Grid;
 - (d) monitoring of operations and grid security of the National Grid;
 - (e) supervision and control over the inter-regional links as may be required for ensuring stability of the power system under its control;
 - (f) coordination with Regional Power Committees for regional outage schedule in the national perspective to ensure optimal utilization of power resources;

- (g) coordination with Regional Load Despatch Centres for the energy accounting of inter-regional exchange of power;
- (h) coordination for restoration of synchronous operation of national grid with Regional Load Despatch Centres;
- (i) coordination for trans-national exchange of power;
- (j) providing operational feed back for national grid planning to the Authority and the Central Transmission Utility;
- (k) levy and collection of such fee and charges from the generating companies or licensees involved in the power system, as may be specified by the Central Commission.
- (l) dissemination of information relating to operations of transmission system in accordance with directions or regulations issued by Central Electricity Regulatory Commission and the Central Government from time to time.

[F. No. 23/24/2003- R&R]

AJAY SHANKAR, Addl. Secy.


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भारत का राजपत्र The Gazette of India

[Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub Section (i)].

Government of India
Ministry of Power

New Delhi, the 23rd March, 2005.

Notification

G.S.R. 188(E) - In exercise of the powers conferred by sub-section (1) of, and clause (b) of sub-section (2) of, section 176 of the Electricity Act, 2003 (Act 36 of 2003), the Central Government hereby makes the following rules, namely:-

1. **Short title and commencement** - (1) These rules may be called the Distribution of Electricity Licence (additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** - In these rules, unless the context otherwise requires, -
 - (a) 'Act' means the Electricity Act, 2003;
 - (b) Words and expression used and not defined in these rules but defined in the Electricity Act, 2003 (36 of 2003), shall have the meanings respectively assigned to them in that Act.
3. **Requirements of capital adequacy and creditworthiness** - (1) The Appropriate Commission shall, upon receipt of an application for grant of licence for distribution of electricity under sub-section (1) of section 15 of the Electricity Act, 2003, decide the requirement of capital investment for distribution network after hearing the applicant and keeping in view the size of the area of supply and the service obligation within that area in terms of section 43.
(2) The applicant for grant of licence shall be required to satisfy the Appropriate Commission that on a norm of 30% equity on cost of investment as determined under sub-rule (1), he including the promoters, in case the applicant is a company, would be in a position to make available resources for such equity of the project on the basis of networth and generation of internal resources of his business including of promoters in the preceding three years after excluding his other committed investments.

Explanation :- For the grant of a licence for distribution of electricity within the same area in terms of sixth proviso to section 14 of the Act, the area falling within a Municipal Council or a Municipal Corporation as defined in the article 243(Q) of the Constitution of India or a revenue district shall be the minimum area of supply.

4. **Requirement of Code of Conduct** - The applicant for grant of licence shall satisfy the Appropriate Commission that he has not been found guilty or has not been disqualified under any of the

following provisions within the last three years from the date of the application for the grant of licence:

- (a) section 203, section 274, section 388B or section 397 of the Companies Act, 1956;
- (b) section 276, section 276B, section 276BB, section 276C, section 277 or section 278 of the Income tax Act, 1961;
- (c) section 15C, section 15G, section 15H or section 15HA of the Securities and Exchange Board of India Act 1992;
- (d) clause (b), (bb), (bbb), (bbbb), (c) or (d) of sub-section (1) of section 9 of the Excise Act 1944;
- (e) section 132 or section 135 of the Customs Act 1962,

and that the applicant is not a person in whose case licence was suspended under section 24 or revoked under section 19 of the Act, within the last three years from the date of application:

Provided that where the applicant is a company, it shall satisfy the Appropriate Commission in addition to provisions of this rule that no petition for winding up of the company or any other company of the same promoter has been admitted under section 443 (e) of the Companies Act, 1956 on the ground of its being unable to pay its debts.

[F.No. 23/18/2003-R&R]

Sd/-

Ajay Shankar,

Additional Secretary to the Government of India.


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भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

MINISTRY OF POWER

Notification

New Delhi, the 24TH November, 2005.

G.S.R. 686(E) - In exercise of the powers, conferred by clauses (g) and (h), of sub-section (2) of section 176 read with sub-section (2) of Section 185 of the Electricity Act, 2003, (36 of 2003), and in supersession of the Central Electricity Authority (Terms and Conditions of Chairman and other Members) Rules, 1988, published in the Gazette of India, Part-II, Section-3, sub-section (i), vide number GSR 123, dated the 27th February, 1988, as amended from time to time, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely:-

1. **Short title and commencement** – (1) These rules may be called the Central Electricity Authority (Terms and Conditions of Service of Chairperson and other Members) Rules, 2005.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** – (1) In these rules, unless the context otherwise requires:-
 - (a) “Act” means the Electricity Act, 2003, (36 of 2003);
 - (b) “Authority” means the Central Electricity Authority established under section 70 of the Act;
 - (c) “Chairperson” means the Chairperson of the Authority;
 - (d) “Member” means a full-time member of the Authority, including Chairperson, where the context so requires;
 - (e) “other Member” means a Member other than a full-time Member;(2) All other words and expressions used herein but not defined shall have the same meanings respectively assigned to them in the Act.
3. **Constitution of the Authority** - (1) Subject to the provisions contained under sub-section (5) of sections 70 and 73 of the Act, the Authority shall consist of the following: -
 - (a) Chairperson
 - (b) Member (Economic & Commercial)
 - (c) Member (Grid Operations & Distribution)
 - (d) Member (Hydro)

- (e) Member (Planning)
 - (f) Member (Power Systems)
 - (g) Member (Thermal).
- (2) The Chairperson and the Members of the Authority shall be appointed by an order either on deputation basis or on short-term contract basis, subject to the fulfilling of the eligibility conditions laid down in these Rules.
4. **Eligibility and term of office of the Members** – (1) No person shall be eligible for appointment to the office of a Member, including the Chairperson, of the Authority unless he has held -
- (a) the post of Chief Engineer or equivalent in the scale of pay of Rs. 18400-500-22400 or higher post or scale of pay on a regular basis for at least five years under the Central Government or a State Government;
- or
- a post equivalent to that of a post mentioned above, under a State Electricity Board or a semi-Government organisation or a public sector undertaking or an autonomous body or a statutory body or a university or an Indian Institute of Technology or an Indian Institute of Management on a regular basis for at least five years; and
- (b) possesses a minimum of three years' field experience in the relevant field;
- Explanation. – For the purpose of the sub-Rule, the expression “relevant field” means relevant field as defined in sub-section (5) of section 70 of the Act:
- Provided that whenever a post of Member or any vacancy thereof is required to be filled up, area of specialisation or discipline shall be decided from amongst the categories listed under sub-section (5) of Section 70 of the Act
- (2) Subject to the provisions of Sub-section (6) of Section 70 of the Act, a Member shall normally hold office for a period not exceeding five years or till he attains the age of superannuation:
- Provided that where the prescribed term of office of a Member as provided in sub-Rule (2) expires before he attains the age of superannuation, the Central Government may extend the term of office of such a Member for a further period not exceeding the date of his superannuation in the Central Government.
- (3) A person shall cease to be Member of the Authority if he -
 - (a) remains absent, without the prior permission of the Authority, from three consecutive meetings of the Authority; or
 - (b) having been appointed on deputation, ceases to be in service of the respective State Government, Central Government or any other lending authority; or
 - (c) has been convicted and sentenced to imprisonment for an offence which is in the opinion of the Central Government, involves moral turpitude; or
 - (d) is an un-discharged insolvent.
5. **Resignation** - (1) The Chairperson of the Authority may resign from his office by giving notice of at least three months to the Central Government, in writing, and on such resignation being accepted by the Government, he shall be deemed to have vacated his office.
- (2) A Member of the Authority may resign from his office after giving notice of at least three months, in writing, to the Chairperson of the Authority who shall forward the same to the Central Government and on such resignation being accepted by the Government, he shall be deemed to have vacated his office.

- 6. Pay and Allowances and other terms of the Members including the Chairperson** – (1) The Chairperson of the Authority shall enjoy the status of ex-officio, Secretary to the Government of India and shall carry the same pay and allowances as available to the Secretary to the Government of India;
- (2) A Member of the Authority shall enjoy the status of ex-officio, Additional Secretary to the Government of India and shall carry the same pay and allowances as available to the Additional Secretary to the Government of India;
- (3) The other terms and conditions of service of Chairperson and Members, including entitlement of leave, leave salary, leave travel concession, travelling allowance, medical benefits etc. shall be as are applicable to the Central Government officers of corresponding status.
- (4) The pension and leave salary contribution in respect of the Chairperson and Member (s), if they are on deputation to the Authority, shall be paid by the Authority to the respective lending authority in accordance with their rules.
- 7. Allowances and fees payable to other Members** – The other Members shall receive such allowances and fees for attending the meetings of the Authority as may be determined by the Central Government.
- 8. Power to relax** - Where the Central Government is of the opinion that it is necessary or expedient so to do, it may, by order and for reasons to be recorded in writing, relax any of the provisions of these Rules with respect to any class or category of persons.

[F.No. A-35020/3/2003-Adm.I]

Sd/-

R.C. Arora

Under Secretary to the Government of India


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EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

MINISTRY OF POWER

New Delhi, the 18TH April, 2006.

Notification

G.S.R.217(E) - In exercise of the powers, conferred by clauses (e) of Sub-section (2) of Section 176 read with Sub-section (2) of Section 67 of the Electricity Act, 2003, (36 of 2003), the Central Government hereby makes the following rules regarding the works of licensees, namely :-

1. **Short title and commencement** - (1) These rules may be called the Works of Licensees Rules, 2006.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** - (1) In these rules unless the context otherwise requires,
 - (a) “The Act” means the Electricity Act, 2003;.
 - (b) “occupier” of any building or land means a person in lawful occupation of that building or land.(2) All other words and expression used herein and not defined in these rules, shall have the meanings respectively assigned to them in the Act. .
3. **Licensee to carry out works** - (1) A licensee may :
 - (a) carry out works, lay down or place any electric supply line or other works in, through, or against, any building, or on, over or under any land whereon, wherever or whereunder any electric supply-line or works has not already been lawfully laid down or placed by such licensee, with the prior consent of the owner or occupier of any building or land;
 - (b) fix any support of overhead line or any stay or strut required for the purpose of securing in position any support of an overhead line on any building or land or having been so fixed, may alter such support:

Provided that in case where the owner or occupier of the building or land raises objections in respect of works to be carried out under this rule, the licensee shall obtain permission in writing from the District Magistrate or the Commissioner of Police or any other officer authorised by the State Government in this behalf, for carrying out the works:

Provided further that if at any time, the owner or occupier of any building or land on which any works have been carried out or any support of an overhead line, stay or strut has been fixed shows sufficient cause, the District Magistrate or the Commissioner of Police, or the officer authorised may by order in writing direct for any such works, support, stay or strut to be removed or altered.

- (2) When making an order under sub-rule (1), the District Magistrate or the Commissioner of Police or the officer so authorised, as the case may be, shall fix , after considering the representations of the concerned persons, if any, the amount of compensation or of annual rent, or of both, which should in his opinion be paid by the licensee to the owner or occupier.
 - (3) Every order made by a District Magistrate or a Commissioner of Police or an authorised officer under sub-rule (1) shall be subject to revision by the Appropriate Commission.
 - (4) Nothing contained in this rule shall effect the powers conferred upon any licensee under section 164 of the Act.
4. **Works affecting streets, railway, tramway, canal or waterway** - (1) Where the exercise of any of the powers of a licensee in relation to the execution of any works involves the placing of any works in, under, over, along or across any street, part of a street, railway, tramway, canal or waterway, the licensee shall serve upon the person responsible for the repair of the street or part 'of a street (hereinafter referred to as "the repairing authority") or upon the person for the time being entitled to work the railway, tramway, canal or waterway (hereinafter referred to as "works authority"), as the case may be, a notice in writing, not less than 15 days before commencing the execution of the works describing the proposed works, together with a section and plan thereof on a scale sufficiently large to show clearly the details of the proposed works, and not in any case smaller than one inch to eight feet vertically and sixteen inches to the mile horizontally and intimating the manner in which, and the time at which, it is proposed to interfere with or alter any existing works, and shall, upon being required to do so by the repairing authority or works authority, as the case may be, from time to time give such further information in relation thereto as may be desired.
- (2) If the repairing authority intimates. to the licensee that it disapproves of such works, section or plan giving reasons for disapproval, or approves thereof subject to amendment, the licensee may, unless settled by an agreement, appeal to the Appropriate Commission within one week of receiving such intimation, whose decision, after considering the reasons given by the repairing authority for its action, shall be final.
 - (3) If the repairing authority fails to give notice in writing of its approval or disapproval to the licensee within 15 days of the receipt of the notice, it shall be deemed to have approved of the works, section and plan, and the licensee, after giving not less than forty-eight hours' notice in writing to the repairing authority, may proceed to carry out the works in accordance with the notice and the section and plan served under sub-rule(1);
 - (4) If the works authority disapproves of such works, section or plan giving reasons for disapproval, or approves thereof subject to amendment, he may, within 15 days after the service of the notice under sub-rule (1) of rule 5, serve a requisition upon the licensee demanding that any question in relation to the works or to compensation, or to the obligations of the works authority to others in respect thereof, shall be determined, unless settled by agreement, by the Appropriate Commission.
 - (5) Where no requisition has been served by the works authority upon the, licensee within the time period provided under sub-rule (4), the works authority shall be deemed to have approved of the works, section and plan, and in that case, or where after the matter has been determined by the Appropriate Commission, the works may, upon payment or securing of compensation, be executed according to the notice and the section and plan, subject to such modifications as may have been determined by the Appropriate Commission or agreed upon between the parties:

Explanation.-In sub-rules (1) to (5), the word "works" includes a service line in, under, over,

along or across a railway even if such line is immediately attached or intended to be immediately attached to a distributing main, but does not include any other service line so attached or intended to be so attached to a distributing main, or works which consist of the repair, renewal or amendment of existing works of which the character or position is not to be altered.

- (6) Where the works to be executed consist of the laying of any underground service line immediately attached, or intended to be immediately attached, to a distributing main, the licensee shall give to the repairing authority or the works authority, as the case may be, not less than forty-eight hours' notice in writing of his intention to execute such works;
- (7) Where the works to be executed consist of the repair, renewal or amendment of existing works of which the character or position is not to be altered, the licensee shall, except in cases of emergency, give to the repairing authority, or to the works authority, as the case may be, not less than forty-eight hours' notice in writing of his intention to execute such works, and, on the expiry of such notice, such works shall be commenced forthwith and shall be carried on with all reasonable despatch, and, if possible, both by day and by night until completed.

5. **Repairs and works during emergency** - The licensee may, in case of emergency due to the breakdown of an underground electric supply-line, after informing the repairing authority or the works authority, as the case may be, of his intention to do so, place an overhead line without complying with the provisions of rule 4 :

Provided that such overhead line shall be used only until the defect in the underground electric supply-line can be made good, and in no case (unless with the written consent of the repairing authority, work-authority or occupier as the case may be) for a period exceeding six weeks, and shall be removed as soon as may be after such defect is removed.

6. **Procedure for carrying out other works near sewers, pipes or other electric lines or works -**

(1) The licensee or any duly authorised person, as the case may be (hereinafter in this rule referred to as "the operator"), shall -

- (a) where the licensee requires to dig or sink any trench for laying down any new electric supply-lines or other works, near to which any sewer, drain, water-course or work under the control of the State Government or of any local authority, or any pipe, syphon, electric supply-line or other work belonging to any duly authorised person, has been lawfully placed, or
- (b) where any duly authorised person is required to dig or sink any trench for laying down or constructing any new pipes or other works, near to which any electric supply-lines or works of a licensee have been lawfully placed;

unless it is otherwise agreed upon between the parties interested or in case of sudden emergency, give to the State Government or local authority, or to such duly authorized person or to the licensee, as the case may be (hereinafter in this Rule referred to as "the owner"), not less than forty-eight hours' notice in writing before commencing to dig or sink the trench and the owner shall have the right to be present during the execution of the work, which shall be executed to the reasonable satisfaction of the owner.

- (2) Where the operator finds it necessary to undermine, but not to alter, the position of any pipe, electric supply-line or work, he shall support it in position during the execution of the work, and before completion shall provide a suitable and proper foundation for it where so undermined.

- (3) Where the operator (being the licensee) lays any electric supply-line across, or so as to be liable to touch, any pipes, lines or service-pipes or service-lines belonging to any duly authorised person or to any person supplying, transmitting or using energy under the Act, he shall not, except with the written consent of such person and in accordance with the regulations on safety as specified under section 53 of the Act, lay his electric supply-lines so as to come into contact with any such pipes, lines or service-pipes or service-lines.
 - (4) Where the operator makes default in complying with any of the provisions of this rule, he shall make full compensation for any loss or damage incurred by reason thereof.
 - (5) Where any difference or dispute arises under this rule, the matter shall be determined by the Appropriate Commission.
 - (6) Where the licensee is a local authority, the references in this rule to the local authority and to sewers, drains, water-courses or works under its control shall not apply.
7. **Alteration of the position of pipes, electric line, etc.** - (1) Any licensee may alter the position of any pipe (not forming part of a local authority's main sewer), or of any wire under 'or over any place which he is authorised to open or break up, if such pipe or wire is likely to interfere with the exercise of his powers under the Act; and any person may alter the position of any electric supply-lines or works of a licensee under or over any such place as aforesaid, if such electric supply-lines or works are likely to interfere with the lawful exercise of any powers vested in him.
- (2) The licensee or other person desiring to make the alteration, unless otherwise agreed, shall, not less than one month before commencing any alteration, serve upon the person for the time being entitled to the pipe, wire, electric supply- lines or works, as the case may be (hereinafter in this rule referred to as "the owner"), a notice in writing, describing the proposed alteration, together with a section and plan thereof on a scale sufficiently large to show clearly the details of the proposed works, and . not in any case smaller than one inch to eight feet vertically and sixteen inches to the mile horizontally, and intimating the time when it is to be commenced, and shall subsequently give such further information in relation thereto as the owner may desire;
 - (3) The owner may, within fourteen days after the service of the notice, section and plan, serve upon the operator a requisition to the effect that any question arising upon the notice, section or plan, shall, unless settled by agreement, be determined by Appropriate Commission, and thereupon the matter shall be determined by the Appropriate Commission.
 - (4) The Appropriate Commission to whom a reference is made under sub-rule (3), shall have regard to any duties or obligations which the owner is under, and may require the operator to execute any temporary or other works so as. to avoid, as far as possible, interference therewith.
 - (5) Where no requisition is served upon the operator under sub-rule (3) within the time limit, or where such a requisition has been served and the matter has been settled by agreement or determined by the Appropriate Commission, the alteration may, upon payment or securing of any compensation accepted or determined by the Appropriate Commission, be executed in accordance with the notice, section and plan and subject to such modifications agreed upon between the parties or as may have been determined by the Appropriate Commission.
 - (6) Where the operator desiring to make the alteration makes default in complying with any of these provisions, he shall make full compensation for any loss or damage incurred by reason thereof, and, where any difference or dispute arises as to the amount of such compensation, the matter shall be determined by the Appropriate Commission.

- (7) Where the owner or occupier desires to carry out certain works himself,
- (i) he may, at least ten days before the operator desiring to make the alteration of pipes or wires is entitled to commence the alteration, serve upon the operator a statement in writing to the effect that he desires to execute the alteration himself and requires the operator to give such security for the repayment of any expenses as may be agreed upon or, in default of agreement, determined by the Appropriate Commission;
 - (ii) where a statement is served upon the operator under clause (i), he shall, not less than forty-eight hours before the execution of the alteration is required to be commenced, furnish such security and serve upon the owner a notice in writing intimating the time when the alteration is required to be commenced, and the manner in which it is required to be made; and thereupon the owner may proceed to execute the alteration as required by the operator.
 - (iii) where the owner declines to comply, or does not, within the time and in the manner prescribed by a notice served upon him under clause (ii), comply with the notice, the operator may himself execute the alteration;
 - (iv) all expenses incurred by the owner in complying with a notice served upon him by the operator under clause (ii) may be recovered by him from the operator.
8. **Works not repairable by the Appropriate Government, licensee or local authority** - The licensee shall open or break up any street not repairable by the Central Government or the State Government or a local authority only with the written consent of the person by whom the street is repairable or with the written consent of the Appropriate Government:
- Provided that the Appropriate Government shall not give any such consent as aforesaid, until the licensee has given notice by advertisement or otherwise as that Government may direct, and within such period as the that Government may fix in this behalf, to the person above referred to, and until all representations or objections received in accordance with the notice, have been considered by the that Government.
9. Procedure for fencing, guarding, lighting and other safety measures relating to works and immediate reinstatement of streets, railways, sewers, drains or tunnels.
- (1) Where any person, in exercise of any of the powers conferred by or under these rules opens or breaks up the soil or pavement of any street, railway or tramway, or any sewer, drain or tunnel, he shall
 - (a) immediately cause the part opened or broken up to be fenced and guarded and fix caution boards to alert traffic;
 - (b) cause a light or lights, sufficient for the warning of passengers before sunset, to be set up and maintained until sunrise against or near the part opened or broken up;
 - (c) make suitable arrangements for smooth flow of traffic;
 - (d) fill in the ground and reinstate and make good the soil or pavement, or the sewer, drain or tunnel, opened or broken up with all reasonable speed, and carry away the rubbish occasioned by such opening or breaking up; and
 - (e) after reinstating and making good the soil or pavement, or the sewer, drain or tunnel broken or opened up, keep the same in good repair for three months and for any further period, not exceeding nine months, during which subsidence continues.

- (2) Where any person fails to comply with any of the provisions of sub-rule (1), the person having the control or management of the street, railway, tramway, sewer, drain or tunnel in respect of which the default has occurred, may cause to be executed the work which the defaulter has delayed or omitted to execute, and may recover from him the expenses incurred in such execution.
- (3) Where any difference or dispute arises as to the amount of the expenses incurred under sub-rule (2), the matter shall be determined by the Appropriate Commission.
10. **Avoidance of public nuisance, environmental damage and unnecessary damage to the public and private property by such works** - The licensee shall, while carrying out works, ensure that such works do not cause public nuisance, environmental damage and unnecessary damage to the public or private property.
11. **Manner of deposit of amount for restoration of railways, tramways, waterways etc** - The licensee shall deposit the amount for restoration of railways, tramways, waterways etc. under these rules by means of demand draft in favour of the officer-in-charge of the maintenance of the works concerned.
12. **Manner of restoration of property affected by such works and maintenance thereof** - The licensee shall carry out the restoration of property affected by works and undertake necessary maintenance thereof for one month.
13. **Determination and payment of compensation to affected persons** - (1) Where the licensee makes default in complying with any of the provisions of these rules, he shall make full compensation for any loss or damage incurred by reason thereof to the person affected, as may be determined by the District Magistrate or by any other officer authorised by the State Government in this behalf, if not agreed mutually between the parties concerned.
- (2) Where any difference and dispute arises as to the amount of compensation determined under sub-rule (1), the matter shall be determined by the Appropriate Commission.
14. **Procedure for deposit of compensation payable by the licensee and furnishing of security** - (1) The amount of compensation payable by the licensee under these rules shall be deposited by means of demand draft.
- (2) The security required to be furnished under these rules shall be in the form of Bank Guarantee from a Scheduled Bank or in any other form as may be notified by the Appropriate Government from time to time.
15. Determination of dispute or difference by "the Appropriate" Commission .When a matter is brought to the Appropriate Commission for determination under these rules, the matter shall be determined by the Appropriate Commission within a period of thirty days and after hearing the parties concerned.
16. **Service of notice etc.** - Whenever a notice or intimation is required to be served upon a person under these rules, the procedure provided under section 171 of the Act and rules made thereunder shall be followed.

[F. No. 23/8/2004-R&R]

U. N. PANJIAR, Addl. Secy.


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[Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub Section (i)].

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 17 August, 2006

Notification

G.S.R. 481 (E) – In exercise of the powers conferred by sub-section (1) of section 162 and clause (z) of sub-section (2) of section 176 of the Electricity Act, 2003, (36 of 2003), the Central Government hereby makes the following rules for Qualifications, Powers and Functions of Chief Electrical Inspector and Electrical Inspectors.

1. **Short title and commencement** - (1) These rules may be called the Qualifications, Powers and Functions of Chief Electrical Inspector and Electrical Inspectors Rules, 2006.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** - (1) In these rules, unless the context otherwise requires, -
 - (a) “Act” means the Electricity Act, 2003;
 - (b) “Appellate Authority” in respect of an appeal against the order of an Electrical Inspector, means the Chief Electrical Inspector, and in respect of an appeal against the order of the Chief Electrical Inspector, means the Central Government.
 - (c) “Section” means section of the Act.
 - (d) “Inspector” means a Chief Electrical Inspector or Electrical Inspector as the case may be.(2) Words and expression used and not defined in these rules but defined in the Electricity Act, 2003 (36 of 2003), shall have the meanings respectively assigned to them in that Act.
3. **Applicability of Rules** - These rules shall apply in respect of following:
 - (i) a generating company wholly or partly owned by the Central Government;
 - (ii) any inter-State generation, transmission, trading or supply of electricity and with respect to any mines, oil-fields, railways, national highways, airports, telegraphs, broadcasting stations and any works of defence, dockyard, nuclear power installations;
 - (iii) National Load Despatch Centre and Regional Load Despatch Centre; and
 - (iv) any works or electric installation belonging to the Central Government or under its control.
4. **Qualification for Chief Electrical Inspector** - No person shall be appointed to be a Chief Electrical Inspector unless
 - (a) he possesses a degree in electrical engineering or its equivalent from a recognized University or Institution; and

- (b) he has been regularly engaged for a period of at least twenty years in the practice of electrical engineering of which not less than two years have been spent in an electrical or mechanical engineering workshop or in generation or transmission or distribution of electricity, or in the administration of the Act and rules thereunder, in a position of responsibility.
5. **Qualifications for Electrical Inspectors** - (1) No person shall be appointed to be an Electrical Inspector unless
- (a) he possesses a degree in Electrical Engineering or its equivalent from a recognized University or Institution; and
 - (b) he has been regularly engaged for a period of at least ten years in the practice of electrical engineering, of which not less than one year has been spent in an electrical or mechanical engineering workshop or in generation or transmission or distribution of electricity, or in the administration of the Act and rules thereunder, in a position of responsibility.
- (2) The person appointed as Electrical Inspector shall undergo such training as the Central Government may consider it necessary for the purpose and such training shall be completed to the satisfaction of the Government.
6. **Powers of the Chief Electrical Inspector and Electrical Inspector** - The Chief Electrical Inspector and the Electrical Inspector shall have powers to inspect the works and electrical installations in his area in respect of which, such an Inspector has been directed by the Central Government to exercise his powers and perform functions under sub-section (1) of the Section 162 of the Act.
7. **Powers of Entry and inspection** - For carrying out inspections as referred to in rule 6 above,
- (1) The Inspector may enter, inspect and examine any place, carriage or vessel in which he has reason to believe that there is any appliance or apparatus used in the generation, transmission, transformation, conversion, distribution or use of energy and may carry out tests therein.
 - (2) Every supplier, consumer, owner and occupier shall afford all reasonable facilities to any such Inspector to make such examinations and tests as may be necessary to satisfy himself as to the due observance of the safety regulations as specified by the Authority under section 53 of the Act. The Indian Electricity Rules, 1956 made under section 37 of the Indian Electricity Act, 1910 (now repealed) shall continue to be in force till the regulations under section 53 of the Act are made.
 - (3) An Inspector may require a supplier of the electricity to submit to him a list of all persons supplied with energy by him, the addresses at which such energy is supplied, the month of connecting services, the voltage of supply, the connected load and the purpose of supply and the supplier shall comply with such requisitions.
 - (4) Every licensee and every owner of a generating station shall, if required so to do by an Inspector, provide reasonable means for carrying out all tests, specified under the Act or regulations thereunder, of the appliances or apparatus used for the supply or use of energy by him, as the case may be.
 - (5) Upon such inspection, an Inspector may serve an order, within 15 days from the date of such inspection, in the **Form A**, to any licensee, consumer, owner or occupier, calling upon him to comply with any specified regulation and the person so served shall thereupon comply with the order within the period specified therein, and shall report in writing to the Inspector serving the order mentioning therein as to when the order has been complied with:

Provided that, if within the period specified in the aforesaid order an appeal is filed against the order by the person on whom such order has been served, the appellate authority may suspend its operation pending the decision of the appeal.

8. **Appeals– (1)** An appeal against an order served under these rules shall lie
- (a) if the order is served by an Electrical Inspector, to the Chief Electrical Inspector;
 - (b) if the order is served by a Chief Electrical Inspector, to the Central Government.
- (2) In the case of an order of Chief Electrical Inspector on an appeal preferred to him under clause (a) of sub-rule (1), a further appeal shall lie to the Central Government.
- (3) Every appeal made under sub-rule (1) shall be in writing and shall be accompanied by a copy of the order appealed against and shall be presented within three months of the date on which such order has been served or delivered, as the case may be.
- (4) An appeal shall be disposed off within ninety days from the date of receipt of the appeal.

FORMA

FORM OF ORDER

To

15. Whereas the installation was inspected onand whereas it appears to me that you have not complied with the rules made under sub-section (1) of section 162 and the regulations made under section 53 of the Act, in the following respect (particulars to be given where necessary) namely you are hereby called upon to comply with the said rule(s)/regulations(s) on or before Day ofand to report compliance in writing to me.
16. An appeal may be filed against this order under rule 8 of the aforesaid Rules, within three months of the date on which this order is served or delivered but this order must be complied with, notwithstanding such appeal, unless the appellate authority on or before the date specified in paragraph above, suspends its operation.

Dated at

The ..day of.

Signature Chief Electrical Inspector or
Electrical Inspector

[F.No.23/3/2004-R&R]

Sd/

(Ajay Shankar)

Additional Secretary to the Government of India


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(Published in Part II, Section 3, sub-section (i) of the Gazette of India, Extraordinary)

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 22nd October, 2007

NOTIFICATION

G.S.R. 675 (E).-In exercise of powers conferred by section 98 and 99 and clause (p) of sub-section (2) of section 176 of the Electricity Act, 2003 (No.36 of 2003), the Central Government hereby makes the following rules namely:-

1. **Short title and commencement.** – (1) These rules may be called the Central Electricity Regulatory Commission Fund (Constitution and the manner of application, of the Fund) and Form and Time for Preparation of Budget Rules, 2007.
(2) They shall come into force from the date of publication in the Official Gazette.
2. **Definitions.** - (1) In these rules unless the context otherwise requires, –
 - (a) ‘Act’ means the Electricity Act, 2003;
 - (b) ‘Central Commission’ means the Central Electricity Regulatory Commission constituted under section 76 of the Act;
 - (c) ‘Secretary’ means the Secretary of the Central Commission;
 - (d) ‘Form’ means a form appended to these rules;
 - (e) ‘Fund’ means the Central Electricity Regulatory Commission Fund.(2) Words and expressions used and not defined in these rules but defined in the Electricity Act, 2003, shall have the meanings respectively assigned to them in that Act.
3. **Constitution of the Fund.** – (1) The Central Government hereby constitutes a Fund to be called the Central Electricity Regulatory Commission Fund.
 - (2) The Fund shall be opened under the Public Account of India and this shall be a non-lapsable and non-interest bearing account.
 - (3) The Central Commission shall, by the 30th September of each year, submit to the Central Government its requirement of funds for the next financial year taking into account the estimated receipts of the Commission.
 - (4) The Central Government may, after due appropriation made by the Parliament, make to the Central Commission grants and loans of such sums of money as the Government considers necessary after having due regard to the requirement communicated by the Central Commission under sub-rule (3).

- (5) The Fund shall comprise of –
 - (i) any grants and loans made to the Central Commission by the Central Government under section 98 of the Act;
 - (ii) all fees received by the Central Commission under the Act;
 - (iii) all sums received by the Central Commission from other sources as may be decided upon by the Central Government from time to time.
4. **Application of the Fund.** - The Fund shall be applied for meeting -
 - (a) the salary, allowances and other remuneration of the Chairperson, Members, Secretary, Officers and other employees of the Central Commission;
 - (b) the expenses of the Central Commission in discharge of its functions under section 79 of the Act;
 - (c) the expenses on objects and for purposes authorised by the Act.
5. **Release of amount from the Fund.** - (1) The Central Commission shall seek release of amount from the Fund against its annual budget twice (in the month of April, and September) in a financial year. Upon receiving such a requisition from the Central Commission, the Central Government shall -
 - (a) transfer the appropriate part of the sums of grants and loans for the Central Commission approved by the Parliament in the annual budget of the Ministry of Power to the Fund and simultaneously;
 - (b) release the amount as requisitioned from the Fund to the Central Commission by account payee cheque through its Pay and Accounts Office.
 - (2) The Central Commission shall maintain proper accounts and other records of the grants and loans in the manner as may be prescribed by the Central Government in this behalf.
 - (3) At the close of Financial Year the Central Commission shall furnish a utilisation certificate stating therein the opening balance, amount (including of grants and loans) received from the Fund and utilised and the balance remaining unutilised.
6. **Opening of Bank Account.** -
 - (1) The Central Commission shall open account(s) in one or more nationalised banks.
 - (2) The Central Commission shall make available the specimen signatures of two of its officers to be the authorised signatories to the nominated bank/(s) for their information and records.
 - (3) The link branch of the nominated bank/(s) shall furnish daily payments and receipts scrolls to the Central Commission which will ensure that the cheques appearing in the payment scrolls are those issued by the Central Commission and reconcile each transaction with the bank(s).
7. **Manner of applying the Fund.** -
 - (1) All amount released from the Fund shall be paid into the Central Commission's account(s) in the bank(s) and shall not be withdrawn except on presentation of a cheque signed jointly by Deputy Director (Accounts) and Accounts Officer or such other officer as authorised by the Central Commission.

- (2) These officers shall be responsible for monitoring the proper transactions of receipts and payments on behalf of the Central Commission.
8. **Budget Estimates and Revised Estimates.** - The Central Commission shall prepare its budget estimates and revised estimates in the format as at Annexure – I and Final Grant statement in format as at Annexure - II and submit them to the Central Government by the 30th September and 15th January of each Financial Year.
9. **Delegation of Powers.** - (1) The Chairperson of the Central Commission shall have the powers of the Central Government relating to items as given in schedule II, V, VI and VII of Delegation of Financial Powers Rules, except in the following matters:-
- (i) Creation of posts,
 - (ii) re-appropriation of funds from one head to another,
 - (iii) purchase of vehicles,
 - (iv) permitting any officer of the Commission to participate in seminars, conferences or training programme abroad;
- Provided that the exercise of these powers will be subject to the general restrictions and conditions contained in the Delegation of Financial Power Rules, 1978 and other general rules and orders issued by the Government of India from time to time.
- (2) The Central Commission shall lay down the detailed procedure for sanction of various expenditure and delegation of power among the Central Commission, Chairman and Secretary of the Central Commission.
10. **Audit of the Accounts.** - (1) The accounts of the Central Commission shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him.
- (2) The accounts of the Central Commission as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf, together with audit report thereon shall be forwarded annually to the Central Government by the Central Commission to enable it to place the audit report before each House of Parliament.

ANNEXURE-I

Revised Estimates of (Current Year)/
Budget Estimates of (Next Year)

Head of Account	Actuals Last two Years		Budget Allotment	Actuals of first 6 months (prev 2 years and FY)			Actuals for the last 6 months (prev 2 years)	
1	2	3	4	5	6	7	8	9

Estimate last 6 months (FY)	Total Revised Estimate	Budget Estimate	Difference between Allotment & RE (11-4)
10	11	12	13

Difference between (BE & RE) (12-11)	Reasons for Variation
14	15

Note1: Heads of Account shall be as per list at Appendix A

Note 2: Budgetary provisions shall be explained with detailed memoranda as listed at Appendix B.

ANNEXURE-II

Final Grant Statement (Financial Year)

Head of Account	Revised Allotment received	Actuals of first 10 months	Requirement last 2 months	Total Final Grant	Net Savings/ Excess	Remarks
1	2	3	4	5	6	7

Note 1: Heads of Account shall be as per list at Appendix A.

Note 2: Budgetary provisions shall be explained with detailed memoranda as listed at Appendix B.

Appendix A

Detailed Heads of Account (with description) under which CERC shall furnish budget Statements and Explanatory Memoranda thereto

A/c Description

Code

REVENUE

2. Fee and Charges

2.1 Fee

2.2 Charges

2.3 Fines

Total

2.4 Others (Specify)

Grand Total

3. Grants

3.1 From Government

3.2 From others

Total

4. Gifts

5. Seminars and Conferences

6. Sales of Publications

7. Income on Investments and Deposits

7.1 Income on investments

7.2 Income on Deposits

8. Loans

8.1 From Government

8.2 From Others (specify)

9. Sale of Assets

10. Sale of Investments

11. Recoveries from pay bills

11.1 Principal amount of Loans and Advances

11.2 Interest on Loans and Advances

12. Miscellaneous Income

12.1 Gain on sale of assets

12.2 Any Others (specify)

EXPENDITURE

13. Chairperson and Members

13.1 Pay and Allowances

13.2 Other benefits

13.3 Travelling expenses

13.3.1 Overseas

13.3.2 Domestic

14. Officers

14.1 Pay and Allowances

14.2 Retirement benefits

14.3 Other benefits

14.4 Travelling expenses

14.4.1 Overseas

14.4.2 Domestic

15. Staff

15.1 Pay and Allowances

15.2 Retirement Benefits

15.3 Other benefits

15.4 Travelling expenses

15.4.1 Overseas

15.4.2 Domestic

16. Hire of Conveyance

17. Wages

18. Overtime

19. Honorarium

20. Other Office Expenses

21. Expenditure on Research

22. Consultation fee

23. Seminars and Conferences

24. Publications of CERC

25. Rent and Taxes

26. Interest on Loans

27. Promotional Expenses

- 28. Membership fee**
- 29. Subscription**
- 30. Purchase of fixed assets**
- 31. Investments and Deposits**
 - 31.1 Investments
 - 31.2 Deposits
- 32. Security Deposits**
- 33. Loans and Advances**
 - 33.1 To employees
 - 33.1.1 Bearing Interest
 - 33.1.2 Not-bearing interest
 - 33.2 To Suppliers and Contractors
 - 33.3 Others (to specify)
- 34. Repayment of Loans**
- 35. Others**
 - 35.1 Leave salary and pension contribution
 - 35.2 Audit fee
 - 35.3 Miscellaneous
- 36. Description**
- 37. Loss on sale of assets**
- 38. Bad debt written off**
- 39. Provision for bad & doubtful debts**
- Total**

**Explanatory Memoranda to RE/BE Statements of
Central Electricity Regulatory Commission**

1. Statement showing grade wise details of establishment with provision sought therefor in the estimates, with actual establishment strength and cost thereof in previous year.
2. Estimates of individual projects/consultancies costing over Rs.5 lakhs indicating original cost, revisions if any and provisions sought for the project in the budget grants.
3. Details of Foreign exchange component in the Budget/Revised estimates.
4. Estimates of Revenue Receipts in Budget Year and previous year.
5. Statement showing financial results of CERC for the budget year and previous year.

(F.No. 23/76/2003-R&R)

Sd/-
Alok Kumar
Director


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(Published in Part II, Section 3, sub-section (i) of the Gazette of India, Extraordinary)

GOVERNMENT OF INDIA

MINISTRY OF POWER

New Delhi, the 22nd October, 2007

NOTIFICATION

G.S.R. 676(E). - In exercise of the powers conferred by clause (n) of sub-section (2) of section 176 read with sub-section (1) of section 100 of the Electricity Act, 2003 (No.36 of 2003) the Central Government, in consultation with the Comptroller and Auditor-General of India, hereby makes the following rules, namely:-

1. Short title and commencement. - (1) These rules may be called the Central Electricity Regulatory Commission (Form of Annual Statement of Accounts and Records) Rules, 2007.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. Definitions. - (1) In these rules unless the context otherwise requires, -
 - (a) 'Act' means the Electricity Act, 2003 (36 of 2003);
 - (b) 'Central Commission' means the Central Electricity Regulatory Commission constituted under section 76 of the Act;
 - (c) 'Audit Officer' means the Comptroller and Auditor-General of India or any person appointed by him in connection with the audit of accounts of the Commission;
 - (d) 'Secretary' means the Secretary of the Central Electricity Regulatory Commission;
 - (e) 'Schedule' means a schedule appended to these rules;
 - (f) 'Form' means a form appended to these rules.(2) Words and expressions used and not defined in these rules but defined in the Electricity Act, 2003 (36 of 2003), shall have the meanings respectively assigned to them in that Act.
3. Accounts of the Commission. - (1) The Central Commission shall prepare the annual statement of accounts for every financial year commencing with 2004-05. The Secretary of the Central Commission may authorise an officer of the Central Commission to prepare the account on his behalf.
(2) The Secretary of the Central Commission shall supervise the maintenance of the accounts of the Central Commission, the compilation of financial statement and return, and shall ensure that all accounts, books, connected vouchers and other documents and papers of the Central

Commission required by the audit officer for the purpose of auditing the accounts of the Central Commission are placed at the disposal of that officer.

(3) The annual statement of accounts duly approved by the Central Commission and after certification by the Comptroller and Auditor-General of India or his authorised representative, shall be submitted by the Secretary of the Central Commission to the Central Government by such date as may be specified by the Central Government.

- (4) (i) The Central Commission shall prepare the following accounts in the forms mentioned below:-
- (a) Receipt and Payment Accounts in Form A;
 - (b) Income and Expenditure Accounts in Form B;
 - (c) Balance Sheet in Form C.
- (ii) The authorised signatory to sign and authenticate the 'Receipt and Payment Accounts', 'Income and Expenditure Accounts' and 'Balance Sheet' shall be the Secretary of the Commission.
- (iii) The annual statement of accounts shall be submitted to the Audit Officer on or before the 30th June following the year to which the accounts relate and the Audit Officer shall audit the accounts of the Central Commission and report thereon.
- (iv) The Central Commission shall, on receipt of the audit report, correct any defect or irregularity pointed out therein and report to the Central Government and the Audit Officer about the action taken by it thereon.

FORM - A

RECEIPT AND PAYMENT ACCOUNTS FOR THE PERIOD/YEAR ENDED _____

		(Amount – Rs)			
RECEIPTS	Current Year	Previous Year	PAYMENTS	Current Year	Previous Year
1. To Opening Balances (a) Cash in Hand (b) Bank Balance (i) In Current Accounts (ii) In Deposit Accounts (iii) Saving Accounts			1. By Expenses (a) Establishment expenses (i) Salaries (Chairman & Members of the Commission) (ii) Salaries (Officers and establishment) (iii) Allowances and Bonus (iv) Payment for professional and other services (b) Travel Expenses (i) Foreign Travels (ii) Domestic Travels (iii) Overtime Allowance (c) Medical and Health care facilities (d) Other establishment charges (i) Tuition fees (ii) L/Tc (iii) Any other (to be specified) (f) Contribution to Provident Fund (g) Contribution to Other Funds (to be specified) (h) Staff welfare expenses (i) Expenses on employees' retirement and terminal benefits		
2. To Grants Received (a) From Min of Power (b) From State Government (c) From Other Sources (Details) (Grants for Capital and Revenue Expenditure to be shown separately)			2. By Administrative expenses (a) Purchases (b) Labour and processing expenses (c) Cartage and Carriage Inwards (d) Electricity & power (e) Water charges (f) Insurance (g) Repair and maintenance (h) Excise Duty (i) Rent, Rates and Taxes (j) Vehicles Running and Maintenance (k) Postage, Telephone and Communication Charges (l) Printing and Stationery		

<p>5. <u>To Debt/Deposit Receipts</u></p> <p>(a) Recovery of advance from staff (i) House Building advance (ii) Motor Car/personal computer advance (iii) Scooter/Motor cycle advance (iv) Other advances (to be specified) (v) Recoupment of GPF Advance paid to deputationists.</p> <p>(b) Recovery of contingent advances (i) Advances to CPWD (ii) Advances to suppliers (iii) Other Advances (to be specified)</p> <p>(c) Other Deposits (i) Security deposit (ii) Earnest Money deposit (iii) Any other deposit (to be specified).</p>		<p>5. <u>By Contributions</u></p> <p>(a) Pension and Gratuity (b) Leave Salary & Pension Contributions (c) Other Contribution (to be specified)</p>		
<p>6. <u>To Remittance Receipts</u></p> <p>(a) Recovery from deputationists (b) Licence Fee (c) Income Tax (d) Surcharge (e) Sales Tax (f) Central Govt Health Scheme (g) Postal Life Insurance (h) Central Govt Employees Group Insurance Scheme (i) Any other (to be specified)</p> <p>TOTAL</p>		<p>6. <u>By Expenditure on Fixed Assets and Capital Work-in-progress</u></p> <p>(a) Land (b) Buildings (c) Furniture & Fixtures (d) Machinery & Equipment (e) Motor Vehicles (f) Books & Publications (g) Any other (to be specified)</p> <p>7. <u>By Closing Balances</u></p> <p>(a) Cash in Hand (b) Bank Balances (i) In Current Accounts (ii) In Deposit Accounts (iii) Savings Accounts TOTAL</p>		

Internal Financial Adviser

Secretary

Member (Finance)

Chairman

FORM - B
INCOME AND EXPENDITURE ACCOUNTS
FOR THE PERIOD/YEAR ENDED _____

		(Amount – Rs)	
INCOME	Schedule	Current Year	Previous Year
1. By Grants/Subsidies 1.1 Ministry of Power 1.2 Other Sources (to be specified)	12		
2. By Sales/Services	13		
3. By Seminars and Conferences			
4. By Consultancy			
5. By Fees/Subscriptions/fines 5.1 Fee for Petitions 5.2 Other Charges 5.3 Fines 5.4 Any others (to be specified)	14		
6. By Investment (Income on invest, from earmarked/endow funds transferred to funds).	15		
7. By Royalty, Publications etc. 7.1 Royalty 7.2 Publications	16		
8. By Interest 8.1 Interest on Deposits (to be specified) 8.2 Interest on Loans and Advances 8.3 Interest on Investment 8.4 Interest on Cash at Bank 8.5 Any other (to be specified)	17		
9. By Other Income 9.1 Medical Health Care facilities 9.2 Sale of Newspapers 9.3 Gifts 9.4 Gains on sale of assets 9.5 Staff Car recoveries	18		

	19	Current Year	Previous Year
10 By Increase/(Decrease) in stock of finished goods and Works – in – Progress			
11 By Excess of Expenditure over Income (transferred to Capital fund account)			
12 Total (A)			
EXPENDITURE	Schedule	Current Year	Previous Year
1. To Establishment Expenses			
1.1 Pay & Allowances of Chairperson & Members			
1.2 Pay & Allowances of officers and establishments			
1.3 Pay & Allowances of Staff			
1.4 Honorarium			
1.5 Overtime Allowance			
1.6 Medical and Health Care facilities			
1.7 Bonus			
1.8 Any Other Establishment Charges (to be specified)	20		
2. To Payment on Professional & Other Services			
3. To Travel Expenses			
3.1 Domestic Travels - Chairman, Members & Other Officers - Staff			
3.2 Foreign Travels - Chairman, Members & Other Officers - Staff			
4. To Other Administrative Expenses, etc			
4.1 Seminar and Conference			
4.2 Telephone and Fax			
4.3 Rent, Rate & Taxes			
4.4 News Paper/Periodicals			
4.5 Advertisement and Publicity			
4.6 Postage and Telegram			
4.7 Liveries			
4.8 Water & Electricity			
4.9 Any other (to be specified)	21		
5. To Stationery & Printing			
5.1 Stationery			
5.2 Printing			

6. To Publications				
7. To Miscellaneous and Other Expenses				
8. To Repair and Maintenance				
8.1 Buildings				
8.2 Machinery & Equipment				
8.3 Furniture & Fixture				
8.4 Vehicles				
9. To Petrol & Lubricants				
10. To Hospitality Expenses				
11. To Audit Fees				
12. To Legal Charges				
13. To Provident Fund & Other Contributions				
13.1 Pension & Gratuity (including Commuted Value of Pension)				
13.2 Contribution to CPF				
13.3 Deposit Linked Insurance Scheme				
13.4 Pension Contribution				
13.5 Leave Salary Contribution				
13.6 Gratuity Contribution				
14. To Interest				
14.1 Interest on GPF				
14.2 Interest on CPF				
14.3 Any other (to be specified)		22		
15. To Group Insurance Scheme				
15.1 CGEGIS – Saving Fund - Insurance Fund				
15.2 CGEIS - Saving Fund - Insurance Fund				
16. To Depreciation				
17. To Loss on sale of Assets				
18. To Bad-debits return of				
19. To Excess of Income over Expenditure (Transferred to Capital Fund Account)				
20. TOTAL (B)				

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FORM - C
BALANCE SHEET
FOR THE PERIOD/YEAR ENDED _____

CORPUS/CAPITAL FUND AND LIABILITIES	Schedule	Current Year	Previous Year
1. Corpus/Capital Fund	1		
2. Add excess of Income over Expenditure/Less excess of Expenditure over Income	2		
3. Other Funds			
3.1 Provident Funds			
3.2 Others (to be specified)			
4. Reserves and Surplus			
5. Earmarked/Endowment Funds	3		
6. Secured Loans and Borrowings			
6.1 From Government			
6.2 From Others	4		
7. Unsecured Loans and Borrowings	5		
8. Deferred Credit Liabilities	6		
9. Current Liabilities and Provisions	7		
TOTAL			
ASSETS			
1. Fixed Assets	8		
2. Investments – From Earmarked/Endowment Funds of CERC	9		
3. Capital Work-in-Progress			
4. Advances			
4.1 Festival Advance.			
4.2 Other Advance (to be specified)	13		
5. Deposits			
5.1 Security Deposits			
5.2 Petrol Account			

5.3 Telephone Account				
5.4 Any other (to be specified)		14		
6. Loans and Advances		15		
7. Gifts and Donations		16		
8. Sundry Debtors		17		
9. Payment Made to CPWD for Works		18		
10. Cash and Bank Balance				
10.1 Cash at Bank				
10.2 Cash in Hand				
10.3 Imprest		19		
11. Other Current Assets		20		
TOTAL				

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SCHEDULES FORMING PART OF BALANCE SHEET AS AT _____

Schedule 1 Corpus, Capital Fund

	Current Year		Previous Year	
Balance as at the beginning of the year				
Add: Contributions towards Corpus/Capital Fund				
Add/(Deduct): Balance of net income/(expenditure) transferred from the Income and Expenditure Account				
BALANCE AS AT THE YEAR – END				

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Schedule 2 : Add excess of Income over Expenditure/Less excess of Expenditure over Income

	Current Year		Previous Year	
1. <u>Capital Reserve</u> As per last Account Addition during the year Less: Deductions during the year				
2. <u>Revaluation Reserve</u> As per last Account Addition during the year Less: Deductions during the year				
3. <u>Special Reserves</u> As per last Account Addition during the year Less: Deductions during the year				
4. <u>General Reserve</u> As per last Account Addition during the year Less: Deductions during the year				
TOTAL				

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Schedule 3 : EARMARKED/ENDOWMENT FUNDS

	Fund WW	Fund XX	Fund YY	Fund ZZ	Current Year	Previous Year
a) <u>Opening balance of the funds</u>						
b) <u>Additions to the Funds:</u>						
(i) Donations/grants
(ii) Income from investments made on account of funds
(iii) Other additions (specify nature)
Total (a+b)
c) <u>Utilisation/Expenditure towards objectives of funds</u>						
i) Capital Expenditure						
- Fixed Assets						
- Others						
Total						
ii) Revenue Expenditure						
- Salaries, Wages and allowances etc.						
- Rent						
- Other Administrative Expenses						
Total						
TOTAL (c)						
NET BALANCE AS AT THE YEAR –END (a+b-c)						

Notes

- 1) Disclosures shall be made under relevant heads based on conditions attaching to the grants.
- 2) Plan Funds received from the Central/State Governments are to be shown as separate Funds and not to be mixed up with any other Funds.

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Schedule 4 : SECURED LOANS BORROWINGS

(Amount Rs.)

	Current Year		Previous Year	
1. Central Government				
2. State Government (Specify)				
3. Financial Institutions				
a) Terms Loans				
b) Interest accrued and due				
4. Banks				
a) Term Loans				
- Interest accrued and due				
c) Other Loans (specify)				
- Interest accrued and due				
5. Other Institutions and Agencies				
6. Debentures and loans				
7. Others (Specify)				
TOTAL				
<u>Note:</u> Amounts due within one year				

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Schedule 5 : UNSECURED LOANS AND BORROWINGS

	Current Year	Previous Year
1. Central Government		
2. State Government		
3. Financial Institutions		
4. Banks:		
a) Term Loans		
b) Other Loans (specify)		
5. Other Institutions and Agencies		
6. Debentures and Bonds		
7. Fixed Deposits		
8. Others (specify)		
TOTAL		
Note: Amounts due within one year		

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Schedule 6: DEFERRED CREDIT LIABILITIES

	Current Year	Previous Year
a) Acceptances secured by hypothecation of capital equipment and other assets		
b) Others		
TOTAL		
Note: Amounts due within one year.		

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Schedule 7 : CURRENT LIABILITIES AND PROVISIONS

	Current Year		Previous Year	
A. <u>CURRENT LIABILITIES</u>				
1. Acceptances				
2. Sundry Creditors:-				
(a) For Goods				
(b) Others				
3. Advances Received				
4. Interest accrued but not due on:				
(a) Secured Loans/borrowings				
(b) Unsecured Loans/borrowings				
5. Statutory Liabilities:				
(a) Overdue				
(b) Others				
6. Other current Liabilities				
<u>TOTAL (A)</u>				
B. <u>PROVISIONS</u>				
1. For Taxation				
2. Gratuity				
3. Superannuation/Pension				
4. Accumulated Leave Encashment				
5. Trade Warranties/Claims				
6. Others (Specify)				
<u>TOTAL (B)</u>				
<u>TOTAL (A+B)</u>				

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Member (Finance)

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Schedule 8 : FIXED ASSETS

(Amount Rs.)

Sl. No.	Description	Balance as at the beginning of the Year (Rs.)		Add : Contributions towards Corpus/Capital Fund (Rs)		Add (Deduct): Balance of the Net Income/(Expenditure) transferred from Income and Expenditure Account (Rs)		Balance as at the Year – End (Rs)	
		Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
1.	Land								
2.	Building (Renovation)								
3.	Furniture & Fixtures								
4.	Machinery & Equipment								
5.	Motor Vehicles								
6.	Books & Publications								
7.	Gifted/Donated Assets								
8.	Other (to be specified)								
	TOTAL								

Internal Financial Adviser

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Member (Finance)

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Schedule 9 : INVESTMENTS FROM EARMARKED/ENDOWMENT FUNDS

		(Amount – Rs.)	
		Current Year	Previous Year
1.	In Government Securities		
2.	Other approved Securities		
3.	Shares		
4.	Debentures and Bonds		
5.	Subsidiaries and Joint Ventures		
6.	Others (to be specified)		
TOTAL			

Internal Financial Adviser

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Member (Finance)

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Schedule 10 : INVESTMENT - OTHER

	(Amount – Rs.)	
	Current Year	Previous Year
1. In Government Securities		
2. Other approved Securities		
3. Shares		
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures		
6. Others (to be specified)		
TOTAL		

Internal Financial Adviser

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Member (Finance)

Chairman

Schedule 11 : CURRENT ASSETS, LOANS, ADVANCES ETC

(Amount – Rs.)

	Current Year		Previous Year	
A. CURRENT ASSETS:				
1. Inventories:				
(a) Stores and Spares				
(b) Loose Tools				
(c) Stock-in-trade				
(i) Finished Goods				
(ii) Work-in-progress				
(iii) Raw Materials				
2. Sundry Debtors:				
(a) Debts Outstanding for a period exceeding six months				
(b) Others				
3. Cash balances in hand (including cheques/drafts and imprest				
1. Bank Balances:				
(a) With Scheduled Banks:				
-On Current Accounts				
-On Deposit Accounts (includes margin money)				
-On Savings Accounts				
(b) With non-Scheduled Banks:				
-On Current Accounts				
-On Deposit Accounts				
-On Savings Accounts				
5. Post Office-Savings Accounts				
TOTAL (A)				

	Current Year		Previous Year	
B. LOANS, ADVANCES AND OTHER ASSETS				
1. Loans:				
(a) Staff				
(b) Other Entities engaged in activities/objectives similar to that of the Entity				
(c) Other(Specify)				
2. Advances and other amounts recoverable in cash or in kind or for value to be received:				
(a) On Capital Account				
(b) Prepayments				
(c) Others				
3. Income Accrued:				
(a) On Investments from Earmarked/Endowment Funds				
(b) On Investments – Others				
(c) On Loans and Advances				
(d) Others (includes income due unrealised –Rs.....)				
4. Claims Receivable				
TOTAL (B)				
TOTAL (A+B)				

Internal Financial Adviser

Secretary

Member (Finance)

Chairman

(F.No. 23/7/6/2003-R&R)

Sd/-
Alok Kumar
Director


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EXTRAORDINARY – PART II – Section-3 – Sub-section (ii)

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 9th June, 2005

Notification

G.S.R 387(E). - In exercise of powers conferred by sub-section (1) and clause (z) of sub-section (2) of section 176 of the Electricity Act, 2003 (Act 36 of 2003), the Central Government hereby makes the following rules, namely:

1. Short title and commencement -

- (1) These rules shall be called the Electricity (Procedure for Previous Publication) Rules 2005,
- (2) These Rules shall come into force on the date of their publication in the Official Gazette.

2. Definitions -

In these rules, unless the context otherwise, requires,-

- (c) “Act” means the Electricity Act, 2003 (Act 36 of 2003);
- (d) the words and expressions used and not defined herein but defined in the Act shall have the meaning assigned to them in the Act.

3. Procedure of Previous Publication – For the purpose of previous publication of regulations under sub-section (3) of section 177, sub-section (3) of section 178 and the sub-section (3) of section 181 of the Act, the following procedure shall apply:-

- (1) the Authority or the Appropriate Commission shall, before making regulations, publish a draft of the regulations for the information of persons likely to be affected thereby;
 - (2) the publication shall be made in such manner as the Authority or the Appropriate Commission deems to be sufficient;
 - (3) there shall be published with the draft regulations, a notice specifying a date on or after which the draft regulations will be taken into consideration;
 - (4) the Authority or the Appropriate Commission having powers to make regulations shall consider any objection or suggestion which may be received by the Authority or the Appropriate Commission from any person with respect to the draft before the date so specified.
4. The publication in the Official Gazette of the regulations made in exercise of a power to make regulations after previous publication shall be conclusive proof that the regulations have been duly made.

F.No. 23/26/2004-R&R

Ajay Shankar,

Additional Secretary to the Government of India.

Chapter 3

National Electricity Policy


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY PART I—SECTION 1

MINISTRY OF POWER

RESOLUTION

New Delhi, the 12th February, 2005

No. 23/40/2004-R&R (Vol.II)

National Electricity Policy

1.0 INTRODUCTION

- 1.1 In compliance with section 3 of the Electricity Act 2003 the Central Government hereby notifies the National Electricity Policy.
- 1.2 Electricity is an essential requirement for all facets of our life. It has been recognized as a basic human need. It is a critical infrastructure on which the socio-economic development of the country depends. Supply of electricity at reasonable rate to rural India is essential for its overall development. Equally important is availability of reliable and quality power at competitive rates to Indian industry to make it globally competitive and to enable it to exploit the tremendous potential of employment generation. Services sector has made significant contribution to the growth of our economy. Availability of quality supply of electricity is very crucial to sustained growth of this segment.
- 1.3 Recognizing that electricity is one of the key drivers for rapid economic growth and poverty alleviation, the nation has set itself the target of providing access to all households in next five years. As per Census 2001, about 44% of the households do not have access to electricity. Hence meeting the target of providing universal access is a daunting task requiring significant addition to generation capacity and expansion of the transmission and distribution network.
- 1.4 Indian Power sector is witnessing major changes. Growth of Power Sector in India since its Independence has been noteworthy.
However, the demand for power has been outstripping the growth of availability. Substantial peak and energy shortages prevail in the country. This is due to inadequacies in generation, transmission & distribution as well as inefficient use of electricity. Very high level of technical and commercial losses and lack of commercial approach in management of utilities has led to unsustainable financial operations. Cross-subsidies have risen to unsustainable levels. Inadequacies in distribution networks has been one of the major reasons for poor quality of supply.
- 1.5 Electricity industry is capital-intensive having long gestation period. Resources of power generation are unevenly dispersed across the country. Electricity is a commodity that can not be stored in the grid where demand and supply have to be continuously balanced. The

widely distributed and rapidly increasing demand requirements of the country need to be met in an optimum manner.

1.6 Electricity Act, 2003 provides an enabling framework for accelerated and more efficient development of the power sector. The Act seeks to encourage competition with appropriate regulatory intervention. Competition is expected to yield efficiency gains and in turn result in availability of quality supply of electricity to consumers at competitive rates.

1.7 Section 3 (1) of the Electricity Act 2003 requires the Central Government to formulate, inter alia, the National Electricity Policy in consultation with Central Electricity Authority (CEA) and State Governments. The provision is quoted below:

“The Central Government shall, from time to time, prepare the National Electricity Policy and tariff policy, in consultation with the State Governments and the Authority for development of the power system based on optimal utilization of resources such as coal, natural gas, nuclear substances or materials, hydro and renewable sources of energy”.

Section 3 (3) of the Act enables the Central Government to review or revise the National Electricity Policy from time to time.

1.8 The National Electricity Policy aims at laying guidelines for accelerated development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders keeping in view availability of energy resources, technology available to exploit these resources, economics of generation using different resources, and energy security issues.

1.9 The National Electricity Policy has been evolved in consultation with and taking into account views of the State Governments, Central Electricity Authority (CEA), Central Electricity Regulatory Commission (CERC) and other stakeholders.

2.0 **AIMS & OBJECTIVES**

The National Electricity Policy aims at achieving the following objectives:

- Access to Electricity - Available for all households in next five years
- Availability of Power - Demand to be fully met by 2012. Energy and peaking shortages to be overcome and adequate spinning reserve to be available.
- Supply of Reliable and Quality Power of specified standards in an efficient manner and at reasonable rates.
- Per capita availability of electricity to be increased to over 1000 units by 2012.
- Minimum lifeline consumption of 1 unit/household/day as a merit good by year 2012.
- Financial Turnaround and Commercial Viability of Electricity Sector.
- Protection of consumers' interests.

3.0 **NATIONALELECTRICITYPLAN**

3.1 Assessment of demand is an important pre-requisite for planning capacity addition. Section 3 (4) of the Act requires the Central Electricity Authority (CEA) to frame a National Electricity Plan once in five years and revise the same from time to time in accordance with the National Electricity Policy. Also, section 73 (a) provides that formulation of short-term and perspective plans for development of the electricity system and coordinating the activities of various planning agencies for the optimal utilization of resources to subserve the interests of the

national economy shall be one of the functions of the CEA. The Plan prepared by CEA and approved by the Central Government can be used by prospective generating companies, transmission utilities and transmission/distribution licensees as reference document.

3.2 Accordingly, the CEA shall prepare short-term and perspective plan. The National Electricity Plan would be for a short-term framework of five years while giving a 15 year perspective and would include:

- Short-term and long term demand forecast for different regions;
- Suggested areas/locations for capacity additions in generation and transmission keeping in view the economics of generation and transmission, losses in the system, load centre requirements, grid stability, security of supply, quality of power including voltage profile etc. and environmental considerations including rehabilitation and resettlement;
- Integration of such possible locations with transmission system and development of national grid including type of transmission systems and requirement of redundancies; and
- Different technologies available for efficient generation, transmission and distribution.
- Fuel choices based on economy, energy security and environmental considerations.

3.3 While evolving the National Electricity Plan, CEA will consult all the stakeholders including state governments and the state governments would, at state level, undertake this exercise in coordination with stakeholders including distribution licensees and STUs. While conducting studies periodically to assess short-term and long-term demand, projections made by distribution utilities would be given due weightage. CEA will also interact with institutions and agencies having economic expertise, particularly in the field of demand forecasting. Projected growth rates for different sectors of the economy will also be taken into account in the exercise of demand forecasting.

3.4 The National Electricity Plan for the ongoing 10th Plan period and 11th Plan and perspective Plan for the 10th, 11th & 12th Plan periods would be prepared and notified after reviewing and revising the existing Power Plan prepared by CEA. This will be done within six months.

4.0 **ISSUES ADDRESSED**

The policy seeks to address the following issues:

- Rural Electrification
- Generation
- Transmission
- Distribution
- Recovery of Cost of services & Targetted Subsidies.
- Technology Development and Research and Development (R&D)
- Competition aimed at Consumer Benefits
- Financing Power Sector Programmes Including Private Sector Participation.
- Energy Conservation

- Environmental Issues
- Training and Human Resource Development
- Cogeneration and Non-Conventional Energy Sources
- Protection of Consumer interests and Quality Standards

5.1 **RURALELECTRIFICATION**

- 5.1.1 The key development objective of the power sector is supply of electricity to all areas including rural areas as mandated in section 6 of the Electricity Act. Both the central government and state governments would jointly endeavour to achieve this objective at the earliest. Consumers, particularly those who are ready to pay a tariff which reflects efficient costs have the right to get uninterrupted twenty four hours supply of quality power. About 56% of rural households have not yet been electrified even though many of these households are willing to pay for electricity. Determined efforts should be made to ensure that the task of rural electrification for securing electricity access to all households and also ensuring that electricity reaches poor and marginal sections of the society at reasonable rates is completed within the next five years.
- 5.1.2 Reliable rural electrification system will aim at creating the following:
- (a) Rural Electrification Distribution Backbone (REDB) with at least one 33/11 kv (or 66/11 kv) substation in every Block and more if required as per load, networked and connected appropriately to the state transmission system
 - (b) Emanating from REDB would be supply feeders and one distribution transformer at least in every village settlement.
 - (c) Household Electrification from distribution transformer to connect every household on demand.
 - (d) Wherever above is not feasible (it is neither cost effective nor the optimal solution to provide grid connectivity) decentralized distributed generation facilities together with local distribution network would be provided so that every household gets access to electricity. This would be done either through conventional or non-conventional methods of electricity generation whichever is more suitable and economical. Non-conventional sources of energy could be utilized even where grid connectivity exists provided it is found to be cost effective.
 - (e) Development of infrastructure would also cater for requirement of agriculture & other economic activities including irrigation pump sets, small and medium industries, khadi and village industries, cold chain and social services like health and education.
- 5.1.3 Particular attention would be given in household electrification to dalit bastis, tribal areas and other weaker sections.
- 5.1.4 Rural Electrification Corporation of India, a Government of India enterprise will be the nodal agency at Central Government level to implement the programme for achieving the goal set by National Common Minimum Programme of giving access to electricity to all the households in next five years. Its role is being suitably enlarged to ensure timely implementation of rural electrification projects.
- 5.1.5 Targetted expansion in access to electricity for rural households in the desired timeframe can be achieved if the distribution licensees recover at least the cost of electricity and related

O&M expenses from consumers, except for lifeline support to households below the poverty line who would need to be adequately subsidized. Subsidies should be properly targeted at the intended beneficiaries in the most efficient manner. Government recognizes the need for providing necessary capital subsidy and soft long-term debt finances for investment in rural electrification as this would reduce the cost of supply in rural areas. Adequate funds would need to be made available for the same through the Plan process. Also commensurate organizational support would need to be created for timely implementation. The Central Government would assist the State Governments in achieving this.

- 5.1.6 Necessary institutional framework would need to be put in place not only to ensure creation of rural electrification infrastructure but also to operate and maintain supply system for securing reliable power supply to consumers. Responsibility of operation & maintenance and cost recovery could be discharged by utilities through appropriate arrangements with Panchayats, local authorities, NGOs and other franchisees etc.
- 5.1.7 The gigantic task of rural electrification requires appropriate cooperation among various agencies of the State Governments, Central Government and participation of the community. Education and awareness programmes would be essential for creating demand for electricity and for achieving the objective of effective community participation.

5.2 **GENERATION**

- 5.2.1 Inadequacy of generation has characterized power sector operation in India. To provide availability of over 1000 units of per capita electricity by year 2012 it had been estimated that need based capacity addition of more than 1,00,000 MW would be required during the period 2002-12.
- 5.2.2 The Government of India has initiated several reform measures to create a favourable environment for addition of new generating capacity in the country. The Electricity Act 2003 has put in place a highly liberal framework for generation. There is no requirement of licensing for generation. The requirement of techno-economic clearance of CEA for thermal generation project is no longer there. For hydroelectric generation also, the limit of capital expenditure, above which concurrence of CEA is required, would be raised suitably from the present level. Captive generation has been freed from all controls.
- 5.2.3 In order to fully meet both energy and peak demand by 2012, there is a need to create adequate reserve capacity margin. In addition to enhancing the overall availability of installed capacity to 85%, a spinning reserve of at least 5%, at national level, would need to be created to ensure grid security and quality and reliability of power supply.
- 5.2.4 The progress of implementation of capacity addition plans and growth of demand would need to be constantly monitored and necessary adjustments made from time to time. In creating new generation capacities, appropriate technology may be considered keeping in view the likely widening of the difference between peak demand and the base load.

Hydro Generation

- 5.2.5 Hydroelectricity is a clean and renewable source of energy. Maximum emphasis would be laid on the full development of the feasible hydro potential in the country. The 50,000 MW hydro initiative has been already launched and is being vigorously pursued with DPRs for projects of 33,000 MW capacity already under preparation.
- 5.2.6 Harnessing hydro potential speedily will also facilitate economic development of States, particularly North-Eastern States, Sikkim, Uttaranchal, Himachal Pradesh and J&K, since a

large proportion of our hydro power potential is located in these States. The States with hydro potential need to focus on the full development of these potentials at the earliest.

- 5.2.7 Hydel projects call for comparatively larger capital investment. Therefore, debt financing of longer tenure would need to be made available for hydro projects. Central Government is committed to policies that ensure financing of viable hydro projects.
- 5.2.8 State Governments need to review procedures for land acquisition, and other approvals/clearances for speedy implementation of hydroelectric projects.
- 5.2.9 The Central Government will support the State Governments for expeditious development of their hydroelectric projects by offering services of Central Public Sector Undertakings like National Hydroelectric Power Corporation (NHPC).
- 5.2.10 Proper implementation of National Policy on Rehabilitation and Resettlement (R&R) would be essential in this regard so as to ensure that the concerns of project-affected families are addressed adequately.
- 5.2.11 Adequate safeguards for environmental protection with suitable mechanism for monitoring of implementation of Environmental Action Plan and R&R Schemes will be put in place.

Thermal Generation

- 5.2.12 Even with full development of the feasible hydro potential in the country, coal would necessarily continue to remain the primary fuel for meeting future electricity demand.
- 5.2.13 Imported coal based thermal power stations, particularly at coastal locations, would be encouraged based on their economic viability. Use of low ash content coal would also help in reducing the problem of fly ash emissions.
- 5.2.14 Significant Lignite resources in the country are located in Tamil Nadu, Gujarat and Rajasthan and these should be increasingly utilized for power generation. Lignite mining technology needs to be improved to reduce costs.
- 5.2.15 Use of gas as a fuel for power generation would depend upon its availability at reasonable prices. Natural gas is being used in Gas Turbine /Combined Cycle Gas Turbine (GT/CCGT) stations, which currently accounts for about 10 % of total capacity. Power sector consumes about 40% of the total gas in the country. New power generation capacity could come up based on indigenous gas findings, which can emerge as a major source of power generation if prices are reasonable. A national gas grid covering various parts of the country could facilitate development of such capacities.
- 5.2.16 Imported LNG based power plants are also a potential source of electricity and the pace of their development would depend on their commercial viability. The existing power plants using liquid fuels should shift to use of Natural Gas/LNG at the earliest to reduce the cost of generation.
- 5.2.17 For thermal power, economics of generation and supply of electricity should be the basis for choice of fuel from among the options available. It would be economical for new generating stations to be located either near the fuel sources e.g. pithead locations or load centres.
- 5.2.18 Generating companies may enter into medium to long-term fuel supply agreements specially with respect to imported fuels for commercial viability and security of supply.

Nuclear Power

- 5.2.19 Nuclear power is an established source of energy to meet base load demand. Nuclear power plants are being set up at locations away from coalmines. Share of nuclear power in the overall capacity profile will need to be increased significantly. Economics of generation and resultant tariff will be, among others, important considerations. Public sector investments to create nuclear generation capacity will need to be stepped up. Private sector partnership would also be facilitated to see that not only targets are achieved but exceeded.

Non-conventional Energy Sources

- 5.2.20 Feasible potential of non-conventional energy resources, mainly small hydro, wind and biomass would also need to be exploited fully to create additional power generation capacity. With a view to increase the overall share of non-conventional energy sources in the electricity mix, efforts will be made to encourage private sector participation through suitable promotional measures.

Renovation and Modernization (R&M)

- 5.2.21 One of the major achievements of the power sector has been a significant increase in availability and plant load factor of thermal power stations specially over the last few years. Renovation and modernization for achieving higher efficiency levels needs to be pursued vigorously and all existing generation capacity should be brought to minimum acceptable standards. The Govt. of India is providing financial support for this purpose.
- 5.2.22 For projects performing below acceptable standards, R&M should be undertaken as per well-defined plans featuring necessary cost-benefit analysis. If economic operation does not appear feasible through R&M, then there may be no alternative to closure of such plants as the last resort.
- 5.2.23 In cases of plants with poor O&M record and persisting operational problems, alternative strategies including change of management may need to be considered so as to improve the efficiency to acceptable levels of these power stations.

Captive Generation

- 5.2.24 The liberal provision in the Electricity Act, 2003 with respect to setting up of captive power plant has been made with a view to not only securing reliable, quality and cost effective power but also to facilitate creation of employment opportunities through speedy and efficient growth of industry.
- 5.2.25 The provision relating to captive power plants to be set up by group of consumers is primarily aimed at enabling small and medium industries or other consumers that may not individually be in a position to set up plant of optimal size in a cost effective manner. It needs to be noted that efficient expansion of small and medium industries across the country would lead to creation of enormous employment opportunities.
- 5.2.26 A large number of captive and standby generating stations in India have surplus capacity that could be supplied to the grid continuously or during certain time periods. These plants offer a sizeable and potentially competitive capacity that could be harnessed for meeting demand for power. Under the Act, captive generators have access to licensees and would get access to consumers who are allowed open access. Grid inter-connections for captive generators shall be facilitated as per section 30 of the Act. This should be done on priority basis to enable captive generation to become available as distributed generation along the grid.

Towards this end, non-conventional energy sources including co-generation could also play a role. Appropriate commercial arrangements would need to be instituted between licensees and the captive generators for harnessing of spare capacity energy from captive power plants. The appropriate Regulatory Commission shall exercise regulatory oversight on such commercial arrangements between captive generators and licensees and determine tariffs when a licensee is the off-taker of power from captive plant.

5.3 TRANSMISSION

5.3.1 The Transmission System requires adequate and timely investments and also efficient and coordinated action to develop a robust and integrated power system for the country.

5.3.2 Keeping in view the massive increase planned in generation and also for development of power market, there is need for adequately augmenting transmission capacity. While planning new generation capacities, requirement of associated transmission capacity would need to be worked out simultaneously in order to avoid mismatch between generation capacity and transmission facilities. The policy emphasizes the following to meet the above objective:

- The Central Government would facilitate the continued development of the National Grid for providing adequate infrastructure for inter-state transmission of power and to ensure that underutilized generation capacity is facilitated to generate electricity for its transmission from surplus regions to deficit regions.
- The Central Transmission Utility (CTU) and State Transmission Utility (STU) have the key responsibility of network planning and development based on the National Electricity Plan in coordination with all concerned agencies as provided in the Act. The CTU is responsible for the national and regional transmission system planning and development. The STU is responsible for planning and development of the intra-state transmission system. The CTU would need to coordinate with the STUs for achievement of the shared objective of eliminating transmission constraints in cost effective manner.
- Network expansion should be planned and implemented keeping in view the anticipated transmission needs that would be incident on the system in the open access regime. Prior agreement with the beneficiaries would not be a pre-condition for network expansion. CTU/STU should undertake network expansion after identifying the requirements in consultation with stakeholders and taking up the execution after due regulatory approvals.
- Structured information dissemination and disclosure procedures should be developed by the CTU and STUs to ensure that all stakeholders are aware of the status of generation and transmission projects and plans. These should form a part of the overall planning procedures.
- The State Regulatory Commissions who have not yet notified the grid code under the Electricity Act 2003 should notify the same not later than September 2005.

5.3.3 Open access in transmission has been introduced to promote competition amongst the generating companies who can now sell to different distribution licensees across the country. This should lead to availability of cheaper power. The Act mandates non-discriminatory open access in transmission from the very beginning. When open access to distribution networks is introduced by the respective State Commissions for enabling bulk consumers to buy directly from competing generators, competition in the market would increase the avail-

ability of cheaper and reliable power supply. The Regulatory Commissions need to provide facilitative framework for non-discriminatory open access. This requires load dispatch facilities with state-of-the art communication and data acquisition capability on a real time basis. While this is the case currently at the regional load dispatch centers, appropriate State Commissions must ensure that matching facilities with technology upgrades are provided at the State level, where necessary and realized not later than June 2006.

- 5.3.4 The Act prohibits the State transmission utilities/transmission licensees from engaging in trading in electricity. Power purchase agreements (PPAs) with the generating companies would need to be suitably assigned to the Distribution Companies, subject to mutual agreement. To the extent necessary, such assignments can be done in a manner to take care of different load profiles of the Distribution Companies. Non-discriminatory open access shall be provided to competing generators supplying power to licensees upon payment of transmission charge to be determined by the appropriate Commission. The appropriate Commissions shall establish such transmission charges no later than June 2005.
- 5.3.5 To facilitate orderly growth and development of the power sector and also for secure and reliable operation of the grid, adequate margins in transmission system should be created. The transmission capacity would be planned and built to cater to both the redundancy levels and margins keeping in view international standards and practices. A well planned and strong transmission system will ensure not only optimal utilization of transmission capacities but also of generation facilities and would facilitate achieving ultimate objective of cost effective delivery of power. To facilitate cost effective transmission of power across the region, a national transmission tariff framework needs to be implemented by CERC. The tariff mechanism would be sensitive to distance, direction and related to quantum of flow. As far as possible, consistency needs to be maintained in transmission pricing framework in inter-State and intra-State systems. Further it should be ensured that the present network deficiencies do not result in unreasonable transmission loss compensation requirements.
- 5.3.6 The necessary regulatory framework for providing non-discriminatory open access in transmission as mandated in the Electricity Act 2003 is essential for signalling efficient choice in locating generation capacity and for encouraging trading in electricity for optimum utilization of generation resources and consequently for reducing the cost of supply.
- 5.3.7 The spirit of the provisions of the Act is to ensure independent system operation through NLDC, RLDCs and SLDCs. These dispatch centers, as per the provisions of the Act, are to be operated by a Government company or authority as notified by the appropriate Government. However, till such time these agencies/authorities are established the Act mandates that the CTU or STU, as the case may be, shall operate the RLDCs or SLDC. The arrangement of CTU operating the RLDCs would be reviewed by the Central Government based on experience of working with the existing arrangement. A view on this aspect would be taken by the Central Government by December 2005.
- 5.3.8 The Regional Power Committees as envisaged in section section 2(55) would be constituted by the Government of India within two months with representation from various stakeholders.
- 5.3.9 The National Load Despatch Centre (NLDC) along with its constitution and functions as envisaged in Section 26 of the Electricity Act 2003 would be notified within three months. RLDCs and NLDC will have complete responsibility and commensurate authority for smooth operation of the grid irrespective of the ownership of the transmission system, be it under CPSUs, State Utility or private sector.

5.3.10 Special mechanisms would be created to encourage private investment in transmission sector so that sufficient investments are made for achieving the objective of demand to be fully met by 2012.

5.4 DISTRIBUTION

5.4.1 Distribution is the most critical segment of the electricity business chain. The real challenge of reforms in the power sector lies in efficient management of the distribution sector.

5.4.2 The Act provides for a robust regulatory framework for distribution licensees to safeguard consumer interests. It also creates a competitive framework for the distribution business, offering options to consumers, through the concepts of open access and multiple licensees in the same area of supply.

5.4.3 For achieving efficiency gains proper restructuring of distribution utilities is essential. Adequate transition financing support would also be necessary for these utilities. Such support should be arranged linked to attainment of predetermined efficiency improvements and reduction in cash losses and putting in place appropriate governance structure for insulating the service providers from extraneous interference while at the same time ensuring transparency and accountability. For ensuring financial viability and sustainability, State Governments would need to restructure the liabilities of the State Electricity Boards to ensure that the successor companies are not burdened with past liabilities. The Central Government would also assist the States, which develop a clear roadmap for turnaround, in arranging transition financing from various sources which shall be linked to predetermined improvements and efficiency gains aimed at attaining financial viability and also putting in place appropriate governance structures.

5.4.4 Conducive business environment in terms of adequate returns and suitable transitional model with predetermined improvements in efficiency parameters in distribution business would be necessary for facilitating funding and attracting investments in distribution. Multi-Year Tariff (MYT) framework is an important structural incentive to minimize risks for utilities and consumers, promote efficiency and rapid reduction of system losses. It would serve public interest through economic efficiency and improved service quality. It would also bring greater predictability to consumer tariffs by restricting tariff adjustments to known indicators such as power purchase prices and inflation indices. Private sector participation in distribution needs to be encouraged for achieving the requisite reduction in transmission and distribution losses and improving the quality of service to the consumers.

5.4.5 The Electricity Act 2003 enables competing generating companies and trading licensees, besides the area distribution licensees, to sell electricity to consumers when open access in distribution is introduced by the State Electricity Regulatory Commissions. As required by the Act, the SERCs shall notify regulations by June 2005 that would enable open access to distribution networks in terms of sub-section 2 of section 42 which stipulates that such open access would be allowed, not later than five years from 27th January 2004 to consumers who require a supply of electricity where the maximum power to be made available at any time exceeds one mega watt. Section 49 of the Act provides that such consumers who have been allowed open access under section 42 may enter into agreement with any person for supply of electricity on such terms and conditions, including tariff, as may be agreed upon by them. While making regulations for open access in distribution, the SERCs will also determine wheeling charges and cross-subsidy surcharge as required under section 42 of the Act.

5.4.6 A time-bound programme should be drawn up by the State Electricity Regulatory Commissions (SERC) for segregation of technical and commercial losses through energy audits.

Energy accounting and declaration of its results in each defined unit, as determined by SERCs, should be mandatory not later than March 2007. An action plan for reduction of the losses with adequate investments and suitable improvements in governance should be drawn up. Standards for reliability and quality of supply as well as for loss levels shall also be specified, from time to time, so as to bring these in line with international practices by year 2012.

- 5.4.7 One of the key provisions of the Act on competition in distribution is the concept of multiple licensees in the same area of supply through their independent distribution systems. State Governments have full flexibility in carving out distribution zones while restructuring the Government utilities. For grant of second and subsequent distribution licence within the area of an incumbent distribution licensee, a revenue district, a Municipal Council for a smaller urban area or a Municipal Corporation for a larger urban area as defined in the Article 243(Q) of Constitution of India (74th Amendment) may be considered as the minimum area. The Government of India would notify within three months, the requirements for compliance by applicant for second and subsequent distribution licence as envisaged in Section 14 of the Act. With a view to provide benefits of competition to all section of consumers, the second and subsequent licensee for distribution in the same area shall have obligation to supply to all consumers in accordance with provisions of section 43 of the Electricity Act 2003. The SERCs are required to regulate the tariff including connection charges to be recovered by a distribution licensee under the provisions of the Act. This will ensure that second distribution licensee does not resort to cherry picking by demanding unreasonable connection charges from consumers.
- 5.4.8 The Act mandates supply of electricity through a correct meter within a stipulated period. The Authority should develop regulations as required under Section 55 of the Act within three months.
- 5.4.9 The Act requires all consumers to be metered within two years. The SERCs may obtain from the Distribution Licensees their metering plans, approve these, and monitor the same. The SERCs should encourage use of pre-paid meters. In the first instance, TOD meters for large consumers with a minimum load of one MVA are also to be encouraged. The SERCs should also put in place independent third-party meter testing arrangements.
- 5.4.10 Modern information technology systems may be implemented by the utilities on a priority basis, after considering cost and benefits, to facilitate creation of network information and customer data base which will help in management of load, improvement in quality, detection of theft and tampering, customer information and prompt and correct billing and collection. Special emphasis should be placed on consumer indexing and mapping in a time bound manner. Support is being provided for information technology based systems under the Accelerated Power Development and Reforms Programme (APDRP).
- 5.4.11 High Voltage Distribution System is an effective method for reduction of technical losses, prevention of theft, improved voltage profile and better consumer service. It should be promoted to reduce LT/HT ratio keeping in view the techno economic considerations.
- 5.4.12 SCADA and data management systems are useful for efficient working of Distribution Systems. A time bound programme for implementation of SCADA and data management system should be obtained from Distribution Licensees and approved by the SERCs keeping in view the techno economic considerations. Efforts should be made to install substation automation equipment in a phased manner.

5.4.13 The Act has provided for stringent measures against theft of electricity. The States and distribution utilities should ensure effective implementation of these provisions. The State Governments may set up Special Courts as envisaged in Section 153 of the Act.

5.5 RECOVERY OF COST OF SERVICES & TARGETTED SUBSIDIES

5.5.1 There is an urgent need for ensuring recovery of cost of service from consumers to make the power sector sustainable.

5.5.2 A minimum level of support may be required to make the electricity affordable for consumers of very poor category. Consumers below poverty line who consume below a specified level, say 30 units per month, may receive special support in terms of tariff which are cross-subsidized. Tariffs for such designated group of consumers will be at least 50 % of the average (overall) cost of supply. This provision will be further re-examined after five years.

5.5.3 Over the last few decades cross-subsidies have increased to unsustainable levels. Cross-subsidies hide inefficiencies and losses in operations. There is urgent need to correct this imbalance without giving tariff shock to consumers. The existing cross-subsidies for other categories of consumers would need to be reduced progressively and gradually.

5.5.4 The State Governments may give advance subsidy to the extent they consider appropriate in terms of section 65 of the Act in which case necessary budget provision would be required to be made in advance so that the utility does not suffer financial problems that may affect its operations. Efforts would be made to ensure that the subsidies reach the targeted beneficiaries in the most transparent and efficient way.

5.6 TECHNOLOGY DEVELOPMENT AND R&D

5.6.1 Effective utilization of all available resources for generation, transmission and distribution of electricity using efficient and cost effective technologies is of paramount importance. Operations and management of vast and complex power systems require coordination among the multiple agencies involved. Effective control of power system at state, regional and national level can be achieved only through use of Information Technology. Application of IT has great potential in reducing technical & commercial losses in distribution and providing consumer friendly services. Integrated resource planning and demand side management would also require adopting state of the art technologies.

Special efforts would be made for research, development demonstration and commercialization of non-conventional energy systems. Such systems would need to meet international standards, specifications and performance parameters.

5.6.2 Efficient technologies, like super critical technology, IGCC etc and large size units would be gradually introduced for generation of electricity as their cost effectiveness is established. Simultaneously, development and deployment of technologies for productive use of fly ash would be given priority and encouragement.

5.6.3 Similarly, cost effective technologies would require to be developed for high voltage power flows over long distances with minimum possible losses. Specific information technology tools need to be developed for meeting the requirements of the electricity industry including highly sophisticated control systems for complex generation and transmission operations, efficient distribution business and user friendly consumer interface.

5.6.4 The country has a strong research and development base in the electricity sector which would be further augmented. R&D activities would be further intensified and Missions will be constituted for achieving desired results in identified priority areas. A suitable funding

mechanism would be evolved for promoting R& D in the Power Sector. Large power companies should set aside a portion of their profits for support to R&D.

5.7 COMPETITION AIMED AT CONSUMER BENEFITS

5.7.1 To promote market development, a part of new generating capacities, say 15% may be sold outside long-term PPAs. As the power markets develop, it would be feasible to finance projects with competitive generation costs outside the long-term power purchase agreement framework. In the coming years, a significant portion of the installed capacity of new generating stations could participate in competitive power markets. This will increase the depth of the power markets and provide alternatives for both generators and licensees/consumers and in long run would lead to reduction in tariff.

For achieving this, the policy underscores the following:-

- (a) It is the function of the Central Electricity Regulatory Commission to issue license for inter-state trading which would include authorization for trading throughout the country.
- (b) The ABT regime introduced by CERC at the national level has had a positive impact. It has also enabled a credible settlement mechanism for intra-day power transfers from licenses with surpluses to licenses experiencing deficits. SERCs are advised to introduce the ABT regime at the State level within one year.
- (c) Captive generating plants should be permitted to sell electricity to licensees and consumers when they are allowed open access by SERCs under section 42 of the Act .
- (d) Development of power market would need to be undertaken by the Appropriate Commission in consultation with all concerned.
- (e) The Central Commission and the State Commissions are empowered to make regulations under section 178 and section 181 of the Act respectively. These regulations will ensure implementation of various provisions of the Act regarding encouragement to competition and also consumer protection. The Regulatory Commissions are advised to notify various regulations expeditiously.
- (f) Enabling regulations for inter and intra State trading and also regulations on power exchange shall be notified by the appropriate Commissions within six months.

5.8 FINANCING POWER SECTOR PROGRAMMES INCLUDING PRIVATE SECTOR PARTICIPATION

5.8.1 To meet the objective of rapid economic growth and “power for all” including household electrification, it is estimated that an investment of the order of Rs.9,00,000 crores at 2002-03 price level would be required to finance generation, transmission, sub-transmission, distribution and rural electrification projects. Power being most crucial infrastructure, public sector investments, both at the Central Government and State Governments, will have to be stepped up. Considering the magnitude of the expansion of the sector required, a sizeable part of the investments will also need to be brought in from the private sector. The Act creates a conducive environment for investments in all segments of the industry, both for public sector and private sector, by removing barrier to entry in different segments. Section 63 of the Act provides for participation of suppliers on competitive basis in different segments which will further encourage private sector investment. Public service obligations like increasing access to electricity to rural households and small and marginal farmers have highest priority over public finances.

- 5.8.2 The public sector should be able to raise internal resources so as to at least meet the equity requirement of investments even after suitable gross budgetary support from the Government at the Centre and in the states in order to complete their on-going projects in a time-bound manner. Expansion of public sector investments would be dependent on the financial viability of the proposed projects. It would, therefore, be imperative that an appropriate surplus is generated through return on investments and, at the same time, depreciation reserve created so as to fully meet the debt service obligation. This will not only enable financial closure but also bankability of the project would be improved for expansion programmes, with the Central and State level public sector organizations, as also private sector projects, being in a position to fulfil their obligations toward equity funding and debt repayments.
- 5.8.3 Under sub-section (2) of Section 42 of the Act, a surcharge is to be levied by the respective State Commissions on consumers switching to alternate supplies under open access. This is to compensate the host distribution licensee serving such consumers who are permitted open access under section 42(2), for loss of the cross-subsidy element built into the tariff of such consumers. An additional surcharge may also be levied under sub-section (4) of Section 42 for meeting the fixed cost of the distribution licensee arising out of his obligation to supply in cases where consumers are allowed open access. The amount of surcharge and additional surcharge levied from consumers who are permitted open access should not become so onerous that it eliminates competition that is intended to be fostered in generation and supply of power directly to consumers through the provision of Open Access under Section 42(2) of the Act. Further it is essential that the Surcharge be reduced progressively in step with the reduction of cross-subsidies as foreseen in Section 42(2) of the Electricity Act 2003.
- 5.8.4 Capital is scarce. Private sector will have multiple options for investments. Return on investment will, therefore, need to be provided in a manner that the sector is able to attract adequate investments at par with, if not in preference to, investment opportunities in other sectors. This would obviously be based on a clear understanding and evaluation of opportunities and risks. An appropriate balance will have to be maintained between the interests of consumers and the need for investments.
- 5.8.5 All efforts will have to be made to improve the efficiency of operations in all the segments of the industry. Suitable performance norms of operations together with incentives and disincentives will need to be evolved along with appropriate arrangement for sharing the gains of efficient operations with the consumers. This will ensure protection of consumers' interests on the one hand and provide motivation for improving the efficiency of operations on the other.
- 5.8.6 Competition will bring significant benefits to consumers, in which case, it is competition which will determine the price rather than any cost plus exercise on the basis of operating norms and parameters. All efforts will need to be made to bring the power industry to this situation as early as possible, in the overall interest of consumers. Detailed guidelines for competitive bidding as stipulated in section 63 of the Act have been issued by the Central Government.
- 5.8.7 It will be necessary that all the generating companies, transmission licensees and distribution licensees receive due payments for effective discharge of their operational obligations as also for enabling them to make fresh investments needed for the expansion programmes. Financial viability of operations and businesses would, therefore, be essential for growth and development of the sector. Concerted efforts would be required for restoring the finan-

cial health of the sector. For this purpose, tariff rationalization would need to be ensured by the SERCs. This would also include differential pricing for base, intermediate and peak power.

- 5.8.8 Steps would also be taken to address the need for regulatory certainty based on independence of the regulatory commissions and transparency in their functioning to generate investor's confidence.
- 5.8.9 Role of private participation in generation, transmission and distribution would become increasingly critical in view of the rapidly growing investment needs of the sector. The Central Government and the State Governments need to develop workable and successful models for public private partnership. This would also enable leveraging private investment with the public sector finances. Mechanisms for continuous dialogue with industry for streamlining procedures for encouraging private participation in power sector need to be put in place.

Transmission & Distribution Losses

- 5.8.10 It would have to be clearly recognized that Power Sector will remain unviable until T&D losses are brought down significantly and rapidly. A large number of States have been reporting losses of over 40% in the recent years. By any standards, these are unsustainable and imply a steady decline of power sector operations. Continuation of the present level of losses would not only pose a threat to the power sector operations but also jeopardize the growth prospects of the economy as a whole. No reforms can succeed in the midst of such large pilferages on a continuing basis.

The State Governments would prepare a Five Year Plan with annual milestones to bring down these losses expeditiously. Community participation, effective enforcement, incentives for entities, staff and consumers, and technological upgradation should form part of campaign efforts for reducing these losses. The Central Government will provide incentive based assistance to States that are able to reduce losses as per agreed programmes.

5.9 **ENERGY CONSERVATION**

- 5.9.1 There is a significant potential of energy savings through energy efficiency and demand side management measures. In order to minimize the overall requirement, energy conservation and demand side management (DSM) is being accorded high priority. The Energy Conservation Act has been enacted and the Bureau of Energy Efficiency has been setup.
- 5.9.2 The potential number of installations where demand side management and energy conservation measures are to be carried out is very large. Bureau of Energy Efficiency (BEE) shall initiate action in this regard. BEE would also make available the estimated conservation and DSM potential, its staged implementation along with cost estimates for consideration in the planning process for National Electricity Plan.
- 5.9.3 Periodic energy audits have been made compulsory for power intensive industries under the Energy Conservation Act. Other industries may also be encouraged to adopt energy audits and energy conservation measures. Energy conservation measures shall be adopted in all Government buildings for which saving potential has been estimated to be about 30% energy. Solar water heating systems and solar passive architecture can contribute significantly to this effort.
- 5.9.4 In the field of energy conservation initial approach would be voluntary and self-regulating with emphasis on labelling of appliances. Gradually as awareness increases, a more regulatory approach of setting standards would be followed.

- 5.9.5 In the agriculture sector, the pump sets and the water delivery system engineered for high efficiency would be promoted. In the industrial sector, energy efficient technologies should be used and energy audits carried out to indicate scope for energy conservation measures. Motors and drive system are the major source of high consumption in Agricultural and Industrial Sector. These need to be addressed. Energy efficient lighting technologies should also be adopted in industries, commercial and domestic establishments.
- 5.9.6 In order to reduce the requirements for capacity additions, the difference between electrical power demand during peak periods and off-peak periods would have to be reduced. Suitable load management techniques should be adopted for this purpose. Differential tariff structure for peak and off peak supply and metering arrangements (Time of Day metering) should be conducive to load management objectives. Regulatory Commissions should ensure adherence to energy efficiency standards by utilities.
- 5.9.7 For effective implementation of energy conservation measures, role of Energy Service Companies would be enlarged. Steps would be taken to encourage and incentivise emergence of such companies.
- 5.9.8 A national campaign for bringing about awareness about energy conservation would be essential to achieve efficient consumption of electricity.
- 5.9.9 A National Action Plan has been developed. Progress on all the proposed measures will be monitored with reference to the specific plans of action.

5.10 **ENVIRONMENTALISSUES**

- 5.10.1 Environmental concerns would be suitably addressed through appropriate advance action by way of comprehensive Environmental Impact Assessment and implementation of Environment Action Plan (EAP).
- 5.10.2 Steps would be taken for coordinating the efforts for streamlining the procedures in regard to grant of environmental clearances including setting up of 'Land Bank' and 'Forest Bank'.
- 5.10.3 Appropriate catchment area treatment for hydro projects would also be ensured and monitored.
- 5.10.4 Setting up of coal washeries will be encouraged. Suitable steps would also be taken so that utilization of fly ash is ensured as per environmental guidelines.
- 5.10.5 Setting up of municipal solid waste energy projects in urban areas and recovery of energy from industrial effluents will also be encouraged with a view to reducing environmental pollution apart from generating additional energy.
- 5.10.6 Full compliance with prescribed environmental norms and standards must be achieved in operations of all generating plants.

5.11 **TRAININGANDHUMANRESOURCEDEVELOPMENT**

In the new reforms framework ushered by Electricity Act 2003, it is particularly important that the electricity industry has access to properly trained human resource. Therefore, concerted action would be taken for augmenting training infrastructure so that adequate well-trained human resource is made available as per the need of the industry. Special attention would need to be paid by the industry for establishing training infrastructure in the field of electricity distribution, regulation, trading and power markets. Efforts should be made so that personnel of electricity supply industry both in the private and public sector become more cost-conscious and consumer-friendly.

5.12 **COGENERATION AND NON-CONVENTIONAL ENERGY SOURCES**

- 5.12.1 Non-conventional sources of energy being the most environment friendly there is an urgent need to promote generation of electricity based on such sources of energy. For this purpose, efforts need to be made to reduce the capital cost of projects based on non-conventional and renewable sources of energy. Cost of energy can also be reduced by promoting competition within such projects. At the same time, adequate promotional measures would also have to be taken for development of technologies and a sustained growth of these sources.
- 5.12.2 The Electricity Act 2003 provides that co-generation and generation of electricity from non-conventional sources would be promoted by the SERCs by providing suitable measures for connectivity with grid and sale of electricity to any person and also by specifying, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee. Such percentage for purchase of power from non-conventional sources should be made applicable for the tariffs to be determined by the SERCs at the earliest. Progressively the share of electricity from non-conventional sources would need to be increased as prescribed by State Electricity Regulatory Commissions. Such purchase by distribution companies shall be through competitive bidding process. Considering the fact that it will take some time before non-conventional technologies compete, in terms of cost, with conventional sources, the Commission may determine an appropriate differential in prices to promote these technologies.
- 5.12.3 Industries in which both process heat and electricity are needed are well suited for cogeneration of electricity. A significant potential for cogeneration exists in the country, particularly in the sugar industry. SERCs may promote arrangements between the co-generator and the concerned distribution licensee for purchase of surplus power from such plants. Cogeneration system also needs to be encouraged in the overall interest of energy efficiency and also grid stability.

5.13 **PROTECTION OF CONSUMER INTERESTS AND QUALITY STANDARDS**

- 5.13.1 Appropriate Commission should regulate utilities based on pre-determined indices on quality of power supply. Parameters should include, amongst others, frequency and duration of interruption, voltage parameters, harmonics, transformer failure rates, waiting time for restoration of supply, percentage defective meters and waiting list of new connections. The Appropriate Commissions would specify expected standards of performance.
- 5.13.2 Reliability Index (RI) of supply of power to consumers should be indicated by the distribution licensee. A road map for declaration of RI for all cities and towns up to the District Headquarter towns as also for rural areas, should be drawn by up SERCs. The data of RI should be compiled and published by CEA.
- 5.13.3 It is advised that all State Commissions should formulate the guidelines regarding setting up of grievance redressal forum by the licensees as also the regulations regarding the Ombudsman and also appoint/designate the Ombudsman within six months.
- 5.13.4 The Central Government, the State Governments and Electricity Regulatory Commissions should facilitate capacity building of consumer groups and their effective representation before the Regulatory Commissions. This will enhance the efficacy of regulatory process.

6.0 **COORDINATED DEVELOPMENT**

6.1 Electricity being a concurrent subject, a well-coordinated approach would be necessary for development of the power sector. This is essential for the attainment of the objective of providing electricity-access to all households in next five years and providing reliable uninterrupted quality power supply to all consumers. The State Governments have a major role, particularly in creation of generation capacity, state level transmission and distribution. The Central Government would assist the States in the attainment of this objective. It would be playing a supportive role in fresh capacity addition and a major role in development of the National Grid. The State Governments need to ensure the success of reforms and restoration of financial health in distribution, which alone can enable the creation of requisite generation capacity. The Regulatory Commissions have the responsibility of ensuring that the regulatory processes facilitate the attainment of this objective. They also have a developmental role whose fulfillment would need a less formal and a consultative process.

The Electricity Act, 2003 also provides for mechanisms like “Coordination forum” and “Advisory Committees” to facilitate consultative process. The Act also requires the Regulatory Commissions to ensure transparency in exercise of their powers and in discharge of their functions. This in no way means that the Regulatory Commissions should follow formal judicial approach. In fact, quick disposal of matters would require an approach involving consultations with stakeholders.

6.2 Under the Act, the Regulatory Commissions are required to perform wide-ranging responsibilities. The appropriate Governments need to take steps to attract regulatory personnel with required background. The Govt. of India would promote the institutional capability to provide training to raise regulatory capacity in terms of the required expertise and skill sets. The appropriate Governments should provide financial autonomy to the Regulatory Commissions. The Act provides that the appropriate Government shall constitute a Fund under section 99 or section 103 of the Act, as the case may be, to be called as Regulatory Commission Fund. The State Governments are advised to establish this Fund expeditiously.

Sd/-

(Ajay Shankar)

Additional Secretary to the Government of India

Chapter 4

Tariff Policy

(Amendments made in the Tariff Policy vide resolution
31.3.2008 and 20.1.2011 in corporated)


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

The Gazette of India

EXTRAORDINARY
PART I - Section 1
PUBLISHED BY AUTHORITY
Ministry of Power

New Delhi,
Dated the 6th January, 2006

RESOLUTION

**(Amendments made in the Tariff Policy vide resolution dated 31.3.2008 and 20.1.2011
in incorporated)**

No.23/2/2005-R&R(Vol.III)

TARIFF POLICY

1.0 INTRODUCTION

- 1.1. In compliance with section 3 of the Electricity Act 2003 the Central Government hereby notifies the Tariff policy in continuation of the National Electricity Policy (NEP) notified on 12th February 2005.
- 1.2. The National Electricity Policy has set the goal of adding new generation capacity of more than one lakh MW during the 10th and 11th Plan periods to have per capita availability of over 1000 units of electricity per year and to not only eliminate energy and peaking shortages but to also have a spinning reserve of 5% in the system. Development of the power sector has also to meet the challenge of providing access for electricity to all households in next five years.
- 1.3. It is therefore essential to attract adequate investments in the power sector by providing appropriate return on investment as budgetary resources of the Central and State Governments are incapable of providing the requisite funds. It is equally necessary to ensure availability of electricity to different categories of consumers at reasonable rates for achieving the objectives of rapid economic development of the country and improvement in the living standards of the people.
- 1.4. Balancing the requirement of attracting adequate investments to the sector and that of ensuring reasonability of user charges for the consumers is the critical challenge for the regulatory process. Accelerated development of the power sector and its ability to attract necessary investments calls for, inter alia, consistent regulatory approach across the country. Consistency in approach becomes all the more necessary considering the large number of States and the diversities involved.

2.0 LEGAL POSITION

- 2.1 Section 3 (1) of the Electricity Act 2003 empowers the Central Government to formulate the tariff policy. Section 3 (3) of the Act enables the Central Government to review or revise the tariff policy from time to time.
- 2.2 The Act also requires that the Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs) shall be guided by the tariff policy in discharging their functions including framing the regulations under section 61 of the Act.
- 2.3 Section 61 of the Act provides that Regulatory Commissions shall be guided by the principles and methodologies specified by the Central Commission for determination of tariff applicable to generating companies and transmission licensees.
- 2.4 The Forum of Regulators has been constituted by the Central Government under the provisions of the Act which would, inter alia, facilitate consistency in approach specially in the area of distribution.

3.0 EVOLUTION OF THE POLICY

The tariff policy has been evolved in consultation with the State Governments and the Central Electricity Authority (CEA) and keeping in view the advice of the Central Electricity Regulatory Commission and suggestions of various stakeholders.

4.0 OBJECTIVES OF THE POLICY

The objectives of this tariff policy are to:

- (a) Ensure availability of electricity to consumers at reasonable and competitive rates;
- (b) Ensure financial viability of the sector and attract investments;
- (c) Promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimise perceptions of regulatory risks;
- (d) Promote competition, efficiency in operations and improvement in quality of supply.

5.0 GENERAL APPROACH TO TARIFF

- 5.1 Introducing competition in different segments of the electricity industry is one of the key features of the Electricity Act, 2003. Competition will lead to significant benefits to consumers through reduction in capital costs and also efficiency of operations. It will also facilitate the price to be determined competitively. The Central Government has already issued detailed guidelines for tariff based bidding process for procurement of electricity by distribution licensees for medium or long-term period vide gazette notification dated 19th January, 2005.

All future requirement of power should be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a State controlled/ owned company as an identified developer and where regulators will need to resort to tariff determination based on norms provided that expansion of generating capacity by private developers for this purpose would be restricted to one time addition of not more than 50% of the existing capacity.

Even for the Public Sector projects, tariff of all new generation and transmission projects should be decided on the basis of competitive bidding after a period of five years or when the Regulatory Commission is satisfied that the situation is ripe to introduce such competition.

Provided that a developer, of a hydroelectric project, not being a State controlled/ owned company, would have the option of getting the tariff determined by the appropriate Commission on the basis of performance based cost of service regulations if the following conditions are fulfilled:

- a) The appropriate Commission is satisfied that the project site has been allotted to the developer by the concerned State Government after following a transparent two stage process. The first stage should be for prequalification on the basis of criteria such as financial strength as measured by networth, past experience of developing infrastructure projects of similar size, past track record of developing projects on time and within estimated costs, turnover and ability to meet performance guarantee etc. In the second stage, bids are to be called on the basis of only one single quantifiable parameter, such as, free power in excess of 13%, equity participation offered to the State Government, or upfront payment etc.
- b) Projects of more than 100 MW design capacity for which sites have been awarded earlier by following a transparent process and on the basis of predetermined set of criteria would also be covered in this dispensation.
- c) Concurrence of CEA (if required under Section 8 of the Act), financial closure, award of work and long term PPA (of more than 35 Years) of the capacity specified in (d) below with distribution licensees are completed by 31.12.2010.
- d) Long term PPA would be at least for 60% of the total saleable design energy. However, this figure of 60% would get enhanced by 5% for delay of every six months in commissioning of the last unit of the project against the scheduled date approved by the Appropriate Commission before commencement of the construction. The time period for commissioning of all the units of the project shall be four years from the date of approval of the commissioning schedule by the Appropriate Commission. However, the Appropriate Commission may, after recording reasons in writing, fix longer time period for large storage projects and run-off-the river projects of more than 500 MW capacity. Adherence to the agreed timelines to achieve the fixed commissioning schedule shall be verified through independent third party verification.
- e) Award of contracts for supply of equipment and construction of the project, either through a turnkey or through well defined packages, are done on the basis of international competitive bidding.

In cases, where the conditions mentioned above at (a) to (e) are fulfilled, the Appropriate Commission shall determine tariff ensuring the following:

- (i) Any expenditure incurred or committed to be incurred by the project developer for getting project site allotted (except free power up to 13%) would neither be included in the project cost, nor any such expenditure shall be passed through tariff.
- (ii) The project cost shall include the

- cost of the approved R&R plan of the Project which shall be in conformity with the following:
 - (a) the National Rehabilitation & Resettlement Policy currently in force;
 - (b) the R&R package as enclosed at appendix; and
 - the cost of project developers' 10% contribution towards RGGVY project in the affected area as per the project report sanctioned by the Ministry of Power.
 - (iii) Annual fixed charges shall be taken pro-rate to the saleable design energy tied up on the basis of long term PPAs with respect to total saleable design energy. The total saleable design energy shall be arrived at by deducting the following from the design energy at the bus bar:
 - a) 13% of free power (12% for the host Government and 1% for contribution towards Local Area Development Fund as constituted by the State Government). This 12% free power may be suitably staggered as decided by the State Government
 - b) Energy corresponding to 100 units of electricity to be provided free of cost every month to every Project Affected Family notified by the State Government to be offered through the concerned distribution licensee in the designated resettlement area/ projects area for a period of ten years from the date of commissioning.
- 5.2 The real benefits of competition would be available only with the emergence of appropriate market conditions. Shortages of power supply will need to be overcome. Multiple players will enhance the quality of service through competition. All efforts will need to be made to bring power industry to this situation as early as possible in the overall interests of consumers. Transmission and distribution, i.e. the wires business is internationally recognized as having the characteristics of a natural monopoly where there are inherent difficulties in going beyond regulated returns on the basis of scrutiny of costs.
- 5.3 Tariff policy lays down following framework for performance based cost of service regulation in respect of aspects common to generation, transmission as well as distribution. These shall not apply to competitively bid projects as referred to in para 6.1 and para 7.1 (6). Sector specific aspects are dealt with in subsequent sections.

a) Return on Investment

Balance needs to be maintained between the interests of consumers and the need for investments while laying down rate of return. Return should attract investments at par with, if not in preference to, other sectors so that the electricity sector is able to create adequate capacity. The rate of return should be such that it allows generation of reasonable surplus for growth of the sector.

The Central Commission would notify, from time to time, the rate of return on equity for generation and transmission projects keeping in view the assessment of overall risk and the prevalent cost of capital which shall be followed by the SERCs also. The rate of return notified by CERC for transmission may be adopted by the State Electricity Regulatory Commissions (SERCs) for distribution with appropriate modification taking into view the higher risks involved. For uniform approach in this matter, it would be desirable to arrive at a consensus through the Forum of Regulators.

While allowing the total capital cost of the project, the Appropriate Commission would ensure that these are reasonable and to achieve this objective, requisite benchmarks on capital costs should be evolved by the Regulatory Commissions.

Explanation: For the purposes of return on equity, any cash resources available to the company from its share premium account or from its internal resources that are used to fund the equity commitments of the project under consideration should be treated as equity subject to limitations contained in (b) below.

The Central Commission may adopt the alternative approach of regulating through return on capital.

The Central Commission may adopt either Return on Equity approach or Return on Capital approach whichever is considered better in the interest of the consumers.

The State Commission may consider 'distribution margin' as basis for allowing returns in distribution business at an appropriate time. The Forum of Regulators should evolve a comprehensive approach on "distribution margin" within one year. The considerations while preparing such an approach would, inter-alia, include issues such as reduction in Aggregate Technical and Commercial losses, improving the standards of performance and reduction in cost of supply.

b) Equity Norms

For financing of future capital cost of projects, a Debt : Equity ratio of 70:30 should be adopted. Promoters would be free to have higher quantum of equity investments. The equity in excess of this norm should be treated as loans advanced at the weighted average rate of interest and for a weighted average tenor of the long term debt component of the project after ascertaining the reasonableness of the interest rates and taking into account the effect of debt restructuring done, if any. In case of equity below the normative level, the actual equity would be used for determination of Return on Equity in tariff computations.

c) Depreciation

The Central Commission may notify the rates of depreciation in respect of generation and transmission assets. The depreciation rates so notified would also be applicable for distribution with appropriate modification as may be evolved by the Forum of Regulators.

The rates of depreciation so notified would be applicable for the purpose of tariffs as well as accounting.

There should be no need for any advance against depreciation.

Benefit of reduced tariff after the assets have been fully depreciated should remain available to the consumers.

d) Cost of Debt

Structuring of debt, including its tenure, with a view to reducing the tariff should be encouraged. Savings in costs on account of subsequent restructuring of debt should be suitably incentivised by the Regulatory Commissions keeping in view the interests of the consumers.

e) Cost of Management of Foreign Exchange Risk

Foreign exchange variation risk shall not be a pass through. Appropriate costs of hedging and swapping to take care of foreign exchange variations should be allowed for debt obtained in foreign currencies. This provision would be relevant only for the projects where tariff has not been determined on the basis of competitive bids.

f) Operating Norms

Suitable performance norms of operations together with incentives and dis-incentives would need be evolved along with appropriate arrangement for sharing the gains of efficient operations with the consumers. Except for the cases referred to in para 5.3 (h)(2), the operating parameters in tariffs should be at “normative levels” only and not at “lower of normative and actuals”. This is essential to encourage better operating performance. The norms should be efficient, relatable to past performance, capable of achievement and progressively reflecting increased efficiencies and may also take into consideration the latest technological advancements, fuel, vintage of equipments, nature of operations, level of service to be provided to consumers etc. Continued and proven inefficiency must be controlled and penalized.

The Central Commission would, in consultation with the Central Electricity Authority, notify operating norms from time to time for generation and transmission. The SERC would adopt these norms. In cases where operations have been much below the norms for many previous years, the SERCs may fix relaxed norms suitably and draw a transition path over the time for achieving the norms notified by the Central Commission.

Operating norms for distribution networks would be notified by the concerned SERCs. For uniformity of approach in determining such norms for distribution, the Forum of Regulators should evolve the approach including the guidelines for treatment of state specific distinctive features.

g) Renovation and Modernisation

Renovation and modernization (it shall not include periodic overhauls) for higher efficiency levels needs to be encouraged. A multi-year tariff (MYT) framework may be prescribed which should also cover capital investments necessary for renovation and modernization and an incentive framework to share the benefits of efficiency improvement between the utilities and the beneficiaries with reference to revised and specific performance norms to be fixed by the Appropriate Commission. Appropriate capital costs required for pre-determined efficiency gains and/or for sustenance of high level performance would need to be assessed by the Appropriate Commission.

(h) Multi Year Tariff

1) Section 61 of the Act states that the Appropriate Commission, for determining the terms and conditions for the determination of tariff, shall be guided inter-alia, by multi-year tariff principles. The MYT framework is to be adopted for any tariffs to be determined from April 1, 2006. The framework should feature a five-year control period. The initial control period may however be of 3 year duration for transmission and distribution if deemed necessary by the Regulatory Commission on account of data uncertainties and other practical considerations. In cases of lack of reliable data, the Appropriate Commission may state assumptions in MYT for first

control period and a fresh control period may be started as and when more reliable data becomes available.

- 2) In cases where operations have been much below the norms for many previous years the initial starting point in determining the revenue requirement and the improvement trajectories should be recognized at “relaxed” levels and not the “desired” levels. Suitable benchmarking studies may be conducted to establish the “desired” performance standards. Separate studies may be required for each utility to assess the capital expenditure necessary to meet the minimum service standards.
- 3) Once the revenue requirements are established at the beginning of the control period, the Regulatory Commission should focus on regulation of outputs and not the input cost elements. At the end of the control period, a comprehensive review of performance may be undertaken.
- 4) Uncontrollable costs should be recovered speedily to ensure that future consumers are not burdened with past costs. Uncontrollable costs would include (but not limited to) fuel costs, costs on account of inflation, taxes and cess, variations in power purchase unit costs including on account of hydro-thermal mix in case of adverse natural events.
- 5) Clear guidelines and regulations on information disclosure may be developed by the Regulatory Commissions. Section 62 (2) of the Act empowers the Appropriate Commission to require licensees to furnish separate details, as may be specified in respect of generation, transmission and distribution for determination of tariff.

(i) **Benefits under CDM**

Tariff fixation for all electricity projects (generation, transmission and distribution) that result in lower Green House Gas (GHG) emissions than the relevant base line should take into account the benefits obtained from the Clean Development Mechanism (CDM) into consideration, in a manner so as to provide adequate incentive to the project developers.

- 5.4 While it is recognized that the State Governments have the right to impose duties, taxes, cess on sale or consumption of electricity, these could potentially distort competition and optimal use of resources especially if such levies are used selectively and on a non-uniform basis.

In some cases, the duties etc. on consumption of electricity is linked to sources of generation (like captive generation) and the level of duties levied is much higher as compared to that being levied on the same category of consumers who draw power from grid. Such a distinction is invidious and inappropriate. The sole purpose of freely allowing captive generation is to enable industries to access reliable, quality and cost effective power. Particularly, the provisions relating to captive power plants which can be set up by group of consumers has been brought in recognition of the fact that efficient expansion of small and medium industries across the country will lead to faster economic growth and creation of larger employment opportunities.

For realizing the goal of making available electricity to consumers at reasonable and competitive prices, it is necessary that such duties are kept at reasonable level.

- 5.5 Though, as per the provisions of the Act, the outer limit to introduce open access in distribution is 27.1.2009, it would be desirable that, in whichever states the situation so permits, the Regulatory Commissions introduce such open access earlier than this deadline.

6.0 GENERATION

Accelerated growth of the generation capacity sector is essential to meet the estimated growth in demand. Adequacy of generation is also essential for efficient functioning of power markets. At the same time, it is to be ensured that new capacity addition should deliver electricity at most efficient rates to protect the interests of consumers. This policy stipulates the following for meeting these objectives.

6.1 Procurement of power

As stipulated in para 5.1, power procurement for future requirements should be through a transparent competitive bidding mechanism using the guidelines issued by the Central Government vide gazette notification dated 19th January, 2005. These guidelines provide for procurement of electricity separately for base load requirements and for peak load requirements. This would facilitate setting up of generation capacities specifically for meeting peak.

6.2 Tariff structuring and associated issues

- (1) A two-part tariff structure should be adopted for all long term contracts to facilitate Merit Order dispatch. According to National Electricity Policy, the Availability Based Tariff (ABT) is to be introduced at State level by April 2006. This framework would be extended to generating stations (including grid connected captive plants of capacities as determined by the SERC). The Appropriate Commission may also introduce differential rates of fixed charges for peak and off peak hours for better management of load.
- (2) Power Purchase Agreement should ensure adequate and bankable payment security arrangements to the Generating companies. In case of persisting default in spite of the available payment security mechanisms like letter of credit, escrow of cash flows etc. the generating companies may sell to other buyers.
- (3) In case of coal based generating stations, the cost of project will also include reasonable cost of setting up coal washeries, coal beneficiation system and dry ash handling & disposal system.

6.3 Harnessing captive generation

Captive generation is an important means to making competitive power available. Appropriate Commission should create an enabling environment that encourages captive power plants to be connected to the grid.

Such captive plants could inject surplus power into the grid subject to the same regulation as applicable to generating companies. Firm supplies may be bought from captive plants by distribution licensees using the guidelines issued by the Central Government under section 63 of the Act.

The prices should be differentiated for peak and off-peak supply and the tariff should include variable cost of generation at actual levels and reasonable compensation for capacity charges.

Alternatively, a frequency based real time mechanism can be used and the captive generators can be allowed to inject into the grid under the ABT mechanism.

Wheeling charges and other terms and conditions for implementation should be determined in advance by the respective State Commission, duly ensuring that the charges are reasonable and fair.

Grid connected captive plants could also supply power to non-captive users connected to the grid through available transmission facilities based on negotiated tariffs. Such sale of electricity would be subject to relevant regulations for open access.

6.4 Non-conventional sources of energy generation including Co-generation:

- (1) Pursuant to provisions of section 86(1)(e) of the Act, the Appropriate Commission shall fix a minimum percentage of the total consumption of electricity in the area of a distribution licensee for purchase of energy from such sources, taking into account availability of such resources in the region and its impact on retail tariffs. Such percentage for purchase of energy should be made applicable for the tariffs to be determined by the SERCs latest by April 1, 2006.
 - (i) Within the percentage so made applicable, to start with, the SERCs shall also reserve a minimum percentage for purchase of solar energy from the date of notification in the Official Gazette which will go up to 0.25% by the end of 2012-2013 and further up to 3% by 2022.
 - (ii) It is desirable that purchase of energy from non-conventional sources of energy takes place more or less in the same proportion in different States. To achieve this objective in the current scenario of large availability of such resources only in certain parts of the country, an appropriate mechanism such as Renewable Energy Certificate (REC) would need to be evolved. Through such a mechanism, the renewable energy based generation companies can sell the electricity to local distribution licensee at the rates for conventional companies can sell the electricity to local distribution licensee at the rates for conventional power and can recover the balance cost by selling certificates to other distribution companies and obligated entities enabling the latter to meet their renewable power purchase obligations. In view of the comparatively higher cost of electricity from solar energy currently, the REC mechanism should also have a solar specific REC.
 - (iii) It will take some time before non-conventional technologies can compete with conventional sources in terms of cost of electricity. Therefore, procurement by distribution companies shall be done at preferential tariffs determined by the Appropriate Commission.”
- (2) Such procurement by Distribution Licensees for future requirements shall be done, as far as possible, through competitive bidding process under Section 63 of the Act within suppliers offering energy from same type of non-conventional sources. In the long-term, these technologies would need to compete with other sources in terms of full costs.
- (3) The Central Commission should lay down guidelines within three months for pricing non-firm power, especially from non-conventional sources, to be followed in cases where such procurement is not through competitive bidding.

7.0 TRANSMISSION

The transmission system in the country consists of the regional networks, the inter-regional connections that carry electricity across the five regions, and the State networks. The national transmission network in India is presently under development. Development of the State networks has not been uniform and capacity in such networks needs to be augmented. These networks will play an important role in intra-State power flows and also in the regional and national flows. The tariff policy, insofar as transmission is concerned, seeks to achieve the following objectives:

1. Ensuring optimal development of the transmission network to promote efficient utilization of generation and transmission assets in the country;
2. Attracting the required investments in the transmission sector and providing adequate returns.

7.1 Transmission pricing

- (1) A suitable transmission tariff framework for all inter-State transmission, including transmission of electricity across the territory of an intervening State as well as conveyance within the State which is incidental to such inter-state transmission, needs to be implemented with the objective of promoting effective utilization of all assets across the country and accelerated development of new transmission capacities that are required.
- (2) The National Electricity Policy mandates that the national tariff framework implemented should be sensitive to distance, direction and related to quantum of power flow. This would be developed by CERC taking into consideration the advice of the CEA. Such tariff mechanism should be implemented by 1st April 2006.
- (3) Transmission charges, under this framework, can be determined on MW per circuit kilometer basis, zonal postage stamp basis, or some other pragmatic variant, the ultimate objective being to get the transmission system users to share the total transmission cost in proportion to their respective utilization of the transmission system. The overall tariff framework should be such as not to inhibit planned development/augmentation of the transmission system, but should discourage non-optimal transmission investment.
- (4) In view of the approach laid down by the NEP, prior agreement with the beneficiaries would not be a pre-condition for network expansion. CTU/STU should undertake network expansion after identifying the requirements in consonance with the National Electricity Plan and in consultation with stakeholders, and taking up the execution after due regulatory approvals.
- (5) The Central Commission would establish, within a period of one year, norms for capital and operating costs, operating standards and performance indicators for transmission lines at different voltage levels. Appropriate baseline studies may be commissioned to arrive at these norms.
- (6) Investment by transmission developer other than CTU/STU would be invited through competitive bids. The Central Government will issue guidelines in three months for bidding process for developing transmission capacities. The tariff of the projects to be developed by CTU/STU after the period of five years or when the Regulatory Commis-

sion is satisfied that the situation is right to introduce such competition (as referred to in para 5.1) would also be determined on the basis of competitive bidding.

- (7) After the implementation of the proposed framework for the inter-State transmission ,a similar approach should be implemented by SERCs in next two years for the intra-State transmission, duly considering factors like voltage, distance, direction and quantum of flow.
- (8) Metering compatible with the requirements of the proposed transmission tariff framework should be established on priority basis. The metering should be compatible with ABT requirements, which would also facilitate implementation of Time of Day (ToD) tariffs.

7.2 Approach to transmission loss allocation

- (1) Transactions should be charged on the basis of average losses arrived at after appropriately considering the distance and directional sensitivity, as applicable to relevant voltage level, on the transmission system. Based on the methodology laid down by the CERC in this regard for inter- state transmission, the Forum of Regulators may evolve a similar approach for intra-state transmission.

The loss framework should ensure that the loss compensation is reasonable and linked to applicable technical loss benchmarks. The benchmarks may be determined by the Appropriate Commission after considering advice of CEA.

It would be desirable to move to a system of loss compensation based on incremental losses as present deficiencies in transmission capacities are overcome through network expansion.

- (2) The Appropriate Commission may require necessary studies to be conducted to establish the allowable level of system loss for the network configuration, and the capital expenditure required to augment the transmission system and reduce system losses. Since additional flows above a level of line loading leads to significantly higher losses, CTU/STU should ensure upgrading of transmission systems to avoid the situations of overloading. The Appropriate Commission should permit adequate capital investments in new assets for upgrading the transmission system.

7.3 Other issues in transmission

- (1) Financial incentives and disincentives should be implemented for the CTU and the STU around the key performance indicators (KPI) for these organisations. Such KPIs would include efficient network construction, system availability and loss reduction.
- (2) All available information should be shared with intending users by the CTU/STU and the load dispatch centers, particularly information on available transmission capacity and load flow studies.

8.0 DISTRIBUTION

Supply of reliable and quality power of specified standards in an efficient manner and at reasonable rates is one of the main objectives of the National Electricity Policy. The State Commission should determine and notify the standards of performance of licensees with respect

to quality, continuity and reliability of service for all consumers. It is desirable that the Forum of Regulators determines the basic framework on service standards. A suitable transition framework could be provided for the licensees to reach the desired levels of service as quickly as possible. Penalties may be imposed on licensees in accordance with section 57 of the Act for failure to meet the standards.

Making the distribution segment of the industry efficient and solvent is the key to success of power sector reforms and provision of services of specified standards. Therefore, the Regulatory Commissions need to strike the right balance between the requirements of the commercial viability of distribution licensees and consumer interests. Loss making utilities need to be transformed into profitable ventures which can raise necessary resources from the capital markets to provide services of international standards to enable India to achieve its full growth potential. Efficiency in operations should be encouraged. Gains of efficient operations with reference to normative parameters should be appropriately shared between consumers and licensees.

8.1 Implementation of Multi-Year Tariff (MYT) framework

- 1) This would minimise risks for utilities and consumers, promote efficiency and appropriate reduction of system losses and attract investments and would also bring greater predictability to consumer tariffs on the whole by restricting tariff adjustments to known indicators on power purchase prices and inflation indices. The framework should be applied for both public and private utilities.
- 2) The State Commissions should introduce mechanisms for sharing of excess profits and losses with the consumers as part of the overall MYT framework .In the first control period the incentives for the utilities may be asymmetric with the percentage of the excess profits being retained by the utility set at higher levels than the percentage of losses to be borne by the utility. This is necessary to accelerate performance improvement and reduction in losses and will be in the long term interest of consumers by way of lower tariffs.
- 3) As indicated in para 5.3 (h), the MYT framework implemented in the initial control period should have adequate flexibility to accommodate changes in the baselines consequent to metering being completed.
- 4) Licensees may have the flexibility of charging lower tariffs than approved by the State Commission if competitive conditions require so without having a claim on additional revenue requirement on this account in accordance with Section 62 of the Act .
- 5) At the beginning of the control period when the “actual” costs form the basis for future projections, there may be a large uncovered gap between required tariffs and the tariffs that are presently applicable. The gap should be fully met through tariff charges and through alternative means that could inter-alia include financial restructuring and transition financing.
- 6) Incumbent licensees should have the option of filing for separate revenue requirements and tariffs for an area where the State Commission has issued multiple distribution licenses, pursuant to the provisions of Section 14 of the Act read with para 5.4.7 of the National Electricity Policy.

- 7) Appropriate Commissions should initiate tariff determination and regulatory scrutiny on a suo moto basis in case the licensee does not initiate filings in time. It is desirable that requisite tariff changes come into effect from the date of commencement of each financial year and any gap on account of delay in filing should be on account of licensee.

8.2 Framework for revenue requirements and costs

8.2.1 The following aspects would need to be considered in determining tariffs:

- (1) All power purchase costs need to be considered legitimate unless it is established that the merit order principle has been violated or power has been purchased at unreasonable rates. The reduction of Aggregate Technical & Commercial (ATC) losses needs to be brought about but not by denying revenues required for power purchase for 24 hours supply and necessary and reasonable O&M and investment for system upgradation. Consumers, particularly those who are ready to pay a tariff which reflects efficient costs have the right to get uninterrupted 24 hours supply of quality power. Actual level of retail sales should be grossed up by normative level of T&D losses as indicated in MYT trajectory for allowing power purchase cost subject to justifiable power purchase mix variation (for example, more energy may be purchased from thermal generation in the event of poor rainfall) and fuel surcharge adjustment as per regulations of the SERC.
- (2) ATC loss reduction should be incentivised by linking returns in a MYT framework to an achievable trajectory. Greater transparency and nurturing of consumer groups would be efficacious. For government owned utilities improving governance to achieve ATC loss reduction is a more difficult and complex challenge for the SERCs. Prescription of a MYT dispensation with different levels of consumer tariffs in succeeding years linked to different ATC loss levels aimed at covering full costs could generate the requisite political will for effective action to reduce theft as the alternative would be stiffer tariff increases. Third party verification of energy audit results for different areas/localities could be used to impose area/locality specific surcharge for greater ATC loss levels and this in turn could generate local consensus for effective action for better governance. The SERCs may also encourage suitable local area based incentive and disincentive scheme for the staff of the utilities linked to reduction in losses.

The SERC shall undertake independent assessment of baseline data for various parameters for every distribution circle of the licensee and this exercise should be completed latest by March, 2007.

The SERC shall also institute a system of independent scrutiny of financial and technical data submitted by the licensees.

As the metering is completed upto appropriate level in the distribution network, latest by March, 2007, it should be possible to segregate technical losses. Accordingly technical loss reduction under MYT framework should then be treated as distinct from commercial loss reduction which require a different

approach.

- (3) Section 65 of the Act provides that no direction of the State Government regarding grant of subsidy to consumers in the tariff determined by the State Commission shall be operative if the payment on account of subsidy as decided by the State Commission is not made to the utilities and the tariff fixed by the State Commission shall be applicable from the date of issue of orders by the Commission in this regard. The State Commissions should ensure compliance of this provision of law to ensure financial viability of the utilities. To ensure implementation of the provision of the law, the State Commission should determine the tariff initially, without considering the subsidy commitment by the State Government and subsidised tariff shall be arrived at thereafter considering the subsidy by the State Government for the respective categories of consumers.
- (4) Working capital should be allowed duly recognising the transition issues faced by the utilities such as progressive improvement in recovery of bills. Bad debts should be recognised as per policies developed and subject to the approval of the State Commission.
- (5) Pass through of past losses or profits should be allowed to the extent caused by uncontrollable factors. During the transition period controllable factors should be to the account of utilities and consumers in proportions determined under the MYT framework.
- (6) The contingency reserves should be drawn upon with prior approval of the State Commission only in the event of contingency conditions specified through regulations by the State Commission. The existing practice of providing for development reserves and tariff and dividend control reserves should be discontinued.

8.2.2. The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. This should be done only as exception, and subject to the following guidelines:

- a. The circumstances should be clearly defined through regulations, and should only include natural causes or force majeure conditions. Under business as usual conditions, the opening balances of uncovered gap must be covered through transition financing arrangement or capital restructuring;
- b. Carrying cost of Regulatory Asset should be allowed to the utilities;
- c. Recovery of Regulatory Asset should be time-bound and within a period not exceeding three years at the most and preferably within control period;
- d. The use of the facility of Regulatory Asset should not be repetitive.
- e. In cases where regulatory asset is proposed to be adopted, it should be ensured that the return on equity should not become unreasonably low in any year so that the capability of the licensee to borrow is not adversely affected.

8.3 Tariff design : Linkage of tariffs to cost of service

It has been widely recognised that rational and economic pricing of electricity can be one of the major tools for energy conservation and sustainable use of ground water resources.

In terms of the Section 61 (g) of the Act, the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity.

The State Governments can give subsidy to the extent they consider appropriate as per the provisions of section 65 of the Act. Direct subsidy is a better way to support the poorer categories of consumers than the mechanism of cross-subsidizing the tariff across the board. Subsidies should be targeted effectively and in transparent manner. As a substitute of cross-subsidies, the State Government has the option of raising resources through mechanism of electricity duty and giving direct subsidies to only needy consumers. This is a better way of targetting subsidies effectively.

Accordingly, the following principles would be adopted:

1. In accordance with the National Electricity Policy, consumers below poverty line who consume below a specified level, say 30 units per month, may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply. This provision will be re-examined after five years.
2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the SERC would notify roadmap within six months with a target that latest by the end of year 2010-2011 tariffs are within $\pm 20\%$ of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

For example if the average cost of service is Rs 3 per unit, at the end of year 2010-2011 the tariff for the cross subsidised categories excluding those referred to in para 1 above should not be lower than Rs 2.40 per unit and that for any of the cross-subsidising categories should not go beyond Rs 3.60 per unit.

3. While fixing tariff for agricultural use, the imperatives of the need of using ground water resources in a sustainable manner would also need to be kept in mind in addition to the average cost of supply. Tariff for agricultural use may be set at different levels for different parts of a state depending of the condition of the ground water table to prevent excessive depletion of ground water. Section 62 (3) of the Act provides that geographical position of any area could be one of the criteria for tariff differentiation. A higher level of subsidy could be considered to support poorer farmers of the region where adverse ground water table condition requires larger quantity of electricity for irrigation purposes subject to suitable restrictions to ensure maintenance of ground water levels and sustainable ground water usage.
4. Extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects. But provision of free elec-

tricity is not desirable as it encourages wasteful consumption of electricity besides, in most cases, lowering of water table in turn creating avoidable problem of water shortage for irrigation and drinking water for later generations. It is also likely to lead to rapid rise in demand of electricity putting severe strain on the distribution network thus adversely affecting the quality of supply of power. Therefore, it is necessary that reasonable level of user charges are levied. The subsidized rates of electricity should be permitted only up to a pre-identified level of consumption beyond which tariffs reflecting efficient cost of service should be charged from consumers. If the State Government wants to reimburse even part of this cost of electricity to poor category of consumers the amount can be paid in cash or any other suitable way. Use of prepaid meters can also facilitate this transfer of subsidy to such consumers.

5. Metering of supply to agricultural / rural consumers can be achieved in a consumer friendly way and in effective manner by management of local distribution in rural areas through commercial arrangement with franchisees with involvement of panchayat institutions, user associations, cooperative societies etc. Use of self closing load limiters may be encouraged as a cost effective option for metering in cases of "limited use consumers" who are eligible for subsidized electricity.

8.4 Definition of tariff components and their applicability

1. Two-part tariffs featuring separate fixed and variable charges and Time differentiated tariff shall be introduced on priority for large consumers (say, consumers with demand exceeding 1 MW) within one year. This would also help in flattening the peak and implementing various energy conservation measures.
2. The National Electricity Policy states that existing PPAs with the generating companies would need to be suitably assigned to the successor distribution companies. The State Governments may make such assignments taking care of different load profiles of the distribution companies so that retail tariffs are uniform in the State for different categories of consumers. Thereafter the retail tariffs would reflect the relative efficiency of distribution companies in procuring power at competitive costs, controlling theft and reducing other distribution losses.
3. The State Commission may provide incentives to encourage metering and billing based on metered tariffs, particularly for consumer categories that are presently unmetered to a large extent. The metered tariffs and the incentives should be given wide publicity.
4. The SERCs may also suitably regulate connection charges to be recovered by the distribution licensee to ensure that second distribution licensee does not resort to cherry picking by demanding unreasonable connection charges. The connection charges of the second licensee should not be more than those payable to the incumbent licensee.

8.5 Cross-subsidy surcharge and additional surcharge for open access

- 8.5.1 National Electricity Policy lays down that the amount of cross-subsidy surcharge and the additional surcharge to be levied from consumers who are permitted open

access should not be so onerous that it eliminates competition which is intended to be fostered in generation and supply of power directly to the consumers through open access.

A consumer who is permitted open access will have to make payment to the generator, the transmission licensee whose transmission systems are used, distribution utility for the wheeling charges and, in addition, the cross subsidy surcharge. The computation of cross subsidy surcharge, therefore, needs to be done in a manner that while it compensates the distribution licensee, it does not constrain introduction of competition through open access. A consumer would avail of open access only if the payment of all the charges leads to a benefit to him. While the interest of distribution licensee needs to be protected it would be essential that this provision of the Act, which requires the open access to be introduced in a time-bound manner, is used to bring about competition in the larger interest of consumers.

Accordingly, when open access is allowed the surcharge for the purpose of sections 38,39,40 and sub-section 2 of section 42 would be computed as the difference between (i) the tariff applicable to the relevant category of consumers and (ii) the cost of the distribution licensee to supply electricity to the consumers of the applicable class. In case of a consumer opting for open access, the distribution licensee could be in a position to discontinue purchase of power at the margin in the merit order. Accordingly, the cost of supply to the consumer for this purpose may be computed as the aggregate of (a) the weighted average of power purchase costs (inclusive of fixed and variable charges) of top 5% power at the margin, excluding liquid fuel based generation, in the merit order approved by the SERC adjusted for average loss compensation of the relevant voltage level and (b) the distribution charges determined on the principles as laid down for intra-state transmission charges.

Surcharge formula:

$$S = T - [C (1 + L / 100) + D]$$

Where

S is the surcharge

T is the Tariff payable by the relevant category of consumers;

C is the Weighted average cost of power purchase of top 5% at the margin excluding liquid fuel based generation and renewable power

D is the Wheeling charge

L is the system Losses for the applicable voltage level, expressed as a percentage

The cross-subsidy surcharge should be brought down progressively and, as far as possible, at a linear rate to a maximum of 20% of its opening level by the year 2010-11.

- 8.5.2 No surcharge would be required to be paid in terms of sub-section (2) of Section 42 of the Act on the electricity being sold by the generating companies with consent of the competent government under Section 43(A)(1)(c) of the Electricity Act, 1948 (now repealed) and on the electricity being supplied by the distribution licensee on the authorisation by the State Government under Section 27 of the Indian Electricity Act, 1910 (now repealed), till the current validity of such consent or authorisations.
- 8.5.3 The surcharge may be collected either by the distribution licensee, the transmission licensee, the STU or the CTU, depending on whose facilities are used by the consumer for availing electricity supplies. In all cases the amounts collected from a particular consumer should be given to the distribution licensee in whose area the consumer is located. In case of two licensees supplying in the same area the licensee from whom the consumer was availing supply shall be paid the amounts collected.
- 8.5.4 The additional surcharge for obligation to supply as per section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be recovered through wheeling charges.
- 8.5.5 Wheeling charges should be determined on the basis of same principles as laid down for intra-state transmission charges and in addition would include average loss compensation of the relevant voltage level.
- 8.5.6 In case of outages of generator supplying to a consumer on open access, standby arrangements should be provided by the licensee on the payment of tariff for temporary connection to that consumer category as specified by the Appropriate Commission.

9.0 Trading Margin

The Act provides that the Appropriate Commission may fix the trading margin, if considered necessary. Though there is a need to promote trading in electricity for making the markets competitive, the Appropriate Commission should monitor the trading transactions continuously and ensure that the electricity traders do not indulge in profiteering in situation of power shortages. Fixing of trading margin should be resorted to for achieving this objective.

Sd/-

(U.N. PANJIAR)

Additional Secretary to the Government of India

SALIENT FEATURES OF THE APPROVED R&R PROVISIONS FOR HYDRO POWER PROJECTS

1. SCOPE OF COVERAGE

The following provisions shall be applicable even if one family is affected by the development of a Hydro Power Project.

2. DEFINITION OF PROJECT AFFECTED FAMILIES (PAFs)

A Project Affected Family (PAF) shall mean a family whose place of residence or other property, or source of livelihood has been affected by the development of a hydro project and who have been residing in the affected zone for two years preceding the date of declaration of notification under Section-4 of the LA Act. The affected family would also include **squatters**.

3. DEFINITION OF AGRICULTURAL LABOURER

A person normally residing in the affected zone for two years preceding the date of declaration of the affected zone and earns his/her livelihood principally by manual labour on agricultural land.

4. DEFINITION OF NON AGRICULTURAL LABOURER

A person normally residing in the affected zone for two years preceding the date of declaration of the affected zone and who does not hold any land in the affected zone but earns his/ her livelihood principally by manual labour or as rural artisan or a service provider to the community.

5. DEFINITION OF SQUATTERS

A family occupying Government land in the affected zone without a legal title, at least for 5 years prior to the date of declaration of notification under Section-4 of L.A. Act.

6. REHABILITATION/ RESETTLEMENT COLONIES

This policy aims to provide built up houses to Project Affected Families (PAFs) who get displaced due to the development of hydro projects to the extent possible. However, wherever opted for, liberal House Construction Allowance would be given in lieu.

7. TRAINING AND CAPACITY BUILDING

This policy also emphasizes the need to provide training to the Project Affected Families as well as to the local population for a sustained livelihood. Special training programmes from ITIs aimed at providing the required skills to the local population would be undertaken by the Project developers at least six months prior to commencement of construction. This is expected to boost the employability of the PAFs and other people residing in the vicinity of the project.

8. ADDITIONAL PROVISIONS

This policy envisages additional provisions for Project Affected Families such as:

- scholarships for meritorious students,
- extension of medical facilities,
- marriage grants,
- subsistence grants,
- support for income generation schemes for cooperative and self help groups,
- seed, pesticides and fertilizer subsidies, and irrigation support.

Besides the additional provisions mentioned above, the normally applicable provisions of the National Policy on Rehabilitation and resettlement, currently in force, would be applicable.


भारत का राजपत्र
The Gazette of India

[Published in Part I, Section 1, of the Gazette of India, Extraordinary]

GOVERNMENT OF INDIA
MINISTRY OF POWER

RESOLUTION

New Delhi, 31st March, 2008

F.No.23/2/2005-R&R (Vol. IV).- In this Ministry's Resolution F.No. 23/2/2005-R&R (Vol. III) dated 6th January, 2006 published in the Gazette of India (Extraordinary), Part I, Section 1, notifying the Tariff Policy under the provisions of Section 3 of the Electricity Act 2003, the following amendment is hereby made:

The following proviso is added at the end of Para 5.1 of the Tariff Policy:

“Provided that a developer, of a hydroelectric project, not being a State controlled/owned company, would have the option of getting the tariff determined by the appropriate Commission on the basis of performance based cost of service regulations if the following conditions are fulfilled:

- a) The appropriate Commission is satisfied that the project site has been allotted to the developer by the concerned State Government after following a transparent two stage process. The first stage should be for pre qualification on the basis of criteria such as financial strength as measured by networth, past experience of developing infrastructure project of similar size, past track record of developing projects on time and within estimated costs, turnover and ability to meet performance guarantee etc. In the second stage, bids are to be called on the basis of only one single quantifiable parameter, such as, free power in excess of 13%, equity participation offered to the State Government, or upfront payment etc.
- b) Projects of more than 100 MW design capacity for which sites have been awarded earlier by following a transparent process and on the basis of predetermined set of criteria would also be covered in this dispensation.
- c) Concurrence of CEA (if required under section 8 of the Act), financial closure, award of work and long term PPA (of more than 35 years) of the capacity specified in (d) below with distribution licensees are completed by 31.12.2010.
- d) Long term PPA would be at least for 60% of the total saleable design energy. However, this figure of 60% would get enhanced by 5% for delay of every six months in commissioning of the last unit of the project against the scheduled date approved by the Appropriate Commission before commencement of the construction. The time period for commissioning of all the units of the project shall be four years from the date of approval of the commissioning schedule by the Appropriate Commission. However, the Appropriate Commission may, after recording reasons in writing, fix longer time period for large storage projects and run-off-the river projects of more than 500 MW capacity. Adherence to the agreed timelines to achieve the fixed commissioning schedule shall be verified through independent third party verification.

- e) Award of contracts for supply of equipment and construction of the project, either through a turnkey or through well defined packages, are done on the basis of international competitive bidding.

In cases, where the conditions mentioned above at (a) to (e) are fulfilled, the Appropriate Commission shall determine tariff ensuring the following :

- i) Any expenditure incurred or committed to be incurred by the project developer for getting project site allotted (except free power upto 13%) would neither be included in the project cost, nor any such expenditure shall be passed through tariff.
- ii) The project cost shall include the
- cost of the approved R&R plan of the Project which shall be in conformity with the following:
 - (a) The National Rehabilitation & Resettlement Policy currently in force;
 - (b) the R&R package as enclosed at appendix;
 - and
- the cost of project developers' 10% contribution towards RGGVY project in the affected area as per the project report sanctioned by the Ministry of Power.
- iii) Annual fixed charges shall be taken pro-rata to the saleable design energy tied up on the basis of long term PP As with respect of total saleable design energy. The total saleable design energy shall be arrived at by deducting the following from the design energy at the bus bar:
- a) 13% of free power (12% for the host Government and 1% for contribution towards Local Area Development Fund as constituted by the State Government). This 12% free power may be suitably staggered as decided by the State Government.
 - b) Energy corresponding to 100 units of electricity to be provided free of cost every Project Affected family notified by the State Government to be offered through the concerned distribution licensee in the designated resettlement area/projects area for a period of ten years from the date of commissioning.”

(I.C.P. Keshari)

Joint Secretary to the Government of India

SALIENT FEATURES OF THE APPROVED R&R PROVISIONS FOR HYDRO POWER PROJECTS.

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2. DEFINITION OF PROJECT AFFECTED FAMILIES (PAFs)

A Project Affected Family (PAF) shall mean a family whose place of residence or other property, or source of livelihood has been affected by the development of a hydro project and who have been residing in the affected zone for two years preceding the date of declaration of notification under Section-4 of LA Act. The affected family would also include **squatters**.

3. DEFINITION OF AGRICULTURAL LABOURER

A person normally residing in the affected zone for two years preceding the date of declaration of the affected zone and earn his/her livelihood principally by manual labour on agricultural land.

4. DEFINITION OF NON AGRICULTURAL LABOURER

A person normally residing in the affected zone for two years preceding the date of declaration of the affected zone and who does not hold any land in the affected zone but earns his/her livelihood principally by manual labour or as rural artisan or a service provider to the community.

5. DEFINITION OF SQUATTERS

A family occupying government land in the affected zone without a legal title, at least for 5 years prior to the date of declaration of notification under Section-4 of L.A. Act.

6. REHABILITATION/RESETTLEMENT COLONIES

This policy aims to provide built up houses to Project Affected Families (PAFs) who get displaced due to the development of hydro projects to the extent possible. However, wherever opted for, liberal House Construction Allowance would be given in lieu.

7. TRAINING AND CAPACITY BUILDING

This policy also emphasizes the need to provide training to the Project Affected Families as well as to the local population for a sustained livelihood. Special training programmes from ITIs aimed at providing the required skills to the local population would be undertaken by the Project developers at least six months prior to commencement of construction. This is expected to boost the employability of the PAFs and other people residing in the vicinity of the project.

8. ADDITIONAL PROVISIONS

This policy envisages additional provisions for Project Affected Families such as:

- scholarships for meritorious students,
- extension of medical facilities,
- marriage grants,
- subsistence grants,
- support for income generation schemes for cooperatives and self help groups,
- seed, pesticides and fertilizer subsidies, and irrigation support.

Besides the additional provisions mentioned above, the normally applicable provisions of the National Policy on Rehabilitation and resettlement, currently in force, would be applicable.


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[Published in Part I, Section 1 of the Gazette of India, Extraordinary]

GOVERNMENT OF INDIA
MINISTRY OF POWER

RESOLUTION

New Delhi, the 20th January, 2011

F.No.23/17/2009-R&R — In this Ministry's Resolution F.No. 23/2/2005-R&R (Vol. III) dated 6th January, 2006 published in the Gazette of India (Extraordinary), Part I, Section 1, notifying the Tariff Policy under the provisions of Section 3 of the Electricity Act 2003, which was subsequently amended vide Resolution dated 31st March, 2008, the following amendment is hereby made:

The following provisions will replace the title of Para 6.4 and contents of Para 6.4 (1) :

“6.4 Non-conventional and renewable sources of energy generation including co-generation :

(1) Pursuant to provisions of section 86(1)(e) of the Act, the Appropriate Commission shall fix a minimum percentage of the total consumption of electricity in the area of a distribution licensee for purchase of energy from such sources, taking into account availability of such resources in the region and its impact on retail tariffs. Such percentage for purchase of energy should be made applicable for the tariffs to be determined by the SERCs latest by April I, 2006.

- (i) Within the percentage so made applicable, to start with, the SERCs shall also reserve a minimum percentage for purchase of solar energy from the date of notification in the Official Gazette which will go up to 0.25% by the end of 2012-2013 and further up to 3% by 2022
- (ii) It is desirable that purchase of energy from non-conventional sources of energy takes place more or less in the same proportion in different States. To achieve this objective in the current scenario of large availability of such resources only in certain parts of the country, an appropriate mechanism such as Renewable Energy Certificate (REC) would need to be evolved. Through such a mechanism, the renewable energy based generation companies can sell the electricity to local distribution licensee at the rates for conventional power and can recover the balance cost by selling certificates to other distribution companies and obligated entities enabling the latter to meet their renewable power purchase obligations. In view of the comparatively higher cost of electricity from solar energy currently, the REC mechanism should also have a solar specific REC.
- (iii) It will take some time before non-conventional technologies can compete with conventional sources in terms of cost of electricity. Therefore, procurement by distribution companies shall be done at preferential tariffs determined by the Appropriate Commission.”

ASHOK LAVASA, Addl. Secy.

Chapter 5
Rural Electrification Policy


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भारत का राजपत्र The Gazette of India

EXTRAORDINARY, PART I – SECTION 1

MINISTRY OF POWER

New Delhi,
Dated the 23rd August, 2006

RESOLUTION

No.44/26/05-RE(Vol.-II)

Rural Electrification Policy

In compliance with Section 4 & 5 of the Electricity Act, 2003, the Central Government hereby notifies the Rural Electrification Policy.

Introduction

- 1.1 Electricity is an essential requirement for all facets of our life and it has been recognized as a basic human need. It is the key to accelerating economic growth, generation of employment, elimination of poverty and human development specially in rural areas.
- 1.2 Under the National Common Minimum Programme, provision of access to electricity for all households is envisaged within five years and in order to achieve this objective the Rajiv Gandhi Grameen Vidyutikaran Yojana has been launched.
- 1.3 India is endowed with a wealth of rich natural resources and sources of energy. The sources of energy for India are fossil fuels like gas, coal, oil etc, nuclear, hydel and, non-conventional energy sources such as solar, wind, biomass, small hydro, geo-thermal, tidal etc. These can be appropriately and optimally utilized to make available reliable supply of electricity to each and every household. Electricity supply at globally competitive rates would also make economic activity in the country competitive in the globalized environment. Consumers, particularly those who are ready to pay a tariff which reflects efficient costs have the right to get uninterrupted 24 hours supply of quality power.
- 1.4 Rural Electrification (“RE”) is viewed as the key for accelerating rural development . Provision of electricity is essential to cater for requirements of agriculture and other important activities including small and medium industries, khadi and village industries, cold chains, health care, education and information technology.
- 1.5 The National Electricity Policy states that the key development objective of the power sector is supply of electricity to all areas including rural areas as mandated in section 6 of the Electricity Act. Both the central government and state governments would jointly endeavour to achieve this objective at the earliest. Accordingly, the Central Government has launched in April, 2005 an ambitious scheme ‘Rajiv Gandhi Grameen Vidhyutikaran Yojana (RGGVY)’ with the goal of electrifying all un-electrified villages/un-electrified hamlets and providing access to electricity to all households in next five years for fulfillment of the NCMP.

1.6 These National Policies for [a] Permitting Stand Alone Systems and [b] Rural Electrification and Bulk Power Purchase & Management of Local Distribution in Rural Areas, have been prepared and framed-up through an extensive consultative process undertaken by the Ministry of Power, Government of India, involving not only the State Governments and the State Electricity Regulatory Commissions, but also other stakeholders such as non-Governmental organizations, technology providers, existing utilities etc. Relevant provisions of the Act are at annexure.

2. Goals

2.1 The Policy aims at :-

- Provision of access to electricity to all households by year 2009.
 - Quality and reliable power supply at reasonable rates.
 - Minimum lifeline consumption of 1 unit per household per day as a merit good by year 2012.
- 2.2 The progress of Rural Electrification would be reviewed in terms of the achievements vis-à-vis the above Goal.

3. Approach to Rural Electrification

3.1 Grid connectivity is the normal way of electrification of villages. While this policy covers distribution network upto 33/11 or 66/11 KV level, appropriate development and augmentation of sub-transmission and transmission system at higher voltage levels will also be necessary.

3.2 For villages/habitations, where grid connectivity would not be feasible or not cost effective, off-grid solutions based on stand-alone systems may be taken up for supply of electricity so that every household gets access to electricity. Where neither standalone systems nor grid connectivity is feasible and if only alternative is to use isolated lighting technologies like solar photovoltaic, these may be adopted. However such remote villages may not be designated as electrified till the time appropriate solutions are found to provide electricity in these villages to meet the requirements of the definition of village electrification.

3.3 Decentralised distributed generation facilities together with local distribution network may be based either on conventional or non-conventional methods of electricity generation whichever is more suitable and economical. Non-conventional sources of energy could be utilized even where grid connectivity exists provided it is found to be cost effective.

3.4 The State Governments should, within 6 months prepare and notify a Rural Electrification Plan to achieve the goal of providing access to all households. The Rural Electrification Plan should map and detail the electrification delivery mechanisms (grid or stand alone) considering inter alia the available technologies, environmental norms, fuel availability, number of un-electrified households, distance from the existing grid etc. The Plan may be linked to and integrated with District Development Plans as and when such plans become available. The Plan should also be intimated to the Appropriate Commission.

Under proviso to Section 43 of the Electricity Act 2003 (hereinafter referred to as Act), the Appropriate Commission while giving additional time, if any, for discharge of the universal service obligations would ensure that the national goal of providing access to households by year 2009 is complied with.

3.5 For the purpose of rural electrification, a village would mean a census village.

4. Scheme for Rural Electricity Infrastructure & Household Electrification - RGGVY

4.1 The Central Government has reviewed the existing schemes of rural electrification recently and has launched a comprehensive programme RGGVY. Under the scheme, projects could be financed with 90% capital subsidy for provision of -

- Rural Electricity Distribution Backbone (REDB)
 - Provision of 33/11 KV (or 66/11 KV) sub-stations of adequate capacity and lines in blocks where these do not exist.
- Creation of Village Electrification Infrastructure (VEI)
 - Electrification of un-electrified villages.
 - Electrification of un-electrified habitations
 - Provision of distribution transformers of appropriate capacity in electrified vil-lages/ habitation(s).
- Decentralised Distributed Generation (DDG) and Supply
 - Decentralised generation cum-distribution from conventional sources for villages where grid connectivity is either not feasible or not cost effective provided it is not covered under the programme of Ministry of Non-conventional Energy Sources for providing electricity from non-conventional energy sources under their remote village electrification programme.
- REDB, VEI and DDG would also cater to the requirement of agriculture and other activi-ties including
 - irrigation pumpsets
 - small and medium industries
 - khadi and village industries
 - cold chains
 - healthcare
 - education and IT.

This would facilitate overall rural development, employment generation and poverty alle-viation.

- Rural Household Electrification of Below Poverty Line Households :

Electrification of un-electrified Below Poverty Line (BPL) households would be financed with 100% capital subsidy as per norms of Kutir Jyoti Programme in all rural habitations. Households above poverty line would be paying for their connections at prescribed connection charges and no subsidy would be available for this purpose.

A separate programme is being implemented by the Ministry of Non-conventional Energy Resources (MNES) for electrification of remote villages.

4.2 Rural Electrification Corporation Limited (REC), a Government of India enterprise under the Ministry of Power, is the nodal agency at Central Government level to implement the rural electrification programme. REC is also providing loan assistance for projects of rural electrifi-cation. REC apart from its role as financial institutions has the prime responsibility of coordi-nating the rural electrification programme with the State Governments, State Utilities and other concerned agencies for effective implementation of schemes.

- 4.3 Ministry of Power will put in place a coordination mechanism between the agencies / Ministries implementing various schemes to ensure that the villages are selected for coverage in different schemes in a manner so as to ensure the attainment of the objectives of this Policy. Ministry of Panchayati Raj would also be associated with this coordination mechanism.

5. Definition of Electrified Village

- 5.1 The definition of an Electrified Village was specified under the Ministry of Power's O.M. No.42/1/2001-D(RE) dated 5th February 2004 as given below.

A village would be classified as electrified based on a Certificate issued by the Gram Panchayat, certifying that –

- a) Basic infrastructure such as Distribution Transformer and Distribution Lines are provided in the inhabited locality as well as a minimum of one Dalit Basti / hamlet where it exists; and
 - b) Electricity is provided to public places like Schools, Panchayat Office, Health Centers, Dispensaries, Community Centers etc.; and
 - c) The number of households electrified are at least 10% of the total number of households in the village.
- 5.2 The Gram Panchayat/ Village Council or equivalent shall issue the first Certificate at the time of the village becoming eligible for declaration as electrified. Subsequent to the village being declared as 'Electrified', the Gram Panchayat shall certify and confirm the electrified status of the village as on 31st March each year. If the Gram Panchayat unduly delays certification, the State Government may get verified the status of electrification through another appropriate independent agency.
- 5.3 Though the requirement for categorizing a village as electrified is electrification of atleast 10% households, this policy aims at providing access to all the households.

6. Involvement of Local Community in Rural Electrification

- 6.1 The State Government should set up a committee at the District level pursuant to Section 166(5) of the Act within three months.
- 6.2 The District Committee should be constituted under the Chairmanship of the Chairperson of the Zila Panchayat/Chairperson of the District Planning Committee/ Collector of the district and should inter alia have representations from various concerned district level agencies, consumer associations and other important stakeholders.

The maximum burden of the absence of supply of commercial energy, including electrical energy to households falls on women. Therefore, participation of women in meeting rural energy needs, especially electricity, is essential for effective, efficient and sustainable implementation of rural electrification programs. Accordingly, the representation of women in District Committee should be ensured.

- 6.3 The Act provides that the District Committees would coordinate and review the extension of electrification in the district, review the quality of power supply and consumer satisfaction and promote energy efficiency and conservation.

Panchayati Raj Institutions would have a supervisory/ advisory role in rural electrification and electricity supply. Subject to commercial viability and revenue sustainability of the rural electricity supply business not being affected, the State Governments may assign larger role and responsibilities to Panchayati Raj Institutions.

- 6.4 The District Committee should also facilitate the Rural Electrification projects, both through stand-alone systems and grid extension and local management projects, as may be required.
- 6.5 The State Governments should take steps for bringing awareness on electricity related issues including generation, distribution, energy conservation and energy efficiency and energy-water nexus among elected Panchayat representatives.

7. Financial Assistance for Rural Electrification Projects

- 7.1 For attainment of the objective of providing all households with access to electricity by year 2009, it is necessary to seek least cost options after taking into account full life cycle costs and explicit as well as implicit subsidies in different delivery options and mechanisms.
- 7.2 Assistance from public funds to village electrification projects would be one time dispensation. Special efforts should be made to develop load by promoting economic activities with active involvement of consumers so that not only adequate revenue is generated to cover the cost of power supplied, O&M expenses and loan servicing but also to ensure that the assets can be replaced in future without the requirement of any capital subsidy. The State Governments should facilitate coordination in policy and planning between electricity supply institutions and other sectors such as rural industries, food processing, cold chain, various economic services to promote such economic load development. Supply of electricity at specified voltage also at evening peak hours would be required to achieve this aim.
- 7.3 To ensure the revenue sustainability of the rural electricity supply, RGGVY requires deployment of franchisees for the management of rural distribution in projects financed under the scheme with a stipulation that if conditionalities of the scheme are not implemented satisfactorily, the capital subsidy could be converted into interest bearing loans. It is necessary that system of franchisee is implemented in phased manner by the State Governments in other areas also in order to bring down commercial losses, improve collection efficiency and to provide doorstep services to the consumers.
- 7.4 The Rural Electrification projects seeking financial support should also demonstrate the arrangements proposed for regular maintenance and up-gradation support as also the measures for minimization of Aggregate Technical and Commercial losses.
- 7.5 Realising from the past experience that higher capital subsidy is necessary for successful implementation of rural electrification programmes, RGGVY provides for 90% capital subsidy for creating/ augmenting a basic rural electrification backbone and village electrification infrastructure. Similar capital subsidy is necessary for the distribution networks in the unelectrified remote villages to be covered by stand alone systems.

If the State Government/SERC decides to permit a licensee to use assets created with subsidy, it must be ensured that the benefit of capital subsidy is passed on to the consumers.

- 7.6 An annuity based approach for provision of capital subsidy is desirable for decentralized generation systems to ensure enforcement of performance guarantees, efficient operation and maintenance along with repairs and reliable power supply. The extent of such capital subsidy to these systems should be determined to achieve objective of parity, as far as possible, in consumer tariffs between remote villages yet to be electrified and adjoining grid connected villages.
- 7.7 The Government of India would, in consultation with NABARD and Reserve Bank of India, evolve model schemes and related facilitative norms, guidelines and limits for eligible capital costs to encourage widespread participation by the lending community in Rural Electricity Supply initiatives.

- 7.8 In order to maximize benefits from the limited resources available. It is essential that energy efficiency is promoted as a mass campaign in the rural areas.
- 7.9 The use of inefficient and energy intensive equipment by the agricultural sector distorts the consumption pattern and results in non-optimal utilization of tariff subsidies. The Government of India would evolve programs for encouraging use of economically viable energy efficient farm equipment, especially irrigation pump-sets. The Energy Conservation Act 2001 has provided necessary legal framework for this.
- 7.10 The use of information technology for supply of electricity in rural areas through both grid and off-grid measures would lead to efficiency and reduction in costs. Special efforts for widespread use of information technology would be made.
- 7.11 A suitable mass media communication program should be evolved at the earliest to encourage communities take up management of local electricity distribution.

8. Policy Provisions for Permitting Stand Alone Systems for Rural Areas

- 8.1 For the purposes of the eighth proviso to section 14 of the Act, rural areas would mean all rural areas as defined / specified pursuant to the Seventy-Third Amendment to the Constitution of India [Article 243 of the Constitution of India].
- 8.2 In connection with Section 14 of the Act, the State Governments, shall notify the rural areas in accordance with the Seventy-Third Amendment to the Constitution of India preferably within 2 months of the date of notification of this Policy.
- 8.3 Notwithstanding the notification of rural areas for the purpose of Section 14 of the Act, the obligations to endeavour to supply electricity to all areas including villages and hamlets under Section 6 of the Act and the universal service obligations of the distribution licensee in his license area under Section 43 shall remain.
- 8.4 A person exempted under eighth proviso to section 14 of the Act would have a choice to enter into a outsourcing arrangement for distribution of power, with the responsibility for generation and distribution of power continuing to be with such person.
- 8.5 Person exempted under eighth proviso to Section 14 from licensing would be free from the licensing obligations and purview of the Appropriate Commissions in matters pertaining to determination of tariffs and universal supply obligations applicable to licensees. However, the provisions of the Act in so far as they pertain to technical standards, safety measures etc. (e.g. Sections 10, 53 etc.) shall continue to be applicable.
- 8.6 The retail tariffs for electricity supply by persons exempt under eighth proviso to Section 14 would be set, based on mutual agreement between such person and the consumers. Since these would be micro enterprises with low capital expenditure, short gestation periods and no entry barriers, competitive market forces would ensure reasonable prices reflecting actual costs.

But the benefit of financial assistance / subsidies by the government (central or state) or other agencies, if any, must be fully passed on to the consumers. The Appropriate Commission would lay down guidelines for this purpose for various types of projects (for different fuels, technology and size) receiving subsidy as opposed to tariff determination on case to case basis. The Appropriate Commission shall have right to intervene by scrutinizing tariff if these guidelines are not implemented in any particular case.
- 8.7 Potential for local resource based decentralized generation exists in large parts of rural India. For example, in rural areas, biomass based fuels provides 81% of domestic energy. But to use it as

modern commercial energy, improvement in efficiency and increasing convenience of using it, for example through gasification, is essential.

Many State Governments have already put in place administrative mechanisms like single window clearance within easy access for giving necessary approvals and clearances in time bound manner to facilitate development of medium and small scale industries. Such dispensation needs to be extended to standalone systems/ decentralized generation projects also to exploit the potential of our local resources.

- 8.8 Special enabling dispensation would be put in place for standalone systems of upto 1 MW which are based on cost effective proven technology and use locally available resource such as biomass. These projects would have automatic approval for

- land use change for area as per norms
- pollution clearance if technology is proven to be within laid down norms and
- safety clearances on the basis of self certification conveyed to concerned authorities (such certification making the developer fully liable for any breach of safety regulations).

Necessary orders shall be issued with respect to relevant laws/rules.

- 8.9 Institutional arrangements for back-up services and technical support to systems based on non-conventional sources of energy will have to be created by the State Governments. Such services would be provided on cost basis so as to make the arrangements sustainable.

9. Policy Provisions for Bulk Power Purchase & Management of Local Distribution in Rural Areas

- 9.1 Section 5 of the Act primarily aims at extending the coverage of grid-connected (on-grid) power and management of electricity distribution in rural areas by enlisting local level participation. Provisions of Section 5 would also operationalize the scheme of the Eleventh Schedule (Article 243G) of the Constitution of India that has empowered local level institutions to undertake the business of electricity distribution.

- 9.2 Section 5 of the Act finds its facilitative guidelines in Section 13, which specifies the facilitative treatment as well as exemptions from licensing under certain conditions.

- 9.3 For the purposes of the Act and applicability of the Policy, rural areas would mean all rural areas as defined / specified pursuant to the Seventy-Third Amendment to the Constitution of India.

- 9.4 In connection with Section 13 of the Act, the State Governments shall, within 6 months of the notification of this Policy, recommend to the Appropriate Commission, for category of cases as considered appropriate, that the provisions of Section 12 shall not be applicable to the persons mentioned in the said Section-13, for a minimum period of 5 years from the date of notification under section 13, subject to periodic review by the State Government in public interest thereafter.

Management of local distribution :-

- 9.5 Deployment of franchisees for management of local distribution in rural areas is considered necessary in order to ensure revenue sustainability and improve services to the consumers. Franchisee arrangement is not revenue model per se but it is envisaged as a mechanism to ensure that commercial losses reduce, energy supplied is billed and revenue is collected.

Franchisees for the management of rural distribution could be non-governmental organisations (NGOs), users' associations, cooperatives or individual entrepreneurs. Panchayati Raj institu-

tions will have an important role of overseeing ,in advisory capacity, the delivery of service by the franchisees according to their identified responsibilities.

The State Government could also encourage the Panchayati Raj Institutions to take on responsibility of franchisee as and when such institutions have developed to the extent that they can undertake contractual obligations, raise resources from market and can discharge associated legal responsibilities. In such cases, appropriate mechanisms should be put in place by the state government for independent overseeing the franchisee function of these institutions.

- 9.6 A franchisee would be responsible for distribution of electricity within an identified contiguous area for a prescribed duration and for collecting revenues directly from the consumers. The franchisee arrangement could be for system beyond and including feeders from sub-station or from and including distribution transformer(s).
- 9.7 There can be many variants of franchisee model. But the arrangement must at least entail purchase of bulk power (input based) and routine operation and maintenance of distribution infrastructure. The arrangement may also include grid extension and undertaking of capital expenditure programs and in such cases the distribution system of the existing distribution licensee may be transferred to the franchisee. Assets may be leased to the selected franchisee at a nominal rent in order that consumer tariff is not loaded with additional burden. The margins to be provided for each of these functions should ensure commercial viability of the micro enterprises / local management to be created .
- 9.8 Franchisees would be selected following a transparent process on the basis of clearly laid down criteria. Wherever feasible, the franchisees should be selected on the basis of competitive bidding for the most favourable bulk supply tariff for the distribution licensee. The State Government may adopt alternative basis such as revenue sharing, if considered appropriate.
- 9.9 The contractual arrangement with the franchisee should provide for adequate bankable security, such as bank guarantee, which may be equivalent to the value of energy supplied for a duration of three months. A review of the working of the franchisee should be done without any delay if the franchisee fails to honour the contractual obligations, particularly of collecting the bills from the consumers and paying the cost of the energy supplied. The contract should provide clear stipulations for termination of arrangement in case of failure of either party to honour the agreed commitments and also for taking over the assets, if applicable.

The contractual arrangement must also set norms for various services to be delivered by Franchisee to the consumers.

- 9.10 The concept of undertaking electricity distribution through franchisee is relatively new to the rural population. It would be therefore necessary that the concept is properly explained both to the intending franchisees and also to the consumers.
- 9.11 To ensure the success of franchisee arrangement, it would be necessary that the distribution licensee follows non-discriminatory approach towards the franchisees in case of power supply shortage.
- 9.12 The State Governments should come out with time-bound programs of suitable capacity building of franchisees, consumer associations and Panchayat institutions..

Bulk purchase of power and retail tariffs:-

- 9.13 Persons exempt under Section 13 may procure power from the existing licensee of the area or from any other source.

9.14 Where such persons purchase power from the licensee of the area, they would be treated as a separate category by the Appropriate Commission for the determination of the Bulk Purchase Price (“BPP”) to be paid by them to the licensees.

In such cases the tariff for retail sale to the consumers in the area of such persons would be as determined for the licensee by the Appropriate Commission.

9.15 If not determined competitively, the BPP should be set on a normative basis based on representative consumer mix and should not vary on a case-to-case basis. The BPP set alongwith margins prescribed for the local distribution enterprise should be such that consumers tariff is maintained at the same level. This BPP would be fully factored into the submissions of the State Utilities to the State Electricity Regulatory Commissions for their revenue requirements.

9.16 Where the said persons purchase power from a source other than the distribution licensee of the area, the procurement price would be mutually agreed between such persons and the suppliers. In such cases the retail tariff shall be determined in accordance with the guidelines laid down by the SERCs with oversight of the District Committee.

Universal Service Obligation:-

9.17 Where local distribution, including activities of grid extension and undertaking of capital expenditure programs, has been handed over to users’ association, co-operative society, panchayat Institutions or non-Government organization, such persons will have the universal service obligation for the area of their operation and the supply obligation of the licensee, if any, in that area, would be residual i.e. taking timely action to ensure supply in case franchisee fails to discharge their contractual obligations.

9.18 Where the persons exempt under Section 13 build their own distribution systems, the supply obligation of the licensee of the area would continue.

Other issues:-

9.19 The Act allows the distribution licensees, non-discriminatory open access to the transmission systems without the requirement of payment of any surcharge. Those exempted under Section 13 for management of local distribution in rural areas also discharge the functions of a distribution licensee and hence would not be liable for payment of any surcharge on wheeling/ transmission charges in case they avail of open access to transmission and distribution networks for procurement of power.

9.20 The provisions contained in section 53 of the Act shall continue to be applicable to persons exempt from the provisions of Section 12 pursuant to Section 13. The Appropriate Commissions may stipulate such other conditions and restrictions as deemed necessary in the interest of the rural consumers and for compliance with technical standards and safety measures.

10. Review

The Government would review the National Rural Electrification Policies under Sections 4 and 5 of the Act, as and when required.

Relevant provisions of the Electricity Act 2003

Section 2(63). “stand alone system” means the electricity system set up to generate power and distribute electricity in a specified area without connection to the grid;

Section 4. The Central Government shall, after consultation with the State Governments, prepare and notify a national policy, permitting stand alone systems (including those based on renewable sources of energy and non-conventional sources of energy) for rural areas.

Section 5. The Central Government shall also formulate a national policy, in consultation with the State Governments and the State Commissions, for rural electrification and for bulk purchase of power and management of local distribution in rural areas through Panchayat Institutions, users’ associations, co-operative societies, non-Governmental organisations or franchisees.

Section 6. The Appropriate Government shall endeavour to supply electricity to all areas including villages and hamlets.

Section 13. The Appropriate Commission may, on the recommendations, of the Appropriate Government, in accordance with the national policy formulated under section 5 and in public interest, direct, by notification that subject to such conditions and restrictions, if any, and for such period or periods, as may be specified in the notification, the provisions of section 12 shall not apply to any local authority, Panchayat Institution, users’ association, co-operative societies, non-governmental organizations, or franchisees:

Section 14. The Appropriate Commission may, on application made to it under section 15, grant any person licence to any person -

- (a) to transmit electricity as a transmission licensee; or
- (b) to distribute electricity as a distribution licensee; or
- (c) to undertake trading in electricity as an electricity trader, in any area which may be specified in the licence:

.....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 licence for such generation and distribution of electricity, but he shall comply with the measures which may be specified by the Authority under section 53

(Ajay Shankar)

Additional Secretary to the Government of India

Chapter 6

Notification for removal of Difficulties-issued under the Electricity Act, 2003.


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EXTRAORDINARY – PART II – Section-3 – Sub-section (ii)

Ministry of Power

ORDER

New Delhi, the 8th June, 2005.

S.O. 790(E) - Whereas the Electricity Act, 2003 (36 of 2003) (hereinafter referred to as the Act) came into force on the 10th June, 2003;

And whereas section 50 of the Act provides that the State Commission shall specify an Electricity Supply Code to provide for recovery of electricity charges, intervals for billing of electricity charges, disconnection of supply of electricity for non-payment thereof, restoration of supply of electricity, tampering, distress or damage to electrical plant, electric lines or meter, entry of distribution licensee or any person acting on his behalf for disconnecting supply and removing the meter, entry for replacing, altering or maintaining electric lines or electrical plant or meter;

And whereas the distribution licensees have expressed difficulties in controlling theft of electricity and in taking appropriate action in this regard;

And whereas enabling the distribution licensees for taking timely and appropriate action in cases of theft or diversion of electricity has become necessary for the development of electricity industry and ensuring supply of electricity to all areas;

And whereas taking measures conducive to development of electricity industry and supply of electricity to all areas are objectives, amongst others, of the Act, as stated in its preamble;

And whereas the difficulties have arisen in giving effect to the provisions of the Act in controlling theft of electricity by the distribution licensees;

Now, therefore, the Central Government, in exercise of its powers conferred by section 183 of the Act hereby makes the following order in respect of electricity supply code in terms of section 50 of the Act, not inconsistent with the provisions of the Act, to remove the difficulties, namely. –

1. Short title and commencement.-

- (1) This order may be called the Electricity (Removal of Difficulties) order, 2005.
- (2) It shall come into force on the date of publication in the Official Gazette.

2. Inclusions of measures to control theft in Electricity Supply Code. -

- (1) The Electricity Supply Code as specified by the State Commission under section 50 of the Act shall also include the following, namely:-
 - (i) method of assessment of the electricity charges payable in case of theft of electricity pending adjudication by the appropriate court;
 - (ii) disconnection of supply of electricity and removing the meter, electric line, electric plant and other apparatus in case of theft or unauthorized use of electricity; and
 - (iii) measures to prevent diversion of electricity, theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter.
- (2) The above provisions in the Electricity Supply Code shall be without prejudice to other rights of the licensee under the Act or any other applicable laws to recover the sum due and to protect the assets and interests of the licensee.

[F.No.23/54/2004-R&R]
(Ajay Shankar)
Additional Secretary


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भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section-3 – Sub-section (ii)

Ministry of Power

ORDER

New Delhi, the 8th, June, 2005.

S.O. 789(E) – Whereas the Electricity Act, 2003 (36 of 2003) (hereinafter referred to as the Act) came into force on the 10th June, 2003;

And whereas sub-section (2) of section 42 of the Act provides that the State Commission shall introduce open access in such phases and subject to such conditions, (including the cross subsidies, and other operational constraints) as may be specified within one year of the appointed date by it and in specifying the extent of open access in successive phases and in determining the charges for wheeling, it shall have due regard to all relevant factors including such cross subsidies, and other operational constraints;

And whereas the first proviso to sub-section (2) of section 42 of the Act provides that such open access may be allowed before the cross subsidies are eliminated on payment of a surcharge in addition to the charges for wheeling as may be determined by the State Commission ;

And whereas the second proviso to sub-section (2) of section 42 of the Act provides that such surcharge shall be utilized to meet the requirements of current level of cross subsidy within the area of supply of the distribution licensee;

And whereas generating companies were allowed to enter into a contract for sale of electricity with any other person with the consent of the competent governments under the provisions of clause (c) of sub-section (1) of section 43A of the Electricity (Supply) Act, 1948 (repealed by the Act), and sale of electricity by such companies was not subject to payment of any surcharge under that repealed law;

And whereas distribution licensees were authorized by the State Governments to supply energy to any person outside the area of supply under section 27 of the Indian Electricity Act, 1910 (repealed by the Act), and supply of energy (electricity) by such distribution licensee was not subject to payment of any surcharge under the said repealed law;

And whereas in case of electricity being sold or supplied under permissions from competent government or authorizations of the State Government, as the case may be, under the said repealed laws, there was no element of cross subsidy and, therefore, there was no requirement of any surcharge for the same;

And whereas difficulties have arisen regarding the applicability of the provisions of section 42 of the Act with regard to the levy of surcharge on the sale of electricity by a generating company under clause (c) of sub-section (1) of section 43A of the Electricity (Supply) Act 1948 (repealed law) and also

on the electricity being supplied by licensees to any person outside the area of their supply under section 27 of the Indian Electricity Act, 1910 (repealed law);

Now, therefore, the Central Government in exercise of its power conferred by section 183 of the Act, hereby makes this order to make provisions in respect of such electricity being sold or supplied under the repealed laws, being not inconsistent with the provisions of the Act, to remove the difficulties, namely:-

1. **Short title and commencement.-**

(1) This order may be called the Electricity [Removal of Difficulties] second Order, 2005.

(2) It shall come into force on the date of publication in the official gazette.

2. **Exemption from payment of surcharge on the sale or supply of electricity.-**

No surcharge would be required to be paid, in terms of sub-section (2) of section 42 of the Act on the electricity being sold by the generating companies with consent of the competent government under clause (c) of sub-section (1) of section 43A of the Electricity Act, 1948 (now repealed by the Act), and on the electricity being supplied by the distribution licensee on the authorization by the State Government under section 27 of the Indian Electricity Act, 1910 (now repealed by the Act), till the current validity of such consent or authorizations.

[F.No.23/18/2004-R&R]
AJAY SHANKAR, Addl. Secretary


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EXTRAORDINARY – PART II – Section-3 – Sub-section (ii)

Ministry of Power

ORDER

New Delhi, the 8th June, 2005

S.O. 792(E) – Whereas the Electricity Act, 2003 (36 of 2003) (hereinafter referred to as the Act), came into force on the 10th June, 2003;

And whereas the clause (b) of the sub-section (1) of section 86 of the Act provides that the State Commission shall have powers to regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;

And whereas the Appropriate Commission has the power to determine the tariff for supply of electricity by a generating company to a distribution licensee in terms of clause (a) of sub-section (1) of section 62 of the Act;

And whereas some of the State Governments are getting free electricity from the power generated by various hydro power generating companies in pursuance of the conditions relating to the development of the hydro power site;

And whereas such a State Government is not covered in the definition of the “generating company” in terms of sub-section (28) of section 2 of the Act, for the purpose of clause (a) of sub-section (1) of section 62 of the Act;

And whereas difficulties have arisen in respect of disposal of free electricity received by the State Government from hydro power generating companies and related matters;

Now, therefore, the Central Government in exercise of its powers conferred by section 183 of the Act hereby makes this order in respect of discretion of the State Government to dispose off such electricity, not inconsistent with the provisions of the Act, namely:-

1. Short title and commencement:-

- (1) This order may be called the Electricity [Removal of Difficulty] (Third) Order, 2005.
- (2) It shall come into force on the date of publication in the Official Gazette.

2. Disposal of free electricity received by a State Government from hydro power generating stations:-

The State Government receiving free electricity from hydro power generating stations shall have discretion to dispose off such electricity in the manner it deems fit according to the provisions of the Act:

Provided that if such electricity is sold by the State Government to a distribution licensee, the concerned State Commission shall have powers to regulate the price at which such electricity is procured by the distribution licensee.

[F.No.25/25/2004-R&R]
AJAY SHANKAR, Addl. Secretary


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section-3 – Sub-section (ii)

Ministry of Power

ORDER

New Delhi, the 8th June, 2005

S.O. 793(E) – Whereas the provisions of the Electricity Act 2003 (36 of 2003) (hereinafter referred to as the Act) came into force on the 10th June, 2003;

And whereas ‘generating station’ has been defined in sub-section (30) of section 2 of the Act as any station for generating electricity, including any building and plant with step-up transformer, switch yard, switch-gear, cables or other appurtenant equipment, if any used for that purpose and the site thereof, a site intended to be used for a generating station, and any building used for housing the operating staff of a generating station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not in any case include any sub-station;

And whereas no licence is required for a generating company to establish, operate and maintain a generating station as per the provisions of the section 7 of the Act;

And whereas providing the housing to the operating staff of a generating station in the vicinity of the generating station is essential for operation and maintenance of the generating station and forms an integral part of the generating station;

And whereas difficulties have arisen regarding the requirement of licence for supplying power to the housing colonies or townships housing the operating staff of the generating stations by the generating companies;

Now, therefore, the Central Government in exercise of its powers conferred by section 183 of the Act hereby makes this order in respect of supply of electricity by the generating companies to the housing colonies of its operating staff, not inconsistent with the provisions of the Act, to remove difficulties, namely:-

1. Short Title & Commencement :- (1) This order shall be called the Electricity [Removal of Difficulty] (Fourth) Order 2005.

(2) This order shall come into force on the date of its publication in the Official Gazette.

2. Supply of electricity by the generating companies to the housing colonies of its operating staff:-

The supply of electricity by a generating company to the housing colonies of, or townships housing, the operating staff of its generating station will be deemed to be an integral part of its activity of generating electricity and the generating company shall not be required to obtain licence under this Act for such supply of electricity.

[F.No.25/25/2004-R&R]
AJAY SHANKAR, Addl. Secretary


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section-3 – Sub-section (ii)

Ministry of Power

ORDER

New Delhi, the 8th June, 2005.

S.O. 794(E) – Whereas the Electricity Act, 2003 (36 of 2003) (hereinafter referred to as the Act) came into force on the 10th June, 2003;

And whereas section 7 of the Act provides that any generating company may establish, operate and maintain a generating station without obtaining a licence under this Act if it complies with the technical standards relating to connectivity with the grid referred in clause (b) of section 73;

And whereas sub-section (1) of section 10 of the Act provides that subject to the provisions of this Act, the duties of a generating company shall be to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines connected therewith in accordance with the provisions of this Act or the rules or regulations made thereunder;

And whereas sub-section (1) of section 9 of the Act provides that notwithstanding anything contained in this Act, a person may construct, maintain or operate a captive generating plant and dedicated transmission lines;

And whereas a dedicated transmission line in terms of sub-section (16) of section 2 of the Act is an electrical supply line for point-to-point transmission for connecting a captive generating plant or a generating station to any transmission line or sub-stations or generating stations or the load centre, as the case may be;

And whereas such a dedicated transmission line is neither a transmission line in terms of sub-section (72) of section 2 of the Act nor it is a distribution system connecting the point of a connection to the installation of consumer in terms of sub-section (19) of section 2 of the Act;

And whereas difficulties have arisen regarding the requirement of a transmission licence for establishing, operating or maintaining a dedicated transmission line;

Now, therefore, the Central Government in exercise of its powers conferred by section 183 of the Act hereby makes the order in respect of establishing, operating or maintaining a dedicated transmission line, not inconsistent with the provisions of the Act, to remove the difficulties, namely;

1. Short title and commencement.-

- (1) This order may be called the Electricity [Removal of Difficulty] (fifth) Order, 2005.
- (2) It shall come into force on the date of publication in the Official Gazette.

2. Establishment, operation or maintenance of dedicated transmission lines.-

A generating company or a person setting up a captive generating plant shall not be required to obtain license under the Act for establishing, operating or maintaining a dedicated transmission line if such company or person complies with the following:

- (a) Grid code and standards of grid connectivity;
- (b) Technical standards for construction of electrical lines;
- (c) System of operation of such a dedicated transmission line as per the norms of system operation of the concerned State Load Despatch Centre (SLDC) or Regional Load Despatch Centre (RLDC).
- (d) Directions of concerned SLDC or RLDC regarding operation of the dedicated transmission line.

[F.No.25/25/2004-R&R]

AJAY SHANKAR,
Addl. Secretary

[Published in the Gazette of India Extraordinary, Part II, section 3(ii)]


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section-3 – Sub-section (ii)

Ministry of Power

ORDER

New Delhi, the 8th June, 2005.

S.O. 795(E) – Whereas the Electricity Act, 2003 (36 of 2003) (hereinafter referred to as the Act) came into force on the 10th June, 2003;

And whereas the sub-section (4) of section 28 of the Act provides that the Regional Load Despatch Centre may levy and collect such fee and charges from the generating companies or licensees engaged in inter-State transmission of electricity as may be specified by the Central Commission;

And whereas the sub-section (3) of section 32 of the Act provides that the State Load Despatch Centre may levy and collect such fee and charges from the generating companies and licensees engaged in intra-State transmission of electricity as may be specified by the State Commission;

And whereas difficulties have arisen in levying and collecting of fees and charges from the licensees using the inter-state or intra-state transmission systems;

Now, therefore, the Central Government in exercise of its powers conferred by section 183 of the Act hereby makes this order in respect of levy and collection of fees and charges for using the transmission systems, not inconsistent with the provisions of the Act, to remove the difficulties, namely:-

1. Short Title and Commencement:-

- (1) This order shall be called the Electricity (Removal of Difficulty) (sixth) Order 2005.
- (2) This order shall come into force on the date of its publication in the Official Gazette.

2. Levy and collection of fees and charges for using transmission system.-

- (1) The Regional Load Despatch Centre may levy and collect such fee and charges from the licensees using the inter-state transmission system as may be specified by the Central Commission.
- (2) The State Load Despatch Centre may levy and collect such fee and charges from the licensees using the intra-state transmission system as may be specified by the State Commission.

[F.No.25/25/04-R&R]

AJAY SHANKAR, Addl. Secretary

[Published in the Gazette of India Extraordinary, Part II, section 3(ii)]


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section-3 – Sub-section (ii)

Ministry of Power

ORDER

New Delhi, the 8th June, 2005

S.O. 796(E) – Whereas the Electricity Act, 2003 (36 of 2003) (hereinafter referred to as the Act) came into force on the 10th June, 2003;

And whereas sub-section (73) of section 2 of Act defines a transmission licensee as a licensee authorized to establish or operate transmission lines;

And whereas sub-section (72) of section 2 of the Act provides that “transmission lines” means all high pressure cables and overhead lines (not being an essential part of the distribution system of a licensee) transmitting electricity from a generating station to another generating station or a sub-station, together with any step-up and step-down transformers, switch-gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switch-gear and other works;

And whereas supply of electricity to the housing colonies of the operating staff of sub-stations located in the same premises is an integral part of the activity of transmission of electricity by a transmission licensee;

And whereas housing the operating staff in the premises, where such sub-station is located, is absolutely necessary in the interest of satisfactory operation of such sub-station;

And whereas difficulties have arisen regarding the requirement of taking licence for supplying power to the housing units of the operating staff of the sub-stations by transmission licensees;

Now, therefore, the Central Government in exercise of its powers conferred by section 183 of the Act hereby makes this order in respect of supply of electricity to the housing colonies of the operating staff of sub-station, not inconsistent with the provisions of the Act, to remove the difficulties, namely.-

1. Short title and commencement.

- (1) This order may be called the Electricity [Removal of Difficulty] (Seventh) Order, 2005.
- (2) It shall come into force on the date of its publication in the Official Gazette.

2. Supply of electricity to housing colony of sub-station.

The supply of electricity by a transmission licensee to the housing colonies of the operating staff, located in the premises of that sub-station, of sub-station will be deemed to be an integral part of the activity of transmitting electricity and such licensee shall not be required to obtain licence under this Act for such supply of electricity.

[F.No.25/25/04-R&R]

AJAY SHANKAR, Addl. Secretary


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

[Published in the Gazette of India Extraordinary, Part II, section 3(ii)]

Ministry of Power

ORDER

New Delhi, the 9th June, 2005.

S.O. 798(E) – Whereas the Electricity Act, 2003 (36 of 2003) (hereinafter referred to as the Act) came into force on the 10th June, 2003;

And whereas the sub-section (1) of section 43 of the Act provides that every distribution licensee, shall, on an application by the owner or occupier of any premises, give supply of electricity to such premises, within one month after receipt of the application requiring such supply;

And whereas difficulties have arisen in obtaining the supply of electricity at single point from the distribution licensee;

Now, therefore, the Central Government in exercise of its powers conferred by section 183 of the Act hereby makes this order in respect of obtaining supply of electricity at single point from the distribution licensee by the Cooperative Group Housing Societies or by any person for their members or his employees residing in the same premises, not inconsistent with the provisions of the Act, to remove the difficulties, namely.-

1. **Short Title and Commencement.**-

- (1) This order shall be called the Electricity [Removal of Difficulties] (Eighth) Order 2005.
- (2) This order shall come into force on the date of its publication in the Official Gazette.

2. **Supply of electricity at single point by the distribution licensee to a Cooperative Group Housing Society.**-

A distribution licensee shall give supply of electricity for residential purposes on an application by a Cooperative Group Housing Society which owns the premises at a single point for making electricity available to the members of such Society residing in the same premises on such terms and conditions as may be specified by the State Commission:

Provided that the provisions of this clause shall not in any way affect the right of a person residing in the housing unit sold or leased by such a Cooperative Group Housing Society to demand supply of electricity directly from the distribution licensee of the area on such terms and conditions as may be specified by the State Commission.

3. Supply of electricity by distribution licensee at single point to a person for his employees.-

A distribution licensee shall give supply of electricity for residential purposes on an application by a person at a single point for making electricity available to his employees residing in the same premises on such terms and conditions as may be specified by the State Commission.

[F.No.25/4/2004-R&R]

AJAY SHANKAR, Addl. Secretary

[Published in the Gazette of India Extraordinary, Part II, section 3(ii)]


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section-3 – Sub-section (ii)

Ministry of Power

ORDER

New Delhi, the 9th June, 2005.

S.O. 799(E) – Whereas the Electricity Act, 2003 (36 of 2003) (hereinafter referred to as the Act) came into force on the 10th June, 2003;

And whereas sub-section (3) of section 181 of the Act requires that the regulations made by the State Commissions shall be subject to the conditions of previous publication;

And whereas there is no specific provision in the Act for such previous publication;

And whereas some State Commissions have made regulations without meeting the requirement of previous publication under sub-section (3) of section 181 of the Act and various actions have been taken under such regulations;

And whereas difficulties have arisen regarding the validity of various actions taken under the regulations made by State Commissions without meeting the requirement of previous publication;

Now, therefore, the Central Government in exercise of its powers conferred by section 183 of the Act hereby makes this order, in respect of such regulations and actions taken thereunder, not inconsistent with the provisions of the Act, to remove the difficulties, namely:

1. Short title and commencement.

(1) This order may be called the Electricity [Removal of Difficulties] (Ninth) Order, 2005.

(2) It shall come into force on the date of publication in the Official Gazette.

2. Previous publication of regulations made by the State Commissions.

Regulations made by the State Commissions, before the commencement of this order, without meeting the requirement of the previous publication under sub-section (3) of section 181 of the Act shall again be published as draft regulations for the information of persons likely to be affected thereby for inviting the objections or suggestions following the procedure prescribed under the Electricity (Procedure for Previous Publication) Rules 2005, and shall be finalised after considering such objections or suggestions received.

3. Actions taken under regulations.

Any action taken under the regulations made by the State Commissions, before the commencement of this order, without following the requirement of previous publication shall not be deemed invalid merely on the ground of non-compliance of previous publication of regulations.

[F.No.23/26/2004-R&R]

AJAY SHANKAR, Addl. Secretary

(Published in Part II, Section 3, Sub-section (i) of the Gazette of India, Extraordinary)

Chapter 7

**Clarifications under the
Electricity Act, 2003.**



ALOK KUMAR

Director

☎ 23714000

भारत सरकार
GOVERNMENT OF INDIA
विद्युत मंत्रालय
MINISTRY OF POWER

DO No. 23/23/05-R&R

28th August 2006

Dear Dr. Aditi,

Please refer to your DO letter dated 16.5.06 in which you have sought clarification as to which Regulatory Commission should approve the PPA in case of inter-State projects.

2. Your attention is drawn to Rule 8 of Electricity Rules 2005 which prescribes that the tariff determined by CERC for generating companies under clause (a) or (b) of sub-section 1 section 79 of the Act shall not be subject to re-determination by SERC and with this condition, the State Commission may determine whether a distribution license in the State should enter into PPA or procurement process with such generating companies based on the tariff determined by CERC.

3. Therefore, the concerned SERC has the jurisdiction to regulate electricity purchase and procurement process of a distribution license under section 81(1)(b) of the Act except the tariff and tariff related matters of the PPA.

4. It is further clarified that the PPA, in cases where tariff has been determined through competitive bidding process under section 63 of the Act and in accordance with the relevant guidelines issued by the Central Government, is finalised within the bidding process and the Appropriate Commission is required to adopt the tariff in accordance with the provisions of the law.

With regards,

Yours sincerely,

Sd/-
(Alok Kumar)

Dr. Aditi Raja,
Director (Fin.)
Karnataka Power Transmission Corp. Ltd.
Kaveri Bhawan,
Bangalore-560 009

श्रम शक्ति भवन, रफी मार्ग, नई दिल्ली-110 001
Shram Shakti Bhawan, Rafi Marg, New Delhi-110 001

Fax : 2371-7519
Tel. :

No. V-1/2007-IPC(Pt.)
Government of India
Minister of Power

Shram Shakti Bhavan
New Delhi, dated 9th August, 2007

To

Principal Secretary (Energy)
All States and Union Territories

Subject : Signing of State Support Agreement/MOU for facilitating setting up of Power Plants including those *using imported coal*.

Sir,

I am directed to state that numerous enquiries have been received on the requests by entrepreneurs for signing State Support Agreement/MOU with States for facilitating setting up power stations *including those to be set up on imported coal*.

2 Section 7 of the Electricity Act, 2003 provides that a generating station may be established, operated and maintained without obtaining a license under the Act. The States could assist the developers through MOUs for securing land, obtaining the requisite environment and other clearances and in achieving financial closure.

3. These projects could thereafter tie up sale of power in accordance with the provisions of the Electricity Act, 2003 and Tariff Policy, 2006:-

- a) under provisions of Section 63 of the Electricity Act, 2003 i.e. by responding to tariff based bids from the distribution companies, or
 - b) making use of open access for transmission and operate as merchant power plants selling their power:-
 - i) *directly to a consumer (u/s 49 of the Act) or to a distribution licensee for short term sales (under proviso to Section 62(1) (a) of the Act), or*
 - ii) *to an electricity trader u/s 10 of the Act.*
 - c) functioning as a captive/group captive power plant wheeling *surplus power to open access consumers (u/s 49) or to a distribution company in short term {under proviso to Section 62(1) (a)}, making use of 'open access in transmission' . Surplus power will be determined as per the Electricity Rules, 2005.*
4. *The power plant can also operate as a captive power plant, and the power can be consumed by the owners in terms of the provisions of the Electricity Act, 2003 and the Electricity Rules, 2005.*

Yours faithfully,

(S. Narayanan)

Under Secretary to the Government of India

No. 23/23/05-R&R (Vol.II)
Government of India
Minister of Power
(R&R Cell)

dated 6th August, 2007

To

The CMD, PTC India Ltd.
2nd Floor, NBCC Tower
15, Bhikaji Cama Place
New Delhi-110 006

Subject : Regarding provisions of the Electricity Act, 2003

Sir,

I am directed to refer to your letter dated 7th May, 2007 on the above subject and to convey that;

- (i) Section 9(2) of the Electricity Act, 2003 gives the right to open access to a person who has constructed a captive generating plant and maintains and operates such a plant (as defined under Electricity Act, 2003 and the Rules made hereunder), for the purposes of carrying electricity from the captive generating plant to the destination of his use, subject to availability of adequate transmission facility. This provision is distinct from the open access which is to be introduced in phases by the State Electricity Regulatory Commissions (SERCs) under Section 42 for the consumers other than captive users on payment of cross subsidy surcharge, if any. Therefore, the right to open access for captive generating plants flows from Section 9(2) and not from Section 42(2) and hence is not dependent upon introduction of open access by SERCs under Section 42 of the Act.
- (ii) However, supply of surplus power from a captive generating plant to non captive consumers will be covered by the provisions of Section 42 of the Act.

Yours faithfully

(Alok Kumar)
Director
Ph: 23714000

Copy to Joint Secretary (IPC), Ministry of Power

No.25/27/2004-R&R
Government of India
Ministry of Power

Shram Shakti Bhavan, Rafi Marg,
New Delhi, the 2nd June, 2005.

To

Shri A.K. Basu
Secretary
Damodar Valley Corporation
KOLKATA

Sub: Regulatory jurisdiction over the DVC under the Electricity Act 1003.

Sir,

I am directed to refer to DVC's message dated 26th October 2004 and the letter No. 25/27/2004-R&R dated 27th August 2004 of this Ministry on the above subject and to say that the matter of regulatory jurisdiction over the DVC under the Electricity Act 2003 has been examined in the Ministry. Following is being conveyed for necessary action :

- i) The Central Electricity Regulatory Commission has jurisdiction under section 79 of the Electricity Act 2003 in respect of the generating stations of the DVC and the inter-state transmission of electricity undertaken by the DVC.
- ii) The concerned State Electricity Regulatory Commission has jurisdiction in terms of section 86 of the Act in respect of distribution of electricity and intra-state transmission of electricity undertaken by the DVC.

Sd/
(Alok Kumar)
Director (R&R)

Copy to

1. Secretary (Energy), Govt. of West Bengal
2. Secretary (Energy), Govt. of Jharkand
3. Secretary, CERC, New Delhi
4. Secretary, Jharkand ERC
5. Secretary, West Bengal ERC
6. JS (Thermal), Ministry of Power

No.25/27/2004-R&R
Government of India
Ministry of Power

Shram Shakti Bhavan, Rafi Marg,
New Delhi, the 27th Nov., 2007.

The Chairman
Damodar Valley Corporation
DVC Towers, VIP Road
Kolkatta-700 054.

Sub: Applicability of the provisions of the Electricity Act, 2003 on DVC-Clarification regarding supply obligation.

Sir,

I am directed to refer to D.O. No. CHN/PS-130/64 dated 5.6.2007 addressed to Secretary (Power) on the above subject and to state that the matter has been examined in this Ministry in consultation with the Deptt. of Legal Affairs, M/o Law and following is clarified :

- a) The SEB/successor companies of the concerned State (Jharkhand or West Bengal, as the case may be) shall have duty and powers to supply electricity to any consumer even in the valley area in accordance with the provisions of the Electricity Act 2003. For doing so, it would not require any permission from the DVC even if the concerned consumer in question is to be supplied energy at a pressure of 30,000 volts or more. This is imperative as SEB/successor company has to discharge obligation u/s 43 of Electricity Act 2003.
- b) DVC will have powers to supply electricity to consumer at a pressure of 30,000 Volts or more in the valley area in accordance with the section 18 of the DVC Act 1948. It will also be duty bound to do so as a deemed licensee in accordance with the provisions of section 43 of the Electricity Act, 2003.
- c) DVC will also be able to sell electricity to consumer at a pressure of less than 30,000 Volts with the permission of the concerned State Government in terms of section 18 of the DVC Act 1948. But it will not have any obligation to do so.

Yours faithfully,

Sd/
(Alok Kumar)
Director
Ph: 2371 4000

Copy to:

1. Secretary (Energy), Govt. of West Bengal.
2. Secretary (Energy), Govt. of Jharkhand
3. Secretary, CERC, New Delhi.
4. Secretary, Jharkhand ERC.
5. Secretary, WB ERC
6. Joint Secretary, (Th.), MoP.

No.42/2/2005-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, the 12th November, 2007

To

The Pr. Secretary/Secretary (Energy) of all the States
The Secretary of all SERCs

Subject: Applicability fo provisions of Section 126 and 135 of the Electricity Act 2003

Sir,

Subsequent to the enactment to the Electricity (Amendment) Act, 2007, references have been received from the M.P. Electricity Regulatory Commission and the UP Electricity Regulatory Commission seeking clarification regarding applicability of the provisions of Section 126 and 135 of the Electricity Act. The matter has been examined in consultation with the Deptt. of Legal Affairs and accordingly following is clarified:

- (i) Key difference between the two provisions of sections 126 and 135 is that 'dishonest intention' as mentioned u/s 135 is the necessary ingredient for the offence of theft of electricity.
- (ii) For prosecuting someone u/s 135, a complaint or a report by police to the court is necessary u/s 151.
- (iii) Section 126 is for assessment of the charges for unauthorized use of electricity. This provision would also be applicable to those cases where action is taken for offences under section 135 and the situation of alleged commitment of offence is covered under the provisions of Section 126.

Yours faithfully,

Sd/-
(Alok Kumar)
Director (R&R)

No.23/48/2005-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, the 26th October, 2005

To

The Principal Secretary (Energy), All States.

Subject: Clarification relating to compounding of offences u/s 152 of the Electricity Act, 2003 and receipt of payment thereof – Reference from Govt. of NCT of Delhi – Regarding

Sir,

I am directed to draw attention towards the provisions of section 152 of the Electricity Act, 2003 regarding compounding of offences and to say that a clarification has been sought from this Ministry as to whether the money deposited as compounding fee should go to the State Government Treasury or whether it should go to the concerned distribution licensee.

2. The matter has been examined in consultation with the Ministry of Law and Justice and accordingly it is clarified that:-

- (i) The appropriate Govt. or any officer authorized by the appropriate Government may accept from any consumer or person who committed or reasonably suspected of having committed an offence of theft of electricity a sum of money by way of compounding of the offence. Accordingly, the compounding fee will go to the credit of the State Government.
- (ii) The licensee may receive the assessed amount. The Electricity (Removal of Difficulties) order, 2005 notified by this Ministry on 8.6.2005 under section 183 of the Act empowers the State Electricity Regulatory Commissions to include in the Electricity Supply Code, inter-alia, the method of assessment of the electricity charges payable in case of theft of electricity pending adjudication by the appropriate court.

Yours faithfully,

Sd/-
(Alok Kumar)
Director
Tel:2371 4000

N0.45/2/2006-R&R
Government of India
Ministry of Power

New Delhi, the 28th March 2006

To

Shri A.K. Sachan,
Secretary ,
Central Electricity Regulatory Commission,
SCOPE Complex, Lodhi Road,
New Delhi

Subject: Tariff Policy under the Electricity Act 2003

Sir,

I am directed to refer to CERC's letter No. 1/20(6)2006 Tariff/Policy/CERC dated 2.2.06 requesting for clarification under the provisions of para 5.1 of the Tariff Policy (notified on 6.1.06) which reads as under:

“ All future requirement of power should be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a State controlled/owned company as an identified developer and where regulators will need to resort to tariff determination based on norms provided that expansion of generating capacity by private developers for this purpose would be restricted to one time addition of not more than 50% of the existing capacity. ”

2. This matter has been considered taking into account the suggestions of the CERC and all relevant aspects. Accordingly, it is hereby clarified that the power generation projects which satisfy any of the following conditions would be well within this provision of the Tariff Policy:

- i) Where the Power Purchase Agreement (PPA) has been signed and approved by the Appropriate Commission prior to 6.1.06 or PP A has been signed and is pending before the Appropriate Commission on 6.1.06, such procurement would be treated as falling outside the scope of clause 5.1 of Tariff Policy as contractual obligation for procurement of power has been firmly established in such cases.
- ii) Similarly, where the appraisal of any power project has started before 6.1.2006 by the relevant financial institutions for lending funds to the project on the basis of appropriate evidence of process of procurement of power by any utility, such procurement would be treated as falling outside the scope of clause 5.1 of the Tariff Policy provided that in all such cases final PP A is filed before the Appropriate Commission by 30th September, 2006.

- iii) In case of hydro projects where detailed project report (DPR) has been submitted to the CEA/CWC before 6.1.06 for concurrence (except for projects where concurrence of DPR is not mandatory) and appropriate evidence of process of procurement of power by any utility exists before 6.1.2006, such procurement would be treated as falling outside the scope of clause 5.1 of Tariff Policy, provided that in all such cases the final PPA is filed before the Appropriate Commission by 30th September, 2006.

Yours faithfully,

Sd/
(Alok Kumar)
Director (R&R)
Ph.: 2371 4000

No. 45/2/2006-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 15th February, 2008

To

The Secretary,
Central Electricity Regulatory Commission,
Core-3, Scope Complex,
Lodhi Road, New Delhi.

Subject: Tariff Policy under Electricity Act, 2003 – Clarification.

Sir,

Please refer to the clarification issued by the Ministry of Power under the provisions of the para 5.1 of the Tariff Policy vide letter No. 45/2/2006-R&R dated 28.3.2006.

2. An issue had arisen recently as to what would be the status of those PPAs which stood legally concluded before the notification of the Tariff Policy on 6th January, 2006. The issue has been examined in consultation with the Department of Legal Affairs. It has been advised that the provisions of the Tariff Policy would not alter the legal enforceability of the already concluded contracts unless until it is mutually altered on agreeable terms and conditions.

Yours faithfully,

Sd/-
(Alok Kumar)
Director
Tel: 2371 4000

Copy to: Secretaries of all the SERCs.

No. 23/2/2005-R&R (Vol-V)
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 29th November, 2010

To

The Chief Secretary,
Government of Karnataka,
Bangalore.

Subject: Clarification sought by Government of Karnataka regarding provisions of Tariff Policy.

Sir,

I am directed to refer to the Government of Karnataka's letter No. EN 52:PPC 2010 dated 8.11.2010 seeking clarification whether procurement of power by the distribution companies from the developers with whom MoUs have been signed, is legally permissible in view of the provisions of the Tariff Policy and to say that provision of clause 5.1 of the Tariff Policy notified on 6.1.2006 stipulate as under:

“All future requirement of power should be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a State controlled/owned company as an identified developer and where regulators will need to resort to tariff determination based on norms provided that expansion of generating capacity by private developers for this purpose would be restricted to one time addition of not more than 50% of the existing capacity.

Even for the Public Sector projects, tariff of all new generation and transmission projects should be decided on the basis of competitive bidding after a period of five years or when the Regulatory Commission is satisfied that the situation is ripe to introduce such competition.”

2. In view of the above provisions it is clear that procurement of power by distribution licensees is to, be done, through competitive bidding as mentioned above. As regards the MOUs signed by PSUs/ CPSUs are concerned, unless these are converted into PPAs by the stipulated date further procurement only on MOU/cost plus basis would be incorrect.

Yours faithfully

Sd/-

(C.J. Jose)

Under Secretary to the Government of India

Tel: 2373 0265

No. 23/2/2005-R&R (Vol-V)
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 9th December, 2010

To

1. Chairperson, Central Electricity Authority, New Delhi.
2. Principal Secretary/Secretary(Energy) of State Governments/UTs.
3. Secretary, Central Electricity Regulatory Commission, New Delhi.
4. Secretary, State Electricity Regulatory Commissions.
5. Chairmen, State Power Utilities/SEBs.
6. Chairmen, CPSUs under Ministry of Power.

Subject: Clarification regarding clause 5.1 and 7.1 of Tariff Policy – regarding.

Sir,

The issue of competitive bidding route for PSUs/CPSUs beyond five years after the implementation of Tariff Policy as provided in para 5.1 and 7.1 of the Tariff Policy was discussed in the meeting of Group of Ministers on Power Sector Issues held on 29.10. 2010 and the following decision was taken:

“States should fully migrate to procurement of power by Discoms through tariff based competitive bidding both for public & private sector generation and transmission projects. For the sake of abundant clarity, MoP would issue a clarification regarding the permitted exemptions in the Tariff Policy for the expansion/upgradation of projects, excluding the hydro sector.”

2. The Central Government notified Tariff Policy under section 3 of the Electricity Act, 2003 on 6th January, 2006. The relevant provisions of the Clause 5.1 of Tariff Policy is reproduced as under:

“..... All future requirement of power should be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a State controlled/owned company as an identified developer and where regulators will need to resort to tariff determination based on norms provided that expansion of generating capacity by private developers for this purpose would be restricted to one time addition of not more than 50% of the existing capacity.

Even for the Public Sector projects, tariff of all new generation and transmission projects should be decided on the basis of competitive bidding after a period of five years or when the Regulatory Commission is satisfied that the situation is ripe to introduce such competition.....”

The sub-clause 6 of Clause 7.1 of the Tariff Policy provides that:

“...The tariff of the projects to be developed by CTU/STU after the period of five years or when the Regulatory Commission is satisfied that the situation is right to introduce such competition (as referred to in para 5.1) would also be determined on the basis of competitive bidding.”

3. The above provisions are sufficiently clear with regard to the applicability of tariff based competitive bidding for the projects in the generation and transmission sectors and clarifications in this regard have also been issued in the past. However, in view of the decision taken in the meeting of the Group of Minister on Power Sector held on 29.10.2010, it is clarified that the following are exempted from the tariff based competitive bidding route.
 - (A) Generation (excluding hydro) projects of PSUs/CPSU:
 - i) The expansion of already commissioned projects.
 - ii) Projects for which the PPA(s) have been signed on or before 5.1.2011.
 - (B) Transmission Projects of STUs/CTU:
 - i) The upgradation/strengthening of the existing “transmission lines” and associated sub-stations.
 - ii) Projects for which BPTA(s)/TSA(s) have been signed on or before 5.1.2011.
4. These clarifications are to be read alongwith the relevant provisions in the Electricity Act, 2003 and the Tariff Policy.
5. This issues with the approval of Hon’ble Minister of Power.

Yours faithfully,
Sd/-
(Pranay Kumar)
Director
Tel : 2371 5250

No. 23/2/2005-R&R (Vol-V)
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 19th April, 2011

To

1. Chairperson, Central Electricity Authority, New Delhi.
2. Principal Secretary/Secretary(Energy) of State Governments/UTs.
3. Secretary, Central Electricity Regulatory Commission, New Delhi.
4. Secretary, State Electricity Regulatory Commissions.
5. Chairmen, State Power Utilities/SEBs.
6. Chairmen, CPSUs under Ministry of Power.

Subject: Clarification regarding para 6.4 of the Tariff Policy – regarding.

Sir,

A clarification regarding clause 5.1 and 7.1 of the Tariff Policy was issued by this Ministry vide communication dated 9.12.2010 which is available on the website of the Ministry (www.powermin.nic.in).

2. Representations have been received for seeking further clarification regarding provisions for procurement of power from hydro projects and non-conventional sources of energy generation.
3. The provisions of Tariff Policy under para 6.4 in respect of “Non-conventional sources of energy generation including Co-generation” (*as amended vide resolution dated 20.1.2011*) are as under:
 - (1) Pursuant to provisions of section 86(1)(e) of the Act, the Appropriate Commission shall fix a minimum percentage of the total consumption of electricity in the area of a distribution licensee for purchase of energy from such sources, taking into account availability of such resources in the region and its impact on retail tariffs. Such percentage for purchase of energy should be made applicable for the tariffs to be determined by the SERCs latest by April, 2006.
 - (i) Within the percentage so made applicable, to start with, the SERCs shall also reserve a minimum percentage for purchase of solar energy from the date of notification in the Official Gazette which will go up to 0.25% by the end of 2012-13 and further up to 3% by 2022.
 - (ii) It is desirable that purchase of energy from non-conventional sources of energy takes place more or less in the same proportion in different States. To achieve this objective in the current scenario of large availability of such resources only in certain parts of the country, an appropriate mechanism such as Renewable Energy Certificate (REC) would need to be evolved. Through such a mechanism, the renewable energy based generation companies can sell the electricity to local distribution licensee at the rates for conventional power and can recover the balance cost by selling certificates to other distribution companies and obligated entities enabling the latter to meet their renewable power purchase obligations. In view of

the comparatively higher cost of electricity from solar energy currently, the REC mechanism should also have a solar specific REC.

- (iii) It will take some time before non-conventional technologies can compete with conventional sources in terms of cost of electricity. Therefore, procurement by distribution companies shall be done at preferential tariffs determined by the Appropriate Commission.
 - (2) Such procurement by Distribution Licensees for future requirements shall be done as far as possible, through competitive bidding process under Section 63 of the Act within suppliers offering energy from same type of non-conventional sources. In the long-term, these technologies would need to compete with other sources in terms of full costs.
 - (3) The Central Commission should lay down guidelines within three months for pricing non-firm power, especially from non-conventional sources, to be followed in cases where such procurement is not through competitive bidding.
4. Further, CERC has already notified 'Terms and Conditions for Tariff determination from Renewable Energy Sources Regulations on 16th September, 2009 (amended vide notification dated 25th February, 2010), which are applicable for generation of power from renewable sources such as small hydro, wind, solar including its integration with combined cycle, biomass, bio fuel generation, urban or municipal waste and other such sources as approved by the MNRE. These regulations are available on the website of CERC i.e. www.cercind.gov.in.
 5. It is clear from the provisions of the Tariff Policy that as far as possible, future procurement of power from non-conventional sources of energy shall be done through competitive bidding process under section 63 of the Act within suppliers offering energy from same type of non-conventional sources. In the long term, these technologies would need to compete with other sources in terms of full costs. However, keeping in view the less developed non-conventional technologies presently vis-à-vis technologies of conventional sources in terms of cost of electricity, the policy provides that procurement by distribution companies may be done at preferential tariffs determined by the Appropriate Commission depending on the circumstances at the time of procurement.
 6. The clarification issued vide this Ministry's letter dated 9.12.2010 does not in any way alter the existing provisions of Tariff Policy.
 7. The above clarification may be read alongwith the relevant provisions of the Electricity Act, 2003, Policies and other applicable regulations issued by the Appropriate Commission.

Yours faithfully,
Sd/-
(Pranay Kumar)
Director
Tel : 2371 5250

No. 29/6/2008-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 13th April, 2011

To

1. Chairperson, Central Electricity Authority, New Delhi.
2. Principal Secretary/Secretary (Energy/Power), State Governments/UTs.
3. Secretary, Central Electricity Regulatory Commission, New Delhi.
4. Chairmen, State Power Utilities/SEBs.
5. Secretary, State Electricity Regulatory Commissions.
6. Chairmen, CPSUs under Ministry of Power.

Subject: Issue of 'Need to stabilize the power market in the interest of consumers'

Sir,

I am directed to say that the issue of regulation of short-term purchase of power by a DISCOM and fixation of a ceiling on the procurement cost of such short-term power has been examined in consultation with Central Electricity Regulatory Commission.

2. Section 86 (1) (b) of the Electricity Act 2003 empowered SERCs to regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State.

3. As per Section 62(1) of the Act "Appropriate Commission shall determine the tariff in accordance with provisions of this Act for 'supply of electricity by a generating company to a distribution licensee:

Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;"

4. In view of the above, provisions for short-term procurement of power by DISCOMs under Electricity Act are being clarified as under:

- i) The Electricity Act and various policies made by the Government under the Act permit the SERCs to regulate the short-term purchase of power by a DISCOM.
 - ii) The SERC can also prescribe a ceiling on the procurement cost of such short-term power.
 - iii) SERCs can issue regulation or issue an order while considering the ARR of that DISCOM to the effect that the short-term power procured by a DISCOM during a given year shall not be more than a certain percentage of its annual energy supply if this power is contracted at a price more than the average power purchase cost determined in the ARR.
5. The provisions of Electricity Act, 2003 regarding regulation of short-term purchase of power by a DISCOM are very clear. In view of the above provisions, the State Electricity Regulatory Commissions are requested to take necessary action in this regard.

Yours faithfully,

Sd/-
(Pranay Kumar)
Director
Tel : 2371 5250

No. 23/4/2011-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 28th February, 2011

To

1. Chairperson, Central Electricity Authority, New Delhi.
2. Principal Secretary/Secretary (Energy), State Governments/UTs.
3. Secretary, Central Electricity Regulatory Commission, New Delhi.
4. Secretary, State Electricity Regulatory Commissions.
5. Chairmen, State Power Utilities/SEBs.
6. Chairmen, CPSUs under Ministry of Power.

Subject : References from various stakeholders regarding abolition of meter rent in Power Sector.

Sir,

I am directed to say that Ministry of Power has received references from various stakeholders regarding abolition of meter rent in Power Sector. The matter has been examined and it has been decided not to review the existing provisions of the Act.

2. The consumer has the option to purchase its own meter or have it installed by the DISCOM for supply of electricity under the provisions of the Electricity Act, 2003. Section 55 of the Electricity Act, 2003 provides liberty to the consumer to purchase his own meter. In such cases, no meter rent is charged from consumers by the DISCOMS. If the consumer asks the distribution licensee to provide meter then the licensee under section 45(3)(b) of the Electricity Act, 2003 shall charge meter rent as he has invested his capital for the purchase of meter. Many SERCs have also incorporated in their Supply Codes the provision that after realization of the cost of the meter the distribution licensee shall not charge any meter rent. The Act has balanced both the interests of the consumer as well as the suppliers. With regard to harassment of the consumer, they have the remedy available at Consumer Grievance Redressal Forum (CGRF), Ombudsman or other consumer forums.

Yours faithfully,

Sd/-
(Pranay Kumar)
Director
Tel : 2371 5250

No. 33/1/2009-R&R (E) Part
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 7th October, 2010

To

1. Power Energy Secretaries, All State Governments UTs
2. Secretary CERC/State Electricity Regulatory Commissions
3. Chairman, State Power Utilities/SEBs
4. Chairmen, CPSUs under Ministry of Power
5. Secretary, CEA, New Delhi.

Subject : Forwarding of Clarification of Annual Basis as defined in Explanation (1) a to rule 3 of the Electricity Rules 2005.

Sir,

I am directed to intimate the clarification on the definition of Annual Basis given in Explanation (1) a to Rule 3 of the Electricity Rules 2005 that :

“In any Power Purchase Agreement (PPAs), the first year is counted from the date of commercial Operation date (COD) of the plant to the last date of that financial year and subsequently full financial year i.e. from 1st April to 31st March is considered full year. As such, the requirement of consumption for qualifying as ‘captive use’ may be considered on pro-rata basis for the initial year (i.e. for Partial year) and on ‘Annual Basis’ for subsequent year as mentioned in Electricity Rules, 2005”.

This Clarification to be read alongwith the Electricity Rules 2005 notified on 8.6.2005 and amended on 26.10.2006.

Yours faithfully,

Sd/-
(Pranay Kumar)
Director
Tel : 2371 5250

Chapter 8

Competitive Bidding Guidelines for procurement of Electricity

**(Contains amendments dated 30.3.2006, 18.8.2006,
27.9.2007, 27.3.2009 and 21.7.2010)**

Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees

Ministry of Power

New Delhi,
Dated the 19th January, 2005

RESOLUTION

No. 23/11/2004-R&R (Vol.II)

(Contains amendments dated 30.3.2006, 18.8.2006, 27.9.2007, 27.3.2009 and 21.7.2010)

Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees

1. Preamble

Promotion of competition in the electricity industry in India is one of the key objectives of the Electricity Act, 2003 (the Act). Power purchase costs constitute the largest cost element for distribution licensees. Competitive procurement of electricity by the distribution licensees is expected to reduce the overall cost of procurement of power and facilitate development of power markets. Internationally, competition in wholesale electricity markets has led to reduction in prices of electricity and in significant benefits for consumers.

Section 61 & 62 of the Act provide for tariff regulation and determination of tariff of generation, transmission, wheeling and retail sale of electricity by the Appropriate Commission. Section 63 of the Act states that –

“Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.”

These guidelines have been framed under the above provisions of section 63 of the Act. The specific objectives of these guidelines are as follows:

- 1 Promote competitive procurement of electricity by distribution licensees;
- 2 Facilitate transparency and fairness in procurement processes;
- 3 Facilitate reduction of information asymmetries for various bidders;
- 4 Protect consumer interests by facilitating competitive conditions in procurement of electricity;
- 5 Enhance standardization and reduce ambiguity and hence time for materialization of projects;
- 6 Provide flexibility to suppliers on internal operations while ensuring certainty on availability of power and tariffs for buyers.

2. Scope of the Guidelines

- 2.1. Section 10 of the Electricity Act provides that a generating company may supply electricity to any licensee in accordance with the Act and rules and regulations made there under and may, subject to the regulations made under sub-section (2) of Section 42, supply electricity to any consumer. The National Electricity Policy stipulates that a part of new generating capacity, say fifteen percent (15%) may be sold outside long-term PPAs in order to promote market development. The Tariff Policy (as amended in March 2008) also provides for hydro electricity projects to have their tariffs determined by the Appropriate Commission provided inter-alia, it has long-term PPA for at least sixty percent (60%) of the total saleable design energy of the project. The sale of electricity outside long-term PPAs is usually for a period less than one (1) year.

These guidelines are being issued under the provisions of Section 63 of the Electricity Act, 2003 for procurement of electricity by distribution licensees (Procurer) for:

- (a) long-term procurement of electricity for a period of 7 years and above;
- (b) Medium term procurement for a period of up to 7 years but exceeding 1 year.

Explanation: For the purpose of these Guidelines, the term 'Procurer(s)' shall mean, as the context may require, the distribution licensee(s), or the authorised representative of the licensee(s) or a Special Purpose Vehicle (SPV) constituted for the purpose of carrying out the bidding process. SPV shall be a company established under the Indian Companies Act 1956, authorized by the distribution licensee(s) to perform all tasks for carrying out the bidding process in accordance with these Guidelines. The distribution licensee(s) may also entrust initial project preparation activities (proposed to be undertaken before completion of the bid process) to the SPV. The SPV may be transferred to the successful bidder selected pursuant to the bid process.

As and when considered appropriate, the Central Government would issue the guidelines for procurement of electricity for a period of less than one (1) year under the provisions of Section 63 of the Electricity Act. Those guidelines would be applicable to the electricity to be procured outside the long-term PPA as stipulated, from time to time, in the National Electricity Policy and Tariff Policy.

- 2.2. The guidelines shall apply for procurement of base-load, peak-load and seasonal power requirements through competitive bidding, through the following mechanisms:
- (i) Where the location, technology, or fuel is not specified by the procurer (**Case 1**);
 - (ii) For hydro-power projects, load center projects or other location specific projects with specific fuel allocation such as captive mines available, which the procurer intends to set up under tariff based bidding process (**Case 2**).

However separate RFP shall be used for procuring base load or peak load or seasonal load requirements as the case may be.

- 2.3. Unless explicitly specified in these guidelines, the provisions of these guidelines shall be binding on the procurer. The process to be adopted in event of any deviation proposed from these guidelines is specified later in these guidelines under para 5.16.

- 2.4. Procurement by more than one distribution licensee through a combined bid process shall be permitted and in such a case the Procurers shall have the option to conduct the bid process through an authorized representative. The authorized representative may be one of the procurers or for Case 2, a special purpose vehicle (SPV) may be incorporated for such purpose. For such combined procurement, each procurer shall provide the necessary information required as per these guidelines. To ensure standardization in evaluation of bids, the payment security and other commercial terms offered to the bidders by the various procurers shall not vary. The price offered by the bidders shall also be the same for the distribution licensees inviting the bid.

In case of combined procurement where the distribution licensees are located in more than one State, the Appropriate Commission for the purpose of these bidding guidelines, except for the purpose of para 3.1(iii)(a), shall be the Central Electricity Regulatory Commission. For the purpose of para 3.1(iii)(a), the State Electricity Regulatory Commission shall be the Appropriate Commission.

- 2.5. All obligations on part of the procurers for the bid process shall be considered to be met only when each and every procurer meets such obligations set out in the Request for Proposal (RFP). This shall, however, not preclude the bidder from waiving such stipulation if the bidder finds it reasonable to do so, and the same shall not be construed to be violation of these guidelines.

3. Preparation for inviting bids

- 3.1. To expedite the bid process, the following conditions shall be met by the procurer:
- (i) The bid documentation shall be prepared in accordance with these guidelines and the approval of the appropriate Regulatory Commission shall be obtained unless the bid documents are as per the standard bid documents issued by the Central Government. In such cases, an intimation shall be sent by the procurer to the appropriate Regulatory Commission about initiation of the bidding process.
 - (ii) Approval of the Appropriate Commission shall be sought in event of the deviations from the bidding conditions contained in these guidelines, following the process described in para 5.16 of these guidelines.
 - (iii) Approval of the Appropriate Commission shall be sought prior to initiating the bidding process in respect of the following aspects:
 - (a) For the quantum of capacity / energy to be procured, in case the same is exceeding the projected additional demand forecast for next three years following the year of expected commencement of supply proposed to be procured. Such demand forecast shall be based on the latest available (at the time of issue of RFQ) Electric Power Survey published by Central Electricity Authority (Both for **Case 1** and **Case 2**).
 - (b) For the transfer price of fuel, in case of fuel specific procurement enquiry, if such price has not been determined by government, the concerned government-owned coal company, government approved mechanism or a fuel regulator (under Case 2).

3.2 (I) In order to ensure timely commencement of supply of electricity being procured and to convince the bidders about the irrevocable intention of the procurer, it is necessary that various project preparatory activities are completed in time. For long-term procurement for projects for which pre-identified sites are to be utilized (Case 2), the following project preparatory activities should be completed by the procurer, or authorized representative of the procurer, simultaneously with bid process adhering to the milestones as indicated below:

- (i) Site identification and land acquisition: If land is required to be acquired for the power station, the notification under section 4 of the Land Acquisition Act, 1894 should have been issued before the publication of RFQ. The notification under section 6 of the Land Acquisition Act, 1894 should have been issued before the issue of RFP. If the provisions of section 17 of the Land Acquisition Act, 1894 regarding emergency have not been applied, the Award under the Land Acquisition Act should have been declared before the PPA becomes effective.
- (ii) Environmental clearance for the power station: Rapid Environmental Impact Assessment (EIA) report should be available before the publication of RFQ. Requisite proposal for the environmental clearance should have been submitted before the concerned administrative authority responsible for according final approval in the Central/ State Govt., as the case may be, before the issue of RFP. Environmental clearance should have been obtained before PPA becomes effective.
- (iii) Forest Clearance (if applicable) for the land for the power station: Requisite proposal for the forest clearance should have been submitted before the concerned administrative authority responsible for according final approval in the Central/ State Govt., as the case may be, before the issue of RFP.
- (iv) Fuel Arrangements: If fuel linkage or captive coal mine(s) are to be provided, the same should be available before the publication of RFQ. In case, bidders are required to arrange fuel, the same should be clearly specified in the RFQ.
- (v) Water linkage: It should be available before the publication of RFQ.
- (vi) Requisite Hydrological, geological, meteorological and seismological data necessary for preparation of Detailed Project Report (DPR), where applicable: These should be available before the issue of RFP. The bidder shall be free to verify geological data through his own sources, as the geological risk would lie with the project developer.

The project site shall be transferred to the successful bidder at a price to be intimated at least 15 days before the due date for submission of RFP bids.

(II) In Case-1 procurement, to ensure serious participation in the bid process and timely completion of commencement of supply of power, the bidder, in case the supply is proposed from a station to be set-up, should be required to submit along with its bid, documents in support of having undertaken specific actions for project preparatory activities in respect of matters mentioned in (i) to (v) below.

- i) Site identification and land acquisition: Requirement of land would be considered as indicated in the proposal filed with the competent authority for seeking environmental clearance. (I) To the extent land to be acquired under the Land Acquisition Act, 1894, the Bidder shall submit copy of notification issued for such land under Section 4 of the Land Acquisition Act, 1894. (II) For the part of land excluding that to be acquired under Land

Acquisition Act 1894, the Bidder shall furnish documentary evidence in the form of certificate by concerned and competent revenue/ registration authority for the allotment/ lease (lease period more than the life of power plant)/ ownership/ vesting of at least one-third of the area of such land. These evidences shall be supported by a sworn affidavit from the developer listing the total land allotted/ in possession/ lease acquired for the power station. The affidavit shall certify that the documentary evidence provided by the bidder in relation to land is true and correct.

- ii) Environmental clearance for the power station: The Bidder shall have submitted the requisite proposal, for the environmental clearance, to the concerned administrative authority responsible for according final approval in the central/state govt. as the case may be.
 - iii) Forest Clearance (if applicable) for the land for the power station: The Bidder shall have submitted the requisite proposal, for the forest clearance, to the concerned administrative authority responsible for according final approval in the central/state govt. as the case may be.
 - iv) Fuel Arrangements: (a) In the following cases fuel arrangements shall have to be made for the quantity of fuel required to generate power from the phase of the power station from which power is proposed to be supplied at Normative Availability for the term of the PPA.
 - In case of domestic coal, the Bidder shall have made firm arrangements for fuel tie up either by way of coal block allocation or fuel linkage
 - In case of domestic gas, the Bidder shall have made firm arrangements for fuel tie up by way of long term fuel supply agreement for the term & quantity as per Government of India gas allocation policy
 - b) Fuel arrangements in the following cases shall have to be made for the quantity of fuel required to generate power from the power station for the total installed capacity.
 - In case of imported coal, the Bidder shall have either acquired mines having proven reserves for at least 50% of the quantity of coal required OR shall have a fuel supply agreement for at least 50% of the quantity of coal required for a term of at least five (5) years or the term of the PPA, which ever is less.
 - In case of RLNG, the Bidder shall have made firm arrangements for fuel tie up by way of fuel supply agreement for at least 50% of the quantity of fuel required for a term of at least five (5) years or the term of the PPA, which ever is less.
- Blending of Imported and Domestic coal may be used in which case, criteria for imported and domestic coal shall be met separately in the ratio of blending
- v) Water linkage: The Bidder shall have obtained in-principle approval from the concerned state irrigation department or any other relevant authority for the quantity of water required for the power station.

If the Bidder is a trading licensee, it shall have executed exclusive power purchase agreement(s) for the quantity of power offered in its Bid and shall provide a copy of the same as part of its Bid. In such a case, the Bidder shall ensure that the entity with whom it has executed the exclusive power purchase agreement for supply of power under the bid process has completed

the project preparatory activities as mentioned in (i) to (v) above. Furthermore, the Bidder shall be responsible for procuring from the entity developing the power station and submitting in its Bid, all the documentary evidence to establish that the project preparatory activities as in (i) to (v) above have been completed. In case of supply being proposed from an existing generating station, the Bidder should submit evidence in the form of a declaration sent to RLDC/SLDC, as the case may be, in support of commercial operation of the generating station.

- 3.3 It is recommended that the procurer should obtain the transmission clearances necessary for receiving power at the delivery points prior to inviting bids. However this shall not be a binding condition for the bid process. Unless otherwise specified in the bid documents, it shall be the responsibility of the selected bidder to obtain transmission linkage for evacuation and inter-State transmission of power (where applicable).
- 3.4 In the case of projects under Case 2 from which more than one distribution licensees located in different States intend to procure power by carrying out bidding process through a SPV, the PPA and other required project agreements (such as escrow agreement, hypothecation agreement and other project specific agreements) may be entered into between the concerned parties prior to the last date of submission of the RFP bids with the proviso that these agreements shall be effective from the date of acquisition of the SPV by the successful bidder.

4. Tariff Structure

- 4.1. For procurement of electricity under these guidelines, tariff shall be paid and settled for each payment period (not exceeding one month). A multi-part tariff structure featuring separate capacity and energy components of tariff shall ordinarily form the basis for bidding.

Procurement under case-2 where procurer offers a captive fuel source (such as captive coal mine) for concurrent development and use for power production covered under the procurement query would also have a multi-part tariff structure featuring separate capacity and energy components of tariff.

- 4.2. In case of long term procurement with specific fuel allocation (Case 2), the procurer shall invite bids on the basis of capacity charge and net quoted heat rate. The net heat rate shall be ex-bus taking into account internal power consumption of the power station. The energy charges shall be payable as per the following formula:

$$\text{Energy Charges} = \text{Net quoted heat rate} \times \frac{\text{Monthly Average Gross Calorific Value of Fuel}}{\text{Monthly Weighted Average Price of Fuel}}$$

If the price of the fuel has not been determined by the Government of India, government approved mechanism or the Fuel Regulator, the same shall have to be approved by the appropriate Regulatory Commission.

In case of coal / lignite fuel, the cost of secondary fuel oil shall be factored in the capacity charges.

- 4.3. Tariffs shall be designated in Indian Rupees only. Foreign exchange risks, if any, shall be borne by the supplier. Transmission charges in all cases shall be borne by the procurer.

Provided that the foreign exchange rate variation would be permitted in the payment of energy charges [in the manner stipulated in para 4.11(iii)] if the procurer mandates use of imported fuel for coastal power station in case-2.

Provided further that the foreign exchange rate variation would also be permitted in the payment of energy charges [stipulated in para 4.11 (iii)] if the bidder chooses to supply power using domestic gas or RLNG or both or imported coal for long term procurement under Case-1.

Capacity charges

- 4.4 Capacity charge shall be paid based on actual availability, as per charges quoted in Rs/kwh and shall be limited to the normative availability. The normative availability for Case 1 and thermal stations under Case 2 shall be a maximum of 85%. For hydro electric stations under case-2, the normative availability shall be at the level of normative annual plant availability factor as specified in the tariff regulations of the Central Electricity Regulatory Commission (CERC) prevailing at the time of the bid process. The capacity component of tariffs may feature separate non-escalable (fixed) and escalable (indexed) components. The indices to be adopted for escalation of the escalable component shall only be Wholesale Price Index (WPI), Consumer Price Index (CPI) or a combination of both WPI and CPI and the Base year shall be specified in the bid document.
- 4.5 Capacity charges for availability beyond the normative availability shall be a prespecified percentage of the non-escalable component of the capacity charges. The percentage applicable shall be specified in the RFP, and shall be limited to a 40% of the non-escalable component of the capacity charges. The procurer shall have first right of refusal on energy generated beyond normative availability. In case actual availability is less than the normative availability, capacity charges shall not be payable for the shortfall compared to the normative availability. In case availability is lower than a predetermined level (which is identified in the RFP and may be about 5% below normative availability), penalty at the rate of 20% of the capacity charge shall also be applicable to the extent of the shortfall in availability below such predetermined level.
- 4.6 The seller (successful bidder) shall declare availability on a daily basis in accordance with the scheduling procedure as stipulated in the Indian Electricity Grid Code (IEGC) from time to time. Further the seller and procurer shall comply with all relevant provisions of the IEGC. If the procurer does not avail generation up to declared availability, the same can be sold in market by the seller, and sale realization in excess of variable charges shall be equally shared with the procurer.
- 4.7 Any change in law impacting cost or revenue from the business of selling electricity to the procurer with respect to the law applicable on the date which is 7 days before the last date for RFP bid submission shall be adjusted separately. In case of any dispute regarding the impact of any change in law, the decision of the Appropriate Commission shall apply.
- 4.8 At the bid evaluation stage, ratio of minimum and maximum capacity charge (including both the non-escalable component and the escalable component incorporating escalation as per index being used for the purpose of evaluation) over the term of the Power Purchase Agreement (PPA) shall not be less than 0.7 to avoid excessive front loading or back loading during the period of contract.
- 4.9 In case peakload or seasonal requirements are distinct from baseload requirements, the bidders shall indicate distinct prices for such peakload or seasonal supply which shall be evaluated separately. Differential rates quoted for the same source of power for base and peak/seasonal load shall not constitute violation of guideline or unfair practice.
- 4.10 Adequate payment security shall be made available to the bidders. The payment security may constitute:
 - (i) Letter of Credit (LC)
 - (ii) Letter of Credit (LC) backed by credible escrow mechanism.

In the case the seller does not realize full payment from the procurer by the due date as per payment cycle, the seller may after 7 days, take recourse to payment security mechanism by encashing the LC to the extent of short fall or take recourse to escrow mechanism. The procurer shall restore the payment security mechanism prior to the next date of payment. Failure to realize payment even through payment security mechanism shall constitute an event of payment default. In the event of payment default the seller, after giving 7 days notice, can sell up to 25% of the contracted power to other parties without losing claim on the capacity charges due from the procurer. If the payment security mechanism is not fully restored within 30 days of the event of the payment default, the seller can sell full contracted power to other parties without losing claim on the capacity charges due from the procurer. The surplus over energy charges recovered from sale to such other parties shall be adjusted against the capacity charge liability of the procurer. In case the surplus over energy charges is higher than the capacity charge liability of the procurer, such excess over the capacity charge liability shall be retained by the seller.

Energy Charges

- 4.11 Where applicable, the energy charges payable during the operation of the contract shall be related on the base energy charges specified in the bid with suitable provision for escalation. In case the bidder provides firm energy charge rates for each of the years of the contract term, the same shall be permitted in the tariffs.
- (i) In cases other than the cases where captive fuel source is offered or cases where the procurer mandates use of imported fuels in case 2 queries, the energy charges shall be payable in accordance with fuel escalation index used for evaluation of the bid. In case of bids based on net heat rate, the price of fuel shall be taken as stipulated under para 4.2. However, the fuel escalation will be subject to any administered price mechanism of Government or independent regulatory price fixation in case of fuel produced within the country. The applicable indices for relevant fuels shall be identified in the RFP documents.
 - (ii) The energy charges may feature separate non-escalable (fixed) and escalable (indexed) components in case of a procurement query where the procurer offers a captive fuel source (such as a captive coal mine) for concurrent development and production of power. The ratio of minimum and maximum energy charges (including both the non-escalable component and escalable component incorporating escalation as per index being used for evaluation) over the term of PPA shall not be less than 0.5 to avoid excessive frontloading or backloading. The index for escalable component of energy charge in such a case would be as notified by the CERC under para 5.6(vi).
 - (iii) In cases where the procurer mandates use of imported fuel for use in a coastal power station in **case-2** procurement query or where the bidder chooses to supply from a power station using imported fuel under **case-1**, the bids may be invited for base energy charge for the first year to be escalated as per the indices identified in the RFP. Such energy charge would have following three components:
 - (a) Imported fuel component in US Dollars/unit.
 - (b) Transportation of fuel component in US Dollars/unit.
 - (c) Inland fuel handling component in Indian Rupees/unit
 - (iv) In case of linkage-based domestic coal/gas/imported fuel based projects, involving substantial inland transportation, a separate escalation component for inland transportation in Rupees / unit would be applicable.

- (v) In cases where the bidder chooses to supply power from a power station using blended coal under Case I, the bids may be invited for base energy charge for the first year to be escalated as per the indices identified in the RFP, such energy charges would have the following sub components
 - a) Domestic fuel component in Indian Rupees/Unit
 - b) Inland transportation component in Indian Rupees/Unit
 - c) Imported fuel component in USD/Unit
 - d) Transportation fuel component in USD/Unit
 - e) Inland fuel handling component in Indian Rupees/Unit

Each of these components in (iii), (iv) and (v) above may have separate nonescalable (fixed) and escalable (indexed) sub-components. The escalation indices forescalable sub-components of these components would be as notified by the CERC under para 5.6(vi).

It is clarified that the bidders would have option to quote firm energy charge rates for each of the years of the contract.

- 4.12 No adjustment shall be provided for heat rate degradation of the generating stations. Even in case of bids based on net heat rate, the bidder shall factor in site conditions, loading conditions, frequency variations etc and no adjustment shall be allowed on the quoted net heat rate for the duration of the contract.
- 4.13 In case a procurer invites bids of hydro power under **Case 2**, the hydrological risk shall be borne by the Procurer, provided the hydrological data of such a project is based on authentic sources and is known to the parties in advance. Any hydrological advantages under Case 2, resulting in energy availability beyond the design energy shall be passed on to the Procurer without any charge. In case a bidder offers hydro power under Case 1, the hydrological risk shall be borne by the Bidder. The geological risk for the hydro project in both Case 1 and in Case 2 shall be borne by the developer.
- 4.14 Energy charges shall be payable by the procurer to the seller for the scheduled energy. Deviations beyond agreed energy schedules shall be settled under the ABT/UI mechanism.

Combined capacity and energy charges

- 4.15 In cases where the procurement process permits bidders to submit combined capacity and energy charges, the charges proposed shall be firm for each of the years of the term of the Power Purchase Agreement (PPA), and no escalation of tariffs shall be permitted over and above the rates proposed by the seller in the price bid.
- 4.16 The bidder shall specify the normative availability from the project on an annual basis. The model PPA made available to the bidders at the RFQ/RFP stage shall feature appropriate provisions for penalties in event of the normative availability not being met by the seller. The RFQ/RFP shall also specify minimum offtake conditions for procurement from such stations.
- 4.17 The per kwh rates payable to the seller for offtake by the procurer over and above the normative levels shall be the same as the rates applicable till normative availability. In case the procurer does not schedule the energy made available by the seller as per the contract, the seller shall be free to sell to other parties. The seller shall not be required to make any payments to the procurer for such sales to third parties.

Bidding Process

- 5.1 For long-term procurement under Case 2, a two-stage process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) stages shall be adopted for the bid process under these guidelines. The procurer may, at his option, adopt a single stage tender process for long term or medium term procurement under Case 1, combining the RFP and RFQ processes. However, as specified earlier in para 2.2, the Procurer shall adopt separate RFP processes for procuring base load or peak load or seasonal load requirements, as the case may be. Procurer or authorized representative shall prepare bid documents including the RFQ and RFP (only RFP in single stage process) in line with these guidelines and standard bid documents.
- 5.2 The procurer shall publish a RFQ (RFP in single stage process) notice in at least two national newspapers, company website and preferably in trade magazines also to accord it wide publicity. The bidding shall necessarily be by way of International Competitive Bidding (ICB). For the purpose of issue of RFQ (RFP in single stage process) minimum conditions to be met by the bidder shall be specified by the procurer in the RFQ (RFP in single stage process) notice.
- 5.3 Procurer shall provide only written interpretation of the tender document to any bidder / participant and the same shall be made available to all other bidders. All parties shall rely solely on the written communication and acceptances from the bidders.
- 5.4 Standard documentation to be provided by the procurer in the RFQ (RFP in single stage process) shall include,
 - (i) Definition of Procurer's requirements, including:
 - Quantum of electricity proposed to be bought in MW. To provide flexibility to the bidders, this may be specified as a range, within which bids would be accepted. Further, the procurer may also provide the bidders the flexibility to bid for a part of the tendered quantity, subject to a given minimum quantity;
 - The procurer shall specify the nature of load requirement (either base load or seasonal load or diurnal load), the duration in months for which proposed power is being contracted for seasonal procurement, and duration in hours for which power is proposed to be contracted for diurnal requirement;
 - Term of contract proposed: As far as possible in Case 2, it is advisable to go for contract coinciding with life of the project in case of long term procurement. The bidder shall be required to quote tariff structure for expected life of the project depending upon fuel proposed by him. The expected life project is estimated to be 15 years for gas/liquid fuel based projects, 25 years for coal based projects and 35 years for hydro projects.

In Case 1, the procurer shall be free to specify the term of the contract for a specific bid process irrespective of the source of supply of power.

- Normative availability requirement to be met by seller (separately for peak and off-peak hours, if necessary);
- Definition of peak and off-peak hours, if relevant for the procurement query;
- Expected date of commencement of supply;
- Point(s) where electricity is to be delivered;
- Wherever applicable, the procurer may require construction milestones to be specified by the bidders;
- Financial requirements to be met by bidders including minimum net-worth etc with necessary proof of the same as required in the bid documents.

- (ii) Model PPA proposed to be entered into with the seller of electricity. The PPA shall include necessary details on:
 - Risk allocation between parties;
 - Technical requirements on minimum load conditions;
 - Assured offtake levels;
 - Force majeure clauses as per industry standards;
 - Lead times for scheduling of power;
 - Default conditions and cure thereof, and penalties;
 - Payment security proposed to be offered by the procurer.
 - (iii) Period of validity of offer of bidder;
 - (iv) Requirement of transfer of assets by the selected bidder (if any) to the procurer at the end of the term of the PPA.
 - (v) Other technical, operational and safety criteria to be met by bidder, including the provisions of the IEGC/State Grid Code, relevant orders of the Appropriate Commission (e.g., the ABT Order of the CERC), emission norms, etc., as applicable.
 - (vi) The procurer may, at his option, require demonstration of financial commitments from lenders at the time of submission of the bids. This would accelerate the process of financial closure and delivery of electricity;
 - (vii) The procurer or the supplier may exercise exit option subject to the condition that the new party satisfies all RFQ and RFP conditions and also undertakes to accept all the obligations and responsibilities of the PPA.
- 5.5 RFP shall be issued to all bidders who have qualified at the RFQ stage in a two-stage bidding process. In case the bidders seek any deviations and the procurer finds that the deviations are reasonable, the procurer shall obtain approval of the Appropriate Commission before agreeing to the deviations. The clarification/revised-bidding document shall be distributed to all who had bought the RFP document informing about the deviations and clarifications and an intimation shall also be sent to the Appropriate Commission. Final PPA shall also be displayed on the website of the procurer. Wherever revised bidding documents/amendments are issued, the procurer shall provide bidders at least sixty (60) days in case of two stage bidding process and at least forty-five (45) days in case of a single stage bidding process after issue of such documents for submission of bids. However, a lesser time may be given for submission of RFP bids after any such revision/amendments in the RFP documents, with the written consent of all the prequalified bidders who have bought the RFP.
- 5.6 Standard documentation to be provided by the procurer in the RFP shall include,
- (i) Structure of tariff to be detailed by bidders;
 - (ii) **PPA proposed to be entered with the selected bidder.**
The model PPA proposed in the bidding documents may be amended based on the inputs received from the interested parties, and shall be provided to all parties responding to the RFP. No further amendments shall be carried out beyond the RFP stage;
 - (iii) **Payment security to be made available by the procurer.**
The payment security indicated in the bidding documents could be modified based on feedback received during the bid process and as specified in the bid documents. However no further amendment to payment security would be permissible beyond the RFP stage.

(iv) **Bid evaluation methodology to be adopted by the procurer including the discount rates for evaluating the bids.**

The bids shall be evaluated for the composite levelled tariffs combining the capacity and energy components of the tariff quoted by the bidder. In case of assorted enquiry for procurement of base load, peak load and seasonal power, the bid evaluation for each type of requirement shall be carried out separately. The capacity component of tariffs may feature separate non-escalable (fixed) and escalable (indexed) components. The index to be adopted for escalation of the escalable component shall be specified in the RFP.

For the purpose of bid evaluation in cases other than where a captive fuel source is offered, escalation rate, as notified by the CERC from time to time on the basis of historical data, of the relevant fuel index (as identified in the RFP) in the international market or domestic market as the case may be, shall be used for escalating the energy charge (or the derived energy charge in cases referred to in clause 4.2) quoted by the bidders. The provisions of clauses 4.11(iii), (iv) and (v) would also apply to evaluation of bids in cases where the procurer mandates use of imported fuel for coastal power stations. However, in cases where the bidder quotes firm energy charges for each of the years of proposed supply, the energy charges proposed by the bidder shall be adopted for bid evaluation.

Where the procurer offers a captive fuel source (such as a captive coal mine) for concurrent development and production of power, the provisions of para 4.11(ii) would apply.

The rate for discounting the combination of fixed and variable charges for computing the levelled tariff shall be as notified by CERC keeping in view prevailing rate for 10 year Government of India securities. This rate is to be specified in the RFP.

(v) The RFP shall provide the maximum period within which the selected bidder must commence supplies after the PPA becomes effective, subject to the obligations of the procurer being met. This shall ordinarily not be less than four years from the date of the PPA becoming effective in case supply is called for long term procurement. The model PPA which forms a part of the RFP documents shall also specify the liquidated damages that would apply in the event of delay in supplies.

(vi) Following shall be notified and updated by the CERC every six months:

1. Escalation rate for domestic coal. (Separately for evaluation and payment)
2. Escalation rate for domestic gas. (Separately for evaluation and payment)
3. Escalation rates for different escalable sub-components of energy charge for plants based on imported coal. (Separately for evaluation and payment)
4. Escalation rates for inland transportation charges for coal (Separately for evaluation and payment)
5. Escalation rates for inland transportation charges for gas (Separately for evaluation and payment)
6. Escalation rate for different escalable sub-components of energy charge for plants based on imported gas. (Separately for evaluation and payment)
7. Inflation rate to be applied to indexed capacity charge component.
8. Inflation rate to be applied to indexed energy charge component in cases of captive fuel source.
9. Discount rate to be used for bid evaluation.
10. Dollar-Rupee exchange variation rate. (For the purpose of evaluation)
11. Escalation for normative transmission charges (For the purpose of evaluation)

Bid submission and evaluation

- 5.7 To ensure competitiveness, the minimum number of qualified bidders should be at least two other than any affiliate company or companies of the procurer. If the number of qualified bidders responding to the RFQ/RFP is less than two, and procurer still wants to continue with the bidding process, the same may be done with the consent of the Appropriate Commission.
- 5.8 Formation of consortium by bidders shall be permitted. In such cases the consortium shall identify a lead member and all correspondence for the bid process shall be done through the lead member. The procurer may specify technical and financial criteria, and lock in requirements for the lead member of the consortium, if required.
- 5.9 The procurer shall constitute a committee for evaluation of the bids with at least one member external to the procurer's organisation and affiliates. The external member shall have expertise in financial matters / bid evaluation. The procurer shall reveal past associations with the external member - directly or through its affiliates - that could create potential conflict of interest.
- 5.10 Eligible bidders shall be required to submit separate technical and price bids. Bidders shall also be required to furnish necessary bid-guarantee along with the bids. Adequate and reasonable bid-guarantee shall be called for to eliminate non-serious bids. The bids shall be opened in public and representatives of bidders desiring to participate shall be allowed to remain present.
- 5.11 The technical bids shall be scored to ensure that the bids submitted meet minimum eligibility criteria set out in the RFP documents on all technical evaluation parameters. Only the bids that meet all elements of the minimum technical criteria set out in the RFP shall be considered for further evaluation on the price bids.
- 5.12 The price bid shall be rejected if it contains any deviation from the tender conditions for submission of price bids.
- 5.13 Wherever applicable, the price bid shall also specify the terminal value payable by the Procurer for the transfer of assets by the selected bidder in accordance with the terms of the RFP.
- 5.14 In the case of procurement under Case-1,
- (i) the bidder shall quote the price of electricity at the interconnection point, i.e., being the point where the electric lines of the generating station connect to inter/intra state transmission network. For the purposes of standardisation in the process of bid evaluation, the tariffs shall be compared at the delivery point, i.e., the interface with the STU network in the procurer's state where power is delivered to the procurers. For generation source in the state of the procurer, the delivery point shall be the generation switchyard. Bid evaluation shall duly consider normative transmission charges, if any, from the injection point, i.e., the CTU interface point, to the delivery point with respective escalations provided by the CERC. Transmission losses from the interconnection point to the delivery point, as specified by the Appropriate Commission shall also be considered for evaluation and reflected in the final levelised tariff;
 - (ii) actual transmission charges, as specified by the Appropriate Commission, from the injection point to the delivery point shall be borne by the procurers. Charges up to the injection point shall be borne by the bidder.
- 5.15 The bidder who has quoted lowest levelised tariff as per evaluation procedure, shall be considered for the award. The evaluation committee shall have the right to reject all price bids if the rates quoted are not aligned to the prevailing market prices.

Deviation from process defined in the guidelines

- 5.16 In case there is any deviation from these guidelines, the same shall be with the prior approval of the Appropriate Commission. The Appropriate Commission shall decide on the modifications to the bid documents within a reasonable time not exceeding 90 days.

Arbitration

- 5.17 Where any dispute arises claiming any change in or regarding determination of the tariff or any tariff related matters, or which partly or wholly could result in change in tariff, such dispute shall be adjudicated by the Appropriate Commission. All other disputes shall be resolved by arbitration under the Indian Arbitration and Conciliation Act, 1996.

Time Table for Bid Process

- 5.18 In the two stage bid process, (i) a minimum period of 45 days shall be allowed between the publication of RFQ and last date of submission of responses to RFQ and (ii) a minimum period of 150 days shall be allowed between the issuance of RFP and the last date of RFP bid submission.

Subject to the completion of necessary milestones in respect of project preparatory activities as given in clause 3.2 of these guidelines, the timetable for the bid process is indicated in Annexure-I. In normal circumstances, the bid process is likely to be completed in a period of 270 days.

The Procurer may give extended timeframe than indicated in the Annexure-I. However, if the bidding process is likely to take more than 730 days, approval of the Appropriate Commission shall be obtained in accordance with clause 5.16.

- 5.19 In the single stage bid process, a minimum period of 75 days shall be allowed between the issuance of RFP documents and the last date of bid submission. The timetable for the bid process is indicated in Annexure-II. In normal circumstances, the bid process is likely to be completed in a period of 120 days.

The Procurer may give extended timeframe than indicated in the Annexure-II. However, if the bidding process is likely to take more than 195 days, approval of the Appropriate Commission shall be obtained in accordance with clause 5.16.

6. Contract award and conclusion

- 6.1 The PPA shall be signed with the selected bidder/SPV (after its acquisition by the selected bidder under Case-2) consequent to the selection process in accordance with the terms and conditions as finalized in the RFP bid documents.

For cases referred to in clause 3.4 of these Guidelines, the PPA and other project documents may be executed by the SPV and the concerned parties prior to the last date of submission of RFP bids.

- 6.2 After the conclusion of bid process, the Evaluation Committee constituted for evaluation of RFP bids shall provide appropriate certification on conformity of the bid process evaluation according to the provisions of the RFP document. The procurer shall provide a certificate on the conformity of the bid process to these guidelines.

- 6.3 For the purpose of transparency, the procurer shall make the bids public by indicating all the components of tariff quoted by all the bidders, after signing of the PPA or PPA becoming effective, whichever is later. While doing so, only the name of the successful bidder shall be made public and details of tariffs quoted by other bidders shall be made public anonymously. The procurer shall also make public the PPA signed in accordance with clause 6.1.

For above purpose, a notice will be published in at least two national newspapers and full details shall be posted on the website of the procurer for at least thirty days.

- 6.4 The signed PPA along with the certification certificates provided by the evaluation committee and by the procurer as provided in clause 6.2 shall be forwarded to the Appropriate Commission for adoption of tariffs in terms of Section 63 of the Act.

Annexure-I : Time Table for two stage bid process

Sl.No.	Activities to be completed before Event in next column takes place	Event	Elapsed Time from Zero date
1.	<ul style="list-style-type: none"> - Land: Section 4 notification under the Land Acquisition Act, 1894 should have been issued for land of power station. - Environmental clearance: Rapid EIA report for power station should be available. - Fuel arrangements: Fuel linkage or allocation of coal mine(s) should be available, if applicable. - Water linkage should be available. 	Publication of RFQ	<u>Zero date</u>
2.		Submission of Responses of RFQ	<u>45 days</u>
3.	<ul style="list-style-type: none"> - Land: Section.6 notification under the Land Acquisition Act, 1894 should have been issued for land of power station. - Environmental clearance: The proposal for environmental clearance for power station should have been submitted before the concerned authority responsible for according final approval. - Forest Clearance (if applicable): Requisite proposal for forest clearance for the land for the power station should have been submitted before the concerned authority responsible for according final approval. - Data: For preparation of DPR, following data should be available:- Hydrological, geological, meteorological, seismological data 	Issuance of RFP	<u>75 days</u>
4.		Bid clarification, conferences etc	-
5.		Final clarification and revision of RFP	*

6.		RFP bid submission	<u>225 days</u>
7.		Evaluation of bids and issue of (Letter of Intent) LOI	<u>240 days</u>
8.	<ul style="list-style-type: none"> - Environmental clearance for the power station should have been obtained. - If the provisions of section 17 of the Land Acquisition Act, 1894 regarding emergency have not been applied, the Award for the power station land under Land Acquisition Act should have been declared. 	PPA becomes effective: Signing of Agreements: i) Power purchase agreement, escrow agreement, hypothecation agreement and any other agreement as applicable (if these have not been already signed under clause 3.4). ii) Signing of share purchase agreement and transfer of SPV, if applicable.	<u>270 days</u>

*In case of any change in RFP document, the procurer shall provide bidders additional time in accordance with clause 5.5.

Note : It is clarified that if the procurer gives extended time for any of the events in the bidding process, on account of delay in achieving the activities required to be completed before the event, such extension of time shall not in any way be deviation from the these Guidelines. However, if the bidding process is likely to take more than 730 days, approval of the Appropriate Commission shall be obtained in accordance with clause 5.16.

Annexure-II : Time Table for single stage bid process for Case-1

Sl.No.	Event	Activities to be completed by the Bidder prior to submission of Bid	Elapsed Time from Zero date
1.	Date of issue of RFP		Zero date
2.	Bid clarification, conferences etc. & revision of RFP		** *
3.	RFP Bid submission	<ul style="list-style-type: none"> - Land : For land to be acquired under Land Acquisition Act 1894, notification under Section 4 should have been issued. Out of the remaining land, one-third of the land should be under allotment/lease (lease period more than life of power plant)/ownership of the bidder. - Environmental clearance : Requisite proposal for the environmental clearance to the concerned authority should have been submitted - Forest Clearance (if required) : Requisite proposal for the environmental clearance to the concerned authority should have been submitted. - Fuel Arrangement : Fuel arrangements by way of mine allocation/fuel linkage/fuel supply agreements should be available - Water linkage : In – principle approval from the concerned state irrigation department or any other relevant authority should be available. 	75 days
4.	Evaluation of bids and issue of LOI		100 days

Sl.No.	Event	Activities to be completed by the Bidder prior to submission of Bid	Elapsed Time from Zero date
5.	PPA becomes effective : Signing of Agreements: i) Power purchase agreement, escrow agreement, hypothecation agreement and any other agreement as applicable (if these have not been already signed under clause 3.4). ii) Signing of share purchase agreement and transfer of SPV, if applicable.		120 days

** In case of any change in RFP document, the procurer shall provide bidders additional time in accordance with clause 5.5.

Note : It is clarified that if the procurer gives extended time for any of the events in the bidding process, on account of delay in achieving the activities required to be completed before the event, such extension of time shall not in any way be deviation from these Guidelines. However, if the bidding process under Case-1 procurement is likely to take more than 195 days, approval of the Appropriate Commission shall be obtained in accordance with clause 5.16.

(Pranay Kumar)
Director

Chapter 9

**Resolution on
Establishment of Regional
Power Committee for the
five regions
(dated 25.5.2005)**


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

(Published in Part I, Section 1 of the Gazette of India, Extraordinary)

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 25th May, 2005.

RESOLUTION

F.No. 23/1/2004-R&R

(Contains amendments made vide resolution dated 29.11.2005 and 9.5.2008)

Sub-section (55) of section 2 of the Electricity Act, 2003 envisages establishment of Regional Power Committees (RPCs) by a resolution of the Central Government for a specified region for facilitating the integrated operation of the power system in that region.

2. Section 29 (4) of the Act further provides that the Regional Power Committee in the region may, from time to time, agree on matters concerning the stability and smooth operation of the integrated grid and economy and efficiency in the operation of the power system in that region.

3. In pursuance of the aforesaid provisions, the Central Government hereby establishes the Northern Regional Power Committee (NRPC) comprising the States of Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Rajasthan, Uttar Pradesh and Uttaranchal and the Union Territory of Chandigarh with the following members:-

- i) Member (Grid Operations) Central Electricity Authority (CEA).
- ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Centre (NLDC) and the Northern Regional Load Despatch Centre (NRLDC).
- iii) From each of the States in the region, the State Generating Company, State Transmission Utility (STU), State Load Despatch Centre (SLDC), one of the State owned distribution companies as nominated by the State Government and one distribution company by alphabetical rotation out of the private distribution companies functioning in the region.
- iv) From each of the Union Territories in the region, a representative nominated by the administration of the Union Territory concerned out of the entities engaged in generation/ transmission/ distribution of electricity in the Union Territory.
- v) A representative each of every generating company (other than central generating companies or State Government owned generating companies) having more than 1000 MW installed capacity in the region.
- vi) A representative of the generating companies having power plants in the region (not covered in (ii) to (v) above) by alphabetical rotation.
- vii) One member representing the electricity traders in the region by alphabetical rotation, which have trading volume of more than 500 million units during the previous financial year.
- viii) Member Secretary, NRPC – Convenor

Wherever a member is represented by rotation, the nomination would be for a period of one year. The representative from respective organizations should be either the head of the organization or at least a person not below the rank of a Director on the Board of the company/ corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

4. Chairperson of the NRPC would represent the States of the region by rotation in alphabetical order. Members of the NRPC from that particular State would nominate the Chairperson of NRPC from amongst themselves. Term of the Chairperson would be for a period of one year.
5. The Headquarters of the Committee will be located at New Delhi.
6. The Committee shall discharge following functions:
 - (1) To undertake Regional Level operation analysis for improving grid performance.
 - (2) To facilitate inter-state/inter-regional transfer of power.
 - (3) To facilitate all functions of planning relating to inter-state/ intra-state transmission system with CTU/STU.
 - (4) To coordinate planning of maintenance of generating machines of various generating companies of the region including those of inter-state generating companies supplying electricity to the Region on annual basis and also to undertake review of maintenance programme on monthly basis.
 - (5) To undertake planning of outage of transmission system on monthly basis.
 - (6) To undertake operational planning studies including protection studies for stable operation of the grid.
 - (7) To undertake planning for maintaining proper voltages through review of reactive compensation requirement through system study committee and monitoring of installed capacitors.
 - (8) To evolve consensus on all issues relating to economy and efficiency in the operation of power system in the region.
7. As NRLDC would be represented as one of the member of the Committee, the decisions of Committee arrived at by consensus regarding operation of the regional grid and scheduling and dispatch of electricity will be followed by NRLDC subject to directions of the Central Commission, if any.
8. The Committee shall have a secretariat of its own which will be headed by the Member Secretary of the Committee. The Member Secretary as well as other staff for the secretariat shall be provided by the Central Electricity Authority in the manner as was being provided to the erstwhile Northern Regional Electricity Board.
9. The Committee will frame its own rules of business for the conduct of its meeting and other related matters.
10. The Committee may constitute its Sub-committees, Task Forces, Ad hoc Committees and Standing Committees, as deemed necessary for efficient functioning. It may also set up, if required, Groups / Committees of eminent experts to advise it on issues of specific nature. The level of the representative to the Sub Committees etc would depend on the nature of the issue concerned.
11. The NRPC shall meet at least once in six months. Sub Committees, Task Forces, Ad hoc Committees and Standing Committees of the NRPC could meet as and when required.
12. The principal resolution dated 25th May, 2005 shall come into force from the date of publication of this resolution in the Gazette.

Sd/-

(Ajay Shankar)

Additional Secretary to the Government of India


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 25th May, 2005.

RESOLUTION

Sub-section (55) of section 2 of the Electricity Act, 2003 envisages establishment of Regional Power Committees (RPCs) by a resolution of the Central Government for a specified region for facilitating the integrated operation of the power system in that region.

2. Section 29 (4) of the Act further provides that the Regional Power Committee in the region may, from time to time, agree on matters concerning the stability and smooth operation of the integrated grid and economy and efficiency in the operation of the power system in that region.
3. In pursuance of the aforesaid provisions, the Central Government hereby establishes the Southern Regional Power Committee (SRPC) comprising the States of Kerala, Andhra Pradesh, Karnataka, Tamil Nadu and the Union Territory of Puducherry with the following members:-
 - i) Member (Grid Operations) Central Electricity Authority (CEA).
 - ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Centre (NLDC) and the Southern Regional Load Despatch Centre (SRLDC).
 - iii) From each of the States in the region, the State Generating Company, State Transmission Utility (STU), State Load Despatch Centre (SLDC), one of the State owned distribution companies as nominated by the State Government and one distribution company by alphabetical rotation out of the private distribution companies functioning in the region.
 - iv) From each of the Union Territories in the region, a representative nominated by the administration of the Union Territory concerned out of the entities engaged in generation/ transmission/ distribution of electricity in the Union Territory.
 - v) A representative each of every generating company (other than central generating companies or State Government owned generating companies) having more than 1000 MW installed capacity in the region.
 - vi) A representative of the generating companies having power plants in the region (not covered in (ii) to (v) above) by alphabetical rotation.
 - vii) One member representing the electricity traders in the region by alphabetical rotation, which have trading volume of more than 500 million units during the previous financial year.
 - viii) Member Secretary, SRPC – Convenor

Wherever a member is represented by rotation, the nomination would be for a period of one year. The representative from respective organizations should be either the head of the organization or at least a person not below the rank of a Director on the Board of the company/ corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

4. Chairperson of the SRPC would represent the States of the region by rotation in alphabetical order. Members of the SRPC from that particular State would nominate the Chairperson of SRPC from amongst themselves. Term of the Chairperson would be for a period of one year.
5. The Headquarters of the Committee will be located at Bangalore.
6. The Committee shall discharge following functions:
 - (1) To undertake Regional Level operation analysis for improving grid performance.
 - (2) To facilitate inter-state/inter-regional transfer of power.
 - (3) To facilitate all functions of planning relating to inter-state/ intra-state transmission system with CTU/STU.
 - (4) To coordinate planning of maintenance of generating machines of various generating companies of the region including those of inter-state generating companies supplying electricity to the Region on annual basis and also to undertake review of maintenance programme on monthly basis.
 - (5) To undertake planning of outage of transmission system on monthly basis.
 - (6) To undertake operational planning studies including protection studies for stable operation of the grid.
 - (7) To undertake planning for maintaining proper voltages through review of reactive compensation requirement through system study committee and monitoring of installed capacitors.
 - (8) To evolve consensus on all issues relating to economy and efficiency in the operation of power system in the region.
7. As SRLDC would be represented as one of the member of the Committee, the decisions of Committee arrived at by consensus regarding operation of the regional grid and scheduling and dispatch of electricity will be followed by SRLDC subject to directions of the Central Commission, if any.
8. The Committee shall have a secretariat of its own which will be headed by the Member Secretary of the Committee. The Member Secretary as well as other staff for the secretariat shall be provided by the Central Electricity Authority in the manner as was being provided to the erstwhile Southern Regional Electricity Board.
9. The Committee will frame its own rules of business for the conduct of its meeting and other related matters.
10. The Committee may constitute its Sub-committees, Task Forces, Ad hoc Committees and Standing Committees, as deemed necessary for efficient functioning. It may also set up, if required, Groups / Committees of eminent experts to advise it on issues of specific nature. The level of the representative to the Sub Committees etc would depend on the nature of the issue concerned.
11. The SRPC shall meet at least once in six months. Sub Committees, Task Forces, Ad hoc Committees and Standing Committees of the SRPC could meet as and when required.
12. The principal resolution dated 25th May, 2005 shall come into force from the date of publication of this resolution in the Gazette.

Sd/-

(Ajay Shankar)

Additional Secretary to the Government of India


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 25th May, 2005.

RESOLUTION

Sub-section (55) of section 2 of the Electricity Act, 2003 envisages establishment of Regional Power Committees (RPCs) by a resolution of the Central Government for a specified region for facilitating the integrated operation of the power system in that region.

2. Section 29 (4) of the Act further provides that the Regional Power Committee in the region may, from time to time, agree on matters concerning the stability and smooth operation of the integrated grid and economy and efficiency in the operation of the power system in that region.
3. In pursuance of the aforesaid provisions, the Central Government hereby establishes the Eastern Regional Power Committee (ERPC) comprising the States of Bihar, Jharkhand, Orissa, West Bengal and Sikkim with the following members:-
 - i) Member (Grid Operations) Central Electricity Authority (CEA).
 - ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Centre (NLDC) and the Eastern Regional Load Despatch Centre (ERLDC).
 - iii) From each of the States in the region, the State Generating Company, State Transmission Utility (STU), State Load Despatch Centre (SLDC), one of the State owned distribution companies as nominated by the State Government and one distribution company by alphabetical rotation out of the private distribution companies functioning in the region.
 - iv) A representative each of every generating company (other than central generating companies or State Government owned generating companies) having more than 1000 MW installed capacity in the region.
 - v) A representative of the generating companies having power plants in the region (not covered in (ii) to (iv) above) by alphabetical rotation.
 - vi) One member representing the electricity traders in the region by alphabetical rotation, which have trading volume of more than 500 million units during the previous financial year.
 - vii) Member Secretary, ERPC – Convenor

Wherever a member is represented by rotation, the nomination would be for a period of one year. The representative from respective organizations should be either the head of the organization or at least a person not below the rank of a Director on the Board of the company/ corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

4. Chairperson of the ERPC would represent the States of the region by rotation in alphabetical order. Members of the ERPC from that particular State would nominate the Chairperson of ERPC from amongst themselves. Term of the Chairperson would be for a period of one year.
5. The Headquarters of the Committee will be located at Kolkata.
6. The Committee shall discharge following functions:
 - (1) To undertake Regional Level operation analysis for improving grid performance.
 - (2) To facilitate inter-state/inter-regional transfer of power.
 - (3) To facilitate all functions of planning relating to inter-state/ intra-state transmission system with CTU/STU.
 - (4) To coordinate planning of maintenance of generating machines of various generating companies of the region including those of inter-state generating companies supplying electricity to the Region on annual basis and also to undertake review of maintenance programme on monthly basis.
 - (5) To undertake planning of outage of transmission system on monthly basis.
 - (6) To undertake operational planning studies including protection studies for stable operation of the grid.
 - (7) To undertake planning for maintaining proper voltages through review of reactive compensation requirement through system study committee and monitoring of installed capacitors.
 - (8) To evolve consensus on all issues relating to economy and efficiency in the operation of power system in the region.
7. As ERLDC would be represented as one of the member of the Committee, the decisions of Committee arrived at by consensus regarding operation of the regional grid and scheduling and dispatch of electricity will be followed by ERLDC subject to directions of the Central Commission, if any.
8. The Committee shall have a secretariat of its own which will be headed by the Member Secretary of the Committee. The Member Secretary as well as other staff for the secretariat shall be provided by the Central Electricity Authority in the manner as was being provided to the erstwhile Eastern Regional Electricity Board.
9. The Committee will frame its own rules of business for the conduct of its meeting and other related matters.
10. The Committee may constitute its Sub-committees, Task Forces, Ad hoc Committees and Standing Committees, as deemed necessary for efficient functioning. It may also set up, if required, Groups / Committees of eminent experts to advise it on issues of specific nature. The level of the representative to the Sub Committees etc would depend on the nature of the issue concerned.
11. The ERPC shall meet at least once in six months. Sub Committees, Task Forces, Ad hoc Committees and Standing Committees of the ERPC could meet as and when required.
12. The principal resolution dated 25th May, 2005 shall come into force from the date of publication of this resolution in the Gazette.

Sd/-

(Ajay Shankar)

Additional Secretary to the Government of India


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 25th May, 2005.

RESOLUTION

Sub-section (55) of section 2 of the Electricity Act, 2003 envisages establishment of Regional Power Committees (RPCs) by a resolution of the Central Government for a specified region for facilitating the integrated operation of the power system in that region.

2. Section 29 (4) of the Act further provides that the Regional Power Committee in the region may, from time to time, agree on matters concerning the stability and smooth operation of the integrated grid and economy and efficiency in the operation of the power system in that region.
3. In pursuance of the aforesaid provisions, the Central Government hereby establishes the Western Regional Power Committee (WRPC) comprising the States of Chhatisgarh, Gujarat, Madhya Pradesh, Maharashtra, Goa and the Union Territories of Dadra & Nagar Haveli and Daman & Diu with the following members:-
 - i) Member (Grid Operations) Central Electricity Authority (CEA).
 - ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Centre (NLDC) and the Western Regional Load Despatch Centre (WRLDC).
 - iii) From each of the States in the region, the State Generating Company, State Transmission Utility (STU), State Load Despatch Centre (SLDC), one of the State owned distribution companies as nominated by the State Government and one distribution company by alphabetical rotation out of the private distribution companies functioning in the region.
 - iv) From each of the Union Territories in the region, a representative nominated by the administration of the Union Territory concerned out of the entities engaged in generation/ transmission/ distribution of electricity in the Union Territory.
 - v) A representative each of every generating company (other than central generating companies or State Government owned generating companies) having more than 1000 MW installed capacity in the region.
 - vi) A representative of the generating companies having power plants in the region (not covered in (ii) to (v) above) by alphabetical rotation.
 - vii) One member representing the electricity traders in the region by alphabetical rotation, which have trading volume of more than 500 million units during the previous financial year.
 - viii) Member Secretary, WRPC – Convenor

Wherever a member is represented by rotation, the nomination would be for a period of one year. The representative from respective organizations should be either the head of the organization or at

least a person not below the rank of a Director on the Board of the company/ corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

4. Chairperson of the WRPC would represent the States of the region by rotation in alphabetical order. Members of the WRPC from that particular State would nominate the Chairperson of WRPC from amongst themselves. Term of the Chairperson would be for a period of one year.
5. The Headquarters of the Committee will be located at Mumbai.
6. The Committee shall discharge following functions:
 - (1) To undertake Regional Level operation analysis for improving grid performance.
 - (2) To facilitate inter-state/inter-regional transfer of power.
 - (3) To facilitate all functions of planning relating to inter-state/ intra-state transmission system with CTU/STU.
 - (4) To coordinate planning of maintenance of generating machines of various generating companies of the region including those of inter-state generating companies supplying electricity to the Region on annual basis and also to undertake review of maintenance programme on monthly basis.
 - (5) To undertake planning of outage of transmission system on monthly basis.
 - (6) To undertake operational planning studies including protection studies for stable operation of the grid.
 - (7) To undertake planning for maintaining proper voltages through review of reactive compensation requirement through system study committee and monitoring of installed capacitors.
 - (8) To evolve consensus on all issues relating to economy and efficiency in the operation of power system in the region.
7. As WRLDC would be represented as one of the member of the Committee, the decisions of Committee arrived at by consensus regarding operation of the regional grid and scheduling and dispatch of electricity will be followed by WRLDC subject to directions of the Central Commission, if any.
8. The Committee shall have a secretariat of its own which will be headed by the Member Secretary of the Committee. The Member Secretary as well as other staff for the secretariat shall be provided by the Central Electricity Authority in the manner as was being provided to the erstwhile Western Regional Electricity Board.
9. The Committee will frame its own rules of business for the conduct of its meeting and other related matters.
10. The Committee may constitute its Sub-committees, Task Forces, Ad hoc Committees and Standing Committees, as deemed necessary for efficient functioning. It may also set up, if required, Groups / Committees of eminent experts to advise it on issues of specific nature. The level of the representative to the Sub Committees etc would depend on the nature of the issue concerned.
11. The WRPC shall meet at least once in six months. Sub Committees, Task Forces, Ad hoc Committees and Standing Committees of the WRPC could meet as and when required.
12. The principal resolution dated 25th May, 2005 shall come into force from the date of publication of this resolution in the Gazette.

Sd/-
(Ajay Shankar)
Additional Secretary to the Government of India


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 25th May, 2005.

RESOLUTION

Sub-section (55) of section 2 of the Electricity Act, 2003 envisages establishment of Regional Power Committees (RPCs) by a resolution of the Central Government for a specified region for facilitating the integrated operation of the power system in that region.

2. Section 29 (4) of the Act further provides that the Regional Power Committee in the region may, from time to time, agree on matters concerning the stability and smooth operation of the integrated grid and economy and efficiency in the operation of the power system in that region.
3. In pursuance of the aforesaid provisions, the Central Government hereby establishes the North Eastern Regional Power Committee (NERPC) comprising the States of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura with the following members:-
 - i) Member (Grid Operations) Central Electricity Authority (CEA).
 - ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Centre (NLDC) and the North Eastern Regional Load Despatch Centre (NERLDC).
 - iii) From each of the States in the region, the State Generating Company, State Transmission Utility (STU), State Load Despatch Centre (SLDC), one of the State owned distribution companies as nominated by the State Government and one distribution company by alphabetical rotation out of the private distribution companies functioning in the region.
 - iv) A representative each of every generating company (other than central generating companies or State Government owned generating companies) having more than 1000 MW installed capacity in the region.
 - v) A representative of the generating companies having power plants in the region (not covered in (ii) to (iv) above) by alphabetical rotation.
 - vi) One member representing the electricity traders in the region by alphabetical rotation, which have trading volume of more than 500 million units during the previous financial year.
 - vii) Member Secretary, NERPC – Convener

Wherever a member is represented by rotation, the nomination would be for a period of one year. The representative from respective organizations should be either the head of the organization or at least a person not below the rank of a Director on the Board of the company/ corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

4. Chairperson of the NERPC would represent the States of the region by rotation in alphabetical order. Members of the NERPC from that particular State would nominate the Chairperson of NERPC from amongst themselves. Term of the Chairperson would be for a period of one year.
5. The Headquarters of the Committee will be located at Shillong.
6. The Committee shall discharge following functions:
 - (1) To undertake Regional Level operation analysis for improving grid performance.
 - (2) To facilitate inter-state/inter-regional transfer of power.
 - (3) To facilitate all functions of planning relating to inter-state/ intra-state transmission system with CTU/STU.
 - (4) To coordinate planning of maintenance of generating machines of various generating companies of the region including those of inter-state generating companies supplying electricity to the Region on annual basis and also to undertake review of maintenance programme on monthly basis.
 - (5) To undertake planning of outage of transmission system on monthly basis.
 - (6) To undertake operational planning studies including protection studies for stable operation of the grid.
 - (7) To undertake planning for maintaining proper voltages through review of reactive compensation requirement through system study committee and monitoring of installed capacitors.
 - (8) To evolve consensus on all issues relating to economy and efficiency in the operation of power system in the region.
7. As NERLDC would be represented as one of the member of the Committee, the decisions of Committee arrived at by consensus regarding operation of the regional grid and scheduling and dispatch of electricity will be followed by NERLDC subject to directions of the Central Commission, if any.
8. The Committee shall have a secretariat of its own which will be headed by the Member Secretary of the Committee. The Member Secretary as well as other staff for the secretariat shall be provided by the Central Electricity Authority in the manner as was being provided to the erstwhile North Eastern Regional Electricity Board.
9. The Committee will frame its own rules of business for the conduct of its meeting and other related matters.
10. The Committee may constitute its Sub-committees, Task Forces, Ad hoc Committees and Standing Committees, as deemed necessary for efficient functioning. It may also set up, if required, Groups / Committees of eminent experts to advise it on issues of specific nature. The level of the representative to the Sub Committees etc would depend on the nature of the issue concerned.
11. The NERPC shall meet at least once in six months. Sub Committees, Task Forces, Ad hoc Committees and Standing Committees of the NERPC could meet as and when required.
12. The principal resolution dated 25th May, 2005 shall come into force from the date of publication of this resolution in the Gazette.

Sd/-
(Ajay Shankar)
Additional Secretary to the Government of India
F.No. 23/1/2004-R&R

ORDER

ORDERED that a copy of the resolution be communicated to all the Ministries/ Departments of the Government of India, Chairman, Central Electricity Authority (CEA), Chairman, Central Electricity Regulatory Commission (CERC), Chief Secretaries of all State Governments, Administrators of all UTs, Chairman, State Electricity Regulatory Commissions (SERCs), all State utilities and CMDs/ Chairman of all the Central Power Sector Undertakings and Secretary General, IPPAI.

ORDERED also that the resolution be published in the Gazette of India for general information.

Sd/-
(Ajay Shankar)
Additional Secretary to the Government of India


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EXTRAORDINARY PART I – SECTION 1

RESOLUTION

New Delhi, the 29th November, 2005

F. No. 23/1/2004-R & R- In this Ministry's Resolution F.No. 23/1/2004-R&R dated 25th May, 2005 published in the Gazette of India (Extraordinary), Part 1, Section 1, (1596 GI/2005) establishing the Southern Regional Power Committee (SRPC) under the provisions of Sub-section(55) of section 2 of the Electricity Act, 2003, the following amendments are hereby made:-

Para 3 of the resolution is replaced by the following para 3:-

3. In pursuance of the aforesaid provision, the Government of India hereby establishes the Southern Regional Power Committee (SRPC) comprising the States of Kerala, Andhra Pradesh, Karnataka, Tamil Nadu and the Union Territory of Pondicherry with the following members:
 - i) Member (Grid Operations), Central Electricity Authority (CEA)
 - ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Center (NLDC) and the Southern Regional Load Despatch Center (SRLDC).
 - iii) From each of the States. in the region, the State Generating Company, Transmission Utility (STU), State Load Despatch Center (SLDC) and one Distribution company by. rotation (where more than one such company exists) would be represented.
 - iv) Every Independent Power Producer (IPP) having more than 1000 MW installed capacity in the region would have one representative each.
 - v) One member representing all other IPPs operating in the region;
 - vi) One member representing the electricity traders in the region.
 - vii) Member Secretary, SRPC - Convenor.

In categories (v) & (vi), respective associations would send their representative to the SRPC. The representative from respective organizations should be either the head of the organisation or at least a person not below the rank of a Director on the Board of the company/corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

Para 4 of the resolution is replaced by the following para 4:

4. Chairperson of the SRPC would represent the States of the region by rotation in alphabetical order. Members of the SRPC from that particular State would nominate the Chairperson of SRPC from amongst themselves. Term of the Chairperson would be for a period of one year.

Para 10 of the resolution is replaced by the following para 10:

10. The Committee may constitute its Sub-committees, Task Forces, Ad hoc Committees and Standing Committees, as deemed necessary for efficient functioning. It may also set up, if required, Groups / Committees of eminent experts to advise it on issues of specific nature. The level of the representative to the Sub Committees etc would depend on the nature of the issue concerned.

Para 11 of the resolution is replaced by the following para 11:

11. The SRPC shall meet at least once in six months. Sub Committees, Task Forces, Ad hoc Committees and Standing Committees of the SRPC could meet as and when required.

The following para may be inserted as a new para :

12. The principal resolution dated 25th May, 2005 shall come into force from the date of publication of this resolution in the Gazette.

AJAY SHANKAR, Addl. Secy.


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY PART I – SECTION 1

RESOLUTION

New Delhi, the 29th November, 2005

F. No. 23/1/2004-R & R.- In this Ministry's Resolution F.No. 23/1/2004-R&R dated 25th May, 2005 published in the Gazette of India (Extraordinary), Part 1, Section 1, (1596 GI/2005-3) establishing the Western Regional Power Committee (WRPC) under the provisions of Sub-section(55) of section 2 of the Electricity Act, 2003, the following amendments are hereby made:

Para 3 of the resolution is replaced by the following para 3:

3. In pursuance of the aforesaid provision, the Government of India hereby establishes. the Western Regional Power Committee (WRPC) comprising the States of Chhatisgarh, Gujarat, Madhya Pradesh, Maharashtra, Goa and the Union Territories of Dadar Nagar Havaeli and Daman & Diu with the following members:
 - i) Member(Grid Operations), Central Electricity Authority (CEA)
 - ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Center (NLDC) and the Western Regional Load Despatch Center (WRLDC).
 - iii) From each of the States in the region, the State Generating Company, Transmission Utility (STU), State Load Despatch Center (SLDC) and one Distribution company by rotation (where more than one such company exists) would be represented.
 - iv) Every Independent Power Producer (IPP) having more than 1000 MW installed capacity in the region would have one representative each.
 - v) One member representing all other IPPs operating in the region.
 - vi) One member representing the electricity traders in the region.
 - vii) Member Secretary, WRPC - Convenor.

In categories (v) & (vi), respective associations would send their representative to the WRPC The representative from respective organizations should be either the head of the organisation or at least a person not below the rank of a Director on the Board of the company/corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

Para 4 of the resolution is replaced by the following para 4:

4. Chairperson of the WRPC would represent the States of the region by rotation in alphabetical order. Members of the WRPC from that particular State would nominate the Chairperson of WRPC from amongst themselves. Term of the Chairperson would be for a period of one year.

Para 10 of the resolution is replaced by the following para 10:

10. The Committee may constitute its Sub-committees, Task Forces, Ad hoc Committees and Standing Committees, as deemed necessary for efficient functioning. It may also set up, if required, Groups / Committees of eminent experts to advise it on issues of specific nature. The level of the representative to the Sub Committees etc would depend on the nature of the issue concerned.

Para 11 of the resolution is replaced by the following para 11:

11. The WRPC shall meet at least once in 'six months. Sub Committees, Task Forces, Ad hoc Committees and Standing Committees of the WRPC could meet as and' when required. .

The following para may be inserted as a new para :

12. The principal resolution dated 25th May, 2005 shall come into force from the date of publication of this resolution in the Gazette.

AJAY SHANKAR, Addl. Secy.


भारत का राजपत्र
The Gazette of India

EXTRAORDINARY PART I – SECTION 1

RESOLUTION

New Delhi, the 29th November, 2005

F.No. 23/1/2004-R&R-In this Ministry's Resolution F.No. 23/1/2004-R&R dated 25th May, 2005 published in the Gazette of India (Extraordinary), Part 1, Section 1, (1956 GI/2005-4) establishing the Eastern Regional Power Committee (ERPC) under the provisions of Sub-section (55) of section 2 of the Electricity Act, 2003 the following amendments are hereby made:-

Para 3 of the resolution is replaced by the following para 3:-

3. In pursuance of the aforesaid provision, the Government of India hereby establishes the Eastern Power Committee (ERPC) comprising the States of Bihar, Jharkhand, Orissa, West Bengal and Sikkim with the following members:-

- i) Member (Grid Operations), Central Electricity Authority (CEA)
- ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Centre (NLDC) and the Eastern Regional Despatch Center (ERLDC).
- iii) From each of the States in the region, the State Generating Company, Transmission Utility (STU), State Load Despatch Center (SLDC) and one Distribution company by rotation (where more than one such company exists) would be represented.
- iv) Every Independent Power Producer (IPP) having more than 1000 MW installed capacity in the region would have one representative each.
- v) One member representing all other IPPs operating in the region.
- vi) One member representing the electricity traders in the region.
- vii) Member Secretary, ERPC - Convenor.

In categories (v) & (vi), respective associations would send their representative to the ERPC. The representative from respective organizations should be either the head of the organisation or at least a person not below the rank of a Director on the Board of the company/corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

Para 4 of the resolution is replaced by the following para 4:-

4. Chairperson of the ERPC would represent the State of the region by rotation in alphabetical order. Members of the ERPC from that particular State would nominate the Chairperson of ERPC from that particular State would nominate the Chairperson of ERPC from amongst themselves. Term of the Chairperson would be for a period of one year.

Para 10 of the resolution is replaced by the following para 10:-

10. The Committee may constitute its Sub-committees, Task Forces, Ad hoc Committees and Standing Committees, as deemed necessary for efficient functioning. It may also set up, if required, Groups/Committees of eminent experts to advise it on issues of specific nature. The level of the representative to the Sub Committees etc would depend on the nature of the issue concerned.

Para 11 of the resolution is replaced by the following para 11:-

11. The ERPC shall meet at least once in six months. Sub Committees, Task Forces, Ad hoc Committees and Standing Committees of the ERPC could meet as and when required.

The following para may be inserted as a new para:-

12. The principal resolution dated 25th May, 2005 shall come into from the date of publication of this resolution in the Gazette.

AJAY SHANKAR, Addl. Secy.


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY PART I – SECTION 1

RESOLUTION

New Delhi, the 29th November, 2005

F.No. 23/1/2004-R&R-In this Ministry's Resolution F.No. 23/1/2004-R&R dated 25th May, 2005 published in the Gazette of India (Extraordinary), Part 1, Section 1, (1956 GI/2005-5) establishing the North Eastern Regional Power Committee (NERPC) under the provisions of Sub-section (55) of section 2 of the Electricity Act, 2003 the following amendments are hereby made:-

Para 3 of the resolution is replaced by the following para 3:-

3. In pursuance of the aforesaid provision, the Government of India hereby establishes the North Eastern Power Committee (NERPC) comprising the States of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura with the following members:-

- i) Member (Grid Operations), Central Electricity Authority (CEA)
- ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Centre (NLDC) and the North Eastern Regional Load Despatch Center (NERLDC).
- iii) From each of the States in the region, the State Generating Company, Transmission Utility (STU), State Load Despatch Center (SLDC) and one Distribution company by rotation (where more than one such company exists) would be represented.
- iv) Every Independent Power Producer (IPP) having more than 1000 MW installed capacity in the region would have one representative each.
- v) One member representing all other IPPs operating in the region.
- vi) One member representing the electricity traders in the region.
- vii) Member Secretary, NERPC - Convenor.

In categories (v) & (vi), respective associations would send their representative to the NERPC. The representative from respective organizations should be either the head of the organisation or at least a person not below the rank of a Director on the Board of the company/corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

Para 4 of the resolution is replaced by the following para 4:-

4. Chairperson of the NERPC would represent the States of the region by rotation in alphabetical order. Members of the NERPC from that particular State would nominate the Chairperson of NERPC from amongst themselves. Term of the Chairperson would be for a period of one year.

Para 10 of the resolution is replaced by the following para 10:-

10. The Committee may constitute its Sub-committees, Task Forces, Ad hoc Committees and Standing Committees, as deemed necessary for efficient functioning. It may also set up, if required, Groups/Committees of eminent experts to advise it on issues of specific nature. The level of the representative to the Sub Committees etc would depend on the nature of the issue concerned.

Para 11 of the resolution is replaced by the following para 11:-

11. The NERPC shall meet at least once in six months. Sub Committees, Task Forces, Ad hoc Committees and Standing Committees of the NERPC could meet as and when required.

The following para may be inserted as a new para:-

12. The principal resolution dated 25th May, 2005 shall come into force from the date of publication of this resolution in the Gazette.

AJAY SHANKAR, Addl. Secy.

THE GAZETTE OF INDIA
EXTRAORDINARY
PART-1 SECTION 1
PUBLISHED BY AUTHORITY
MINISTRY OF POWER
RESOLUTION

Dated 9th May, 2008

F.No.23/1/2004-R&R(Vol-II) - In this Ministry's Resolution F.No. 23/1/2004-R&R dated 25th May, 2005 published in the Gazette of India (Extraordinary), Part 1, Section 1, (1596 GI/2005) establishing the Northern Regional Power Committee (NRPC) under the provisions of sub-section(55) of section 2 of the Electricity Act, 2003 and the subsequent amendment made vide Resolution dated 29th November, 2005, the following amendments are hereby made:-

Para 3 of the resolution dated 29.11.2005 is replaced by the following para 3:-

3. In pursuance of the aforesaid provisions, the Central Government hereby establishes the Northern Regional Power Committee (NRPC) comprising the States of Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Rajasthan, Uttar Pradesh and Uttaranchal and the Union Territory of Chandigarh with the following members:-

- i) Member (Grid Operations) Central Electricity Authority (CEA).
- ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Centre (NLDC) and the Northern Regional Load Despatch Centre (NRLDC).
- iii) From each of the States in the region, the State Generating Company, State Transmission Utility (STU), State Load Despatch Centre (SLDC), one of the State owned distribution companies as nominated by the State Government and one distribution company by alphabetical rotation out of the private distribution companies functioning in the region.
- iv) From each of the Union Territories in the region, a representative nominated by the administration of the Union Territory concerned out of the entities engaged in generation/ transmission/ distribution of electricity in the Union Territory.
- v) A representative each of every generating company (other than central generating companies or State Government owned generating companies) having more than 1000 MW installed capacity in the region.
- vi) A representative of the generating companies having power plants in the region (not covered in (ii) to (v) above) by alphabetical rotation.
- vii) One member representing the electricity traders in the region by alphabetical rotation, which have trading volume of more than 500 million units during the previous financial year.
- viii) Member Secretary, NRPC – Convenor

Wherever a member is represented by rotation, the nomination would be for a period of one year. The representative from respective organizations should be either the head of the organization or at least a person not below the rank of a Director on the Board of the company/ corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

(I.C.P. Keshari)
Joint Secretary to the Government of India

THE GAZETTE OF INDIA

EXTRAORDINARY
PART-1 SECTION 1
PUBLISHED BY AUTHORITY
MINISTRY OF POWER

RESOLUTION

Dated 9th May, 2008

F.No.23/1/2004-R&R(Vol-II) - In this Ministry's Resolution F.No. 23/1/2004-R&R dated 25th May, 2005 published in the Gazette of India (Extraordinary), Part 1, Section 1, (1596 GI/2005) establishing the Southern Regional Power Committee (SRPC) under the provisions of sub-section(55) of section 2 of the Electricity Act, 2003 and the subsequent amendment made vide Resolution dated 29th November, 2005, the following amendments are hereby made:-

Para 3 of the resolution dated 29.11.2005 is replaced by the following para 3:-

3. In pursuance of the aforesaid provisions, the Central Government hereby establishes the Southern Regional Power Committee (SRPC) comprising the States of Kerala, Andhra Pradesh, Karnataka, Tamil Nadu and the Union Territory of Puducherry with the following members:-

- i) Member (Grid Operations) Central Electricity Authority (CEA).
- ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Centre (NLDC) and the Southern Regional Load Despatch Centre (SRLDC).
- iii) From each of the States in the region, the State Generating Company, State Transmission Utility (STU), State Load Despatch Centre (SLDC), one of the State owned distribution companies as nominated by the State Government and one distribution company by alphabetical rotation out of the private distribution companies functioning in the region.
- iv) From each of the Union Territories in the region, a representative nominated by the administration of the Union Territory concerned out of the entities engaged in generation/ transmission/ distribution of electricity in the Union Territory.
- v) A representative each of every generating company (other than central generating companies or State Government owned generating companies) having more than 1000 MW installed capacity in the region.
- vi) A representative of the generating companies having power plants in the region (not covered in (ii) to (v) above) by alphabetical rotation.
- vii) One member representing the electricity traders in the region by alphabetical rotation, which have trading volume of more than 500 million units during the previous financial year.
- viii) Member Secretary, SRPC – Convenor

Wherever a member is represented by rotation, the nomination would be for a period of one year. The representative from respective organizations should be either the head of the organization or at least a person not below the rank of a Director on the Board of the company/ corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

(I.C.P. Keshari)
Joint Secretary to the Government of India

THE GAZETTE OF INDIA

EXTRAORDINARY
PART-1 SECTION 1
PUBLISHED BY AUTHORITY

MINISTRY OF POWER

RESOLUTION

Dated 9th May, 2008

F.No.23/1/2004-R&R(Vol-II) - In this Ministry's Resolution F.No. 23/1/2004-R&R dated 25th May, 2005 published in the Gazette of India (Extraordinary), Part 1, Section 1, (1596 GI/2005) establishing the Western Regional Power Committee (WRPC) under the provisions of sub-section(55) of section 2 of the Electricity Act, 2003 and the subsequent amendment made vide Resolution dated 29th November, 2005, the following amendments are hereby made:-

Para 3 of the resolution dated 29.11.2005 is replaced by the following para 3:-

3. In pursuance of the aforesaid provisions, the Central Government hereby establishes the Western Regional Power Committee (WRPC) comprising the States of Chhatisgarh, Gujarat, Madhya Pradesh, Maharashtra, Goa and the Union Territories of Dadra & Nagar Haveli and Daman & Diu with the following members:-

- i) Member (Grid Operations) Central Electricity Authority (CEA).
- ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Centre (NLDC) and the Western Regional Load Despatch Centre (WRLDC).
- iii) From each of the States in the region, the State Generating Company, State Transmission Utility (STU), State Load Despatch Centre (SLDC), one of the State owned distribution companies as nominated by the State Government and one distribution company by alphabetical rotation out of the private distribution companies functioning in the region.
- iv) From each of the Union Territories in the region, a representative nominated by the administration of the Union Territory concerned out of the entities engaged in generation/ transmission/ distribution of electricity in the Union Territory.
- v) A representative each of every generating company (other than central generating companies or State Government owned generating companies) having more than 1000 MW installed capacity in the region.
- vi) A representative of the generating companies having power plants in the region (not covered in (ii) to (v) above) by alphabetical rotation.
- vii) One member representing the electricity traders in the region by alphabetical rotation, which have trading volume of more than 500 million units during the previous financial year.
- viii) Member Secretary, WRPC – Convenor

Wherever a member is represented by rotation, the nomination would be for a period of one year. The representative from respective organizations should be either the head of the organization or at least a person not below the rank of a Director on the Board of the company/ corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

(I.C.P. Keshari)
Joint Secretary to the Government of India

THE GAZETTE OF INDIA

EXTRAORDINARY
PART-1 SECTION 1
PUBLISHED BY AUTHORITY

MINISTRY OF POWER

RESOLUTION

Dated 9th May, 2008

F.No.23/1/2004-R&R(Vol-II) - In this Ministry's Resolution F.No. 23/1/2004-R&R dated 25th May, 2005 published in the Gazette of India (Extraordinary), Part 1, Section 1, (1596 GI/2005) establishing the Eastern Regional Power Committee (ERPC) under the provisions of sub-section(55) of section 2 of the Electricity Act, 2003 and the subsequent amendment made vide Resolution dated 29th November, 2005, the following amendments are hereby made:-

Para 3 of the resolution dated 29.11.2005 is replaced by the following para 3:-

3. In pursuance of the aforesaid provisions, the Central Government hereby establishes the Eastern Regional Power Committee (ERPC) comprising the States of Bihar, Jharkhand, Orissa, West Bengal and Sikkim with the following members:-

- i) Member (Grid Operations) Central Electricity Authority (CEA).
- ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Centre (NLDC) and the Eastern Regional Load Despatch Centre (ERLDC).
- iii) From each of the States in the region, the State Generating Company, State Transmission Utility (STU), State Load Despatch Centre (SLDC), one of the State owned distribution companies as nominated by the State Government and one distribution company by alphabetical rotation out of the private distribution companies functioning in the region.
- iv) A representative each of every generating company (other than central generating companies or State Government owned generating companies) having more than 1000 MW installed capacity in the region.
- v) A representative of the generating companies having power plants in the region (not covered in (ii) to (iv) above) by alphabetical rotation.
- vi) One member representing the electricity traders in the region by alphabetical rotation, which have trading volume of more than 500 million units during the previous financial year.
- vii) Member Secretary, ERPC – Convenor

Wherever a member is represented by rotation, the nomination would be for a period of one year. The representative from respective organizations should be either the head of the organization or at least a person not below the rank of a Director on the Board of the company/ corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

(I.C.P. Keshari)
Joint Secretary to the Government of India

THE GAZETTE OF INDIA

EXTRAORDINARY
PART-1 SECTION 1
PUBLISHED BY AUTHORITY

MINISTRY OF POWER

RESOLUTION

Dated 9th May, 2008

F.No.23/1/2004-R&R(Vol-II) - In this Ministry's Resolution F.No. 23/1/2004-R&R dated 25th May, 2005 published in the Gazette of India (Extraordinary), Part 1, Section 1, (1596 GI/2005) establishing the North Eastern Regional Power Committee (NERPC) under the provisions of sub-section(55) of section 2 of the Electricity Act, 2003 and the subsequent amendment made vide Resolution dated 29th November, 2005, the following amendments are hereby made:-

Para 3 of the resolution dated 29.11.2005 is replaced by the following para 3:-

3. In pursuance of the aforesaid provisions, the Central Government hereby establishes the North Eastern Regional Power Committee (NERPC) comprising the States of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura with the following members:-

- i) Member (Grid Operations) Central Electricity Authority (CEA).
- ii) One representative each of Central Generating Companies, Central Transmission Utility (CTU), National Load Despatch Centre (NLDC) and the North Eastern Regional Load Despatch Centre (NERLDC).
- iii) From each of the States in the region, the State Generating Company, State Transmission Utility (STU), State Load Despatch Centre (SLDC), one of the State owned distribution companies as nominated by the State Government and one distribution company by alphabetical rotation out of the private distribution companies functioning in the region.
- iv) A representative each of every generating company (other than central generating companies or State Government owned generating companies) having more than 1000 MW installed capacity in the region.
- v) A representative of the generating companies having power plants in the region (not covered in (ii) to (iv) above) by alphabetical rotation.
- vi) One member representing the electricity traders in the region by alphabetical rotation, which have trading volume of more than 500 million units during the previous financial year.
- vii) Member Secretary, NERPC – Convenor

Wherever a member is represented by rotation, the nomination would be for a period of one year. The representative from respective organizations should be either the head of the organization or at least a person not below the rank of a Director on the Board of the company/ corporate entity except for Central Public Sector Undertakings (CPSUs) where representative could also be at the level of Executive Director.

(I.C.P. Keshari)
Joint Secretary to the Government of India

Chapter 10

**Resolution on Constitution
of Coordination Forum
by the Central Government
(dated 19.2.2008)**


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भारत का राजपत्र The Gazette of India

(Published in Part I, Section I of the Extraordinary Gazette of India)

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 19th February, 2008.

RESOLUTION

F.No.23/26/2003-R&R- Sub-section (1) of Section 166 of the Electricity Act, 2003 provides that the Central Government shall constitute a Coordination Forum for smooth and coordinated development of the power system in the country.

2. In pursuance of the aforesaid provision, the Government of India hereby constitutes the Coordination Forum with the following as members:

- | | | |
|------|---|------------|
| i) | Chairperson of the Central Electricity Regulatory Commission | - Chairman |
| ii) | Chairperson of the Central Electricity Authority | - Member |
| iii) | All the Members of the Central Electricity Regulatory Commission | - Members |
| iv) | Representative of a Central Public Sector Undertaking (CPSU) involved in thermal generation of power – to be nominated by the Ministry of Power for one year | - Member |
| v) | Representative of a CPSU involved in the generation of hydroelectricity – to be nominated by the Ministry of Power for one year | - Member |
| vi) | One representative of a generating company (not owned/ controlled by the Central Government/ State Government) either having existing capacity of, or in the process of setting up, thermal generating station of more than 500 MW capacity – to be nominated by the Ministry of Power for one year from amongst such companies in alphabetical order | - Member |
| vii) | One representative of a generating company (not owned/ controlled by the Central Government/ State Government) either having existing capacity of, or in the process of setting up, hydroelectric generating station of more than 250 MW capacity – to be nominated by the Ministry of | - Member |

Power for one year from amongst such companies in alphabetical order

- viii) Chief Executive Officer of the Central Transmission Utility - Member
- ix) Member (Power Systems), Central Electricity Authority - Member
- x) Additional Secretary/ Joint Secretary, Ministry of Power, incharge of the transmission matters - Member Convenor

The representatives in the categories from (iv) to (vii) above would be either the head of the organization or a Director on the Board of the Company.

3. Central Electricity Authority shall provide the Secretariat for the Forum.
4. The Forum shall meet atleast once in every two months. The quorum for the meetings of the Forum shall be six members including Chairman.
5. The Forum would have following functions:
 - i) To facilitate attracting adequate investments for development of the power system in the country;
 - ii) To facilitate smooth and reliable operation of the electricity grid at inter-State level;
 - iii) To facilitate connectivity to the grid for the generating companies and the open access to the transmission system;
 - iv) To deliberate and evolve consensus on any other aspect of the development of power system as referred to the Forum by the Central Government.

Sd/-
(Alok Kumar)
Director

Chapter 11

**Notification on
Joint Electricity Regulatory
Commissions**

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भारत का राजपत्र The Gazette of India

Published in Part II, Section 3, sub-section (ii) No. 461

GOVERNMENT OF INDIA

MINISTRY OF POWER

Notification

(Amendments made vide notification dated 30.05.2008 incorporated)

New Delhi, 6th May, 2005

S.O. 643(E).— In exercise of the powers conferred by sub-section 5 of section 83 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby constitutes a Joint Electricity Regulatory Commission for the State of Goa and all Union Territories except Delhi with effect from the date of publication of this notification. The Joint Commission shall be known as “Joint Electricity Regulatory Commission for the State of Goa and Union Territories” and its headquarters shall be at Delhi.

[F. No. 23/52/2003-R&R]
AJAY SHANKAR, Addl. Secy.


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

Published in Part II, Section 3, sub-section (ii) No. 740

GOVERNMENT OF INDIA

MINISTRY OF POWER

Notification

New Delhi, 30th May, 2008

S.O. 1271(E).— In exercise of the powers conferred by sub-section (5) of Section 83 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Power, number S.O. 643(E), dated the 2nd May, 2005 namely:—

In the said notification for the words “Joint Electricity Regulatory Commission for”, the words “Joint Electricity Regulatory Commission for the State of Goa and” shall be substituted.

[F. No. 23/52/2003-R&R(Vol.II)]

MALAY SHRIVASTAVA, Director

Foot Note :— The principal notification was published *vide* number S.O. 643(E) dated 2nd May, 2005 in the Gazette of India, Extraordinary, dated the 6th May, 2005.

MINISTRY OF POWER

Notification

New Delhi, the 19th March, 2008

G.S.R. 211(E).— In exercise of the powers conferred by clause (2) and (3) of Section 89 of the Electricity Act, 2003 (36 of 2003) the Central Government hereby makes the following rules, namely:—

1. Short title and commencement.— (1) These rules may be called the Joint Electricity Regulatory Commission for Union Territories except Delhi (Salary, Allowances and other Conditions of Service of Chairperson and Member) Rules, 2007.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.— (1) In these rules unless the context otherwise requires,—

(a) “Act” means the Electricity Act, 2003; and

(b) “Commission” means Joint Electricity Regulatory Commission for Union Territories.

(2) Words and expressions used herein and not defined but defined in the act, shall have the meanings respectively assigned to them in the Act.

3. Oath of office and secrecy.— The Chairperson and Member of the Commission shall, before entering upon his office, subscribe to an oath of office and secrecy before the Minister-in-charge of the Ministry of Power. The oath of office and secrecy shall be administered in the following forms:

Oath of Secrecy

I,do swear in the name of God and solemnly affirm that I shall not directly or indirectly, communicate or reveal to any person or persons any matter which shall be brought under my consideration or shall become known to me as Chairperson/Member of the Joint Electricity Regulatory Commission for Union Territories except Delhi, except as may be required for the due discharge of my duties as such Chairperson/Member.

Oath and affirmation of allegiance to Constitution

I,having been appointed Chairperson/Member of the Joint Electricity Regulatory Commission for Union Territories except Delhi, do swear in the name of God and solemnly affirm that I shall bear true faith and allegiance to the Constitution of India as by law established, that I shall uphold the sovereignty and integrity of India, that I shall duly and faithfully and to the best of my ability, knowledge and judgement perform the duties of my office without fear or favour, affection or ill will and that I will uphold the Constitution and the laws of the land.

4. Pay.— The Chairperson and Member of the Joint Commission shall be entitled to receive a pay of rupees twenty six thousand per month :

Provided that incase a person appointed as the Chairperson or Member is in receipt of pension from;

(a) Union Government including Railways, Defence, Posts and Telecommunication; or

(b) State Governments and Union Territory Administrations; or

(c) Public Sector Undertakings, Local Bodies, Autonomous Bodies like Universities or Semi-Government Organizations like Port Trusts; they pay of such person shall be reduced by the gross amount of pension drawn by him :

Provided further that the Chairperson or Member shall be entitled to receive allowances on the original basic pay before such fixation of pay.

5. Dearness allowance and city compensatory allowance.—The Chairperson and Member shall be entitled to receive dearness allowance and city compensatory allowance, and other allowances at the rate admissible to a Group ‘A’ Officer of the Central Government drawing an equivalent pay :

6. Leave.— The Chairperson or Member, shall be entitled to thirty days earned leave for every year of service. The payment of leave salary, during leave, shall be governed under the provisions of rule 40 of Central Civil Services (Leave) Rules, 1972.

7. Leave sanctioning authority.— In the case of the Chairperson, the Minister-in-charge of the Ministry of Power, and in the case of Member, the Chairperson, shall be the leave sanctioning authority.

8. Provident Fund.— The Chairperson and Member shall be governed by the provisions of the Contributory Provident Fund (India) rules, 1962 and no option to subscribe under the provisions of the General Provident Fund Rules (Central Services), 1960 shall be available. Additional pension and gratuity shall not be admissible for service rendered in the Commission.

9. Travelling allowances.— (1) The Chairperson and Member while on tour within India or for the journey undertaken by self and family to join the Commission or on the expiry of term with the Commission to proceed to his home town with family shall be entitled to the journey allowance, daily allowance and transportation of personal effects at the same scales and at the same rates as are applicable to a Group ‘A’ Officer of the Central Government drawing an equivalent pay.

(2) Foreign tours to be undertaken by the Chairperson or Member shall require prior approval of the Minister-in-charge of the Ministry of Power and of the Screening Committee of the Secretaries and clearance from the Ministry of External Affairs from political angle and from the Ministry of Home Affairs for acceptance of foreign hospitality, if any, under the provisions of the Foreign Contribution (Regulation) Act, 1976:

Provided that the daily allowance and provision for hotel accommodation during the period of tour abroad, shall be in accordance with such orders of the Central Government as are applicable to a Group “A” officer of the Central Government, drawing an equivalent pay and as per the economy instructions or other instructions issued by the Ministry of Finance from time to time.

10. Leave travel concession.— The Chairperson and Member shall be entitled to leave travel concession at the same scale and at the same rate as applicable to Group ‘A’ Officers of the Central Government drawing an equivalent pay.

11. Accommodation.— (1) The Chairperson and Member shall be entitled for House Rent Allowance for residence located at the headquarter of the Joint Commission at the rate as applicable in the case of a Central Government officer drawing equivalent pay.

(2) In the case of a leased accommodation, the entitlement shall be determined by the Central Government keeping in view the entitlements of the Chairman and Managing Director of a Schedule “A” public sector enterprise in terms of plinth area and rental ceiling specified by the Department of Public Enterprises from time to time and also taking into consideration the market rent and plinth area specified by the Ministry of Urban Development for Type VI accommodation :

Provided that for such leased accommodation which is according to and within the entitlement of the Chairperson or the Member, the standard license fee shall be the same as in the case of a Group “A” officer of the Central Government drawing an equivalent pay :

Provided further that for leased accommodation which is higher than the entitlement, recovery at the rate of ten per cent of the basic pay i.e., without deducting pension shall be made from the salary of the Chairperson or Member, as the case may be.

12. Transport.– The Chairperson and Members shall be allowed the option to make use of an official vehicle or reimbursement of such amount as may be fixed by the Central Government from time to time in respect of a Group “A” officer of the Central Government drawing an equivalent pay for the use and maintenance of his personal car.

13. Medical treatment.–The Chairperson and Members shall be entitled to medical reimbursement and facility as may be applicable to a Group “A” officer of the Central Government drawing an equivalent pay.

14. Telephone facility, official meetings and entertainment expenses.– The Chairperson and a Member shall be eligible for telephone facilities, official meetings and entertainment expenses as admissible to a Group “A” officer of the Central Government drawing an equivalent pay.

15. Other conditions of services.– Other conditions of service of the Chairperson and a Member with respect to which no express provision has been made in these rules, shall be such as are admissible to a Group “A” officer of the Central Government drawing an equivalent pay.

16. Power to relax.– Where the Central Government is of the opinion that it is necessary or expedient so to do, it may, in the public interest by order and for reasons to be recorded in writing, relax any of the provisions of these rules.

[F. No. 47/1/2005-R&R]
GIREESH B. PRADHAN, Jt. Secy.


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[Published in Part II, Section 3, sub-section (ii) No. 51

GOVERNMENT OF INDIA

MINISTRY OF POWER

Notification

New Delhi, 18 th January, 2005

S.O. 62(E).— Whereas the States of Manipur and Mizoram have authorized Government of India to constitute a Joint Electricity Regulatory Commission for the States of Manipur and Mizoram.

2. Now, therefore, in exercise of the powers conferred by Sub-section (5) of Section 83 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby constitutes a Joint Electricity Regulatory Commission for the State Manipur and Mizoram with effect from the date of publication of this notification. The Joint Commission shall be known as 'Joint Electricity Regulatory Commission for Manipur and Mizoram' and its headquarters shall be at Aizawl.

[F. No. 23/3/2002-R&R]
AJAY SHANKAR, Addl. Secy.

MINISTRY OF POWER

Notification

New Delhi, the 14th August, 2006

G.S.R. 480(E).— In exercise of the powers conferred by section 89 of the Electricity Act, 2003 (36 of 2003) the Central Government hereby makes the following rules, namely:—

1. **Short title and commencement.**— (1) These rules may be called the Joint Electricity Regulatory Commission for the States of Manipur and Mizoram (Salaries, Allowances and other Conditions of Service of Chairperson and Members) Rules, 2006.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions.**— In these rules, unless the context otherwise requires,—
 - (a) “Act” means the Electricity Act 2003;
 - (b) “Commission” means the Joint Electricity Regulatory Commission for the States of Manipur and Mizoram constituted under section 83 of the Act;
 - (c) Words and expressions used herein and not defined but defined in the Act, shall have the meanings respectively assigned to them in the Act.
3. **Oath of Office and secrecy.**—A Member of the Commission shall, before entering upon his office, subscribe to an oath of office and secrecy before the Minister in-charge of the Ministry of Power (Union Government) and the oath of office and secrecy shall be administered in the following form:—

Oath of Secrecy

I, _____ do swear in the name of God and solemnly affirm that I shall not directly or indirectly, communicate or reveal to any person or persons any matter which shall be brought under my consideration or shall become known to me as Chairperson or Member of the Joint Electricity Regulatory Commission for the states of Manipur and Mizoram except as may be required for the due discharge of my duties as such Chairperson or Member.

Oath and affirmation of allegiance to Constitution

I, _____ having been appointed Member of the Joint Electricity Regulatory Commission for the States of Manipur and Mizoram, do swear in the name of God and do solemnly affirm that I shall bear true faith and allegiance to the Constitution of India as by law established, that I shall uphold the sovereignty and integrity of India, that I shall duly and faithfully and to the best of my ability, knowledge and judgement perform the duties of my office without fear or favour, affection or ill-will and that I will uphold the Constitution and the laws of the land

4. **Pay.**— A Member shall be entitled to receive pay in the scale of pay of Rs. 22400-525-24500 per month.
Provided that in case a person appointed as the Member is in receipt of pension from;
 - (a) Union Government including Railways, Defence, Posts and Telecommunication; or
 - (b) State Governments or Union Territory Administrations; or
 - (c) Public Sector Undertaking, Local Body, Autonomous Body like University or Semi-Government Organizations like Port Trusts;the pay of such person shall be reduced by the gross amount of pension [as illustrated in the Central Civil Services (fixation of pay of re-employed pensioners) Orders, 1986] drawn by him:
Provided further that a Member shall be entitled to receive admissible allowances on the original basic pay before such fixation of pay.
5. **Dearness allowance and city compensatory allowance.**—A Member shall be entitled to receive dearness allowances and city compensatory allowance, and other allowances at the rate admissible to a Group ‘A’ Officer of the Central Government drawing an equivalent pay.
6. **Leave.**— A Member shall be entitled to 30 days of earned leave for every year of service and the payment of leave salary, during leave, shall be governed under the provisions of rule 40 of the Central Civil Services (Leave) Rules, 1972.

7. **Leave sanctioning authority.**— In the case of the Chairperson, the Minister-in-charge of the State Government which he represents in the Commission, and in the case of a Member, the Chairperson, shall be the leave sanctioning authority.
8. **Provident Fund.**— A Member shall be governed by the Contributory Provident Fund Rules (India), 1962 and no option to subscribe under the provisions of the General Provident Fund Rules (Central Services), 1960 shall be available. No pension or gratuity shall be admissible for service rendered in the Commission.
9. **Travelling allowances.**— (1) A Member while on tour within India or on transfer (including the journey undertaken by self and family to join the Commission or on the expiry of term with the Commission to proceed to his home town with family) shall be entitled to the journey allowance, daily allowance and transportation of personal effects at the same scales and at the same rates as are applicable to a Group 'A' Officer of the Central Government drawing an equivalent pay.
(2) Foreign tours to be undertaken by a Member shall require prior approval of the State Government which he represents in the Commission and necessary clearances of the Central Government.
Provided that the daily allowance and provision of hotel accommodation during the period of tour abroad, shall be in accordance with such orders of the Central Government as are applicable to Group "A" officers of the Central Government, drawing an equivalent pay and as per the economy instructions or other instructions issued by the Ministry of Finance from time to time.
10. **Leave travel concession.**— A Member shall be entitled to leave travel concession at the same scale and at the same rate as admissible to group 'A' Officers of the Central Government drawing an equivalent pay.
11. **Accommodation.**— (1) A Member shall be entitled for residential accommodation as per norms of Government of Mizoram.
Provided that for such accommodation which is according to and within the entitlement of the Member the standard licence fee shall be the same as in the case of a Group "A" officer of similar status of the Central Government posted at Aizwal.
(2) In case Government of Mizoram do not provide residential accommodation to a Member, he shall have the option of claiming house rent allowance as admissible to Group "A" officers of similar status of the Central Government posted at Aizwal.
12. **Transport.**— A Member shall be allowed the option to make use of an official vehicle or reimbursement of such amount as may be fixed by the Central Government from time to time in respect of a Group "A" officer of the Central Government drawing an equivalent pay for the use and maintenance of his personal car.
13. **Medical treatment.**— A Member shall be entitled to medical reimbursement and facility as admissible to a Group "A" officer of the Central Government drawing an equivalent pay.
14. **Telephone facility, official meetings and entertainment expenses.**— A Member shall be eligible for telephone facilities, official meetings and entertainment expenses as admissible to a Group "A" officer of the Central Government drawing an equivalent pay.
15. **Other conditions of services.**— Other conditions of service of a Member with respect to which no express provision has been made in these rules, shall be such as are admissible to a Group "A" officer of the Central Government drawing an equivalent pay.

[F. No. 47/2/2004-R&R(Pt. II)
AJAY SHANKAR, Addl. Secy.

Tariff Based Bidding Case-I & Tariff Based Bidding Case-II

In compliance with section 63 of the Electricity Act, 2003, the Central Government had notified guidelines for procurement of power by Distribution Licensees through competitive bidding on 19.1.2005.

Tariff Based Bidding Case-II

The Standard Bidding Documents containing RfQ, RfP and model PPA for long term procurement of power from projects (Case-2) having specified site and location have been issued. In view of the decisions of the EGOM the legal vetting of SBD for Case-2 carried out by an international firm M/s K&L Gates alongwith Indian Law firm M/s Fox Mandal & Co though Power Finance Corporation is under finalization.

Tariff Based Bidding Case-I

The Standard Bidding Documents for long term procurement of power from Case-I projects, where the location, technology or fuel is not specified, are under finalization.


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EXTRAORDINARY – PART II – Section 3 (i)

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 21st June, 2010

Notification

G.S.R. 525(E).—Whereas the State Government of Goa, prior to its joining the Joint Electricity Regulatory Commission for Union territories constituted vide notification S.O.643(E) dated the 2nd May, 2005, has agreed to the structure of the said Commission and has authorized Government of India to take all necessary action under section 83 of the Electricity Act, 2003 (36 of 2003);

And whereas vide notification S.O.1271(E) dated the 30th May, 2008 the Central Government has amended the said notification dated the 2nd May, 2005 facilitating the State of Goa to join the said Joint Commission;

Now, therefore, in exercise of powers conferred by section 105 and clause (i) of sub-section (2) of section 180 of the Electricity Act, 2003, the Central Government hereby makes the following rules namely:-

1. **Short title and commencement.** – (1) These rules may be called the Joint Electricity Regulatory Commission for the State of Goa and Union territories (Preparation of Annual Report) Rules, 2010.
(2) They shall come into force from the date of publication in the Official Gazette.
2. **Definitions.** - (1) In these rules, unless the context otherwise requires, -
 - (a) ‘Act’ means the Electricity Act, 2003;
 - (b) ‘Joint Commission’ means the Joint Electricity Regulatory Commission for the State of Goa and Union territories, constituted under section 83 of the Act;
 - (c) ‘Participating States’ means the State of Goa and the Union territories;
 - (d) ‘Schedule’ means the Schedule annexed to these rules.(2) Words and expressions used and not defined in these rules but defined in the Electricity Act, 2003, shall have the meanings respectively assigned to them in that Act.

3. Preparation of Annual Report. – (1) Every year, the Joint Commission shall prepare an Annual Report giving a summary of its activities during the previous year commencing from the 1st day of April to the 31st day of March of the following year in the form specified in the Schedule.
 - (2) The Annual Report shall give an account of the activities during the previous financial year, containing, inter-alia, -
 - (a) a statement of goals and objectives of the Joint Commission;
 - (b) annual targets set for various activities in the background of clause (a) together with a brief review of actual performance with reference to those targets and including in particular a report on the number of cases filed before the Joint Commission during the year, number of cases disposed of, time taken to dispose of the cases and number of cases pending;
 - (c) important additions or changes in the regulations of the Joint Commission;
 - (d) functioning of the State Advisory Committees and other consultation with the stakeholders;
 - (e) trends of important parameters such as capital cost, cost of electricity, new investment, efficiency gains;
 - (f) number and details of cases in which orders or regulations of the Commission were challenged in Courts or Appellate Tribunal and the outcome of such cases.
 - (g) resolution of disputes including the disputes pending at the end of the year.
4. Submission of Annual Report – The copies of the annual report shall be forwarded by the Joint Commission to the Central Government and to the Governments of Participating State/ Union territories by the end of October each year.

SCHEDULE

(See rule 3)

FORM OF ANNUAL REPORT OF THE JOINT COMMISSION

1. THE COMMISSION IN BRIEF.
2. THE MANDATE OF THE COMMISSION
3. MISSION STATEMENT.
4. THE YEAR IN RETROSPECT.
5. ANNUAL ACCOUNTS OF THE COMMISSION SHOWING RECEIPTS AND EXPENDITURE.
6. OUTCOME OF REGULATORY PROCESS IN TERMS OF BENEFITS TO CONSUMERS AND DEVELOPMENT OF SECTOR.
7. WORK PLAN FOR THE YEAR AHEAD.

[F.No. 47/4/2010-R&R]
PRANAY KUMAR,
Director

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 (i)

GOVERNMENT OF INDIA
MINISTRY OF POWER

New Delhi, the 21st June, 2010

G.S.R. 526(E).- Whereas the States of Manipur and Mizoram have authorized the Central Government, through a Memorandum of Agreement, to constitute a Joint Electricity Regulatory Commission for States of Manipur and Mizoram and to frame rules to carry out the provisions of the Electricity Act 2003 relating to the Joint Commission;

And whereas the Central Government vide Notification No. S.O.62(E) dated 18th January 2005 has constituted the Joint Electricity Regulatory Commission for Manipur and Mizoram;

Now therefore in exercise of powers conferred by section 105 and clause (i) of sub-section (2) of section 180 of the Electricity Act, 2003 (No.36 of 2003), the Central Government hereby makes the following rules namely:-

1. Short title and commencement. – (1) These rules may be called the Joint Electricity Regulatory Commission for Manipur and Mizoram (Preparation of Annual Report) Rules, 2010.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions.** - (1) In these rules, unless the context otherwise requires,-
 - (a) 'Act' means the Electricity Act, 2003;
 - (b) 'Joint Commission' means the Joint Electricity Regulatory Commission for Manipur and Mizoram, constituted under section 83 of the Act;
 - (c) 'Participating State' means the State of Manipur or the State of Mizoram ;
 - (d) 'Schedule' means the Schedule annexed to these rules.(2) Words and expressions used and not defined in these rules but defined in the Electricity Act, 2003, shall have the meanings respectively assigned to them in that Act.
3. Preparation of Annual Report. – (1) Every year the Joint Commission shall prepare an Annual Report containing a summary of its activities during the previous year commencing from the 1st day of April to the 31st day of March of the following year in the form specified in the Schedule.
(2) The Annual Report shall give an account of the activities during the previous financial year, containing, inter-alia, -
 - (a) a statement of goals and objectives of the Joint Commission;

- (b) annual targets set for various activities in the background of clause (a) together with a brief review of actual performance with reference to those targets and including in particular a report on the number of cases filed before the Joint Commission during the year, number of cases disposed of, time taken to dispose of the cases and number of cases pending;
 - (c) important additions/ changes in the regulations of the Joint Commission;
 - (d) functioning of the State Advisory Committee and other consultation with the stakeholders;
 - (e) trends of important parameters such as capital cost, cost of electricity, new investment, efficiency gains;
 - (f) number and details of cases in which orders/regulations of the Commission were challenged in Courts/Appellate Tribunal and the outcome of such cases; and
 - (g) resolution of disputes including the disputes pending at the end of the year.
4. Submission of Annual Report – The copies of the annual report shall be forwarded by the Joint Commission to the Central Government and the Participating State Governments by the end of October each year.

SCHEDULE

(See rule 3)

FORM OF ANNUAL REPORT OF THE JOINT COMMISSION.

1. THE COMMISSION IN BRIEF.
2. THE MANDATE OF THE COMMISSION
3. MISSION STATEMENT.
4. THE YEAR IN RETROSPECT.
5. ANNUAL ACCOUNTS OF THE COMMISSION SHOWING RECEIPTS AND EXPENDITURE.
6. OUTCOME OF REGULATORY PROCESS IN TERMS OF BENEFITS TO CONSUMERS AND DEVELOPMENT OF SECTOR.
7. WORK PLAN FOR THE YEAR AHEAD.

[F.No. 47/5/2010-R&R]

PRANAY KUMAR

Director

Chapter 12
Energy Conservation
Act, 2001


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EXTRAORDINARY III SECTION 1

MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS

(Legislative Department)

New Delhi, the 1st October, 2001/ Asvina 9, 1923 (Saka)

The following Act of Parliament received the assent of the President on the 29th September, 2001, and is hereby published for general information:—

THE ENERGY CONSERVATION ACT, 2001

No 52 OF 2001

[29th September 2001]

An Act to provide for efficient use of energy and its conservation and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Fifty second Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Energy Conservation Act, 2001. Short title, extent and commencement
(2) It extends to the whole of India except the state of Jammu and Kashmir
(3) It shall come into force on such dates as the Central Government may, by notification in the Official Gazette, appoint; and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.
 2. In this Act, unless the context otherwise requires: —
 - (a) “accredited energy auditor” means an auditor possessing qualifications specified under clause (p) of sub-section (2) of section 13;
 - (b) “Appellate Tribunal” means Appellate Tribunal for Energy Conservation established under section 30;
- Definitions

- (c) “building” means any structure or erection or part of a structure or erection, after the rules relating to energy conservation building codes have been notified under clause (a) of section 15 of clause (l) of sub-section (2) of section 56, which is having a connected load of 500kW or contract demand of 600 kVA and above and is intended to be used for commercial purposes;
- (d) “Bureau” means the Bureau of Energy Efficiency established under subsection (l) of section 3;
- (e) “Chairperson” means the Chairperson of the Governing council;
- (f) “designated agency” means any agency designated under clause (d) of section 15;
- (g) “designated consumer” means any consumer specified under clause (e) of section 14;
- (h) “energy” means any form of energy derived from fossil fuels, nuclear substances or materials, hydro-electricity and includes electrical energy or electricity generated from renewable sources of energy or bio-mass connected to the grid;
- (i) “energy audit” means the verification, monitoring and analysis of use of energy including submission of technical report containing recommendations for improving energy efficiency with cost benefit analysis and an action plan to reduce energy consumption;
- (j) “energy conservation building codes” means the norms and standards of energy consumption expressed in terms of per square meter of the area wherein energy is used and includes the location of the building;
- (k) “energy consumption standards” means the norms for process and energy consumption standards specified under clause (a) of section 14;
- (l) “Energy Management Centre” means the Energy Management Centre set up under the Resolution of the Government of India in the erstwhile Ministry of Energy, Department of Power No. 7(2)/87-EP (Vol. IV), dated the 5th July, 1989 and registered under the Societies Registration Act, 1860;
- (m) “energy manager” means any individual possessing the qualifications prescribed under clause (m) of section 14;
- (n) “Governing Council” means the Governing Council referred to in section 4;

21 of 1860

9 of 1940
54 of 1948
14 of 1998

- (o) “member” means the member of the Governing Council and includes the Chairperson;
- (p) “notification” means a notification in the Gazette of India or, as the case may be, the Official Gazette of a State;
- (q) “prescribed” means prescribed by rules made under this Act;
- (r) “regulations” means regulations made by the Bureau under this Act;
- (s) “schedule” means the Schedule of this Act;
- (t) “State Commission” means the State Electricity Regulatory Commission established under sub-section (1) of section 17 of the Electricity Regulatory Commissions Act, 1998; 14 of 1998
- (u) words and expression used and not defined in this Act but defined in the Indian Electricity Act, 1910 or the Electricity (Supply) Act, 1948 or the Electricity Regulatory Commissions Act, 1998 shall have meanings respectively assigned to them in those Acts.

CHAPTER II

BUREAU OF ENERGY EFFICIENCY

- 3. (1) With effect from such date as the Central Government may, by notification, appoint, there shall be established, for the purposes of this Act, a Bureau to be called the Bureau of Energy Efficiency Establishment and incorporation of Bureau of Energy Efficiency
- (2) The Bureau shall be a body corporate by the name aforesaid having perpetual succession and a common seal, with power subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued.
- (3) The head office of the Bureau shall be at Delhi.
- (4) The Bureau may establish offices at other places in India.
- 4. (1) The general superintendence, direction and management of the affairs of the Bureau shall vest in the Governing Council which shall consist of not less than twenty, but not exceeding twenty-six members to be appointed by the Central Government. Management of Bureau
- (2) The Governing Council shall consist of the following members, namely:-
 - (a) the Minister in charge of the Ministry or Department of the Central Government dealing with the Power ex officio Chairperson;

- | | | | |
|--------------------------|-----|---|--------------------|
| | (b) | the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Power | ex officio member; |
| | (c) | the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Petroleum and Natural Gas | ex officio member; |
| | (d) | the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Coal | ex officio member; |
| | (e) | the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Non- conventional Energy Sources | ex officio member; |
| | (f) | the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Atomic Energy | ex officio member; |
| | (g) | the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Consumer Affairs | ex officio member; |
| 54 of 1948 | (h) | Chairman of the Central Electricity Authority established under the Electricity (Supply) Act, 1948 | ex officio member; |
| Karnataka Act 17 of 1960 | (i) | Director-General of the Central Power Research Institute registered under the Karnataka Societies Act, 1960 | ex officio member; |
| XXI of 1860 | (j) | Executive Director of the Petroleum Conservation Research Association, a society registered under the Societies Registration Act, 1860 | ex officio member; |
| 1 of 1956 | (k) | Chairman-cum-Managing Director of the Central Mine Planning and Design Institute Limited, a company incorporated under the Companies Act, 1956 | ex officio member; |

- (l) Director-General of the Bureau of Indian Standards established under the Bureau of Indian Standards Act, 1986 ex officio member; 63 of 1986
- (m) Director-General of the National Test House, Department of Supply, Ministry of Commerce and Industry, Kolkata ex officio member;
- (n) Managing Director of the Indian Renewable Energy Development Agency Limited, a company incorporated under the Companies act, 1956 ex officio member; 1 of 1956
- (o) one member each from five power regions representing the States of the region to be appointed by the Central Government members;
- (p) such number of persons, not exceeding four as may be prescribed, to be appointed by the Central Government as members from amongst persons who are in the opinion of the Central Government capable of representing industry, equipment and appliance manufacturers, architects and consumers members;
- (q) such number of persons, not exceeding two as may be nominated by the Governing Council as members members;
- (r) Director-General of Bureau ex officio member – secretary;
- (3) The Governing Council may exercise all powers and do all acts and things which may be exercised or done by the Bureau.
- (4) Every member referred to in clause (o), (p) and (q) of sub-section (2) shall hold office for a term of three years from the date on which he enters upon his office.
- (5) The fee and allowances to be paid to the members referred to in clauses (o), (p) and (q) of sub-section (2) and the manner of filling up of vacancies and the procedure to be followed in the discharge of their functions shall be such as may be prescribed.

Meetings of
Governing
Council

5. (1) The Governing Council shall meet at such times and places, and shall observe such rules of procedure in regard to the transaction of business as its meetings (including quorum of such meetings) as may be provided by regulations.

(2) The Chairperson or, if for any reason, he is unable to attend a meeting of the Governing Council, any other member chosen by the members present from amongst themselves at the meeting shall preside at the meeting.

(3) All questions which come up before any meeting of the Governing Council shall be decided by a majority vote of the members present and voting, and in the event of an equality of votes, the Chairperson or in his absence, the person presiding, shall have second or casting vote.

Vacancies etc.,
not to
invalidate
proceedings of
Bureau,
Governing
Council or
Committee

6. No act or proceeding of the Bureau or the Governing Council or any Committee shall be invalid merely by reason of -

(a) any vacancy in, or any defect in the constitution of, the Bureau or the Governing Council or the Committee; or

(b) any defect in the appointment of a person acting as a Director-General or Secretary of the Bureau or a member of the Governing Council or the Committee; or

(c) any irregularity in the procedure of the Bureau or the Governing Council or the Committee not affecting the merits of the case.

Removal of
member from
office

7. The Central Government shall remove a member referred to in clause (o), (p) and (q) of sub-section (2) of section 4 from office if he —

(a) is, or at any time has been, adjudicated as insolvent;

(b) is of unsound mind and stands so declared by a competent court;

(c) has been convicted of an offence which, in the opinion of the Central Government, involves a moral turpitude;

(d) has, in the opinion of the Central Government, so abused his position as to render his continuation in office detrimental to the public interest:

Provided that no member shall be removed under this clause unless he has been given a reasonable opportunity of being heard in the matter.

8. (1) Subject to any regulations made in this behalf, the Bureau shall, within six months from the date of commencement of this Act, constitute Advisory Committees for the efficient discharge of its functions.

Constitution of
Advisory
Committees
and other
committees

- (2) Each Advisory Committee shall consist of a Chairperson and such other members as may be determined by regulations.
 - (3) Without prejudice to the powers contained in sub-section (1), the Bureau may constitute, such number of technical committees of experts for the formulation of energy consumption standards or norms in respect of equipment or processes, as it considers necessary.
9. (1) The Central Government shall, by notification, appoint a Director-General from amongst persons of ability and standing, having adequate knowledge and experience in dealing with the matters relating to energy production, supply and energy management, standardisation and efficient use of energy and its conservation
- Director-General of Bureau
- (2) The Central Government shall, by notification appoint any person not below the rank of Deputy Secretary to the Government of India as Secretary of the Bureau
 - (3) The Director-General shall hold office for a term of three years from the date on which he enters upon his office or until he attains the age of sixty years, whichever is earlier
 - (4) The salary and allowances payable to the Director-General and other terms and conditions of his service and other terms and conditions of service of the Secretary of the Bureau shall be such as may be prescribed
 - (5) Subject to general superintendence, direction and management of the affairs by the Governing Council, the Director-General of the Bureau shall be the Chief Executive Authority of the Bureau
 - (6) The Director-General of the Bureau shall exercise and discharge such powers and duties of the Bureau as may be determined by regulations
10. (1) The Central Government may appoint such other officers and employees in the Bureau as it considers necessary for the efficient discharge of its functions under this Act.
- Officers and employees of Bureau
- (2) The terms and conditions of service of officers and other employees of the Bureau appointed under sub-section (1) shall be such as may be prescribed.
11. All orders and decisions of the Bureau shall be authenticated by the signature of the Director-General or any other officer of the Bureau authorised by the Director-General in this behalf.
- Authentication of orders and decisions of Bureau

CHAPTER III
TRANSFER OF ASSETS, LIABILITIES ETC, OF ENERGY
MANAGEMENT CENTRE
TO BUREAU

12. (1) On and from the date of establishment of the Bureau -
- (a) any reference to the Energy Management Centre in any law other than this Act or in any contract or other instrument shall be deemed as a reference to the Bureau;
 - (b) all properties and assets, movable and immovable of, or belonging to, the Energy Management Centre shall vest in the Bureau;
 - (c) all the rights and liabilities of the Energy Management Centre shall be transferred to, and be the right and liabilities of, the Bureau;
 - (d) without prejudice to the provisions of clause (c), all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with or for the Energy Management Centre immediately before that date for or in connection with the purposes of the said Centre shall be deemed to have been incurred, entered into, or engaged to be done by, with or for, the Bureau;
 - (e) all sums of money due to the Energy Management Centre immediately before that date shall be deemed to be due to the Bureau;
 - (f) all suits and other legal proceedings instituted or which could have been instituted by or against the Energy Management Centre immediately before that date may be continued or may be instituted by or against the Bureau; and
 - (g) every employee holding any office under the Energy Management Centre immediately before that date shall hold his office in the Bureau by the same tenure and upon the same terms and conditions of service as respects remuneration, leave, provident fund, retirement or other terminal benefits as he would have held such office if the Bureau had not been established and shall continue to do so as an employee of the Bureau or until the expiry of six months from the date if such employee opts not to be the employee of the Bureau within such period.
- (2) Notwithstanding anything contained in the Industrial Disputes Act, 1947 or in any other law for the time being

Transfer of assets, liabilities and employees of Energy Management Centre

14 of 1947

in force, the absorption of any employees by the Bureau in its regular service under this section shall not entitle such employees to any compensation under that Act or other law and no such claim shall be entertained by any court, tribunal or other authority.

CHAPTER IV

POWERS AND FUNCTIONS OF BUREAU

Powers and
functions of
Bureau

13. (1) The Bureau shall, effectively co-ordinate with designated consumers, designated agencies and other agencies, recognise and utilise the existing resources and infrastructure, in performing the functions assigned to it by or under this Act
- (2) The Bureau may perform such functions and exercise such powers as may be assigned to it by or under this Act and in particular, such functions and powers include the function and power to -
- (a) recommend to the Central Government the norms for processes and energy consumption standards required to be notified under clause (a) of section 14;
 - (b) recommend to the Central Government the particulars required to be displayed on label on equipment or on appliances and manner of their display under clause (d) of section 14;
 - (c) recommend to the Central Government for notifying any user or class of users of energy as a designated consumer under clause (e) of section 14;
 - (d) take suitable steps to prescribe guidelines for energy conservation building codes under clause (p) of section 14;
 - (e) take all measures necessary to create awareness and disseminate information for efficient use of energy and its conservation;
 - (f) arrange and organize training of personnel and specialists in the techniques for efficient use of energy and its conservation;
 - (g) strengthen consultancy services in the field of energy conservation;
 - (h) promote research and development in the field of energy conservation;
 - (i) develop testing and certification procedure and promote testing facilities for certification and testing for energy consumption of equipment and appliances;

- (j) formulate and facilitate implementation of pilot projects and demonstration projects for promotion of efficient use of energy and its conservation;
- (k) promote use of energy efficient processes, equipment, devices and systems;
- (l) promote innovative financing of energy efficiency projects;
- (m) give financial assistance to institutions for promoting efficient use of energy and its conservation;
- (n) levy fee, as may be determined by regulations, for services provided for promoting efficient use of energy and its conservation;
- (o) maintain a list of accredited energy auditors as may be specified by regulations;
- (p) specify, by regulations, qualifications for the accredited energy auditors;
- (q) specify, by regulations, the manner and intervals of time in which the energy audit shall be conducted ;
- (r) specify, by regulations, certification procedures for energy managers to be designated or appointed by designated consumers;
- (s) prepare educational curriculum on efficient use of energy and its conservation for educational institutions, boards, universities or autonomous bodies and coordinate with them for inclusion of such curriculum in their syllabus;
- (t) implement international co-operation programmes relating to efficient use of energy and its conservation as may be assigned to it by the Central Government;
- (u) perform such other functions as may be prescribed.

CHAPTER V

POWER OF CENTRAL GOVERNMENT TO FACILITATE AND ENFORCE EFFICIENT USE OF ENERGY AND ITS CONSERVATION

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| 14. | The Central Government may, by notification, in consultation with the Bureau — | Power of Central Government to enforce efficient use of energy and its conservation |
| | (a) specify the norms for processes and energy consumption standards for any equipment, appliances which consumes, generates, transmits or supplies energy; | |

- (b) specify equipment or appliance or class of equipments or appliances, as the case may be, for the purposes of this Act;
- (c) prohibit manufacture or sale or purchase or import of equipment or appliance specified under clause (b) unless such equipment or appliances conforms to energy consumption standards;

Provided that no notification prohibiting manufacture or sale or purchase or import of equipment or appliance shall be issued within two years from the date of notification issued under clause (a) of this section;

- (d) direct display of such particulars on label on equipment or on appliance specified under clause (b) and in such manner as may be specified by regulations;
- (e) specify, having regard to the intensity or quantity of energy consumed and the amount of investment required for switching over to energy efficient equipments and capacity or industry to invest in it and availability of the energy efficient machinery and equipment required by the industry, any user or class of users of energy as a designated consumer for the purposes of this Act;
- (f) alter the list of Energy Intensive Industries specified in the Schedule;
- (g) establish and prescribe such energy consumption norms and standards for designated consumers as it may consider necessary;

Provided that the Central Government may prescribe different norms and standards for different designated consumers having regard to such factors as may be prescribed;

- (h) direct, having regard to quantity of energy consumed or the norms and standards of energy consumption specified under clause (a) the energy intensive industries specified in the Schedule to get energy audit conducted by an accredited energy auditor in such manner and intervals of time as may be specified by regulations;
- (i) direct, if considered necessary for efficient use of energy and its conservation, any designated consumer to get energy audit conducted by an accredited energy auditor;
- (j) specify the matters to be included for the purposes of inspection under sub-section (2) of section 17;
- (k) direct any designated consumer to furnish to the designated agency, in such form and manner and within such period, as may be prescribed, the information with regard

to the energy consumed and action taken on the recommendation of the accredited energy auditor;

- (l) direct any designated consumer to designate or appoint energy manager in charge of activities for efficient use of energy and its conservation and submit a report, in the form and manner as may be prescribed, on the status of energy consumption at the end of the every financial year to designated agency;
- (m) prescribe minimum qualification for energy managers to be designated or appointed under clause (l);
- (n) direct every designated consumer to comply with energy consumption norms and standards;
- (o) direct any designated consumer, who does not fulfil the energy consumption norms and standards prescribed under clause (g), to prepare a scheme for efficient use of energy and its conservation and implement such scheme keeping in view of the economic viability of the investment in such form and manner as may be prescribed;
- (p) prescribe energy conservation building codes for efficient use of energy and its conservation in the building or building complex;
- (q) amend the energy conservation building codes to suit the regional and local climatic conditions;
- (r) direct every owner or occupier of the building or building complex, being a designated consumer to comply with the provisions of energy conservation building codes for efficient use of energy and its conservation;
- (s) direct, any designated consumer referred to in clause (r), if considered necessary, for efficient use of energy and its conservation in his building to get energy audit conducted in respect of such building by an accredited energy auditor in such manner and intervals of time as may be specified by regulations;
- (t) take all measures necessary to create awareness and disseminate information for efficient use of energy and its conservation;
- (u) arrange and organise training of personnel and specialists in the techniques for efficient use of energy and its conservation;
- (v) take steps to encourage preferential treatment for use of energy efficient equipment or appliances: Provided that the powers under clauses (p) and (s) shall be exercised in consultation with the concerned State.

CHAPTER VI

POWER OF STATE GOVERNMENT TO FACILITATE AND ENFORCE EFFICIENT USE OF ENERGY AND ITS CONSERVATION

- Power of State Government to enforce certain provisions for efficient use of energy and its conservation
15. The State Government may, by notification, in consultation with the Bureau -
- (a) amend the energy conservation building codes to suit the regional and local climatic conditions and may, by rules made by it, specify and notify energy conservation building codes with respect to use of energy in the buildings;
 - (b) direct every owner or occupier of a building or building complex being a designated consumer to comply with the provisions of the energy conservation building codes;
 - (c) direct, if considered necessary for efficient use of energy and its conservation, any designated consumer referred to in clause (b) to get energy audit conducted by an accredited energy auditor in such manner and at such intervals of time as may be specified by regulations;
 - (d) designate any agency as designated agency to coordinate, regulate and enforce provisions of this Act within the State;
 - (e) take all measures necessary to create awareness and disseminate information for efficient use of energy and its conservation;
 - (f) arrange and organise training of personnel and specialists in the techniques for efficient use of energy and its conservation;
 - (g) take steps to encourage preferential treatment for use of energy efficient equipment or appliances;
 - (h) direct, any designated consumer to furnish to the designated agency, in such form and manner and within such period as may be specified by rules made by it, information with regard to the energy consumed by such consumer;
 - (i) specify the matters to be included for the purposes of inspection under sub-section (2) of section 17;
16. (1) The State Government shall constitute a Fund to be called the State Energy Conservation Fund for the purposes of promotion of efficient use of energy and its conservation within the State.
- Establishment of Fund by State Government

- (2) To the Fund shall be credited all grants and loans that may be made by the State Government or, Central Government or any other organization or individual for the purposes of this Act.
 - (3) The Fund shall be applied for meeting the expenses incurred for implementing the provisions of this Act.
 - (4) The Fund created under sub-section (1) shall be administered by such persons or any authority and in such manner as may be specified in the rules made by the State Government.
17. (1) The designated agency may appoint, after the expiry of five years from the date of commencement of this Act, as many inspecting officers as may be necessary for the purpose of ensuring compliance with energy consumption standard specified under clause (a) of section 14 or ensure display of particulars on label on equipment or appliances specified under clause (b) of section 14 or for the purpose of performing such other functions as may be assigned to them. Power of inspection
- (2) Subject to any rules made under this Act, an inspecting officer shall have power to -
- (a) inspect any operation carried on or in connection with the equipment or appliance specified under clause (b) of section 14 or in respect of which energy standards under clause (a) of section 14 have been specified;
 - (b) enter any place of designated consumer at which the energy is used for any activity and may require any proprietor, employee, director, manager or secretary or any other person who may be attending in any manner to or helping in, carrying on any activity with the help of energy -
 - (i) to afford him necessary facility to inspect -
 - (A) any equipment or appliance as he may require and which may be available at such place;
 - (B) any production process to ascertain the energy consumption norms and standards;
 - (ii) to make an inventory of stock of any equipment or appliance checked or verified by him;
 - (iii) to record the statement of any person which may be useful for, or relevant to, for efficient

use of energy and its conservation under this Act.

- (3) An inspecting officer may enter any place of designated consumer -
- (a) where any activity with the help of energy is carried on; and
 - (b) where any equipment or appliance notified under clause (b) of section 14 has been kept, during the hours at which such places is open for production or conduct of business connected therewith.
- (4) An inspecting officer acting under this section shall, on no account, remove or cause to be removed from the place wherein he has entered, any equipment or appliance or books of accounts or other documents.

Power of Central Government or State Government to issue directions

18. The Central Government or the State Government may, in the exercise of its powers and performance of its functions under this Act and for efficient use of energy and its conservation, issue such directions in writing as it deems fit for the purposes of this Act to any person, officer, authority or any designated consumer and such person, officer or authority or any designated consumer shall be bound to comply with such directions.

Explanation – For the avoidance of doubts, it is hereby declared that the power to issue directions under this section includes the power to direct –

- (a) regulation of norms for process and energy consumption standards in any industry or building or building complex; or
- (b) regulation of the energy consumption standards for equipment and appliances.

CHAPTER VII

FINANCE, ACCOUNTS AND AUDIT OF BUREAU

Grants and loans by Central Government

19. The Central Government may, after due appropriation made by Parliament by law in this behalf, make to the Bureau or to the State Government grants and loans of such sums or money as the Central Government may consider necessary.

Establishment of Fund by Central Government

20. (1) There shall be constituted a Fund to be called as the Central Energy Conservation Fund and there shall be credited thereto -
- (a) any grants and loans made to the Bureau by the Central Government under section 19;
 - (b) all fees received by the Bureau under this Act;

- (c) all sums received by the Bureau from such other sources as may be decided upon by the Central Government.
- (2) The Fund shall be applied for meeting -
- (a) the salary, allowances and other remuneration of Director-General, Secretary officers and other employees of the Bureau,
 - (b) expenses of the Bureau in the discharge of its functions under section 13;
 - (c) fee and allowances to be paid to the members of the Governing Council under sub-section (5) or section 4;
 - (d) expenses on objects and for purposes authorised by this Act
- Borrowing powers of Bureau
21. (1) The Bureau may, with the consent of the Central Government or in accordance with the terms of any general or special authority given to it by the Central Government borrow money from any source as it may deem fit for discharging all or any of its functions under this Act.
- (2) The Central Government may guarantee, in such manner as it thinks fit, the repayment of the principle and the payment of interest thereon with respect to the loans borrowed by the Bureau under sub-section (1).
22. The Bureau shall prepare, in such form and at such time in each financial year as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of the Bureau and forward the same to the Central Government. Budget
23. The Bureau shall prepare, in such form and at such time in each financial year as may be prescribed, its annual report, giving full account of its activities during the previous financial year, and submit a copy thereof to the Central Government. Annual report
24. The Central Government shall cause the annual report referred to in section 23 to be laid, as soon as may be after it is received, before each House of Parliament. Annual report to be laid before Parliament
25. (1) The Bureau shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India. Accounts and Audit
- (2) The accounts of the Bureau shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in

connection with such audit shall be payable by the Bureau to the Comptroller and Auditor-General.

- (3) The Comptroller and Auditor-General of India and any other person appointed by him in connection with the audit of the accounts of the Bureau shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts and in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Bureau.
- (4) The accounts of the Bureau as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall forward annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

CHAPTER VIII

PENALTIES AND ADJUDICATION

26. (1) If any person fails to comply with the provision of clause (c) or the clause (d) or clause (h) or clause (i) or clause (k) or clause (l) or clause (n) or clause (r) or clause (s) of section 14 or clause (b) or clause (c) or clause (h) of section 15, he shall be liable to a penalty which shall not exceed ten thousand rupees for each such failures and, in the case of continuing failures, with an additional penalty which may extend to one thousand rupees for every day during which such failures continues: Penalty

Provided that no person shall be liable to pay penalty within five years from the date of commencement of this Act.
- (2) Any amount payable under this section, if not paid, may be recovered as if it were an arrear of land revenue.
27. (1) For the purpose of adjudging section 26, the State Commission shall appoint any of its members to be an adjudicating officer for holding an inquiry in such manner as may be prescribed by the Central Government, after giving any person concerned a reasonable opportunity of being heard for the purpose of imposing any penalty. Power to adjudicate
- (2) While holding an inquiry the adjudicating officer shall have power to summon and enforce the attendance of any person acquainted with the facts and circumstances of the case or to examine any witness or to require the production of any document which in the opinion of the adjudicating officer, may be

useful for or relevant to the subject-matter of the inquiry, and if, on such inquiry, he is satisfied that the person has failed to comply with the provisions of any of the clauses of the sections specified in section 26, he may impose such penalty as he thinks fit in accordance with the provisions of any of those clauses of that section:

Provided that where a State Commission has not been established in a State, the Government of that State shall appoint any of its officer not below the rank equivalent to a Secretary dealing with legal affairs in that State to be an adjudicating officer for the purposes of this section and such officer shall cease to be an adjudicating officer immediately on the appointment of an adjudicating officer by the State Commission on its establishment in that State:

Provided further that where an adjudicating officer appointed by a State Government ceased to be an adjudicating officer, he shall transfer to the adjudicating officer appointed by the State Commission all matters being adjudicated by him and thereafter the adjudicating officer appointed by the State Commission shall adjudicate the penalties on such matters.

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| Factors to be taken into account by adjudicating officer | 28. While adjudicating the quantum of penalty under section 26, the adjudicating officer shall have due regard to the following factors, namely:- |
| | (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default; |
| | (b) the repetitive nature of the default. |
| Civil court not to have jurisdiction | 29. No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which an adjudicating officer appointed under this Act or the Appellate Tribunal is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act. |

CHAPTER IX

APPELLATE TRIBUNAL FOR ENERGY CONSERVATION

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| Establishment of Appellate Tribunal | 30. The Central Government shall, by notification, establish an Appellate Tribunal to be known as the Appellate Tribunal for Energy Conservation to hear appeals against the orders of the adjudicating officer or the Central Government or the State Government or any other authority under this Act. |
| Appeal to Appellate Tribunal | 31. (1) Any person aggrieved, by an order made by an adjudicating officer or the Central Government or the State Government or any other authority under this Act, may prefer an appeal to the Appellate Tribunal for Energy Conservation: |

Provided that any person appealing against the order of the adjudicating officer levying any penalty, shall while filing the appeal, deposit the amount of such penalty:

Provided further that where in any particular case, the Appellate Tribunal is of the opinion that the deposit of such penalty would cause undue hardship to such person, the Appellate Tribunal may dispense with such deposit subject to such conditions as it may deem fit to impose so as to safeguard the realisation of penalty.

- (2) Every appeal under sub-section (1) shall be filed within a period of forty-five days from the date on which a copy of the order made by the adjudicating officer or the Central Government or the State Government or any other authority is received by the aggrieved person and it shall be in such form, verified in such manner and be accompanied by such fee as may be prescribed:

Provided that the Appellate Tribunal may entertain an appeal after the expiry of the said period of forty-five days if it is satisfied that there was sufficient cause for not filing it within that period.

- (3) On receipt of an appeal under sub-section (1), the Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appealed against
- (4) The Appellate Tribunal shall send a copy of every order made by it to the parties to the appeal and to the concerned adjudicating officer or the Central Government or the State Government or any other authority.
- (5) The appeal filed before the Appellate Tribunal under sub-section (1) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within one hundred and eighty days from the date of receipt of the appeal:

Provided that where an appeal could not be disposed of within the said period of one hundred and eighty days, the Appellate Tribunal shall record its reasons in writing for not disposing of the appeal within the said period.

- (6) The Appellate Tribunal may, for the purpose of examining the legality, propriety or correctness of any order made by the adjudicating officer or the Central Government or the State Government or any other authority under this Act, as the case may be in relation to any proceeding, on its own motion or otherwise, call for the records of such proceedings and make such order in the case as it thinks fit.

32. (1) The Appellate Tribunal shall consist of a Chairperson and such number of Members not exceeding four, as the Central Government may deem fit. Composition of Appellate Tribunal
- (2) Subject to the provisions of this Act, -
- (a) the jurisdiction of the Appellate Tribunal may be exercised by Benches thereof;
- (b) a Bench may be constituted by the Chairperson of the Appellate Tribunal with two or more Members of the Appellate Tribunal as the Chairperson of the Appellate Tribunal may deem fit:
- Provided that every Bench constituted under this clause shall include at least one Judicial Member and one Technical Member;
- (c) The Benches of the Appellate Tribunal shall ordinarily sit at Delhi and such other places as the Central Government may, in consultation with the Chairperson of the Appellate Tribunal, notify;
- (d) The Central Government shall notify the areas in relation to which each Bench of the Appellate Tribunal may exercise jurisdiction,
- (3) Notwithstanding anything contained in sub-section (2), the Chairperson of the Appellate Tribunal may transfer a Member of the Appellate Tribunal from one Bench to another Bench
- Explanation – For the purposes of this Chapter, –
- (i) “Judicial Member” means a Member of the Appellate Tribunal appointed as such under item (i) or item (ii) or clause (b) of sub-section (1) of section 33, and includes the Chairperson of the Appellate Tribunal;
- (ii) “Technical Member” means a Member of the Appellate Tribunal appointed as such under item (iii) or item (iv) or item (v) or item (vi) of clause (b) of sub-section (1) of section 33
33. (1) A person shall not be qualified for appointment as the Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal unless he - Qualifications for appointment of Chairperson and Members of Appellate Tribunal
- (a) in the case of Chairperson of the Appellate Tribunal, is or has been, a judge of the Supreme Court or the Chief Justice of a High Court; and
- (b) in the case of a Member of the Appellate Tribunal,-
- (i) is, or has been, or is qualified to be, a Judge of a High Court; or

- (ii) is, or has been, a Member of the Indian Legal Service and has held a post in Grade I in that service for atleast three years; or
 - (iii) is, or has been, a Secretary for at least one year in Ministry or Department or the Central Government dealing with the Power, or Coal, or Petroleum and Natural Gas, or Atomic Energy; or
 - (iv) is, or has been Chairman of the Central Electricity Authority for at least one year; or
 - (v) is, or has been, Director-General of Bureau or Director-General of the Central Power Research Institute or Bureau of Indian Standards for atleast three years or has held any equivalent post for atleast three years; or
 - (vi) is, or has been, a qualified technical person of ability and standing having adequate knowledge and experience in dealing with the matters relating to energy production and supply, energy management, standardisation and efficient use of energy and its conservation, and has shown capacity in dealing with problems relating to engineering, finance, commerce, economics, law or management
- Term of office 34. The Chairperson of the Appellate Tribunal and every Member of the Appellate Tribunal shall hold office as such for a term of five years from the date on which he enters upon his office:
- Provided that no Chairperson of the Appellate Tribunal or Member of the Appellate Tribunal shall hold office as such after he has attained, –
- (a) in the case of the Chairperson of the Appellate Tribunal, the age of seventy years;
 - (b) in the case of any Member of the Appellate Tribunal, the age of sixty-five years.
- Terms and conditions of service 35. The salary and allowances payable to and the other terms and conditions of service of the Chairperson of the Appellate Tribunal, Members of the Appellate Tribunal shall be such as may be prescribed:
- Provided that neither the salary and allowances nor the other terms and conditions of service of the Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal shall be varied to his disadvantage after appointment.
- Vacancies 36. If for reason other than temporary absence any vacancy occurs in the office of the Chairperson of the Appellate Tribunal or the

Registration
and removal

Member of the Appellate Tribunal, the Central Government shall appoint another person in accordance with the provisions of this Act to fill the vacancy and the proceedings may be continued before the Appellate Tribunal from the stage at which the vacancy is filled.

37. (1) The Chairperson or a Member of the Appellate Tribunal may, by notice in writing under his hand addressed to the Central Government, resign his office:

Provided that the Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of term of office, whichever is the earliest.

- (2) The Chairperson of the Appellate Tribunal or a Member of the Appellate Tribunal shall not be removed from his office except by an order by the Central Government on the ground of proved misbehaviour or incapacity after an inquiry made by such persons as the President may appoint for this purpose in which the Chairperson or a Member of the Appellate Tribunal concerned has been informed of the charges against him and given a reasonable opportunity of being heard in respect of such charges.

38. (1) In the event of the occurrence of vacancy in the office of the Chairperson of the Appellate Tribunal by reason of his death, resignation or otherwise, the senior-most member of the Appellate Tribunal shall act as the Chairperson of the Appellate Tribunal until the date on which a new Chairperson appointed in accordance with the provisions of this Act to fill such vacancy enters upon his office.

Member to act
as Chairperson
in certain
circumstances

- (2) When the Chairperson of the Appellate Tribunal is unable to discharge his functions owing to his absence, illness or any other cause, the senior most Member of the Appellate Tribunal shall discharge the functions of the Chairperson of the Appellate Tribunal until the date on which the Chairperson of the Appellate Tribunal resumes his duties.

39. (1) The Central Government shall provide the Appellate Tribunal with such officers and employees as it may deem fit.

Staff of
Appellate
Tribunal

- (2) The officers and employees of the Appellate Tribunal shall discharge their functions under the general superintendence of the Chairperson of the Appellate Tribunal as the case may be.

- (3) The salaries and allowances and other conditions of service of the officers and employees of the Appellate Tribunal shall be such as may be prescribed.
- 5 of 1908 40. (1) The Appellate Tribunal shall not be bound by the procedure laid down by the Code of civil Procedure, 1908 but shall be guided by the principles of natural justice and subject to the other provisions of this Act, the Appellate Tribunal shall have powers to regulate its own procedure. Procedure and powers of Appellate Tribunal
- 5 of 1908 (2) The Appellate Tribunal shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in the civil court under the Code of Civil Procedure 1908, while trying a suit in respect of the following matters, namely:-
- 1 of 1872 (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) requiring the discovery and production of documents;
- (c) receiving evidence of affidavits;
- (d) subject to the provisions of section 123 and 124 of the Indian Evidence Act, 1872, requisitioning any public record or document or copy of such record or document from any office
- (e) issuing commissions for the examination of witnesses or documents;
- (f) reviewing its decisions;
- (g) dismissing a representation of default or deciding it, ex parte;
- (h) setting aside any order of dismissal or any representation for default or any order passed by it, ex parte;
- (i) any other matter which may be prescribed by the Central Government.
- (3) An order made by the Appellate Tribunal under this Act shall be executable by the Appellate Tribunal as a decree of civil court and, for this purpose, the Appellate Tribunal shall have all the powers of a civil court.
- (4) Notwithstanding anything contained in sub-section (3), the Appellate Tribunal may transmit any order made by it to a civil court having local jurisdiction and such civil court shall execute the order as if it were a decree made by the that court.

45 of 1860 2 of 1974	(5)	All proceedings before the Appellate Tribunal shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code and the Appellate Tribunal shall be deemed to be civil court for the purposes of section 345 and 346 of the Code of Criminal Procedure, 1973.	
Distribution of business amongst Benches.	41.	Where Benches are constituted, the Chairperson of the Appellate Tribunal may, from time to time, by notification, make provisions as to the distribution of the business of the Appellate Tribunal amongst the Benches and also provide for the matters which may be dealt with by each Bench.	
Power of Chairperson to transfer cases	42.	On the application of any of the parties and after notice to the parties, and after hearing such of them as he may desire to be heard, or on his own motion without such notice, the Chairperson of the Appellate Tribunal may transfer any case pending before one Bench for disposal, to any other Bench.	
Decision to be by majority	43.	If the Members of the Appellate Tribunal of a Bench consisting of two Members differ in opinion on any point, they shall state the point or points on which they differ, and make a reference to the Chairperson of the Appellate Tribunal who shall either hear the point or points himself or refer the case for hearing on such point or points by one or more of the other Members of the Appellate Tribunal and such point or points shall be decided according to the opinion of the majority of the Members of the Appellate Tribunal who have heard the case, including those who first heard it.	
Right to appellant to take assistance of legal practitioner or accredited auditor and of Government to appoint presenting officers	44.	<p>(1) A person preferring an appeal to the Appellate Tribunal under this Act may either appear in person or take assistance of a legal practitioner or an accredited energy auditor of his choice to present his case before the Appellate Tribunal, as the case may be.</p> <p>(2) The Central Government or the State Government may authorise one or more legal practitioners or any of its officers to act as presenting officers and every person so authorised may present the case with respect to any appeal before the Appellate Tribunal as the case may be.</p>	
Appeal to Supreme Court	45.	Any person aggrieved by any decision or order of the Appellate Tribunal may, file an appeal to the Supreme court within sixty days from the date of communication of the decision or order of the Appellate Tribunal to him, on any one or more of the ground specified in section 100 of the Code of Civil Procedure, 1908:	5 of 1908

Provided that the Supreme Court may, if it is satisfied that the appellant was prevented by the sufficient cause from the filing the appeal within the said period, allow it to be filed within a further period of not exceeding sixty days.

CHAPTER X

MISCELLANEOUS

Power of
Central
Government to
issue directions
to Bureau

46. (1) Without prejudice to the foregoing provisions of this Act, the Bureau shall, in exercise of its powers or the performance of its functions under this Act, be bound by such directions on questions of policy as the Central Government may give in writing to it from time to time:

Provided that the Bureau shall, as far as practicable, be given an opportunity to express his views before any direction is given under this sub-section.

- (2) The decision of the Central Government, whether a question is one of policy or not, shall be final.

Power of
Central
Government to
supersede
Bureau

47. (1) If at any time the Central Government is of opinion -
- (a) that on account of grave emergency, the Bureau is unable to discharge the functions and duties imposed on it by or under the provisions of this Act; or
 - (b) that the Bureau has persistently made default in complying with any direction issued by the Central Government under this Act or in discharge of the functions and duties imposed on it by or under the provisions of this Act and as a result of such default, the financial position of the Bureau had deteriorated or the administration of the Bureau had deteriorated; or
 - (c) that circumstances exist which render it necessary in the public interest so to do, the Central Government may, by notification, supersede the Bureau for such period, not exceeding six months, as may be specified in the notification.
- (2) Upon the publication of a notification under sub-section (1) superseding the Bureau -
- (a) all the members referred to in clauses (o), (p) and (q) of sub-section (2) of section 4 shall, as from the date of supersession, vacate their offices as such;
 - (b) all the powers, functions and duties which may, by or under the provisions of this Act, be exercised or discharged by or on behalf of the Bureau, shall until the Bureau is reconstituted under sub-sec-

tion (3), be exercised and discharged by such person or persons as the Central Government may direct; and

- (c) all property owned or controlled by the Bureau shall, until the Bureau is reconstituted under sub-section (3), vest in the Central Government.
- (3) On the expiration of the period of supersession specified in the notification issued under sub-section (1), the Central Government may reconstitute the Bureau by a fresh appointment and in such case any person or persons who vacated their offices under clause (a) of sub-section (2), shall not be deemed disqualified for appointment:

Provided that the Central Government may, at any time, before the expiration of the period of supersession, take action under this sub-section

- (d) the Central Government shall cause a notification issued under sub-section (1) and full report of any action taken under this section and the circumstances leading to such action to be laid before each House of Parliament at the earliest.

- 48. (1) Where a company makes a default in complying with the provisions of clause (c) or clause (d) or clause (h) or clause (i) or clause (k) or clause (l) or clause (n) or clause (r) or clause (s) of section 14 or clause (b) or clause (c) or clause (h) of section 15, every person who at the time of such contravention was incharge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to have acted in contravention of the said provisions and shall be liable to be proceeded against and imposed penalty under section 26 accordingly: Default by companies

Provided that nothing contained in this sub-section shall render any such person liable for penalty provided in this Act if he proves that the contravention of the aforesaid provisions was committed without his knowledge or that he exercised all due diligence to prevent the contravention of the aforesaid provision. Default by companies

- (2) Notwithstanding anything contained in sub-section (1), where any contravention of the provisions of clause (c) or clause (d) or clause (h) or clause (i) or clause (k) or clause (l) or clause (n) or clause (r) or clause (s) of section 14 or clause (b) or clause (c) or clause (h) of section 15 has been committed with the consent or connivance of, or is attributable to, any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer

shall also be deemed to have contravened the said provisions and shall be liable to be proceeded for imposition of penalty accordingly.

Explanation – For the purposes of this section, “company” means a body corporate and includes a firm or other association of individuals.

43 of 1961	49.	Notwithstanding anything contained in the Income-tax Act, 1961 or any other enactment for the time being in force relating to tax on income, profits or gains - Exemption from tax on income	Exemption from tax on income
	(a)	the Bureau;	
	(b)	the existing Energy Management Centre from the date of its constitution to the date of establishment of the Bureau, shall not be liable to pay any income tax or any tax in respect of their income, profits or gains derived.	
Protection of action taken in good faith	50.	No suit, prosecution or other legal proceedings shall lie against the Central Government or Director-General or Secretary or State Government or any officer of those Governments or State Commission or its members or any member or officer or other employee of the Bureau for anything which is in good faith done or intended to be done under this Act or the rules or regulations made thereunder.	
Delegation	51.	The Bureau may, by general or special order in writing, delegate to any member, member of the committee, officer of the Bureau or any other person subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Act (except the powers under section (58) as it may deem necessary	
Power to obtain information	52.	Every designated consumer or manufacturer of equipment or appliances specified under clause (b) of section 14 shall supply the Bureau with such information, and with such samples of any material or substance used in relation to any equipment or appliance, as the Bureau may require.	
Power to exempt	53.	If the Central Government or the State Government is of the opinion that it is necessary or expedient so to do in the public interest, it may, by notification and subject to such conditions as may be specified in the notification, exempt any designated consumer or class of designated consumers from application of all or any of the provisions of this Act:	
		Provided that the Central Government or the State Government, as the case may be, shall not grant exemption to any designated consumer or class of designated consumers for the period exceeding five years:	

Provided further that the Central Government or State Government, as the case may be shall consult the Bureau of Energy Efficiency before granting such exemption.

Chairperson, Members, officers and employees of the Appellate Tribunal, Members of State Commission, Director-General, Secretary, members, officers and employees to be public servants.

54. The Chairperson of the Appellate Tribunal or the Members of the Appellate Tribunal or officers or employees of the Appellate Tribunal or the members of the State Commission or the members, Director-General, Secretary, officers and other employees of the Bureau shall be deemed, when acting or purporting to act in pursuance of any of the provisions of the Act, to be public servants within the meaning of section 21 of the Indian Penal Code. 45 Of 1860

Power of Central Government to issue directions.

55. The Central Government may give directions to a State Government or the Bureau as to carrying out into execution of this Act in the State

Power of Central Government to make rules.

56. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

- (a) such number of persons to be appointed as members by the Central Government under clauses (o), (p) and (q) of sub-section (2) of section 4;
- (b) the fee and allowances to be paid to the members under sub-section (5) of section 4;
- (c) the salary and allowances payable to the Director-General and other terms and conditions of his service and other terms and conditions of service of the Secretary of the Bureau under sub-section (4) of section 9;
- (d) the terms and conditions of service of officer and other employees of the Bureau under sub-section (2) of section 10;
- (e) performing such other functions by the Bureau, as may be prescribed, under clause(u) of sub-section (2) or section 13;
- (f) the energy consumption norms and standards for designated consumers under clause (g) of section 14;

- (g) prescribing the different norms and standards for different designated consumers under the proviso to clause (g) of section 14;
- (h) the form and manner and the time within which information with regard to energy consumed and the action taken on the recommendations of the accredited energy auditor be furnished under clause (k) of section 14;
- (i) the form and manner in which the status of energy consumption be submitted under clause (l) of section 14;
- (j) the minimum qualification for energy managers under clause (m) of section 14;
- (k) the form and manner for preparation of scheme and its implementation under clause (o) of section 14;
- (l) the energy conservation building codes under clause (p) of section 14;
- (m) the matters relating to inspection under sub-section (2) of section 17;
- (n) the form in which, and the time at which, the Bureau shall prepare its budget under section 22;
- (o) the form in which, and the time at which, the Bureau shall prepare its annual report under section 23;
- (p) the form in which the accounts of the Bureau shall be maintained under section 25;
- (q) the manner of holding inquiry under sub-section (l) of section 27;
- (r) the form of and fee for filing such appeal under sub-section (2) of section 31;
- (s) the salary and allowances payable to and other terms and conditions of service of the Chairperson of the Appellate Tribunal and Member of the Appellate Tribunal under section 35;
- (t) the salary and allowances and other conditions of service of the officers and other employees of the Appellate Tribunal under sub-section (3) of section 39;
- (u) the additional matters in respect of which the Appellate Tribunal may exercise the powers of a civil court under clause (i) of sub-section (2) of section 40;

- (v) any other matters which is to be, or may be, prescribed, or in respect of which provision is to be made, or may be made by rules.
57. (1) The State Government may, by notification, makes rules for carrying out the provisions of this Act and not inconsistent with the rules, if any, made by the Central Government. Power of State Government to make rules
- (2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely: -
- (a) energy conservation building codes under clause (a) of section 15;
 - (b) the form, the manner and the period within which information with regard to energy consumption shall be furnished under clause (h) of section 15;
 - (c) the person or any authority who shall administer the Fund and the manner in which the Fund shall be administered under sub-section (4) of section 16;
 - (d) the matters to be included for the purposes of inspection under sub-section (2) of section 17
 - (e) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, or may be made, by rules.
- Power of Bureau to make regulations
58. (1) The Bureau may, with the previous approval of the Central Government and subject to the condition of previous publication, by notification, make regulations not inconsistent with the provisions of this Act and the rules made thereunder to carry out the purposes of this Act.
- (2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:-
- (a) the times and places of the meetings of the Governing Council and the procedure to be followed at such meetings under sub-section (1) of section 5;
 - (b) the members of advisory committees constituted under sub-section (2) of section 8;
 - (c) the powers and duties that maybe exercised and discharged by the Director-General of the Bureau under sub-section (6) of section 9;
 - (d) the levy of fee for services provided for promoting efficient use of energy and its conservation under clause (n) of sub-section (2) of section 13;

- (e) the list of accredited energy auditors under clause (o) of sub-section (2) of section 13;
- (f) the qualifications for accredited energy auditors under clause (p) of sub-section (2) of section 13;
- (g) the manner and the intervals or time in which the energy audit shall be conducted under clause (q) of sub-section (2) of section 13;
- (h) certification procedure for energy managers under clause (r) of sub-section (2) of section (13);
- (i) particulars required to be displayed on label and the manner of their display under clause (d) of section 14;
- (j) the manner and the intervals of time for conduct of energy audit under clause (h) or clause (s) of section 14;
- (k) the manner and the intervals of time for conducting energy audit by an accredited energy auditor under clause (c) of section 15;
- (l) any other matter which is required to be, or may be, specified.

Rules and regulations to be laid before Parliament and State Legislature

59. (1) Every rule made by the Central Government and every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation, or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.
- (2) Every rule made by the State Government shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or where such Legislature consists of one House, before that House.

Application of other laws not barred.

60. The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

61. The provisions of this Act shall not apply to the Ministry or Department of the Central Government dealing with Defence, Atomic Energy or such other similar Ministries or Departments undertakings or Boards or institutions under the control of such Ministries or Departments as may be notified by the Central Government. Provisions of Act not to apply in certain cases
62. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty: Power to remove difficulty.
- Provided that no such order shall be made under this section after the expiry of two years from the date of commencement of this Act.
- (2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

THE SCHEDULE

[See section 2 (s)]

List of Energy Intensive Industries and other establishments specified as designated consumers

1. Aluminium;
2. Fertilizers;
3. Iron and Steel;
4. Cement;
5. Pulp and paper;
6. Chlor Akali;
7. Sugar;
8. Textile;
9. Chemicals;
10. Railways;
11. Port Trust;
12. Transport Sector (industries and services);
13. Petrochemicals, Gas Crackers, Naphtha Crackers and Petroleum Refineries;
14. Thermal Power Stations, hydel power stations, electricity transmission companies and distribution companies;
15. Commercial buildings or establishments;

SUBHASH C. JAIN,
Secy. to the Govt. of India.


सत्यमेव जयते

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EXTRAORDINARY PART II SECTION 1 No.37

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, August 25, 2010/Bhadra 3, 1932 (Saka)

The following Act of Parliament received the assent of the President on the 24th August, 2010, and is hereby published for general information:—

THE ENERGY CONSERVATION (AMENDMENT) ACT, 2010

No 28 OF 2010

[24th August 2010]

An Act to amend the Energy Conservation Act, 2001.

BE it enacted by Parliament in the Sixty-first Year of the Republic of India as follows:

- 52 of 2001
1. This Act may be called the Energy Conservation (Amendment) Act, 2010. Short title
 2. In section 2 of the Energy Conservation Act, 2001 (hereinafter referred to as the principal Act), – Amendment of section 2
 - (i) in clause (a), for the words “an auditor possessing qualifications specified under”, the words “an energy auditor accredited in accordance with the provisions of” shall be substituted;
 - (ii) in clause (b), for the words, and figures “established under section 30”, the words and figures “referred to in section 30” shall be substituted;
 - (iii) for clause (c), the following clause shall be substituted, namely:–

‘(c) “building” means any structure or erection or part of structure or erection after the rules relating to energy conservation building codes have been notified under clause (P) of section 14 and clause (a) of section 15 and includes any existing structure or erection or part of structure or erection, which is having a connected load of 100 Kilowatt (kW) or contract demand of 120 Kilo- volt Ampere (kVA) and above and is used or intended to be used for commercial purposes;’;

(iv) after clause (m), the following clauses shall be inserted, namely:-

“(ma) “energy savings certificate” means any energy savings certificate issued to the designated consumers under sub-section (1) of section 14A;

(maa) “equipment or appliance” means any equipment or appliance which consumes, generates, transmits or supplies energy and includes any device that consumes any form of energy and produces a desired work;’ .

Amendment of section 9

3. In section 9 of the principal Act, in sub-section (3), for the words “three years”, the words “five years” shall be substituted.

Amendment of section 10

4. In section 10 of the principal Act, in sub-section (1), for the words “The Central Government”, the words “The Bureau” shall be substituted.

Amendment of section 13

5. In section 13 of the principal Act, in sub-section (2),-

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

“(aa) recommend to the Central Government for issuing of the energy savings certificate under section 14A;”;

(ii) for clause (p), the following clause shall be substituted, namely:-

“(p) specify, by regulations, the qualifications, criteria and conditions subject to which a person may be accredited as an energy auditor and the procedure for such accreditation;”;

(iii) in clause (r), for the words “energy managers”, the words “energy auditors and energy managers” shall be substituted;

(iv) after clause(s), the following clause shall be inserted, namely:-

“(sa) conduct examination for capacity building and strengthening of services in the field of energy conservation including certification of energy managers and energy auditors.”.

Amendment of section 14

6. In section 14 of the principal Act,-

(i) in clause (c), for the proviso, the following provisos shall be substituted, namely:-

“Provided that no notification prohibiting manufacture or sale or purchase or import of equipment or appliance shall be issued within a period of six months from the date of notification issued under clause (a) of this section:

Provided further that the Central Government may, having regard to the market share and the technological development having impact on equipment or appliance, and for reasons to be recorded in writing, extend the said period of six months referred to in the first proviso by a further period not exceeding six months;”;

(ii) in clause (e), for the words “any user or class of users of energy as a designated consumer”, the words “any user or class of users of energy in the energy intensive industries and other establishments as specified in the Schedule as a designated consumer” shall be substituted;

(iii) in clause (m), for the words “energy managers”, the words “energy auditors and energy managers” shall be substituted;

(iv) in clause (o), for the words “such form and manner”, the words “such form, the time within which and the manner” shall be substituted.

7. After section 14 of the principal Act, the following sections shall be inserted, namely:-
- “14A. (1) The Central Government may issue the energy savings certificate to the designated consumer whose energy consumption is less than the prescribed norms and standards in accordance with the procedure as may be prescribed.
- (2) The designated consumer whose energy consumption is more than the prescribed norms and standards shall be entitled to purchase the energy savings certificate to comply with the prescribed norms and standards.
- 14B. The Central Government may, in consultation with the Bureau, prescribe the value of per metric ton of oil equivalent of energy consumed for the purposes of this Act.”.
8. In section 26 of the principal Act,-
- (a) in sub-section (1),-
- (i) the words, brackets and letter “or clause (n)” shall be omitted;
- (ii) for the words “ten thousand rupees”, the words “ten lakh rupees” shall be substituted;
- (iii) for the words “one thousand rupees”, the words “ten thousand rupees” shall be substituted;
- (b) after sub-section (1), the following sub-section shall be inserted, namely:-
- Insertion of new sections 14A and 14B.
Power of Central Government to issue energy savings certificate
Power of Central Government to specify value of energy
Amendment of section 26

		“(1A) If any person fails to comply with the provisions of clause (n) of section 14, he shall be liable to a penalty which shall not exceed ten lakh rupees and, in the case of continuing failure, with an additional penalty which shall not be less than the price of every metric ton of oil equivalent of energy, prescribed under this Act, that is in excess of the prescribed norms.”.	
36 of 2003	9.	For section 30 of the principal Act, the following section shall be substituted, namely :- “30. The Appellate Tribunal established under section 110 of the Electricity J Act, 2003 shall, without prejudice to the provisions of the Electricity Act, 2003, be the Appellate Tribunal for the purposes of this Act and hear appeals against the orders of the adjudicating officer or the Central Government or the State Government or any other authority under this Act.”.	Substitution of new section for section 30 Appellate Tribunal
36 of 2003	10.	After section 31 of the principal Act, the following section shall be inserted, namely:- “31A. The provisions of sections 120 to 123 (both inclusive) of the Electricity Act, 2003 shall, <i>mutatis mutandis</i> , apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its function under the Electricity Act, 2003.”.	Insertion of new section 31A Procedure and powers of Appellate Tribunal
Omission of sections 32 to 43.	11.	Sections 32 to 43 of the principal Act shall be omitted.	
Amendment of section 54	12.	In section 54 of the principal Act, the words “Chairperson of the Appellate Tribunal or the Members of the Appellate Tribunal or officers or employees of the Appellate Tribunal or the Members of the State Commission or the” shall be omitted.	
Amendment of section 56	13.	In section 56 of the principal Act, in sub-section (2),- (i) in clause (j), for the words “energy managers”, the words “energy auditors and energy managers” shall be substituted; (ii) after sub-clause (t), the following clauses shall be inserted, namely:- “(la) prescribing the procedure for issuing the energy savings certificate under sub-section (1) of section 14A; (laa) the value of per metric ton of oil equivalent of energy consumed under section 148;”; (iii) clauses (s), (t) and (u) shall be omitted.	

Amendment
of section 58

- 14.** In section 58 of the principal Act, in sub-section (2),-
- (a) for clause (f), the following clause shall be substituted, namely:-
- “(f) the qualifications, criteria and conditions subject to which a person may be accredited as an energy auditor and the procedure for such accreditation under clause (p) of sub-section (2) of section 13;”;
- (b) in clause (h), for the words “energy managers”, the words “energy auditors and energy managers” shall be substituted.

Amendment
of the
Schedule

- 15.** In the Schedule to the principal Act, in the heading, the words “specified as designated consumers” shall be omitted.

Amendment
of certain
enactment

- 16.** The enactment specified in the Schedule to this Act shall be amended in the manner specified therein.

THE SCHEDULE

(See section 16)

AMENDMENT TO THE ELECTRICITY ACT, 2003

(36 OF 2003)

In section 110, for the words “under this Act”, the words “under this Act or any other law for the time being in force” shall be substituted.

Amendment of
Section 110,

V. K. BHASIN
Secy. to the Govt. of India

Chapter 13

**Rules & Regulation under
Energy Conservation Act**


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EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

MINISTRY OF POWER

Notification

New Delhi, the 24th September, 2003

G.S.R. 761(E) – In exercise of the powers conferred by section 56 of the Energy Conservation Act, 2001 (52 of 2001); the Central Government hereby makes the following rules for regulating the appointment and other terms and conditions of service of the Director General of the Bureau of Energy Efficiency, namely. _

1. **Short title and commencement** - (1) These rules may be called the Bureau of Energy Efficiency Appointment and Terms and Conditions of Service of the Director-General Rules, 2003.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** - In these rules, unless the context otherwise requires,
 - (a) “Act” means the Energy Conservation Act, 2001(52 of 2001);
 - (b) “Director General” means the Director-General of the Bureau appointed under Sub-section (1) of Section 9 of the Act;
 - (c) “Section” means a section of the Act, and
 - (d) all other words and expressions used herein and not defined but defined in the Act, shall have the meanings respectively assigned to them in the Act.
3. **Appointment of Director General**- (I) The Central Government shall appoint a person possessing the qualifications and experience laid down in sub-section (1) of section 9 as the Director General
 - (2) The term of the office of Director General shall be determined from the date on which he enters upon his office.
 - (3) Where an officer of the Central Government or a State Government is appointed’ as the Director General, his appointment, till the date he attains the age of superannuation, shall be deemed to have been made on deputation and after the date of superannuation, till he attains the age of sixty year, his appointment shall be deemed to have been made on short term contract.
 - (4) Where a person working under a public sector undertaking or autonomous or statutory organization or form any private company or society or institution is appointed as the Director General, his appointment shall be deemed to have been made on short term contract.
4. **Scale of pay and allowances** - (I) The Director-General shall be entitled to draw a salary in the pay scale of Rs. 22400-525-24500.

Provided that where an officer of the Central or State Government is appointed as Director General his pay being drawn from the parent Government shall be protected.

- (2) The pension and the leave salary contribution in respect of a person appointed under sub-rule (4) of rule 3 shall be paid by the Bureau to the lending Government.
 - (3) The Director-General shall be entitled to dearness allowance appropriate to his pay at the rate admissible to a Group 'A' officer of the corresponding status in the Central Government.
 - (4) The other terms and conditions of the service of the Director-General for which the provisions have not been made in these rules, including entitlement of leave salary, leave travel concession traveling allowance, medical facilities, shall be such as are admissible to a Group 'A' officer of the corresponding status in the Central Government.
5. **Resignation and removal of Director General** - (1) The Director General may relinquish his office by giving in writing under his hand to the Central Government a notice of not less than ninety days.
- (2) The Director General may be removed from his office by the Central Government if he is subject to any of the disqualifications mentioned in rule 6.

Provided that the Director General shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of ninety days from the date of receipt of such notice or within the said period of ninety days until a person duly appointed as his successor enters upon his office or until the expiry of term of office, whichever is the earliest.

6. **Grounds for removal** - (1) The Central Government may remove from office the Director General who
- a) is, or at any time has been adjudged as an insolvent; or
 - b) is/or becomes, of unsound mind or is so declared by a competent court; or
 - c) has become physically or mentally incapable of acting as the Director General; or
 - d) has been convicted of any offence which, in the opinion of the Central Government, involves moral turpitude; or
 - e) has acquired such financial or other interest as is likely to affect prejudicially his functions as the Director General; or
 - f) has so abused his position as to render his continuation in office detrimental to the public, interest.
- (2) The Director General shall not be removed from service under the provisions of sub-rule (2) of rule 5 unless he has been given a reasonable opportunity of being heard in the matter.
7. **Entitlement for staff car** - The Director General shall be entitled to the use of staff car in accordance with the instructions issued from time to time by the Central Government.

[F. No. 13137Z001-EM]
SHASHI SHEKHAR, Jt. Secy


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EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

MINISTRY OF POWER

Notification

New Delhi, the 2nd September, 2005

G.S.R 567(E) -In exercise of the powers conferred by Section 56 of the Energy Conservation Act, 2001 (52 of 2), the Central Government hereby makes the following amendments in the Bureau of Energy Efficiency Appointment and Terms and Conditions of Service of Director General Rules, 2003, namely :

1. (1) These rules may be called the Bureau of Energy Efficiency Appointment and Terms and Conditions of Service of Director General (Amendment) Rules, 2005.
- (2) These rules shall come into force on the date of their publication in the Official Gazette.
2. In the Bureau of Energy Efficiency Appointment and Terms and Conditions of Service of Director General Rules, 2003, in rule 3, for sub-rule (1), the following shall be substituted, namely ;
“The Central Government shall appoint a person possessing the following qualifications and experience;
(i) Essential Qualifications and Experience :
 - (a) a candidate must be a Graduate in Engineering or Post-Graduate in Physics or Chemistry or Geology or Geophysics or Energy Studies or Energy Management or Energy Economics; and
 - (b) shall have the experience of 25 years of service in the Central Government or the State Government in Group ‘A’ with at least 3 years experience in the pay scale of Rs. 18,400-22,400 in the parent cadre of service.
or
at least 25 years of post qualification experience in any public sector undertaking or an autonomous body or any statutory body or any private firm, out of which 5 years should be at a senior level in a organization of a repute, and
 - (c) the candidate must have adequate knowledge and experience in dealing with the matters relating to energy) production, supply and energy management, standardization and efficient use of energy and its conservation
(ii) Desirable qualification and experience :

A candidate possessing a Post-Graduate Engineering or Doctorate degree in Physics or Chemistry or Geology or Geophysics or Energy Studies or Energy Management or Energy & Economics and having experience in policy formulation or planning in the field of energy management shall be preferred.”

[F.No. 13/3/2001-EM]

D.C. SRIVASTAV, Director

Note: The principal rules were published in the Gazette of India Extraordinary, dated the 24th September, 2003, Part II, Section 3 (i), *vide* No. G.S.R 761 (E).


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EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

Notification

New Delhi, the 5th September, 2005

G.S.R. 317 - In exercise of the powers conferred by clause (0) of Sub-section (2) of Section 56 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government hereby makes the following rules regulating the preparation Annual Report by the Bureau of Energy Efficiency namely :

1. **Short title and Commencement** - (1) These Rules may be called the Bureau of Energy Efficiency (Annual Report) Rules, 2005.
 - (2) They shall come in to force on the date of publication in the Official Gazette.
2. **Definitions** - (1) In these Rules, unless the context otherwise requires,
 - (a) “Act” means the Energy Conservation Act, 2001;
 - (b) “Annual Report” means the report referred to in Section 23 of the Act;
 - (c) “Annual Statement of Accounts” means annual statement of accounts referred to in Section 25 of the Act;
 - (d) “Bureau” means the Bureau of Energy Efficiency established under Sub-section (1) of Section 3 of the Act;
 - (e) “Director-General” means the Director-General of the Bureau appointed under Sub-section (1) of Section 3 of the Act;
 - (f) “Secretary” means the Secretary of the Bureau appointed under Sub-section (2) of Section 9 of the Act;
 - (g) “Schedule” means the Schedule annexed to these Rules;
 - (h) “Year” means the financial year.
 - (2) Words and expression used herein and not defined in these rules but defined in the Energy Conservation Act, 2001 shall have the meaning as assigned to them in that Act.
3. **Preparation of Annual Report** - (1) The Bureau shall prepare its Annual Report each year giving a full account of its activities undertaken during the relevant year. The annual report shall include in it details of activities likely to be undertaken by the Bureau during the next financial year, Annual Statement of Accounts duly certified by the Comptroller and Auditor General of India Audit Report, action taken report thereon, Report of the Director General and such other documents as may be prescribed by the Central Government in this regard.
 - (2) The Annual Report shall be prepared in the format specified in Form ‘A’ contained in the Schedule.

4. **Authority for preparation of Annual Report** - Secretary of the Bureau shall supervise the preparation of the Annual Report to ensure that it faithfully reflects the activities undertaken or planned to be undertaken by the Bureau and it is submitted to the Central Government in time.
5. **Submission of Annual Report** - The Bureau shall submit the Annual Report to the Central Government duly approved by the Governing Council before 15th September of each year for being laid before each House of the Parliament under Section 24 of the Act :

Provided that on a request from the Bureau in this behalf, the Central Government for reasons to be recorded in writing may extend the date of submission of Annual Report to the Central Government by such period, as it may consider necessary.

6. **Delay in submission of Annual Report** -Whenever there is delay in submission of the Annual Report to the Central Government, the Bureau shall also submit to the Central Government a statement explaining the reasons for delay along with the Annual Report, duly approved by the Governing Council or such other authority as may be prescribed by the Governing Council in this regard.

Schedule

FORM A

(See Sub-role (2) of Rule 3)

FORMAT OF THE ANNUAL REPORT

1. General
 - (i) The Mission
 - (ii) The Objectives of Bureau of Energy Efficiency and its Role
 - (iii) Report of the Director General
 - (iv) Governing Council/Executive Committee composition, changes in composition/membership
 - (v) 'Sector-wise view-Agriculture, Industrial, Transport and Domestic and Commercial and such other sectors as may be specified by the Government.
2. Programmes and Projects
 - (i) Progress in the execution of the sanctioned Projects/Schemes/Programmes with reference to targets
 - (ii) New Projects/Schemes/Programmes contemplated together with their advantages, financial implications and Programmes for execution
 - (iii) Significant events and happenings such as National Energy Conservation Award. .
 - (iv) An account of the activities having been implemented with regard to the Energy Conservation Act, such as Standards and Labelling, Designated Consumers, Certification of Energy Manager, Energy Conservation Building Code, Accreditation of Energy Audit Firms.
3. International Co-operation

Details of Multi-lateral/Bilateral Programmes and their contribution
4. Administration and Accounts of the Bureau

- (i) Capital structure of the Bureau
 - (ii) Summary of the financial results
 - (iii) Measures taken for improving or strengthening the functioning of the Bureau
 - (iv) Annual Statement of Accounts, viz, Balance Sheet, Receipt and Payment Accounts and Income-Expenditure Statement duly audited.
5. Grievance redressal
 6. Welfare of SC/ST/OBC
 7. Welfare of Minority
 8. Progressive Use of Hindi
 9. Vigilance

[F. No. 10/7/2004-EM]
GIREESH B. PRADHAN, Jt. Secy.

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

Notification

New Delhi, the 29th November, 2006

G.S.R. 296 - In exercise of the powers conferred by clause (o) of sub-section (2) of Section 56 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government hereby makes the following rules to amend the Bureau of Energy Efficiency (Annual Report) Rules, 2005, namely:—

1. **Short title and Commencement**—(1) These rules may be called the Bureau of Energy Efficiency (Annual Report) Amendment Rules, 2006.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Bureau of Energy Efficiency (Annual Report) Rules, 2005, in rule 5, after the “submit” the words “English and Hindi version of” shall be inserted.

[F.No. 10/7/2004-EM]

U.N. PANJIAR, Addl. Secy.

Footnote:—The principal rules were published *vide* G.S.R. 317 dated the 5th September, 2005.


सत्यमेव जयते

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

MINISTRY OF POWER

Notification

New Delhi, the 15th June, 2004

G.S.R. 362(E) - In exercise of the powers conferred by Section 56 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government hereby makes the following rules regulating the appointment of Secretary, Bureau of Energy Efficiency, a body corporate under the Ministry of Power, namely:~

1. **Short title and commencement** - (1) These rules may be called the Bureau of Energy Efficiency (Appointment of Secretary) Rules, 2004.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Number of post, classification and scale of pay** - The number of post, its classification and the scale of pay attached thereto shall be as specified in columns 2 to 4 of the Schedule annexed to these rules.
3. **Method of recruitment, age limit, qualifications, etc.** -The method of recruitment to the said post, age limit, qualifications and other matters relating thereto shall be as specified in columns 5 to 14 of the said Schedule aforesaid.
4. **Disqualification** - No person,
 - (a) who has entered into or contracted a marriage with a person having a spouse living; or
 - (b) who, having a spouse living, has entered into or contracted a marriage with any person, shall be eligible for appointment to the said post:
Provided that the Central Government may, if satisfied that such marriage is punishable under the personal law applicable to such person and the other party to the marriage and that there are other grounds for so doing, exempt any person from the operation of this rule.
5. The conditions of service for which the provisions have not been made in these rules, including entitlement of leave salary, leave travel concession, travelling allowances, medical facilities, shall be such as are admissible to a Group 'A' officer of the corresponding status in the Central Government.
6. **Power to relax** - Where the Central Government is of the opinion that it is necessary or expedient so to do, it may, by order, for reasons to be recorded in writing, relax any of the provisions of these rules with respect to any class or category of persons.
7. **Savings** -Nothing in these rules shall affect reservations, relaxation of age limit and other concessions required to be provided for the Scheduled Castes, the Scheduled Tribes and other special categories of persons in accordance with the orders issued by the Central Government from time to time in this regard.

SCHEDULE

Name of the Post	No. of the Post	Classification	Scale of pay	Whether Selection Post or non selection post	Age limit for direct recruits
(1)	(2)	(3)	(4)	(5)	(6)
Secretary	1 (One)	Group A	Rs.14,300.400-18,300	Selection	Not applicable
Whether benefit of added years of service admissible under rule 30 of the Central Civil Services (pension) Rules. 1972		Educational and other qualifications required for direct recruits the case of promotee		Whether age and educational qualifications prescribed for direct recruits will apply in	Period of probation, if any
(7)		(8)		(9)	(10)
Not applicable		Not applicable		Not applicable	Not applicable
Method of recruitment whether by direct recruitment or by promotion or by deputation or transfer and percentage of the vacancies to be filled by various methods		In case of recruitment by promotion or deputation or transfer, grades from which promotion or deputation or transfer to be made		If Departmental Promotion Committee exists, what is its composition	Circumstances in which Union Public Service Commission is to be Consulted in making recruitment
(11)		(12)		(13)	(14)
By deputation		Deputation.- The officers of Central or State Governments holding a post not below the rank of Deputy Secretary to the Government of India. Desirable.- (i) Experience in the field of generation transmission distribution of power or energy conservation; (ii) Experience in administrative, financial and Conservation -Member budgetary matters. Period of deputation.- The term of office of Secretary shall be three years, from the date on which he enters upon his office or the date of his superannuation in his parent cadre, whichever is earlier. The term of deputation may be extended where considered necessary upto a period of five years,		Departmental Promotion Committee for deputation 1. Secretary/Special Secretary Ministry of Power 2. Director-General, Bureau of Energy Efficiency. -Member 3. Additional Secretary/Joint Secretary, Ministry of Power in-charge of Energy .	Consultation with Union Public Service Commission not necessary.

[F. No. 13/7/2001-EM]
GIREESH B. PRADHAN, Jt. Secy.


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भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART III – Section 4

BUREAU OF ENERGY EFFICIENCY

Notification

New Delhi, the 27th September, 2005

F.No. 02-11(1)/03-BEE –Whereas draft of the Bureau of Energy Efficiency, Procedure for conduct of Business of the Governing Council Regulations, 2004 was published *vide* notification No. 02/11(1)/03-BEE dated the 6th July, 2004 in the Gazette of India, Extraordinary, Part III< Section 4 as required under sub-section 1 of Section 58 of the Energy Conservation Act, 2001 (52 of 2001) for the information of all persons likely to be affected thereby;

And whereas notice was given that the said draft regulations will be taken into consideration together with any objection or suggestion received on or after the expiry of a period of forty five days from the date when the Gazettee copies were made available;

And whereas the Gazette copies of the said draft regulation were made available to the public on 6th July, 2004;

And whereas no objection or suggestion with respect to the said draft has been received within the period aforesaid;

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 58 of the Energy Conservation Act, 2001 (52 of 2001), the Bureau of Energy Efficiency with the previous approval of the Central Government, hereby makes the following regulations, namely

1. **Short title and commencement** - (1) These regulations may be called the Bureau of Energy Efficiency (Procedures for Conduct of Business of the Governing Council) Regulations, 2005.
(2) They shall come into force on the date of their final publication in the Official Gazette.
2. **Definitions** - (1) In these regulations, unless the context otherwise requires,
 - (a) “Act” means the Energy Conservation Act, 2001;
 - (b) “Director General” means the Director General of the Bureau appointed under sub-section (1) of section 9 of the Act;
 - (c) “Member-secretary” means the member secretary of the Governing Council appointed under sub-section (1) of section 4;
 - (d) “section” means as section of the Act;
 - (e) “Year” means the period of twelve months beginning with, the 1st day of January and ending with the 31st day of December.

- (2) Words and expressions used herein and not defined but defined in the Act shall have the meaning respectively assigned to them in the Act.
3. **Date of time of meeting** (1) The Governing Council of the Bureau of Energy Efficiency shall meet at least twice in a year.
- (2) The member-Secretary after consultation with the Chairperson shall fix the date, time and place of a meeting of the Governing Council.
4. **Notice of meeting** - (1) Each member shall be given in writing seven days clear notice of a meeting fixed under regulation, 3 and the agenda of business to be transacted therein at his registered or usual address:
- Provided that in the case of urgency a special meeting may be convened at a short notice informing each member of the business to be transacted and reasons for convening such meeting.
5. **Quorum and procedure at meeting** - (1) The quorum necessary for transaction of business at a meeting of the Governing Council shall be one third of the total number of members of the Governing Council.
- (2) If at any meeting there is no quorum, the Chairperson shall adjourn the meeting and fix another date.
- (3) When a meeting has been adjourned under sub-regulation (2), on the other date fixed for the meeting, only the business of the adjourned meeting shall be transacted and the provisions of sub-regulation (1) shall not be applicable.
6. **Minutes of the meeting** - (1) The member secretary shall draw the minutes of the meeting and record the same in minute book kept for this purpose.
- (2) All the records in respect of meeting shall be signed by the member-secretary.
- (3) A copy of the minutes of each meeting shall be sent to each member.
7. **Conduct of business by the Committee –**
- (1) In case of committee set up by the Governing Council to assist it in the conduct of its business, the quorum to constitute a sitting of such committee shall be one-third of the total number of members of the committee.
- (2) If at any meeting of the Committee there is no quorum, the Chairperson of the Committee shall adjourn the meeting to another date to transact the business of the adjourned meeting.
- (3) The provisions contained in regulation 6 shall also be applicable in case of meetings of such Committees.
- (4) The Governing Council may issue directions to the Chairperson of the Committee for regulating other procedure, not covered under these regulations.
- (5) The provisions contained in section (5) of the Act shall be applicable.

V.S. VERMA, Director General
[Advt. III/IV/185/2005/Exty.]

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

Notification

New Delhi, the 28th February, 2007

G.S.R. 173(E) - In exercise of the powers conferred by clause (p) of Sub-section (2) of Section 56 and sub-section (1) of Section 25 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government, in consultation with the Comptroller and Auditor-General of India, hereby makes the following rules, namely:-

1. **Short title and Commencement** - (1) These rules may be called the Bureau of Energy Efficiency (Form of Annual Statement of Accounts and Records) Rules, 2007.
 - (2) They shall come in to force on the date of publication in the Official Gazette.
2. **Definitions** - (1) In these Rules, unless the context otherwise requires,
 - (a) "Act" means the Energy Conservation Act, 2001 (52 of 2001);
 - (b) 'Audit Officer' means the Comptroller and Auditor General of India or any person appointed by him in connection with the audit of accounts of the Bureau;
 - (c) 'Bureau' means the Bureau of Energy Efficiency constituted under Section 3 of the Act;
 - (d) "Director-General" means the Director-General of the Bureau appointed under Section 9 of the Act;
 - (e) "Finance and Accounts Officer" means the Finance and Accounts Officer of the Bureau or any other officer authorized to exercise the powers of the Finance and Accounts Officer;
 - (f) "Form" means a form appended to these rules;
 - (g) "Secretary" means the Secretary of the Bureau of Energy Efficiency appointed under Section 9 of the Act.
 - (2) Words and expressions used and not defined in these rules but defined in the Act, shall have the same meanings respectively assigned to them in the Act.
3. **Accounts of the Bureau**—(1) The Bureau shall prepare the annual statement of accounts for every financial year commencing with 2004-05. The Director General of the Bureau may authorize the Finance and Accounts Officer to prepare the accounts on his behalf.
 - (2) The Secretary of the Bureau shall supervise the maintenance of the accounts of the Bureau, the compilation of financial statement and return, and shall ensure that all accounts, book, connected vouchers and other documents and papers of the Bureau required by the audit officer for the purpose of auditing the accounts of the Bureau are placed at the disposal of that officer.
 - (3) The annual statement of accounts duly approved by the Governing Council of the Bureau and after certification by the Comptroller and Auditor General of India or his authorized

representative, shall be submitted by the Director-General of the Bureau to the Central Government by 15th November of each year or such other date as may be specified by the Central Government from time to time.

- (4)(a) The Bureau shall prepare the following financial statements alongwith necessary Schedules, notes on accounts and significant accounting policies in accordance with the common format of financial statements prescribed by the Government of India, Ministry of Finance, Controller General of Accounts, namely:—
- (i) Balance Sheet in Form-A.
 - (ii) Income and Expenditure Account in Form-B,
 - (iii) Receipt and Payment Account in Form-C.
- (b) The authorized signatories to sign and authenticate the ‘Receipts and Payment Accounts’, ‘Income and Expenditure Account’ and ‘Balance Sheet’ shall be Finance and Account Officer, Secretary and Director-General of the Bureau:
- (c) The Bureau shall prepare these financial statements in accordance with the notes, instructions and accounting policies for compilation of financial statements as detailed in the common format of financial statements and the instruction issued by the Central Government from time to time.
4. **Audit of Accounts.**—(1) The Annual statement of accounts shall be submitted to the Audit officer on or before the 30th June, following year to which the accounts relate and the Audit Officer shall audit the accounts of the Bureau and report thereon.
- (2) The Bureau shall, on receipt of the Audit Report, take action to remedy any defect or irregularity pointed out therein and submit the Annual Statement of Accounts together with the Audit Report and action taken note thereon to the Governing Council for approval.
- (3) The Annual Statement of Accounts, together with the Audit Report and action taken note thereon, duly approved by the Governing Council, shall be included in the Annual Report of the Bureau and submitted to the Central Government by 15th November of each year or such other date as may be specified by the Central Government from time to time.

FORM A

[See Rule 3(4)(a)(i)]

BALANACE SHEET AS AT 31st MARCH

(Amount Rs.)

Corpus/Capital Fund and Liabilities	Schedule	Current Year	Previous Year
Corpus/Capital Fund	1	—	—
Reserve and Surplus	2	—	—
Earmarked/Endowment Funds	3	—	—
Secured Loans and Borrowings	4	—	—
Unsecured Loans and Borrowings	5	—	—
Deferred Credit Liabilities	6	—	—
Current Liabilities and Provisions	7	—	—
TOTAL		—	—

ASSETS

Fixed Assets	8	—	—
Investments—from Earmarked/Endowment Funds	9	—	—
Investments—Others	10	—	—
Current Assets, Loans, Advances etc.	11	—	—
Miscellaneous Expenditure (to the extent not written off or adjusted)		—	—
TOTAL		—	—
Significant Accounting Policies	25		
Contingent Liabilities and Notes on Accounts	26		

FORM B
[See Rule 3(4)(a)(ii)]

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH

(Amount Rs.)

Income	Schedule	Current Year	Previous Year
Income from Sales/Services	12	—	—
Grants/Subsidies	13	—	—
Fees/Subscriptions	14	—	—
Income from Investments (Income on Investment from earmarked/endowment funds transferred to funds).	15	—	—
Income from Royalty, Publication etc.	16	—	—
Interest Earned	17	—	—
Other Income	18	—	—
Increase/(decrease) in stock of Finished goods and work-in-progress	19		
TOTAL (A)		—	—
EXPENDITURE			
Establishment Expenses	20	—	—
Other Administrative Expenses etc/	21	—	—
Expenditure on Grants, Subsidies etc.	22	—	—
Interest	23	—	—
Testing	24	—	—
Depreciation (Net total at the year end—corresponding to schedule 8)			
TOTAL (B)		—	—
Balance being excess of Income over Expenditure (A–B)			
Transfer to Special Reserve (Specify each)			
Transfer to/from General Reserve			

**BALANCE BEING SURPLUS/(DEFICIT) CARRIED
TO CORPUS CAPITAL FUND**

SIGNIFICANT ACCOUNTING POLICIES	25
CONTINGENT, LIABILITIES AND NOTES ON ACCOUNTS	26

FORM C
[See Rule 3(4)(a)(iii)]

RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST MARCH

(Amount Rs.)

RECEIPTS	Current Year	Previous Year	PAYMENTS	Current Year	Previous Year
I. Opening Balances			I. Expenses		
(a) Cash in Hand	—	—	(a) Establishment Expenses (Corresponding to Schedule 20)	—	—
(b) Bank Balances			(b) Administrative Expenses (Corresponding to Schedule 21)		
(i) In current accounts	—	—			
(ii) In deposit accounts	—	—			
(iii) Savings accounts	—	—			
II. Grants Received			II. Payments made against funds for various projects	—	—
(a) From Government of India	—	—	(Name of the fund or project should be shown alongwith the particulars of payments made for each project)	—	—
(b) From State Government	—	—			
(c) From other sources (details)	—	—			
(Grants of Capital & revenue expenditure to be shown separately)					
III. Income to Investments from			III. Investments and deposits made		
(a) Earmarked/Endowment Funds	—	—	(a) Out of Earmarked/Endowment Funds	—	—
(b) Own Funds (Other Investment)	—	—	(b) Out of Own Funds (Investment-Others)	—	—
IV. Interest Received			IV. Expenditure on Fixed Assets & Capital Work-in-Progress		
(a) On Bank deposits	—	—	(a) Purchase of Fixed Assets	—	—
(b) Loans, Advances etc.	—	—	(b) Expenditure on capital work-in-progress	—	—
V. Other Income (Specify)			V. Refund of surplus money/loans		
			(a) To the Government of India	—	—
			(b) To the State Government	—	—
			(c) To other providers of funds	—	—
VI. Amount Borrowed	—	—	VI. Finance Charges (Interest)	—	—

VII. Any other receipts (give details)	—	—	VII. Other Payments (Specify)	—	—
			a) Cash in Hand	—	—
			b) Bank Balances	—	—
			i) in current accounts	—	—
			ii) in deposit accounts	—	—
			iii) Savings accounts	—	—
Total	—	—	Total	—	—

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amount Rs.)

Schedule 1 – Corpus Fund/Capital Fund	Current Year	Previous Year
Balance as at the beginning of the year	—	—
Add: Contributions towards Corpus/Capital Fund	—	—
Add/(Deduct) : Balance of net income/(expenditure) transferred from the Income and Expenditure Account	—	—
BALANCE AS AT THE YEAR-END	—	—

SCHEDULE 2 – RESERVES AND SURPLUS

1. Capital Reserve:				
As per last Account	—	—	—	—
Addition during the year	—	—	—	—
Less : Deductions during the year	(—)	—	(—)	—
2. Revaluation Reserve:				
As per last Account	—	—	—	—
Addition during the year	—	—	—	—
Less : Deductions during the year	(—)	—	(—)	—
3. Special Reserve:				
As per last Account	—	—	—	—
Addition during the year	—	—	—	—
Less : Deductions during the year	(—)	—	(—)	—
4. General Reserve:				
As per last Account	—	—	—	—
Addition during the year	—	—	—	—
Less : Deductions during the year	(—)	—	(—)	—
TOTAL		—		—

(Amount -Rs.)

SCHEDULE 3 – EARMARKED/ENDOWMENT FUND	FUND-WISE BREAK-UP				TOTALS	
	Fund WW	Fund XX	Fund YY	Fund ZZ	Current Year	Previous Year
(a) Opening balance of the funds	—	—	—	—	—	—
(b) Additions to the Funds						
i. Donations/grants						
ii. Income from investments made on account of India	—	—	—	—	—	—
iii. Other additions (specify nature)	—	—	—	—	—	—
(c) Utilisation/Expenditure towards objectives of funds						
i. Capital Expenditure						
— Fixed Assets	—	—	—	—	—	—
— Others	—	—	—	—	—	—
Total	—	—	—	—	—	—
ii. Revenue Expenditure						
— Salaries, wages and allowances etc.	—	—	—	—	—	—
— Rent	—	—	—	—	—	—
— Other Administrative expenses	—	—	—	—	—	—
Total	—	—	—	—	—	—
TOTAL (C)	—	—	—	—	—	—
Net Balance as at the year end (a+b+c)	—	—	—	—	—	—

Notes :-

- (1) Disclosures shall be made under relevant heads based on conditions attaching to the grants.
- (2) Plan Funds received from the Central/State Governments are to be shown as separate Funds and not to be mixed up with any other Funds.

(Amount -Rs.)

SCHEDULE 4 – SECURED LOANS AND BORROWINGS	Current Year	Previous Year
1. Central Government	—	—
2. State Government (Specify)	—	—
3. Financial Institutions		
(a) Term Loans	—	—
(b) Interest Accrued and due	—	—
4. Banks :		
(a) Term Loans	—	—
—Interest accrued and due		
(b) Other Loans (Specify)	—	—
—Interest accrued and due	—	—
5. Other Institutions and Agencies	—	—
6. Debentures and Bonds	—	—
7. Others (Specify)	—	—
TOTAL	—	—

Note : Amounts due within one year.

(Amount -Rs.)

SCHEDULE 5 – UNSECURED LOANS AND BORROWINGS	Current Year	Previous Year
1. Central Government	—	—
2. State Government (Specify)	—	—
3. Financial Institutions		
(a) Term Loans	—	—
(b) Interest Accrued and due	—	—
4. Banks :		
(a) Term Loans	—	—
(b) Other Loans (Specify)	—	—
5. Other Institutions and Agencies	—	—
6. Debentures and Bonds	—	—
7. Fixed Deposits	—	—
8. Others (Specify)	—	—
TOTAL	—	—

Note : Amounts due within one year.

SCHEDULE 6 – DEFERRED CREDIT LIABILITIES	Current Year	Previous Year
(a) Acceptance secured by hypothecation of capital equipment and other assets	—	—
(b) Others	—	—
TOTAL	—	—

Note : Amounts due within one year.

(Amounts - Rs.)

SCHEDULE 7 – CURRENT LIABILITIES AND PROVISIONS	Current Year	Previous Year
A. CURRENT LIABILITIES		
1. Acceptances	—	—
2. Sundry Creditors:		
(a) For Goods	—	—
(b) Others	—	—
3. Advances Received	—	—
4. Interest accrued but not due on		
(a) Secured Loans/borrowings	—	—
(b) Unsecured Loans/borrowings	—	—
5. Statutory Liabilities :		
(a) Overdue	—	—
(b) Others	—	—
6. Other current Liabilities	—	—
TOTAL (A)	—	—
B. PROVISIONS		
1. For Taxation	—	—
2. Gratuity	—	—
3. Superannuation/Pension	—	—
4. Accumulated Leave Encashment	—	—
5. Trade Warranties/Claims	—	—
6. Others (Specify)	—	—
TOTAL (B)	—	—
TOTAL (A+B)	—	—

SCHEDULES FORMING PART OF BALANCE SHEETS AS AT 31ST MARCH, 2007

(Amount - Rs.)

SCHEDULE 8 - FIXED ASSETS BLOCK		GROSS BLOCK			DEPRECIATION		NET
Depreciation	Cost/ valuation as at beginning year of the year	Additions during the year	Deductions during the year	Cost/ valuation at the year-end	As at beginning of the year	Depreciation during the year Other than grant-in- kind assets [effect shown in balance sheet]	As at the Current year-end Previous year-end
A. FIXED ASSETS:							
1. LAND							
(a) Freehold	—	—	(—)	—	—	—	—
(b) Leasehold	—	—	(—)	—	—	—	—
2. BUILDINGS							
(a) On Free Hold Land	—	—	(—)	—	—	—	—
(b) On Leasehold Land	—	—	(—)	—	—	—	—
(c) Ownership Frats/Premises	—	—	(—)	—	—	—	—
(d) Superstructures on Land not belonging to the entity	—	—	(—)	—	—	—	—
3. PLANT/MACHINERY & EQUIPMENT	—	—	(—)	—	—	—	—
4. VEHICLES	—	—	(—)	—	—	—	—
5. FURNITURE, FIXTURES	—	—	(—)	—	—	—	—
6. OFFICE EQUIPMENT	—	—	(—)	—	—	—	—
7. COMPUTER SOFTWARE/PERIPHERALS	—	—	(—)	—	—	—	—
8. ELECTRIC INSTALLATIONS	—	—	(—)	—	—	—	—
9. LIBRARY BOOKS	—	—	(—)	—	—	—	—
10. TUBEWELLS & W. SUPPLY	—	—	(—)	—	—	—	—
11. OTHER FIXED ASSETS	—	—	(—)	—	—	—	—
TOTAL OF CURRENT YEAR	—	—	(—)	—	—	—	—
PREVIOUS YEAR	—	—	(—)	—	—	—	—
B. CAPITAL WORK-IN-PROGRESS							
TOTAL	—	—	(—)	—	—	—	—

(Note to be given as to cost of assets on hire purchase basis included above)

(Amount -Rs.)

SCHEDULE 9 – INVESTMENTS FROM EARMARKED/ ENDOWMENT FUND	Current Year	Previous Year
1. In Government Securities	—	—
2. Other approved Securities	—	—
3. Share	—	—
4. Debentures and Bonds	—	—
5. Subsidiaries and Joint Ventures	—	—
6. Others (to be specified)	—	—
TOTAL	—	—

SCHEDULE 10 – INVESTMENTS OTHERS	Current Year	Previous Year
1. In Government Securities	—	—
2. Other approved Securities	—	—
3. Share	—	—
4. Debentures and Bonds	—	—
5. Subsidiaries and Joint Ventures	—	—
6. Others (to be specified)	—	—
TOTAL	—	—

(Amount -Rs.)

SCHEDULE 11 – CURRENT ASSETS, LOANS, ADVANCES ETC.	Current Year	Previous Year
A. CURRENT ASSETS	—	—
1. Inventories		
(a) Stores and Spares	—	—
(b) Loose Tools	—	—
(c) Stock-in-trade		
Finished Goods	—	—
Work-in-progress	—	—
Raw Materials	—	—
2. Sundry Debtors		
(a) Debts Outstanding for a period exceeding six months	—	—
(b) Others	—	—
3. Cash balances in hand (including cheques/drafts and imprest)	—	—
4. Bank Balances		
(a) With Scheduled Banks		
— On Current Accounts	—	—
— On Deposit Accounts (includes margin money)	—	—
— On Savings Accounts	—	—

(b) With Non-Scheduled Banks		
— On Current Accounts	—	—
— On Deposit Accounts (includes margin money)	—	—
— On Savings Accounts	—	—
5. Post Office-Savings Accounts—		
TOTAL (A)	—	—
		(Amount -Rs.)

SCHEDULE 11 – CURRENT ASSETS, LOANS, ADVANCES ETC. (Contd.)	Current Year	Previous Year
--	---------------------	----------------------

B. LOANS ADVANCES AND OTHER ASSETS	—	—
1. Loans		
(a) Staff	—	—
(b) Other Entities engaged in activities/objectives similar to that of the Entity	—	—
(c) Other (specify)		
2. Advances and other amounts recoverable in cash or in kind or for value to be received		
(a) On Capital Account	—	—
(b) Prepayments	—	—
(c) Others	—	—
3. Income Accrued	—	—
(a) On Investments from Earmarked/Endowment Funds	—	—
(b) On Investments-Others	—	—
(c) On Loans and Advances	—	—
(d) Others	—	—
(included income due unrealised Rs.....)		
4. Claims Receivable		
TOTAL (B)	—	—
TOTAL (A+B)	—	—
		(Amount -Rs.)

SCHEDULE 12 – INCOME FROM SALES/SERVICES	Current Year	Previous Year
---	---------------------	----------------------

1. Income from Sales		
(a) Sales of Finished Goods	—	—
(b) Sale of Raw Material	—	—
(c) Sale of Scraps	—	—
2. Income from Services		
(a) Labour and Processing Charges	—	—
(b) Professional/Consultancy Services	—	—

(c) Agency Commission and Brokerage	—	—
(d) Maintenance Services (Equipment/Property)	—	—
(e) Others (specify)	—	—
TOTAL	—	—

(Amount -Rs.)

SCHEDULE 13 – GRANTS/SUBSIDIES	Current Year	Previous Year
---------------------------------------	---------------------	----------------------

(Irrevocable Grants and Subsidies received)

1. Central Government	—	—
2. State Government(s)	—	—
3. Government Agencies	—	—
4. Institutions/Welfare Bodies	—	—
5. International Organisations	—	—
6. Others (specified)	—	—
TOTAL	—	—

(Amount -Rs.)

SCHEDULE 14 – FEES/SUBSCRIBERS	Current Year	Previous Year
---------------------------------------	---------------------	----------------------

1. Entrance Fees	—	—
2. Annual Fees/Subscriptions	—	—
3. Seminar/Program Fees	—	—
4. Consultancy Fees	—	—
5. Others (specified)	—	—
TOTAL	—	—

Note : Accounting Policies towards each item are to be disclosed.

(Amount -Rs.)

SCHEDULE 15 – INCOME FROM INVESTMENTS	Investment from Earmarked fund		Investment-Others	
	Current Year	Previous Year	Current Year	Previous Year

(Income on Investment from Earmarked/Endowment Funds transferred to Funds)

1. Interest				
(a) On Govt. Securities	—	—	—	—
(b) Other Bonds (Debentures)	—	—	—	—
2. Dividends				
(a) On Shares	—	—	—	—
(b) On Mutual Fund Securities	—	—	—	—
3. Rents	—	—	—	—
4. Others (Specify)	—	—	—	—
TOTAL	—	—	—	—
Transferred to Earmarked/Endowment Funds	—	—	—	—

(Amount -Rs.)

SCHEDULE 16 – INCOME FROM ROYALTY, PUBLICATIONS ETC.	Current Year	Previous Year
(a) Income from Royalty	—	—
(b) Income from Publications	—	—
(c) Others (Specify)	—	—
TOTAL	—	—

(Amount -Rs.)

SCHEDULE 17 – INTEREST EARNED	Current Year	Previous Year
1. On Term Deposits	—	—
(a) With Scheduled Banks	—	—
(b) With Non-Scheduled Banks	—	—
(c) With Institutions	—	—
(d) Others	—	—
2. On Savings Accounts	—	—
(a) With Scheduled Banks	—	—
(b) With Non-Scheduled Banks	—	—
(c) Post Office Savings Accounts	—	—
(d) Others	—	—
3. On Loans	—	—
(a) Employees/Staff	—	—
(b) Others	—	—
4. Interest on Debtors and Other Receivables	—	—
TOTAL	—	—

Note : Tax deducted at source to be indicated

(Amount -Rs.)

SCHEDULE 18 – OTHER INCOME	Current Year	Previous Year
1. Profit on sale/disposal of Assets	—	—
(a) Owned assets	—	—
(b) Assets acquired out of grants, or received free of cost	—	—
2. Export Incentives realized	—	—
3. Fees for Miscellaneous Services	—	—
4. Miscellaneous Income	—	—
TOTAL	—	—

SCHEDULE 19 – INCREASE/DECREASED IN	Current Year	Previous Year
(a) Closing Stock		
— Finished Goods	—	—
— Work-in-progress	—	—
(b) Less : Opening stock	—	—
— Finished Goods	—	—
— Work-in-progress	—	—
Net Increase/Decrease [a+b]	—	—

(Amount -Rs.)

SCHEDULE 20 – ESTABLISHMENT EXPENSES	Current Year		Previous Year	
	(I & E)	(R & P)	(I & E)	(R & P)
(a) Salaries and Wages	—	—	—	—
(b) Allowances and Bonus	—	—	—	—
(c) Contribution to Provident Fund	—	—	—	—
(d) Contribution to Other Fund (Specify)	—	—	—	—
(e) Staff Welfare Expenses	—	—	—	—
(f) Expenses on Employees' Retirement and Terminal Benefits	—	—	—	—
(g) Others (specify)	—	—	—	—
TOTAL	—	—	—	—

(Amount -Rs.)

SCHEDULE 21 – OTHER ADMINISTRATIVE EXPENSES	Current Year		Previous Year	
	(I & E)	(R & P)	(I & E)	(R & P)
(a) Purchase	—	—	—	—
(b) Labour and Processing Expenses	—	—	—	—
(c) Cartage and Carriage Inwards	—	—	—	—
(d) Electricity and Power	—	—	—	—
(e) Water Charges	—	—	—	—
(f) Insurance	—	—	—	—
(g) Repairs and Maintenance	—	—	—	—
(h) Excise Duty	—	—	—	—
(i) Rent, Rates and Taxes	—	—	—	—
(j) Vehicle Running and Maintenance	—	—	—	—
(k) Postage, Telephone & Communication Charges	—	—	—	—
(l) Printing & Stationery	—	—	—	—
(m) Travelling and Conveyance Expenses	—	—	—	—
— Overseas Committee	—	—	—	—
— Officers & Staff Members	—	—	—	—
(n) Expenses on Seminars/Workshops	—	—	—	—
(o) Subscription Expenses	—	—	—	—
(p) Expenses on Fees	—	—	—	—
(q) Auditor Remuneration	—	—	—	—
(r) Hospitality Expenses	—	—	—	—
(s) Professional Charges	—	—	—	—
(t) Provision for Bad and Doubtful Debts/Advances	—	—	—	—
(u) Irrecoverable Balances Written-off	—	—	—	—

(v) Packing Charges	—	—	—	—
(w) Freight and Forwarding Expenses	—	—	—	—
(x) Distribution Expenses	—	—	—	—
(y) Advertisement and Publicity	—	—	—	—
(z) Others (specify)	—	—	—	—
TOTAL	—	—	—	—

(Amount -Rs.)

SCHEDULE 22 – EXPENDITURE ON GRANT, SUBSIDIES ETC.	Current Year	Previous Year
(a) Grants given to Institutions/Organisations	—	—
(b) Subsidies given to Institutions/Organisations	—	—
TOTAL	—	—

Note — Name of the Entities alongwith the amount of Grants/Subsidies are to be disclosed.

(Amount -Rs.)

SCHEDULE 23 – INTEREST	Current Year	Previous Year
(a) On Fixed Loans	—	—
(b) On Other Loans (including bank charges)	—	—
(c) Other (specify)		
TOTAL	—	—

SCHEDULE 24 – EXPENDITURE ON TESTING	Current Year	Previous Year
(a) Testing fee paid to outside laboratories	—	—
(b) Market Samples	—	—
(c) Laboratory apparatus and stores		
TOTAL	—	—

**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED
AS AT 31ST MARCH**

SCHEDULES 25 — SIGNIFICANT ACCOUNTING POLICIES (ILLUSTRATIVE)

1. ACCOUNTING CONVENTION

The financial statements are prepared on the basis of historical cost convention, unless otherwise stated and on the accreal method of accounting.

2. INVENTORY VALUATION

2.1 Stores and Spares (including machinery spares) are valued at cost.

2.2 Raw materials, semi-finished goods and finished goods are valued at lower of cost and net reliable value. The cost are based on weighted averaged cost. Cost of finished goods and semi-finished goods is determined by considering material, labour and related overheads.

3. INVESTMENTS

- 3.1 Investments classified as “long term investment” are carried at cost. Provision for decline, other than temporary, is made in carrying of such investments.
- 3.2 Investment classified as “current” are carried at lower of cost and fair value. Provision for shortfall on the value of such investments is made for each investment considered individually and not on a global basis.
- 3.3 Cost includes acquisition expenses like brokerage, transfer stamps.

4. Excise Duty

Liability for excise duty in respect of goods produced by the entity, other than for exports, is accounted upon completion of manufacture and provision is made for excisable manufactured goods at the year-end.

5. FIXED ASSETS

- 5.1 Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental and direct expenses related to acquisition. In respect of projects involving construction, related pre-operational expenses (including interest on loans for specific project prior to its completion), from part of the value of the assets capitalized.
- 5.2 Fixed Assets received by way of non-monetary grants (other than towards the Corpus Fund), are capitalized at value stated, by corresponding credits Capital Reserve.

6. DEPRECIATION

- 6.1 Depreciation is provided on straight-line method as per rates specified in the Income Tax Act, 1961 except depreciation on cost adjustments arising on account of conversion of foreign currency, liabilities for acquisition of fixed assets, which is amortized over the residual life of the respective assets.
- 6.2 In respect of additions to/deductions from fixed assets during the year, depreciation is considered on prorata basis.
- 6.3 Assets costing Rs. 5,000 – less each are fully provided.

7. MISCELLANEOUS EXPENDITURE

Deferred revenue expenditure is written off over a period of 5 years from the year it is incurred.

8. ACCOUNTING FOR SALES

Sales include excise duty are net of sales returns, rebate and trade discount.

9. GOVERNMENT GRANTS FOR SUBSIDIES

- 9.1 Government grants of the nature of contribution towards capital cost of setting up projects are treated as Capital Reserve.
- 9.2 Grants in respect of specific fixed assets acquired are shown as a deduction from the cost of the related assets.
- 9.3 Government grants/subsidy are accounted on realization basis.

10. FOREIGN CURRENCY TRANSACTIONS

- 10.1 Transactions denominated in foreign currency are accounted at the exchange rate prevailing at the date of the transaction.

10.2 Current assets, foreign currency loans and current liabilities are converted at the exchange rate prevailing as at the year end and the resultant gain/loss is adjusted to cost of fixed assets, if the foreign currency liability relates to fixed assets, and in other cases is considered to revenue.

11. LEASE

Lease rentals are expensed with reference to lease terms.

12. RETIREMENT BENEFITS

12.1 Liability towards gratuity payable on death/retirement of employees is accrued based on actuarial valuation.

12.2 Provision for accumulated leave encashment benefit to the employees is accrued and computed on the assumption that employees are entitled to receive the benefit as at each year end.

1. CONTINGENT LIABILITIES

1.1 Claims against the Entity not acknowledged as debts Rs.....(Previous year Rs.....)

1.2 In respect of
Bank guarantee given by/on behalf of the Entity Rs..... (Previous year Rs.....)

Letter of Credit opened by Bank on behalf of the Entity Rs..... (Previous year Rs.....)

Bills discounted with Banks Rs..... (Previous year Rs.....)

1.3 Disputed demands in respect of :
Income Tax Rs..... (Previous year Rs.....)
Sales Tax Rs..... (Previous year Rs.....)
Municipal Taxes Rs..... (Previous year Rs.....)

1.4 In respect of claims from parties for non-execution of orders but contested by the Entity Rs..... (Previous Rs.....)

2. CAPITAL COMMITMENTS

Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) Rs..... (Previous year Rs.....)

3. LEASE OBLIGATIONS

Future obligations for rentals under finance lease arrangements for plant and machinery amount to Rs..... (Previous year Rs.....)

4. CURRENT ASSETS, LOANS AND ADVANCES

In the opinion of the Management, the current assets, loan and advances have a value on realization in the ordinary course of business, equal at least to the aggregate amount shown in the Balance Sheet.

5. TAXATION

In view of there being no taxable income under Income Tax Act, 1961, no provision for Income Tax has been considered necessary.

6. FOREIGN CURRENCY TRANSACTIONS

(Amount Rs.)

Current Year Previous Year

- 6.1 Value of imports calculated on C.I.F. Basis
- Purchase of finished goods
 - Raw materials & components (including in transit)
 - Capital Goods
 - Stores, Spares and Consumables
- 6.2 Expenditure in foreign currency
- a) Travel
 - b) Remittances and Interest payment to Financial Institutions/Banks in Foreign Currency
 - c) Other expenditure
 - Commission on Sales
 - Legal and professional expenses
 - Miscellaneous Expenses
- 6.3 Earnings
- Value of Exports on FOB basis
- 6.4 Remuneration to auditors
- As Auditors
- Taxation matters
 - For Management services
 - For certification
- Others
7. Corresponding figures for the previous year have been regrouped rearranged/wherever necessary.
8. Schedules 1 to 26 are annexed to and form an integral part of the Balance Sheet as at _____ and the Income and Expenditure Account for the year ended on that date.

NOTES, INSTRUCTIONS AND ACCOUNTING PRINCIPLES FOR COMPILATION OF FINANCIAL STATEMENTS

- (1) The financial statements (viz. Balance Sheet and Income and Expenditure Account) shall be prepared on accrual basis, and shall be in the form suggested, or as near thereto as possible.

If the information required to be given under any of the item or sub-item in this Form cannot be conveniently included in the Balance Sheet or the Income and Expenditure account itself, as the case may be, it can be furnished in a separate Schedule or Schedules to be annexed to and forming part of the Balance Sheet or the Income and expenditure Account. This is recommended where items are numerous.

- (2) A statement of all significant accounting policies adopted in the preparation of the Balance Sheet and the Income and Expenditure Account shall be included in the financial statements, and the significant Accounting Policies should be disclosed at one place. Accounting Policies refer to the specific accounting principles and the method of applying those principles adopted by the Entity in the preparation of the financial Statements. Where any of the accounting policies is not in conformity with accounting standards, and the effect of departures from accounting standards is material, the particulars of the departure shall be disclosed, together with the reasons therefore and the financial effect thereof, except where such effect is not ascertainable.
- (3) Accounting policies shall be applied consistently from one financial year to the next. Any change in the accounting policies which has a material effect in the current period or which is reasonably expected to have a material effect in latter periods, shall be disclosed. In case of change in accounting policies which has a material effect in the current period, the amount by which any item in the financial statements is affected by such change shall also be disclosed to the extent ascertainable. Where such amount is not ascertainable wholly or in part, the fact shall be disclosed.
- (4) The accounting treatment and presentation in the Balance Sheet and the Income and Expenditure Account of transactions and events shall be governed by their substance and not merely by the legal form.
- (5) In determining the accounting treatment and manner of disclosure of an item in the Balance Sheet and/or the Income and Expenditure Account, due consideration shall be given to the concept of materiality.
- (6) Provision shall be made for all known liabilities and losses even though the amount cannot be determined with substantial accuracy (and the amount of provision represents only a best estimate in the light of available information).

'Provision' means any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, or retained by way of providing for any known liability, the amount of which cannot be determined with substantial accuracy.

Provisions shall be made for contingent loss if :

- (a) it is possible that future events will confirm that, after taking into account any related probable recovery, an asset has been impaired or a liability has been incurred at the balance sheet date, and
- (b) a reasonable estimate of the amount of the resulting loss can be made.

If either of the above conditions is not met, the existence of the contingent loss shall be disclosed by way of a note to the Income and Expenditure account, unless the possibility of the loss is remote.

7. Where any amount written off or retained by way of depreciation, renewals or diminution in the value of assets or retained by way of providing for any known liability is in excess of the amount which is considered reasonably necessary for the purpose, the excess shall be treated as a reserve and not as a provision.
8. Revenue shall not be recognized unless :
 - (a) the related performance has been achieved;
 - (b) no significant uncertainty exists regarding the amount of the consideration; and
 - (c) it is not unreasonable to expect realisation and ultimate collection.

9. Separate disclosure shall be made in the Income and Expenditure Account in respect of:
- (a) "Prior period" items, which comprise material item of income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods.
 - (b) "Extra-ordinary" items which are material items of income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the entity and, therefore, are not expected to recur frequently or regularly.
 - (c) Any item under the head "Miscellaneous Expenses" which exceeds 1 per cent of the total turnover/gross income of entity or Rs. 50,000/- whichever is higher. This shall be shown against an appropriate account head in the income and Expenditure Account.
 - (d) Any item under the head "Miscellaneous Expenses" which exceeds 1 per cent of the total turnover/gross income of entity or Rs. 50,000/- whichever is higher. This shall be shown as a separate and distinct item against an appropriate account head in the Income and Expenditure Account.
- (10) The Schedules referred to in the form, the accounting policies and explanatory notes shall form an integral part of the financial statements.
- (11) Notes to the Balance Sheet and the Income and expenditure Account shall contain the Explanatory material pertaining to the items in the Balance Sheet and the Income and Expenditure Account.
- (12) The figure in the Balance Sheet and Income and expenditure Account, if rounded off, shall be rounded off as below :

Amount of turnover (in Rs.)	Rounding off to (Rs.)
Less than One Lakh	Hundred
One lakh or more but less than one crore	Thousand
One crore or more but less than one hundred crore	Lakh
One hundred or more but less than on thousand crore	Crore

- (13) Reference may also be Trade to the enclosed Notes and Instructions for compilation in relation to in the formats suggested.

NOTES AND INSTRUCTIONS FOR SCHEDULES

CORPUS/CAPITAL FUND AND LIABILITIES

SCHEDULE 1 – CORPUS/CAPITAL FUND

- (a) Corpus/Capital Fund is to Capital Share Capital or Owners', Funds. It comprises amounts received by way of contributions specifically to the Corpus, as increased/decreased by the net operating results shown in the Income and Expenditure Account (other than surplus, if any transferred to any Reserves or Earmarked Funds).
- (b) The Opening Balance, Additions to, Deductions from and Closing Balance of the Corpus/ Capital Fund shall be shown under this head.
- (c) Additions to the Corpus Fund shall be net of transfers, if any, to any Reserve or Earmarked Fund required under statute or as per applicable regulations.

NOTES AND INSTRUCTIONS FOR SCHEDULES

CORPUS/CAPITAL FUND AND LIABILITIES

SCHEDULE 2 – RESERVES AND SURPLUS

1. CAPITAL RESERVES :

- Opening Balance
 - Additions during the year
 - Deduction during the year
- The expression capital reserves shall not include any amount regarded as free for distribution through the Income and Expenditure Account. Surplus on revaluation should be treated as Capital Reserve and shown separately. Surplus on translation of financial statements of foreign branches, if any, is not a revaluation reserve.

2. REVALUATION RESERVE :

- Opening Balance
 - Additions during the year
 - Deduction during the year
- To reflect effects of changing prices, fixed assets otherwise stated at historical costs, are revalued and the historical cost substituted by a revaluation, normally done by competent valuer. Such substitution resulting in an upward revaluation is required to be shown as a “Revaluation Reserve”

This reserve is an unrealized gain and should not be credited as income in the Income and Expenditure Account.

3. SPECIAL RESERVE :

- Opening Balance
 - Additions during the year
 - Deduction during the year
- These would comprise Special reserves requires to be created pursuant to any statutory or regulatory requirement applicable to the Entity; and if so, should be clarified in the Notes on Accounts in Schedule 27.

4. GENERAL RESERVE :

- Opening Balance
 - Additions during the year
 - Deduction during the year
- The expression General Reserve shall mean any reserve other than capital reserve and revaluation reserve.
This item will include all reserves, other than those separately classified.

Notes - General

- (a) Movements in various categories of reserves should be shown as indicated in the schedule.
- (b) The expression ‘reserve shall not include any amount written off or retained by way of providing for depreciation, renewals of diminution in value of assets or retained by way of providing for any known liability.

NOTES AND INSTRUCTIONS FOR SCHEDULES

CORPUS/CAPITAL FUND AND LIABILITIES

SCHEDULE 3 – EARMARKED/ENDOWMENT FUNDS

Amount received as grants or assistance, or retained by the entity to be utilized for specific or earmarked purposes and remaining to be expended/utilized for the specific purpose for which these are intended, are required to be disclosed under this head. Such funds may be received in cash or kind from Government, Govt. agencies, institutions and other agencies etc. and are subject

to compliance by the entity, of certain stipulated terms and conditions. For this reason, the balances available and their utilization should be disclosed in the manner suggested in the Schedule. The Plan Funds received from the Central and/or State Governments are to be shown as distinct category of Fund.

Other plan funds earmarked/endowed for any chair house, building, Trust etc. are to be shown as distinct category of Fund.

The following shall not be reckoned as part of Earmarked Funds :

- (a) Grants/funds which have the characteristics of promoters contribution which are of the nature of additions/to the accretion Corpus Fund;
- (b) Funds/grants received by the Entity as compensation for expenditure/losses incurred in the earlier years, as these would be reckoned only in the Income and Expenditure Account for the year.
- (c) Non-monetary grants by way of capital assets or other resources, corresponding credit of which is of the nature of capital reserve, unless such grants are specified as irrevocable contribution to the Corpus.

Notes – General

- (a) It is appropriate to ensure that the accretions to and utilization of earmarked funds is in accordance with the terms and conditions attaching to the same.
- (b) Earmarked Funds, considered their nature, are represented by specifically earmarked investments or other assets.
- (c) Plan Funds received from the Central/State Governments are to be shown as separate Funds and not to be mixed up with any other Funds.
- (d) Records relating to fixed assets acquired/constructed should be maintained for each earmarked fund. However, for the purpose of the annual financial statements disclosure may be made of the aggregate accumulated cost up to each year and of such fixed assets in respect of each fund, unless the assets are taken over and are incorporated in Schedule 8.

CORPUS/CAPITAL FUND AND LIABILITIES

SCHEDULE 4 — SECURED LOANS AND BORROWINGS

- | | |
|------------------------------------|---|
| 1. Central Government | Indicate the nature of security and terms of repayment. Indicate the |
| 2. State Government | name of State Govt. and nature of security and terms of repayment. |
| 3. Financial Institutions | Includes borrowings/refinance obtained from Industrial Development Bank of India, Export-Import Bank of India, National Bank for Agriculture and Rural Development (including liability against participation certificates, if any). Normally these may be in the form of Term Loans. |
| 4. Banks | |
| (a) Term Loans | Includes borrowings/refinance obtained from commercial banks (including |
| (b) Other Loans | co-operative banks). Term Loan need to be segregated from other facilities. |
| 5. Other institutions and agencies | Includes institutions/agencies other than those mentioned above. |
| 6. Debentures and Bonds | The terms of redemption of debentures and bonds should be started with the earliest date of their redemption |

Notes – General

- (a) Information shall be given in each case as regards the nature of security given.
- (b) Secured loans and borrowings shall be such as are against hypothecation/pledge/charge on the assets of the entity.
- (c) The aggregate amount of loans under each head, as are guaranteed by the Central/State Govt. may also be mentioned along with the fact that these are so guaranteed.
- (d) Loans and borrowings include refinance from institutions and agencies and liability against participation certificates.
- (e) Amount received by way of discount of debtors or receivables or rediscount of bills, shall not be shown as borrowings.
- (f) Interest accrued and due shall be included under each sub-head, Interest accrued but not due shall not be included under this head, but shall be shown as part of current liabilities.
- (g) Unreconciled inter-branch outstanding entries at credit should not be shown as borrowings.
- (h) Amount due within a period of less than 12 months as at the balance sheet date need to be disclosed.

SCHEDULE 5 — UNSECURED LOANS AND BORROWINGS

- | | |
|------------------------------------|--|
| 1. Central Government | Indicate the terms of repayment. |
| 2. State Government | Indicate name of the State Government and the terms of repayment. |
| 3. Financial Institutions | Includes borrowings obtained from Industrial Development Bank of India, Export-Import Bank of India, National Bank for Agriculture and Rural Development.
Normally these may be in the form of Term Loans, pending creation of a charge on assets, bridge loans may be given as 'unsecured' loans. |
| 4. Banks | Includes borrowings obtained from Commercial Banks (including Cooperative Banks)
Indicate the nature of facilities.
Overdrawn balance as per books do not constitute loans and generally arise due to cheques issued in excess of book balances. Such balances can be shown as loans only where the entity employs or is granted overdraft facility. |
| 5. Other institutions and agencies | Includes loans from institutions/agencies other than those mentioned above. |
| 6. Debentures and Bonds | The terms of redemption of debentures and bonds should be started with the earliest date of their redemption. |
| 7. Fixed Deposits | These comprise deposits received from public or otherwise for fixed periods and against no security. |

Notes – General

- (a) Unsecured loans and borrowings comprise amounts in respect of which no assets of the entity is charged as security or encumbered.
- (b) Interest accrued and due shall be included under each sub-head. Interest accrued but not due shall not be included under this head, but shall be shown as part of current liabilities.
- (c) Amount due within a period of less than 12 months as at the balance sheet date need to be disclosed.

CORPUS/CAPITAL FUND AND LIABILITIES

SCHEDULE 6 — UNSECURED LOANS AND BORROWINGS

- (1) Acceptances and other similar long-term obligation contracted in respect of acquisition of assets, the liability for payment of which fills in periods longer than 12 months as at the date of the balance sheet should be included here.
- (2) If the assets are charged as security or encumbered corresponding to the liability, this fact should be stated.
- (3) If the acceptances are also guaranteed for repayment by the Government, any Govt. agency, bank, institution or other body/entity, this fact should also be stated.
- (4) Amount due within one year of the date of the balance sheet need to be separately disclosed.

CORPUS/CAPITAL FUND AND LIABILITIES

SCHEDULE 7 — CURRENT LIABILITIES AND PROVISIONS

A. CURRENT LIABILITIES

1. Acceptance Included under this sub-head would be the drawer’s assent on bills of exchange to the order of the drawer.
2. Sundry Creditors The amounts to be shown against this sub-head shall comprise amounts owned. by the entity in livour of others on account of goods purchased or services rendered or in respect of constractual obligations. These need to be segregated for goods and shown separately.
 - (a) For goods
 - (b) Others
3. Advance received The liability against this sub-head shall comprise amounts received in respect of which goods or services have yet to be supplied/rendered or for which value has yet to be given, and includes advance subscription.
 - (b) On leasehold land Buildings premises shall be those which are intended to be wholly/ partly used for the purposes of the activities of the Entity and would not include ‘Investment Properties’.
 - (c) Ownership Flats/ Promises Superstructures on leasehold lands should be depreciated to be co-terminus with the amortization of land, unless the superstructures have a shorter life.
 - (d) Superstructures on Land Not belonging to the Entity Buildings shall include roads, bridges, and culverts.
3. PLANT, MACHINERY & EQUIPMENT include under this Sub-head would be items like:
 - Earth moving Machinery
 - Boilers
 - Furnances
 - Generators
 - Dyes/Mould

— Machinery used for specific industry/services like Building contractors, in hospitals/clinics, processing units, hydraulic works (including pipelines), Tool rooms.

— Other items used for manufacture/processin etc.

Separate Account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets registers. Disclosure of information under the above sub-heads is encouraged.

4. VEHICLES

Included under this Sub-head would be items like :

— Tractors/Trailers

— Trucks, Jeeps and Vans

— Motor Cars

— Rickshaws

Separate Account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets registers. Disclosure of information under the above sub-heads is encouraged.

5. FURNITURE, FIXTURES

Included under this Sub-head would be items like :

(a) Cabinets/Almiraha/Filing Racks

(b) Air-Conditioners/Air Conditioning Plant

(c) Air-Coolers

(d) Water Coolers

(e) Tables/Chairs/Sofas/Carpets

(f) Wooden partitions/temporary structures

(g) Voltage Stabilisers, UPS Systems.

(h) Other Items

Separate Account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets registers. Disclosure of information under the above sub-heads is encouraged, for material amounts.

6. OFFICE EQUIPMENT

Included under this Sub-head would be items like :

(a) Typewriters

(b) Photocopiers/duplicators

(c) Fax Machines

Separate Account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets registers. Disclosure of information under the above sub-heads is encouraged, for material amounts.

6. Depreciation

Depreciation shall be provided so as to charge the depreciable amount of a depreciable asset over its useful life.

Depreciation is a measure of the wearing out, consumption or other loss of value of a depreciable asset arising from use, efflution of time or obsolescence through technology and market charges. It includes amortization of assets the life of which is determined and depletion of wasting assets.

For this purpose :

- (a) Depreciable asset means an asset which—
 - i. is expected to be used during more than one accounting period, and
 - ii. has a limited useful life; and
 - iii. is held by the entity for use in the production or supply of goods and services, for rental to others, or for administrative purpose and not for the purpose of sale in the ordinary course of its business/operating activities.
- (b) depreciable amount of a depreciable asset means its original cost, or other amount substituted for original cost in the financial statements less the residual value.
- (c) Useful life means either—
 - i. the period over which a depreciable asset is expected to be used by the Entity, or
 - ii. the number of production or similar units expected to be obtained from the use of the asset by the Entity.

SCHEDULE 9—INVESTMENTS - FROM EARMARKED/ENDOWMENT FUNDS:

- | | |
|---------------------------------------|---|
| 1. Government Securities | Includes Central and State Government securities and Government Treasury Bills. These securities should be shown at cost/book value. However, the difference between such value and market value should be given in the notes to the Balance Sheet. |
| 2. Other approved Securities | Securities other than Government Securities, treated as approved securities (such as Trustee securities), should be included here. |
| 3. Shares | Investments in shares of companies and corporations not included in item 2 should be included here. |
| 4. Debentures and Bonds | Investments in debentures and bonds of companies and Corporations not included in item 2 should be included here. |
| 5. Subsidiaries and/or joint ventures | Investments in subsidiaries/associate entities should be included here. An entity shall be treated as a 'subsidiary' or joint venture, if the entity exercises control over the composition of management/governing body, with or without any financial investment therein.

An entity will be considered as subsidiary for the purpose of this classification if more than 25% of the corpus of that entity is held by the entity as at the beginning of the year. |

6. Others (to be specified) Includes residual investments, if any, like commercial paper, investments (to be specified) in Mutual Funds and other instruments not being in the nature of shares/debentures/bonds. Investment in Properties, if any, would also be included here.

Notes-General

1. The Gross value in aggregate, the depreciation in aggregate and net value of Investments are to be separately disclosed. Approved securities (covered by 1 and 2 above) are required to be bifurcated into “permanent” and “current” categories for valuation and determination of shortfall in value.
2. (a) Investments can either be “Long term” or “permanent” or “Current”.
 (b) “Current Investment” means an investment which is by its very nature, readily realizable and is intended to be held for not more than one year from the date on which it is made.
 Such investments should be shown at lower of cost or their fair value, which shall be determined on individual investment basis and the shortfall shall be provided, while appreciation shall be ignored.
 (c) Long-term investments are those investments which are other than current investments, and these are intended to be held for the purposes of capital appreciation and yield. Such investments are held at cost and shall be reduced when there is a decline, other than temporary, in their value-reduction being made for each investment.
3. Investments held against earmarked/endowment funds need to be separately disclosed.
4. Investment in properties, if held, shall be shown at cost less depreciation in the same manner as in the case of fixed assets.
5. The entity shall disclose the Accounting Policy in relation to investments, their cost, depreciation and carrying value both for long-term & current investments.
6. Any premium paid on acquisition of permanent investments shall be amortised on a time proportion basis upto the date of their maturity. Discount on acquisition shall not be amortised.
7. Matured investments, not realized may be separately disclosed.

SCHEDULE 10—INVESTMENTS - OTHERS

1. Government Securities Includes Central and State Government securities and Government Treasury Bills. These securities should be shown at cost/book value. However, the difference between such value and market value should be given in the notes to the Balance Sheet.
2. Other approved Securities Securities other than Government Securities, treated as approved securities (such as Trustee securities), should be included here.
3. Shares Investments in shares of companies and corporations not included in item 2 should be included here.
4. Debentures and Bonds Investments in debentures and bonds of companies and Corporations not included in item 2 should be included here.
5. Subsidiaries and/or joint ventures Investments in subsidiaries/associate entities should be included here. An entity shall be treated as a ‘subsidiary’ or joint venture,

if the entity exercises control over the composition of management/governing body, with or without any financial investment therein.

An entity will be considered as subsidiary for the purpose of this classification if more than 25% of the corpus of that entity is held by the entity as at the beginning of the year.

6. Others

Includes residual investments, if any, like commercial paper, investments (to be specified) in Mutual Funds and other instruments not being in the nature of shares/debentures/bonds. Investment in Properties, if any, would also be included here

Notes-General

1. The Gross value in aggregate, the depreciation in aggregate and net value of Investments are to be separately disclosed. Approved securities (covered by 1 and 2 above) are required to be bifurcated into “permanent” and “current” categories for valuation and determination of shortfall in value.
2. (a) Investments can either be “Long term” or “permanent” or “Current”.
(b) “Current Investment” means an investment which is by its very nature, readily realizable and is intended to be held for not more than one year from the date on which it is made.
Such investments should be shown at lower of cost or their fair value, which shall be determined on individual investment basis and the shortfall shall be provided, while appreciation shall be ignored.
(c) Long-term investments are those investments which are other than current investments, and these are intended to be held for the purposes of capital appreciation and yield. Such investments are held at cost and shall be reduced when there is a decline, other than temporary, in their value-reduction being made for each investment.
3. Investments held against earmarked/endowment funds need to be separately disclosed.
4. Investment in properties, if held, shall be shown at cost less depreciation in the same manner as in the case of fixed assets.
5. The entity shall disclose the Accounting Policy in relation to investments, their cost, depreciation and carrying value both for long-term & current investments.
6. Any premium paid on acquisition of permanent investments shall be amortised on a time proportion basis upto the date of their maturity. Discount on acquisition shall not be amortised.
7. Matured investments, not realized may be separately disclosed.

SCHEDULE 11—CURRENT ASSETS, LOANS, ADVANCES ETC.

A. CURRENT ASSETS

1. Inventories
Inventories comprise tangible property held for sale in the ordinary course of business, or in the process of production for such sales, or for consumption in the production of goods or services for sale, including maintenance supplies and consumable other than machinery parts.

- (a) Stores and Spares
 - (b) Loose Tools
 - (c) Stock-in-trade
 - Finished Goods
 - Work-in-Progress
 - Raw Materials
2. Sundry Debtors :
- (a) Debts Outstanding for a period exceeding six months
 - (b) Others
3. Cash balance in hand :
(including cheques/drafts and imprest)
4. Bank Balances :
- (a) With Scheduled Banks
 - On Current Accounts
 - On Deposit Accounts
 - On Savings Accounts
 - (b) With Non-Scheduled Banks
 - On Current Accounts
 - On Deposit Accounts
 - On Savings Accounts
5. Post Office-Savings Accounts :

ASSETS

SCHEDULE 11 — CURRENT ASSETS, LOANS, ADVANCES ETC.:

B. LOANS, ADVANCES AND OTHER ASSETS

- 1. Loans
 - (a) Staff

- (b) Other entities engaged in activities/objectives similar to that of the entity Irrevocable grants/subsidies/donation to such entities shall not be included here. If interest-bearing, the amount of interest earned up to the year-end should be adjusted.
- (c) Other (specify)
2. Advances and other amounts recoverable in cash or in kind or for value to be received :
- (a) On Capital Account Advances to suppliers/contractors for capital works should be shown against this sub-head
- (b) Prepayments This includes prepaid expenses.
- (c) Others This would comprise receivables other than the debtors.
3. Income accrued :
- (a) On investments from Earmarked/Endowment Funds
- (b) On Investments-Others Income on Investment from Earmarked/Endowment Funds and that on Other Investment should be shown separately.
- (c) On Loans and Advances
- (d) Others (includes income due unrealized - Rs.) If uncertainty attaches to realization or ultimate collection, income should not be recognized, and if recognized, should be provided for Dividends should be recognized based on the date(s) of their declaration.
- Separate disclosure should be made in respect of income accrued, due but not realized.
4. Claims Receivable : Only claims, which are considered good and realizable, should be included.

INCOME AND EXPENDITURE ACCOUNT-INCOME

SCHEDULE 12 — INCOME FROM SALES/SERVICES

INCOME FROM SALES :

1. Income from Sales Sales comprise the aggregate amount for which sales are effected. These would be shown net of trade discounts, rebate and returns.
- (a) Sale of finished Goods
- (b) Sale of Raw materials
- (c) Sale Scraps Sales are complete when significant risks and regards of ownership get transferred from the seller to the buyer, irrespective of the time of payment or delivery of the goods.
- Disclosure of export sales should be made separately.
2. Income from Services Income must be shown at gross figures and Tax Deducted at Source should be indicated separately.

- (a) Labour and Processing Charges Labour and processing charges realizable for processing/fabrication of goods/materials of entitles should be disclosed against this sub-head.
- (b) Professional/consultancy Services Consultancy charges and fee for rendition of professional services by the entity should be included under this sub-head.
- (c) Agency Commission and brokerage Where the entity acts as a broker or agent for arranging supply of goods/services of i.e. without acting on a principal to principal basis, the commission and brokerage income earned would be shown against this sub-head.
- (d) Maintenance Services (Equipment/Property) Where the entity undertakes maintenance contracts for equipment or property etc. the income earned up to the year-end from this source should be included under this sub-head.
- (e) Others (Specify)

SCHEDULE 13 — GRANTS/SUBSIDIES :

(Irrevocable Grants & Subsidies Received)

- 1. Central Government Grants, Subsidies or other similar assistance received for the general purposes and objectives of the Entity, on an irrevocable basis, or to cover expenditure incurred in prior shall be included in this Schedule.
- 2. State Government(s)
- 3. Government Agencies These grants are without any conditions attached as to their utilization and are of the nature of non-refundable amounts which are to be appropriated income.
- 4. Institutions/Welfare Bodies
- 5. International Organisations The gross receipt shall be shown against each sub-head and grants/subsidies which are given in turn to other institutions/organizations on irrevocable basis, as expenditure should be considered in Schedule 22.
- 6. Others (Specify)

SCHEDULE 14 — FEES/SUBSCRIPTIONS

- 1. Entrance fees Accounting policies on such item will have to be disclosed.
- 2. Annual Fees/subscriptions In case the Fees like Entrance Fee, subscription etc. are in the nature of capital receipt, such amount should go to the Corpus Fund/Capital Fund. Otherwise such fees will be incorporated in this schedule.
- 3. Seminar/Program Fees
- 4. Consultancy Fees In case the major activities of the Entity are to organize seminar/workshop and/or provide consultancy services, such income should from part of the Schedule 12.

5. Others (Specify) The gross receipts should be shown here. Expenditure incurred on seminar workshops, consultancy etc. should be shown as other administrative expenses in the Schedule 21.

SCHEDULE 15 — INCOME FROM INVESTMENTS :

- | | |
|-------------------------------|---|
| 1. Interest | 1. Income from investments shall be disclosed at gross figures and tax deducted at source is to be stated separately. |
| (a) On- Govt. Securities | 2. Interest on Govt. securities shall comprise
(a) interest earned at coupon rate upto the last applicable date of interest, i.e. interest accrued & due; and
(b) interest accrued thereafter upto the year-end at the coupon rate. |
| (b) Other Bonds/Debentures | 3. Income on bonds and debentures would include discount accrued upto the year-end on bonds issued at a discount, to be redeemed at par or on premium, based on the terms of their issue. |
| 2. Dividends | 4. Dividends shall be accrued, based on the dates of declaration thereof i.e. when the entity has a right to receive the same. |
| (a) on Shares | |
| (b) on Mutual fund Securities | |
| 3. Rents | 5. Rents shall be shown as income on Investment of properties, if any |
| 4. Others (Specify) | 6. Interest claimed on overdue/matured investments shall not be recognized unless pre-conditions for such recognition are satisfied.
7. Distinction should be made in respect of income on Investments :
a) Owned by the Entity; and
b) Those held against earned/endowment funds.
8. At the year-end total of the income on investment from earmarked/endowment funds should be transferred to the funds through Schedule 3. |

SCHEDULE 16—INCOME FROM ROYALTY, PUBLICATION ETC.:

- | | |
|-----------------------------|---|
| 1. Income from Royalty | Accounting policies on each item will have to be disclosed. |
| 2. Income from Publications | In case the major activities of the Entity are to publish books, journals, documents etc. such income should from part of the Schedule 12. |
| 3. Others (Specify) | The gross receipts should be shown here. Expenditure incurred on publication etc. should be shown as other administrative expenses' in the schedule 21. |

SCHEDULE 17—INTEREST EARNED :

- | | |
|--|--|
| 1. On Term Deposits : | 1. Interest income earned should be shown a gross figures and tax deducted at source is to be stated separately. |
| (a) With Schedules Banks | |
| (b) With Non-Scheduled Banks | |
| (c) With Institutions | |
| (d) Others | |
| 2. On Savings Accounts : | 2. Distinction should be made in respect of income; |
| (a) With Schedules Banks | (a) on assests owned by the Entity; and |
| (b) With Non-Scheduled Banks | (b) thiose held against earmarked/endowment funds; |
| (c) Post Office Savings Accounts | |
| (d) Others | |
| 3. On Loans : | |
| (a) Employees/Staff | |
| (b) Others | |
| 4. Interest on Debtors & Other Receivables | |

SCHEDULE 18—OTHER INCOME :

- | | |
|--|---|
| 1. Profit on Sale/disposal of Assets | Sales proceeds/realization, net of the book value of the assets shall, if a surplus, be included under this sub-head. |
| (a) Owned assets | |
| (b) Assets acquired cut of grants or received free of cost | |
| 2. Export incentives realized | Export incentives claimed and no realized upto the year-end shall not be included in Income. |
| 3. Fees for Miscellaneous Services | Items of materials amounts included in Miscellaneous Income should be separately disclosed. |
| 4. Miscellaneous Income | |

SCHEDULE 19—INCREASE/(DECREASES) IN STOCK OF FINISHED GOODS & WORK-IN-PROGRESS :

- | | |
|--------------------------|--|
| (a) Closing stock | Accounting policies regarding valuation of stock should be declared. |
| – Finished goods | |
| – Work-in-progress | |
| (b) Less : Opening Stock | |
| – Finished goods | |
| – Work-in-progress | |

SCHEDULE 20—ESTABLISHMENT EXPENSES :

- | | |
|---|---|
| (a) Salaries and wages | The gross expenditure against each head including in resepct of staff on deputation should be disclosed. |
| (b) Allowances and Bonus | |
| (c) Contribution to Provident Fund | |
| (d) Contribution to other fund
(specify) | Statutory obligations of the entity towards provident fund, Employees' sale insurance, retirement benefits etc. should be disclosed clearly and item-wise. |
| (e) Staff Welare expenses | |
| (f) Expenses on employees' Retirement and Terminal Benefits | In case of recoveries like fines, penalties etc. the same should not be deducted from the expense heads but included under 'Other Income' in the Schedule 18. |

Notes—General**Prior period items**

Prior period and Extraordinary items shall be separately disclosed so that the effect thereof on the net expenditure for the year is known.

SCHEDULE 21—OTHER ADMINISTRATIVE EXPENSES ETC.

- | | |
|--|--|
| (a) Purchase* | The gross expenditure against each head should be disclosed. |
| (b) Labour and processing expenses | |
| (c) Cartage and Carriage Inwards | In case of recoveries e.g. rent recoveries, freight charges recovered, fines, penalties, damages from suppliers etc. the amount of such recoveries should not be deducted from the expenses heads but included under "Schedule 16-"Other Income" |
| (d) Electricity and Power | |
| (e) Water charges | |
| (f) Insurance | |
| (g) Repairs and maintenance | Prior period and Extraordinary Items shall be separately disclosed so that the effect thereof on the net Expenditure for the year is known. |
| (h) Excise Duty | |
| (i) Rent, Rates and Taxes | |
| (j) Vehicles running and Maintenance | |
| (k) Postage, Telephone and Communication Charges | The list of heads is not exhaustive but illustrative. As for as possible only these heads of account should be used unless there is compelling reasons to add or delete any of these heads. |
| (l) Printing and Stationery | |
| (m) Travelling and Conveyance | |
| (n) Expenses on Seminar/Workshops | *Purchases should be segregated between raw materials and stores for manufacture and for finished goods traded in. In case of manufacturing entities, 'Consumption of Raw Materials' and 'Stores' may be given instead of 'Purchases'. |
| (o) Subscription Expenses | |
| (p) Expenses on Fees | |
| (q) Auditors Remuneration | |

- (r) Hospitality Expenses
- (s) Professional Charges
- (t) Provision for Bad and Doubtful debts/Advances
- (u) Irrecoverable Balances Written-off
- (v) Packaging Charges
- (w) Freight and Forwarding Expenses
- (x) Distribution Expenses
- (y) Advertisement and Publicity
- (z) Others (specify)

INCOME AND EXPENDITURE ACCOUNT—EXPENDITURE

SCHEDULE 22—EXPENDITURE ON GRANTS, SUBSIDIES ETC.

- | | |
|---|---|
| (a) Grants given to Institutions/
Organisations | Grants, Subsidies or other similar assistance given to the Institutions/Organisations for general purposes and objectives of the Entity, on an irrevocable basis, shall be included in this Schedule.

Name of the Institutions/Organisations, their activities alongwith the amounts in each case should be disclosed. |
| (b) Subsidies given to Institutions/
Organisations | These grants etc. are with or without any conditions attached as to their utilization and are of the nature of non-refundable amounts which are to be appropriated as expenditure.

The gross receipts shown against each sub-head in the Schedule 13, could be the sources of the grants/subsidies that are given, in turn, to other institution/organisations on irrevocable basis.

The gross expenditure against each head should be disclosed. |

INCOME AND EXPENDITURE ACCOUNT—EXPENDITURE

SCHEDULE 23—INTEREST :

- | | |
|--|---|
| (a) On Fixed Loans | 1. Interest would include commitment charges. |
| (b) On Other Loans
(including Bank Charges) | 2. Fixed Loans are loans which are for fixed period, like Term Loans. |
| (c) Other (specify) | 3. Expenditure by way of interest as per Schedule 23 is the minimum disclosure requirement. The Entity should be encouraged to disclose interest expended asked on the sources of loans and borrowings as per the heads in Schedules 4 and 5. |

SCHEDULE 26—CONTINGENT LIABILITIES, AND NOTES AND ACCOUNTS

A. CONTINGENT LIABILITIES

- | | |
|---|---|
| 1. Claims against the Entity not acknowledged as debts | ———— |
| 2. Liability of partly-paid investments | Liability on partly paid shares, debentures etc. is required to be stated. |
| 3. Liability on account of outstanding forward exchange contracts | Amount of outstanding forward exchange contracts at the exchange rates applicable as at the year-end should be stated. |
| 4. Guarantees and Letters of Credit outstanding | Liability towards Guarantees given by the entity or on its behalf and Letter of Credits outstanding as at the year-end are required to be disclosed. |
| 5. Bills discounted | Bills discounted outstanding as at the year-end need to be disclosed |
| 6. Other items for which the entity is contingently liable | Included here would be disputed statutory and other demands/claims, Bills rediscounted, commitments under underwriting contracts and other items for which the entity is contingently liable. |

B. NOTES ON ACCOUNTS

- | | |
|---|--|
| 1. Commitment on capital Account not provided for | This would arise in terms of contracts/arrangements in terms of which amounts would have to be paid for acquisition/construction of assets. The amount, net of advances is required to be disclosed. |
| 2. Other Notes | |

[F. No. 10/204-EM]
HARISH CHANDRA, Jt. Secy.

भारत का राजपत्र The Gazette of India

EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

Notification

New Delhi, the 3rd August, 2007

G.S.R. 537(E) - In exercise of the powers conferred by Section 56 read with sub-section (5) of Section 4 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government hereby makes the following, namely:-

1. **Short title and Commencement** - (a) These rules may be called the Bureau of Energy Efficiency (Appointment of Members, Manner of Filling Vacancies, Fees and Allowances and Procedure For Discharging Their Functions) Rules, 2007.
(b) They shall come in to force on the date of their publication in the Official Gazette.
2. **Definitions** - (1) In these Rules, unless the context otherwise requires,
 - (a) "Act" means the Energy Conservation Act, 2001 (52 of 2001);
 - (b) "Director-General" means the Director-General of the Bureau appointed under sub-section (1) of Section 9;
 - (c) "meeting" means the meeting of the Governing Council and shall include any other business connected with it;
 - (d) "member" for the purposes of these rules means a member of Governing Council referred to in clauses (o), (p) and (q) of sub-section (2) of Section 4;
 - (e) "section" means a section of the Act;
 - (f) Words and expressions used herein and not defined but defined in the Act shall have the meanings respectively assigned to them in the Act.
3. **Appointment of members**—(1) The Central Government shall appoint the following members of the Governing Council, namely:-
 - (a) Five members, one each from the five power regions under clause (o) of sub-section (2) of Section 4.
 - (b) Four members, one each from the industry, equipment and appliance manufacturers, architects and consumers under clause (p) of sub-section (2) of Section 4.
 - (c) Two members as may be nominated by the Governing Council under clause (q) of sub-section (2) of Section 4.(2) For the purpose of clause (a) of sub-rule (1), the Central Government shall appoint the respective chairmen of Northern, Western, Southern, Eastern and North-eastern Regional Electricity Board as members representing the respective States of each region.
(3) For the purpose of clause (b) of sub-rule (1), the Central Government shall appoint members in the following manner, namely:

- (a) One person having adequate knowledge, experience or capability in dealing with matters relating to promotion of energy efficiency or energy conservation, who in the opinion of the Central Government is capable of representing industry;
 - (b) One person having adequate knowledge, experience or capability in dealing with matters relating to promotion of energy efficiency or energy conservation, who in the opinion of the Central Government is capable of representing equipment and appliance manufacturers;
 - (c) One person having adequate knowledge, experience or capability in dealing with matters relating to promotion of energy efficiency or energy conservation, who in the opinion of the Central Government is capable of representing the professions of architects; and
 - (d) One person having adequate knowledge, experience or capability in dealing with matters relating to promotion of energy efficiency or energy conservation, who in the opinion of the Central Government is capable of representing the consumers.
- (4) For the purpose of clause (c) of sub-rule (1), the Central Government for making appointments shall seek nominations from the Governing Council from the areas identified to focus attention for promotion of energy efficiency or energy conservation from amongst the following namely:
- (a) Major energy users like Railways, Surface Transport, Power Generation, Steel and Heavy Industries and Urban Development.
 - (b) Financial Institutions, Small and Medium Enterprises, Test Houses, Designated Consumers, Research Institutions and Management Institutions specialising in the field of energy efficiency, energy conservation or energy management.
- (5) The Central Government shall, for the purposes of selecting the members under sub-rule (3), constitute a Selection Committee consisting of:
- (a) Additional Secretary or Joint Secretary, —Chairperson
in-charge of energy efficiency or energy conservation in the
Ministry of the Central Government dealing with Power.
 - (b) An officer not below the rank of Joint Secretary —Chairperson
to be nominated by the Secretary in-charge of the
Ministry of the Central Government dealing with Power.
 - (c) Director-General
- (6) The Director-General shall be the convener of the Selection Committee.
- (7) The Selection Committee shall finalise the selection of the persons referred to in sub-rule (3) within three months from the date on which the term of the existing members is to expire.
- (8) The Selection Committee shall recommend a panel of two names for each the categories referred to in su-rule (3).
- (9) The Selection Committee shall satisfy itself that such persons do not have any financial or other interest which is likely to affect prejudicially their functions as members.
4. **Vacancies**—(1) If, for reason, other than temporary absence, any vacancy occurs, the Central Government shall appoint another person in accordance with the provisions of these rules, to fill the vacancy.
- (2) A member who has completed his term shall be eligible for further appointment.
5. **Resignation**—(1) A member may, by notice in writing under his hand addressed to the Central Government, resign his office and the resignation shall take effect from the date of its acceptance by the Central Government or on the expiry of the period of one month, whichever is earlier.

6. **Fees and Allowances**—(1) Every ex-officio member and members representing the Departments of the Central Government, State Governments and Organizations associated with or under the Central Government and State Governments shall not be entitled to draw any fee, travelling allowance or daily allowance from the funds of the Bureau.
- (2) Every other member shall be entitled to a sitting fee of Rupees five hundred only for attending a meeting.
- (3) A local member shall be entitled to reimbursement of local conveyance hire charges by way of actual conveyance hire charges subject to such ceiling as may be specified by the Central Government from time to time for attending each meeting.
- Explanation**—A meeting extending over one sitting shall be treated as one meeting.
- (4) A member may travel by rail in first class or second AC tier, by trains, including Rajdhani Express, Shatabdi, etc. by shortest route, or by air by economy class from his usual place of residence and back for attending the meetings and in case he travels from a place other than the usual place of his residence, the reimbursement of fare will be restricted to that from the place of residence.
- (5) Where journeys are performed by road, the re-imbusement will be limited to first class fare by rail.
- (6) (a) An out station member shall be entitled in re-imbusement of single room rent—
- (i) for stay in any Government use or hotels, single room in medium range India Tourism Development Corporation hotels like Janpath Hotel or residential accommodation provided by registered societies like India International Centre or India Habitat Centre;
- (ii) for stay in private lodges or hotels at such rates as may be allowed upto the limits specified by the Central Government from time to time.
- (b) Daily allowances at the rate of 90% of the ordinary rate of daily allowances as admissible to the highest grade of civil servant for boarding purposes as specified by the Central Government from time to time.
- (c) Actual conveyance hire charges subject to such ceilings as may be specified by the Central Government from time to time.
7. **Procedure to be followed by members in the discharge of their functions**—(1) The participation by a member in a meeting shall be regulated by the Bureau of Energy Efficiency (Procedures for Conduct of Business of the Governing Council) Regulation, 2005.
- (2) Every member, while participating in a meeting, shall inform the Chairperson or in his absence, the presiding officer, that he or any of his relatives or friends has a pecuniary interest in the matter being considered in the said meeting and thereafter shall abstain from attending the meeting till discussion on such matter is over.

[F. No. 13/9/2003-EM]
GIREESH B. PRADHAN, Jt. Secy.

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EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

Notification

New Delhi, the 8th December, 2006

G.S.R. 309 - In exercise of the powers conferred by clause (m) of Section 14 and sub-section (2) of Section 56 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government, in consultation with the Bureau of Energy Efficiency, hereby makes the following rules to prescribe minimum qualification for energy managers designated or appointed under clause (1) of Section 14 of the Act, namely:-

1. **Short title and Commencement** - (i) These rules may be called the Energy Conservation (Minimum Qualification for Energy Managers) Rules, 2006.
(ii) They shall come in to force on the date of their publication in the Official Gazette.
2. **Definitions** - (1) In these Rules, unless the context otherwise requires,
 - (a) “Act” means the Energy Conservation Act, 2001 (52 of 2001);
 - (b) “agency” means an agency appointed by the Bureau for the purpose of holding National Examination for certification of energy managers;
 - (c) “certificate” means the certificate issued, on being declared successful in the National Examination, by the Bureau or the agency notified by the Bureau in support of certification of energy manager.
 - (d) “diploma Engineer” means a person who has obtained diploma in Engineering from a University or Board or Institution incorporated by an Act of the Central or State Legislature in India or other educational institutions established by an Act of Parliament or any diploma recognized by All India Council for Technical Education as equivalent or has obtained a diploma in Engineering from such foreign University or College or Institution recognized by the Central Government, and under such conditions as may be laid down for the purpose, from time to time.
 - (e) “equivalent” in relation to any qualification means educational qualifications acquired by passing an examination conducted by examining body constituted by law in India or an examination recognized by the Central Government or State Governments or All India Council for Technical Education as equivalent thereon.
 - (f) “graduate Engineer” means a person who has obtained a graduation degree in Engineering from an University incorporated by an Act of the Central or State Legislatures in India or other educational institutions established by an Act of Parliament or declared to be deemed as Universities under Section 3 of the University Grants Commission Act, 1956 or any degree recognized by All India Council for Technical Education as equivalent or has obtained a graduation degree in Engineering from such foreign University or College or Institution recognized by the Central Government and under such conditions as may be laid down for the purpose, from time to time.

- (g) “National Examination” means the examination conducted by the Bureau or the agency appointed by the Bureau for certification of energy managers;
 - (h) “post-graduate in Engineering” means a person who has obtained a post-graduate degree in Engineering from an University incorporated by an Act of the Central or State Legislature in India or other educational institutions established by an Act of Parliament or declared to be deemed as Universities under Section 3 of the University Grants Commission Act, 1956 or any degree recognized by All India Council for Technical Education as equivalent or has obtained a post-graduate degree in Engineering from such foreign University or College or Institution recognized by the Central Government, and under such conditions as may be laid down for the purpose, from time to time.
 - (i) “post-graduate” means a post-graduate of an University incorporated by an Act of the Central or State Legislature in India or other educational institutions established by an Act of Parliament or declared to be deemed as Universities under Section 3 of the University Grants Commission Act, 1956 or any degree recognized by All India Council for Technical Education as equivalent or has obtained a post-graduate degree in Engineering from such foreign University or College or Institution recognized by the Central Government, and under such conditions as may be laid down for the purpose, from time to time.
 - (2) Words and expressions used in these rules and not defined, but defined in the Act, shall have the meaning respectively assigned to them in the Act.
3. **Qualification of Certified Energy Managers**—(1) A person shall be qualified to become a certified energy manager, if he—
- (i) has passed the National Examination for energy manager or energy auditor held under the aegis of the Bureau; and
 - (ii) has been issued a certificate by the Bureau to that effect.
 - (2) No candidate shall be eligible for appearing in the National Examination unless he is—
 - (a) a graduate Engineer or equivalent with three years of work experience involving use of energy in operation, maintenance, planning, etc.; or
 - (b) a post-graduate Engineer or equivalent with two years of work experience involving use of energy in operation, maintenance, planning, etc.; or
 - (c) a graduate Engineer with post-graduate degree in Management or equivalent with two years of work experience involving use of energy in operation, maintenance, planning, etc. or
 - (d) a diploma Engineer or equivalent with six years on work experience involving use of energy in operation, maintenance, planning, etc; or
 - (e) a post-graduate in Physics or Electronics or Chemistry (with Physics and Mathematics at graduation level) with three years of work experience involving use of energy in operation, maintenance, planning, etc.
 - (3) A candidate appearing in the National Examination shall be eligible for award of certificate on being declared successful in the said examination.
 - (4) Any National Examination for certification of energy managers or energy auditors held by the Bureau prior to the notification of these rules shall be deemed to have been conducted under these rules.

[F. No. 13/4/2005-EM]
U.N. PANJIAR, Addl. Secy.

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EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

Notification

New Delhi, the 2nd March, 2007

G.S.R. 174(E) - In exercise of the powers conferred by clause (i) of Sub-section (2) of Section 56 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government, in consultation with the Bureau of Energy Efficiency, hereby makes the following rules, namely:—

1. **Short title and Commencement** - (1) These rules may be called the Energy Conservation (the form and manner for submission of report on the status of energy consumption by the designated consumers) Rules, 2007.
 - (ii) They shall come in to force on the date of their publication in the Official Gazette.
2. **Definitions** - (1) In these rules, unless the context otherwise requires,
 - (a) “Act” means the Energy Conservation Act, 2001 (52 of 2001);
 - (b) “Financial Year” means the year beginning on the 1st day of April and ending on the 31st March following.
 - (2) Words and expression used herein but not defined shall have the meanings respectively assigned to them in the Act.
3. **Submission of Report on the status of energy consumption by Designated Consumer**—(1) Every designated consumer shall:—
 - (a) submit in electronic form as well as hard copy to the designated agency, within three months, the first report on the status of energy consumption at the end of the previous financial year in Form 1 of the Annexure; and
 - (b) submit to the designated agency subsequent reports for each financial year in the same manner on the status of energy conservation in Form 1 of the Annexure within three months of the close of that financial year.
 - (2) The Bureau may prescribe different forms for different sections from time to time.
4. **Authentication of Data**—Every designated consumer shall ensure that all the data furnished under rule 3 are duly authenticated by the energy manager appointed or designated by the designated consumer, the Chief Executive or his nominee authorized for the purpose before it is sent to the designated agency under rule 3 of these rules.
5. **Supply of Data to the Bureau**—(1) Every designated consumer shall also furnish the data in electronic form as well as hard copy, referred to in clauses (a) and (b) of Sub-rule (1) of Rule 3 of these rules, duly authenticated, in the manner prescribed in rule 4 of these rules, to the Bureau of Energy Efficiency.

[F.No. 10/6/2006-EC]
U.N. Panjiar, Spl. Secy.

Form—1
Details of information regarding total energy consumed and
specific energy consumption per unit of production
(See rule 3)

1. Name of the Unit
2. The Sector* to which unit falls (Refer Annex-1)
3. (a) Complete address of Unit's location (including Chief Executive's name & designation) with mobile telephone, fax nos. & e-mail.
 (b) Year of Establishment
4. Registered Office address with telephone, fax nos. & e mail
5. Name, designation, address, mobile, telephone fax nos. & e-mail of energy manager
6. Production and capacity utilization details

Year	Main Product	Units (Please specify)	Installed Capacity (a)	Actual Production (b)	% Capacity Utilisation (b/a) × 100
Current financial year					
Previous financial year					
			Current financial year	Previous financial year	

- 7.0 Energy Consumption and cost
- 7.1 Electricity Consumption and cost
 - (A) Purchased Electricity
 - (i) Units (Million kWh/year)
 - (ii) Total Cost (Rs. Million/year)
 - (iii) Plant Connected Load (kW)
 - (iv) Contract demand (kVA) with utility
 - (v) Connected load (kW)
 - (B) Own Generation
 - (a) Through DG sets
 - (i) Annual generation (Million kWh/year)
 - (ii) Total Cost (Rs. Million/year)
 - (iii) Fuel used (HSD/LDO/LSHS/LSFO)
 - (iv) Gross calorific value (kCal/kg)
 - (v) Annual fuel consumption (tonne)
 - (vi) Total annual fuel cost (Rs. Million)

- (b) Through Steams turbine/generator
 - (i) Annual generation (Million kWh/year)
 - (ii) Fuel used state which type of fuel was used (C=coal, B=Biomass, E=electricity). If coal was used, state which grade i.e. C/I=imported or C/F = coal of grade F
 - (c) Through Gas turbine
 - (i) Annual generation (Million kWh/year)
 - (ii) Fuel used (State which type of fuel was used NG, PNG, CNG, Naphtha)
 - (iii) Gross calorific value (kCal/kg)
 - (iv) Annual fuel consumption (tonne)
 - (v) Total annual fuel cost (Rs. Million)
 - (C) Total generation of electricity (Million kWh/year)
7.1 (B) [a(i)+b(i)+c(i)]
 - (D) Electricity supplied to the grid/others (specify) (Million kWh/year)
 - (E) Total Electricity consumed (Million kWh/year)
7.1[A(i) + C–D]
- 7.2 Fuel consumption and % cost for process heating
- (A) **Coal**
 - (i) Gross calorific value (kCal/kg)
 - (ii) Quantity purchased (tonne/year)
 - (iii) Quantity used for power generation (tonne/year)
 - (iv) Quantity used as raw material, if any (tonne/year)
 - (v) Quantity used for process heating (tonne/year)
 - (vi) Total cost for process (Rs. Million/year)
 - (B) **Lignite**
 - (i) Gross claorific value (kCal/kg)
 - (ii) Quantity purchased (tonne/year)
 - (iii) Quantity used for power generation (tonnes/year)
 - (iv) Quantity used as raw material, if any (tonne/year)
 - (v) Quantity used for process heating (tonne/year)
 - (vi) Total lignite cost for process (Rs. Million/year)
 - (C) **Bi-mass Other purchased solid fuels (pl. specify) baggase, rice husk, etc.**
 - (i) Average moisture content as fired (%)
 - (ii) Average Gross caloric value as fired (kCal/kg)
 - (iii) Quantity purchased (tonne/year)
 - (iv) Quantity used as raw material, if any (tonne/year)
 - (v) Quantity used for process heating (tonne/year)
 - (vi) Total baggase cost for process (Rs. Million/year)

7.3 Liquid

(A) **Furnace**

- (i) Gross calorific value (kCal/kg)
- (ii) Quantity purchased (kL/year)
- (iii) Quantity used for power generation (kL/year)
- (iv) Quantity used as raw material, if any (kL/year)
- (v) Quantity used for process heating (kL/year)
- (vi) Total F.O. cost for process heating (Rs. Million/year)

(B) **Low Sulphur Heavy Stock (LSHS)**

- (i) Gross calorific value (kCal/kg)
- (ii) Quantity purchased (tonne/year)
- (iii) Quantity used for power generation (tonnes/year)
- (iv) Quantity used as raw material, if any (tonne/year)
- (v) Quantity used for process heating (tonne/year)
- (vi) Total LSHS Cost for process (Rs. Million/year)

(C) **High Sulphur Heavy Stock (HSHS)**

- (i) Gross calorific value (kCal/kg)
- (ii) Quantity purchased (tonne/year)
- (iii) Quantity used for power generation (tonnes/year)
- (iv) Quantity used as raw material, if any (tonne/year)
- (v) Quantity used for process heating (tonne/year)
- (vi) Total HSHS cost for process (Rs. Million/year)

(D) **Diesel Oil**

(a) **High Speed Diesel (HSD)**

- (i) Gross calorific value (kCal/kg)
- (ii) Quantity purchased (kL/year)
- (iii) Quantity used for power generation (tonnes/year)
- (iv) Quantity used as raw material, if any (kL/year)
- (v) Quantity used for process heating (kL/year)
- (vi) Total HSD cost for process (Rs. Million/year)

(b) **Light Diesel Oil (LDO)**

- (i) Gross calorific value (kCal/kg)
- (ii) Quantity purchased (kL/year)
- (iii) Quantity used for power generation (tonnes/year)
- (iv) Quantity used as raw material, if any (kL/year)
- (v) Quantity used for process heating (kL/year)
- (vi) Total LDO cost for process (Rs. Million/year)

7.4 Gas

(A) Compressed Natural Gas (CNG)

- (i) Gross calorific value (kCal/SCM)
- (ii) Quantity purchased (million SCM/year)
- (iii) Quantity used for power generation (million SCM/year)
- (iv) Quantity used as raw material, if any (million SCM/year)
- (v) Quantity used for process heating (million SCM/year)
- (vi) Total cost of natural gas for process heating (Rs. Million/year)

(B) Liquefied Petroleum Gas (LPG)

- (i) Gross calorific value (kCal/SCM)
- (ii) Quantity purchased (million SCM/year)
- (iii) Quantity used for power generation (million SCM/year)
- (iv) Quantity used as raw material, if any (million SCM/year)
- (v) Quantity used for process heating (million SCM/year)
- (vi) Total Cost of LPG for process heating (Rs. Million/year)

(C) Gas generated as byproduct/waste in the plant and used as fuel

- (i) Name
- (ii) Gross calorific value (kCal/SCM)
- (iii) Quantity used for process heating (million SCM/year)
- (iv) Total cost of byproduct gas for process heating (Rs. Million/year)

7.5 Solid Waste

Solid waste generated in the plant and used as fuel

- (i) Name
- (ii) Gross calorific value (kCal/SCM)
- (iii) Quantity used for process heating (tonne/year)
- (iv) Total cost of solid waste for process heating (Rs. Million/year)

7.6 Liquid Waste

Liquid effluent/waste generated in the plant and used as fuel

- (i) Name
- (ii) Gross calorific value (kCal/SCM)
- (iii) Quantity used for process heating (tonne/year)
- (iv) Total cost of solid waste for process heating (Rs. Million/year)

7.7 Others

- (i) Name
- (ii) Average gross calorific value (kCal/kg)
- (iii) Quantity used for power generation (tonne/year)
- (iv) Quantity used for process heat (tonnes/year)
- (v) Annual cost of the others source

Annexure 1—Name of Sectors

Aluminium, cement, chemicals, chlor-alkali, fertilizers, gas crackers, iron and steel, naphtha crackers, pulp and paper, petrochemicals, petroleum refineries, sugar, textile.

Annexure 2—Nomenclature

HSD	High Speed Diesel
LDO	Light Diesel Oil
LSHS	Los Sulphur Heavy Stock
LSFO	Low Sulphur Furnance Oil
C	Coal
B	Biomass
E	Electricity
C/I	Coal Imported
C/F	Indian Coal grade F
NG	Natural Gas
PNG	Piped Natural Gas
CNG	Compressed Natural Gas
FO	Furnance Oil
LPG	Liquefied Petroleum Gas
SCM	Standard Cubic Metre (15°C and 1.01325 bar)
KL	Kilo Litre
Million	Tea (10) lakh

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EXTRAORDINARY – PART II – Section 3 – Sub-section (i)

Notification

New Delhi, the 12th March, 2007

S.O. 394 (E)—Whereas the Central Government, consultation with the Bureau of Energy Efficiency, having to the intensity or quantity of energy consumed amount of investment required for switching over energy efficient equipment and capacity of industry to in it and availability of the energy efficient machinery and equipment required by the industry, is that some user or class of users of energy may be as designated consumer;

And whereas, the Schedule to the Energy Conservation Act, 2001 (52 of 2001), specifies certain energy Intensive Industries and other establishments as designated consumers;

And whereas, the Central Government considers necessary to provide that only those energy intensive industries and other establishments having annual energy consumption as indicated against each industry or establishment by the Central Government from time to time, to be notified as designated consumers;

Now, therefore, in exercise of the power conferred by the clauses (e) and (f) of Section 14 of the Energy Conservation Act, 2001 (herein referred to as the said Act), the Central Government, in consultation with the Bureau of Energy Efficiency, hereby alters the list of Energy Intensive Industries and other establishments specified in the Schedule to the said Act, namely:—

1. Thermal Power Stations—30,000 metric tonne of oil equivalent (MTOE) per year and above.
2. Fertilizer—30,000 metric tonne of oil equivalent, (MTOE) per year and above.
3. Cement—30,000 metric tonne of oil equivalent (MTOE) per year and above.
4. Iron and Steel—30,000 metric tonne of oil equivalent (MTOE) per year and above
5. Chlor-Alkali-12,000 metric tonne of oil equivalent (MTOE) per year and above
6. Aluminium—7,500 metric tonne of oil equivalent (MTOE) per year and above
7. Railways—
 - (a) the electric traction Sub-section (TSS) in each Zonal Railway having maximum energy consumption as per the table given below:—

Table

Railway Zone	List of TSS
Central Railway	Wardha
Eastern Railway	Titagarh
East Central Railway	Koderma
East Coast Railway	Simhachalam North
Northern Railway	Narela
North Central Railway	Mathura
Southern Railway	Avadi
South Central Railway	Krishna Canal
South Eastern Railway	Balichak
South Western Railway	Bangarapet
South East Central Railway	Bilaspur
Western Railway	Makarpur
West Central Railway	Bina

(b) the diesel loco shed in each Zonal Railway as per table given below:—

Table

Railway Zone	Loco Shed
Central Railway	Kalyan
Eastern Railway	Undal
East Central Railway	Patratu
East Coast Railway	Vishakhapatnam
Northern Railway	Ludhiana
North Central Railway	Jhansi
North Eastern Railway	Gonda
Northeast Frontier Railway	New Guwahati
North Western Railway	Abu Raod
Southern Railway	Erode
South Central Railway	Kazipeth
South Eastern Railway	Kharagpur
South East Central Railway	Raipur
South Western Railway	Hubli
Western Railway	Vatva
West Central Railway	New Katni Jn.

(c) all six production units i.e. Integral Coach Factory (ICF), Rail Coach Factory (RCF) Chittaranjan Locomotive Works (CLW) Diesel Locomotive Works (DLW), Diesel Component Works (DCW) and Rail Wheel Factory (RWF).

(d) workshops on Indian Railways having tota annual energy consumption of 30,000 MTOE or more.

8. Textile-3,000 metric tonne of oil equivalent (MTOE) per year and above

9. Pulp and Paper-30,000 metric tonne of oil equivalent (MTOE) per year and above.

Note : 1 The energy conversion value given in the table below shall be used for working out annual energy consumption in terms of metric tonne of oil equivalent.

Table

1 kwh	860 kilocalories (kcal)
1 kg. Coal/Coke	Gross Calorific Value as per supplier's (coal company's) latest certificate
1 kg. Charcoal	6,900 kcal or as per supplier's latest certificate
1 kg. Furnance Oil/ Residual Fuel Oil/Low Sulphur Stock-NAPTHA	10,050 kcal (density=0.9337 kg/litre) or as per supplier's latest certificate
1 kg. High Speed Diesel	11,840 kcal (density=0.8263 kg/litre) or as per supplier's latest certificate
1 kg. Petrol	11,200 kcal (density=0.7087 kg/litre) or as per supplier's latest certificate
1 kg. Kerosene	11,110 kcal (density of SKO=0.7782 kg/litre) or as per supplier's latest certificate
1 kg. Liquefied Petroleum Gas	12,500 kcal or as per supplier's latest certificate
1 M ³ Natural Gas	8,000-10,500 kcal (Actual calorific value as per supplier's latest certificate will be considered.) In case of non-issue of certification by the supplier, average of the range 8000-10,500 kcal/M ³ will be considered).
Other Fuels or waste material or by product used as a Fuel	Gross Calorific value as per the certificate from a National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited laboratory or Central Government laboratory or State Government laboratory or Government approved laboratory provided the fuel sampling for assessing the calorific value has also been carried out by the concerned laboratory.

For the purpose of this table,—(i) 1 kg of Oil Equivalent : 10,000 kcal

(ii) 1 Metric Tonne of Oil Equivalent (MTOE): 10×10^6 kcal

(iii) In case of coal, petroleum products and other fuels, in absence of the supplier's certificate (due to its non-issue by the supplier), the gross calorific value of the above fuels will be considered as per the Test Certificate from a National Accreditation Board for Testing and Calibration Laboratories (NABL) Accredited Laboratory or Central Government Laboratory or State Government Laboratory or Government recognized Laboratory provided the fuel sampling for assessing the calorific value has also been carried out by the concerned Laboratory.

Note : 2 For the purpose of declaring energy intensive industry or any other establishment specified in the Schedule to the Act, the limit of annual energy consumption in terms of metric tonne of oil equivalent shall be reviewed every three years with effect from the date of publication of this notification.

Note : 3 The provisions mentioned in this Schedule shall not be applicable to the Ministry or the Department of the Central Government dealing with Defence, Atomic Energy, Space, Internal Security or Undertakings or Boards or Institutions under the control of such Ministries or Departments.

[F. No. 10/13/2002-FM]

HARISH CHANDRA, Jt. Secy.

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EXTRAORDINARY – PART II – Section 3 (i)

Notification

New Delhi, the 26th June, 2008

G.S.R. 486 (E) - In exercise of the powers conferred by clause (h) of Sub-section (2) of section 56 read with clause (k) of section 14 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government, hereby makes the following rules, namely:—

1. **Short title and Commencement** - (1) These rules may be called the Energy Conservation (Form and Manner and Time for Furnishing Information With Regard to Energy Consumed and Action Taken on Recommendations of Accredited Energy Auditor) Rules, 2008.
(2) They shall come in to force on the date of their publication in the Official Gazette.
2. **Definitions** - (1) In these rules unless the context otherwise requires,
 - (a) “Act” means the Energy Conservation Act, 2001;
 - (b) “Form” means the forms specified under rule 3;
 - (c) “year” means the financial year beginning on the 1st day of April and ending on the 31st March following;
 - (d) words and expression used herein but not defined, but defined in the Act shall have the meanings assigned to them in the Act.
3. **From and time limit for furnishing of Information by the designated consumers with regard to energy consumed and action taken on the recommendations of the accredited energy auditor:-**
 - (1) Every designated consumer within three months of the submission of energy audit report by the accredited energy auditor shall, furnish in electronic form as well as in a hard copy, to the designated agency,-
 - (a) details of information on energy consumed during the year preceding to the year for which energy audit was undertaken as verified by the accredited energy auditor, in Form 1;
 - (b) details of specific energy consumption product-wise for the period referred to in clause (a), in Form 1;
 - (c) details of the action on the recommendations made by the accredited energy auditor in the energy audit report submitted under the Act, in Form 2;
 - (2) Every designated consumer shall furnish to the designated agency every year, the details of progress made in consequence of the action taken by it as per clause (c) of sub-rule (1) of rule 3 together with the details of energy efficiency improvement measures implemented and consequent savings achieved in Form 3, within three months of the close of that year.
4. **Manner of furnishing information.**- (1) Every designated consumer shall furnish the information under Rule 3 after getting the same authenticated by its energy manager appointed or designated in terms of notification number S.O. 318(E), dated the 2nd March, 2007.
 - (2) The information under sub-rule (1) shall be strictly in accordance with the energy audit report of the accredited energy auditor.

[F. No. 10/15/07-EC]

DEVENDER SINGH, Jt Secy.

Form—1
Details of energy consumed
and specific energy consumption, product-wise, based on verified data
[See rule 3 (1) (a) and (b)]

1. Name of the Unit
2. The sector in which unit falls (Refer Annexure-I)
3. (a) Complete address of Unit's location (including Chief Executive's name & designation) with mobile telephone, fax nos. & e-mail.
- (b) Year of Establishment
4. Registered Office address with telephone, fax nos. & e mail
5. Name, designation, address, mobile, telephone fax nos. & e-mail of energy manager
6. Production and capacity utilization details

Year	Main Product	Units (Please specify)	Installed Capacity (a)	Actual Production (b)	% Capacity Utilisation (b/a) × 100	Specific energy consumption
	Product 1					
	Product 2					
	Other product					
200-						
200						

Year 200 - 200

- 7.0 Energy Consumption and cost
- 7.1 Electricity Consumption and cost
 - (A) Purchased Electricity
 - (i) Units (Million kWh/year)
 - (ii) Total Cost (Rs. Million/year)
 - (iii) Plant Connected Load (kW)
 - (iv) Contract demand (kVA) with utility
 - (v) Connected load (kW)
 - (B) Own Generation
 - (a) Through Diesel Generating sets
 - (i) Annual generation (Million kWh/year)
 - (ii) Total Cost (Rs. Million/year)
 - (iii) Fuel used (HSD/LDO/LSHS/LSFO - (Refer annexure 2))
 - (iv) Gross calorific value (kCal/kg)
 - (v) Annual fuel consumption (tonne)
 - (vi) Total annual fuel cost (Rs. Million)

- (b) Through Steams turbine/generator
 - (i) Annual generation (Million kWh/year)
 - (ii) Fuel used state which type of fuel was used (C=coal, B=Biomass, E=electricity). If coal was used, state which grade i.e. C/I=imported or C/F = coal of grade F
 - (c) Through gas turbine
 - (i) Annual generation (Million kWh/year)
 - (ii) Fuel used (State which type of fuel was used Natural Gas (NG), Piped Natural Gas (PNG), Compressed Natural Gas (CNG), Naphtha)
 - (iii) Gross calorific value (kCal/SCM)
 - (iv) Annual fuel consumption (SCM)
 - (v) Total annual fuel cost (Rs. Million)
 - (C) Total generation of electricity (Million kWh/year)
7.1 (B) [a(i)+b(i)+c(i)]
 - (D) Electricity supplied to the grid/others (specify)
(Million kWh/year)
 - (E) Total Electricity consumed (Million kWh/year)
7.1[A(i) + C–D]
- 7.2 Fuel consumption and % cost for process heating
- (A) **Coal**
 - (i) Gross calorific value (kCal/kg)
 - (ii) Quantity purchased (tonne/year)
 - (iii) Quantity used for power generation (tonne/year)
 - (iv) Quantity used as raw material, if any (tonne/year)
 - (v) Quantity used for process heating (tonne/year)
 - (vi) Total cost for process (Rs. Million/year)
 - (B) **Lignite**
 - (i) Gross claorific value (kCal/kg)
 - (ii) Quantity purchased (tonne/year)
 - (iii) Quantity used for power generation (tonnes/year)
 - (iv) Quantity used as raw material, if any (tonne/year)
 - (v) Quantity used for process heating (tonne/year)
 - (vi) Total lignite cost for process (Rs. Million/year)
 - (C) **Bi-mass Other purchased solid fuels (please specify) baggase, rice husk, etc.**
 - (i) Average moisture content as fired (%)
 - (ii) Average Gross caloric value as fired (kCal/kg)

- (iii) Quantity purchased (tonne/year)
- (iv) Quantity used as raw material, if any (tonne/year)
- (v) Quantity used for process heating (tonne/year)
- (vi) Total baggage cost for process (Rs. Million/year)

7.3 Liquid

(A) **Furnace**

- (i) Gross calorific value (kCal/kg)
- (ii) Quantity purchased (kL/year)
- (iii) Quantity used for power generation (kL/year)
- (iv) Quantity used as raw material, if any (kL/year)
- (v) Quantity used for process heating (kL/year)
- (vi) Total F.O. cost for process heating (Rs. Million/year)

(B) **Low Sulphur Heavy Stock (LSHS)**

- (i) Gross calorific value (kCal/kg)
- (ii) Quantity purchased (tonne/year)
- (iii) Quantity used for power generation (tonne/year)
- (iv) Quantity used as raw material, if any (tonne/year)
- (v) Quantity used for process heating (tonne/year)
- (vi) Total LSHS Cost for process (Rs. Million/year)

(C) **High Sulphur Heavy Stock (HSHS)**

- (i) Gross calorific value (kCal/kg)
- (ii) Quantity purchased (tonnes/year)
- (iii) Quantity used for power generation (tonne/year)
- (iv) Quantity used as raw material, if any (tonne/year)
- (v) Quantity used for process heating (tonne/year)
- (vi) Total HSHS cost for process (Rs. Million/year)

(D) **Diesel Oil**

(a) **High Speed Diesel (HSD)**

- (i) Gross calorific value (kCal/kg)
- (ii) Quantity purchased (kL/year)
- (iii) Quantity used for power generation (tonne/year)
- (iv) Quantity used as raw material, if any (kL/year)
- (v) Quantity used for process heating (kL/year)
- (vi) Total HSD cost for process (Rs. Million/year)

(b) Light Diesel Oil (LDO)

- (i) Gross calorific value (kCal/kg)
- (ii) Quantity purchased (kL/year)
- (iii) Quantity used for power generation (kL/year)
- (iv) Quantity used as raw material, if any (kL/year)
- (v) Quantity used for process heating (kL/year)
- (vi) Total LDO cost for process heating (Rs. Million/year)

7.4 Gas

(A) Compressed Natural Gas (CNG)

- (i) Gross calorific value (kCal/SCM)
- (ii) Quantity purchased (million SCM/year)
- (iii) Quantity used for power generation (million SCM/year)
- (iv) Quantity used as raw material, if any (million SCM/year)
- (v) Quantity used for process heating (million SCM/year)
- (vi) Total cost of natural gas for process heating (Rs. Million/year)

(B) Liquefied Petroleum Gas (LPG)

- (i) Gross calorific value (kCal/SCM)
- (ii) Quantity purchased (million SCM/year)
- (iii) Quantity used for power generation (million SCM/year)
- (iv) Quantity used as raw material, if any (million SCM/year)
- (v) Quantity used for process heating (million SCM/year)
- (vi) Total Cost of LPG for process heating (Rs. Million/year)

(C) Gas generated as by product/waste in the plant and used as fuel

- (i) Name
- (ii) Gross calorific value (kCal/SCM)
- (iii) Quantity used for process heating (million SCM/year)
- (iv) Total cost of byproduct gas for process heating (Rs. Million/year)

7.5 Solid waste

Solid waste generated in the plant and used as fuel

- (i) Name
- (ii) Gross calorific value (kCal/kg)
- (iii) Quantity used for process heating (tonne/year)
- (iv) Total cost of solid waste for process heating (Rs. Million/year)

7.6 Liquid waste

Liquid effluent/waste generated in the plant and used as fuel

- (i) Name
- (ii) Gross calorific value (kCal/kg)
- (iii) Quantity used for process heating (tonne/year)
- (iv) Total cost of liquid effluent for process heating (Rs. Million/year)

7.7 Others

- (i) Name
- (ii) Average gross calorific value (kCal/kg)
- (iii) Quantity used for power generation (tonnes/year)
- (iv) Quantity used for process heat (tonnes/year)
- (v) Annual cost of the others source

Signature
Name of the energy manager,
Name of the Company
Full address
Seal

Signature
Name of the accredited energy auditor
Accreditation details
Seal

Annexure 1—Name of Sectors

Aluminium, cement, chemicals, chlor-alkali, fertilizers, gas crackers, iron and steel, naphtha crackers, pulp and paper, petrochemicals, petroleum refineries, sugar, textile.

Annexure 2—Nomenclature

HSD	High Speed Diesel
LDO	Light Diesel Oil
LSHS	Low Sulphur Heavy Stock
LSFO	Low Sulphur Furnance Oil
C	Coal
B	Biomass
E	Electricity
C/I	Coal Imported
C/F	Indian Coal grade F
NG	Natural Gas
PNG	Piped Natural Gas
CNG	Compressed Natural Gas
FO	Furnance Oil
LPG	Liquefied Petroleum Gas
SCM	Standard Cubic Metre (15°C and 1.01325 bar)
KL	Kilo Litre
Million	Ten (10) lakh

Form—2
Details of action taken on recommendations of accredited energy
auditor for improving energy efficiency
 [See rule 3 (1) (c)]

S.No.	Energy efficiency improvement measures-(Suggested categories of areas of energy efficiency improvement for obtaining details of energy savings-See Annexure 3)	Investment Millions Rupees	Reasons for not implementing the measure	Date of completion of measure/likely completion	Life cycle years ¹	Annual energy ² savings				
						Oil	Gas	Coal	Electricity	Other
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										

Signature
 Name of the energy Manager
 Name of the Company
 Full address
 Contact person
 E-mail address
 Telephone/Fax number
 Plant address

Signature
 Name of the accredited energy auditor
 Accreditation details
 Seal

1. Estimate the predicted life of the measure, meaning the number of years the level of first year energy savings or even large amounts will materialise.
2. Life commercial units of litre, kg, tonnes, normal cubic meter, kWh or MWh and indicate the unit. Indicate the anticipated potential in energy savings.

**Suggested categories of areas of energy efficiency improvement
for obtaining details of energy savings**

1. Better house keeping measures
2. Installation of improved process monitoring and control instrumentation, or software
3. Fuel Handling System
4. Steam Generation System
5. Steam Distribution System
6. Electricity Generation System
7. Hot Water System
8. Compressed Air System
9. Raw/Process Water System
10. Cooling Water System
11. Process Cooling/Refrigeration System
12. Heating, Ventilation and Air Conditioning System
13. Electrical System
14. Lighting System
15. Melting/Heating/Drying Equipment (e.g. Furnaces, Heaters, Klins, Ovens, Dryers, Evaporators, etc.
16. Heat Exchangers
17. Pumps, Compressors, Fans, Blowers, Piping, Ducting
18. Process Equipment (e.g.) Reactors, Separation Equipment, Material, Handling Equipment, etc.)
19. Transformers
20. Electric Motors and Drives
21. Process Technology
22. Process Integration
23. Process Control and Automation
24. Other Non-equipment Measures (e.g. Plant Operation/Scheduling, Tariff Scheddule, etc.)
25. Recovery of waste heat for process heat or power generation
26. Retrofitting, modification or sizing of fans, blowers, pumps, including duct systems
27. Other

Form-3

[See rule 3 (2)]

Details of energy efficiency improvement measures implemented, investment made and savings in energy achieved and progress made in the implementation of other recommendations.

A. Implemented:

S. No.	Description of energy efficiency improvement measure	Category ³	Investment (Rupees)	Verified savings ⁴ (Rupees)	Verified energy savings	Units ⁵	Fuel	Remarks
1.								
2.								
3.								

B. Under implementation:

S. No.	Description of energy efficiency improvement measure	Category	Investment (Rupees) estimated	Verified savings (Rupees) estimated	Verified energy savings estimated	Units	Fuel	Status of implementation
1.								
2.								
3.								

Signature

Name of the energy Manager

Name of the Company

Full address

Contact person

E-mail address

Telephone/Fax numbers

Plant address

Signature

Name of the accredited energy auditor

Accreditation details

Seal

³ Use "C. No." column of form 2 as reference-See Annexure "3" for adoption

⁴ First year

⁵ Use conventional energy, volume or mass units with proper prefix k=10³, M=10⁶, G=10⁹


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EXTRAORDINARY

PART III-Section

PUBLISHED BY AUTHORITY

THE BUREAU OF ENERGY EFFICIENCY

Notification

New Delhi, 25th November, 2008

No.02-11(3)/05-BEE.-Whereas certain draft regulations namely, the Bureau of Energy Efficiency (Advisory Committees Regulations), 2008, were published *vide* notification number 02-11(3)-BEE, dated the 5th June, 2008 in the Gazette of India, Extraordinary, Part III, Section 4 dated the 12th June, 2008 as required under sub-section (1) of section 58 of the Energy Conservation Act, 2001 (52 of 2001) inviting objections or suggestions from all persons likely to be affected thereby, within forty five days from the date on which copies of the Gazette containing the said notification were made available to the public;

And whereas Gazette copies of the said draft regulations were made available to the public on the 12th June, 2008;

And whereas no objection or suggestion has been received from any person in this regard;

Now, therefore, in exercise of the powers conferred by clause (b) of sub-section (2) of section 58 of the said Act, the Bureau of Energy Efficiency with the previous approval of the Central Government, hereby makes the following regulations, namely:-

- 1. Short title and commencement.** – (1) These regulations may be called the Bureau of Energy Efficiency (Advisory Committees) Regulations, 2008.
(2) They shall come into force on the date of their publication in the Official Gazette.
- 2. Definitions.** - (1) In these regulations, unless the context otherwise requires,-
 - (a) “Act” means the Energy Conservation Act, 2001;
 - (b) “Advisory Committee” means the Advisory Committee constituted under regulation 3;
 - (c) “Director-General” means the Director General of the Bureau appointed under sub-section (1) of section 9;

- (d) “Equipment” means the equipment or appliance, class of equipments or appliances which consumes, generates, transmits or supplies energy;
 - (e) “Secretary” means the Secretary of the Bureau appointed under sub-section (2) of the section 9;
 - (f) “section” means the section of the Act.
- (2) Words and expressions used herein and not defined, but defined in the Act, shall have the meanings assigned to them in the Act.
- 3. Constitution of Advisory Committees.** – (1) For the purpose of sub-sections (1) and (2) of section 8, the following Advisory Committees are hereby constituted, namely:-
- (a) the Management Advisory Committee;
 - (b) the Policy Advisory Committee.
- (2) The Management Advisory Committee shall consists of the following members, namely:-

- | | |
|---|--------------------------------------|
| (a) Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Power | -ex officio
Chairperson; |
| (b) Chairperson of the Central Electricity Authority constituted under the Electricity Act, 2003 (36 of 2003) | -ex officio
Member; |
| (c) Joint Secretary to the Government of India, in charge of energy conservation in the Ministry or Department of the Central Government dealing with the Power | -ex officio
Member ; |
| (d) Joint Secretary and Financial Advisor to the Government of India, in the Ministry or Department of the Central Government dealing with the Power | -ex officio
Member; |
| (e) Joint Secretary to the Government of India, in the Ministry or Department of the Central Government dealing with the New and Renewable Energy Sources | -ex officio
Member; |
| (f) Executive Director of the Petroleum Conservation Research Association, a society registered under the Societies Registration Act, 1860 (21 of 1860) | -ex officio
Member; |
| (g) Deputy Director-General of the Bureau of Indian Standards established under the Bureau of Indian Standards Act, 1986 (63 of 1986) | -ex officio
Member; |
| (h) Director- General of the Bureau | -ex officio
Member-
Secretary. |

- (3) The Policy Advisory Committee shall consists of the following members, namely:-
- | | |
|---|-----------------------------|
| (a) Director-General of the Bureau | -ex officio
Chairperson; |
| (b) Joint Secretary to the Government of India in the Ministry or Department of the Central Government dealing with the Power | -ex officio
Member; |
| (c) Joint Secretary to the Government of India in the Ministry or Department of the Central Government dealing with the Petroleum and Natural Gas | -ex officio
Member; |
| (d) Joint Secretary to the Government of India in the Ministry or Department of the Central Government dealing with the Coal | -ex-officio
Member; |
| (e) Joint Secretary to the Government of India in the Ministry or Department of the Central Government dealing with the New and Renewable Energy Sources | -ex-officio
Member; |
| (f) Joint Secretary to the Government of India in the Ministry or Department of the Central Government dealing with the Consumers Affairs | -ex-officio
Member; |
| (g) Joint Secretary to the Government of India in the Ministry or Department of the Central Government dealing with the Environment and Forest | -ex-officio
Member; |
| (h) An officer not below the rank of Joint Secretary to the Government of India in the Ministry or Department of the Central Government dealing with the Railways | -ex-officio
Member; |
| (i) Joint Secretary to the Government of India in the Ministry or Department of the Central Government dealing with the Civil Aviation | -ex-officio
Member; |
| (j) Joint Secretary to the Government of India in the Ministry or Department of the Central Government dealing with the Industry | -ex-officio
Member; |
| (k) Joint Secretary to the Government of India in the Ministry or Department of the Central Government dealing with the Agriculture | -ex-officio
Member; |
| (l) Director-General,
Confederation of Indian Industry, New Delhi | -Member; |
| (m) Secretary-General,
Electric Lamp and Component
Manufacturers Association of India, New Delhi | -Member; |
| (n) President,
Indian Electrical and Electronics Manufacturers' Association,
Mumbai | -Member; |

- | | |
|---|-------------------------------------|
| (o) President,
Confederation of Real Estate Developers Association of India,
New Delhi | -Member; |
| (p) President,
Indian Society of Heating, Refrigerating and
Air conditioning Engineers, New Delhi, | -Member; |
| (q) President,
Refrigeration and Air conditioning
Manufacturers Association of India, New Delhi | -Member; |
| (r) Chief Operating Officer,
Voluntary Organisation in Interest of Consumer Education,
New Delhi | -Member; |
| (s) One energy specialist of standing, having five years
experience in dealing with matters relating to energy
conservation or energy efficiency | -Member; |
| (t) One energy specialist of standing, having five years
experience in dealing with matters relating to electricity
generation, transmission and distribution | -Member; |
| (u) Secretary of the Bureau | ex-officio
Member-
Secretary. |

4. Functions of Advisory Committees.- (1) The Advisory Committees shall have following functions, namely:-

- (a) the Management Advisory Committee shall advise the Bureau on matters relating to-
- (i) finance, personnel, administrative and policy matters;
 - (ii) programmes or schemes relating to or in connection with implementation of the Energy Conservation Act.
- (b) the Policy Advisory Committee shall advise the Bureau on matters relating to -
- (i) research and development studies for identification of energy saving potential in end uses of energy, including buildings in industrial, commercial, domestic and agricultural sectors and development of programmes for their realisation;
 - (ii) balanced growth in energy consumption to sustain economic growth caused by accelerated industrialisation, urbanisation and rural electrification taking into consideration, the comfort, health, and productivity of the users of energy;
 - (iii) improving energy efficiency in the generation and use of electricity, energy efficient processes, equipment, devices and systems and sustainable use of energy resources to optimise efficient use of energy and its conservation in all sectors of economy contributing to sustainable energy management ;

- (iv) strengthen the capabilities of professionals dealing with energy efficiency or its conservation, and consultancy services in the field of energy efficiency or its conservation;
 - (v) measures necessary to create awareness and disseminate information for efficient use of energy and its conservation;
 - (vi) promotion of testing facilities for certification and testing for energy consumption of equipment and appliances, and development of testing and certification procedures;
 - (vii) norms for processes and energy consumption standards for any equipment, appliance which consumes, generates, transmits or supplies energy;
 - (viii) any other matter relating to the functions of the Bureau.
- (2) The recommendations of each Advisory Committee shall be placed before the Governing Council for necessary directions.
- 5. Tenure of Policy Advisory Committee.-** (1) The term of the Policy Advisory Committee shall be three years.
- (2) The term of Members specified in clauses (1) to (t) of sub-regulation (3) of regulation 3 shall be three years.
- (3) The Members shall be eligible for reappointment.
- 6. Resignation and removal.-** (1) Any Member of the Advisory Committee may resign his office by forwarding his letter of resignation to the Bureau under his own hand and such resignation shall take effect from the date of its acceptance by the Bureau or on the expiry of period of one month from the date of its receipt by the Bureau, whichever is earlier.
- (2) A Member shall not be removed from his office except by an order of the Bureau on the ground of proved misbehavior or incapacity after an inquiry made by such person as the Bureau may appoint for the purpose in which the Chairperson or the Member concerned, has been informed of the charge against him and given a reasonable opportunity of being heard in respect of such charge.
- 7. Meetings of Advisory Committee.-** Each Advisory Committee shall meet at least once in every year.
- 8. Notice and agenda of the meeting.-** (1) A notice of not less than seven days, from the date of issue, shall be ordinarily given to the members of each meeting of the Advisory Committee.
- (2) Every notice of an Advisory Committee meeting shall specify the place and the day and hour of the meeting.
- (3) The Chairperson of the Advisory Committee shall cause to be prepared and circulated to the Members an agenda for the meeting not later than three days before the meeting.
- 9. Minutes of meeting.-** The minutes of the proceedings of each meeting shall be circulated to each Member of the Advisory Committees and shall be confirmed at the next meeting with or without modifications as the case may be.

- 10. Quorum for meeting.**-The quorum necessary for transaction of business at a meeting of the Advisory Committee shall be one-third of the total number of Members of the Committee besides the Chairperson.
- 11. Filling of vacancy.**-(1) A vacancy on the Policy Advisory Committee caused by resignation, or otherwise, of the Chairperson or a Member shall be filled up in terms of regulation 3.
- (2) The person so appointed under sub-regulation (1) shall hold office only for the remaining term of the outgoing member.
- 12. Fee and allowances payable to Members of Policy Advisory Committee.**-The Members of the Policy Advisory Committee specified in clauses (l) to (t) of sub-regulation (3) of regulation 3, while traveling for attending a meeting of the Advisory Committee or in connection with any official assignment given to them shall be entitled to fee and allowances on par with fee and allowances payable to members of the Governing Council.

Ajay Mathur, Director-General


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NOTIFICATION

New Delhi, the 25th February, 2009

G.S.R. 25—In exercise of the powers conferred by Section 56 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government hereby makes the following rules, namely :—

1. Short title and commencement — (1) These rules may be called the Energy Conservation (Manner of holding inquiry) Rules, 2009.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions — (1) In these rules, unless the context otherwise requires, —

- (a) “Act” means the Energy Conservation Act, 2001;
- (b) “adjudicating officer” means the adjudicating officer appointed under Section 27;
- (c) “section” means section of the Act;

(2) Words and expressions used herein and not defined but defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Manner of holding inquiry by an adjudicating officer — (1) Whenever the State Commission appoints an adjudicating officer, a copy of the appointment order shall be provided to the person concerned.

(2) In holding the inquiry, the adjudicating officer shall, issue a notice containing the particulars of violations under section 26 to the person concerned requiring him to appear before the adjudicating officer within twenty one days from the date of issue of such notice.

(3) The adjudicating officer shall provide an opportunity to the concerned person to present his case.

(4) If the person concerned fails, neglects or refuses to appear before the adjudicating officer as required under sub-rule (2), the adjudicating officer may proceed with the inquiry in the absence of such person after recording the reasons for so doing.

(5) The adjudicating officer, while holding inquiry, shall follow as far as possible the same procedure as is followed in the proceedings of the State Commission in exercise of its powers and in discharge of its functions.

(6) The adjudicating officer shall complete the inquiry within sixty days from the date of issue of the notice referred to in sub-rule (2).

(7) Where the inquiry may not be completed within the period of sixty days, the adjudicating officer may, after recording reasons in writing, seek extension of time from the State Commission for a further period of sixty days.

(8) On completion of inquiry, the adjudicating officer shall record his findings and impose penalty accordingly.

[F. No. 10/2/08-EC]
DEVENDER SINGH, Jt. Secy.


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EXTRAORDINARY

PART III-Section 4

PUBLISHED BY AUTHORITY

THE BUREAU OF ENERGY EFFICIENCY

NOTIFICATION

New Delhi, the 10th June, 2008

No.02-11(6)/05—The following draft of certain regulations, which the Bureau, with the previous approval of the Central Government, proposes to make in exercise of the powers conferred by clause (g) of sub-section (2) of section 58, read with clause (q) of sub-section (2) of section 13 of the Energy Conservation Act, 2001 (52 of 2001), is hereby published, as required by sub-section (1) of section 58 of the said Act for information of all persons likely to be affected thereby; and notice is hereby given that the said draft regulations will be taken into consideration after the expiry of a period of forty five days from the date of publication of this notification in the Official Gazette.

Any objection or suggestion which may be received from any person with respect to the said draft regulations before the expiry of period aforesaid will be considered by the Bureau.

Objections or suggestions, if any, may be sent to the Director General, Bureau of Energy Efficiency, 4th Floor, Sewa Bhavan, R.K. Puram, Sector-1, New Delhi-110 066.

Draft Regulations

1. Short title and commencement.- (1) These Regulations may be called the Bureau of Energy Efficiency (the manner and intervals of time for conduct of energy audit) Regulations, 2008.

(2) They shall come into force on the date of their final publication in the Official Gazette.

2. Definitions.- (1) In these Regulations, unless the context otherwise requires,-

- (a) “Act” means the Energy Conservation Act, 2001;
- (b) “energy audit report” means the report of energy audit submitted under regulation 3 and signed by an accredited energy auditor;
- (c) “Forms” means the Forms appended to these regulations;
- (d) “specific energy consumption” means the average of energy consumed per unit of product or product–mix for the completed financial year;
- (e) words and expressions used herein and not defined but defined in the Act shall have the meanings assigned to them in the Act.

3. Intervals of time for conduct of energy audit.-(1) Every designated consumer shall have its first energy audit conducted, by an accredited energy auditor within 18 months of the notification issued by the Central Government under clause (i) of section 14 of the Act.

(2) The interval of time for conduct and completion of subsequent energy audits shall be three years with effect from the date of submission of the previous energy audit report by the accredited energy auditor to the management of the designated consumer.

4. Manner of energy audit.-Every energy audit under the Act shall be conducted in the following manner :-

(1) **Verification of data of energy use.**-The accredited energy auditor shall —

- (a) verify the information submitted to the designated agency under the Energy Conservation (the form and manner for submission of report on the status of energy consumption by the designated consumers) Rules, 2007 for the previous two years through examination of energy bills, production data, inspection of energy-using equipment, production-processes, and systems, spot measurements, discussion or interview with the officers and staff regarding operation of plants, energy management procedures, equipment maintenance problems, equipment reliability, projected equipment needs, improvements undertaken or planned, establish validated data on annual energy consumption and prepare a report in Form 1 for the year preceding to the year for which energy audit report shall be prepared and submitted;
- (b) establish specific energy consumption per unit of production for the year referred to in clause (a);
- (c) disaggregate the energy consumption data and identify major energy using equipment, processes and systems.

(2) **Scope of energy audit.**-The accredited energy auditor jointly with the energy manager of the designated consumer shall –

- (a) develop a scope of work for the conduct of energy audit required under the Act with a view to ensuring adequate coverage in terms of the share of total energy use that is covered in the energy audit;
- (b) select energy intensive equipment or processes for energy auditing;
- (c) agree on best practice procedures on measuring the energy efficiency performance of selected equipment and on algorithm to estimate energy performance and energy savings;
- (d) collect energy consumption, and production data for the equipment and processes covered within the scope of energy audit, operating data, and schedule of operation, non proprietary process flow charts, production level disaggregated by product, if applicable, and such other historical data as may be considered essential by the accredited energy auditor for achieving the purpose of energy audit.

(3) **Monitoring and analysis of the use of energy data for energy audit.**-The accredited energy auditor shall-

- (a) verify the accuracy of the data collected in consultation with the energy manager, appointed or designated by the designated consumer in terms of the notification number S.O.318(E), dated the 2nd March, 2007, as per standard practice to assess the validity of the data collected;

- (b) analyse and process the data with respect to-
 - (i) consistency of designated consumers' data monitoring compared to the collected data;
 - (ii) recommendations to reduce energy consumption and improve energy efficiency.
 - (iii) summary overview of energy consumption in plant or establishment by fuel type and by section;
 - (c) conduct equipment energy performance measurements with due diligence and caution.
- (4) Preparation of recommendations on energy saving measures, their cost benefit analysis.-**The accredited energy auditor having regard to the overall efficiency of the production process, techno-economic viability of energy saving measures, site conditions and capacity of the designated consumer to invest for their implementation, shall prepare a list of recommendations to save energy and the list shall include-
- (a) a brief description of each recommended measure;
 - (b) the estimated energy saving as well as energy cost reduction potential over a reasonable technical or economic life of the measure;
 - (c) any known or expected technical risks associated with each measure;
 - (d) a preliminary assessment of the financial attractiveness of each measure or assessment of the maximum investment feasible based on the estimated energy cost saving potential over the life of the measure;
 - (e) tabulated summary of recommendations listed as per their implementation schedule (short, medium and long term);
 - (f) where different alternatives for implementation of an energy efficiency measure are available, the accredited energy auditor shall examine and discuss such options and recommend the techno-financially better option;
 - (g) where the installation or implementation of any recommended energy saving measure affects procedures for operation and maintenance, staff deployment and the budget, the recommendation shall include discussion of such impacts including their solutions.
- 5. Prioritisation and preparation of action plan.-**(1) The accredited energy auditor jointly with the energy manager shall select from the energy audit report such recommended measures as are included in sub-regulation (4) of regulation 4 which in the opinion of the designated consumer are technically viable, financially attractive and within its financial means, prioritise them and prepare plan of action for their implementation. This action plan shall include -
- (a) preparation of detailed techno-economic analysis of selected measures;
 - (b) a monitoring and verification protocol to quantify on annual basis the impact of each measure with respect to energy conservation and cost reduction for reporting to Bureau and the concerned State designated agency;
 - (c) a time schedule agreed upon by the designated consumer of selected measures taking into consideration constraints such as availability of finance and availability of proposed equipment.

- (2) The accredited energy auditor based on the activities undertaken under sub-regulation (4) of regulation 4 and regulation 5 shall submit a report in Form 2 to the management of designated consumer,
 - (3) The accredited energy auditor shall evaluate the implementation of each recommended energy saving measure in the previous audit report and submit a report in Form 3 to the management of the designated consumer.
- 6. Structure of the energy audit report.-** (1) The energy audit report structure shall be jointly decided by the accredited energy auditor and designated consumer.
- (2) The energy audit report shall highlight, details of specific energy consumption, list of recommendations to reduce energy consumption and costs, monitoring and evaluation of impact of selected measures and conclude with certification by accredited energy auditor stating that–
 - (a) the data collection has been carried out diligently and truthfully;
 - (b) all data monitoring devices are in good working condition and have been calibrated or certified by approved or authorised agencies and no tempering of such devices have occurred;
 - (c) all reasonable professional skill, care and diligence have been taken in preparing the energy audit report and the contents thereof are a true representation of the facts;
 - (d) adequate training provided to personnel involved in daily operations after implementation of recommendations; and
 - (e) the energy audit has been carried out in accordance with the Bureau of Energy Efficiency (the manner and intervals of time for conduct of energy audit) Regulation, 2008.

The format for the preparation of energy audit report is given in Form 4 for guidance.

- (3) The accredited energy auditor shall highlight the strengths and weaknesses of the designated consumer in the management of energy and energy resources in the energy audit report and recommend necessary action to improve upon method of reporting data, energy management system in detail alongwith their underlying rationale, and improving energy efficiency and reducing energy consumption in the designated consumer.
- (4) The accredited energy auditor shall sign the energy audit report under the seal of its firm giving all the accreditation details alongwith details of manpower employed in conducting the energy audit.
- (5) The energy audit report shall include a work schedule sheet duly signed by accredited energy auditor and energy manager of the designated consumer.

AJAY MATHUR, Director-General
[ADVT III/4/185/2008/Exty.]

Form 1
Details of validated data on energy consumed
and specific energy consumption per unit of production
[See regulation 4 (1) (a) and (b)]

1.	Name of the Unit					
2.	The sector* in which unit falls (Refer Annexure-I)					
3. (a)	Complete address of Unit's location (including Chief Executive's name & designation) with mobile telephone, fax nos. & e-mail.					
(b)	Year of Establishment					
4.	Registered Office address with telephone, fax nos. & e mail					
5.	Name, designation, address, mobile, telephone fax nos. & e-mail of energy manager					
6.	Production and capacity utilization details					
Year	Main Product	Units (Please specify)	Installed Capacity (a)	Actual Production (b)	% Capacity Utilisation (b/a) × 100	Specific energy Consumption
	Product 1 Product 2 Other product					
200- 200						

		Year 20 - 20
7.0	Energy Consumption and cost	
7.1	Electricity Consumption and cost	
(A)	Purchased Electricity	
(i)	Units (Million kWh/year)	
(ii)	Total cost (Rs. Million/year)	
(iii)	Plant connected load (kW)	
(iv)	Contract demand (kVA) with utility	
(v)	Connected load (kW)	
(B)	Own Generation	
(a)	Through diesel generating sets	
(i)	Annual generation (Million kWh/year)	
(ii)	Total cost (Rs. Million/year)	
(iii)	Fuel used (HSD/LDO/LSHS/LSFO - (Refer Annexure-2)	
(iv)	Gross calorific value (kCal/kg)	
(v)	Annual fuel consumption (tonne)	
(vi)	Total annual fuel cost (Rs. Million)	

		Year 20 - 20
(b)	Through Steams turbine/generator	
(i)	Annual generation (Million kWh/year)	
(ii)	Fuel used state which type of fuel was used (C=coal, B=Biomass, E=electricity). If coal was used, state which grade i.e. C/I=imported or C/F = coal of grade F	
(c)	Through gas turbine	
(i)	Annual generation (Million kWh/year)	
(ii)	Fuel used (State which type of fuel was used Natural Gas (NG), Piped Natural Gas (PNG), Compressed Natural Gas (CNG), Naphtha)	
(iii)	Gross calorific value (kCal/SCM)	
(iv)	Annual fuel consumption (SCM)	
(v)	Total annual fuel cost (Rs. Million)	
(C)	Total generation of electricity (Million kWh/year) 7.1 (B) [a(i)+b(i)+c(i)]	
(D)	Electricity supplied to the grid/others (specify) (Million kWh/year)	
(E)	Total Electricity consumed (Million kWh/year) 7.1[A(i) + C-D]	
7.2	Fuel consumption and % cost for process heating	
(A)	Coal	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (tonne/year)	
(iii)	Quantity used for power generation (tonne/year)	
(iv)	Quantity used as raw material, if any (tonne/year)	
(v)	Quantity used for process heating (tonne/year)	
(vi)	Total cost for process (Rs. Million/year)	
(B)	Lignite	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (tonne/year)	
(iii)	Quantity used for power generation (tonnes/year)	
(iv)	Quantity used as raw material, if any (tonne/year)	
(v)	Quantity used for process heating (tonne/year)	
(vi)	Total lignite cost for process (Rs. Million/year)	

		Year 20 - 20
(C)	Bi-mass Other purchased solid fuels (please specify) baggase, rice husk, etc.	
(i)	Average moisture content as fired (%)	
(ii)	Average Gross caloric value as fired (kCal/kg)	
(iii)	Quantity purchased (tonne/year)	
(iv)	Quantity used as raw material, if any (tonne/year)	
(v)	Quantity used for process heating (tonne/year)	
(vi)	Total baggase cost for process (Rs. Million/year)	
7.3	Liquid	
(A)	Furnace	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (kL/year)	
(iii)	Quantity used for power generation (kL/year)	
(iv)	Quantity used as raw material, if any (kL/year)	
(v)	Quantity used for process heating (kL/year)	
(vi)	Total F.O. cost for process heating (Rs. Million/year)	
(B)	Low Sulphur Heavy Stock (LSHS)	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (tonne/year)	
(iii)	Quantity used for power generation (tonne/year)	
(iv)	Quantity used as raw material, if any (tonne/year)	
(v)	Quantity used for process heating (tonne/year)	
(vi)	Total LSHS Cost for process (Rs. Million/year)	
(C)	High Sulphur Heavy Stock (HSHS)	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (tonnes/year)	
(iii)	Quantity used for power generation (tonne/year)	
(iv)	Quantity used as raw material, if any (tonne/year)	
(v)	Quantity used for process heating (tonne/year)	
(vi)	Total HSHS cost for process (Rs. Million/year)	

		Year 20 - 20
(D)	Diesel Oil	
(a)	High Speed Diesel (HSD)	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (kL/year)	
(iii)	Quantity used for power generation (tonne/year)	
(iv)	Quantity used as raw material, if any (kL/year)	
(v)	Quantity used for process heating (kL/year)	
(vi)	Total HSD cost for process (Rs. Million/year)	
(b)	Light Diesel Oil (LDO)	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (kL/year)	
(iii)	Quantity used for power generation (kL/year)	
(iv)	Quantity used as raw material, if any (kL/year)	
(v)	Quantity used for process heating (kL/year)	
(vi)	Total LDO cost for process heating (Rs. Million/year)	
7.4	Gas	
(A)	Compressed Natural Gas (CNG)	
(i)	Gross calorific value (kCal/SCM) (Refer Annexure 2)	
(ii)	Quantity purchased (million SCM/year)	
(iii)	Quantity used for power generation (million SCM/year)	
(iv)	Quantity used as raw material, if any (million SCM/year)	
(v)	Quantity used for process heating (million SCM/year)	
(vi)	Total cost of natural gas for process heating (Rs. Million/year)	
(B)	Liquefied Petroleum Gas (LPG)	
(i)	Gross calorific value (kCal/SCM)	
(ii)	Quantity purchased (million SCM/year)	
(iii)	Quantity used for power generation (million SCM/year)	
(iv)	Quantity used as raw material, if any (million SCM/year)	
(v)	Quantity used for process heating (million SCM/year)	
(vi)	Total Cost of LPG for process heating (Rs. Million/year)	

		Year 20 - 20
(C)	Gas generated as by product/waste in the plant and used as fuel	
(i)	Name	
(ii)	Gross calorific value (kCal/SCM)	
(iii)	Quantity used for process heating (million SCM/year)	
(iv)	Total cost of byproduct gas for process heating (Rs. Million/year)	
7.5	Solid waste	
	Solid waste generated in the plant and used as fuel	
(i)	Name	
(ii)	Gross calorific value (kCal/kg)	
(iii)	Quantity used for process heating (tonne/year)	
(iv)	Total cost of solid waste for process heating (Rs. Million/year)	
7.6	Liquid waste	
	Liquid effluent/waste generated in the plant and used as fuel	
(i)	Name	
(ii)	Gross calorific value (kCal/kg)	
(iii)	Quantity used for process heating (tonne/year)	
(iv)	Total cost of liquid effluent for process heating (Rs. Million/year)	
7.7	Others	
(i)	Name	
(ii)	Average gross calorific value (kCal/kg)	
(iii)	Quantity used for power generation (tonnes/year)	
(iv)	Quantity used for process heat (tonnes/year)	
(v)	Annual cost of the others source	

Signature
Name of the energy manager,
Name of the Company
Full address
Seal

Signature
Name of the accredited energy auditor
Accreditation details
Seal

***Annexure 1 – Name of Sectors**

Aluminium, cement, chemicals, chlor-alkali, fertilizers, gas crackers, iron and steel, naphtha crackers, pulp and paper, petrochemicals, petroleum refineries, sugar, textile.

Annexure 2 – Nomenclature

HSD	High Speed Diesel
LDO	Light Diesel Oil
LSHS	Low Sulphur Heavy Stock
LSFO	Low Sulphur Furnance Oil
C	Coal
B	Biomass
E	Electricity
C/I	Coal Imported
C/F	Indian Coal grade F
NG	Natural Gas
PNG	Piped Natural Gas
CNG	Compressed Natural Gas
FO	Furnance Oil
LPG	Liquefied Petroleum Gas
SCM	Standard Cubic Metre (15°C and 1.01325 bar)
KL	Kilo Litre
Million	Ten (10) lakh

Form 2
Details of energy saving measures recommended in the energy audit report (year)
 [See regulation 5 (2)]

S.No.	Energy saving measures – (Suggested categories of areas of improvement and modifications for obtaining details of energy savings – See Annexure 3)	Investment Millions Rupees	Reasons for not implementing the measure	Date of completion of measure/likely completion	Life cycle years ¹	Annual energy ² savings				
						Oil	Gas	Coal	Electricity	Other
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										

Signature _____
 Name of the energy Manager _____
 Name of the Company _____
 Full address _____
 Contact person _____
 E-mail address _____
 Telephone/Fax number _____
 Plant address _____

Signature _____
 Name of the accredited energy auditor _____
 Accreditation details _____
 Seal _____

1. Estimate the predicted life of the measure, meaning the number of years the level of first year energy savings or even large amounts will materialise.
2. Life commercial units of litre, kg, tonnes, normal cubic meter, kWh or MWh and indicate the unit. Indicate the anticipated potential in energy savings.

**Suggested categories of areas of improvement and modifications
for obtaining details of energy savings**

1. Better house keeping measures
2. Installation of improved process monitoring and control instrumentation, or software
3. Fuel Handling System
4. Steam Generation System
5. Steam Distribution System
6. Electricity Generation System
7. Hot Water System
8. Compressed Air System
9. Raw/Process Water System
10. Cooling Water System
11. Process Cooling/Refrigeration System
12. Heating, Ventilation and Air Conditioning System
13. Electrical System
14. Lighting System
15. Melting/Heating/Drying Equipment (e.g. Furnaces, Heaters, Klins, Ovens, Dryers, Evaporators, etc.
16. Heat Exchangers
17. Pumps, Compressors, Fans, Blowers, Piping, Ducting
18. Process Equipment (e.g.) Reactors, Separation Equipment, Material, Handling Equipment, etc.)
19. Transformers
20. Electric Motors and Drives
21. Process Technology
22. Process Integration
23. Process Control and Automation
24. Other Non-equipment Measures (e.g. Plant Operation/Scheduling, Tariff Scheddule, etc.)
25. Recovery of waste heat for process heat or power generation
26. Retrofitting, modification or sizing of fans, blowers, pumps, including duct systems
27. Other

Form 3

[See regulation 5 (3)]

Details of energy conservation measures implemented, investment made and savings in energy achieved and progress made in the implementation of other recommendations.

A. Implemented:

S. No.	Description of energy efficiency improvement measure	Category ³	Investment (Rupees)	Verified savings ⁴ (Rupees)	Verified energy savings	Units ⁵	Fuel	Remarks
1.								
2.								
3.								

B. Under implementation:

S. No.	Description of energy efficiency improvement measure	Category	Investment (Rupees) estimated	Verified savings (Rupees) estimated	Verified energy savings estimated	Units	Fuel	Status of implementation
1.								
2.								
3.								

Signature _____
 Name of the energy Manager
 Name of the Company
 Full address
 Contact person
 E-mail address
 Telephone/Fax numbers
 Plant address

Signature _____
 Name of the accredited energy auditor
 Accreditation details
 Seal

³ Use "C. No. " column of form 2 as reference-See Annexure "3" for adoption

⁴ First year

⁵ Use conventional energy, volume or mass units with proper prefix k=10³, M=10⁶, G=10⁹

Form 4
FORMAT
[See regulation 6 (2)]

Guidelines for preparation of Energy Audit Report

Each energy audit report shall include —

- (1) **Title Page**
 - Report title
 - Client name
 - Location of the plant/establishment
 - Date of report
 - Name of the accredited energy auditors
- (2) **Table of contents**
- (3) **Acknowledgements**
- (4) **Executive summary**
 - Company's profile
 - Goals and objectives of the energy management programme
 - Major challenge and goals for the upcoming year.
 - Major activities to meet challenges and goal
 - Summary and classification of energy
 - Conservation measures – should be in Form 2.

1.0 Introduction about the plant/establishment

- 1.1 General plant/establishment details and descriptions
- 1.2 Energy audit team
- 1.3 Component of production cost (raw materials, energy, chemicals, manpower, overhead, others)
- 1.4 Major energy use areas

2.0 Production process description

- 2.1 Brief description of manufacturing process
- 2.2 Process flow diagram and major unit operations
- 2.3 Major raw material inputs, quantity and costs

3.0 Energy and utility system description

- 3.1 List of utilities
- 3.2 Brief description of each utility
 - 3.2.1 Electricity
 - 3.2.2 Steam
 - 3.2.3 Water
 - 3.2.4 Compressed air

3.2.5 Chilled water

3.2.6 Cooling water

3.2.7 Others

4.0 Detailed process flow diagram and energy and material balance

4.1 Flow chart showing flow rate, temperature, pressures of all input-output streams.

4.2 Water balance for entire industry

4.3 Energy balance of the designated consumer in the tabular form

5.0 Performance evaluation of major utilities and process equipments/systems

5.1 List of equipments and process where performance testing was done

5.2 Results of performance testing

6.0 Energy efficiency in utility and process system

6.1 Specific energy consumption

6.2 Boiler efficiency assessment

6.3 Thermic fluid heater performance assessment

6.4 Furnace efficiency analysis

6.5 Cooling water system performance assessment

6.6 Diesel Generator set performance assessment

6.7 Refrigerator system performance

6.8 Compressed air system performance

6.9 Electric motor load analysis

6.10 Lighting system

6.11 Others

7.0 Evaluation of energy management system

7.1 Energy management policy

7.2 Energy management monitoring system

7.3 Bench marking

7.4 Development and establishment of procedures include energy efficiency possibilities.

7.5 Training to staff responsible for operational and associated processes

7.6 General audit review

7.7 Conform to Act, rules and regulations framed there under

7.8 Strength and weaknesses of the designated consumer.

8.0 Energy conservation measures and recommendations

8.1 The report shall provide existing energy profile of the designated consumer with percentage share of major equipment/processes, utilities etc., so that it becomes a basic documents for future monitoring.

- 8.2 Details of energy saving measures recommended in Form 2
- 8.3 Cost benefit analysis of each recommended energy saving measures as per standard practice.
- 8.4 The investment proposals shall be backed with technical and economic viability and prioritization of energy conservation measures based on financial analysis of various options taking into account the capacity of the designated consumer to make investment in such measures.
- 8.5 The energy auditor may also consider the substitution of existing energy use by any other form of techno-commercially viable form of energy.
- 8.6 Details of energy saving measures implemented, investment made and saving in energy achieved together with progress made in the implementation of the remaining energy saving measures in Form 3.

9.0 Certification

This part shall indicate certification by accredited energy auditor stating that—

- (i) the data collection has been carried out diligently and truthfully;
- (ii) all data monitoring devices are in good working condition and have been calibrated or certified by approved agencies authorised and no tempering of such devices has occurred;
- (iii) all reasonable professional skill, care and diligence had been taken in preparing the energy audit report and the contents thereof are a true representation of the facts;
- (iv) adequate training provided to personnel involved in daily operations after implementation of recommendations; and
- (v) the energy audit has been carried out in accordance with the Bureau of Energy Efficiency (manner and intervals of time for the conduct of energy audit) Regulations, 2008.

Signature
Name of the accredited energy auditor
Accreditation details
Seal


भारत का राजपत्र
The Gazette of India

EXTRAORDINARY PART III-Section 4

PUBLISHED BY AUTHORITY

THE BUREAU OF ENERGY EFFICIENCY

NOTIFICATION

New Delhi, the 15th July, 2009

No.2/11(2)/07-BEE.—The following draft of certain regulations, which the Bureau, with the previous approval of the Central Government, proposes to make in exercise of the powers conferred by clause (r) of sub-section (2) of section 13, read with clause (h) of sub-section (2) of section 58 and section 8 of the Energy Conservation Act, 2001 (52 of 2001), is hereby published, as required by sub-section (1) of section 58 of the said Act for information of all persons likely to be affected thereby; and notice is hereby given that the said draft regulations shall be taken into consideration on or after the expiry of a period of forty five days from the date of publication of this notification in the Official Gazette.

Any objection or suggestion which may be received from any person with respect to the said draft regulations before the expiry of the aforesaid period of forty five days shall be considered by the Bureau.

Objection or suggestion, if any, may be addressed to the Director General, Bureau of Energy Efficiency, 4th Floor, Sewa Bhavan, R.K. Puram, Sector-1, New Delhi-110 066.

Draft Regulations

PART I

PRELIMINARY

- 1. Short title and commencement** — (1) These regulations may be called the Bureau of Energy Efficiency (Certification Procedures for Energy Managers) Regulations, 2009.
(2) They shall come into force on the date of their final publication in the Official Gazette.
- 2. Definitions.**- (1) In these Regulations, unless the context otherwise requires,-
 - (a) “Act” means the Energy Conservation Act, 2001;
 - (b) “Advisory Committee” means a committee constituted by the Bureau under sub-regulation (1) of regulation 13;
 - (c) “agency” means the agency appointed by the Bureau for holding National Examination for certification of energy managers under clause (b) of subrule (1) of rule 2 of the Energy Conservation (Minimum Qualification for Energy Managers) Rules, 2006;

- (d) “Certified energy manager” means a person who has been issued a certificate under regulation 8;
- (e) “Form” means a form appended to these regulations;
- (f) “National Examination” means a National Examination defined in clause (g) of sub-rule (1) of rule 2 of the Energy Conservation (Minimum Qualification for Energy Managers) Rules, 2006 and conducted accordingly under regulation 3;
- (g) “Register” means a Register of Certified Energy Managers maintained by the Bureau under sub-regulation (1) of regulation 9;
- (h) “Schedule” means the Schedule appended to these regulations;
- (i) “Section” means section of the Act.

(2) Words and expressions used herein and not defined but defined in the Act or the rules made thereunder shall have the meanings respectively assigned to them in the said Act or rules.

PART II

NATIONAL EXAMINATION

- 3. Conduct of National Examination** — (1) For the purpose of certification of energy managers, the Bureau shall, either by itself or through agency, conduct National Examination.
 - (2) The Bureau shall, by publication in the newspaper, notify the date, time and place where such National Examination shall be conducted.
 - (3) The National Examination shall be conducted in English medium.
- 4. Eligibility for appearing in National Examination.**-No person shall be eligible to appear for National Examination unless he possesses qualifications specified in sub-rule (2) of rule 3 of the Energy Conservation (Minimum Qualification for Energy Managers) Rules, 2006.
- 5. Application for admission to National Examination.**-(1) A person who is eligible to appear for the National Examination under regulation 4 shall seek admission for such examination by making an application to the Bureau in Form-I.
 - (2) Each application shall be accompanied by the following amount of fee payable by demand draft drawn in favour of the Bureau of Energy Efficiency New Delhi, namely :-
 - (a) Application fee –
 - (i) for general candidates - rupees five hundred.
 - (ii) for candidates belonging to the Scheduled Castes or the Scheduled Tribes - rupees two hundred and fifty;
 - (iii) for candidates belonging to other Backward Classes having annual income- of less than rupees four lakh and fifty thousand per annum - rupees two hundred and fifty;
 - (iv) for company sponsored candidates - rupees twenty thousand

- (b) Certification for including Examination fee, -
- (i) for general candidates - rupees ten thousand;
 - (ii) for candidates belonging to the Scheduled Castes or the Scheduled Tribes - rupees five thousands;
 - (iii) for candidates belonging to other Backward Classes having annual income of less than rupees four lakh and fifty thousand per annum - rupees five thousands;
 - (iv) for company sponsored candidates - rupees twenty thousand

(3) The Subjects for National Examination shall be as specified in the Schedule.

(4) A prospectus containing scheme and modalities for the National Examination including eligibility, syllabus and reference material for such examination, shall be made available by the Bureau at least three months before the actual date of examination.

6. Admission for the National Examination.-(1) The Bureau, or the agency as the case may be, shall, after scrutiny of application form and being satisfied that the applicant is eligible to appear for the National Examination, admit him for the National Examination by issuing him an admission card stating the place, date and time of the National Examination at least fifteen days before the date of the National Examination.

(2) Where on scrutiny of the application under sub-regulation (1), an applicant is found ineligible to appear for National Examination, his application shall be rejected for reasons to be recorded in writing and he shall be intimated accordingly.

7. Passing of National Examination.-(1) A candidate shall be declared to have passed the National Examination if he secures a minimum of fifty per cent marks in each paper for the National Examination.

(2) An unsuccessful candidate shall be allowed to take a maximum of three attempts per paper within six consecutive examinations held by the Bureau or the agency, as they case may be, on payment of supplementary fee of rupees one thousand five hundred per paper in the case of general candidates and rupees seven hundred and fifty per paper for candidates belonging to the Scheduled Castes and the Scheduled Tribes and also for Other Backward Classes candidates having annual income of less than four lakh and fifty thousand per annum, by means of demand draft drawn in favour of Bureau of Energy Efficiency, payable at New Delhi.

PART III

CERTIFICATION OF ENERGY MANAGERS

8. Certification of energy managers.—For the purpose of certification of energy managers, the Bureau shall issue a certificate to the person who has passed the National Examination in Form-II.

9. Register of certified energy managers. – (1) The Bureau shall maintain a Register of Certified Energy Managers in Form III and include the name of persons to whom certificates have been issued under regulation 8 in the said register.

- (2) On being registered as certified energy manager under sub-regulation (1) of regulation 9, the certified energy manager shall be issued an identity card in Form-IV.
- (3) Each certified energy manager shall be eligible to be designated or appointed as energy manager by the designated consumer under clause (1) of section 14.

10. Validity of certification.—The certification made under regulation 8 shall be valid for a period of five years and renewable after every five years on an application made to the Bureau in Form-V:

Provided that no such renewal shall be made unless the certified energy manager has attended a shortterm refresher training course conducted by the Bureau or the agency, as the case may be, and has produced a certificate of participation issued in that behalf.

11. Cancellation of certification.—(1) The Bureau may cancel the certification of an energy manager on a complaint made against him for -

- (a) any commission or omission amounting to professional misconduct.
- (b) any misrepresentation of facts, data or reports on energy consumption.
- (c) any act amounting to fraud;
- (d) failure to attend the refresher course;

Provided that no such cancellation shall be done by the Bureau without giving an opportunity of being heard to such energy manager.

(2) On cancellation of certification of certified energy manager under sub-regulation (1), his name shall be removed from the register referred to in regulation 9 and thereafter, the certified energy manager shall not be eligible for designation or appointment as energy manager by the designated consumer.

12. Issue of duplicate certificate or identify card.—(1) Where the certificate or identity card issued respectively under regulation 8 and sub regulation (2) of regulation 9 has been lost by the certified energy manager, the Bureau may, on an application made by him in this behalf, duly supported by a copy of first information report lodged with the concerned police station, issue a duplicate certificate or identity card, as the case may be, on payment of a fee of rupees one hundred by demand draft drawn in favour of the Bureau of Energy Efficiency, payable at New Delhi.

(2) Where any certificate or identity card issued by the Bureau is damaged, the Bureau may on an application made in this behalf and on surrender of damaged certificate or identity card, issue a duplicate certificate or identity card on payment of a fee of rupees one hundred by demand draft drawn in favour of the Bureau of Energy Efficiency, payable at New Delhi.

PART IV

ADVISORY COMMITTEE

13. Constitution of Advisory Committees.—(1) The Bureau may, for the purpose of National Examination, certification and registration of energy managers, constitute an Examination Advisory Committee, a Technical Advisory Committee and a Certification and Registration Advisory Committee.

(2) Each Advisory Committee shall consist of a Chairperson and not more than six other persons to be nominated by the Bureau from amongst members of the Advisory Committees constituted under regulation 3 of the Bureau of Energy Efficiency (Advisory Committees) Regulations, 2008.

Form – I
[See regulation 5 (1)]

Application for National Examination

Examination you are appearing for: Energy Manager

Candidature Company Sponsored Self-Sponsored

Name of the Applicant* |_____| |_____| |_____|
(First Name) (Middle Name) (Surname)

Father's Name* |_____|

*Present Address

Permanent Address

|_____|
|_____|
|_____|
|_____|
City * |_____| Pin Code * |_____|

|_____|
|_____|
|_____|
|_____|
City |_____| Pin Code |_____|

State |_____|

State |_____|

Date of Birth* |_____| |_____| |_____|

Nationality |_____|
Indian (Other specify)

Community General SC ST OBC

Sex |_____|

Employment Status Employed Self Employed |_____| Unemployed

10. Present Company Address

Designation |_____|

Company Name |_____|
|_____|

City |_____| Pin Code * |_____|

State |_____|

12. Contacts Telephone, Fax, E-mail

Office Phone |_____|

Fax |_____|

Res. Phone |_____|

E-mail* |_____|

Mobile |_____|

11. Total work Experience |_____| Yrs |_____| Months

13. Examination Centre preferred

a) Written Examination Centre

14. Requisite Educational Qualification

Sl. No.	Name of Degree/ Diploma	Subjects / Branch	Year of Passing (eg. 1988)	Board / University
1.*				
2.				
3.				
4.				

15. Required Experience for fulfilling the eligibility criteria

Sl.No.	Name of Employer/ Organisation	Designation	Year From to	Nature of work (Max. 50 characters Only)
1.*				
2.				
3.				
4.				
5.				
6.				

16. DD No.* Amount (Rs.)* Date *

Bank Name *

17. I agree to forward my name to any Training Agency conducting preparatory Training Courses

Yes No

Declaration by the Candidate

I hereby declare that all the information given in the application form and enclosures are true to the best of my knowledge. I agree to the condition that if any information or any statement is found to be incorrect, my admission to the examination would be cancelled. I also understand that it is my responsibility to cross check information from the websites as mentioned in the prospectus for the allotted examination centre and issue of hall admission card. I shall inform the Bureau, or the agency, as the case may be, about any change in my mailing address, telephone number and e-mail ID, if any, at the earliest. I also abide by the examination scheme and conditions as mentioned in the prospectus.

Place

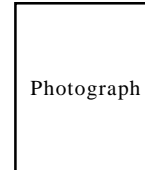
Date

Form-II
[See regulation 8]
BUREAU OF ENERGY EFFICIENCY

Examination Registration No.: S. No.

Certificate Registration No. :

CERTIFICATE FOR CERTIFIED ENERGY MANAGER



This is to certify that Mr./Mrs./Ms.....
Son/Daughter of..... who has passed the National Examination for Certification Energy Manager subject to the provisions of Bureau of (Year) is qualified as Certified Energy Manager subject to the provisions of Bureau of Energy Efficiency (Certification Procedures for Energy Managers) Regulations, 2009.

This certificate shall be valid for five years with effect from the date of award of this certificate and shall be renewable subject to attending the prescribed refresher training course once in every five years.

His/Her name has been entered in the Register of certified energy manager at Sl. No..... being maintained by the Bureau of Energy Efficiency under the aforesaid regulations.

Mr./Mrs./Ms..... is deemed to have qualified for appointment or designation as energy manager under clause (1) of Section 14 of the Act.

Given under the seal of the Bureau of Energy Efficiency, thisday of..... 200....

(Signature and Seal)
Secretary
Bureau of Energy Efficiency

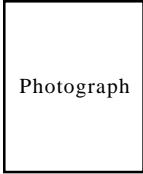
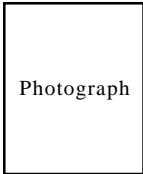
Dates of attending the refresher course	Secretary's signature	Dates of attending the refresher course	Secretary's signature

Form-III
 [See regulation 9(1)]
 BUREAU OF ENERGY EFFICIENCY
 REGISTER OF ENERGY MANAGERS

As on(DD/MM/20YY)

A. Certification Information

1. Name of certified energy manager
2. Father's name
3. Exaination Registration No.
4. Certificate Registration No.
5. Date of entry in the Register
6. Date of issue of Certificate
7. Date of re-validation of Certificate
8. Revalidation record
 - 1.
 - 2.
 - 3.



B. Communication Links

1. Postal address with Pin|.....|.....
 Code|.....|.....
|.....|.....
|.....|.....
|.....|.....
2. E-mail address|.....|.....
|.....|.....
3. Telephone Numbers|.....|.....
 with STD Code|.....
 (R)|.....
 (O)|.....
 Cell phone|.....

C. Work experience from the date on which the eligibility criteria has been fulfilled.

From		to		Brief details of work experience		
Month	Year	Month	Year	Employer's name and address	Self employment	Job content. experience
1.						
2.						
3.						
4.						

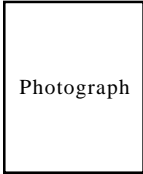
D. Personal Information

1.	Date of birth	DD/MM/YY	
2.	Nationality		
3.	Educational qualification (record only after schooling)		
	Educational course	Institution/University	Year of Passing
1.	.....	.....	.....
2.	.....	.....	.....
3.	.....	.....	.....
4.	.....	.....	.....

E. Remarks

Form-IV
[See regulation 9(2)]
Format of Identity Card
BUREAU OF ENERGY EFFICIENCY,
New Delhi
CERTIFIED ENERGY MANAGERS

Examination Registration No. :
Certificate Registration No. :
Name :
Son/Daughter of :
Address :
.....
.....
.....



Signature of Certified Energy Manager

(Backside of Identity Card)

Date of Issue : Validity up to :

Issuing Authority

Name :
Designation :
Office Address :
.....



Signature

Form-V
[See regulation 10]
Format of Identity Card

Application for renewal of certification

Date :

From

Mrs/Mrs./Ms.....

Registration No.....

Postal address.....

.....

To

The Secretary
Bureau of Energy Efficiency

Address :

.....

Dear Sir/Madam,

Subject : Renewal of certification as energy manager

This is to inform you that I have attended the short term refresher training course and enclose herewith the certificate of participation issued in this behalf.

I hereby apply for renewal of my certification as energy manager. The certificate for doing the needful is enclosed.

Yours faithfully ,

(Signature).....

(Name).....

Schedule

[See regulation 5(3)]

Subjects for National Examination

1. General Aspects of Energy Management and Energy Audit

- 1.1 Energy Scenario : Commercial and Non-commercial energy, primary energy resources, commercial energy production, final energy consumption, Indian energy scenario, Sectoral energy consumption (domestic, industrial and other sectors), energy needs of growing economy, energy intensity, long term energy scenario, energy pricing, energy security, energy conservation and its importance, energy strategy for the future.
- 1.2 Energy Conservation Act 2001 and related policies : Energy conservation Act 2001 and its features, notifications under the Act, Schemes of Bureau of Energy Efficiency (BEE) including Designated consumers, State Designated Agencies, Electricity Act 2003, Integrated energy policy. National action plan on climate change.
- 1.3 Basics of Energy and its various forms : Electricity basics – Direct Current and Alternative currents, electricity tariff, Thermal Basics-fuels, thermal energy contents of fuel, temperature and pressure, heat capacity, sensible and latent heat, evaporation, condensation, steam, moist air and humidity and heat transfer, units and conversion. Metric Ton Oil Equivalent conversions.
- 1.4 Energy Management and Audit : Definition, energy audit, need, types of energy audit. Energy management (audit) approach-understanding energy costs, bench marking, energy performance, matching energy use to requirement, maximizing system efficiencies, optimizing the input energy requirements fuel and energy substitution, energy audit instruments and metering, precautions, thermography, smart metering.
- 1.5 Material and Energy balance : Facility as an energy system, methods for preparing process flow, material and energy balance diagrams.
- 1.6 Energy Action Planning : Key elements, force field analysis, Energy policy purpose, perspective, contents, formulation, ratification. Organizing – location of energy management, top management support, managerial function, roles and responsibilities of energy manager, accountability. Human resource development techniques, information system-designing; barriers, strategies; Marketing and communicating-training and planning.
- 1.7 Financial Management : Investment-need, appraisal and criteria, financial analysis techniques-simple pay back period, return on investment, net present value, internal rate of return, cash flows, risk and sensitivity analysis; financing options, energy performance contracts and role of Energy Service Companies (ESCOs).
- 1.8 Project Management : Definition and scope of project, technical design, financing, contracting, implementation and performance monitoring. Implementation plan for top management, Planning Budget, Procurement Procedures, Construction, Measurement & Verification.
- 1.9 Energy Monitoring and Targeting : Defining monitoring & targeting, elements of monitoring & targeting, data and information-analysis, techniques energy consumption, production, cumulative sum of differences (CUSUM). Energy Management Information Systems (EMIS).
- 1.10 Energy, Environment and Climate change : energy and environment, air pollution, climate change United Nations Framework Convention on Climate Change (UNFCCC), sustainable development, Kyoto Protocol, Conference of Parties (COP), Clean Development Mechanism (CDM), CDM Procedure case of CDM-Bachat Lamp Yojna and Industry; Prototype Carbon fund (PCF).
- 1.11 New & Renewable Energy Sources (NRES) : Concept of renewable energy, Solar energy, wind energy, biomass boilers and gasifiers, biogas, biofuels, hydro, fuel cells, energy from wastes, biomethanation, wave, tidal, geothermal.

2. Energy Efficiency in Thermal Utilities

- 2.1 Fuels and Combustion : Introduction to fuels, properties of fuel oil, coal and gas, storage, handling and preparation of fuels, principles of combustion, combustion of oil, coal and gas. Agro-residue/ biomass handling, preparation and combustion.
- 2.2 Boilers : Types, combustion in boilers, performances evaluation, analysis of losses, feed water treatment, blow down, energy conservation opportunities. Boiler efficiency calculation, evaporation ratio and efficiency for coal, oil and gas. Soot blowing and soot deposit reduction, reasons for boiler tube failures, start up, shut down and preservation. Thermic fluid heaters, super critical boilers.
- 2.3 Steam system : Properties of steam, assessment of steam distribution losses, steam leakage, steam trapping, condensate and flash steam recovery system, identifying opportunities for energy savings. Steam utilization, Performance assessment more details, installation, thermo-compressor, steam pipe insulation, condensate pumping, steam dryers.
- 2.4 Furnaces : Classification, general fuel economy measures in furnaces, excess air, heat distribution, temperature control, draft control, waste heat recovery. Forging furnace heat furnace, Cupola, non ferrous melting, Induction furnace, performance evaluation of furnace, hot air generators.
- 2.5 Insulation and Refractories : Insulation-types and application, economic thickness of insulation, heat savings and application criteria. Refractory-types, selection and application of refractories, heat loss. Cold insulation.
- 2.6 Fluidized bed combustion (FBC) boilers : Introduction, mechanism of fluidized bed combustion, advantages, types of FBC boilers, operational features, retrofitting FBC system to conventional boilers, saving potential. Biomass based fluidized bed combustion boilers – application and operation, Atmospheric Fluidized bed combustion boilers, Circulating Fluidized bed combustion boilers, Pressurized Fluidized bed combustion boilers.
- 2.7 Cogeneration : Definition, need, application, advantages, classification, saving, heat balance, steam turbine efficiency, tri-generation, micro-turbine.
- 2.8 Waste Heat Recovery : Classification, advantages and applications, commercially viable waste heat recovery devices, saving potential.
- 2.9 Heat Exchangers : Types, networking, pinch analysis, multiple effect evaporators condensers, distillation column, etc.

3. Energy Efficiency in Electrical Utilities

- 3.1 Electrical system : Electricity billing, electrical load management and maximum demand control, power factor improvement and its benefit, selection and location of capacitors, performance assessment of PF capacitors, distribution and transformer losses. Star labeled distribution transformers, Demand side management, Assessment of transmission and distribution efficiency, losses due to harmonics and voltage unbalance, Maximum demand controllers, automatic power factor controllers, energy efficient transformers.
- 3.2 Electric motors : Types, losses in induction motors, motor efficiency, factors affecting motor performance, rewinding and motor replacement issues, energy saving opportunities with energy efficient motors. Star labeled energy efficient motors, squirrel cage and slip ring and their characteristics, motor history sheet (new, 1st rewind, 2nd rewind), Star operation, voltage unbalance, energy efficient motors, soft starters with energy saver, variable speed drives.
- 3.3 Compressed Air System : Types of air compressors, reciprocating vs screw, compressor efficiency, efficient compressor operation, Compressed air system components, capacity assessment, leakage test, factors affecting the performance and savings opportunities, Air Driers.

- 3.4 Heating, ventilation, air conditioning (HVAC) and Refrigeration System : Introduction to Psychometrics, Vapor compression refrigeration cycle, refrigerants, coefficient of performance, capacity, factors affecting Refrigeration and Air conditioning system performance and savings opportunities. Vapor absorption refrigeration system : Working principle, types and comparison with vapor compression system and saving potential, heat pumps and their applications, section on ventilation system, ice bank system, performance assessment of window and split room air conditioners, Star labeled pumps, cold storage refrigeration, humidification system.
- 3.5 Fans and blowers : Types, performance evaluation, efficient system operation, flow control strategies and energy conservation opportunities. Pressure drop calculation.
- 3.6 Pumps and Pumping System : Types, performance evaluation, efficient system operation, flow control strategies and energy conservation opportunities. Energy conservation in boiler feed water pump, pumping systems for municipal drinking water and sewerage, agriculture pump sets.
- 3.7 Cooling Tower : Types and performance evaluation, efficient system operation, flow control strategies and energy saving opportunities assessment of cooling towers, fanless cooling tower, natural draft cooling tower, cooling water treatment.
- 3.8 Lighting System : Light source, choice of lighting, luminance requirements, and energy conservation avenues. Light Emitting Diodes (LEDs), metal halides, fluorescent tube lights, Compact fluorescent lamps (CFL), labeling scheme, high efficiency street lighting, electronic ballast, occupancy sensors, energy efficient lighting controls.
- 3.9 Diesel/Natural gas Power Generating systems : Factors affecting selection, energy performance assessment of diesel conservation avenues. Waste heat recovery.
- 3.10 Energy conservation in Buildings and Energy Conservation Building Codes (ECBC) : About Energy Conservation Building Codes (ECBC), building envelope, insulation, lighting, Heating, ventilation, air conditioning (HVAC), fenestrations, water pumping, inverter and energy storage/ captive generation, elevators and escalators, star labeling for existing buildings, Energy Service Companies based case studies.

AJAY MATHUR, Director-General
[ADVT-III/4/185/09/Exty.]


भारत का राजपत्र
The Gazette of India

EXTRAORDINARY PART III-Section 4

PUBLISHED BY AUTHORITY

THE BUREAU OF ENERGY EFFICIENCY

NOTIFICATION

New Delhi, the 31st March, 2010

No.2/11(7)/09-BEE.—Whereas certain draft regulations namely, the Bureau of Energy Efficiency (Qualifications for Accredited Energy Auditors and Maintenance of their List) Regulations, 2009, were published vide Bureau of Energy Efficiency notification number 2/11(2)/07-BEE, dated the 22nd December, 2009 in the Gazette of India, Extraordinary, Part III, Section 4, dated the 26th December, 2009 as required under sub-section (1) of Section 58 of the Energy Conservation Act, 2001 (52 of 2001) inviting objections and suggestions from all persons likely to be affected thereby within forty five days from the date of publication of the said notification in the Gazette.

And whereas the said draft regulations were published in the official Gazette on the 26th December, 2009.

And whereas no objection or suggestion has been received in respect of the said draft regulations within the specified period.

Now, therefore, in exercise of the powers conferred by clauses (n), (o) and (p) of sub-section (2) of section 13, clauses (d), (e) and (f) of sub-section (2) of section 58 and section 8 of the said Act, the Bureau of Energy Efficiency with the previous approval of the Central Government, hereby makes the following regulations, namely:-

1. Short title and commencement. - (1) These regulations may be called the Bureau of Energy Efficiency (Qualifications for Accredited Energy Auditors and Maintenance of their List) Regulations, 2010.
(2.) They shall come into force on the date of their publication in the Official Gazette.
2. Definitions. - (1) In these regulations, unless the context otherwise requires, -
 - a) “Act” means the Energy Conservation Act, 2001;
 - b) “Accreditation Advisory Committee” means a committee constituted by the Bureau under regulation 5;
 - c) “energy auditor” includes a certified energy manager as defined in clause (d) of sub-regulation (1) of regulation 2 of the Bureau of Energy Efficiency (Certification Procedures for Energy Managers) Regulations, 2010;

- d) “Energy Intensive Industries” means the Energy Intensive industries specified in the Schedule to the Act;
 - e) “Form” means a form appended to these regulations;
 - f) “Schedule” means the Schedule appended to these regulations.
- (2) Words and expressions used herein and not defined but defined in the Act shall have the meanings respectively assigned to them in the Act.
3. Qualifications for accredited energy auditor.-An Energy auditor shall be qualified to become an accredited energy auditor if, he-
- a) has passed the examination in “Energy Performance Assessment for Equipment and Utility Systems” conducted by the Bureau on the subjects specified in the Schedule.
 - b) has an experience of five years in energy audit out of which at least three years’ shall be in any of the Energy Intensive Industries; and
 - c) has been granted a certificate of accreditation by the Bureau under regulation 6.
4. Application for grant of certificate of accreditation.- (1) The Bureau may, for the purpose of accreditation of energy auditors possessing qualifications specified in clauses (a) and (b) of regulation 3, call for applications from qualified persons.
- (2) The application referred to in sub-regulation (1) shall be, made in Form 1 and be accompanied by :-
- a) five detailed energy audit reports in any of the Energy Intensive Industries undertaken by the energy auditor in an individual capacity or as a leader or associate or active team member of the energy audit team;
 - b) feed back on energy audit received from Energy Intensive Industries;
 - c) fee of rupees one thousand payable by demand draft drawn in favour of the Bureau of Energy Efficiency, New Delhi or any electronic mode of payment.
5. Constitution of Accreditation Advisory Committee.- (1) The Bureau may, for the purpose of grant of certificate of accreditation, constitute an Accreditation Advisory Committee.
- (2) The Accreditation Advisory Committee shall consist of a Chairperson and not more than three members to be nominated by the Bureau from amongst members of the Advisory Committees constituted under regulation 3 of the Bureau of Energy Efficiency (Advisory Committees) Regulations, 2008.
- (3) The Accreditation Advisory Committee shall assess the energy audit experience and competence of the energy auditor who has applied for a certificate of accreditation under regulation 4 on the basis of an oral interview on the following criteria, namely :-
- a) evaluation of five detailed energy audit reports submitted alongwith the application;
 - b) the number of and the kind of Energy Intensive Industries in which detailed energy audits have been made;
 - c) association of applicant with number of and kind of experts including full time energy auditors or part time energy auditors or consultants with expertise in thermal, electrical utilities and processes and nature of such association;

- d) possession of at least four up-to-date basic instruments namely, clip-on-type, power measuring instruments, flue gas analyser, temperature and lux measuring instruments which are duly calibrated by a laboratory accredited by the National Accreditation Board for Testing and Calibration Laboratories and expertise in using such instruments for conduct of energy audit;
 - e) manner of work followed in energy audit;
 - f) training experience;
 - g) quality of field studies including observations, probing skills, collection and generation of data depth of technical knowledge and analytical abilities;
 - h) quality of recommendations for improving energy efficiency or for conserving energy;
 - i) capacity to undertake cost benefit analysis of recommended measures for improving energy efficiency or for conserving energy and preparation of action plan for implementation of recommendations for reduction of energy consumption; and
 - j) quality of energy audit reports.
- (4) On the basis of assessment made under sub-section (3), the Accreditation Advisory Committee shall made recommendation to the Bureau for accreditation of energy auditor.
6. Certificate of accreditation.- (1) If the recommendation made by the accreditation advisory committee under sub-regulation (4) of regulation 5 is accepted by the Bureau, the name of the applicant shall be entered in the register of List of accredited energy auditors maintained under regulation 7 and a certificate of accreditation in Form II shall be granted to the energy auditor on payment of annual accreditation fee of rupees one thousand payable by demand draft drawn in favour of the Bureau of Energy Efficiency, New Delhi or by any electronic mode of payment.
- (2) The Bureau may, for reasons to be recorded in writing, reject the application for accreditation made by an energy auditor and intimate the same to him within a period of one month.
- (3) The certificate of accreditation shall be valid until it is cancelled under regulation 9.
7. Maintenance of list of accredited energy auditors, their offices and firms.- (1) The Bureau shall maintain a register containing list of accredited energy auditors in Form III.
- (2) The accredited energy auditor or a firm of such accredited energy auditor shall, before opening an office in the trade name or firm name, apply to the Bureau for approval to use the trade name or the firm name and on such approval, the Bureau shall maintain the register of offices and firms of accredited energy auditors in Form IV.
- (3) The Bureau shall cause to be published the first list of accredited energy auditors and list of offices and firms of accredited energy auditors as soon as they are finalised and thereafter these lists shall be updated and published regularly and uploaded on the Bureau's official web-site namely, www.bee-india.nic.in and energy professionals website on www.energymanagertraining.com.
- (4) Every accredited energy auditor shall submit to the Bureau any change in the information given in the application for accreditation for the purpose of updating the list.
- (5) A copy of the updated list of accredited energy auditors shall be sent to the designated agencies of the States and designated consumers on the first day of April every year through electronic mail.

8. Removal and restoration of names in the register of list of accredited energy auditors.-The Bureau may remove the name of the accredited energy auditor from the register of list of energy auditor on the following grounds, namely :-
 - a) the Bureau, after giving an opportunity of hearing to the person concerned, is satisfied that such certificate of accreditation has been granted on the basis of incorrect, misleading or false information.
 - b) on the person ceasing to be an energy auditor or on his failure to undertake energy audit of an Energy Intensive Industries in accordance with the Bureau of Energy Efficiency (Manner and Intervals of Time for Conduct of Energy Audit) Regulation 2010;
 - c) if the person is guilty of professional misconduct or fraud;
 - d) if the person has failed to pay annual accreditation fee.
 - (2) Where the name of the accredited energy auditor is removed on the grounds specified in clause (b) or clause (d) of sub-regulation (1), his name in the register shall be restored on an application made by him after restarting the work of energy audit or on payment of annual accreditation fee, as the case may be.
 - (3) Where the name of the accredited energy auditor is removed on any other grounds, no restoration of name in the register shall be made by the Bureau.
9. Cancellation of certificate of accreditation.- (1) On removal of the name from the register under regulation 8, the Bureau may cancel the certificate of accreditation granted under regulation 6.
 - (2) Before issuing an order of cancellation of accreditation, the Bureau shall give an opportunity of hearing to the energy auditor holding such certificate.
 - (3) Where the certificate of accreditation is cancelled, the Bureau shall communicate its order to the holder of such certificate and the concerned designated consumer and shall also publish the same and upload necessary changes on its official web site.
 - (4) The certificate of accreditation shall stand cancelled with effect from the date of publication of the order of cancellation.
 - (5) On cancellation of certificate of accreditation, the holder of such certificate shall surrender the same to the Bureau within fifteen days.
10. Issue of duplicate certificate - (1) Where an accredited energy auditor has lost the certificate of accreditation, the Bureau may, on an application made in this behalf, duly accompanied by a copy of first information report lodged with the concerned police station, issue a duplicate certificate on payment of a fee of rupees five hundred by demand draft drawn in favour of the Bureau of Energy Efficiency, New Delhi or by any electronic mode of payment.
 - (2) Where the certificate issued by the Bureau is damaged, the Bureau may on an application made in this behalf and on surrendering of the damaged certificate, issue a duplicate certificate on receipt of a fee of rupees five hundred by way of demand draft drawn in favour of Bureau of Energy Efficiency payable at New Delhi or by any electronic mode of payment.
11. Information relating to accredited energy auditors.- (1) The Bureau may call upon accredited energy auditors to furnish –
 - a) information relating to sector-wise details of energy audit conducted, and the energy saving potential identified and achieved; and
 - b) such additional information as it considers necessary.
12. The Bureau may make available the information received by it under sub-regulation (1) to the general public through its web site or through any of its publication.

FORM I
[See regulation 4 (2)]
Application for Certificate of Accreditation

To

The Secretary
The Bureau of Energy Efficiency
New Delhi

Dear Sir,

I am working as energy auditor/certified energy manager at
(full address of the place work) and
hereby apply for certificate of accreditation.

2. The self-attested photocopies of the following documents are enclosed :-
 - (a) Certificate of Certified Energy Manager,
 - (b) Certificate for passing the examination in Energy Performance Assessments for Equipment and Utility Systems;
 - (c) five detailed energy audit reports of Energy Intensive Industries;
 - (d) feedback on study reports referred to in (c) received from such energy industries.
3. The details of work experience of five years are as under :
.....
4. I am enclosing / have paid the following fees by demand Draft No.
dateddrawn in favour of Bureau of Energy Efficiency, New Delhi/
electronic mode.
 - (i) application fee of rupees one thousand; and
 - (ii) annual accreditation fee of rupees one thousand
5. I request that the certificate of accreditation may be issued to me.

I hereby state that information furnished above is true and correct to the best of my knowledge.

Dated this.....day of.....20.....

Place

Yours faithfully

Signature.....

Name.....

Designation.....

For and on behalf of

FORM II
[See regulation 6 (1)]
BUREAU OF ENERGY EFFICIENCY
(EMBLEM)
CERTIFICATE OF ACCREDITATION

This is to certify that Mr./Ms./M/s.....having his/her/its registered office at.....has been given accreditation as accredited energy auditor. The certificate shall be effective fromday of.....20.

The certificate is subject to the provisions of the Bureau of Energy Efficiency (Qualifications for Accredited Energy Auditors and Maintenance of their List) Regulations, 2010.

This certificate shall be valid until it is cancelled under regulation 9 of the Bureau of Energy Efficiency (Qualifications for Accredited Energy Auditors and Maintenance of their List) Regulations, 2010.

On cancellation, the certificate of accreditation shall be surrendered to the Bureau within fifteen days from the date of receipt of order of cancellation.

Your name has been entered at Sl. No.....in the register of list of accredited energy auditors. Your name shall be liable to be struck out on the grounds specified in regulation 8 of the Bureau of Energy Efficiency (Qualifications for Accredited Energy Auditors and Maintenance of their List) Regulations, 2010.

Given under the seal of the Bureau of Energy Efficiency, Ministry of Power, this.....day of20.....

Signature and seal
Secretary, Bureau of Energy Efficiency

Date:

New Delhi

FORM III
 [See regulation 7 (1)]
 BUREAU OF ENERGY EFFICIENCY
 Register containing List of Accredited Energy Auditors

Serial Number	As on .....(DD/MM/20YY)	
A.	Accreditation information in respect of accredited energy auditor	
1.	Name of accredited energy auditor	Photograph
2.	Father's name	
3.	Date of certification as Energy Manager	
4.	Date of passing the examination in "Energy Performance Assessment for Equipment and Utility Systems"	
5.	Examination Registration Number of (i) Energy Manager (ii) 'Energy Performance Assessment for Equipment and Utility Systems'	
6.	Certificate Registration Number of (i) Energy Manager (ii) 'Energy Performance Assessment for Equipment and Utility Systems'	
7.	Date of Issue of accreditation certificate	
8.	Professional postal address with Pin Codes of the accredited energy auditor	
9.	E-mail address	
10.	Telephone numbers with STD Code (R) (O) Mobile No.	
11.	Remarks	

FORM IV

[See regulation 7 (2)]

BUREAU OF ENERGY EFFICIENCY

Register containing names of offices and firms of accredited energy auditors

Serial Number	As on .....(DD/MM/20YY)	
A.		
1.	Name of accredited energy auditor	Photograph
2.	Father's name	
3.	Date of certification as Energy Manager	
4.	Date of passing the examination in "Energy Performance Assessment for Equipment and Utility Systems"	
5.	Examination Registration Number of (i) Energy Manager (ii) 'Energy Performance Assessment for Equipment and Utility Systems'	
6.	Certificate Registration Number of (i) Energy Manager (ii) 'Energy Performance Assessment for Equipment and Utility Systems'	
7.	Date of Issue of accreditation certificate	
B.	Information in respect of trade name or firms' name	
8.	Trade name / firms name under which energy audit is proposed to be conducted.	
9.	Date of accreditation as accredited energy auditor	
10.	Type of firm / private / Government / NGO etc.	
11.	Name of contact person alongwith designation, address, telephones mobile and fax number alongwith STD codes and email address	
12.	Professional postal address with Pin Code of the accredited energy auditor	
13.	E-mail address	

14.	Telephone numbers with STD Code (R) (O) Mobile No.	
15.	Year of establishment of the trade name / firms' name for undertaking the energy audit	
16.	Year of commencement of energy audit of the firm.	
17.	Whether any certificate to support the excellence in the system has been obtained (ISO etc.)	
18.	No. of branch offices (List of complete addresses including heads of all branch offices with telephone, fax and e-mail addresses)	
C	Details of Associated Energy Experts	
19.	Number of resource persons available	
(i)	Number of full-time energy auditors in position with work experience of all energy auditors associated with the firm	
20	No. of part-time energy auditors in position during the current year / previous year associated with the accredited energy auditor / accredited energy auditor's firms.	
21.	Sectors in which the accredited energy auditor / accredited energy audit firm has conducted energy audits since inception.	
22.	Subject wise expertise	
(a)	Energy audit process system (list sectors) - if no energy audit has been carried out of the process system and parameters, please list null. Bureau of Energy Efficiency will be calling for detailed information in case agency has listed its energy audit expertise in the process systems.	

(b) Energy audit thermal utility system (list sectors)	
(c) Energy audit electrical utility system (list sectors)	
23. Instruments available	
(a) Electrical (list the name of the instruments)	
(b) Thermal (list the name of the instruments)	
24 Details of training programme / (i) seminars/workshops conducted during the last 3 years in the field of energy efficiency / energy audit	
(ii)	
(iii)	
(D)	Remarks

Note : Responsibility of the authenticity of the above information rests with the concerned energy auditing agency.

Schedule

[See regulation 3 (1)]

Subjects for examination in Energy Performance Assessment For Equipment
and Utility Systems

1. Boilers furnaces
2. Cogeneration, turbines (gas, steam)
3. Heat exchanges
4. Electric motors, variable speed drives
5. Fans and blowers
6. Water pumps
7. Compressors
8. Heating ventilation and air-conditioning (HVAC) systems
9. Performing financial analysis
10. Energy Performance assessment in power plants.
11. Energy Performance assessment in steel industry
12. Energy Performance assessment in process industry (cement, textiles)
13. Energy Performance assessment in buildings and commercial establishments.

AJAY MATHUR, Director-General
[Advt. III/185/10-Exty.]


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The Gazette of India

EXTRAORDINARY

PART III-Section 4

PUBLISHED BY AUTHORITY

THE BUREAU OF ENERGY EFFICIENCY

NOTIFICATION

New Delhi, the 28th April, 2010

No.02/11(6)/05 -BEE.—Whereas certain draft regulations namely, the Bureau of Energy Efficiency (the manner and intervals of time for conduct of energy audit) Regulations, 2009, were published vide Bureau of Energy Efficiency notification number 02/11(6)/05, dated the 22nd December, 2009 in the Gazette of India, Extraordinary, Part III, Section 4, dated the 26th December, 2009 as required under sub-section (1) of Section 58 of the Energy Conservation Act, 2001 (52 of 2001) inviting objections and suggestions from all persons likely to be affected thereby within forty five days from the date of publication of the said notification in the Gazette.

And whereas the said draft regulations were published in the official Gazette on the 26th December, 2009.

And whereas no objection or suggestion has been received in respect of the said draft regulations within the specified period.

Now therefore, in exercise of the powers conferred by clause (g) of sub-section (2) of section 58, read with clause (q) of sub-section (2) of section 13 of the said Act, the Bureau of Energy Efficiency with the previous approval of the Central Government, hereby makes the following regulations, namely:-

1. Short title and commencement.- (1) These Regulations may be called the Bureau of Energy Efficiency (Manner and Intervals of Time for Conduct of Energy Audit) Regulations, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.- (1) In these regulations, unless the context otherwise requires,-

- (a) "Act" means the Energy Conservation Act, 2001;
 - (b) "energy audit report" means the report of energy audit submitted under regulation 3 and signed by an accredited energy auditor;
 - (c) "Forms" means the Forms appended to these regulations;
 - (d) "specific energy consumption" means the average of energy consumed per unit of product or product-mix for the completed financial year;
- (2) Words and expressions used herein and not defined but defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Intervals of time for conduct of energy audit.-(1) Every designated consumer shall have its first energy audit conducted, by an accredited energy auditor within 18 months of the notification issued by the Central Government under clause (i) of section 14 of the Act.

(2) The interval of time for conduct and completion of subsequent energy audits shall be three years with effect from the date of submission of the previous energy audit report by the accredited energy auditor to the management of the designated consumer.

4. Manner of energy audit.-Every energy audit under the Act shall be conducted in the following manner :-

(1) **Verification of data of energy use.**-The accredited energy auditor shall —

- (a) verify the information submitted to the designated agency under the Energy Conservation (the form and manner for submission of report on the status of energy consumption by the designated consumers) Rules, 2007 for the previous two years through examination of energy bills, production data, inspection of energy-using equipment, production-processes, and systems, spot measurements, discussion or interview with the officers and staff regarding operation of plants, energy management procedures, equipment maintenance problems, equipment reliability, projected equipment needs, improvements undertaken or planned, establish validated data on annual energy consumption and prepare a report in Form 1 for the year preceding to the year for which energy audit report shall be prepared and submitted;
- (b) establish specific energy consumption per unit of production for the year referred to in clause (a);
- (c) disaggregate the energy consumption data and identify major energy using equipment, processes and systems.

(2) **Scope of energy audit.**-The accredited energy auditor jointly with the energy manager of the designated consumer shall –

- (a) develop a scope of work for the conduct of energy audit required under the Act with a view to ensuring adequate coverage in terms of the share of total energy use that is covered in the energy audit;
- (b) select energy intensive equipment or processes for energy auditing;
- (c) agree on best practice procedures on measuring the energy efficiency performance of selected equipment and on algorithm to estimate energy performance and energy savings;
- (d) collect energy consumption, and production data for the equipment and processes covered within the scope of energy audit, operating data, and schedule of operation, non proprietary process flow charts, production level disaggregated by product, if applicable, and such other historical data as may be considered essential by the accredited energy auditor for achieving the purpose of energy audit.

(3) **Monitoring and analysis of the use of energy data for energy audit.**-The accredited energy auditor shall-

- (a) verify the accuracy of the data collected in consultation with the energy manager, appointed or designated by the designated consumer in terms of the notification number S.O.318(E), dated the 2nd March, 2007, as per standard practice to assess the validity of the data collected;

- (b) analyse and process the data with respect to-
 - (i) consistency of designated consumers' data monitoring compared to the collected data;
 - (ii) recommendations to reduce energy consumption and improve energy efficiency.
 - (iii) summary overview of energy consumption in plant or establishment by fuel type and by section;
 - (c) conduct equipment energy performance measurements with due diligence and caution.
- (4) Preparation of recommendations on energy saving measures, their cost benefit analysis.-**The accredited energy auditor having regard to the overall efficiency of the production process, techno-economic viability of energy saving measures, site conditions and capacity of the designated consumer to invest for their implementation, shall prepare a list of recommendations to save energy and the list shall include-
- (a) a brief description of each recommended measure;
 - (b) the estimated energy saving as well as energy cost reduction potential over a reasonable technical or economic life of the measure;
 - (c) any known or expected technical risks associated with each measure;
 - (d) a preliminary assessment of the financial attractiveness of each measure or assessment of the maximum investment feasible based on the estimated energy cost saving potential over the life of the measure;
 - (e) tabulated summary of recommendations listed as per their implementation schedule (short, medium and long term);
 - (f) where different alternatives for implementation of an energy efficiency measure are available, the accredited energy auditor shall examine and discuss such options and recommend the techno-financially better option;
 - (g) where the installation or implementation of any recommended energy saving measure affects procedures for operation and maintenance, staff deployment and the budget, the recommendation shall include discussion of such impacts including their solutions.
- 5. Prioritisation and preparation of action plan.-**(1) The accredited energy auditor jointly with the energy manager shall select from the energy audit report such recommended measures as are included in sub-regulation (4) of regulation 4 which in the opinion of the designated consumer are technically viable, financially attractive and within its financial means, prioritise them and prepare plan of action for their implementation. This action plan shall include -
- (a) preparation of detailed techno-economic analysis of selected measures;
 - (b) a monitoring and verification protocol to quantify on annual basis the impact of each measure with respect to energy conservation and cost reduction for reporting to Bureau and the concerned State designated agency;
 - (c) a time schedule agreed upon by the designated consumer of selected measures taking into consideration constraints such as availability of finance and availability of proposed equipment.

- (2) The accredited energy auditor based on the activities undertaken under sub-regulation (4) of regulation 4 and regulation 5 shall submit a report in Form 2 to the management of designated consumer,
 - (3) The accredited energy auditor shall evaluate the implementation of each recommended energy saving measure in the previous audit report and submit a report in Form 3 to the management of the designated consumer.
- 6. Structure of the energy audit report.-** (1) The energy audit report structure shall be jointly decided by the accredited energy auditor and designated consumer.
- (2) The energy audit report shall highlight, details of specific energy consumption, list of recommendations to reduce energy consumption and costs, monitoring and evaluation of impact of selected measures and conclude with certification by accredited energy auditor stating that–
 - (a) the data collection has been carried out diligently and truthfully;
 - (b) all data monitoring devices are in good working condition and have been calibrated or certified by approved or authorised agencies and no tempering of such devices have occurred;
 - (c) all reasonable professional skill, care and diligence have been taken in preparing the energy audit report and the contents thereof are a true representation of the facts;
 - (d) adequate training provided to personnel involved in daily operations after implementation of recommendations; and
 - (e) the energy audit has been carried out in accordance with the Bureau of Energy Efficiency (the manner and intervals of time for conduct of energy audit) Regulation, 2008.

The format for the preparation of energy audit report is given in Form 4 for guidance.

- (3) The accredited energy auditor shall highlight the strengths and weaknesses of the designated consumer in the management of energy and energy resources in the energy audit report and recommend necessary action to improve upon method of reporting data, energy management system in detail alongwith their underlying rationale, and improving energy efficiency and reducing energy consumption in the designated consumer.
- (4) The accredited energy auditor shall sign the energy audit report under the seal of its firm giving all the accreditation details alongwith details of manpower employed in conducting the energy audit.
- (5) The energy audit report shall include a work schedule sheet duly signed by accredited energy auditor and energy manager of the designated consumer.

Form 1
Details of validated data on energy consumed
and specific energy consumption per unit of production
[See regulation 4 (1) (a) and (b)]

1.	Name of the Unit					
2.	The sector* in which unit falls (Refer Annexure-I)					
3. (a)	Complete address of Unit's location (including Chief Executive's name & designation) with mobile telephone, fax nos. & e-mail.					
(b)	Year of Establishment					
4.	Registered Office address with telephone, fax nos. & e mail					
5.	Name, designation, address, mobile, telephone fax nos. & e-mail of energy manager					
6.	Production and capacity utilization details					
Year	Main Product	Units (Please specify)	Installed Capacity (a)	Actual Production (b)	% Capacity Utilisation (b/a) × 100	Specific energy Consumption
	Product 1 Product 2 Other product					
200-200						

		Year 20 - 20
7.0	Energy Consumption and cost	
7.1	Electricity Consumption and cost	
(A)	Purchased Electricity	
(i)	Units (Million kWh/year)	
(ii)	Total cost (Rs. Million/year)	
(iii)	Plant connected load (kW)	
(iv)	Contract demand (kVA) with utility	
(v)	Connected load (kW)	
(B)	Own Generation	
(a)	Through diesel generating sets	
(i)	Annual generation (Million kWh/year)	
(ii)	Total cost (Rs. Million/year)	
(iii)	Fuel used (HSD/LDO/LSHS/LSFO - (Refer Annexure-2)	
(iv)	Gross calorific value (kCal/kg)	
(v)	Annual fuel consumption (tonne)	
(vi)	Total annual fuel cost (Rs. Million)	

		Year 20 - 20
(b)	Through Steams turbine/generator	
(i)	Annual generation (Million kWh/year)	
(ii)	Fuel used state which type of fuel was used (C=coal, B=Biomass, E=electricity). If coal was used, state which grade i.e. C/I=imported or C/F = coal of grade F	
(c)	Through gas turbine	
(i)	Annual generation (Million kWh/year)	
(ii)	Fuel used (State which type of fuel was used Natural Gas (NG), Piped Natural Gas (PNG), Compressed Natural Gas (CNG), Naphtha)	
(iii)	Gross calorific value (kCal/SCM)	
(iv)	Annual fuel consumption (SCM)	
(v)	Total annual fuel cost (Rs. Million)	
(C)	Total generation of electricity (Million kWh/year) 7.1 (B) [a(i)+b(i)+c(i)]	
(D)	Electricity supplied to the grid/others (specify) (Million kWh/year)	
(E)	Total Electricity consumed (Million kWh/year) 7.1[A(i) + C-D]	
7.2	Fuel consumption and % cost for process heating	
(A)	Coal	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (tonne/year)	
(iii)	Quantity used for power generation (tonne/year)	
(iv)	Quantity used as raw material, if any (tonne/year)	
(v)	Quantity used for process heating (tonne/year)	
(vi)	Total cost for process (Rs. Million/year)	
(B)	Lignite	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (tonne/year)	
(iii)	Quantity used for power generation (tonnes/year)	
(iv)	Quantity used as raw material, if any (tonne/year)	
(v)	Quantity used for process heating (tonne/year)	
(vi)	Total lignite cost for process (Rs. Million/year)	

		Year 20 - 20
(C)	Bi-mass Other purchased solid fuels (please specify) baggase, rice husk, etc.	
(i)	Average moisture content as fired (%)	
(ii)	Average Gross caloric value as fired (kCal/kg)	
(iii)	Quantity purchased (tonne/year)	
(iv)	Quantity used as raw material, if any (tonne/year)	
(v)	Quantity used for process heating (tonne/year)	
(vi)	Total baggase cost for process (Rs. Million/year)	
7.3	Liquid	
(A)	Furnace	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (kL/year)	
(iii)	Quantity used for power generation (kL/year)	
(iv)	Quantity used as raw material, if any (kL/year)	
(v)	Quantity used for process heating (kL/year)	
	(vi) Total F.O. cost for process heating (Rs. Million/year)	
(B)	Low Sulphur Heavy Stock (LSHS)	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (tonne/year)	
(iii)	Quantity used for power generation (tonne/year)	
(iv)	Quantity used as raw material, if any (tonne/year)	
(v)	Quantity used for process heating (tonne/year)	
(vi)	Total LSHS Cost for process (Rs. Million/year)	
(C)	High Sulphur Heavy Stock (HSHS)	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (tonnes/year)	
(iii)	Quantity used for power generation (tonne/year)	
(iv)	Quantity used as raw material, if any (tonne/year)	
(v)	Quantity used for process heating (tonne/year)	
(vi)	Total HSHS cost for process (Rs. Million/year)	

		Year 20 - 20
(D)	Diesel Oil	
(a)	High Speed Diesel (HSD)	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (kL/year)	
(iii)	Quantity used for power generation (tonne/year)	
(iv)	Quantity used as raw material, if any (kL/year)	
(v)	Quantity used for process heating (kL/year)	
(vi)	Total HSD cost for process (Rs. Million/year)	
(b)	Light Diesel Oil (LDO)	
(i)	Gross calorific value (kCal/kg)	
(ii)	Quantity purchased (kL/year)	
(iii)	Quantity used for power generation (kL/year)	
(iv)	Quantity used as raw material, if any (kL/year)	
(v)	Quantity used for process heating (kL/year)	
(vi)	Total LDO cost for process heating (Rs. Million/year)	
7.4	Gas	
(A)	Compressed Natural Gas (CNG)	
(i)	Gross calorific value (kCal/SCM) (Refer Annexure 2)	
(ii)	Quantity purchased (million SCM/year)	
(iii)	Quantity used for power generation (million SCM/year)	
(iv)	Quantity used as raw material, if any (million SCM/year)	
(v)	Quantity used for process heating (million SCM/year)	
(vi)	Total cost of natural gas for process heating (Rs. Million/year)	
(B)	Liquefied Petroleum Gas (LPG)	
(i)	Gross calorific value (kCal/SCM)	
(ii)	Quantity purchased (million SCM/year)	
(iii)	Quantity used for power generation (million SCM/year)	
(iv)	Quantity used as raw material, if any (million SCM/year)	
(v)	Quantity used for process heating (million SCM/year)	
(vi)	Total Cost of LPG for process heating (Rs. Million/year)	

		Year 20 - 20
(C)	Gas generated as by product/waste in the plant and used as fuel	
(i)	Name	
(ii)	Gross calorific value (kCal/SCM)	
(iii)	Quantity used for process heating (million SCM/year)	
(iv)	Total cost of byproduct gas for process heating (Rs. Million/year)	
7.5	Solid waste	
	Solid waste generated in the plant and used as fuel	
(i)	Name	
(ii)	Gross calorific value (kCal/kg)	
(iii)	Quantity used for process heating (tonne/year)	
(iv)	Total cost of solid waste for process heating (Rs. Million/year)	
7.6	Liquid waste	
	Liquid effluent/waste generated in the plant and used as fuel	
(i)	Name	
(ii)	Gross calorific value (kCal/kg)	
(iii)	Quantity used for process heating (tonne/year)	
(iv)	Total cost of liquid effluent for process heating (Rs. Million/year)	
7.7	Others	
(i)	Name	
(ii)	Average gross calorific value (kCal/kg)	
(iii)	Quantity used for power generation (tonnes/year)	
(iv)	Quantity used for process heat (tonnes/year)	
(v)	Annual cost of the others source	

Signature
Name of the energy manager,
Name of the Company
Full address
Seal

Signature
Name of the accredited energy auditor
Accreditation details
Seal

***Annexure 1 – Name of Sectors**

Aluminium, cement, chemicals, chlor-alkali, fertilizers, gas crackers, iron and steel, naphtha crackers, pulp and paper, petrochemicals, petroleum refineries, sugar, textile.

Annexure 2 – Nomenclature

HSD	High Speed Diesel
LDO	Light Diesel Oil
LSHS	Low Sulphur Heavy Stock
LSFO	Low Sulphur Furnance Oil
C	Coal
B	Biomass
E	Electricity
C/I	Coal Imported
C/F	Indian Coal grade F
NG	Natural Gas
PNG	Piped Natural Gas
CNG	Compressed Natural Gas
FO	Furnance Oil
LPG	Liquefied Petroleum Gas
SCM	Standard Cubic Metre (15°C and 1.01325 bar)
KL	Kilo Litre
Million	Ten (10) lakh

Form 2
Details of energy saving measures recommended in the energy audit report (year)
 [See regulation 5(2)]

S.No.	Energy saving measures – (Suggested categories of areas of improvement and modifications for obtaining details of energy savings – See Annexure 3)	Investment Millions Rupees	Reasons for not implementing the measure	Date of completion of measure/likely completion	Life cycle years ¹	Annual energy ² savings				
						Oil	Gas	Coal	Electricity	Other
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										

Signature
 Name of the energy Manager
 Name of the Company
 Full address
 Contact person
 E-mail address
 Telephone/Fax number
 Plant address

Signature
 Name of the accredited energy auditor
 Accreditation details
 Seal

1. Estimate the predicted life of the measure, meaning the number of years the level of first year energy savings or even large amounts will materialise.
2. Life commercial units of litre, kg, tonnes, normal cubic meter, kWh or MWh and indicate the unit. Indicate the anticipated potential in energy savings.

**Suggested categories of areas of improvement and modifications
for obtaining details of energy savings**

1. Better house keeping measures
2. Installation of improved process monitoring and control instrumentation, or software
3. Fuel Handling System
4. Steam Generation System
5. Steam Distribution System
6. Electricity Generation System
7. Hot Water System
8. Compressed Air System
9. Raw/Process Water System
10. Cooling Water System
11. Process Cooling/Refrigeration System
12. Heating, Ventilation and Air Conditioning System
13. Electrical System
14. Lighting System
15. Melting/Heating/Drying Equipment (e.g. Furnaces, Heaters, Klins, Ovens, Dryers, Evaporators, etc.
16. Heat Exchangers
17. Pumps, Compressors, Fans, Blowers, Piping, Ducting
18. Process Equipment (e.g.) Reactors, Separation Equipment, Material, Handling Equipment, etc.)
19. Transformers
20. Electric Motors and Drives
21. Process Technology
22. Process Integration
23. Process Control and Automation
24. Other Non-equipment Measures (e.g. Plant Operation/Scheduling, Tariff Scheddule, etc.)
25. Recovery of waste heat for process heat or power generation
26. Retrofitting, modification or sizing of fans, blowers, pumps, including duct systems
27. Other

Form-3

[See regulation 5 (3)]

Details of energy conservation measures implemented, investment made and savings in energy achieved and progress made in the implementation of other recommendations.

A. Implemented:

S.No.	Description of energy efficiency improvement measure	Category ³	Investment (Rupees)	Verified savings ⁴ (Rupees)	Verified energy savings	Units ⁵	Fuel	Remarks
1.								
2.								
3.								

B. Under implementation:

S.No.	Description of energy efficiency improvement measure	Category	Investment (Rupees) estimated	Verified savings (Rupees) estimated	Verified energy savings estimated	Units	Fuel	Status of implementation
1.								
2.								
3.								

Signature
Name of the energy Manager
Name of the Company
Full address
Contact person
E-mail address
Telephone/Fax numbers
Plant address

Signature
Name of the accredited energy auditor
Accreditation details
Seal

³ Use "C, No.," column of form 2 as reference-See Annexure "3" for adoption

⁴ First year

⁵ Use conventional energy, volume or mass units with proper prefix k=10³, M=10⁶, G=10⁹

Form 4
FORMAT
[See regulation 6 (2)]

Guidelines for preparation of Energy Audit Report

Each energy audit report shall include —

- (1) **Title Page**
 - Report title
 - Client name
 - Location of the plant/establishment
 - Date of report
 - Name of the accredited energy auditors
- (2) **Table of contents**
- (3) **Acknowledgements**
- (4) **Executive summary**
 - Company's profile
 - Goals and objectives of the energy management programme
 - Major challenge and goals for the upcoming year.
 - Major activities to meet challenges and goal
 - Summary and classification of energy
 - Conservation measures – should be in Form 2.

1.0 Introduction about the plant/establishment

- 1.1 General plant/establishment details and descriptions
- 1.2 Energy audit team
- 1.3 Component of production cost (raw materials, energy, chemicals, manpower, overhead, others)
- 1.4 Major energy use areas

2.0 Production process description

- 2.1 Brief description of manufacturing process
- 2.2 Process flow diagram and major unit operations
- 2.3 Major raw material inputs, quantity and costs

3.0 Energy and utility system description

- 3.1 List of utilities
- 3.2 Brief description of each utility
 - 3.2.1 Electricity
 - 3.2.2 Steam
 - 3.2.3 Water
 - 3.2.4 Compressed air

- 3.2.5 Chilled water
- 3.2.6 Cooling water
- 3.2.7 Others

4.0 Detailed process flow diagram and energy and material balance

- 4.1 Flow chart showing flow rate, temperature, pressures of all input-output streams.
- 4.2 Water balance for entire industry
- 4.3 Energy balance of the designated consumer in the tabular form

5.0 Performance evaluation of major utilities and process equipments/systems

- 5.1 List of equipments and process where performance testing was done
- 5.2 Results of performance testing

6.0 Energy efficiency in utility and process system

- 6.1 Specific energy consumption
- 6.2 Boiler efficiency assessment
- 6.3 Thermic fluid heater performance assessment
- 6.4 Furnace efficiency analysis
- 6.5 Cooling water system performance assessment
- 6.6 Diesel Generator set performance assessment
- 6.7 Refrigerator system performance
- 6.8 Compressed air system performance
- 6.9 Electric motor load analysis
- 6.10 Lighting system
- 6.11 Others

7.0 Evaluation of energy management system

- 7.1 Energy management policy
- 7.2 Energy management monitoring system
- 7.3 Bench marking
- 7.4 Development and establishment of procedures include energy efficiency possibilities.
- 7.5 Training to staff responsible for operational and associated processes
- 7.6 General audit review
- 7.7 Conform to Act, rules and regulations framed there under
- 7.8 Strength and weaknesses of the designated consumer.

8.0 Energy conservation measures and recommendations

- 8.1 The report shall provide existing energy profile of the designated consumer with percentage share of major equipment/processes, utilities etc., so that it becomes a basic documents for future monitoring.

- 8.2 Details of energy saving measures recommended in Form 2
- 8.3 Cost benefit analysis of each recommended energy saving measures as per standard practice.
- 8.4 The investment proposals shall be backed with technical and economic viability and prioritization of energy conservation measures based on financial analysis of various options taking into account the capacity of the designated consumer to make investment in such measures.
- 8.5 The energy auditor may also consider the substitution of existing energy use by any other form of techno-commercially viable form of energy.
- 8.6 Details of energy saving measures implemented, investment made and saving in energy achieved together with progress made in the implementation of the remaining energy saving measures in Form 3.

9.0 Certification

This part shall indicate certification by accredited energy auditor stating that—

- (i) the data collection has been carried out diligently and truthfully;
- (ii) all data monitoring devices are in good working condition and have been calibrated or certified by approved agencies authorised and no tempering of such devices has occurred;
- (iii) all reasonable professional skill, care and diligence had been taken in preparing the energy audit report and the contents thereof are a true representation of the facts;
- (iv) adequate training provided to personnel involved in daily operations after implementation of recommendations; and
- (v) the energy audit has been carried out in accordance with the Bureau of Energy Efficiency (manner and intervals of time for the conduct of energy audit) Regulations, 2008.

Signature
Name of the accredited energy auditor
Accreditation details
Seal

AJAY MATHUR, Director-General
[ADVT III/4/185/10-Exty.]

Chapter 14

Award Scheme of Energy Conservation

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NATIONAL ENERGY CONSERVATION AWARD SCHEME

Award for Excellence in Energy Conservation and Management

OBJECTIVE

National Energy Conservation Award Scheme has been introduced by Ministry of Power to give national recognition to the selected Industrial units and buildings who have made systematic and serious attempts for efficient utilization and conservation of energy.

THE AWARDS

First and second prizes are given in each sub-sector in the form of a Silver Plaque with appropriate citation on such awards as decided by the Ministry of Power. The performance of Units would be judged through the questionnaire which is evaluated by an Award Committee.

It is not necessary to give first and second prize in each sub-sector. The Award Committee take a final decision depending upon the number of entries received in each sub-sector and other considerations.

An industrial unit getting the First Position for the third year in a row will be eligible for a “Special Prize” for that year. The units getting Second and Third Positions in that year will be given First and Second Prize respectively. Also, the Second Prize may be given to a unit for any number of years.

The industrial unit eligible for Special Prize for 3rd year in a row would be given the highest prize, namely “**Excellence Award**” (instead of Special Prize) in recognition of its consistent performance. The rest of the scheme would be same as indicated for the Special Prize.

ELIGIBILITY

- a) The scheme is open to all industrial units in the following sub-sectors:
Aluminium, automobile, cement, ceramics, chemicals, chlor-alkali, consumer goods, distillery and brewery, drugs & pharmaceuticals, dairy, edible oil/vanaspati, fertilizers, forging, food processing (food & vegetable, marine products, package & food products, drinks & beverages), foundries, glass, integrated steel, jute, mini steel, mining, paints & allied product industry, paper & pulp, petrochemicals, petroleum pipeline, plastic industry, refineries, refractory, sugar, steel re-rolling mill, tea, tyre, textile plants and general category.
- b) In addition to above Industrial Units, the scheme is also open to office buildings, hotels and hospital buildings, shopping malls, zonal railways, thermal power stations, municipalities, state designated agencies, aviation and Manufacturers of BEE star labeled appliances.
- c) If any industrial unit does not fall under any of the above specified sub-sectors, the unit is encouraged to send its nomination under the sub-sector “General Category”.
- d) For Small Scale Industry, a separate questionnaire is to be filled up which can be downloaded from Bureau’s Websites: www.bee-india.nic.in & www.energymanagertraining.com
- e) The industrial units in organized sectors should be in production for at least above three years (2005-08). **Important:** The annual reports for these years are required to be attached along with the “**Award Questionnaire**”.
- f) Certificates to this effect that the company is presently following all the statutory requirements pertaining to the safety and pollution control should be attached along with the questionnaire.

Criteria for Judging Merit

- a) The Award Committee will decide the recipient of the awards on the basis of outstanding achievements and contribution in the field of energy conservation and management.
- b) The Award may not necessarily be decided on the basis of only quantitative achievements but also taking into account the various other factors such as innovative techniques and technologies adopted, commitment of the management, organizational set-up to promote energy efficiency and energy conservation in the unit, etc.
- c) **The members of the Award Committee or their nominees may visit participating units for verification of data supplied, if felt necessary and it will be obligatory on the part of the participating units to provide necessary co-operation.**
- d) **The committee may invite some of the selected units for presentation in New Delhi before finalising the list of Award winning units. The units have to bear all the expenditure in this connection.**
- e) The Committee's decision would be final and no appeal would be entertained.

Distribution of Awards

Every year, Ministry of Power distributes the National Energy Conservation Awards to the selected industrial units on National Energy Conservation Day i.e. 14th December.

Chapter 15

Scheme for Energy Efficiency Labeling

Table of Contents

1. Scheme for Energy Efficiency Labeling	525
2. Scheme Participation Process	525
3. Label Verification Process	527
4. Challenge Testing	527
5. Enforcement Process	528
6. Requirement for Independent Testing Facilities for Participation in the Scheme	528
Annexure I : Application Form for Participation and Agreement	529
Annexure II : Format for Application Form for Label	532
Annexure III : Application for Independent Laboratory	534
Schedule 1 : Frost-Free (No-Frost) Refrigerator	537
Schedule 2 : Tubular Fluorescent Lamps	547

1 **Scheme for Energy Efficiency Labeling – Introduction**

- a. The Bureau of Energy Efficiency, Ministry of Power has developed a scheme for energy efficiency labeling of equipment, pending issue of Notification under clause (d) of section 14 of the Energy Conservation Act, 2001 by the Central Government.
- b. This scheme will come into force from the date of its announcement in the print media and the Bureau of Energy Efficiency's web site (www.bee-india.nic.in) and on www.energymanagertraining.com. It shall remain in force until Notification under clause (d) of section 14 of the Energy Conservation Act 2001, is issued by the Central Government.
- c. The scheme has been developed in collaboration with all the stakeholders, and aims at providing information on energy performance so that consumers can make informed decisions while purchasing appliances.
- d. Participation in the scheme is voluntary and currently applicable for the following equipment
 1. Frost-Free (No-Frost) Refrigerators
 2. Tubular Fluorescent LampsThe labeling of other equipment and appliances would be introduced in a phased manner.

The test procedures, schedule of tests, rating plan, sampling plan, qualification requirements, label design, label fee and the manner of display of label in relation to the aforesaid equipment have been specified in Schedule 1 & 2 respectively.
- e. A committee will be set up by the Bureau to oversee implementation of the scheme. The committee will be chaired by Director General, Bureau of Energy Efficiency and consisting of representatives from Ministry of Power, Bureau of Indian Standards, Consumer Associations, Manufacturers Association, and Test laboratories.
- f. The Standards and Labeling Implementation Committee will recommend BEE on the following issues:
 - i. Enforcement of provisions of this scheme.
 - ii. Develop the criteria for deciding whether challenge test and further actions should be undertaken or not.
 - iii. Verification of the legitimacy of challenges to the label, and further action
 - iv. Selection of samples for verification and challenge testing.

2 **Scheme Participation Process**

- a. Manufacturers of equipment/importers/persons- in- trade can participate in the scheme by registering with the Bureau.
- b. Manufacturers of equipment/importers/persons- in- trade (hereinafter called the User of label) will enter into an agreement (Annexure – 1) on a non-judicial stamp worth Rs.100/- (Rs. One Hundred only), with the Bureau of Energy Efficiency (hereinafter called the Bureau) agreeing to abide by the terms and conditions of the scheme. The agreement will be valid for a period of 3 years or until Notification under clause (d) of section 14 of the Act is issued by Central Government, whichever is earlier.
- c. A separate application (Annexure – 2) will be made by the user of label for labeling of each equipment/model. The application for each equipment/model shall be accompanied by non – refundable registration charges of Rs. 1,000 (Rupees One thousand only) in the form of a crossed bank draft issued in the name of Bureau of Energy Efficiency and payable at New Delhi.

- d. A labeling fee (as defined in the schedule for each equipment) shall be given by the manufacturer (Rs 10/Refrigerator and Rs. 0.05/TFL) in advance to the Bureau of Energy Efficiency.
- e. The formats for application, agreement and application form for label are provided as annexure to this document.
- f. After receiving the complete application for an equipment/model, the Bureau will scrutinize the application, and seek further information, if required, within a month from the date of receipt.
- g. If there are no queries from the Bureau within a month, the user of label can affix the label under intimation to the Bureau if an agreement for participation in the scheme has already been entered under (b) above.
- h. Proprietary information supplied to the Bureau should be marked as such by the user of the label, and Bureau shall keep it confidential
- i. The user of label will print and affix the labels as per the label design, manner of display, and the rating plan prescribed for the particular equipment.
- j. The Bureau would prepare a poster/brochure informing the consumers as to how to read/interpret the label and select equipment for purchase. The user of label would distribute a copy of the poster/brochure along with their technical brochure to the buyer and would also display the poster/brochure at the point of purchase.
- k. The user of label shall maintain the list of labeled equipment and provide a statement of labeled equipment, their star rating level and the number of such labeled equipment produced, with serial numbers, wherever applicable, every six months.
- l. A list of labeled equipment (and information on the label) will be maintained by the Bureau and made available to the public through publications and its web site.
- m. If during the tenure of the scheme, for a particular model/equipment, there are changes in the energy efficiency of the model/equipment or any other information on the label, then a fresh application should be submitted, and it will be processed accordingly.
- n. The user of label shall be solely responsible for ensuring-
 - i. the accuracy of the information displayed on the label or any public claim for label level and quality of equipment.
 - ii. use of label only for such equipment/models for which the agreement has been entered with the Bureau.
 - iii. Compliance to the terms and condition of the scheme,
 - iv. directions of the Bureau on the implementation of the scheme
 - v. Payment of any compensation adjudicated by any court/tribunal to any person for any information displayed on the label.
- o. The Bureau will work towards creating a market for energy efficient equipment through consumer awareness and consumer education.
- p. The Bureau will appoint an independent agency to evaluate the program impact and process of implementation on a periodic basis. The scope of evaluation will include the impact on sales, energy consumption, cost, consumer purchasing behaviour, manufacturing, national energy use and the environment. The user of label shall extend full cooperation by providing the relevant data for the purpose.
- q. The Bureau will review the scheme periodically to determine the need for revision or amendment or termination of the scheme.
- r. The Bureau, at any time during the operation of the scheme, may decide to terminate or modify the scheme after giving three months notice period.

- s. The User of Label, at any time during the operation of the scheme, may decide to withdraw from the scheme after giving three months notice period to the Bureau as well as a public notice.
- t. The liability of the user for the accuracy of label will continue till those labeled products are available in the market.

3 Label Verification Process

- a. The Bureau will verify the label contents, and the manner of display of label for each equipment/model on a regular basis.
- b. The frequency of the verification test will be determined by the Bureau depending on the nature of equipment and time required for testing.
- c. Verification testing will be conducted in an independent (NABL accredited) laboratory registered with the Bureau.
- d. The Bureau or its representative(s) will identify and seal the equipment samples as per the sampling procedure specified in the Schedule to the scheme (for each equipment).
- e. The User of label will
 - i. agree to make available samples free of charge for verification as well as challenge testing.
 - ii. be responsible for transportation (to and fro from the place of picking of sample to the test laboratory) and handling of the sealed samples to the assigned test laboratory.
 - iii. be responsible for getting the selected and sealed samples tested in the assigned laboratory and reporting the results to the Bureau within a reasonable time period.
 - iv. directly bear the cost of transportation, handling, and testing of samples for verification testing.

4 Challenge Testing

- a. The label contents can be challenged by any person.
- b. The challenge must be submitted to the Bureau in writing.
- c. The Bureau will examine the challenge within a month of the date of receipt in writing. The Standards and Labeling Implementation Committee will recommend whether to conduct a challenge test or not, keeping in view the basis of the complaint and examination of past records.
- d. The decision of the Bureau will be final and will be conveyed to complainant along with justification.
- e. If a challenge test is required, then
 - i. the complainant will deposit the expenses related to transportation (to and fro from the place of picking of sample to the test laboratory) and testing in advance to the Bureau.
 - ii. the Bureau will arrange for selection and sealing of samples. The transportation to the assigned laboratory is the task of the user of label.
 - iii. the testing will be conducted in an independent laboratory registered with the Bureau and the testing charges would be paid out of the advance by the complainant.
- f. The complainant and the user of label may witness the process of challenge testing.
- g. If the equipment fails the challenge test, then the expenses paid by the complainant would be reimbursed by the user of label whose equipment has failed.
- h. If the equipment passes the challenge test, then the complainant would forfeit the deposit.

- i. If the equipment fails the challenge testing, the enforcement process (section 5) will be followed.

5 Enforcement Process

- a. If the equipment fails the verification/challenge testing, then the matter will be placed before the Standards and Labeling Implementation Committee and the user of label will be informed about the failure.
- b. The user of label has the option to go in for the second test, in case the equipment fails the first verification/challenge test.
- c. A second test will be carried out with twice the initial test sample size, and all the samples should pass the test.
- d. The user of label will bear the expenses related to the second test.
- e. If the equipment passes the second verification/challenge test, then no further action would be taken and the appliance would deem to conform to the label level.
- f. If the equipment subjected to verification/challenge testing fails the second test, the user of label will, within the given time limit by the Bureau,
 - i. correct the label level or remove the defects or deficiencies found for new equipment/models yet to be shipped out as well as for equipment/models for sale in the market.
 - ii. change particulars/information on the advertising material
- g. If the user of label fails to comply with the directions issued under clause (e), then, the use of label for that model will be prohibited. In addition,
 - i. the Bureau will inform the consumers about the failure of the equipment/model by wide publicity.
 - ii. the Bureau may advise the government to debar the equipment/model/ and/or the user of the label from participating in any public tender.

6 Requirement for Independent Testing Facilities for Participation in the Scheme

- a. An independent laboratory with a valid accreditation from National Accreditation Board for Laboratories (NABL) or other international accreditation in force (with NABL approval) for the test procedures (energy efficiency and other performance tests) specified for each equipment/model in as specified in the labeling plan for that equipment, can register with the Bureau.
- b. The Bureau will enter into a rate contract with the laboratories for carrying out verification and challenge test charges for the equipment covered under the scheme and the same shall be reviewed every year.
- c. The laboratories may be reviewed initially at the time of registration and then on a regular basis after that, and in case any laboratory ceases to fulfil any condition laid down at the time of registration, the registration will be withdrawn
- d. If the test result of a particular lab are consistently found to be incorrect, then registration of the laboratory will be withdrawn, and wide publicity will be given to the disqualification of the laboratory.
- e. The laboratory will agree to participate in the proficiency test arranged by the Bureau.
- f. The application for registration of laboratories should be made in the prescribed Form (Annexure – 3).
- g. The registered laboratory shall provide an undertaking that they would carry out the tasks relating to the scheme on priority basis.

Annexure 1

Application Form for Participation and Agreement

Application for Participation in the Scheme for Energy Efficiency Labeling

(ON THE LETTERHEAD OF THE COMPANY/FIRM)

The Director General
Bureau of Energy Efficiency
Hall No. IV, 2nd Floor, NBCC Tower
15, Bhikaji Cama Place
New Delhi-110 066 – India.

I/We are carrying on business at _____ (full business address)
under the style of _____ (full name of firm) hereby apply for participation in the scheme for energy efficiency labeling in respect of the following equipment.

1. Equipment _____
2. Brand (Trade Mark(s)/Brand Name(s))

I/We have gone through the scheme for energy efficiency labeling, and we agree to abide by the terms and conditions of the scheme. I/We am/are willing to enter into an agreement for participating in the scheme. The duly signed complete agreement is enclosed.

Dated this Day of(Year)

Signature

Name

Designation

For and on behalf of

.....

(Name of the firm)

Encl: Agreement

Agreement between the Bureau of Energy Efficiency, a statutory body under the Ministry of Power and M/s ABC the user of label of energy efficiency label under the Scheme for Energy Efficiency Labeling.

Whereas the Bureau of Energy Efficiency, Ministry of Power (hereinafter referred to as the Bureau), a statutory body established under the Energy Conservation Act 2001, (52 of 2001) with its office at Hall No. IV, 2nd Floor, NBCC Tower, 15 Bhikaji Cama Place, New Delhi – 110 066, India has launched a scheme for energy efficiency labeling.

Whereas M/s _____ (ABC) engaged in the manufacture/ marketing/ import of _____ (equipment) having its registered office at _____ (full address) has agreed to use the label under the, scheme for energy efficiency labeling, (hereinafter referred to as the user of label)

Now therefore, the parties hereto mutually agree as follows:

1. General

1.1 Commencement and duration

1.1.1 The agreement shall be valid for a period of 3 years commencing from the date it is signed or until Notification under clause (d) of Section 14 of the Energy Conservation Act issued by the Central Government, whichever is earlier.

1.2 Objective

The main objective of this Agreement is that both the parties to the Agreement shall work together to implement the scheme for energy efficiency labeling for the equipment ____in accordance with the details of the Scheme as attached.

1.3 Use of energy efficiency label

1.3.1 The label is being promoted by the Bureau. The use of the label is assigned to M/s ABC. for achieving the objective defined in Article 1.2 of this Agreement.

2. Taxes and duties

2.1 The User of label shall also bear any taxes, duties, levies, labeling fee, etc as applicable from time to time in the use of label under the implementation of the scheme for energy efficiency labeling.

3. Amendment / Additions

3.1 If both parties to the Agreement form an opinion that any or some provision of the scheme are coming in the way of achievement of the objective of this Agreement defined in Article 1.2; and both BEE and the user of label are satisfied that the adjustment or amendment of such provisions shall contribute towards the achievement of the objective defined in Article 1.2; BEE may, adjust or amend such provisions of the scheme at any stage during the implementation of the scheme in consultation with other stakeholders

3.2 Any such adjustment or amendment shall be made in writing.

4. Notice

4.1 Any notice given by any of the parties hereunder shall be sent in writing at the address given as follows:

- (1) **Bureau of Energy Efficiency**
Director General
Bureau of Energy Efficiency
Hall No. IV , 2nd Floor, NBCC Tower
15, Bhikaji Cama Place
New Delhi – 110 066

- (2) **User of label**
In witness whereof the parties hereto have signed this Agreement

Signature.....

Signature.....

(place, date)

(place, date)

Bureau of Energy Efficiency

User of label

Witness: 1

Witness: 1

:2

:2

Annexure II :
Format for Application Form for Label

Application for Label under scheme for Energy Efficiency Labeling

(ON THE LETTERHEAD OF THE COMPANY/FIRM FOR EACH MODEL SEPARATELY)

The Director General
Bureau of Energy Efficiency
Hall No.IV, 2nd Floor, NBCC Tower
15, Bhikaji Cama Place
New Delhi-110 066 – India.

I/We hereby apply for use of label under scheme for energy efficiency labeling:

- a. Equipment Name
 - b. Brand (Trade Mark(s)/Brand Name(s))
 - c. Registration No. and Date of the Trade-Mark(s)/Brand Names(s)
 - d. Equipment Type
 - e. Model No.
 - f. Size/Volume/Rating
 - g. Additional Information/other equipment specifications
 - h. Conforms to minimum energy efficiency requirements of relevant IS standard
- Details of label for the equipment/model

ENERGY EFFICIENCY LABEL DETAILS	DETAILS OF THE EQUIPMENT	CERTIFICATION
<ol style="list-style-type: none"> 1. Rating/Label level: 2. Date of commencement: 3. All other information to be displayed on the label (Energy consumption/ Volume/size/ Efficiency/etc) 4. Number of labels to be affixed 5. Label Series Code (alphanumeric code: Kxj200005 –Kxj230005) 	<ol style="list-style-type: none"> 1. Equipment 2. Brand (Trade Mark(s)/ Brand Name(s)) 3. Registration No. and Date of the Trade-Mark(s)/Brand Names(s) 4. Model No. 5. Type 6. Size/Volume/Rating 7. Additional Information 	<p>The initial test was carried out as per (name and number of the approved test procedure) at (name and address of the lab):</p> <p>Lab details:</p> <ol style="list-style-type: none"> a) Test details: (Test procedures/name/number) b) Accreditation status:
ATTACH A TRUE COPY OF THE LABEL AS IT WILL APPEAR ON THE EQUIPMENT		

The above equipment is manufactured by _____ (Name of the company) at _____(Name and address of the factory)

I/We conform to the Bureau of Indian Standard/other international standards in respect of Quality System/Other standards in accordance with IS/Others (name and number of the standard) _____ . A copy of the License/certificate is enclosed.

I/We have conducted the initial tests as per the scheme for the _____ equipment/ model at _____ (Name and address of the laboratory). The test certificates are enclosed.

Production and sales figures of the said equipment and the value thereof to the best of my/our knowledge and estimates are as follows:

Year	Production	Sales	MRP of the equipment (Rs.)

_____ (Name and Designation) is the authorized contact person for coordination with the Bureau in respect of this application and the use of the Label.

I/We undertake that the information supplied in this application is accurate to the best of my knowledge, and should any of the information supplied be found to be incorrect; the application may be rejected forthwith.

I/We hereby covenant with the Bureau to observe the provisions of the scheme for Energy Efficiency Labeling.

A crossed bank draft of Rs. 1,000/- in favour of, Bureau of Energy Efficiency, payable at Delhi, as the non-refundable Registration charges is enclosed.

A crossed bank draft of Rs. (Rupees.....) in favour of, Bureau of Energy Efficiency, payable at Delhi, as labeling Fee for(number of products) is enclosed. .

Dated this Day of(Year)

Signature

Name.....

Designation

For and on behalf of

.....

(Name of the firm)

SignatureDate_____

Enclosures:

1. Test certificates
2. Label

Annexure III :

Application for Independent Laboratory

Test Laboratory Application Form for Registration in the scheme for Energy Efficiency Labeling (ON THE LETTERHEAD OF THE COMPANY/FIRM)

The Director General
Bureau of Energy Efficiency
Hall No.IV, 2nd Floor, NBCC Tower
15, Bhikaji Cama Place
New Delhi-110 066 – India.

We hereby apply for participation in the scheme for Energy Efficiency Labeling. The information of the test laboratory is as follows:

- 1. Applicant's name and Complete Address :**
 - 1.1 Name of the Chief Executive and his deputy with designation
Telephone No. (with STD Code)
Fax No. (with STD Code) :
Postal address
Email
- 2. Test Laboratory's name and complete address (if different from 1)**
 - 2.1 Name of the Head of operating laboratory and his deputy with designation
Telephone No. (with STD Code)
Fax No. (with STD Code)
Postal address
- 3. Legal Identity**

Legal Status & Date of Establishment of the laboratory (Enclose copy)
- 4. Management structure of the lab (on a separate sheet as Chart-I)**

Name & Designation of the person responsible for the Quality System Management in the Laboratory

Telephone No.
4. Is laboratory prepared to participate in proficiency/Inter Laboratory testing programme, if organised or sponsored by the Bureau?
- 6. Complaints**
 - 6.1 Is there any documented policy & procedures for the resolution of complaints?
 7. Arrangement for ensuring impartiality, confidentiality, independence in judgment & integrity in relation to the lab's activities.
 8. Familiarity with terms & conditions

8.1 Are you familiar with terms and conditions of Laboratory Recognition Scheme of the Bureau and willing to abide by them?

List test procedure separately for each equipment

Equipment to be tested	Parameter(s) Tested	Test Procedure(s)	Accreditation Status (Accreditation Agency, Date of issue, and validity)	Test Charges valid for the financial year 2005 - 06

9. Provide details of capacity to undertake testing in terms of test facility and manpower. (how many tests can be carried out concurrently)

We hereby covenant with the Bureau to observe the provisions of the scheme for Energy Efficiency Labeling.

Signature

Name

Designation

Date

Enclosures:

1. Copy of current accreditation certificates
2. Copies of the laboratory quality manual
3. Undertaking

U N D E R T A K I N G
(to be signed by the Head of the Laboratory)

1. I/We hereby declare that I/We shall comply with all the provisions of the scheme for energy efficiency labeling as amended from time to time.
2. I/We agree to keep all the test results confidential and the same will not be communicated to anybody except Bureau of Energy Efficiency (BEE) or an agency authorized by BEE.
3. I/We agree to participate in proficiency testing/Inter Laboratory Test Comparison Programme for assessing/helping BEE to assess the technical competence of the laboratory and also agree for periodic visits by BEE experts as decided by BEE. The decision to continue recognition by BEE, on the basis of such testing and periodic visits, will be acceptable to me/us.
4. I/We also agree not to claim any testing charges for the samples tested as sent by BEE under the Proficiency Testing/Inter Laboratory Test Comparison Programme.
5. I/We agree to communicate BEE any changes in equipment and/or personnel and the decision of BEE to continue or discontinue recognition made on the basis of scrutiny of such information shall be acceptable to me/us. Failure to comply may render us liable to de-recognition.
9. I/We agree that the recognition of the laboratory shall not bind BEE to make use of test facilities available in my/our/other laboratory.

Signature
Name
Designation
Seal

Dated
Place:

Schedule – 1

Frost Free (No-Frost) Refrigerator

1. Scope

- 1.1** This scheme specifies the energy labeling requirements for electric mains powered Frost Free (No-Frost) refrigerating appliance of the vapour compression type intended for household and similar use being manufactures, imported, or sold in India.
- 1.2** This Standard shall be read in conjunction with AS/NZS 4474.1:1997: Energy Consumption and performance and AS/NZS 4474.2:2001: Energy labeling and minimum energy performance standard.¹
- 1.3** In particular, this schedule specifies the following:
- (a) Frost Free (No-Frost) Appliance
 - (b) Projected Annual Energy Consumption (PAEC)
 - (c) Tested Energy Consumption (E_t)
 - (d) Comparative Energy Consumption (CEC)
 - (e) Total Adjusted Storage Volume for No Frost ($V_{adj_tot_nf}$)
 - (f) Star Rating Plan
 - (g) Printing requirements for refrigerating appliances energy labels

The above terms have been defined in Annexure I – Section 1 (DEFINITIONS) of this schedule.

2. Schedule of tests

2.1 Method of tests

The testing code and procedure for Frost Free (No-Frost) Refrigerator would be as per AS/NZS 4474.1:1997: Energy Consumption and performance with all amendments.

2.2 Parameters to be tested

2.2.1 Energy Consumption

The Energy Consumption of the Frost-Free (No-Frost) refrigerator will be tested as per Appendix K & Appendix O of AS/NZS 4474.1:1997.

2.2.2 Rated Volume (Storage and Gross)

Each compartment gross and storage volume of the appliance shall meet the requirements set out in Section 3 and Appendix A of AS/NZS 4474.1:1997.

2.3 Test Report

The results of tests shall be reported as per Appendix Q of the AS/NZS 4474.1:1997 with the relevant sections from the mentioned appendix applicable and will clearly mention the gross volume and the storage volume.

¹THE AS/NZS 4474.1:1997 TEST PROCEDURES ARE BEING USED IN THE INTERIM, TILL THE RELEVANT INDIAN STANDARD (IS) ARE DEVELOPED / REVISED.

3. Tolerance Limit

The tolerance limit for the volume (storage & gross), pull-down, and operating temperature performance shall be as defined in AS/NZS 4474.1:1997.

4. Conditions of Compliance

The conditions of compliance shall be as specified in AS/NZS 4474.1:1997.

5. Rating Plan

Rating plan will be as per Annexure I – Section 2 (CALCULATIONS FOR THE ENERGY LABEL) of this schedule.

6. Sampling

The samples will be picked up by Bureau of Energy Efficiency (BEE) or its designated agency for testing as per the following sampling plan:

- a) One sample will be picked up at random from the manufacturing facility or warehouse.
- b) One sample will be picked from a retail outlet.

7. Qualification

a) Pull Down Test

The appliance shall meet the requirements set out in Section 3 and Appendix G of AS/NZS 4474.1.

b) Operating Temperature Performance Test

Operating Temperature Performance Test as defined in Section 2 and Appendix J of AS/NZS 4474.1:1997 shall be required only if consideration for special compartment(s) is taken in calculating adjusted volume.

While all units within a model are required to meet the Pull-down test (and Operating Temperature Performance test as applicable), a test report for a single unit is required to confirm this for the purposes of energy labeling.

8. Label Design, manner of display

The label design and manner of display will be as per Annexure I - Section 3 (LABEL DESIGN AND MANNER OF DISPLAY) of this schedule.

9. Fees

- a) Registration fee is payable on application for assignment of authority is Rs. 1000/- (One thousand only).
 - b) Registration fee is payable on application for renewal of authority to affix labels is Rs. 500/- (Five hundred only).
 - c) Labeling fee for affixation of label on each piece of Frost Free (No-Frost) refrigerator is Rs. 10/- (Ten only).
-

Annexure – I to Schedule 1

SECTION 1

DEFINITIONS

1 Definitions

For the purposes of this schedule, the definitions given in AS/NZS 4474.1:1997 and AS/NZS 4474.2:2001 and those below apply. The definitions below take preference over the ones in the above mentioned standards.

1.1 Frost Free (No-Frost) Appliance

A household refrigerator appliance in which all frozen food storage space is cooled by a frost-free system. Unfrozen food storage space may or may not be cooled by a frost-free system but all storage spaces in the appliance whether frozen or unfrozen are automatically defrosted with automatic disposal of water.

In a frost-free system:

- a. Cooling is provided by forced air circulation.
- b. The system is automatically operated to prevent permanent formation of frost on all refrigerated surfaces and
- c. No accumulation of ice or frost forms on stored food.

1.2 Projected Annual Energy Consumption (PAEC)

The estimated energy used by a single unit during one year's use. This is calculated from Tested Energy Consumption (E_t) (refer 2.1.1 of this Annexure). (Units: kWh/Year)

1.3 Tested Energy Consumption (E_t)

The value of energy consumption as determined by Appendix K of AS/NZS 4471.1:1997. This is calculated for a period of 24 hours. (Units: Wh)

1.4 Comparative Energy Consumption (CEC)

The nominal energy consumption of a model of refrigerating appliance. It is based on the $PAEC_{av}$ of the model (refer 2.2 of this Annexure). The CEC appears on the energy label. (Units: kWh/Year)

1.5 Total Adjusted Storage Volume for No Frost ($V_{adj_tot_nf}$)

The rated storage volume of a compartment adjusted to compensate for heat loadings on spaces which are at temperature other than that of fresh food type space.

NOTE: The adjusted volume shall be calculated on the basis of the **STORAGE VOLUME** of each compartment.

1.6 Star Rating

The number of stars displayed on the energy label. The available stars are between a minimum of one and a maximum of five shown in one star interval. The star rating is calculated from the Star Rating Band (refer 2.5 of this Annexure) The Star Rating determination will vary for different models based on the storage volume. (No units)

1.7 Star Rating Band

The Star Rating Band is a range of energy efficiency (kWh/Year) which is arrived by calculations (refer 2.5 of this annexure), and is used for determining the number of stars displayed on the energy label.

1.8 Family of models

Family of models is the range of models of one particular brand, to which a single set of test reports is applicable and where each of the models has the same relevant physical characteristics, comparative energy consumption, and energy efficiency rating and performance characteristics. The term 'model' is synonymous with 'family of models'.

1.9 Variant

A model variant is an alternative version of a model which has the same sales specification and the same model number or other form of designation as another version of the model, and offers the same performance except that it has a different PAEC and may have a different Star Rating.

SECTION 2 CALCULATIONS FOR THE ENERGY LABEL

2.1 GENERAL

This Section sets out the equations and procedures for calculating values of Projected Annual Energy Consumption (PAEC) & Comparative Energy Consumption (CEC) and the Star Rating which appear on the energy label.

2.1.1 Projected Annual Energy Consumption (PAEC)

The process consists of measuring the tested energy consumption (E_t) (Appendix K of AS/NZS 4471.1:1997), of each unit tested, then calculating the projected annual energy consumption (PAEC) of the unit.

$$\text{PAEC} = E_t * (365/1000) \quad (\text{kWh/Year})$$

E_t = tested energy consumption expressed in Wh per 24 hours, rounded to the nearest whole number.

2.2 NUMBER OF TEST AND PROCESSING OF DATA

2.2.1 Number of units required

For the purpose of determining the CEC of a model for labeling, three separate units of the nominated model shall be tested for energy consumption in accordance with Section 2 of AS/NZS 4474.1:1997.

2.2.2 Number of tests per unit

Each unit shall be tested with sufficient test runs to enable a valid E_t to be determined for that unit. This determination shall be documented in a test report containing the test result for all test runs used to derive E_t (refer to AS/NZS 4474.1:1997, Appendices K and Q).

2.2.3 Results

After testing three or more separate units the separate values of PAEC shall be averaged and referred to as PAEC_{av} .

2.2.4 Rounding

Unless otherwise stated, number shall be rounded and recorded to five significant figures. The values of PAEC, PAEC_{av} , CEC, and Star Rating Band shall be rounded of (< 0.5 to lower whole number and = 0.5 to higher whole number) to the nearest whole number.

2.3 COMPARATIVE ENERGY CONSUMPTION

2.3.1 General

The CEC for a model shall not be less than the average (rounded to a whole integer) PAEC value (i.e. PAEC_{av}) for the three (or more) units which are tested to determine the label particulars. The CEC shall be an integer in units of kWh/Year.

The CEC and Total Adjusted Storage Volume for No Frost ($V_{\text{adj_tot_nf}}$) shall be used to determine the Star Rating Band and Star Rating of the model.

2.3.2 Variant

Two or more variants of a model may use a common label with a CEC not less than the highest $PAEC_{av}$ (rounded to the nearest whole number) of those variants.

2.4 TOTAL ADJUSTED STORAGE VOLUME FOR NO FROST ($V_{adj_tot_nf}$)

Fresh Food Chamber Target Temperature = +3 Degree Celsius

Freezer Chamber Target Temperature = -15 Degree Celsius

Adjusted Volume Factor = $(\text{Test room Temperature} - \text{Freezer Temperature}) / (\text{Test room Temperature} - \text{Fresh Food Temperature})$
 = $[32 - (-15)] / [(32 - 3)]$
 = 1.62

Total Adjusted Volume for No Frost refrigerator ($V_{adj_tot_nf}$)

= Fresh Food Storage Volume + 1.62 * Freezer Storage Volume

2.5 STARRATING

The star rating parameters k_{nf} (Constant Multiplier (kWh/Litre/Year)) & c_{nf} (Constant Fixed Allowance (kWh/Year)) shall be obtained from TABLE 2.1 / 2.2 / 2.3, depending on the year of manufacturing/import/assembling

S. No.	Product Manufactured/Imported/Assembled	Table to be used
1.	1 June 2006 to 31 December 2008	2.1
2.	1 Jan 2009 to 31 December 2011	2.2
3.	1 Jan 2012 to 31 December 2014	2.3

The following equation shall be used to determine the Star Rating Bands for a particular model:

$$\text{Star Rating Band (SRB)}_{nf} = k_{nf} * V_{adj_tot_nf} + c_{nf}$$

Where,

k_{nf} = Constant Multiplier (kWh/Litre/Year)
 $V_{adj_tot_nf}$ = Total Adjusted Storage Volume for No Frost (Litre)
 c_{nf} = Constant Fixed Allowance (kWh/Year)

TABLE 2.1: Star Rating Band valid from 01 June 2006 to 31 December 2008

Star Rating Band	k_{nf} Constant Multiplier	c_{nf} Constant Fixed Allowance
1 Star *	0.8716	759
2 Star **	0.6973	607
3 Star ***	0.5578	486
4 Star ****	0.4463	389
5 Star *****	0.3570	311

TABLE 2.2: Star Rating Band valid from 01 January 2009 to 31 December 2011

Star Rating Band	k_{nf}	
Constant Multiplier	c_{nf}	
Constant Fixed Allowance		
1 Star *	0.5578	486
2 Star **	0.4463	389
3 Star ***	0.3570	311
4 Star ****	0.2856	249
5 Star *****	0.2285	199

TABLE 2.3: Star Rating Band valid from 01 January 2012 to 31 December 2014

Star Rating Band	k_{nf}	
Constant Multiplier	c_{nf}	
Constant Fixed Allowance		
1 Star *	0.4463	389
2 Star **	0.3570	311
3 Star ***	0.2856	249
4 Star ****	0.2285	199
5 Star *****	0.1828	159

The above equation provides for the value of the various Star Rating Bands for a particular model. The CEC of the model as determined from 2.3.1 will be compared with the various Star Rating Bands. The Star Rating chosen for the model will be based on the above comparison. CEC will be compared to the lower and the upper limits of each Star Rating Band. The Star Rating corresponding to the band whose lower rating is less than CEC and upper limit is greater than or equal to CEC will be assigned to the model.

$$\text{Lower Limit of SRB} < \text{CEC} = \text{Upper Limit of SRB}$$

There is **no tolerance** for the Star Rating Bands. All tested products must meet the minimum threshold for each Star Rating Band. The scope for manufacturing tolerance and other variations shall be accounted for when determining the Star Rating.

2.6 ENERGY LABEL VALIDITY

The CEC value shall be accepted as valid if, when a single sample of a labeled model is tested for an initial screening test and its PAEC is such that:

$$\text{PAEC} \leq 1.1 * \text{CEC}$$

If this is not the case, the CEC shall be accepted as valid if three additional units are tested and the average PAEC of these additional units is such that:

$$\text{PAEC}_{(av)} \leq 1.1 * \text{CEC}$$

Additionally the PAEC shall be less than the upper limit of the corresponding Star Rating Band of the Star Rating of a single model tested or if two additional units are tested then PAEC of two out of three and PAEC_{av} should be less than then upper limit of the corresponding Star Rating Band.

SECTION 3 LABEL DESIGN AND MANNER OF DISPLAY

3.1 PLACEMENT

The energy label shall be adhered to the upper portion of each appliance on the outside of the door.

3.2 MATERIAL AND SHAPE

The label shall be self-adhesive and shall be designed as set out in Figure 3.1.

However, in the case of a stainless steel or other finishes that may be permanently marked or stained by the adherence of a label, the use of a double sided swing tag or single sided non-rotating swing tag is permitted.

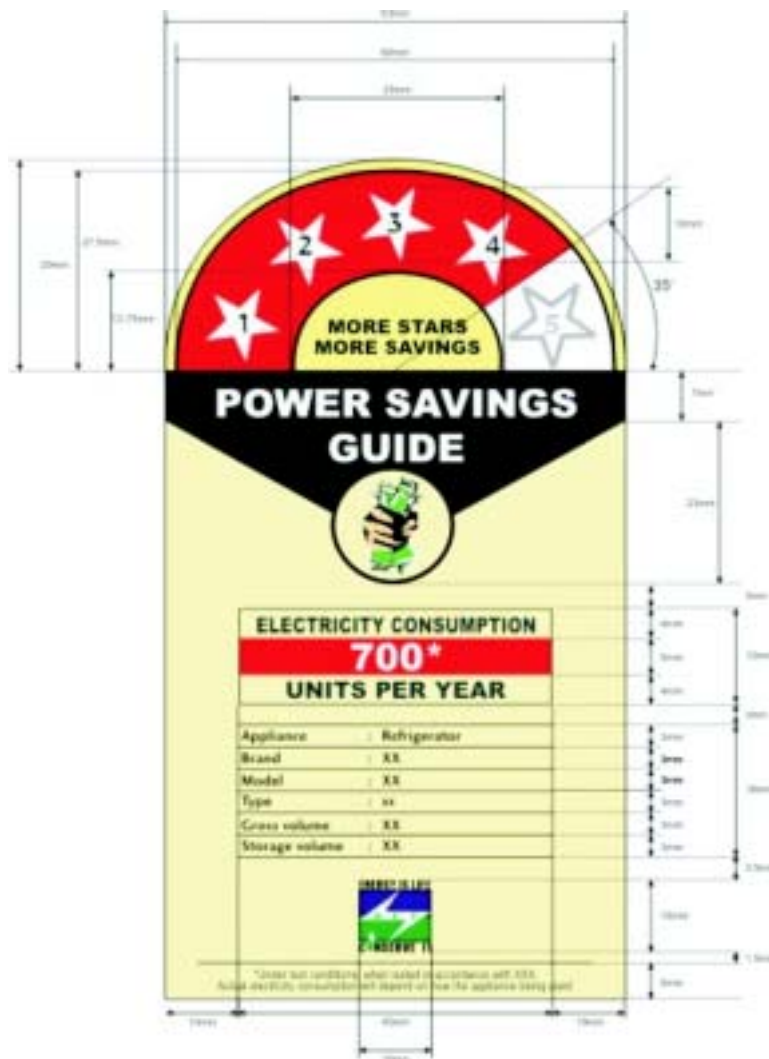


Figure 3.1: Design Scheme for the Label (Sample)

3.3 COLOURS

The label shall be printed as per the following specification in the following colours on a white background (see Figure 3.2):

Red: Pantone warm red

Yellow: Pantone 116

Black: Pantone Black

Green: Pantone 340

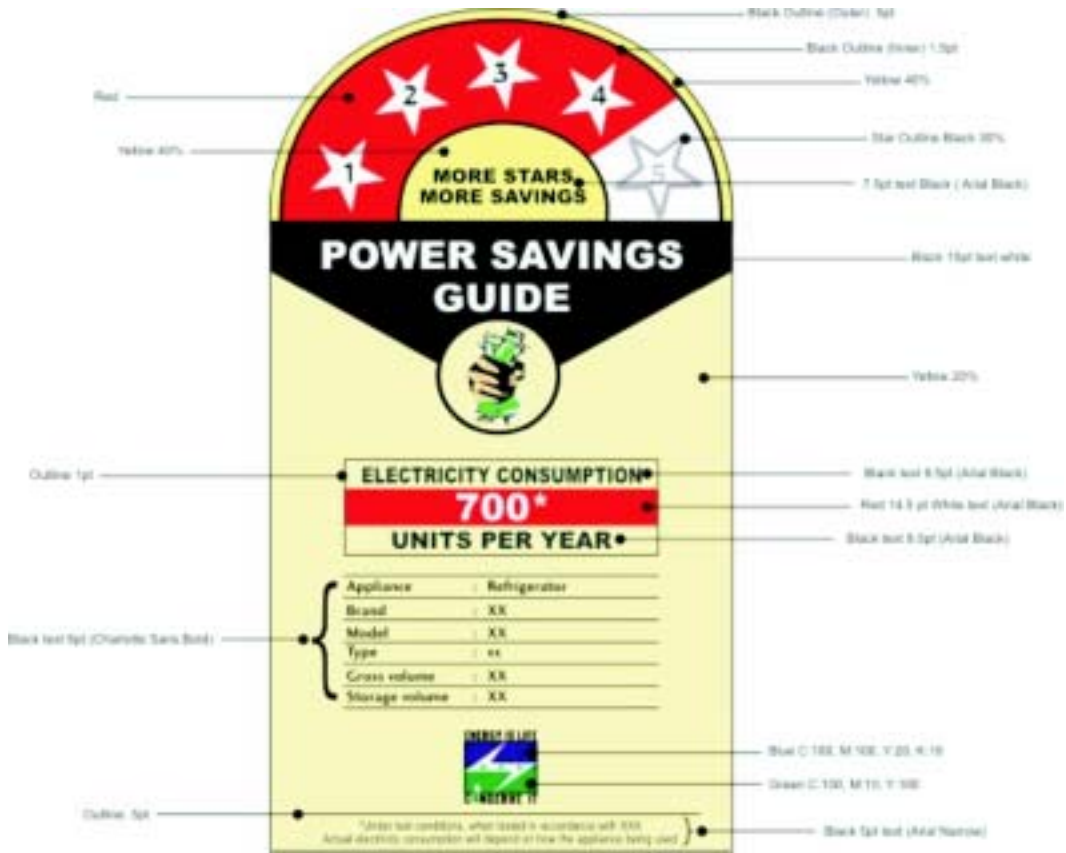


Figure 3.2: Colour Scheme for the Label (Sample).

3.4 SAMPLE LABEL

An example of a printed energy label for a refrigerating appliance is shown in Figure 3.3.

The label will mention the following:

1. Appliance: Refrigerator
2. Energy Consumption per Year (CEC)
3. Model Name/Number, Year of Manufacturing
4. Brand
5. Type
6. Gross Volume
7. Storage Volume

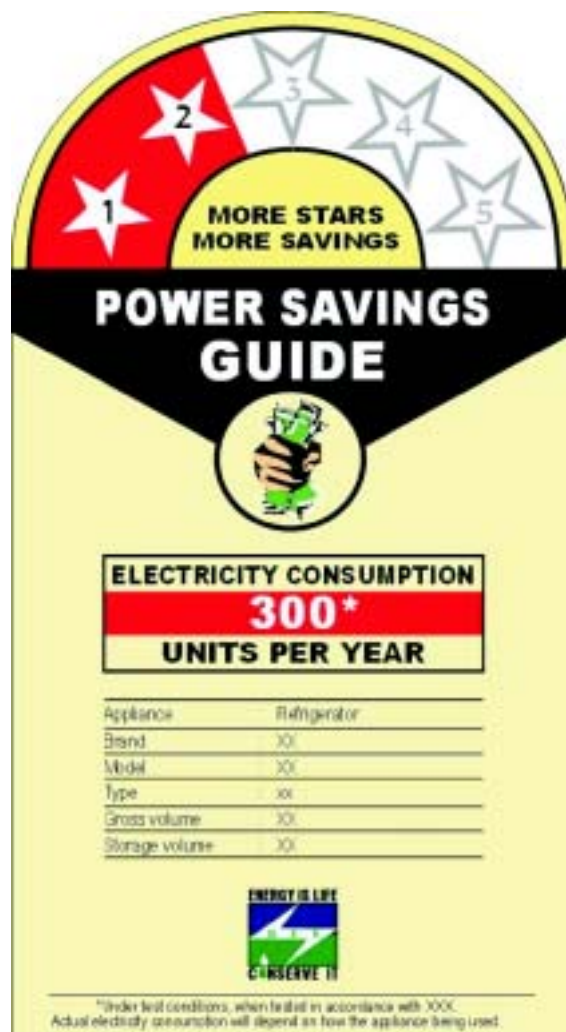


Figure 3.3: Sample Label

Schedule – 2

Tubular Fluorescent Lamps

The test procedure, schedule of tests, rating plan and other parameters in respect of Tubular Fluorescent Lamps is as follows:

1. Scope

1.1 This standard specifies the requirements for participating in the energy labeling scheme for Tubular Fluorescent lamps for General lighting service.

1.2 The referred Indian Standard are IS 2418 (part I) and (part II) – 1977 including all the amendments. The draft amendments 3 to IS 2418 (part 2): 1977 and draft amendment 5 to IS 2418 (part 1): 1977 are also referred.

1.3 The standard ratings covered under the energy labeling scheme is 18, 20, 36, 40, 18 HL & 36 HL W.

2. Schedule of Tests:

2.1 Method of Tests:

The testing code and procedure for Tubular Fluorescent lamps for General lighting service would be as per IS 2418 (part I) – 1977 with all amendments.

2.2 Parameters to be tested:

Parameters for initial, verification and challenge testing are the type test parameters listed under clause 6.1.1 of IS: 2418 (part I) – 1977 and including all amendments as of date. In addition the samples would also be tested for lumen efficacy values at 3500 hours.

3. Tolerance limits:

The tolerance limits for lamp wattage, luminous flux and chromaticity co-ordinates shall be as defined in IS: 2418 (part I) – 1977.

4. Conditions of compliance:

The conditions of compliance shall be as specified in IS: 2418 (part I) – 1977.

3. Star rating plan:

Star Rating	1	2	3	4	5
Initial lumens Lm/W	< 52	>=52 & < 61	>=61 & < 67	>=67 & < 84	>= 84
2000 Hours Lm/W	< 44	>=44 & <52	>=52 & <57	>=57 & < 71	>= 71
3500 Hours Lm/W	< 42	>=42 & < 49	>=49 & < 54	>=54 & < 67	>= 67

The measured values will be converted to star ratings for each point i.e. at 100 hours, 2000 hours, 3500 Hours and the average of the 3 ratings will be taken. This will be rounded of (<0.5 to lower level and =>0.5 to higher level) to the nearest integer which will be the star rating for the product.

3. Sampling:

Selection of lamps for test (sampling) would be carried out as per the sampling plan as per guidelines specified in clause 3 of IS: 2418 (Part I) – 1977.

4. Qualifications:

- The products should conform to minimum requirements of IS 2418 (part I) and (part II) – 1977 to participate in BEE S&L Programme.
- BIS product certification or at-least, Quality Certification such as ISO - 9000 should be required to participate in BEE S&L Programme.

5. Label design, manner of display:

- Label design, size, colour scheme, content of the label is provided below:

b) Colour scheme:

NAVY BLUE – H – 240° S 100% B 40% (R – 0, G – 0, B – 102)

RED – H – 0° S 100% B 40% (R – 255, G – 0, B – 0)

c) Manner of display of label:

The above label design with colour scheme after photographic reduction to 16 mm height shall be printed on the sleeve.

d) Star marking on the lamp

The star marking as per the rating is required to be stamped on the lamp. The size of the stamp for the star marking is 15mm height x 8.5 mm width. For example for a three star lamp the same need to be marked on the lamp as below:

3. Fees

- Registration Fee is payable on application for assignment is Rs. 1000/- (One thousand only)
- Registration Fee is payable on application for renewal of authority to affix labels Rs. 500/- (Five hundred only)
- Labeling fee for affixation of label on each piece of Tubular Fluorescent Lamp is Rs. 0.05 (5 paisa only)

Amendments to the scheme for Energy Efficiency Labeling approved by the Ministry of Power

1- Para I, sub-para (d)

- (i) Page 2, “delete 5th - 6th line”
- (ii) Page 2, after the 7th line add the following
“The labeling of other equipment and appliances would be introduced in a phased be manner. The programme is as follows –
 - (a) Direct Cool Refrigerator – September, 2006
 - (b) General Purpose Electric Motors – October, 2006
 - (c) Air-conditioners – November, 2006
 - (d) Ceiling Fans – December, 2006

The test procedures, schedule of tests, rating plan, sampling plan, qualification requirements, label design, label fee and the manner of display of label in relation to the aforesaid in schedule shall be specified in schedule 3, 4, 5 and 6 respectively”.

2. Page 2, para 1 sub-para (f)

- (i) For the words “Standards & Labeling Implementation Committee” appearing in line 1 of sub-para (f) and other places wherever these appear in the scheme read National Standards & Labeling Implementation Committee”.
- (ii) After Clause (iv), add the following new Clause
“(v) such other issues as are considered crucial to the implementation of the scheme on uniform basis throughout the country.”

3. Para 4, para 2, sub-para (d)

Delete the existing para and substitute the following

- “(d) The user of label with respect to each equipment shall deposit a sum of Rs 1 lakh along with the application for seeking authority to use label, as a security deposit. The amount of labeling fee due in a financial year shall be paid by the user of the label to the Bureau of Energy Efficiency within one month of the close of each financial year. In case of default in payment of the due amount of labeling fee the security shall be forfeited. Further, participation by the defaulters in the scheme shall be subject to payment of full amount of labeling fee due with 10% interest thereon and with the approval of the National Standard & Labeling Implementation Committee.

4. Page 11, Annexure 2, replace the last paragraph with the following

“A crossed bank draft of Rs. 1 lakh in favour of Bureau of the Energy Efficiency payable at New Delhi as security deposit is enclosed.”

Blank

Chapter 16

**Energy Conservation
Building Code
(ECBC)**

Blank

ENERGY CONSERVATION BUILDING CODE (ECBC)

Energy Conservation Building Code (ECBC) is intended for new, commercial buildings having a connected load of more than 100 kW. (Normal domestic connection is 4 to 6 kW). ECBC has been launched on a voluntary basis on 27th May 2007. ECBC defines norms of energy requirement per square meter of area, and takes into consideration, the climatic region of the country where the building is located. The application of these norms lowers the building's energy requirement without affecting the function, comfort, health or productivity of the occupants.

The ECBC defines norms of energy performance and takes into consideration the climatic regions of the country where the building is located. The major components of the building which are being addressed through the code are:

- (a) Envelope (walls, roofs, windows)
- (b) Lighting systems
- (c) HVAC System
- (d) Water heating and pumping system
- (e) Electrical distribution system

Analysis of these designs suggests that ECBC compliance would reduce their energy consumption by 30 to 40%. Full compliance of ECBC is expected to yield annual savings of 1.7 billion units (250 MW) in the first year itself. ECBC compliance, relating to design and construction plans of the building, would be scrutinized by the competent local authority, when such compliance is made mandatory. For effective implementation of ECBC, capacity building of architects, engineers, builders, and municipal local authorities is being undertaken. In addition, information dissemination on needs and benefits of ECBC adoption, and on energy-efficient building material, equipment, and technology, is also being carried out.

Under section 14 (p) of the Energy Conservation Act,2001, Central Government has powers to prescribe ECBC for commercial buildings having a connected load of 100 KW or building complex for efficient use of energy and its conservation. The state governments have the flexibility to modify ECBC to suit local or regional needs. The central Government is also empowered to include such commercial buildings in the list of designated consumers under section 14(e). The state governments are empowered, under section 15(a) to amend the ECBC to suit regional / local climatic conditions and notify ECBC in the states.

Energy Conservation Building Code (ECBC) addresses the five climatic zones of the country (hot & dry, warm & humid, composite, temperate and cold).

In order to ensure administration of ECBC implementation in a uniform and consistent manner all over the country, the BEE has set up a ECBC Programme Committee (EPC) by pooling in the expertise of all stake holders, including State Designated Agencies, Industry etc. This committee facilitates the development of ECBC compliant building design, credible implementation of a few demonstration projects in the public sector, making arrangements for evaluation of the progress and outcomes by creating appropriate institutional mechanism.

A scheme for implementation of Energy Conservation Building Code (ECBC) and improving energy efficiency in existing buildings has been recommended by the Standing Finance Committee (SFC) at a

total cost of Rs.13.99 crores to be spent during the 11th Plan period. The steps being taken by the Government to ensure effective implementation are :

- Availability of adequate number of architects, building designers, builders etc who are well versed with the application of ECBC.
- Adequate availability of energy efficient equipment/ material in local market place.
- Adequate facilities for equipment testing/ certification.
- Capacity building of municipalities and local State Governments for compliance check on ECBC buildings, including development of simple-to-use compliance tools.
- Effective engagement with State Governments and municipalities to integrate the ECBC into local building bylaws.

With a view to build adequate technical capacity and develop building procedures and tools to effectively implement ECBC expert architects has been shortlisted. The shortlisted Architects would act as resource persons and are the Brand Ambassadors for the ECBC. These expert architects support the implementation of ECBC by providing the following services to architects who are designing ECBC compliant buildings:

- Energy efficient design of commercial buildings so that they are designed in a manner that reduces the use of energy without affecting the building function, the comfort, health, or the productivity of the occupants and with appropriate regard for economic considerations.
- Ensure compliance processes are made simple, clear, and easy to use.
- Training design professionals which would result in modifications of standard specifications to correspond with the code requirements which would ensure fewer revisions in specifications prior to building permit issuance.
- Ensure efficient availability of both technical expertise and compliant material.
- Launch a sustained awareness campaign that will also help design some demonstration projects.

The BEE conducted ECBC training workshops covering major aspects of an ECBC built building i.e.:

- (i) Building Envelope
- (ii) Heating, Ventilation, and Air Conditioning (HVAC)
- (iii) Service Hot Water and Pumping : solar water heating system
- (iv) Lighting
- (v) Electrical Power

Chapter 17

**Guidelines for Accelerated
Power Development and
Reforms Programme
(APDRP)**

No. 14/04/2008-APDRP
Government of India
Ministry of Power

Shram Shakti Bhavan, Rafi Marg,
New Delhi-110001
Dated September 19,2008

ORDER

Subject: Re-structured Accelerated Power Development and Reforms Programme (APDRP) during XI Plan

Sanction of the President is conveyed for implementation of restructured Accelerated Power Development and Reforms Programme (APDRP) during the XIth Five Year Plan as a Central Sector Scheme with the following revised terms and conditions:

1. The focus of the programme shall be on actual, demonstrable performance in terms of sustained loss reduction. Establishment of reliable and automated systems for sustained collection of accurate base line data, and the adoption of Information Technology in the areas of energy accounting will be necessary pre-conditions before sanctioning any project. This will enable objective evaluation of the performance of utilities before and after implementation of the programme, and will enforce internal accountability leading to better performance.
2. Power Finance Corporation (PFC) would be the Nodal Agency to operationalise the programme under the guidance of Ministry of Power (MoP).
3. It is proposed to cover urban areas- towns and cities with population of more than 30,000 (10,000 in case of special category states). In addition, in certain high-load density rural areas with significant loads, works of separation of agricultural feeders from domestic and industrial ones, and of High Voltage Distribution System (11kv) will also be taken up. Towns/areas for which projects have been sanctioned in X Plan APDRP shall be considered for the XI Plan only after either completion or short closure of the earlier sanctioned projects.
4. Projects under the scheme shall be taken up in two Parts. Part-A shall include the projects for establishment of baseline data and IT applications for energy accounting/auditing & IT based consumer service centers. Part-B shall include regular distribution strengthening projects. Apart from this, the programme will require enabling activities which would be covered under Part- C. The activities to be covered under each part are as follows:

Part- A: Preparation of Base-line data for the project area covering Consumer Indexing, GIS Mapping, Metering of Distribution Transformers and Feeders, and Automatic Data Logging for all Distribution Transformers and Feeders and SCADA/DMS system (only in the project area having more than 4 lacs population and annual input energy of the order of 350 MU). It would include Asset Mapping of the entire distribution network at and below the 11Kv transformers and include the Distribution Transformers and Feeders, Low Tension lines, poles and other distribution network equipment. It will also include adoption of IT applications for meter reading, billing & collection; energy accounting & auditing; MIS; riderless of consumer grievances; establishment of IT enabled consumer service centers etc. The base line data and required system shall be verified by an independent agency appointed by the Ministry of Power.

Part-B: Renovation, modernization and strengthening of 11kv level Substations, Transformers/Transformer Centers, Re-conductoring of lines at 11kv level and below, Load Bifurcation, feeder separation, Load Balacing, HVDS (11kv), Aeria Bunched Conductoring in dense areas, replacement

of electromagnetic energy meters with tamper proof electronics meters, installation of capacitor banks and mobile service centers etc. In exceptional cases, where sub-transmission system is weak, strengthening at 33 kV or 66kv levels may also be considered.

Part-C: An enabling component for the implementation of APDRP and for facilitating the process of reforms in the power sector. This part, to be implemented by Ministry Power/PFC, will include:

- **Preparation of a template for System Requirement Specifications** for sub-division automation and for customer relations management module, as well as for automated and for customer relations management module, as well as for automated baseline data collection systems.
- **Validation of the Base-line Data System** to be done by independent agencies identified through bidding process by the Ministry or its nominee. Independent agencies will also verify the AT&C losses and monitor quality of works to be executed under Part-B.
- **Project Advisors and Project Management Consultants-** Project advisor and project management consultants will be appointed to assist the Ministry in monitoring of APDRP and to validate the project proposals submitted by the Distribution companies. They will also facilitate in standardization of bidding /contract documents, monitoring of progress, quality assurance etc. They will also facilitate the Management Information System.
- **Project Evaluation** by Third Party introduced in the Tenth Plan will continue and will be the basis of computation of the extent of conversion of loan into grant for the specific project. A panel of Project evaluators will be finalized through a bidding process.
- **Capacity Building and development of franchisees** in Distribution Sector will be a major focus area to provide training to employees of the Distribution companies and existing & prospective franchisees in management, technical, commercial and consumer related areas, exposure to latest developments in electricity distribution, loss reduction, theft and pilferage control within India and abroad, dissemination of knowledge through Best Practice Workshops and Conferences, standardization of specifications of equipment required in electricity distribution network, standardization of contractual documents for outsourcing project management, turnkey jobs, franchising etc.
- **Consumer Attitude Survey** will be carried out to assess the impact of the measures taken in the distribution sector towards improving of services, improving the reliability and quality of power supply.

5 Funding Mechanism:

Part-A : Initially 100% funds for the approved projects shall be provided through loan from the Government of India on the terms decided by Ministry of Finance. The loan shall be converted into *grant* once the establishment of the required system is achieved and verified by an independent agency. The interest on the converted loan shall be capitalized. No conversion to grant will be made in case Part A is not completed within 3 years from the date of sanctioning of the project. The project will be deemed to be completed on the establishment of the required system duly verified by an independent agency appointed by Ministry of Power (MoP).

Part-B : Initially up-to 25% funds for the projects shall be provided through loan from the Government of India (GoI) on the terms decided by Ministry of Finance. For special category States, GoI loan would be 90% However, the project-wise requirement of Gross Budgetary Support will be decided by the Steering Committee. The balance funds shall be raised from Financial Institutions (FIs). All other conditions/methodology applicable to non-special category states shall also be applicable to the special category states. If the Distribution Utilities achieve the target of 15% AT &C loss on a sustained basis for a period of 5 years in the project area and the

project is completed within the time schedule fixed by the Steering Committee which shall in no case exceed five years from the date of project approval, up-to 50% (90% for special category states) loan against Part-B projects will be convertible into grant in equal tranches, every year for 5 years starting at the latest one year after the year in which the Part A of project area concerned is established and verified by the independent agency appointed by MoP. If the utility fails to achieve or sustain the 15% AT&C loss target in a particular year, that year's tranche of conversion of loan to grant will be reduced in proportion to the shortfall in achieving 15% Aggregate Technical & Commercial (AT&C) loss target from the starting base-line assessed figure. The interest on the converted loan from GOI and Fls will be capitalized on an annual basis. Illustration is given through a typical example at Annexure.

6. The sanction process and other formalities for execution of Part-A and Part-B components can be taken up simultaneously except that Part-B activities are likely to start 3-6 months after the start of Part-A for making arrangements of ring fencing for the project areas and verification of the starting figure of AT&C loss of the project area by independent agency appointed by MOP with three billing cycle data. This may not be necessary where ring fencing of the project area has already been done by the State Utilities except for the time required for verification of the starting figure of AT&C loss of the project area. This would help the utilities to reduce the over all project execution cycle.
7. Conversion into grant will take place yearly based on the AT&C loss figures of the project area as on 31st March duly verified by the independent agency appointed by Ministry of Power.
8. **Incentive Scheme for Utility Staff:** Scheme also envisages incentive for utility staff in towns where AT&C loss levels are brought below 15%. Each distribution company would be required to implement an incentive programme for utility employees of the specific project area. Details of the incentive scheme and the milestones/achievements that trigger incentive payments shall be agreed to in the project proposals presented by each utility. A maximum amount equivalent to 2% of the grant for Part-B project is allocated for this purpose. The utility is expected to match these funds and disburse the total amount among its employees according to a suitably devised incentive scheme. Each utility must submit a duly approved incentive scheme prior to seeking disbursements under Part-B. State Governments and distribution companies will work with the concerned regulator to ensure that a part of the financial benefits arising out of the AT&C loss reduction are also passed on to the consumers of the project area.
9. **Eligibility Criteria for assistance under re-structured APDRP:** The States/Utilities will be required to:
 - a) Constitute the State Electricity Regulatory Commission for availing assistance under re-structured APDRP.
 - b) Achieve the following target of AT&C loss reduction at utility level:
Utilities having AT&C loss above 30%: Reduction by 3% per year
Utilities having AT&C loss below 30%: Reduction by 1.5% per year
 - c) commit a time frame for introduction of measures for better accountability at all levels in the project area;
 - d) submit previous year's AT&C loss figures of identified project area as verified by an independent agency appointed by Ministry of Power (MoP) by 30th June; the independent agency would verify that:
 - i. All input points are identified and metered with downloadable meters for energy inflow accounting in scheme area.
 - ii. All outgoing feeders are to be metered in substation with downloadable meters.

- iii. Scheme area should be ring fenced i.e. export and import meters for energy accounting shall be ensured besides segregating the rural load of the scheme area by ring fencing if not on separate feeder.

The above shall provide the input energy and corresponding cash collected for calculating AT&C losses. The same shall be carried out for at least for three billing cycles and got verified by the independent agency. This loss level will be the baseline for considering conversion of loan into grant for Part B activities.

- e) devise a suitable incentive scheme for staff in the project area linked to achievements of milestones as laid down in Para 8.

10. Approval and Monitoring Mechanism: A Steering Committee under Secretary (Power) comprising of representatives of Ministry of Finance, Planning Commission, Central Electricity Authority, Power Finance Corporation, Rural Electrification Corporation, selected State Governments (on one year rotation basis) and of Ministry of Power will be constituted. The Steering Committee will-

- i. Sanction projects, including modification or revision of estimates; Monitor and review the implementation of the Scheme;
- ii. Approve the guidelines for operationalisation of various components of the scheme including payment of fees to nodal agency;
- iii. Approve and sanction activities to be taken up by the Ministry under Part C of the Scheme;
- iv. Appoint agencies for verification and validation of base-line data systems, for verifying the fulfilment of programme conditions by utilities;
- v. Approve conversion of loan into grant upon fulfilment of the necessary conditions;

11. Distribution Reforms Committee (DRC) at the State level under the Chairmanship of the Chief Secretary/Principal Secretary/Secretary Power/Energy constituted by the State will continue to monitor the Scheme at the State level. DRC will-

- a) Recommend the Project proposals of the distribution companies to the Ministry of Power after ensuring that all the required formalities have been complied with;
- b) Monitor the compliance to conditionalities;
- c) Monitor the achievement of milestones and targets under the Scheme.

12. APDRP Assistance to Private Distribution Companies: The assistance under APDRP would not be applicable for private Distribution Companies. The participation of the private utilities in APDRP would not be applicable for private distribution companies. The participation of the private utilities in APDRP will be considered after a period of two years from the issue of sanction.

13. The programme would be of the size of Rs. 51,577 Crore. Initially Rs. 50,000 crore will be provided/ arranged as loan from Govt. of India/Financial Institutions, out of which an estimated amount of Rs. 30,000 crore would be converted into grant. The total grant from Government of India is estimated as Rs. 31,577 Crore. However the actual requirement would depend on the achievements of targets by the utilities.

- a) **Rs. 50,000 Crore** for Part A and Part B of the projects.
 - **Rs. 10,000 Crore** for Part A activities
 - **Rs. 40,000 Crore** for Part B activities

- b) **Rs. 1,177 Crore** for enabling activities to be implemented by Ministry of Power (Part-C).
- **Rs. 850 Crore** for the services rendered by the nodal agency for operationalisation of the scheme; validation of Base-line data system and yearly verification of AT&C loss figures of project areas; Advisors and project management consultants to vet the project proposals, monitor implementation of the projects, MIS.
 - **Rs. 200 Crore** for capacity building and franchisee development, exposure to latest developments in electricity distribution within India and abroad
 - **Rs. 50 Crore** for few pilots for adopting new innovations
 - **Rs. 77 Crore** for miscellaneous activities such as 'Best Practices' workshops and conferences; Consumer Attitude survey; Project Specific Evaluation; Standardisation of specifications of equipments and contractual documents.
- c) **Rs. 400 Crore** for incentive to Utility Staff of the project areas for establishment of base line data and for achieving targeted reduction in AT&C loss.
14. The utilization certificate along with the unspent balance may be submitted along with the proposal of the release of funds.
15. The expenditure involved on the above scheme would be debit to the following Heads under Grant No. 74- Ministry of Power for the year 2008-09 and corresponding Head of account for the subsequent years:-
- (i) For the grant portion the amount will be debit to following Head:-

2801 Power (Major Head)
80-General
80.800-Other expenditure
26-Accelerated Power Development and Reforms Programme
26.00.31-Grant-in-Aid

- (ii) For the loan portion of the scheme the amount will be debit to following Head:-

6801-Loans for power projects (Major Head)
00.190-Loans to Public sector and other Undertakings (Minor Head)
04-Loans to Power Finance Corporation

16. This issues with the concurrence of Finance Branch of the Ministry of Power vide their Dy. No. JS&FA/1967 dated 18.09.2008.

(Kapil Mohan)
Director (Distribution)

To

1. Chief Secretaries of all States
2. Energy/Power Secretaries of all the State Governments
3. Chairmen of State Electricity Boards/CMDs of State Power Utilities
4. Chairman & Managing Director, Power Finance Corporation Ltd., New Delhi.

Copy forwarded to:

1. Cabinet Secretariat (Shri K.L. Sharma, Director), Rashtrapati Bhavan, New Delhi.
2. Ministry of Finance, Department of Expenditure (Plan Finance Division-II), North Block, New Delhi.
3. Ministry of Finance, Department of Economic Affairs, North Block, New Delhi
4. Planning Commission, Yojana Bhavan, New Delhi
5. Chairperson, Central Electricity Authority, R.K. Puram, New Delhi
6. Finance/Budget Section, Ministry of Power, New Delhi
7. Controller of Accounts, Ministry of Power, New Delhi
8. Principal Director of Audit, Economic & Services Ministries, AGCR Building, I.P. Estate, New Delhi
9. C&MD, Rural Electrification Corporation, New Delhi
10. 12th Finance Commission, Ministry of Finance, Jawahar Vyapar Bhavan, New Delhi
11. Department of Programme Implementation, Sardar Patel Bhavan, New Delhi

Copy to:

PS to Minister of Power/PS to Minister of State for Power

PPS to Secretary (Power)

PPS to Joint Secretary (Dist)/PS to JS&FA

Typical Example

Take the example of a distribution utility from a non-special category State whose starting AT&C loss figure is 60% in the year 2008-09, the year in which the base-line data system (Part A) is established and verified by the independent agency appointed by MoP. If this distribution utility achieves and sustains the 15% AT&C loss level for a period of 5 years after the grace period of one year i.e. 2009-10, one fifth of the 50% loan shall be converted into grant each year from the year 2010-11 onwards. However, if this distribution utility could only achieve AT&C loss figures of 30%, 40%, 30%, 15% and 20% in 1st, 2nd, 3rd, 4th and 5th year respectively of the period in question, the year wise loan conversion into grant shall be as follows:

- | | |
|-----------------------|--|
| <u>2010-11</u> | 1st year. $(60-30)/(60-15)$ i.e. 2/3 of Annual tranche (1/5 of 50% loan i.e. 10% of project cost) shall be converted into grant. |
| <u>2011-12</u> | 2nd year. $(60-40)/(60-15)$ i.e. 4/9 of Annual tranche (1/5 of 50% loan i.e. 10% of project cost) shall be converted into grant. |
| <u>2012-13</u> | 3rd year. $(60-30)/(60-15)$ i.e. 2/3 of Annual tranche (1/5 of 50% loan i.e. 10% of project cost) shall be converted into grant. |
| <u>2013-14</u> | 4th year. $(60-15)/(60-15)$ i.e. full Annual tranche (1/5 of 50% loan i.e. 10% of project cost) shall be converted into grant. |
| <u>2014-15</u> | 5th year. $(60-20)/(60-15)$ i.e. 8/9 of Annual tranche (1/5 of 50% loan i.e. 10% of project cost) shall be converted into grant. |

Shram Shakti Bhavan, Rafi Marg,
New Delhi, Dated: December 22nd, 2008

OFFICE MEMORANDUM

Subject: Guidelines for the Re-structured Accelerated Power Development and Reforms Programme (APDRP) during XI Plan

The Government has approved as a **Central Sector scheme**, the continuation of the Accelerated Power Development and Reforms Programme (APDRP) during the XI Five Year Plan with revised terms and conditions.

2.0 Scope of the Programme

- 2.1 The focus of the programme shall be the actual, demonstrable performance in terms of sustained loss reduction, establishment of reliable and automated systems for sustained collection of accurate base line data, and the adoption of Information Technology in the areas of energy accounting shall be necessary pre-conditions before sanctioning any regular distribution strengthening project. The pre-conditions will enable objective evaluation of the performance of utilities before and after implementation of the programme, and will enforce internal accountability leading to better performance.
- 2.2 The project area coverage will be urban areas – towns and cities with a population of more than 30,000. The population limit will be 10,000 in the case of Special Category States: All North East States, Sikkim, Uttarakhand, Himachal Pradesh and J&K. In addition, in certain high-load density rural areas with significant loads, works of separation of agricultural feeders from domestic and industrial ones, and of High Voltage Distribution System (11kv) will also be taken up.
- 2.3 Towns and areas for which projects had been sanctioned in the X Plan APDRP shall be eligible for consideration under the XI Plan either after completion or short closure of the earlier sanctioned projects.
- 2.4 Projects under the present scheme shall be taken up in **Two Parts**. Part-A shall include the projects for establishment of baseline data and IT applications for energy accounting/auditing and IT based consumer service centers. Part-B shall include regular distribution strengthening projects. The activities to be covered under each part are as follows:

Part – A: Preparation of Base-line data for the project area covering Consumer Indexing, GIS Mapping, Metering of Distribution Transformers and Feeders, and Automatic Data Logging for all Distribution Transformers and Feeders and SCADA / DMS system (only in project areas having a population over 4 lacs and annual input energy of 350 MU). It would include Asset Mapping of the entire distribution network at and below the level of 11Kv transformers and shall include the Distribution Transformers and Feeders, Low Tension lines, poles and other distribution network equipment. It will also include adoption of IT applications for meter reading, billing & collection; energy accounting and auditing; MIS; redressal of consumer grievances; estab-

ishment of IT enabled consumer service centers etc. The base line data and required system shall be verified by an independent agency appointed by the Ministry of Power.

Part – B: Renovation, modernization and strengthening of 11 kV level Substations, Transformers/Transformer Centers, Re-conductoring of lines at 11kv level and below, Load Bifurcation, Feeder Separation, Load Balancing, HVDS (11kv), Aerial Bunched Conductoring in dense areas, replacement of electromagnetic energy meters with tamper proof electronic meters, installation of capacitor banks and mobile service centers etc. In exceptional cases, where the sub-transmission system is weak, strengthening at 33 kV or 66 kV levels may also be considered.

3.0 Nodal Agency

The Power Finance Corporation (PFC) would be the ‘Nodal Agency’ for the operationalisation and implementation of the APDRP programme, under the overall guidance of the Ministry of Power (MoP). PFC will act as a single window service under APDRP and will coordinate with the main stakeholders involved such as MoP, APDRP Steering Committee, Central Electricity Authority (CEA), Financial Institutions, utilities and various Consultants. PFC would be expected to take the initiative for speedy and timely completion of projects and thus assist the Utilities in achieving loss reduction targets and other parameters of the scheme.

4.0 The modalities of formulating/ implementing projects under the programme are as under:

- a) **Project Formulation:** The Utilities shall prepare Detailed Project Reports (DPRs) in two Parts (i.e. Part-A & Part-B) for each of the project areas and while forwarding the DPRs to the Nodal Agency indicate the order of priority of the projects. Utilities may appoint IT Consultants through bidding from an open bidding process from the panel of IT Consultants prepared by the Nodal Agency for preparing DPRs of Part-A projects. IT consultants shall be empanelled by the Nodal Agency / MoP after observing codal formalities. Utilities may also prepare DPRs for Part-A on their own in case they feel that they have the skill and expertise to do so. Hiring charges of the IT Consultant may be included in the project cost of Part-A only if an IT Consultant is appointed from the panel prepared by the Nodal Agency and same is appointed through competitive bidding. DPRs for Part-A shall be submitted by utilities along with an undertaking indicating that the DPR is duly vetted either by the IT Consultant so appointed or else by the utility itself. These DPRs shall be submitted to PFC, the Nodal Agency. These DPRs will be validated and appraised techno-commercially by PFC and will then be submitted to the APDRP Steering Committee for approval. Further guidelines as required for formulation of projects would be issued by Ministry of Power from time to time.
- b) **Implementation:** SEBs / State Utilities shall implement projects sanctioned under this programme on a turnkey basis by appointing the **IT implementing agency** through a bidding process only from the Panel of **IT Implementing Agencies** notified by the Nodal Agency to ensure quality and expeditious implementation. IT implementing agencies shall be empanelled by the Nodal Agency/ MoP after observing codal formalities. Further guidelines as required for implementation of projects would be issued by Ministry of Power from time to time.
- c) **Quadripartite Agreement:** A Quadripartite Agreement will be entered into between SEBs / Utilities, GoI, PFC and the State Government to implement the re-structured APDRP. Signing of Quadripartite Agreement is a prerequisite for release of funds under the re-structured APDRP. The Ministry of Power / PFC will monitor implementation of the precedent conditions agreed to in

the Quadripartite Agreement before releasing funds. If considered necessary, Ministry of Power may impose such conditionalities as it deems fit for the implementation of re-structured APDRP from time to time.

5.0 Project Funding Mechanism

- 5.1 **Part-A:** Initially 100% funds for the approved projects shall be provided in the form of a loan from the Government of India on such terms as decided by the Ministry of Finance. The applicable rate of interest and other Terms and Conditions will be as notified by GoI from time to time. The loan along with interest thereon shall be converted into a grant once the establishment of the required system is achieved and verified by an independent agency appointed by the Ministry of Power (MoP) through the Nodal Agency. No conversion to grant will be made in case projects are not completed within 3 years from the date of sanctioning of the project. In such cases the concerned utility will have to bear the full loan and interest repayment. The project will be deemed to be completed on the establishment of the required system duly verified by an independent agency appointed by the Ministry of Power (MoP) through the Nodal Agency.
- 5.2 **Part-B:** Initially upto 25% funds for the projects shall be provided as a loan from the Government of India on such terms decided by the Ministry of Finance. The applicable rate of interest and other Terms and Conditions will be as notified by GoI from time to time. The balance funds for Part B projects shall be raised from Financial Institutions (FIs), namely PFC/REC / multi-lateral institutions and/ or own resources. The loan from the FIs will be governed by the respective terms of the FIs. For Special Category States (all North-Eastern States, Sikkim, Uttarakhand, Himachal Pradesh and Jammu & Kashmir), GOI loan for Part B projects will be upto 90%. All other conditions / methodology applicable to non-special category states shall also be applicable to the special category states. The project-wise requirement of Gross Budgetary Support (GBS) will be decided by the Steering Committee. If the Distribution Utilities achieve the target of 15% AT&C loss on a sustained basis for a period of 5 years in the project area and the project is completed within the time schedule fixed by the Steering Committee, which shall in no case exceed five years from the date of project approval, upto 50% (90% for Special Category States) loan against Part-B projects will be convertible into a grant in equal tranches, every year for 5 years starting one year after the year in which the base-line data system (Part A) of project area concerned is established and verified by the independent agency appointed by MoP through the Nodal Agency. If the utility fails to achieve or sustain the 15% AT&C loss target in a particular year, that year's tranche of conversion of loan to grant will be reduced in proportion to the shortfall in achieving 15% Aggregate Technical & Commercial (AT&C) loss target from the starting base-line assessed figure. The loan from GOI shall be the first converted into grant. Loans from FIs shall be converted into grant only after the conversion of full GOI loan into grant. Whenever the loan from GoI / FIs will be converted into grant, interest and other charges paid on the converted amount will also be treated as grant and reimbursed to the Utility. For the loan and interest which could not be converted into grant on account of not meeting the conditions of conversion, the utility / state will have to bear the balance burden of loan and interest repayment. Illustration is given through a typical example at **Annex**.
- 5.3 The sanction process and other formalities for execution of Part-A and Part-B projects can be taken up simultaneously except Part-B activities are likely to start 3-6 months after the start of Part-A for making arrangements of ring fencing of the project area and verification of the starting figure of AT&C loss of the project area by an independent agency appointed by the MoP through

the Nodal Agency with three billing cycle data. This may not be necessary where ring fencing of the project area has already been done by the State Utilities except for the time required for verification of the starting figure of AT&C loss of the project area. This would help the utilities to reduce the over all project execution cycle.

5.4 The following table clarifies the funding modalities.

Category of States	% of Project Cost as loan through GBS from GOI	% of Project Cost as loan from PFC/REC/ Own/ Other Sources	Remarks
Part-A Projects			
All States	100	-	Entire loan shall be converted into grant on completion of project duly verified by Independent Agency appointed by MoP / Nodal Agency
Part-B Projects			
Non-special Category States	Upto 25	Upto 75	Upto 50% (90% for special category states) loan shall be converted into grant in five annual tranches on achieving 15% AT&C loss in the project area. Illustration of loan conversion through Typical example is indicated at Annex .
Special Category Special	Upto 90	Upto 10	

6.0 Release/ Disbursement of funds

The release / disbursement of funds and detailed terms and condition governing conversion of loan into grant shall be notified separately.

7.0 Third party evaluation

7.1 Ministry of Power shall appoint Third Party Independent Agencies through the Nodal Agency. The Third Party Independent Evaluating Agencies (TPIEAs) shall be appointed for following verification:

- (a) **Base (starting) figure of AT&C loss of the project area:** The state power utility / distribution Company shall ring fence each identified project area at the beginning of the programme. Three billing cycle data of energy inflow and outflow and corresponding revenue collected for the project area shall be furnished to the Independent Agency for verifying the base (starting) figure of AT&C loss of the project area. Part B projects will be taken up after verification of initial AT&C loss by Ministry of Power (MoP) through nodal agency.
- (b) The establishment of Base line Data System (i.e. completion of Part-A projects).
- (c) Yearly AT&C loss figures of project areas and State Power Utilities / Distribution Companies.

8.0 Incentive Scheme for Utility Staff

- 8.1 The scheme also envisages the provision of incentives for the utility staff in towns where AT&C loss levels are brought below 15%. Each distribution company shall be required to implement an incentive programme for utility employees of the specific project area. Details of the incentive scheme and the milestones/achievements that trigger incentive payments shall be agreed to in the project proposals presented by each utility. A maximum amount equivalent to 2% of the annual grant converted for Part-B project will be allocated for this purpose additionally. The utility is expected to match these funds and disburse the total amount among its employees according to a suitably devised incentive scheme. A model scheme will be formulated by the Ministry of Power, on basis of which each utility must submit a duly approved incentive scheme for approval of the Steering Committee in the MoP prior to seeking disbursements under Part-B.
- 8.2 State governments and distribution companies will work with the concerned regulator to ensure that a part of the financial benefits arising out of the AT&C loss reduction are also passed on to the consumers of the project area.

9.0 Eligibility Criteria for APDRP assistance

9.1 The States / Utilities will be required to:

- a) Constitute the State Electricity Regulatory Commission.
- b) Achieve the following target of AT&C loss reduction at the entire utility level every year starting one year after the year in which first project of Part-A is completed :

Utilities having AT&C loss above 30%: Reduction by 3% per year

Utilities having AT&C loss below 30%: Reduction by 1.5% per year

- c) commit a time frame for introduction of measures for better accountability at all levels in the project area;
- d) submit previous year's (as of 31st March) AT&C loss figures of identified project area as verified by an independent agency appointed by Ministry of Power (MoP) / Nodal Agency by 30th June annually;
- e) the TPIEA would initially verify the input energy and corresponding cash collected for calculating AT&C losses. The same shall be carried out at least for three billing cycles and got verified by the independent agency. This initial loss level will be the **Baseline** for considering conversion of loan into grant for Part B projects. The following are prerequisite to compute initial loss level and start Part-B schemes:
 - i. All input points are identified and metered with downloadable meters for energy inflow accounting in scheme area.
 - ii. All outgoing feeders are to be metered in substation with downloadable meters.
 - iii. Scheme area should be ring fenced i.e. export and import meters for energy accounting shall be ensured.
 - iv. Arrangement for measuring total energy flow in the rural load portion of the project area by ring fencing, if the rural load feeder is not segregated.
- f) devise a suitable incentive scheme for staff linking to achievements of 15% AT&C loss in the project area.

10.0 Approval and Monitoring Mechanism

10.1 A Steering Committee under Secretary (Power) comprising of representatives of Ministry of Finance, Planning Commission, Central Electricity Authority, Power Finance Corporation, Rural Electrification Corporation, selected State Governments (on one year rotation basis) and of Ministry of Power will be continued as earlier. The Steering Committee will meet on 1st Monday of every month or Tuesday (if Monday is a holiday) for first six months of its constitution and later as and when required. The Steering Committee will –

- (a) Sanction projects, including modification or revision of estimates; Monitor and review the implementation of the Scheme;
- (b) Approve panel of IT Consultant and IT Implementation Agencies
- (c) Approve the guidelines for operationalisation of various components of the scheme including mechanism for payment of fees to nodal agency;
- (d) Approve TPIE Agencies for verification and validation of base-line data systems, for verifying the fulfilment of programme conditions by utilities;
- (e) Approve conversion of loan into grant upon fulfilment of the necessary conditions;

10.2 **Distribution Reforms Committee (DRC) at the State level** under the Chairmanship of the Chief Secretary/Principal Secretary/Secretary Power/Energy constituted by the State will continue to monitor the Scheme at the State level. These DRCs have been setup under the Memorandum of Agreement signed by the States for implementation of the X plan APDRP. DRC will –

- (a) Recommend the project proposals of the distribution companies to the Ministry of Power after ensuring that all the required formalities have been complied with;
- (b) Monitor the compliance to conditionalities;
- (c) Monitor the achievement of milestones and targets under the Scheme.

11.0 APDRP Assistance to Private Distribution Companies

The assistance under APDRP would not be applicable for private distribution companies. The participation of the private utilities in APDRP will be considered after a period of two years from 31.07.2008.

12.0 Implementation of the re-structured APDRP shall be through web interface. The design, hoisting and maintenance during the full implementation cycle of the scheme of the web portal shall be the responsibility of the Nodal Agency.

13.0 General terms and conditions for utilization of funds

- (a) The funds under the programme will be provided to the State Power Utility/ Distribution Company through PFC, the nodal agency. Budget provision for the funds shall be made annually.
- (b) State Power Utility / Distribution Company receiving APDRP assistance will have to open a separate account/ sub-account head immediately, for separate accounting classification, both on the receipt and expenditure side for enabling proper audit certification including escrow account in the bank.
- (c) The reduction of T&D losses as part of overall AT&C losses would also enable the Utilities to claim carbon credits for avoiding power generation (reducing CO₂ emission) under CDM mechanism subject to necessary approvals. The state utilities will be encouraged to take

advantage of CDM benefits for reducing the cost of the scheme and making it financially viable. A cell for facilitating the same shall be created in the Nodal Agency.

- d) The loan under the programme through GBS from GOI shall be subject to the Terms and Conditions laid down by the Ministry of Finance/ GoI at the time of release.
 - e) Funds provided to the State Power Utility / Distribution Company under APDRP cannot be diverted to any other scheme or used for any other purpose.
 - f) The State Governments/ State Power Utilities would be required to submit to PFC/MoP monthly progress report in respect of progress of execution of project, fund utilization, etc.
14. These guidelines are issued with the approval of Steering Committee accorded in its meeting held on 18.12.2008.

(KAPIL MOHAN)

Director (Distribution)

To

Energy/Power Secretaries of all the State Governments

Chairmen of State Electricity Boards/ CMDs of State Power Utilities

Copy forwarded to:

1. Cabinet Secretariat (Shri K.L.Sharma, Director), Rashtrapati Bhavan, New Delhi.
2. Ministry of Finance, Department of Expenditure (Plan Finance Division-II), North Block, New Delhi.
3. Ministry of Finance, Department of Economic Affairs, North Block, New Delhi.
4. Planning Commission, Yojana Bhavan, New Delhi.
5. Chairperson, Central Electricity Authority, R.K. Puram, New Delhi.
6. Finance/Budget Section, Ministry of Power, New Delhi.
7. Controller of Accounts, Ministry of Power, New Delhi.
8. Principal Director of Audit, Economic & Services Ministries, AGCR Building, I.P. Estate, New Delhi.
9. C&MD, Power Finance Corporation, New Delhi.
10. C&MD, Rural Electrification Corporation, New Delhi.
11. 12th Finance Commission, Ministry of Finance, Jawahar Vyapar Bhavan, New Delhi.
12. Department of Programme Implementation, Sardar Patel Bhavan, New Delhi.

Copy to:

PS to Minister of Power/ PS to Minister of State for Power

PS to Secretary (Power) / Sr PPS to AS(AK) / PPS to AS(GBP)

PS to Joint Secretary (Dist)/ PS to JS&FA

Typical Example

Take the example of a distribution utility from a non-special category State where starting AT&C loss figure of a particular ring fenced project area is 60% at the start of the programme duly verified by the MoP appointed independent agency with the three billing data of energy inflow & outflow and corresponding revenue collection. If the Part A is established and verified by the independent agency appointed by MoP in the year 2009-10 and distribution utility achieves and sustains the 15% AT&C loss level in the project area for a period of 5 years after the period of one year i.e. 2009-10, one fifth of the 50% loan shall be converted into grant each year after the year 2010-11 onwards. However, if this distribution utility could only achieve AT&C loss figures of 30%, 40%, 30%, 15% and 20% in 1st, 2nd, 3rd, 4th and 5th year respectively of the period in question, the year wise loan conversion into grant shall be as follows:

- 2010-11** **1st year:** $(60-30)/(60-15)$ i.e. 2/3 of Annual tranche (1/5 of 50% loan i.e. 10% of project cost) shall be converted into grant.
- 2011-12** **2nd year:** $(60-40)/(60-15)$ i.e. 4/9 of Annual tranche (1/5 of 50% loan i.e. 10% of project cost) shall be converted into grant.
- 2012-13** **3rd year:** $(60-30)/(60-15)$ i.e. 2/3 of Annual tranche (1/5 of 50% loan i.e. 10% of project cost) shall be converted into grant.
- 2013-14** **4th year:** $(60-15)/(60-15)$ i.e. full Annual tranche (1/5 of 50% loan i.e. 10% of project cost) shall be converted into grant.
- 2014-15** **5th year:** $(60-20)/(60-15)$ i.e. 8/9 of Annual tranche (1/5 of 50% loan i.e. 10% of project cost) shall be converted into grant.

Chapter 18

**Tariff based Competitive-
bidding Guidelines for
Transmission Service**

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TARIFF BASED COMPETITIVE-BIDDING GUIDELINES FOR TRANSMISSION SERVICE

1. Preamble

Promotion of competition in the electricity industry in India is one of the key objectives of the Electricity Act, 2003 (the Act). Development of a transmission system is essential both for encouraging competition and for creating electricity markets. These guidelines are aimed at facilitating competition in this sector through wider participation in providing transmission services and tariff determination through a process of tariff based bidding.

Section 61 & 62 of the Act provide for tariff regulation and determination of tariff of generation, transmission, wheeling and retail sale of electricity by the Appropriate Commission. Section 63 of the Act states that –

“Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.”

Tariff based Competitive Bidding Guidelines for Transmission Service and Guidelines for encouraging competition in Development of Transmission Projects have been framed under the above provisions of section 63 of the Act. The specific objectives of these guidelines are as follows:

- Promote competitive procurement of transmission services.
- Encourage private investment in transmission lines.
- Facilitate transparency and fairness in procurement processes;
- Facilitate reduction of information asymmetries for various bidders;
- Protect consumer interests by facilitating competitive conditions in procurement of transmission services of electricity;
- Enhance standardization and reduce ambiguity and hence time for materialization of projects;
- Ensure compliance with standards, norms and codes for transmission lines while allowing flexibility in operation to the transmission service providers.

2. Scope of the Guidelines

- 2.1. These guidelines are being issued under the provisions of Section 63 of the Electricity Act, 2003 for procurement of transmission services for transmission of electricity.
- 2.2. The guidelines shall apply for procurement of transmission services for transmission of electricity through tariff based competitive bidding, through the mechanisms described in this notification and to select transmission service provider for a new transmission line and to build, own, maintain and operate the specified transmission system elements.
- 2.3. “Transmission line” has been defined in para 2(72) of the Electricity Act 2003 as all high pressure cables and overhead lines(not being an essential part of the distribution system of a licensee) transmitting electricity from a generating station to another generating station or a substation, together with any step up and step down transformers, switch gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switch gear and other works.
- 2.4. Procurement of transmission services would include all activities related to survey, detailed project report formulation, arranging finance, project management, obtaining transmission license,

- obtaining right of way, necessary clearances, site identification, land compensation, design, engineering, equipment, material, construction, erection, testing and commissioning, maintenance and operation of transmission lines and/or substations and/or switching stations and/or HVDC links including terminal stations and HVDC transmission line. It will be in such a manner that the required transmission services as specified in the bid document are provided by execution of the project up to completion and commissioning and its subsequent maintenance and operation so that the facilities are available as per the target availability for recovery of full transmission charges fixed by the appropriate commission. For availability of transmission line below the target, subject to para 2.5 below, transmission tariff payable to the TSP will be in accordance with the appropriate regulation of the appropriate commission.
- 2.5. If the availability of the transmission line is below the norms prescribed by the CERC for six consecutive months the procurer of transmission service or the billing and accounting agency or the operator of the transmission system may seek revocation of transmission license as per the procedure laid down under the Electricity Act 2003 and in accordance with rule 5 of Electricity rules 2005.
- 3. Bid Process Coordinator (BPC)**
- 3.1. A Bid Process Coordinator, hereinafter referred to as BPC, would be responsible for coordinating the bid process for procurement of required transmission services for each inter-state Transmission Project to be implemented under tariff-based competitive bidding in accordance with these guidelines.
- 3.2. For procurement of transmission services, required for any inter-state Transmission Project, the Central Government shall notify any Central Government Organization/ Central Public Sector Undertaking or its wholly owned subsidiary (Special Purpose Vehicle) to be the BPC. It will be open for Ministry of Power to review the nomination of BPC at any time. For immediate implementation of these guidelines the Empowered Committee constituted as per the provisions of the “Guidelines for encouraging competition in development of Transmission Projects” will be the BPC till any other organization is nominated as BPC by the Ministry of Power.
- 3.3. For procurement of transmission services required for intra-state transmission, the appropriate State Government may notify any Organization/ State Public Sector Undertaking especially engaged for this purpose by the appropriate state government or BPC notified by the Central Government to be the BPC for the state.
- 3.4. All the expenditure incurred by the BPC in the process of selection of the investor in accordance with the provisions of these guidelines shall be recovered from the developer who is finally identified and assigned the task of developing that project. The amount to be recovered shall be indicated in the RFP document so that bidders can take that amount into consideration in the tariff to be quoted by them.

4. Preparation for inviting bids

- 4.1. The BPC shall prepare the bid documentation in accordance with these guidelines and obtain approval of the Appropriate Commission. Alternatively, the BPC can use the standard bidding documents notified by Ministry of Power. Standard Bid Documents in accordance with these guidelines will be notified by Ministry of Power within three months of the notification of these guidelines. Approval of the Appropriate Commission would be necessary if any material deviation is proposed to be made from the Standard Bid Documents.
- 4.2. Intimation shall be sent by the BPC to the Appropriate Commission about initiation of the bidding process.
- 4.3. For location specific substations, switching stations or HVDC terminal or inverter stations the

BPC or its authorized representative should initiate the process of acquisition of land. The BPC or its authorized representative will also initiate the process of seeking forest clearance, if required.

5. Transmission Service Provider (TSP)

- 5.1. The successful bidder shall be designated as the Transmission Service Provider (TSP), hereinafter referred to as the TSP, after executing the TSA and acquiring the SPV. The TSP shall seek transmission license from the appropriate Regulatory Commission, if it is not a deemed licensee. The TSA shall be effective from the date of grant of license from the appropriate Regulatory Commission.
- 5.2. The TSP would take-up execution of the Transmission Project so as to complete commission and operationalise the transmission line as per the specified schedule in the TSA.

6. Recovery of Transmission Charges

- 6.1. Total charges for transmission of electricity by use of the transmission services provided by the TSP(s) selected through the bidding process as per these guidelines, payable to the TSP, shall be determined as specified in paras 7.1, 7.2, 7.3, 7.4 and 7.5 of these guidelines.
- 6.2. Recovery of transmission charges from the users of the transmission services such as State supply utilities, distribution companies, generation companies, traders, bulk consumers, etc., shall be done as provided in these guidelines.

7. Transmission Charge Structure

- 7.1. For procurement of transmission services under these guidelines, transmission charges shall be paid and settled for each payment period (not exceeding one month). A transmission charge for providing transmission service and operation and maintenance required for the various transmission elements shall form the basis for bidding and evaluation. Tariff structure will have two components – one scaleable and the other non-scaleable. The scaleable component shall not be more than 15% of the non-scaleable component.
- 7.2. The BPC shall specify scheduled month of commercial operationalisation for the transmission line required for the transmission service and invite bids for the transmission charge.
- 7.3. At the bid evaluation stage, ratio of minimum and maximum transmission charge (including both the non-scaleable component and the scaleable component incorporating escalation as per index being used for the purpose of evaluation) over the term of the license shall not be less than 0.7 to avoid excessive front loading or back loading during the period of contract.
- 7.4. The bidders shall quote annual tariff payable after commissioning till expiry of license period and the monthly tariff payable shall be annual tariff divided by 12.
- 7.5. Tariff shall be designated in Indian Rupees only. Foreign exchange risks, if any, shall be borne by the provider of transmission service.
- 7.6. The bidder who has quoted the lowest levelised tariff as per evaluation procedure, shall be considered for the award. The Evaluation Committee shall have the right to reject all price bids if the rates quoted are not aligned to the prevailing prices.

8. Payment Security Mechanism

- 8.1. Adequate payment security shall be made available to the TSP by the user of transmission services being provided by the TSP. The payment security may constitute:
 - (i) Letter of Credit (LC)
 - (ii) Letter of Credit (LC) backed by credible escrow mechanism.

9. Bidding Process

- 9.1. For the procurement of transmission services under these guidelines, BPC may at its option either adopt a two-stage process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) or adopt a single stage two envelope tender process combining the RFP and RFQ processes. The bid documents shall be prepared in accordance with para 4.1 of these guidelines.

- 9.2. RFQ or combined RFQ and RFP notice should be published in at least two national newspapers, website of the BPC and the appropriate Government and preferably in trade magazines also, so as to accord it wide publicity. The bidding shall necessarily be by way of International Competitive Bidding (ICB). For the purpose of issue of RFQ minimum conditions to be met by the bidder shall be specified in the RFQ notice.
- 9.3. BPC shall provide only written interpretation of the tender document to any bidder / participant and the same shall be made available to all other bidders. All parties shall rely solely on written communication and acceptances from the bidders.
- 9.4. Standard documentation to be provided in the RFQ shall include,
- 9.4.1 Definition of requirements, including:
- Brief description of the Project ;
 - Commissioning milestones to be achieved by the bidders;
 - Qualification requirements to be met by bidders including, minimum net-worth, internal resource generation, etc with necessary proof of the same, as outlined in the bid documents;
- 9.4.2. The conditions as specified by the Appropriate Commission to be complied with by a person for being eligible to obtain a transmission licence shall be necessary conditions for RFQ and will be incorporated in the RFQ by BPC.
- 9.5. RFP shall be issued to all bidders who have qualified at the RFQ stage. BPC may call a pre bid conference with all the developers who have sought documents for RFP stage. In case the bidders seek any deviations and BPC finds those deviations are reasonable, the BPC may agree to such deviations. The clarification/revised-bidding document shall be given to all who had sought the RFP document informing about the deviations and clarifications. Wherever revised bidding documents are issued, the BPC shall provide bidders at least two months after issue of such documents for submission of bids.
- 9.6. Standard documentation to be provided by the BPC in the RFP shall include,
- 9.6.1. Specified target dates/months for commissioning and commercial operations and start of providing the transmission services.
- 9.6.2. Proposed Transmission Service Agreement(TSA)
- The TSP will enter into a Transmission Service Agreement (TSA) with the concerned utilities. These may include the utilities falling in the region where the load is located, any intervening region and the interregional transmission lines between the regions.
- The bid document for the concerned project shall provide a draft of proposed TSA.
- 9.6.3. Required Period of validity of offer of bidder;
- 9.6.4. TSA proposed to be entered with the selected bidder. The TSA proposed in the RFP stage may be amended based on the inputs received from bidders during the pre bid conference and it will be made available to all RFP bidders. No further amendments shall be carried out in the TSA;
- 9.6.5. Bid evaluation methodology to be adopted by the BPC. The bids shall be evaluated based on annual transmission charges for all components covered under the package as quoted by the bidder.
- 9.6.6. The RFP shall also specify the Discount Factor (DF) that would be used for evaluation of bids.
- 9.6.7. The RFP will also specify the bid bond as well as the Contract Performance Guarantee that the bidders will have to furnish.

- 9.6.8. The proposed indemnification agreement between the TSP and the utilities will also be provided along with the RFP. This indemnification will be applicable to both the TSP and the utilities from the zero date as specified in the RFP.
- 9.6.9. The RFP shall also specify the liquidated damages that would apply in event of delay in start of providing the transmission services.
- 9.6.10. Other technical, operational and safety criteria to be met by bidder/TSP, including the provisions of the technical standard specified by CEA, IEGC/State Grid Code, relevant orders of the Appropriate Commission, etc., as applicable.
- 9.7. **Bid submission and evaluation**
To ensure competitiveness, the minimum number of qualified bidders will be two.
- 9.8. **Bid evaluation committee:** The Empowered Committee shall constitute a committee for evaluation of the bids with at least one representative from CEA and not less than two representatives from the concerned Regional Power Committees with at least one representative from every concerned RPC and one independent member. The independent member shall have expertise in financial matter/bid evaluation.
- 9.9. The bids shall be opened in public and representatives of bidders shall be allowed to remain present.
- 9.10. The technical bids shall be examined to ensure that the bids submitted meet minimum eligibility criteria set out in the bid documents on all technical evaluation parameters. Only the bids that meet all elements of the minimum technical criteria set out in the bid documents shall be considered for further evaluation on the transmission charges bids.
- 9.11. The transmission charge bid shall be rejected if it contains any deviation from the bid documents for submission of the same.
- 9.12. The bidder who has quoted lowest levelised transmission charge as per evaluation procedure shall be considered for the award.

10. Arbitration

- 10.1. In case of any dispute regarding TSA or tariff, the same will be subject to jurisdiction of the appropriate Regulatory Commission under the provisions of the Electricity Act 2003.

11. Time Table for Bid Process

- 11.1. A suggested time-table for the bid process is indicated below. The BPC may give extended time-frame indicated herein and such alterations shall not be construed to be deviation from these guidelines.

Event	Elapsed Time from Zero date
Publication of RFQ	Zero date
Submission of Responses of RFQ	45 days
Short listing based on responses and issuance of RFP	75 days
Bid clarification, conferences, Final clarification and revision of RFP	90 days
Technical and price bid submission	180 days
Short listing of bidder and issue of LOI	210 days
Signing of Agreements	240 days

- 11.2. A suggested time-table for the Single stage two envelope bid process is indicated below. The procurer may give extended time-frame indicated herein based on the prevailing circumstances and such alterations shall not be construed to be deviation from these guidelines.

Event	Elapsed Time from Zero date
Publication of RFP	Zero date
Bid clarification, conferences etc. & revision of RFP	60 days
Technical and price bid submission	120 days
Short-listing of bidder and issue of LOI	150 days
Signing of Agreements	180 days

12. Contract award and conclusion

- 12.1. After selection and issue of LOI from the BPC, the selected bidder shall acquire the SPV created for the Project to become TSP and sign the TSA, if not already signed by the SPV, in accordance with the terms and conditions as finalized in the bid document. The TSA will be effective only upon grant of transmission license from the Appropriate Commission.
- 12.2. The TSP shall make an application for grant of transmission license to the Appropriate Commission within one month of issuance of LOI or signing of TSA, whichever is later.
- 12.3. The BPC shall make the final result of evaluation of all bids public.
- 12.4. The final TSA along with the **certification by the Bid Evaluation Committee** shall be forwarded to the Appropriate Commission for adoption of tariffs in terms of Section 63 of the Act.

Chapter 19

**Guidelines for Encouraging
Competition in
Development of
Transmission System**

GUIDELINES FOR ENCOURAGING COMPETITION IN DEVELOPMENT OF TRANSMISSION PROJECTS

1. The Electricity Act, 2003 envisages competition in transmission and has provisions for grant of transmission licenses by the Central Electricity Regulatory Commission (CERC) as well as State Electricity Regulatory Commissions (SERCs).
2. The National Electricity Policy notified on 12th February, 2005 inter-alia states that –
 - “5.3.1 The Transmission System requires adequate and timely investments and also efficient and coordinated action to develop a robust and integrated power system for the country.
 - 5.3.2 Keeping in view the massive increase planned in generation and also for development of power market, there is need for adequately augmenting transmission capacity.....
 - 5.3.10 Special mechanisms would be created to encourage private investment in transmission sector so that sufficient investments are made for achieving the objective of demand to be fully met by 2012.
 - 5.8.1 Considering the magnitude of the expansion of the sector required, a sizeable part of the investments will also need to be brought in from the private sector. The Act creates a conducive environment for investments in all segments of the industry, both for public sector and private sector, by removing barrier to entry in different segments. Section 63 of the Act provides for participation of suppliers on competitive basis in different segments which will further encourage private sector investment.”
3. In order to facilitate the smooth and rapid development of transmission capacity in the country as envisaged in the National Electricity Policy, some transmission projects will be identified for tariff based competitive bidding, in which Private Investors and Transmission Utilities, both Central and State, can participate.
4. These guidelines will be reviewed from time to time with the ultimate aim of developing all transmission projects in an efficient and economical manner.

PERSPECTIVE, SHORT TERM AND NETWORK PLANS

5. Central Transmission Utility (CTU) has to discharge all functions of planning and coordination relating to inter state transmission system according to section 38(2) (b) of the Electricity Act 2003. According to section 38(2) (c) of the Act, the CTU has to ensure the development of an efficient, coordinated and economical system of inter state transmission lines for smooth flow of electricity from generating stations to load centers.
6. According to Section 73(a) of the Act, the Central Electricity Authority (CEA) has to “advise the Central Government on the matters relating to the national electricity policy, formulate short-term and perspective plans for development of the electricity system and co-ordinate the activities of the planning agencies for the optimal utilization of resources to subserve the interests of the national economy and to provide reliable and affordable electricity for all consumers.”
7. According to Section 3 subsection 4 of the Electricity Act, the CEA has to prepare the National Electricity Plan in accordance with the National Electricity Policy.

8. Para 3.2 of the National Electricity Policy provides “the CEA shall prepare short term and perspective plan. The National Electricity Plan would be for a short- term framework of five years while giving a 15 year perspective”. Para 3.4 of the National Electricity Policy also provides “the National Electricity Plan for the ongoing 10th Plan period and the 11th Plan and Perspective Plan for the 10th, 11th and 12th Plan periods would be prepared and notified after reviewing and revising the existing Power Plan prepared by CEA.”
9. According to the National Electricity Policy “the Central Transmission Utility (CTU) and State Transmission Utility (STU) have the key responsibility of network planning and development based on the National Electricity Plan in coordination with all concerned agencies as provided in the Act.” Section 38(2) of the Electricity Act, inter alia, provides the following:

“The functions of the Central Transmission Utility shall be –

- a. To undertake transmission of electricity through inter-State transmission system;
- b. To discharge all functions of planning and co-ordination relating to inter-state transmission system with –
 1. State Transmission Utilities;
 2. Central Government;
 3. State Governments;
 4. Generating companies;
 5. Regional Power Committees;
 6. Authority;
 7. Licensees;
 8. Any other person notified by the Central Government in this behalf’

The Network Plan will be prepared as per the above provisions of the Electricity Act and the National Electricity Policy.

10. In view of the above the following plans will be prepared:

- **Perspective Plan** for three five year plan periods will be prepared by CEA.
- **Short Term Plan** corresponding with one five year plan period will be prepared by CEA.
Both these plans form part of the National Electricity Plan.
- **Network Plan** will be prepared by the CTU based upon the National Electricity Plan.

The Network Plan, Short Term Plan and the Perspective Plan will be hosted on the websites of the respective organizations, entrusted with the task of formulation of these plans.

11. The Network plan will be reviewed and updated as and when required but not later than once a year. The Network Plan would include the projects for new lines and substations, strengthening and up gradation of the existing lines and interregional transmission lines. The Network Plan will clearly identify the scope of the project, broad parameters such as design specifications including Voltage level, Line and conductor configuration etc., length of transmission line and probable location of substation or converter station of HVDC transmission lines.
12. If any developer proposes to construct a transmission line, not being a dedicated transmission line (as defined in the Electricity Act 2003) and not included in the Network Plan, the same will be constructed after being included in the Network Plan by the CTU on the basis of necessary data such as required load flow study and other relevant studies. If such studies have not been done then these will be undertaken by the CTU, the cost for which will be borne by the developer.

EMPOWERED COMMITTEE

13. An Empowered Committee will be constituted by the Ministry of Power. The Committee will be chaired by a Member of the CERC, to be nominated by the Chairman, CERC. It shall have both Member (Power System) and Member (E&C) from the CEA as members. Besides the above, the Committee shall have representatives from the Ministry of Power, the Planning Commission, the CTU* and two experts from the power sector to be nominated by the Ministry of Power.
14. The functions of the Empowered Committee will be the following:
 - a) To identify projects to be developed under this Scheme.
 - b) To facilitate evaluation of bids.
 - e) To facilitate development of projects under this Scheme.
15. The secretarial assistance for the Empowered Committee will be provided by the Central Electricity Authority.

IDENTIFICATION OF PROJECTS

16. Identification of projects under this Scheme will be done in such a way that it results in a balanced mix of both difficult and less difficult projects. The nature of the terrain and issues relating to right of way, land area to be acquired and issues involved in environment and forest clearances would be material factors in relation to difficult or less difficult projects.

PROJECT FORMULATION

17. Once the Perspective plan, covering three five year plans, the Short Term Plan and the Network Plan have been prepared; some of these projects will be identified as projects to be covered under this scheme for competitive bidding. In order to attract private investment in the transmission sector, it is very important to be able to make available all the information to the stakeholders, regarding new projects and their technical and other specifications. These identified projects would then need to be formulated with adequate details to enable competitive bidding to take place. Project Profile (PP) for these projects shall be prepared. The Project Profile (PP) must contain relevant data regarding the line i.e voltage level, line configuration ie S/C or D/C, approximate route length, conductor type and conductor configuration etc and location and specifications of the substations or converter stations. In addition, information regarding the type of terrain likely to be encountered and its likely implication in terms of Right of Way (ROW), statutory clearances and land area to be acquired for the substation or converter station, in case of HVDC line, will be made available. This task of preparation of Project Profile (PP) can be given to any government agency or to a consultant. The cost incurred on project formulation will be recovered from the agency that finally undertakes the implementation of the project.
18. Central Transmission Utilities (CTU)/ Special Purpose Vehicle (SPV) will fund the formulation of projects and preparation of Project Profile (PP). CTU/SPV, as the case may be, will recover this amount from the agency that implements the project as indicated in para 17 supra.

SELECTION OF DEVELOPER

19. The selection of developer for identified projects would be through tariff based bidding for transmission services according to the guidelines issued by the Ministry Of Power under section 63 of the Electricity Act, 2003. CTU/STUs and Joint Venture Companies will also be eligible to bid, so that there is sufficient competition among the bidders.

LICENSE FOR TRANSMISSION

20. Along with the recommendation of **selection by the Bid Evaluation Committee**, the selected developer shall approach the Appropriate Commission, within a period of 30 days, for grant of transmission license. If it fails to apply for license within thirty days then it will be liable for cancellation of its selection. Cancellation of selection as provided above will be done by the Empowered Committee only after giving the selected private company an opportunity to be heard.

PAYMENT OF TRANSMISSION CHARGES

21. A Transmission Service Agreement (TSA) will be signed among the SPV and the concerned utilities for payment of the transmission charges finalized on the basis of competitive bidding. TSA will come in force after a license is granted to the developer, if not a deemed licensee.
22. TSA shall, inter alia, include an arrangement for payment security, which will consist of revolving letter of credit of required amount and escrow arrangement.
23. Regional Load Dispatch Centre (RLDC) will assist the developer in case there is any default in payment by any utility/licensee. For this transmission services could be regulated if transmission charges become overdue from any utility/consumer.

STATE TRANSMISSION PROJECTS

24. As far as intra state projects are concerned the state governments may adopt these guidelines and may constitute similar committees for facilitation of transmission projects within the state.

MONITORING OF THE PROJECTS

25. To ensure the timely completion of the transmission projects by the successful bidder, the Central Electricity Authority shall monitor the progress of the execution of the project as per the conditions of the license issued by the Central Electricity Regulatory Commission.

Chapter 20

**Revised Mega Power
Project Policy**

OFFICE MEMORANDUM

Subject: Revised Mega Power Project Policy.

Policy guidelines for setting up of mega power projects were last revised and issued vide this Ministry's letter of even number dated 2nd August, 2006. The Government of India has modified the Mega Power Policy to smoothen the procedures further. The modified Mega Power Policy is as follows:

- (i) The power projects with the following threshold capacity shall be eligible for the benefit of mega power policy:
 - (a) A thermal power plant of capacity 1000 MW or more; or
 - (b) A thermal power plant of capacity of 700 MW or more located in the States of J&K, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura or
 - (c) A hydel power plant of capacity of 500 MW or more
 - (d) A hydel power plant of a capacity of 350 MW or more, located in the States of J&K, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura;
 - (e) Government has decided to extend mega policy benefits to brownfield (expansion) projects also. In case of brownfield (expansion) phase of the existing mega project, size of the expansion unit(s) would not be not less than that provided in the earlier phase of the project granted mega power project certificate.
- (ii) Mandatory condition of Inter-State sale of power for getting mega power status has been removed.
- (iii) Goods required for setting up a mega power project, would qualify for the fiscal benefits after it is certified by an officer not below the rank of a Joint Secretary to the Govt. of India in the Ministry of Power that (i) the power purchasing States have constituted the Regulatory Commissions with full powers to fix tariffs *and* (ii) power purchasing states shall undertake to carry out distribution reforms as laid down by Ministry of Power.
- (iv) Mega Power Projects would be required to tie up power supply to the distribution companies/ utilities through long term PPA(s) in accordance with the National Electricity Policy 2005 and Tariff Policy 2006, as amended from time to time, of Government of India.
- (v) There shall be no further requirement of ICB for procurement of equipment for mega projects if the requisite quantum of power has been tied up or the project has been awarded through tariff based competitive bidding as the requirements of ICB for the purpose of availing deemed export benefits under Chapter 8 of the Foreign Trade Policy would be presumed to have been satisfied. In all other cases, ICB for equipments shall be mandatory.

(vi) The present dispensation of 15% price preference available to the domestic bidders in case of cost plus projects of PSUs would continue. However, the price preference will not apply to tariff based competitively bid project/s of PSUs.

3. This issues with the approval of Secretary (Power)

Sd/-
(Puneet K Goel)
Director (IPC)

To

Principal Secretary/Secretary(Energy) of all States/UTs.

Copy to : i) Chairman, CEA., ii) CMDs of all PSUs of MOP

Copy for information to:-

PS to MOP / PS to MOS (P) / PS to Secretary(P) / Sr. PPS to AS(AK) / PPS to

AS(GBP) / All Joint Secretaries/Directors in the Ministry of Power, Dir(PIB), MOP.

Copy also to Cabinet Secretariat, New Delhi.

Copy for putting on website of Ministry of Power to NIC, MOP.

Sd/-
(Puneet K Goel)
Director (IPC)

Chapter 21

Concept of Ultra Mega Power Projects (UMPPs)

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CONCEPT OF ULTRA MEGA POWER PROJECTS (UMPPS)

1.1 For meeting the growing needs of the economy, generation capacity is to double itself in every ten years in next three decades at least. As such there is need to develop large capacity projects at the national level to meet the requirement of different States. Development of Ultra Mega Power Projects (UMPPs) is one step in that direction. The projects will substantially reduce power shortages in the country. The Central Government has accordingly taken the initiative for facilitating the development of Ultra Mega Power Projects of about 4,000 MW capacity each under tariff based competitive bidding route using super critical technology on build, own and operate basis. Central Electricity Authority (CEA) is the Technical partner and Power Finance Corporation (PFC) has been appointed as the Nodal Agency. Following are the objectives of this initiative:

- Accelerated capacity addition programme has been launched to meet the objective of eliminating shortages and creation of spinning reserve in the system as mentioned in the National Electricity Policy. Large size projects being envisaged under the initiative would help in creation of required capacities to overcome energy and peaking shortages and to sustain this momentum in 12th Plan and beyond.
- The tariff from large size generation projects would have the benefit of economies of scale and thus the cost of electricity generated from these projects is expected to be reasonable.
- With mitigation of risks relating to tie up of land, fuel, water and other statutory clearances envisaged in the initiative, time for completion of these projects is expected to reduce considerably and the expected competition should result in lower tariff of electricity from these projects.
- The size of these projects being large, they will meet the power needs of a number of States through transmission of power on regional and national grids. Several rounds of discussions have been held with States who have agreed to support Ultra Mega Power Projects. Experience of this initiative has facilitated development of State specific projects in the range of 1,000 – 2, 000 MW through competition on similar lines.

2. Project Locations

2.1.1 In view of the inadequate availability of gas for gas based power projects in the near future and the constraints in stepping up domestic coal production rapidly there has been a consensus that power project developers be given captive coal mining blocks to develop pithead projects. Whereas, the coastal projects are to be developed using imported coal.

2.1.2 Initially, through a preliminary scrutiny by CEA/State agencies, a number of potential sites were identified in the country. In the first phase, four projects at pithead sites and five projects at coastal locations were proposed for development of Ultra Mega Power Projects. The originally identified locations are:

1. Sasan in Madhya Pradesh
2. Mundra in Gujarat
3. Krishnapatnam in Andhra Pradesh
4. Surguja district in Chhattisgarh
5. Cheyyur in Tamil Nadu
6. Sundergarh District in Orissa
7. Tilaiya in Jharkhand.
8. Karnataka
9. Maharashtra

2.1.2. Subsequently, with the request of the State Governments, few more additional projects have been taken up and work regarding the finalisation of site, water tie up and other clearances are being chalked out by CEA and PFC. These projects are:

- | | |
|-------------------------------------|------------------------------|
| 1. First Additional UMPP in Orissa | 4. Second UMPP in Tamil Nadu |
| 2. Second Additional UMPP in Orissa | 5. Second UMPP in Gujarat |
| 3. Second UMPP in Andhra Pradesh | 6. Second UMPP in Jharkhand |

3. **Bidding Process**

3.1.1 Guidelines on competitive bidding for determination of tariff for procurement of power by distribution licencees framed under the provisions of the Electricity Act stipulate that tariff based bidding can be invited by distribution utilities or their authorized representative. This concept of authorized representative has been forming part of Standard Bidding Document as well.

3.1.2 Further, Competitive Bidding Guidelines provide that a Special Purpose Vehicle (SPV) may be constituted for this purpose for carrying out the bidding process. SPV shall be a company established under the Companies Act 1956, authorized by the distribution licensee(s) to perform all tasks for carrying out the bidding process in accordance with the Guidelines. The distribution licensee(s) may also entrust initial project preparation activities (proposed to be undertaken before completion of the bid process) to the SPV. The SPV would be transferred to the successful bidder selected pursuant to the bid process.

3.1.3. It has been decided by the Government that at any point of time the bidding company, bidding consortium – including its parent, affiliate or ultimate parent – or any group company of all or any of the above will not have more than three UMPPs at pre-commissioning stage. Accordingly, the developer could bid for the next UMPP only after all the units of one of the three UMPPs have achieved COD. This condition would need to be met thirty days prior to the RfP bid submission date as originally stipulated at the time of issuance of the RfP, irrespective of whether the RfP bid submission date is subsequently extended.

3.2 **Two Stage Bidding Process**

3.2.1 For the purpose of selection of a developer, a two stage selection process has been adopted. The first stage of bidding will involve Request for Qualification (RfQ) containing qualifying criteria for selection of bidders to participate in the second stage. The second stage of bidding will invite Request for Proposals (RfP) from the qualified bidders. The bids are evaluated by the SPVs with the help of appointed Consultants and Evaluation Committees consisting of representatives of CEA, PFC, Procurers, and headed by Head of any FI/banks or an eminent personality. Here it may be noted that the RfQ and RfP documents are in line with the standard bidding document issued by the Ministry of Power.

3.3 **Timelines for Completion of Bidding Process**

3.3.1 According to the amendment to the guidelines for determination of tariff by bidding process for procurement of power by distribution licencees issued on 27th September 2007, in the two stage bid process (i) a minimum period of 45 days shall be allowed between the publication of RfQ and last date of submission of responses to RfQ and (ii) a minimum period of 150 days shall be allowed between the issuance of RfP and the last date of RfP bid submission.

3.3.2 Further on the basis of experience, the bidding guidelines mandate completion of definite milestones before successive bidding stages are taken up. For example, the guidelines now require that section 4 notification for land acquisition and rapid EIA report, water linkage and

fuel arrangements (for pithead projects) should be available before publication of RfQ. Similarly, it is required that section 6 notification for land acquisition, availability of hydrological, geological, metrological, seismological data for preparation of DPR and submission of proposal for environmental clearance to final approving authority should have been completed before issue of RfP. In normal circumstances, the bid process is likely to be completed in a period of 270 days. The entire bid process is transparent and conducted through active participation of the bidders through Pre-bid Conferences.

4. Role of States

- 4.1 From the initial step to the final commissioning of the UMPPs, the role of concerned State Governments is of immense importance. In fact, no major activity can be started without a clear identification of a suitable site by the State Government concerned.
- 4.2 Right from site identification, the host State and the other power procuring States are required to continue to play a highly pro-active role. In particular, some of the activities in which the concerned States are required to play a decisive role include finalization of site, land acquisition process, facilitate studies at site, facilitate obtaining state level environment and other clearances implementation of the R&R Plan, provide authorization to the PFC/SPV to carry out the bidding process on behalf of the distribution utilities, participate through its representatives in various committees set up for undertaking the competitive bidding process, facilitate signing of the Power Purchase Agreement, ensure proper payment security mechanism with the distribution utilities etc.

5. Role of the Ministry of Power

- 5.1 The Ministry of Power is playing a crucial role for the development of the UMPPs by coordinating between various concerned Ministries/Agencies of the Central Government, and with various State Governments/Agencies. Some of the key areas requiring the Ministry of Power's intervention include –
 - Coordination with Central Ministries/Agencies for ensuring:
 - Coal block allotment/coal linkage
 - Environment/forest clearances
 - Water linkage
 - Required support from State Governments and their agencies.
 - Working out allocation of power to different States from UMPPs in consultation with the States.
 - Facilitating PPA and proper payment security mechanism with State Governments/State Utilities.
 - Monitoring the progress of the SPVs with respect to predetermined timelines.

6. Empowered Group of Ministers (EGoM)

- 6.1. An Empowered Group of Ministers (EGoM) has been constituted by the Government for facilitating expeditious decisions in all matters concerning Ultra Mega Power Projects.

7. Payment Security Mechanism

- 7.1 For payment security mechanism, in the PPA provision is being made for:
 - Letter of credit (LC) by distribution utilities
 - Escrow on the receivables of distribution utilities
- 7.2 In the event of default by any procurer:
 - Other procurers have the first right to buy share of power for which payment default has occurred

- In case of unwillingness of other procurers to buy such default power, the same can be sold by the developer through prevailing open access in transmission either directly or through traders
- If any further share of power is still unsold, direct supply to HT consumers as per provisions of the Electricity Act, 2003 is allowed.

8. **The Concept of Shell Companies (SPVs) and its Operationalisation**

8.1 In order to enhance investor confidence, reduce risk perception and get good responses to competitive bidding, it was deemed necessary to create a project specific SPV and get it to tie up necessary inputs and clearances such as provision of site, fuel through captive mining blocks, water and in principle environment and forest clearances. In addition, shell companies would also be responsible for tying up necessary inputs from the likely buyers of power and facilitate tying up of power off takes from these projects. In short, the preliminary project development activities including tie up of various inputs / clearances are to be carried out by the respective SPVs. These SPVs, alongwith the various clearances, tie ups, etc. are subsequently transferred to the selected project developer. Some of the main activities undertaken by the SPVs are:-

- Appointment of Consultants to undertake preparation of Project Report, preparation of Rapid Environment Impact Assessment Report and to conduct other studies as required etc.
- To finalise RfQ/ RfP documents in consultation with States / bidders
- To carry out RfQ/ RfP process and award of project
- Acquisition of land for the project as per requirement of bidding guidelines
- Obtaining allocation of Coal blocks for pit-head projects
- Getting clearance regarding allocation of water by the State Govt. for pit-head locations
- Approval for use of sea water from Maritime Board/ other Govt. Agencies for coastal locations
- Obtain/initiate environment and forest, clearances etc. as per requirement of Bidding Guidelines.
- Obtaining geological reports/ other related data from CMPDI for the coal blocks.
- Signing of Power Purchase Agreements with Procurers.

8.2 So far, following SPVs have been established:-

- Sasan Power Limited for the project at Sasan, Madhya Pradesh.
- Chhattisgarh Surguja Power Limited for the project in district Surguja in Chhattisgarh.
- Coastal Gujarat Power Limited for the project at Mundra in Gujarat.
- Coastal Karnataka Power Limited for the project in Karnataka.
- Coastal Maharashtra Mega Power Project Limited for the project in Maharashtra.
- Coastal Andhra Power Ltd. for the project at Krishnapatnam, Andhra Pradesh.
- Coastal Tamil Nadu Power Limited for the project at Cheyyur in Tamil Nadu.
- Orissa Integrated Power Limited for the project at Sundergarh District in Orissa.
- Jharkhand Integrated Power Limited for the project near Tilaiya dam in Jharkhand.
- Tatiya Andhra Mega Power Ltd. for Second UMPP in Andhra Pradesh.
- Ghogarpalli Integrated Power Company Ltd. for First Additional UMPP in Orissa.
- Sakhigopal Integrated Power Company Ltd. for Second Additional UMPP in Orissa.

9 **Achievement**

9.1 Four UMPPs namely Sasan in Madhya Pradesh, Mundra in Gujarat, Krishnapatnam in Andhra Pradesh and Tilaiya in Jharkhand have already been transferred to the successful bidder so far.

Chapter 22
Notification on Operationalisation
of Power System Operation
Corporation Limited (POSOCO)
(dated 27.9.2010)

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भारत का राजपत्र
The Gazette of India

[Published in Part II, Section 3, sub-section (ii)]

GOVERNMENT OF INDIA

MINISTRY OF POWER

NOTIFICATION

New Delhi, the 27 th September, 2010

S.O. 2342(E).— In exercise of the powers conferred by sub-section (3) of section 26 and sub-section (2) of section 27 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby notifies that the Power System Operation Corporation Limited, having its registered office at B-9, Qutub Institutional Area, Katwaria Sarai, New Delhi-110016, a wholly owned subsidiary of the Power Grid Corporation of India Limited (a Government company) shall operate, with effect from 1st October, 2010, —

- (i) National Load Despatch Centre, New Delhi;
- (ii) Northern Regional Load Despatch Centre, New Delhi
- (iii) Eastern Regional Load Despatch Centre, Kolkata;
- (iv) Western Regional Load Despatch Centre, Mumbai;
- (v) Southern Regional Load Despatch Centre, Bengaluru; and
- (vi) North-Eastern Regional Load Despatch Centre, Shillong.

[F.No.23/13/2010-R&R]
PRANAY KUMAR, Director

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Chapter 23

**Rajiv Gandhi Grameen
Vidyutikaran Yojana
Scheme**

Order

Subject: Continuation of Rajiv Gandhi Grameen Vidyutikaran Yojana in the XI Plan – Scheme of Rural Electricity Infrastructure and Household Electrification.

Sanction of the President is conveyed for continuation of “Rajiv Gandhi Grameen Vidyutikaran Yojana Scheme of Rural Electricity Infrastructure and Household Electrification”, Scheme in the XI-Plan for attaining the goal of providing access to electricity to all households, electrification of about 1.15 lakh un-electrified villages and electricity connections to 2.34 crore BPL households by 2009. The approval has been accorded for capital subsidy of Rs.28000 crore during the Eleventh Plan period, at this stage. This is in continuation of Office Memorandum No. 44/19/2004-D(RE) dated 18th March 2005.

2. Rural Electrification Corporation (REC) would be the nodal agency for the scheme.
3. Ninety per cent capital subsidy would be provided towards overall cost of the projects under the scheme, excluding the amount of state or local taxes, which will be borne by the concerned State/State Utility. 10% of the project cost would be contributed by states through own resources/ loan from financial institutions.
4. The states will finalize their Rural Electrification Plans in consultation with Ministry of Power and notify the same within six months. Rural Electrification Plan will be a roadmap for generation, transmission, sub-transmission and distribution of electricity in the state which will ensure the achievement of objectives of the scheme.
5. For projects to be eligible for capital subsidy under the scheme, prior commitment of the States would also be obtained before sanction of projects under the scheme for:
 - i. Guarantee by State Government for a minimum daily supply of 6-8 hours of electricity in the RGGVY network with the assurance of meeting any deficit in this context by supplying electricity at subsidized tariff as required under the Electricity Act, 2003.
 - ii. deployment of franchisees for the management of rural distribution in projects financed under the scheme and to undertake steps necessary to operationalize the scheme.

6. SCOPE OF THE SCHEME

Under the scheme, projects could be financed with capital subsidy for provision of:

6.1 Rural Electricity Distribution Backbone (REDB)

Provision of 33/11 KV (or 66/11 KV) sub-stations of adequate capacity and lines in blocks where these do not exist.

6.2 Creation of Village Electrification Infrastructure (VEI)

- i) Electrification of un-electrified villages.
- ii) Electrification of un-electrified habitations with a population of above 100.
- iii) Provision of distribution transformers of appropriate capacity in electrified villages / habitation(s).

6.3 Decentralized Distributed Generation (DDG) and Supply

Decentralized distribution-cum-generation from conventional or renewable or non-conventional sources such as biomass, bio fuel, bio gas, mini hydro, geo thermal and solar etc. for villages where grid connectivity is either not feasible or not cost effective. The funding will be on the pattern of 90% subsidy from Government of India and 10% loan from REC or from own funds of the state/loan from financial institutions. The Monitoring Committee on RGGVY, while sanctioning DDG projects under RGGVY, shall coordinate with MNRE to avoid any overlap. The provision for subsidy requirement for DDG is Rs.540 crore.

6.4 REDB, VEI and DDG would indirectly facilitate power requirement of agriculture and other activities including irrigation pump sets, small and medium industries, khadi and village industries, cold chains, healthcare, education and IT etc. This would facilitate overall rural development, employment generation and poverty alleviation.

6.5 Rural Household Electrification of Below Poverty Line Households:

- i) BPL households will be provided free electricity connections. The rate of reimbursement for providing free connections to BPL households would be Rs.2200 per household.
- ii) Households above poverty line would be paying for their connections at prescribed connection charges and no subsidy would be available for this purpose.
- iii) Wherever SC/ST population exists amongst BPL households and subject to being eligible otherwise, they will be provided connection free of cost and a separate record will be kept for such connection.

6.6 The over-all subsidy of components from Paras 6.1, 6.2, 6.3 and 6.5 taken together should be kept within 90% of the over-all project cost.

7. Implementation of a three-tier quality monitoring mechanism

The projects under the scheme will be subject to Quality Monitoring Mechanism. The details of the Three Tier Quality Control Mechanism at Annexe-I.

8. Service Charges/Fees

- a. The State Utilities and Central Public Sector Undertakings will be provided 8% and 9% respectively of the project cost as charges for implementing the scheme and also for meeting additional expenditure on compulsory third party monitoring at the first tier of the Quality Control Mechanism.
- b. Rural Electrification Corporation Limited (REC) will be given 1% of the project cost as the fee for establishing frameworks for implementation, meeting the scheme related expenditure, appraisal and evaluation both at pre-award and post award stage, monitoring and complete supervision of the programme from concept to completion of the scheme and for quality control of projects at second tier (REC Quality Monitors) of the Quality Control Mechanism.
- c. For supporting activities and Quality Monitoring at Third Tier (National Quality Monitors) to be undertaken by Ministry of Power, a provision of 1% of the outlay would be kept. The supporting activities would be in the nature of capacity building, awareness and other administrative and associated expenses, franchisee development and undertaking of pilot studies and projects complementary to the rural electrification scheme.

9. Monitoring Committee

The Monitoring Committee constituted by the Ministry of Power under the Chairmanship of Secretary (Power), Government of India will sanction the projects, including revised cost estimates, monitor and review the implementation of the scheme in addition to issuing necessary guidelines from time to time for effective implementation of the scheme.

10. Cost Norms

The cost norms for village electrification are as in Annexe-II. 90% grant will not be applicable to the amount of state or local taxes, which will have to be borne by the concerned State / State Utility. They would be released by the Monitoring Committee in exceptional cases to be analyzed for border area, remote districts etc.

11. Franchisees

The management of rural distribution would be through franchisees who could be Non-Governmental Organisations (NGOs), Users Association, Panchayat Institutions, Cooperatives or individual entrepreneurs. The franchisee arrangement could be for system beyond and including feeders from sub-station or from and including Distribution Transformer(s). The franchisee should be preferably input based to reduce AT&C losses so as to make the system revenue sustainable.

12. Revenue Sustainability

Based on the consumer mix and the prevailing consumer tariff and likely load, the Bulk Supply Tariff (BST) for the franchisee would be determined after ensuring commercial viability of the franchisee. Wherever feasible, bidding may be attempted for determining the BST. This Bulk Supply Tariff would be fully factored into the submissions of the State Utilities to the State Electricity Regulatory Commissions (SERCs) for their revenue requirements and tariff determination. The State Government under the Electricity Act is required to provide the requisite revenue subsidies to the State Utilities if it would like tariff for any category of consumers to be lower than the tariff determined by the SERC. While administering the scheme, prior commitments may be taken from the State Government regarding.

- a. Determination of bulk supply tariff for franchisees in a manner that ensures their commercial viability.
 - b. Provision of requisite revenue subsidy by the State Government to the State Utilities as required under the Electricity Act.
13. The capital subsidy for eligible projects under the scheme would be given through REC. These eligible projects shall be implemented fulfilling the conditionalities indicated above at Paras No. 4,5,7,11 & 12. In the event the projects are not implemented satisfactorily in accordance with the conditionalities indicated above, the capital subsidy would be converted into interest bearing loans.
14. The services of Central Public Sector Undertakings (CPSUs) have been offered to the states for assisting them in the execution of Rural Electrification Projects as per their willingness and requirement. With a view to augment the implementation capacities for the programme, REC has entered into Memorandum of Understanding (MOUs) with NTPC, POWERGRID, NHPC and DVC to make available CPSUs' project management expertise and capabilities to states wishing to use their services. This is being operationalised through a suitable Tripartite / Quadripartite Agreement.

15. The expenditure involved on above scheme would be debitable to the following Head under Grant No. 72. Ministry of Power for the year 2007-08 and corresponding head of account for the subsequent years:

2801 Power (Major Head)
06 – Rural Electrification (Sub-Major Head)
06.800 – Other Expenditure (Minor Head)
03 – Rural Electrification Corporation ? for Rajiv Gandhi Grameen Vidyutikaran Yojana
03.00.33 – Subsidies

16. This issues with the concurrence of Finance Wing vide their diary No. 499/Fin/08 dated the 24th January 2008.

(Devender Singh)
Joint Secretary to the Government of India

To

1. Chief Secretaries of all States
2. Secretary (Power Energy) of all States
3. Chairman of all State Utilities
4. Chaiman & Managing Director, REC, SCOPE Complex, New Delhi

Annexure-I of Order dated 06.02.2008

ANNEX-I

A THREE TIER QUALITY CONTROL MECHANISM UNDER RGGVY

1. a. First Tier

Project implementing agency (PIA) would be responsible for the first tier of the Quality Control Structure. Further PIA will engage third party inspection agency, whose responsibility will be to ensure that all the materials to be utilized and the workmanship conform to the prescribed specifications. It will be synchronized with phased release of funds under RGGVY and inspection and proof of corrective action will be mandatory requirement for release of funds. This inspection will cover approx. 50% villages on random sample basis for each project.

b. Second Tier

Rural Electrification Corporation, will get the inspection done of the works/materials from its non-field staff and by outsourcing it. REC may outsource it to retired employees of State Electricity Boards/State Utilities/ CPSUs. All such reports should be organized and analyzed by REC through the project implementation. These individuals would be designated as REC Quality Monitors (RQM).

The inspection will cover quality checks at pre-shipment stage at the vendors' outlet of major materials and 10% villages on random sample basis.

c. Third Tier

Independent Evaluators (Individuals /Agency) will be engaged by the Ministry of Power for evaluation, at random, of supply and erection under the programme. These persons would be designated as National Quality Monitors (NQM). It will be the responsibility of the state to facilitate the inspection of works by the NQM, who shall be given free access to all administrative, technical and financial records. Evaluation will cover 1% villages. They shall also report on the general functioning of the Quality Control mechanism in the District.

2. The Monitors shall submit their report to the Ministry. The reports of the NQMs will be sent by REC to the RQM for appropriate action within a period to be specified. In case quality check by RQM or NQM reveals 'unsatisfactory' work, the implementing agency shall ensure that the contractor replace the material or rectifies the workmanship (as the case may be) within the time period stipulated. In respect of NQM Reports, the REC Quality Coordinator shall, each month, report on the action taken on each of the pending Reports. All works rated 'unsatisfactory' shall be re-inspected by RQM or NQM after a rectification report has been received from the REC Quality Coordinator. REC will designate an Executive Director as in- charge of the Monitoring system.
3. Recurrent adverse reports about quality of works in a given District / State might entail suspension of the Programme in that area till the underlying causes of defective work have been addressed.
4. The REC Quality Coordinator / Third party inspection unit shall be the authority to receive and inquire into complaints / representations in respect of quality of works and they would be responsible for sending a reply after proper investigation to the complainant within 30 days. The REC for this purpose, shall ensure the following:-

- i. The name, address and other details of the REC Quality Coordinator / third party inspection unit will be given adequate publicity in the State (including tender notices, websites, etc.) as the authority empowered to receive complaints.
 - ii. All complaints shall be acknowledged on receipt (giving registration no.) and likely date of reply shall be indicated. On receipt of the report, the complainant shall be informed of the outcome and the action taken / proposed.
 - iii. Complaints received through the Ministry of Power, REC will normally be sent to the REC Quality Coordinator for enquiry and necessary action. In case report from an RQM is desired, this shall be furnished within the time specified. In case an adequate response is not received within the stated time schedule, the REC may depute an NQM and further processing will be done only on the basis of NQM report.
 - iv. The RQC shall make a monthly report to the REC (in a prescribed format) and the status of action on complaints shall be discussed in the District Committees.
 - v. REC could develop a web site for complaints, inspection and rectification.
5. The Quality Control Mechanism would be governed by the Quality Control Manual being prepared by REC for the scheme. This is to be completed and circulated by 29th February, 2008.

Annexure-II of Order dated 06.02.2008

ANNEXE-II

COST NORMS FOR VILLAGE ELECTRIFICATION

1.	Electrification of unelectrified village	Cost (Rs. in Lakhs)
a	In normal terrain	13
b	In hilly, tribal, desert areas	18
2	Intensive electrification of already electrified village	
a	In normal terrain	4
b	In hilly, tribal, desert areas	6
3	Cost of electricity connection to BPL household	0.022

Chapter 24

**Decentralised Distributed
Generation (DDG)
Scheme Under RGGVY**



No. 44/1/2007-RE
Government of India
Ministry of Power

Shram Shakti Bhavan,
Rafi Marg, New Delhi-110001
Dated the 12th January, 2009

Order

Subject : Guidelines for Village Electrification through Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana in the XI Plan – Scheme of Rural Electricity Infrastructure and Household Electrification

- 1.0 Guidelines for Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana in the XI Plan – Scheme of Rural Electricity Infrastructure and Household Electrification, for attaining the goal of providing access to electricity to all households, electrification of about 1.15 lakh un-electrified villages and electricity connections to 2.34 crore BPL households by 2009. The approval has been accorded for capital subsidy of Rs.540 crore for DDG during XI Plan period which is included in capital subsidy of Rs. 28000 crore available for RGGVY in XI Plan period. This is in continuation of Order No. File 44/37/07-D(RE) dated the 6th February, 2008.
- 2.0 Ministry of Power, Government of India launched Rajiv Gandhi Grameen Vidyutikaran Yojana in 2005 vide OM No.44/19/2004–D(RE) dated 18.03.2005. The scheme was continued further in 11th Plan vide OM No.44/37/07-D(RE) dated 6.2.2008. As per OM dated 6.2.2008 there is a provision of subsidy of Rs.540 crore for Decentralized Distributed Generation (DDG) under RGGVY.
- 3.0 Decentralized Distributed Generation can be from conventional or renewable sources such as Biomass, Biofuels, Biogas, Mini Hydro, Solar etc. for villages where grid connectivity is either not feasible or not cost effective.
- 4.0 Rural Electrification Corporation (REC) would be the Nodal Agency for the scheme. The capital subsidy for eligible projects under the scheme would be given through REC. In the event, the projects are not implemented satisfactorily in accordance with the conditionalities of this order, the capital subsidy would be converted into interest bearing loans.
- 5.0 The DDG projects would be owned by State Government. Implementing agencies of the projects shall be either the State Renewable Energy Development Agencies (SREDAs) / departments promoting renewable energy or State Utilities or the identified CPSUs. The State Governments will decide the implementing agency for their respective states.
- 6.0 The projects under the scheme will be subject to Quality Monitoring Mechanism. The details of 3 Tier quality control mechanism is enclosed as **Annexure-1**.
- 7.0 SERVICE CHARGES/FEES
 - i) The state Implementing Agencies and Central Public Sector Undertakings who are paid service charges @ 8% and 9% respectively of the project cost as charges for implementing the scheme and also for meeting additional expenditure on compulsory third party monitoring at the first

tier of the quality control mechanism shall concur to pass on the Service Charges (to the extent required) to the Project Developer towards meeting the cost of providing power for a period of 5 years.

- ii) REC will be given 1% of the project cost as fee for establishing frameworks for implementation, meeting the scheme related expenditure, appraisal and evaluation both at pre-award and post-award stage, monitoring, and complete supervision of the programme from concept to completion of the scheme and for quality control of projects at second tier (REC Quality Monitors) of the Quality Control Mechanism.
- iii) For supporting activities and quality monitoring at third tier (National Quality Monitors) to be undertaken by Ministry of Power, a provision of 1% of the outlay would be kept. The supporting activities would be in the nature of capacity building, awareness and other administrative and associated expenses, franchisee development and undertaking of pilot studies and projects complementary to the Rural Electrification Scheme.

8.0 MONITORING COMMITTEE

Monitoring Committee constituted by Ministry of Power under the Chairmanship of Secretary (Power), Government of India will sanction the projects, including revised costs estimates, monitor and review the implementation of the scheme in addition to issuing necessary guidelines from time to time for effective implementation of the scheme.

- 9.0 The Services of Central Public Sector Undertakings (CPSUs) have been offered to the States for assisting them in the execution of Rural Electrification Projects as per their willingness and requirement. With a view to augment the implementation capacities for the programmes, REC has entered into Memorandum of Undertaking (MOUs) with NTPC, Power Grid, NHPC and DVC to make available CPSUs programme management expertise and capabilities to States wishing to use the services. This has been operationalised through a suitable Tripartite/Quadripartite Agreement.

10.0 IDENTIFICATION OF VILLAGES / HAMLETS

- 10.1 While implementing the DDG projects it has to be ensured that (i) the effort and investment that goes into setting up of DDGs are utilized for the benefit of the target groups and do not become sunk investment once the village is being connected to the grid and (ii) there is sufficient engagement and support of the local community for this initiative.

10.2 For the selection of villages, the following approach should be followed:

- i) The list of villages / hamlets to be electrified through DDG is to be finalized by the State Renewable Energy Development Agency / departments promoting renewable energy in consultation with state utilities and MNRE.
- ii) To the extent possible, the selection of the villages / hamlets is to be carried out in a cluster to take advantage of the clustering effect, wherever applicable. Depending on the proximity of the villages / hamlets, the merit of setting up a local distribution grid covering all these villages / hamlets with a central power plant as against setting up of individual village / hamlet level systems would be evaluated.
- iii) Villages / hamlets that comprise of migratory/floating population may not be considered.
- iv) While finalizing the list, the villages / hamlets are to be prioritized and those villages where grid connectivity is not foreseen in next 5 to 7 years must be taken up first for setting up DDG projects.

- v) Villages / hamlets having population of less than 100 shall not be considered under the DDG Scheme and to be taken up by MNRE for implementation. Villages / hamlets that are already being planned to be taken up by MNRE are to be excluded under the DDG scheme.
- vi) Villages / hamlets that have been provided with solar home lighting systems under the Remote Village Electrification program can also be considered under the DDG scheme.
- vii) Infrastructure for these projects is to be established in a manner so that they are grid compatible. This would ensure quick interface when grid power reaches the village and ensure that the investments made today are not sunk when the village is finally connected to the grid.

11.0 SELECTION OF TECHNOLOGY

The DDG projects could be based on either conventional or renewable forms of energy. The choice of technology would depend on the appropriateness of the chosen technology for specific villages / hamlets. Since the DDG projects to be implemented are to be scalable and undertaken within a relatively stiff timeline, options being considered for the proposed guidelines are those that have either reached a stage of commercial maturity or their technical viability is proven under actual field conditions. A list of such options is presented below:

- Diesel Generating sets powered by biofuels (non-edible vegetable oils like Jatropa, Pongamia etc)
- Diesel Generating sets powered by producer gas generated through biomass gasification (100 % producer gas engines)¹
- Solar Photo Voltaic
- Small Hydro

It may be noted that the above list is based on the technologies that are presently being employed and are the preferred options for decentralized power generation. There could be additional possibilities as listed below, which are not popular now, but may become relevant in future.

- Diesel Generating sets powered by biogas (from animal waste)
- Wind hybrid systems
- Other hybrid options, including any new technology

Although diesel is the most convenient form of decentralized power generation option, it would be advisable to treat the diesel option as only for standby or under situations where there is temporary disruption in the supply of local renewable energy sources.

Annexure-2 provides a technology decision tool that can be taken as a guide while selecting the most appropriate technological choice for any particular village / hamlet. **It is emphasized that this tool is only a suggestive one and the actual choice of technology has to be based on a detailed survey of the village/hamlet.**

Annexure-3 provides a framework which forms the basis of arriving at the technology decision tool. The preferred technology options and rating thereof are indicative in nature and at the time of sorting of DPRs for approval, details justification will have to be provided for selecting an option.

¹ To be considered only where project design includes dedicated energy plantations to ensure sustainable biomass supply.

12.0 FINANCING OF PROJECTS AND ADMINISTERING OF FUNDS

12.1 The financial assistance for implementing the DDG projects would include the following project cost:

- a) Capital cost*, comprising of:
 - All plant equipment & auxiliary systems and accessories required for the power plant operation
 - All associated civil works. Cost for land, however, has to be borne by the state government
 - Distribution Network with necessary control equipment. The subsidy applicable to BPL Households under the RGGVY Programme shall also be applicable for DDG Projects. Access to electricity has to be provided for common facilities such as Street light, Schools, Community buildings Panchyat Bhawan etc.
 - Initial capital cost for plantation for sustainable supply of bio energy (in case of biomass gasification/bio fuel projects only).
 - Initial capital cost of setting up non-domestic loads as specified by the implementing agency.
- b) Revenue Cost*:

Cost of spare parts for 5 years after commissioning. The cost of consumables and labour will not be included in the capitalized project cost.
- c) Cost of providing power for a period of 5 years from commissioning as identified in DPR after taking into account recovery from village house holds as per the tariff to be decided by the State Utility/SREDA/Implementing Agency, but the same shall not be less than the existing tariff in the neighborhood area and shall be indicated in the bid document for identified load of each household.
- d) Soft Cost comprising of:
 - Pre-selection of villages, technologies and preparation of DPRs
 - Cost of social engineering to ensure community engagement
- e) Pattern of payment

90% of the total project cost (capital cost and soft cost) will be provided to the implementing agency as subsidy. The balance 10% can be arranged by the implementing agency at their own or taken as loan from any financial institution or REC. The following payment terms are recommended for the payment of capital cost to the project developer.

 - 70% of the capital cost excluding cost of providing power as stated above till commissioning of the project, linked to project completion milestones.
 - Balance 30% of the capital cost excluding cost of providing power as stated above over the 5 year period (@ 6% per annum)
 - Cost of providing power shall be paid on annual basis after taking into account recovery from village house holds.
- e) Administration of funds

The payment to the project developers, as per the terms outlined above, will be routed through the implementing agencies.

* For clarification on items not specifically mentioned here the criteria as applied in Rule 79 of GFR, 2005 published by Government of India be relied upon.

13.0 PROJECT APPROVAL AND IMPLEMENTATION PROCEDURE

- 13.1 An Implementation Support Group (ISG) will be created by Ministry of Power to coordinate/ supervise the Scheme implementation. The roles and responsibilities of ISG are detailed at **Annexure-4**.
- 13.2 The MoP will identify a panel of consultants to assist ISG/Implementing Agencies/CPSUs in terms of providing technical support, including preselection of technology and preparation of Detailed Project Reports (DPRs).
- 13.3 The implementing agency will finalize the prioritized list of villages/hamlets to be electrified through DDG and get the DPRs made through the panel of consultants.
- 13.4 Implementing Agencies shall submit the DPRs to ISG and identified CPSUs shall submit the DPRs to Implementing Agencies who shall forward DPRs to ISG. ISG will review the DPRs and forward the DPRs to the Monitoring Committee for approval. Indicative list of information to be covered in the DPR is enclosed as **Annexure-5**.
- 13.5 The Monitoring Committee would sanction the projects on merits
- 13.6 Thereafter, implementing agency shall invite open tender on Build, Operate, Maintain & Transfer (BOMT) basis and place award. Award cost should not be more than 10% of the sanctioned cost. In case award cost is more than 10% of the sanctioned cost, the same shall require prior approval of Monitoring Committee.
- 13.7 The flow chart of the approval process is enclosed as **Annexure-6**.

14.0 INSTITUTIONAL FRAMEWORK AND FACILITATION SUPPORT

14.1 Implementing Agencies shall:

- i) Assist in land acquisition and execution of the Scheme
- ii) Help Project Developers in community mobilization and in creating awareness about DDGs and on the efficient and safe use of equipments.

15.0 ELIGIBLE PROJECT DEVELOPERS

Eligible Project developers shall be:

State agencies, technology suppliers, Corporate houses, Equipment Manufacturers and Contractors, Self Help Groups, Users Associations, individuals, Registered Societies, Cooperatives, Panchayats, Local bodies, their Consortiums / SPVs / JVs etc are all eligible to apply.

16.0 PROJECT APPRAISAL COMPONENTS

16.1 Selection of Project developer

- i) The Project Developer shall implement the project on Build, Operate, Maintain & Transfer (BOMT) basis for a period of 5 years. The plant will be handed over to the State Government in working condition after 5 years. All the replaced parts will be handed over to the State Government.
- ii) Consultant while preparing DPR, shall estimate the capacity of the project and shall also estimate the electricity load and energy required to be generated for five years from the date of commissioning. While computing the load, provision of 2 light points (11/18 W each) and one socket (40 W) may be considered for each household.

- iii) Project Developer shall be responsible for collecting the tariff from villagers.
- iv) Selection of the Project developer shall be on the basis of tenders which will be called by the Implementing agencies in two parts, one part covering capital cost (as per 12.1 (a) above) and another covering cost of providing power for five years (as per 12.1 (b) above). The reimbursement of gap between operation and maintenance cost and revenue recovery to the project developer (after adjusting the collected tariff) will be paid out of service charges of the Implementing Agencies (@ 8% for State Governments & 9% for CPSUs). The second part bid can not exceed the service charges mentioned above. Only those state governments which undertake to provide the service charges to the project developer will be eligible for taking up the DDG Projects. The tenders will be evaluated jointly for both the parts i.e. for the First part and the Second part taken together for 5 years. A tripartite agreement will be signed between SREDA/State Utility/State Energy Deptt. and REC on behalf of the Ministry of Power and the Project Developer for agreeing to the commitments and conditions of RGGVY-DDG sub component. This tripartite agreement will be approved by Ministry of Power. As part of agreement (a) the project developer will be authorized to collect tariff in project area and (b) the state government will agree to reimburse the gap between O&M expenditure and revenue income from out of the service charges of implementing agencies to the project developer.

16.2 Other components

- i) The selected project developer shall give 10% Contract Performance Guarantee in the form of Bank Guarantee of the total project cost as per 12.1 (a) valid for a period of 2 years which is to be renewed till 5years plus 6 months from date of commissioning..
- ii) The successful developer shall be responsible for supplying the required quantum of power for 6-8 hours of electricity per day at the identified timings as per the contract, at least for 25 days in a month, failing which, the developer shall pay Liquidated Damages (LD) at the rate of the 10% of the charges for the short supplied power. This amount may be deducted from the yearly payments to the project developer.
- iii) The project developer is responsible for providing training / capacity building to villagers for running the power plant.
- iv) After 5 years, Implementing Agencies will have the option to take over the project or handover the project to the same agency or any other agency as approved by the State Government for running the project, either on negotiated rate basis or limited or open tender basis.
- v) If grid power reaches the village before 5 years then the power produced from the DDG project can be exported to the grid and imported from the grid, as and when required.
- vi) The Project Developer's will be permitted to mobilize additional support/funds from other sources for implementing the DDG projects.
- vii) For sustainability of DDG projects, it is important to go beyond lighting and Consultants preparing DPRs shall also include some non-domestic / productive work that would help in the overall development of these villages.
- viii) For DDG projects, a flat rate in terms of money to be paid / light point / month is a more practical way of setting the tariff than the classical sale of electricity/kWh. The concerned Implementing Agency will issue guidelines for electricity charges to the project developers.

17.0 MONITORING AND EVALUATION

- i) It should be ensured that all the benefits intended by the project are rigorously monitored and a monthly report is submitted by the Implementing Agency to REC and MoP indicating the financial and physical progress of the project.
- ii) The Implementing Agency shall also ensure proper utilization of the funds.

18.0 EARNING CARBON CREDITS FROM DDG PROJECTS

There are possibilities of earning carbon credits through the Clean Development Mechanism (CDM) route for renewable energy based DDG projects. These projects are eligible under both the regulatory and the voluntary markets.

Since the volume of Certified Emission Reductions (CERs) on a single village basis is low, It would be advisable to bundle several such projects and Implementing Agencies shall endeavor to obtain such benefits for further community benefit programmes.

19.0 Notwithstanding any thing mentioned in the guidelines some projects can be taken up for Implementation by CPSUs as per the recommendation of Implementing Supporting Group (ISG) & the Monitoring Committee after proper scrutiny.

20.0 The expenditure involved on above scheme would be debit to the following Head under Grant No.72 – Ministry of Power for the year 2007-08 and corresponding head of account for the subsequent years:-

2801 Power (Major Head)
06 – Rural Electrification (Sub-Major Head)
06.800 – Other Expenditure (Minor Head)
03 – Rural Electrification Corporation – for Rajiv Gandhi Grameen Vidyutikaran Yojana
03.00.33 – Subsidies

21.0 This has been approved by Monitoring Committee on RGGVY in its meeting held on 23/12/2008.

(Devender Singh)
Joint Secretary to the Government of India

To

1. Chief Secretaries of all States.
2. Secretary (Power/Energy) of all States
3. Chairman of all State Utilities
4. Chairman & Managing Director, REC, SCOPE Complex, New Delhi.

Copy to:

1. Prime Minister's Office, South Block, New Delhi.
2. Cabinet Secretary, Cabinet Secretariat, Rastrapati Bhawan, New Delhi.
3. Ministry of Finance, Department of Expenditure (Plan Finance), New Delhi.
4. Chairman, Central Electricity authority, R.K. Puram, New Delhi.

5. Secretary Planning Commission, New Delhi.
6. Secretary, Ministry of Non-conventional Energy Sources, New Delhi.
7. Secretary, Ministry of Rural Development, Krishi Bhawan, New Delhi.
8. Secretary, Department of Panchayati Raj, New Delhi.
9. Secretary, Ministry of Programme Implementation, New Delhi.
10. Department of Development of North Eastern Region, New Delhi.
11. CMDs of NHPC, NTPC, POWERGRID, DVC.
12. PPS to Secretary (P)/Sr PPS to AS(AK),/PPS to AS(GBP).
13. All JSs/All Directors/DS in the Ministry of Power.

A THREE TIER QUALITY CONTROL MECHANISM UNDER RGGVY

A. (a) First Tier

Project implementing agency (PIA) would be responsible for the first tier of the Quality Control Structure. Further PIA will engage third party inspection agency, whose responsibility will be to ensure that all the materials to be utilized and the workmanship conform to the prescribed specifications. It will be synchronized with phased release of funds under RGGVY and inspection and proof of corrective action will be mandatory requirement for release of funds. This inspection will cover approx. 50% villages on random sample basis for each project.

(b) Second Tier

Rural Electrification Corporation will get the inspection done of the works/materials from its non-field staff and by outsourcing it. REC may outsource it to retired employees of State Electricity Boards/State Utilities/ CPSUs. All such reports should be organized and analyzed by REC through the project implementation. These individuals would be designated as REC Quality Monitors (RQM).

The inspection will cover quality checks at pre-shipment stage at the vendors' outlet of major materials and 10% villages on random sample basis.

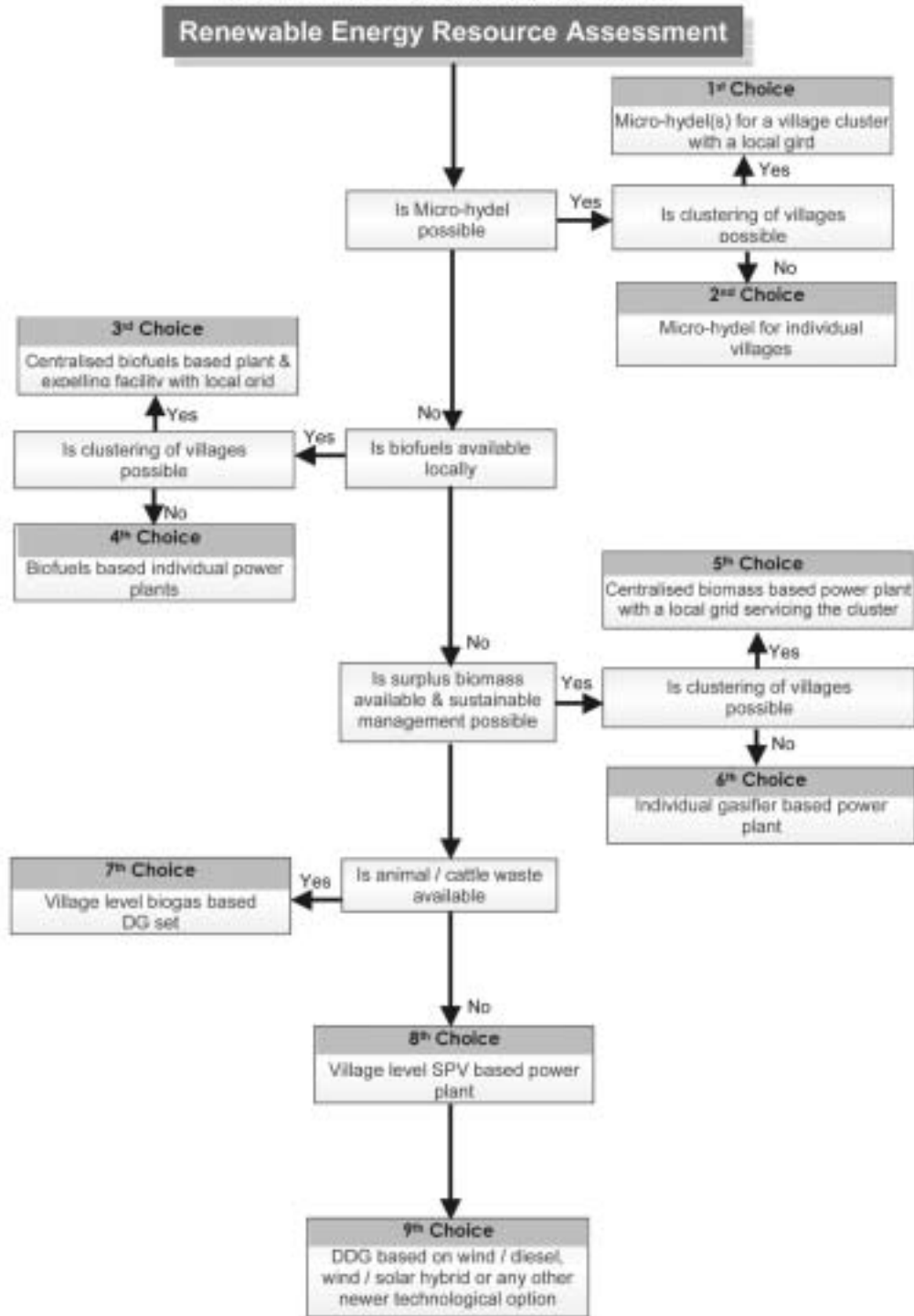
(c) Third Tier

1. Independent Evaluators (Individuals /Agency) will be engaged by the Ministry of Power for evaluation, at random, of supply and erection under the programme. These persons would be designated as National Quality Monitors (NQM). It will be the responsibility of the state to facilitate the inspection of works by the NQM, who shall be given free access to all administrative, technical and financial records. Evaluation will cover 1% villages. They shall also report on the general functioning of the Quality Control mechanism in the District.
2. The Monitors shall submit their report to the Ministry. The reports of the NQMs will be sent by REC to the RQM for appropriate action within a period to be specified. In case quality check by RQM or NQM reveals 'unsatisfactory' work, the implementing agency shall ensure that the contractor replace the material or rectifies the workmanship (as the case may be) within the time period stipulated. In respect of NQM Reports, the REC Quality Coordinator shall, each month, report on the action taken on each of the pending Reports. All works rated 'unsatisfactory' shall be re-inspected by RQM or NQM after a rectification report has been received from the REC Quality Coordinator. REC will designate an Executive Director as incharge of the Monitoring system.
3. Recurrent adverse reports about quality of works in a given District / State might entail suspension of the Programme in that area till the underlying causes of defective work have been addressed.
4. The REC Quality Coordinator / Third party inspection unit shall be the authority to receive and inquire into complaints / representations in respect of quality of works and they would be responsible for sending a reply after proper investigation to the complainant within 30 days. The REC for this purpose, shall ensure the following:-
 - (i) The name, address and other details of the REC Quality Coordinator / third party inspection unit will be given adequate publicity in the State (including tender notices, websites, etc.) as the authority empowered to receive complaints.

- (ii) All complaints shall be acknowledged on receipt (giving registration no.) and likely date of reply shall be indicated. On receipt of the report, the complainant shall be informed of the outcome and the action taken / proposed.
- (iii) Complaints received through the Ministry of Power, REC will normally be sent to the REC Quality Coordinator for enquiry and necessary action. In case report from an RQM is desired, this shall be furnished within the time specified. In case an adequate response is not received within the stated time schedule, the REC may depute an NQM and further processing will be done only on the basis of NQM report.
- (iv) The RQC shall make a monthly report to the REC (in a prescribed format) and the status of action on complaints shall be discussed in the District Committees.
- (v) REC could develop a web site for complaints, inspection and rectification.

Annexure 2

TECHNOLOGY DECISION TOOL
(Conventional DG sets will be an option in most cases)



Annexure 3

Framework for ranking various renewable energy based DDG options

Option	Score (In a scale of 1 to 5, please refer to the footnote for the scoring criteria)						Overall score	Ranking	
	Capital cost (Rs. / kW) ¹		Generation cost (Rs. / kWh) ²		Environmental impact ³	Local ⁴ manageability & ease of operation			Enhancing ⁵ Livelihood opportunities
	Rs/kW	Score	Rs/kWh	Score					
Biomass gasifier / DG sets	~ 78,000	3	2.25	4	2	2	4	15	3
SPV	~ 3,00,000	1	14.5	1	4	2	1	9	5
Biogas DG sets	~ 85,000	3	0.75	5	3	1	3	15	4
Biofuels DG sets	~ 20,000	5	10.75	2	3	3	5	18	2
Micro-hydel	~ 60,000	4	0.25	5	5	3	3	20	1

Note: Although the overall score for the biomass gasifier and biogas options are same, gasifier based systems are given a higher ranking as they are fairly established as a DDG technology, and at the present point of time, is a preferred option compared to biogas based engines. The above scoring matrix excludes options like wind/solar, wind/diesel hybrids or any other newer options as DDG systems based on such technologies are presently not operational, and there are no basis for comparing the effectiveness of such systems against the options listed above.

<p>1 Capital cost is the cost of power generating unit. Scoring as per the following guidelines:</p> <p>< Rs 25,000 - 5</p> <p>Rs 25,000 - Rs 75,000 - 4</p> <p>Rs 75,000 - Rs 100,000 - 3</p> <p>Rs 100,000 - Rs 150,000 - 2</p> <p>> Rs 200,000 - 1</p>	<p>2 Generation cost is the operation and maintenance cost of unit power generation. For SPV systems, it refers to the cost of replacement of battery bank every 4 years. For biofuels based plants, the cost of generation would be Rs 9.45/kWh if the sale of press cake is also accounted for. Scoring as per the following guidelines:</p> <p>< Rs 1.5 - 5</p> <p>Rs 1.5 - Rs 5 - 4</p> <p>Rs 5 - Rs 7.5 - 3</p> <p>Rs 7.5 - Rs 12.5 - 2</p> <p>> Rs 12.5 - 1</p>	<p>3 Environmental impacts include local as well as global air pollution, afforestation / deforestation impacts, solid as well as liquid waste generation etc. Scoring as per the following guidelines:</p> <p>Least polluting - 5</p> <p>Most polluting - 1</p>	<p>4 Local manageability refers to the ability of maintaining / managing the equipment / systems in remote places and their serviceability. Scoring as per the following guidelines:</p> <p>Most robust system - 5</p> <p>Least robust system - 1</p>	<p>5 Enhancing livelihood opportunity refers to the ability of a particular technology to promote productive work as well as local employment generation. Scoring as per the following guidelines:</p> <p>Maximum livelihood opportunity - 5</p> <p>Least livelihood opportunity - 1</p>
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**ROLES AND RESPONSIBILITIES OF IMPLEMENTATION SUPPORT
GROUP (ISG)**

Support to funding agency and single window to project developers for all data / information support.

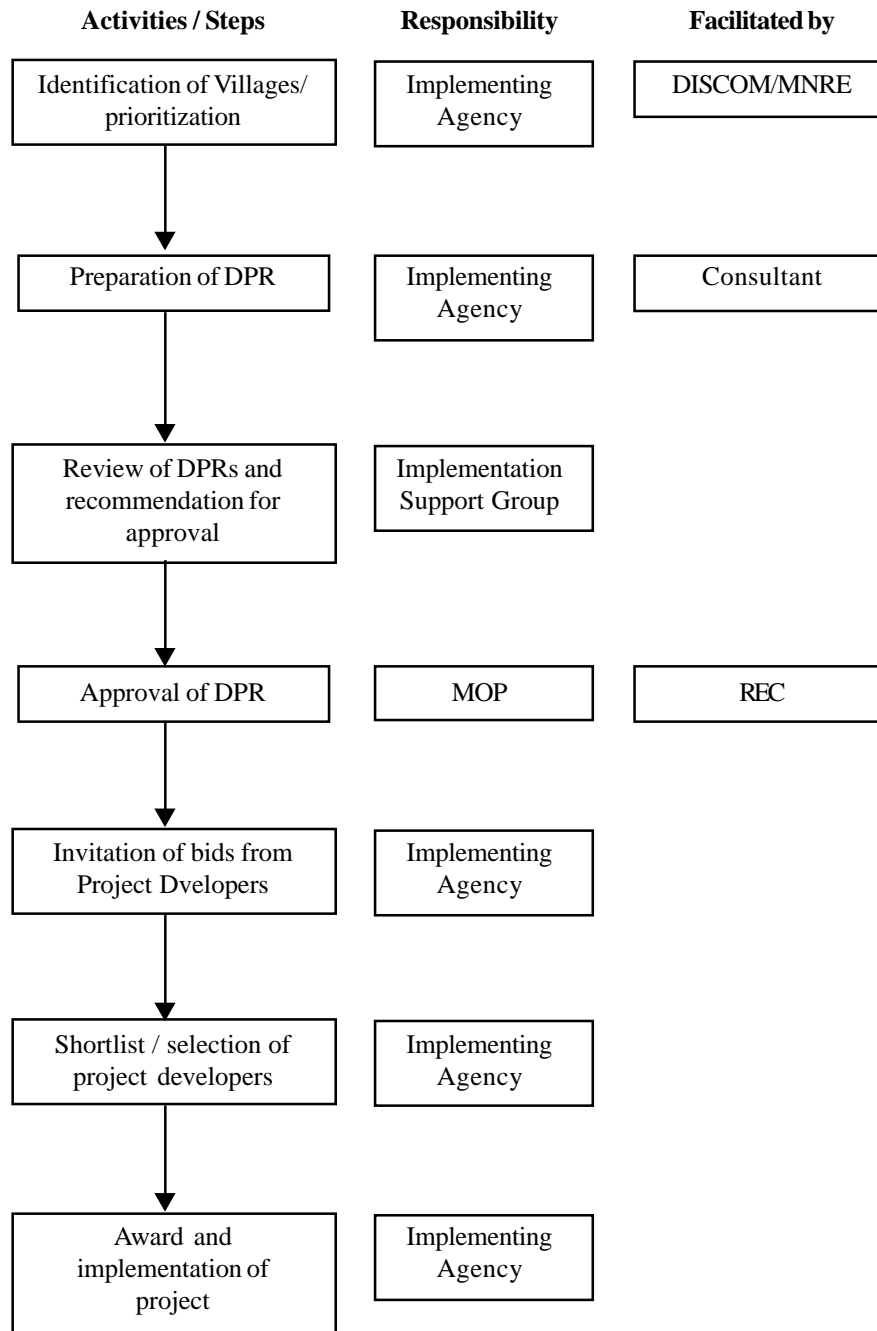
1. Identification of villages/ target project areas
2. Evolve guidelines and checklist for formulation of Feasibility Reports & Detailed Project Reports.
 - Contents of the Reports
 - Compliance to appraisal parameters.
 - Listing of clearances and requirements at each stage.
3. Evolve Guidelines and parameters for Project developers for
 - Project implementation support.
 - Project monitoring
 - Quality assurance
 - Capacity building
 - Project closure
 - Operation stage support
4. Support to REC
 - Techno Commercial appraisal.
 - Project monitoring
 - MIS support on scheme implementation.
 - Evolve guidelines and procedures for all steps in project implementation and operation.
 - Set quality benchmark parameters.
 - Provide monitoring benchmarks and check milestones.
5. Formulate detailed guidelines and check list for
 - Detailed Project Report acceptance (for Project approval)

The steps and interfaces between ISG/ REC and Implementing Agency will be detailed through procedural guidelines.
6. Conduct Grant utilization audit
7. Maintain data repository on all aspects and deliverables of Scheme implementation.
8. Single Window to all Stakeholders
 - Data/ Information support.
 - Capacity building and awareness about new techniques and technologies.
 - Target Project areas identification.
9. Formulate guidelines for funding of application projects based upon New technologies.

**Information to be covered in Detailed Project Report
(The following is an indicative list)**

- Name of Gram Panchayat, Block & District
- No. of Villages under Gram Panchayat
- Name of Village / hamlet selected for the Project
- Village census code
- Distance from nearest road-head
- Distance from the grid
- Total population of the village / hamlet
- Number of households
- Number of Hamlets / Dalit Bastis in Village
- Number of BPL Households
- Type of social structure
- Community buildings – school, public health centre, panchayat ghar, etc.
- Main occupation, indicating cash crops
- Resource availability – water stream, type of biomass, local fuel wood / oil-seed bearing species, if any
- Availability of fallow land / waste land / uncultivated land etc.
- Indicative Estimate of Energy Demand
 - Household –lighting, other
 - Community services, including streetlights
 - Irrigation/Agriculture Operations
 - Commercial
- Existing pattern of energy / fuel use and average monthly expenditure per household
- Existing renewable energy devices in the village, if any
- Technology package proposed to be deployed
- Indicative capacity of the energy systems
- Role of local community in planning, implementation and management, including revenue management
- Details of any local NGO already associated with the village / hamlet
- Any other village / hamlet in the vicinity of this village that is un-electrified

DDG Scheme
– The Approval Process





No.44/01/2007 -RE
Government of India
Ministry of Power
Shram Shakti Bhawan, Rafi Marg, New Delhi – 110001
Telephone No. 23715507; FAX No. 23717519

New Delhi the 5th January, 2011

ORDER

Subject: Guidelines for Village Electrification through Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana in the XI Plan – Scheme of Rural Electricity Infrastructure and Household Electrification.

Guidelines for Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana in the XI Plan were issued vide Order of even number dated 12.01.2009.

2. Guidelines were issued after detailed deliberations with all the stake holders.
3. Ministry of Power had directed Rural Electrification Corporation (REC) to organize four Regional Workshops and one National Workshop on DDG. They were requested to consolidate the suggestions received from various stake-holders, process them and sent to Ministry of Power with their recommendations.
4. REC had organized four Regional Workshops and one National Workshop and submitted suggestions received in the Workshop along with their recommendations for amendment of the guidelines.
5. The suggestions and recommendations have been discussed and it has been decided that certain amendments need to be made in the existing guidelines.
6. Existing provisions and amendments are given in Annex.
7. It is requested that it may be brought to the notice of all concerned.

(Devender Singh)
Joint Secretary to the Government of India
Tel.No.23710199

To

1. Chief Secretaries of all States.
2. Secretary(Power/Energy) of all States.
3. Chairman of all State Utilities.
4. Chairman & Managing Director, REC, SCOPE Complex, New Delhi.

Copy to: -

1. Prime Minister's Office, South Block, New Delhi.
2. Cabinet Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
3. Ministry of Finance, Department of Expenditure (Plan Finance), New Delhi,
4. Chairman, Central Electricity Authority, R.K.Puram, New Delhi.
5. Secretary, Planning Commission, New Delhi.
6. Secretary, Ministry of Non-Conventional Energy Sources, New Delhi.
7. Secretary, Ministry of Rural Development, Krishi Bhavan, New Delhi.
8. Secretary, Department of Panchayati Raj, New Delhi.
9. Secretary, Ministry of Programme Implementation, New Delhi.
10. Department of Development of North Eastern Region, New Delhi.
11. CMDs of NHPC, NTPC, POWERGRID, DVC.
12. PPS to Secretary (P)/Sr.PSO to AS (AL)/PPS to AS (GBP)
13. All JSs/All Directors/DS in the Ministry of Power.

Annex to Order No.44/01/2007-RE dated 5.01.2011

**Amendment to Guidelines for Village Electrification through DDG
under RGGVY**

S.No.	Clause reference of DDG Guidelines	Existing provision	Proposed Amendment
1.	3.0 of DDG Guidelines	Decentralized Distributed Generation can be from conventional or renewable sources such as Biomass, Biofuels, Biogas, Mini Hydro, Solar etc. for villages where grid connectivity is either not feasible or not cost effective.	<p>The following lines are added after the existing provision: Those villages can also be considered which (i) are connected to the grid but have no electricity supply (ii) have un-electrified clusters.</p> <p>If the resource available for any technology in any particular village is higher than the demand of the village, then excess available capacity may be fed into the nearby grid. However, the amount of subsidy shall be limited to the project capacity required for feeding electricity to the remote villages, The cost of excess capacity and the cost of transmission system for feeding to the grid shall be borne by the Implementing Agency.</p>
2.	5.0 of DDG Guidelines	The DDG projects would be owned by State Government Implementing Agencies of the projects shall be either the State Renewable Energy Development Agencies (SREDAs)/departments promoting renewable energy or State Utilities or the identified CPSUs. The State Governments will decide the implementing agency for their respective States.	The following lines are added after the existing provision: State Governments can also decide more than one implementing agency in their State for electrifying the hamlets/villages.

S.No.	Clause reference of DDG Guidelines	Existing provision	Proposed Amendment
3.	10.2 (i) of DDG Guidelines	The list of villages/hamlets to be electrified through DDG is to be finalized by the State Renewable Energy Development Agency/departments promoting renewable energy in consultation with state utilities and MNRE.	The following are deleted: and MNRE (To be deleted).
4	13.3 of DDG Guidelines	The implementing agency will finalize the prioritized list of villages/hamlets to be electrified through DDG and get the DPRs made through the panel of consultants.	The following lines are added after the existing provision: Implementing agencies may also prepare the DPRs themselves. The cost of preparation of the DPRs may be financed even in case the DPRs is not approved due to some reason. Reimbursement of the cost of DPRs for projects that do not get sanctioned would be taken upon a case to case basis, with the approval of Monitoring Committee.
5.	16.1 (iv) of DDG Guidelines	The reimbursement of gap between operation and maintenance cost and revenue recovery to the project developer (after adjusting the collected tariff) will be paid out of the service charges of Implementing Agencies (@ 8% for State Govts. and 9% for CPSUs). The second part of bid cannot exceed the service charges mentioned above. Only those state governments.....	The highlighted portion is replaced by the following In case the gap exceeds 8% or 9%, the same may be funded out of the subsidy.

S.No.	Clause reference of DDG Guidelines	Existing provision	Proposed Amendment
6.	16.1 (ii) of DDG Guidelines	Consultant while preparing DPR shall estimate the capacity of the project and shall also estimate the electricity load and energy required to be generated for five years from the date of commissioning. While computing the load, provision of 2 light points (11/18 W each) and one socket (40W) may be considered for each household.	The following lines are to be added after the existing provision: However, implementing agency shall have the option of considering a higher load also for each household.
7.	16.2 (i) of DDG Guidelines	The selected project developer shall give 10% Contract Performance Guarantee in the form of Bank Guarantee of the total project cost as per 12.1 (a) valid for a period of 2 years which is to be renewed till 5 years plus 6 months from date of commissioning.	Contract Performance Guarantee value is reduced to 5% .
8.	16.2 (ix) (New clause)	No existing sub-clause.	The following is added from RGGVY Guidelines as a new sub-clause (ix) Fixed BPL connection charges shall be paid @ Rs. 2200/- as per rate prevailing in RGGVY.

Amendment to Format for Preparation of DPR for Village Electrification through DDG under RGGVY

<p>1. S.No. 6.6.8 Format for preparation of DPR</p>	<p>(g) Cost of power supply for each year (f-c)</p>	<p>Replaced by the following: (g) Cost of power supply for each year (c-f). (This cost is to be added to the project cost only when the cost of power supply as at (c) above is more than the revenue collection as at (f) above otherwise is to be considered as zero).</p>
<p>2. Annexure-II, Format for preparation of DPR.</p>	<p>Para-2 This is to certify that the list of village(s) /hamlet(s) to be electrified through DDG have been finalized by the State Renewable Energy Development Agency/ departments promoting renewable energy in consultation with state utilities and Ministry of New and Renewable Energy. Please enclose documentary evidence.</p>	<p>Consultation with MNRE is deleted.</p>

**Amendment to Procurement Guidelines for Village Electrification
through DDG under RGGVY**

<p>1. Clause 1.1 of Part-1 Guidelines for Procurement of Goods and services for DDG under RGGVY</p>	<p>Purpose of these guidelines is to indicate the general principles and procedures, which except as REC may otherwise agree, shall be observed in carrying out procurement of goods and works for projects under ‘Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) in the XI Plan – Scheme of Rural Electricity Infrastructure and Household/ Electrification.”....</p>	<p>The following lines are added after the existing provision :</p> <p>However, Implementing Agency will have the option to following their own procurement guidelines and follow their own bid documents.....</p>
<p>2. Clause 1.4 of Part-1 Guidelines for Procurement of Goods and Services for DDG under RGGVY</p>	<p>.....Any procurement of goods shall be eligible for financing through REC, if the same are procured in accordance with the above bidding procedure. The above bidding procedure has been prepared for implementation of the project in association with the CPSUs as may be desired by the State involving CPSUs total involvement in execution of the project.</p>	<p>The following lines are added after the existing provision:</p> <p>However, Implementing Agency will have the option to following their own procurement guidelines and follow their own bid documents.....</p>



No.44/01/2007 -RE
Government of India
Ministry of Power
Shram Shakti Bhawan, Rafi Marg, New Delhi – 110001
Telephone No. 23715507; FAX No. 23717519

New Delhi the 17th March, 2011

ORDER

Subject: Guidelines for Village Electrification through Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana in the XI Plan – Scheme of Rural Electricity Infrastructure and Household Electrification.

Revised Guidelines for Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana in the XI Plan were issued vide Order of even number dated 05.01.2011. Amendment to Clause 3.0 of DDG Guidelines may be read as per enclosure.

(Devender Singh)
Joint Secretary to the Government of India
Tel.No.23710199

To

1. Chief Secretaries of all States.
2. Secretary(Power/Energy) of all States.
3. Chairman of all State Utilities.
4. Chairman & Managing Director, REC, SCOPE Complex, New Delhi.

Copy to: -

1. Prime Minister's Office, South Block, New Delhi.
2. Cabinet Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
3. Ministry of Finance, Department of Expenditure (Plan Finance), New Delhi,
4. Chairman, Central Electricity Authority, R.K.Puram, New Delhi.
5. Secretary, Planning Commission, New Delhi.
6. Secretary, Ministry of Non-Conventional Energy Sources, New Delhi.
7. Secretary, Ministry of Rural Development, Krishi Bhavan, New Delhi.
8. Secretary, Department of Panchayati Raj, New Delhi.
9. Secretary, Ministry of Programme Implementation, New Delhi.
10. Department of Development of North Eastern Region, New Delhi.
11. CMDs of NHPC, NTPC, POWERGRID, DVC.
12. PPS to Secretary (P)/Sr.PSO to AS (AL)/PPS to AS (GBP)
13. All JSs/All Directors/DS in the Ministry of Power.

S.No.	Clause reference of DDG Guidelines	Existing provision	Proposed Amendment
1.	3.0 of DDG Guidelines	Decentralized Distributed Generation can be from conventional or renewable sources such as Biomass, Biofuels, Biogas, Mini Hydro, Solar etc. for villages where grid connectivity is either not feasible or not cost effective	<p>The following lines are added after the existing provision:</p> <p>If Project Developer decides to set up a DDG Plant for capacity more than required for that village then excess available capacity may be fed into the nearby grid. However, the amount of subsidy available shall be limited to the project capacity required for feeding electricity to that villages, The cost of excess capacity and the cost of transmission system for feeding to the grid shall be borne by the project developer.</p>



No.42/02/2011 -RE
Government of India
Ministry of Power
Shram Shakti Bhawan, Rafi Marg, New Delhi – 110001
Telephone No. 23715507; FAX No. 23717519

New Delhi the 18th March, 2011

ORDER

Subject: Guidelines for Village Electrification through Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana in the XI Plan – Scheme of Rural Electricity Infrastructure and Household Electrification

Guidelines for Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana in the XI Plan were issued vide Order No. 44/1/2007-RE dated the 12.01.2009. Guidelines were modified vide order dated 05.01.2011 and 17.03.2011 .

2. The Empowered Group of Officers constituted by the Ministry of Home Affairs in pursuance of the decision of the Cabinet Committee on Security inter alia, have the mandate to over-ride or modify existing norms/guidelines relating to various development programmes and Flagship Schemes in respect of 60 IAP districts. The Empowered Group reviewed the status of electrification under RGGVY and the steps required for speedier development of these Integrated Action Plan (IAP) districts and also noted that work are in progress under RGGVY scheme to connect villages to the Grid but difficulties are being experienced in energisation and providing electricity for the assured duration of 6-8 hours.

3. Empowered Group felt that for some category of villages DDG guidelines need modification to facilitate further development of 60 LWE districts. Ministry of Power in accordance of the decision of the Empowered Group of Officers constituted by the Ministry of Home Affairs, has decided to amend Para 3.0 of the Guidelines for Village Electrification through Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana for Left Wing Extremism (LWE) districts as notified by Ministry of Home Affairs .

4. Para 3.0 of DDG guidelines would be as below:-

Decentralized Distributed Generation can be from conventional or renewable sources such as Biomass, Biofuels, Biogas, Mini Hydro, Solar etc. for villages where grid connectivity is either not feasible or not cost effective

If Project Developer decides to set up a DDG Plant for capacity more than required for that village then excess available capacity may be fed into the nearby grid. However, the amount of subsidy available shall be limited to the project capacity required for feeding electricity to that villages, The cost of excess capacity and the cost of transmission system for feeding to the grid shall be borne by the project developer.

Provided that in case of Left Wing Extremism affected districts as notified by Ministry of Home Affairs, DDG can also be implemented in following category of villages:-

(a) where the infrastructure for electrification was developed but could not be energized due to issues relating to the backward connectivity of the grid such as non-availability of land for sub-stations, inadequate transformation capacity in the sub-stations and where the capacity can not be enhanced in near future.

(b) where the energisation is not likely to take place due to pending statutory clearance like those from Ministry of Environment & Forests, etc.

(c) where the work have been sanctioned under RGGVY but not taken up so far or works have stopped due to various local/ long standing problems of a serious nature.

(d) where infrastructure has been created for the grid connectivity but where availability of power is far less than the stipulated 6 to 8 hours as mandated under RGGVY.

In case the existing distribution infrastructure is available, only the generation component under DDG Scheme would be taken up thereby avoiding duplication of expenditure for distribution infrastructure”

5. It is requested that it may be brought to the notice of all concerned.

(Devender Singh)
Joint Secretary to the Government of India
Tel.No.23710199

1. Chief Secretaries of all States.
2. Secretary(Power/Energy) of all States.
3. Chairman of all State Utilities.
4. Chairman & Managing Director, REC, SCOPE Complex, New Delhi.

Copy to: -

1. Prime Minister's Office, South Block, New Delhi.
2. Cabinet Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
3. Ministry of Finance, Department of Expenditure (Plan Finance), New Delhi,
4. Chairman, Central Electricity Authority, R.K.Puram, New Delhi.
5. Secretary, Planning Commission, New Delhi.
6. Secretary, Ministry of Non-Conventional Energy Sources, New Delhi.
7. Secretary, Ministry of Rural Development, Krishi Bhavan, New Delhi.
8. Secretary, Department of Panchayati Raj, New Delhi.
9. Secretary, Ministry of Programme Implementation, New Delhi.
10. Department of Development of North Eastern Region, New Delhi.
11. CMDs of NHPC, NTPC, POWERGRID, DVC.
12. PPS to Secretary (P)/ PPS to SS (GBP) / PSO to AS (AL).
13. All JSs/All Directors/DS in the Ministry of Power.

(Devender Singh)
Joint Secretary to the Government of India
Tel.No.23710199

Chapter 25

Rural Area Notification

**STATUS OF ESTABLISHMENT OF DISTRICT COMMITTEES,
NOTIFICATION OF RURAL AREAS UNDER ELECTRICITY
ACT 2003**

As on 31.10.2008

Sr. No.	States	Distt. Committee formation / notification	Notification for rural areas
1	Andhra Pradesh	√: 05.03.05	√: 28.11.05
2	Arunachal Pradesh	√: 28.10.05	√: 28.02.06
3	Assam	√: 29.11.04/11.04.05	√: 11.11.05
4	Bihar	√: 06.07.04	√: 17.11.05
5	Chhattisgarh	√: 10.03.04	√: 06.01.06
6	Delhi	Not participating in RGGVY	Not participating in RGGVY
7	Goa	Not participating in RGGVY	Not participating in RGGVY
8	Gujarat	√: 02.12.04 t 13.07.05	√: 31.03.06
9	Haryana	√: 01.09.05	√: 11.08.06
10	Himachal Pradesh	√: 23.06.05	√: 05.01.07
11	J & K	√: 02.02.06	Electricity Act 2003 not applicale to J & K
12	Jharkhand	√: 16.02.06	√: 13.12.05
13	Kamataka	√: 27.12.05	√: 22.09.05
14	Kerala	√: 27.10.04	√: 10.10.05
15	Madhya Pradsh	√: 30.08.05	√: 25.03.06
16	Maharashtra	√: 26.07.05	√: 27.11.06
17	Manipur	√: 15,11.05	√: June, 2008
18	Meghalaya	√: 14.10.04	√: 06.03.06
19	Mizoram	√: 12.01.06	√: 30.11.05
20	NaQaland	√: 29.04.05	√: 22.12.05
21	Orissa	√: 20.09.04	√: 30.03.05
22	Punjab	√: 25.08.06	√: 27.12.05
23	Raiasthan	√: 29.01.04	√: 14.02.06
24	Sikkim	√: 16.12.06	√: 15.03.07
25	Tamilnadu	√: 06.09.06	√: 11.09.06
26	Trioura	√: 13.12.05	√: 22.07.06
27	Uttar Pradesh	√: 25.05.04	√: 23.12.05
28	Uttaranchal ‘	√: 10.09.04	√: 09.03.06
29	West Bengal	√: 06.09.05√:	√: 24.05.06

Chapter 26

**A Scheme for Supply of
Electricity in 5 km
Area around Central Power
Plants**



No. 44/07/2010-RE
Government of India
Ministry of Power
Shram Shakti Bhavan, Rafi Marg, New Delhi-110001
Telephone No. 23715507; Fax No. 23717519

Dated the 27th April, 2010

To

1. Chief Secretaries of all States.
2. Secretary (Power/Energy) of all States.
3. Chairman of all State Utilities.
4. Chairman & Managing Director, REC, Scope Complex, New Delhi.

**Subject: Provision of supply of electricity in 5 Km area around
Central Power Plants**

Sir,

I am directed to say that the Hon'ble Union Minister of Power has mentioned in the Parliament on 21.07.2009 that the Government of India is considering supplying of reliable power supply to the rural household of the village within radius of 5 km of Power Stations set up by Central Public Sector Undertakings (CPSUs).

2. In pursuance of the announcement made by the Hon'ble Minister several rounds of meetings have been held to formulate modalities for implementation of the proposed policy initiative. These meetings were held on 5.8.2009, 18.8.2009, 16.12.2009, 5.3.2010 and 29.3.2010. In these meetings representative of the State Governments, representatives from CEA, Powergrid, NTPC and NHPC had given their valuable inputs.
3. Based on the discussion held in the above mentioned meetings it has been decided that the features of the scheme will be as given in the Annex-I.
4. It is requested that contents of the scheme may be brought to the notice of all concerned and necessary action may be taken for the implementation of the proposed policy initiative for supplying of reliable power to the rural house hold of the villages within the radius of 5 km of power stations set up by CPSUs.

Yours faithfully,

(Devender Singh)
Joint Secretary to the Government of India
Tel. 23710199

Copy to :

1. Prime Minister's Office, South Block, New Delhi.
2. Cabinet Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
3. Ministry of Finance, Department of Expenditure (Plan Finance), New Delhi.
4. Chairman, Central Electricity Authority, R.K. Sharma, New Delhi.
5. Secretary, Planning Commission, New Delhi.
6. Secretary, Ministry of Non-Conventional Energy Sources, New Delhi.
7. Secretary, Ministry of Rural Development, Krishi Bhavan, New Delhi.
8. Secretary, Department of Panchayati Raj, New Delhi.
9. Secretary, Ministry of Programme Implementation, New Delhi.
10. Department of Development of North Eastern Region, New Delhi.
11. CMDs of NHPC, NTPC, POWERGRID, DVC.
12. PS to Secretary (P), PSO to SS (P)/PPS to AS (GBP).
13. All JSs/All Directors/DS in the Ministry of Power.

Scheme for Provision of supply of electricity in 5 km area around Central Power Plants

1. **Coverage of the scheme :** The scheme will cover all existing and upcoming power plants of CPSUs. The cost of the scheme will be borne by the CPSU to which the plant belongs. This cost will be booked by the CPSU under the project cost.
2. **Agency for implementation and O & M :** The scheme shall be implemented by the CPSUs around their plants, who will supplement the existing infrastructure of the DISCOM to the extent required to operationalize the scheme. However, State Utility will have an obligation in respect of providing data, clearances, access and space in their existing substations for making the implementation possible in an effective manner by the CPSU. A nodal officer of the State utility shall be identified for this purpose.
 - 2.1 After completion of the infrastructure in the selected villages. It shall be handed over to the state utility for operation and maintenance.
3. **Power Supply to the area :** CPSU and state utility will make an assessment of the power requirement of the area. The assessed amount of power will be made available/allocated to the state utility from the Central Government unallocated quota over and above the allocated quota from the plant to feed the power to the electrified villages under the scheme. Under the scheme, electricity shall be supplied only for the purpose of households. A growth rate of 3% per annum shall be considered for calculating the power requirement of the area in future and accordingly the allocation shall be increased on yearly basis.
 - 3.1 Electricity shall be supplied by the utility for minimum 6 to 8 hours on daily basis to these villages.
 - 3.2 The extra allocated electricity for supplying to the villages under the scheme, will be at the same rate as for the normal allocated supply from the power plant to the state utility.
 - 3.3 Wherever the grid extension is not techno economically viable or feasible alternative solutions including DDG may be considered.
4. **Scope of the Scheme :** Under the scheme, all revenue villages and habitations, irrespective of their population , within 5 km radius from the power house of CPSUs shall be eligible for electrification. In case a village/habitation falls partially inside the 5 kms radius, the same shall also be fully covered under the scheme.
 - 4.1 At least one 11 kV radial feeder, if it does not already exist, will be provided by the CPSU for the area from the nearest existing substation of the state utility.
 - 4.2 Single phase transformers of adequate capacity, with down loadable meters/AMRs, shall be provided in the villages/habitations for supplying electricity to the households and public places. The capacity of the transformers shall be sufficient to cater to the present load of all the households and public places and also to meet the expected growth for five years. The meters will have the facility to record timings/duration of power supply through the transformers.
 - 4.3 CPSUs will provide free single lamp electricity connections to BPL households. LED bulbs shall be provided with connections to BPL households. Supply of LED bulbs by CPSUs will be a one time affair. Electricity connections to other households will be provided by the state utility in accordance with the existing provisions of their policies.

- 4.4 The electricity connections shall be provided with aerial bunched cables (ABC).
- 4.5 Electricity connections to IP Sets may be provided by the State utility from the same 11kV feeder(s). However, the same shall be from the separate transformers with suitable meters so that energy accounting for supply to households and agriculture can be separately maintained. Similarly, supply to other establishments, industry etc. shall be from separate transformers with proper meters. Transformers, feeders, meters etc. for this purpose shall be provided by the State utility at their expense.
5. **Implementation of the scheme**
- 5.1 A tripartite agreement will be signed by State Government, State Utility and the concerned CPSU for implementation of the scheme. The agreement will clearly define the responsibility of each party.
- 5.2 State Utility will prepare a list of villages and habitations in the area within 5km radius from the power house of CPSUs. An assessment of electricity requirement for households will also be made by them. The list of villages & habitations, power requirement etc. shall then be handed over to CPSU.
- 5.3 The existing infrastructure in the identified area shall be GIS mapped by the CPSU and required modifications for implementing the scheme shall be identified and marked on the maps/drawings and detailed project report (DPR) shall be finalized by CPSU in association with the State Utility and approved by the State Government. List of BPL households shall be supplied by the State Utility/district administration for providing electricity connections by the CPSU. In case no electricity infrastructure exists in the area, new infrastructure as per the scope of the scheme shall be created by the CPSU following the above procedures in association with State Utility and State Government.
- 5.4 On sanction of DPR by the State, CPSU will take up implementation of the scheme and complete the work within 12 months of DPR sanction and will hand over the created infrastructure to the state utility for operation and maintenance. Appropriate Commission shall consider the expenditure incurred by the CPSUs for implementation of the scheme for the purpose of determining the tariff of CPSU generating station. O&M of the infrastructure will be the responsibility of the State Utility at their own expenses.
- 5.5 The assessed/additional allocated amount of electricity will be fed by the CPSU in the State grid. An AMI will be installed at the injection point. State utility will supply that amount of electricity from the local substation to the designated villages. The utility will keep the correct accounting of the supplied electricity to the villages through proper metering of feeder, transformers and consumers. For this purpose AMI will be installed on feeder and transformers. The consumers will be provided with electronic meters as per CEA regulations. The regular review of the allocated and supplied electricity will be done by CPSU and the Utility and MIS shall be sent to the Ministry of Power on quarterly basis by the CPSU. In case the actual supplied electricity to the area is more or less than the allocated electricity, the allocation will be reviewed for subsequent months.
6. **Tariff for Power supply :** The tariff, as decided by the SERC for other villages, shall be applicable for this area. State Utility will take the meter reading of all the consumers, issue bills and collect the tariff as in normal cases.
7. **Monitoring of the Scheme :** The implementation and operation of the scheme will be monitored by the concerned CPSU and the Ministry of Power.

Chapter 27

**Guidelines for Renovation
and Modernisation/Life
Extention Works of Coal/
Lignite based Thermal
Power Stations**

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Guidelines for Renovation and Modernisation/Life Extention Works of Coal/ Lignite based Thermal Power Stations

1.0 BACKGROUND

- 1.1 Coal based thermal power generation provides a major share of power availability in the country. More than 69 % of total generation comes from coal/ lignite based power plants. At present, the maximum thermal generation (73 % of thermal generation) comes from coal / lignite units of 200/210MW and above capacity. The first 200 MW unit was installed at Obra in 1977. Prior to that, the units were of smaller size and many of these were of non-reheat type with lower efficiency. Over a period of past few decades there has been growth in the size of thermal units and in steam parameters resulting in plant's better efficiency.
- 1.2 Renovation and Modernisation (R&M) and Life Extension (LE) have been recognized as cost effective options to achieve additional generation from existing units at low cost and in shorter period.
- 1.3 A centrally sponsored R&M Programme was launched in 1984 as Phase-I programme for which financial assistance for implementing R&M works was provided by Govt. of India. The R&M programme continued albeit in a different form subsequently during 9th & 10th plan periods with resultant improved performance from thermal generating units.
- 1.4 Presently, a large existing capacity i.e. 129 units of total capacity 26283 MW and 95 units of total capacity 21212 MW has been identified for R&M/LE works during 11th plan and 12th plan period. The old and small size units of early post-independence period were based on technology as available at that time having a very low efficiency. These units are therefore near obsolescence. The LMZ Russian design larger size units (200/210MW) and initial KWU design machines are now in fag end of their economic life span. Further, though there has been gradual improvement in plant load factor over the years, there exists a lot of scope for further improvement. These groups of 200/210 MW machines (LMZ design and early KWU design machines) constitute a major chunk of R&M/LE programme in the 11th plan and beyond.

2.0 INTENT OF RENOVATION & MODERNISATION (R&M)/LIFE EXTENSION (LE) PROGRAMME

- 2.1 There has been substantial increase in capacity addition in the successive five year plans of the country, yet there still exists a gap between demand and availability of power. The new installation being capital intensive, it is considered prudent to maximise the generation from the existing power stations to ensure optimal utilisation of resources. This would involve replacement of the existing obsolete items of equipment in operation with those with more efficient and of latest designs incorporating the state-of-the-art technologies and improved metallurgy.
- 2.2 Many thermal power stations in the country were designed for a given quality of coal, which has deteriorated over a period of time. The design PLF was also based on the norms prevailing at that time which is below rated value. The capacity of the raw coal feeding system, pulverizers,

primary air fan system, ash handling system etc., for these power stations may have to be augmented to maintain the rated capacity of the boiler, provided the furnace size is adequate to burn the coal of deteriorated quality.

- 2.3 The environmental regulations are becoming more and more stringent day by day. The plants which were designed earlier were provided with less effective environmental systems which do not meet the present day standards, requiring either refurbishing the systems or complete replacement.
- 2.4 The R&M/LE programme may be designed in such a way so as to improve the plant performance and efficiency enhancement.

3.0 NEED FOR REVISED POLICY GUIDELINES

- 3.1 The Government of India have accorded a high priority to the R&M and Life Extension of thermal power stations to maximise generation and improve their overall performance.

With a view to expediting the R&M/LE works during the 10th Plan period, Govt of India, Ministry of Power issued guidelines vide letter No. 12/6/99-Th-3 Dated 12.1.2004 and subsequent clarification dated 3.2.2004.

- 3.2 However, necessity has been felt to revise the above guidelines due to the following:
 - i) There have been delays in achieving the desired completion targets.
 - ii) Constraints are being experienced in supply of materials resulting in time/cost overruns.
 - iii) A large number of units of 200MW capacity and above are becoming due for R&M/LE works necessitating need for more agencies to carryout R&M/LE works.
 - iv) The objective is shifting from 'generation maximization' to 'performance optimization and generation maximisation' with efficiency enhancement and plant uprating becoming an integral part of the life extension programme.
- 3.3 The above requirements call for new approach towards implementation of R&M/LE works by the utilities through identification of optimized R&M options, compressed and definite time schedule and encouraging increased participation from various executing agencies including private sector. Accordingly, the earlier guidelines have been revised to account for the above.

4.0 CONCEPT OF R&M AND LIFE EXTENSION PROGRAMME OF THERMAL (COAL/ LIGNITE BASED) POWER STATIONS

4.1 RENOVATION AND MODERNISATION (R&M) PROGRAMME

- 4.1.1 The main objective of R&M of power generating units is to make the operating units well equipped with modified / augmented latest technology equipment /components/ systems with a view to improving their performance in terms of output, reliability and availability to the original design values, reduction in maintenance requirements, ease of maintenance and enhanced efficiency.

4.1.2 However, R&M is not a substitute for regular annual or capital maintenance/overhaul which forms a part of operation and maintenance (O&M) activity. Middle life R&M come up preferably after 100000 hrs. of operation.

4.1.3 The R&M programme is primarily aimed at generation sustenance and overcoming problems due to:

- Generic defects.
- Design deficiencies /modifications.
- Avoidance of inefficient operation
- Non-availability of spares because of obsolescence of equipment / components.
- Poor quality of coal.
- Major replacements of equipment arising due to unforeseen failures and /or generation sustenance not covered under regular O&M.
- Stringent environmental regulation.
- Safety requirements etc.

4.2 R&M PROGRAMME WITH LIFE EXTENSION (LE) & UPGRADING (LE&U)

4.2.1 The equipment subjected to fatigue stresses and creep due to high temperatures such as turbine rotor and casings, HP piping, boiler headers, Boiler drum, main steam piping and valves, feed discharge lines etc. are designed for a given fatigue life of about 25-30 years of operation. However, many equipment/ components might become prematurely weak metallographically due to various operational stresses like frequent temperature and pressure excursions, full load trippings, frequent start and stops etc. and accordingly there is need to check the remaining life of these components after about 20 years of life or **1,60,000** hours of operation lest it may result into serious failures. A systematic study called the Residual Life Assessment (RLA) study involving non-destructive and destructive tests would reveal the remaining life of various critical components of plants and equipment so as to take steps to extend the life of the plant by a further period of about 15-20 years by appropriate repairs/ replacements. A RLA study may be carried out earlier, say after 15 years or 1,00,000 hrs. of operation if the plant condition so necessitates and as stipulated in IBR 391 A.

4.2.2 The LE programme is a major event in the thermal power station's history, as it envisages extension of life over a considerable period of time beyond its designed life. At this time it is a good practice to examine whether a plant requires a viable modernisation which has not been carried out earlier so that during the extended life the plant operates efficiently and delivers the rated or higher capacity with improved heat rate. Adoption of improved and proven technology can play an important role in plant upgraded output & higher efficiency. There are cost-effective options to uprate the machines for higher output and improved efficiencies thus making it economically viable to integrate life extension programme with uprating.

4.3 WORKS NOT RELATING TO R & M / LIFE EXTENSION:

4.3.1 In general, works usually done under routine maintenance and annual or capital maintenance do not fall under the purview of R&M Programme. The repetitive nature of activities having the frequency once in five year or less is covered under O&M.

4.3.2 The following works should not be included as a part of R&M / LE programme:

- i) Infrastructural development work such as town ship, welfare measures etc., general civil works within the plant such as boundary wall, roads, drainages etc. However, technological structure works required for equipments / structure based on RLA done as per design criteria (such as turbine deck, foundation etc.) shall be part of LE.
- ii) Procurement of spare equipments.
- iii) Routine repairs/replacements during annual/capital overhauls.

The expenditure on such works which are of O&M in nature is to be met from O&M charges recovered through tariff for sale of electricity as notified by regulatory commission. O&M ought to be attended on a regular basis lest the condition of the unit should deteriorate to such an extent resulting in major breakdowns requiring huge expenditure.

5.0 RETIREMENT OF VERY OLD UNITS:

A very large number of small size units of 100 MW or less capacity are in operation. The average Plant Load Factor of most of these units is very low, even less than 50%. These units are of non-reheat type having very low design efficiencies. Further, because of their ageing & technological obsolescence, these units are performing at further lower efficiency than their design value. Such units need to be retired in a phased manner. The following approach for non-reheat units and other higher size reheating units may be followed for the purpose :

- Consider for retirement of all non-reheat units of 100 MW or less rating. However, those units on which major R&M/LE activities have been undertaken and are performing well, such units may continue to operate for another 10 years from the date of post R&M/LE to enable them to recover the expenditures incurred.
- Larger size units can also be considered for retirement on economically non-viability on case to case basis.
- The retirement may be prioritized according to their level of performance, say unit heat rate deviating more than 20% to be retired first and subsequently those units with deviation of 15% & 10% from their design heat rate.
- The SEBs/ GENCOs may identify new generating capacity to be added as substitute for older units so that overall installed capacity is not affected.

6.0 METHODOLOGY OF IMPLEMENTATION OF R&M AND LE&U SCHEMES

6.1 R&M Works

It has been observed that the power utilities are adopting following two main variants in implementation of R&M programme.

- i) As a rolling plan in which the whole scope of work is conceptualized based on conditions assessment, plant operation data & feed back from O&M engineers / OEM / Consultant recommendations or compliance to statutory norms. Thereafter, the various activities/schemes, so identified are implemented in phases depending on the availability of particular system/unit shutdown. Such approach results in minimizing unit shut down requirement and thereby loss in generation. However, it results in extended execution over a long period of time and benefits accrued can not be co-related with the activities carried out and investment made.
- ii) A comprehensive scheme is implemented in a single stretch and taking unit's planned shutdown after ensuring all inputs and supply of materials.

The methodology for implementation is to be decided by the utility. However, the option of comprehensive scheme is preferable due to well definable & quantifiable benefits.

6.2 LE&U Works

In order to implement LE&U works following methodology may be adopted.

- i) In order to facilitate the implementation of LE&U works, utilities may appoint reputed consultant for rapid life assessment study, condition assessment, energy auditing, thermal performance test, environmental study, preparation of DPR etc. RLA studies to be conducted on the major plant and equipment through agencies of repute.
- ii) Based on DPR a detail technical specification & contract document may be prepared. The contract document, inter-alia shall include provisions of changed scope of work which may come up when the machine / equipment is opened or are identified during detailed RLA studies (as a part of scope of work) to meet the stipulated performance guarantees.
- iii) The responsibilities with regard to implementation of LE & U works may be shared as under:
 - MOP : Govt. inputs, policy decisions.
 - CEA : To follow up/ monitor with Utilities.
 - Consultant(s) : To assist the utilities, if required, to carry out RLA, energy audit, preparation of DPR, bid specifications, selection of executing agency, implementation & performance evaluation. One or more consultants may be engaged by the utilities depending on the scope of work.
 - Financial Institutions : To provide funds as loans.
 - Executing Agency : Project authorities to carryout the field work.

iv) The following time frame may be adopted for implementing the LE&U schemes:

- a) Appointment of consultant by utilities - 3 months
- b) RLA / Energy Audit - 6 months
- c) Freezing the scope of work /activities for LE&U - 3 to 4 month
- d) Preparation of DPR - 6 to 8 months
- e) Placement of order of LE&U - 6 to 8 months
- f) Supply of critical spares - 16 to 20 months from placement of order.
- g) Shut down of unit - 6 - 8 months.

The above requirements call for a new approach towards implementation of R&M/LE works by the utilities by revisiting the existing procedures being adopted by each utility / stake holders/ approving authority and to simplify them to meet the compressed time schedule and encouraging increased participation from various executing agencies.

- v) The utility shall appoint a Nodal Officer of the rank of Chief Engineer who will be responsible for monitoring & coordination with all concerned relating to LE&U scheme.
- vi) The selection of the executing agency/bidder may be carried through the process of competitive bidding.
- vii) The Life Extension & Up-rating work will be declared complete on successful continuous running of the unit for 14 days and at least 72 hours at full rated / up-rated capacity after recommissioning of the unit.
- viii) Life Extension work without the element of up-rating (rated capacity and / or efficiency improvement beyond original design values) may be undertaken only in specific cases where up-rating is not found techno-economically viable.
- ix) The utilities may approach the Government for additional allocation of power to the extent possible from unallocated quota of central sector power stations during the period of shut down of units for comprehensive life extension works.

6.3 Monitoring the progress of implementation of R&M/LE schemes.

- (i) **R&M/LE&U schemes of Rs.100 Crore and above shall be monitored by MOP/CEA.**
- (ii) The utility shall also have a system of close monitoring of the physical and financial progress of various activities to ensure timely implementation of R&M/ LE&U programme.
- (iii) Physical and financial progress report in prescribed format shall be submitted to CEA regularly on quarterly basis.

7.0 COST ESTIMATES

- 7.1 The estimated cost of the R&M/LE&U scheme has to be worked out based on the estimated cost of the identified individual works. The estimated cost should be, as far as possible, realistic and should be based on current market rates/budgetary offers from the supplying agencies including all taxes and duties. The import content along with the country from where the equipment etc. imported, should be identified. The source of funding is also to be mentioned. The yearly phasing of funds required for implementation of the scheme will have to be given which would help in monitoring the physical and financial progress of the scheme.
- 7.2 The cost of LE &U works shall not exceed 50% of the EPC cost of a new generating unit of indigenous origin (BHEL). If the LE&U works is limited to BTG, the cost ceiling shall be restricted to 50% of the new BTG unit only. However, a detailed study should be carried out to ensure its techno-economic viability. The pay back period may be limited to 5-7 years.
- 7.3 In cases, where the cost is estimated to exceed the above limits, a detailed cost comparison & cost benefit analysis shall be carried out between the R&M/LE work and that of setting up a new green field plant.

8.0 COST BENEFIT ANALYSIS

- 8.1 The investment decision on R&M/LE&U scheme should be driven by economic sensitivity analysis on cost of generation. The benefits in term of increase in PLF (including additional generation and availability, reduction in forced outages), increase in efficiency, reduction in auxiliary power consumption and fuel consumption, improvement in plant safety and environmental up-gradation expected to be achieved after implementation of R&M/LE&U scheme should be clearly brought out. The techno-economic viability will be established in terms of internal rate of return, net present value, pay back period etc. The pay back period for R&M / LE&U should be about 5-7 years.
- 8.2 The Empowered sub-Committee of the Committee on Infrastructure in its meetings held on 11th January, 2008 and 2nd April 2008 under the chairmanship of Deputy Chairman, Planning Commission has included R&M of power stations under the definition of infrastructure. All kind of financial concessions / relaxation towards infrastructure projects as notified by Ministry of Finance from time to time shall also be applicable for R&M / LE&U works.

9.0 PARTICIPATION OF PRIVATE SECTOR IN LE&U PROGRAMME

- 9.1 In view of the liberalized economic policy of Government of India, private investment including foreign investment, are now allowed in all areas of the power sector. Following alternative options appear practical and feasible for private investment in R&M schemes. However, states/ power utilities may have other innovative options which could also be considered.

(i) Option 1: Lease, rehabilitate, operate and transfer (LROT)

Under this option, the private promoter (PP) would take over the power station on a long -term lease, say 10 years or more. PP would invest and carry out the R&M of the power station and would takeover its operation and maintenance. Normally, the station would revert to the power

utility after completion of the contracted period of lease or may be renewed on terms to be specified. However, legal title and ownership of the plant will remain with the utility throughout. This option would require a detailed lease agreement covering all aspects of financing, performance parameters, use of existing resources, sale of generated power etc.

(ii) Option 2:- Sale of Plant

Power utilities could offer power stations for outright sale to private parties. The present worth of the plant would have to be assessed which could be the reserve price for the sale.

(iii) Option 3:- Joint Venture between Power utility and public or private company.

In this option, a new company will be formed as a joint venture (JV) of the state power utility/ State Government and selected private/public collaborator. The JV company would undertake the R&M/ LE works and own, operate and maintain the power station. The private collaborator could also be an equipment supplier. Each partner shall hold minimum 26% equity in the JV company.

- 9.2 As a general rule, choice of private promoter should be made through competitive bidding. The above modes are illustrative. Any other mode as may be found suitable by the utility within the above broad principles may be adopted by the utility.
- 9.3 Depending on the options preferred by the power utility, the detailed procedure and bid documents may be prepared by the utility/consultant in line with their procurement policies.

Chapter 28
Hydro Policy

HYDRO POLICY

1.0 HYDRO POTENTIAL AND DEVELOPMENT STATUS

1.1 Power Sector Development:

1.2 Since independence, there has been sizeable growth in the power sector as at the time of independence the generating capacity in the country was only 1750 MW which has since increased to 1,46,853 MW as on 31.10.2008. The annual generation has grown from about 5 billion units to about 711 billion units during 2007-08. Despite, rapid increase in population over this period of time, the per capita consumption has increased from a mere 15 Kwh to 704 Kwh.

1.3 Despite the fact that India is the 6th largest country in terms of Power generation yet, the over all electricity shortages continue to be a major concern. The peaking shortages are about 16.6% as on 31.03.2008 on an all India basis. The energy shortages on a regional basis vary in magnitude and the overall average shortages on an all India basis is about 9.9%. To meet the growing demand and shortages encountered in various regions, the generation capacity needs to be doubled. Over the next 10 years, so as to meet the total demand both in terms of peak and energy. In the wake of continuous improvements in the Plant Load Factors which recorded an average of 78.61% during 2007-08, electricity generation has been growing consistently at over 5% during past 4 years and this growth rate has peaked at 7.26% in the year 2006-07.

1.4 The Hydro Power Potential

1.5 First Survey (1953-59)

The first systematic and comprehensive study to assess the hydro-electric resources in the country was undertaken during the period 1953-1959 by the Power Wing of the erstwhile Central Water and Power Commission on the basis of the then prevailing technology with available topographical and hydrological data. These studies placed the economically viable hydro power potential of the country at 42100 MW at 60% load factor (corresponding to an annual energy generation of 221 billion units).

1.6 Re-assessment Studies (1978-87)

The re-assessment studies of hydro-electric potential of the country were completed by the Central Electricity Authority in 1987. According to this study, the hydro power potential is estimated at 84044 MW at 60% load factor. A total of 845 hydro- electric schemes have been identified in the various basins which will yield 442 billion units of electricity. With seasonal energy, the total energy potential is assessed to be 600 billion units per year. In addition, the reassessment studies have also identified 56 sites for Pumped Storage Schemes (PSS) with total installed capacity of about 94,000 MW. At present, Pumped Storage Schemes of 4809.6 MW is under operation and 1000 MW is sanctioned but work yet to start. The hydro potential of 84044 MW at 60% load factor when fully developed would result in an installed capacity of about 150000 MW on the basis of probable average load factor.

The Great Indus, the Ganga and the Brahmaputra rivers with their innumerable tributaries originating from the Himalayas constitute about 70% of the country's assessed hydropower potential. The peninsular plateau, flanked on one side by the Eastern Ghats and on the other side by the Western Ghats is a receptacle of enormous hydro power.

At present, 32781.5 MW (22.05%) of the potential has been developed and 13235 MW (8.9%) is under development in terms of probable installed capacity. Thus about 69.05% of the potential is yet to be tapped.

1.7 Status of Hydro Development

1.8 Schemes in Operation

The installed hydro generating capacity (with station capacity above 25 MW) including pumped storage schemes in the Country is 36497.76MW (as on 31.10.2008). This capacity does not include small hydro capacity of 1168 MW which has been transferred to Renewable Energy Sources (RES).

1.9 Hydro Share

To meet the present demand for peaking and non-peaking power, it is estimated that a hydro-thermal mix of 40:60 would be an ideal mix. At present 31.10.2008 the total installed capacity in the country is 1,46,753 MW and hydro share accounts for 36497.76 MW (24.87%) exclusive of small hydro capacity.

2. THE HYDRO POWER CAPACITY ADDITION ENVISAGED FOR 11TH AND 12TH PLANS PERIOD

2.1 11th Plan Capacity Addition Programme:

To meet the energy requirements of 1038 billion units and a peak load of 1,52,746 MW with a 5% spinning reserve, a capacity addition of about 82,500 MW is required during 11th Plan.

However, the Planning Commission has approved a capacity addition of 78,700 MW comprising of 36874 MW (46.9%) in Central Sector, 26783 MW (34%) in State Sector and 15043 MW (19.1%) in Private Sector during 11th Plan. Out of this the hydro capacity addition programme during 11th Plan is 15627 MW (8654 MW in Central Sector, 3482 MW in State Sector and 3491 MW in Private Sector). Out of the above capacity, the commissioned capacity in respect of H.E. Projects in 2007-08 is 2423 MW and in 2008-09 upto 30th November, 2008 is 739 MW. The total capacity commissioned during 11th Plan so far is 3162 MW comprising of 1030 MW in Central Sector and 2132 MW in State Sector.

2.2 Advance action for capacity addition in the 12th plan :

2.3 Identification of candidate projects for 12th plan.

As per the studies carried out by CEA to assess the requirement of additional capacity during the 12th Plan (2012-17), the requirement of installed capacity to meet the all India peak demand and energy requirement at the end of 12th Plan would require a capacity addition of over 90000 MW in the five years period of 2012-17. In pursuing low carbon growth strategy, it would be our endeavour to maximize exploitation of hydro power potential. This is also necessary for energy security of the country.

To achieve the ambitious programme of hydro capacity addition during 12th Plan period, advance action on the identified hydro electric schemes needs to be taken in the early part of 11th Plan period itself as long period is required for development of DPRs, obtaining various clearances like Environment & Forests clearances, CEA clearance, investment decision and achieving financial closure.

To achieve benefits during 12th Plan period, it would be necessary that DPRs of identified projects are available by March, 2009 and E&F clearance, investment decision as well as financial closure are achieved by September, 2010 and orders for main packages are placed immediately thereafter. However, for some of the small sized schemes having comparatively shorter construction period where DPRs would be available beyond March, 2009 have also been considered. Regular monitoring of the hydro electric projects which are under survey &

investigation is required so that DPRs could be prepared by March, 2009. Efforts would need to be made to resolve the environment related problems in respect of projects where DPRs are either available or are nearing completion and could be submitted by March 2009 after updation. Together with preparation of DPR, the project proponent needs to initiate detailed EIA studies and EMP Plan, so that E&F clearance for taking up the construction of the scheme could be obtained expeditiously.

To meet the requirement of additional capacity during 12th Plan (2012-17), a shelf of 109 candidate hydro projects aggregating to 30920 MW having higher level of confidence for realizing benefits during 12th Plan, based on their present status of preparedness, has been finalised.

2.4 Long term plan for hydro development

As per the re-assessment of hydro electric potential carried out by CEA(1978-87), the hydro potential of the country has been estimated about 1,50,000 MW. The hydro installed capacity at the end of 10th Plan was 34653.77 MW. During 11th Plan 3012 MW hydro capacity has been commissioned upto 31.10.2008.

It is expected that by the end of 14th Plan the entire feasible hydro potential would be exploited.

3. STATUS OF 50,000 MW HYDRO ELECTRIC INITIATIVE

Under the 50,000 MW Initiative, 162 hydro-electric projects spreading across in 16 states for the purpose of preparation of Preliminary Feasibility Reports (PFRs) in the year 2003-04 were taken up by CEA as a nodal agency with the CPSUs/State agencies as Consultants. CEA's role included overall coordination, facilitating collection of data, quality control by vetting conceptual planning, assessment of power benefits and selection of project parameters, evacuation of power and monitoring of works. National Hydro-Electric Power Corporation, WAPCOS, North-eastern Electric Power Corporation, Satluj Jal Vidyut Nigam and number of State Power Utilities were associated to complete these feasibility studies. The PFRs were completed in Sept., 2004 for all these projects with an aggregating capacity of 47,930 MW.

As a follow up of preparation of PFRs, it has been decided to take up implementation / preparation of DPRs for commercially viable schemes selected from the shelf of projects for execution in the near future. Out of 162 schemes (47930 MW) for which PFRs have been prepared, initially, based on preliminary techno-economic analysis, 78 schemes (34020 MW) with first year tariff below Rs. 2.50/kWh have been taken up for detailed survey & investigation and preparation of DPRs. Action has been initiated for 77 of these schemes for S&I and preparation of DPR by CPSUs/SPSUs/SEBs/IPPs. Out of these, as on 31.10.2008, DPRs for 18 schemes (7060 MW/revised capacity 6540 MW) have already been prepared. The work of survey & investigation is under advanced progress for another 18 schemes (9548MW) and their DPRs are likely to be prepared by May' 10.

The work on balance 41 projects (17343 MW) is held up due to changes in agency/non allotment by the respective State Govts., statutory clearances and other such issues.

4. ENABLING PROVISIONS FOR HYDRO POWER.

Policy initiatives taken for increasing the Hydro Capacity

i) Electricity Act, 2003 and consequent changes in Industry Structure:

Electricity Act, 2003 has come into force since 10th June, 2003 replacing the earlier Electricity Act 1910, the Electricity (Supply) Act 1948 and Electricity Regulatory Act 1998. This act has permitted direct commercial relationship between generating companies and consumers/traders.

The Act has provided a generating company the right to open access through state /central transmission utilities. The Act has also enlarged the scope of captive power plants permitting Group captive Plants wheeling power to their consumers. Reforms in the Electricity sector in the country has brought many more organizations like Central Electricity Regulatory Commission and State Regulatory Commissions. The Act has also emphasized the development of hydro power and safety of the structures including dam etc.

ii) National Water Policy- 2005:

The Government has brought out a National Water Policy in the year 2002, which inter-alia , envisages that water is a prime national resource , the basic need and a precious national asset. Planning development and management of water resources need to be governed by national perspective. It has further been stipulated in the Policy that in the planning and operation of system, water allocation priority should broadly be in the order of drinking water, irrigation, hydro power, ecology, agro industries and non agriculture industries, navigation and other uses.

iii) National Electricity Policy:

In the National Electricity Policy announced by Govt. in Feb.'2005, the following thrust areas have been identified for Hydro Generation.

- Hydroelectricity is a clean and renewable source of energy. Maximum emphasis would be laid on the full development of the feasible hydro potential in the country. The 50,000 MW hydro initiative has been already launched and is being vigorously pursued with DPRs for projects of 33,000 MW capacity already under preparation.
- Harnessing hydro potential speedily will also facilitate economic development of States, particularly North-Eastern States, Sikkim, Uttaranchal, Himachal Pradesh and J&K, since a large proportion of our hydro power potential is located in these states. The States with hydro potential need to focus on the full development of these potential at the earliest.
- Hydro projects call for comparatively larger capital investment. Therefore, debt financing of longer tenure would need to be made available for hydro projects. Central Government is committed to policies that ensure financing of viable hydro projects.
- State Governments need to review procedures for land acquisition, and other approvals/ clearances for speedy implementation of hydroelectric projects.
- The Central Government will support the State Governments for expeditious development of their hydroelectric projects by offering services of Central Public Sector Undertakings.
- Proper implementation of National Policy on Rehabilitation and Resettlement (R&R) would be essential in this regard so as to ensure that the concerns of project-affected families are addressed adequately.

Adequate safeguards for environmental protection with suitable mechanism for monitoring of implementation of Environmental Action Plan and R&R Schemes will be put in place.

iv) National Rehabilitation & Resettlement Policy-2007:

The Policy addresses the need to provide succour to the assetless rural poor, support the rehabilitation efforts of the resource poor sections, namely small and marginal farmers, SCs/STs and women who have been displaced. Besides, it seeks to provide a broad canvas for an effective dialogue between the Project Affected Families and the Administration for Resettlement & Rehabilitation to enable timely completion of project with a sense of definiteness as regards

costs and adequate attention to the needs of the displaced persons. The rehabilitation grants and other monetary benefits proposed in the Policy are minimum and applicable to all project affected families. States where R&R package are higher than proposed in the Policy are free to adopt their own package. The objectives of the Policy are to minimize displacement, to plan the R&R of PAFs including special needs of Tribals and vulnerable sections, to provide better standard of living to PAFs and to facilitate harmonious relationship between the Requiring Body and PAFs through mutual cooperation.

v) Mega Power Policy :

Under this Policy inter-State and inter regional Mega Power Projects are proposed to be set up both in public and private sector. As per this Policy, the import of capital equipment would be free of customs duty, deemed export benefits as per EXIM Policy extended to domestic bidders for projects both in public and private sector. The income tax holiday regime for a period of 10 years can be claimed by a promoter in any block of 10 years within 10 to 15 years. The State Governments have been requested to exempt supplies made to Mega Power Plants from sales tax and local levies. These measures and the economies of scale in Mega Projects would substantially bring down tariffs. The threshold limit to obtain the Mega Power status is 1000 MW for Thermal and 500 MW for hydro projects. Further, the minimum qualifying threshold capacity for hydro electric projects availing mega benefits has been reduced from 500 MW to 350 MW for such projects located in special category States such as Jammu & Kashmir, Sikkim and North Eastern States. The corresponding threshold capacity for Thermal projects is 700 MW in these States. Thus, the threshold capacity for hydel projects is 50% of the thermal projects.

5. INCREASING ROLE OF PRIVATE SECTOR IN HYDROPOWER DEVELOPMENT

Even though public sector organizations would play a greater role in the development of new schemes, this alone would not be adequate to develop the vast remaining hydro potential since it will require huge investments which are difficult to be supported from the budget/plan assistance in view of competing demands from the various sectors. A greater private investment through IPPs and joint ventures would be encouraged in the coming years and required atmosphere conducive for attracting private sector funds would be provided.

The allocation of sites for development is under the purview of states. The policy on hydro power development lays emphasis on increasing private investment in power development.

5.1 Hydro Electric Schemes offered by States for Development in Private Sector

The State Governments have offered a number of hydro-electric schemes for development in private sector. Presently, 21 hydro electric projects having total installed capacity of 1415.45 MW are under operation, 11 No. hydro projects with installed capacity of 4111 MW are under construction and 87 Nos. hydro schemes with aggregate capacity of 21255.5 MW have been allotted to Private Sector.

6. CONSTRAINTS IN DEVELOPMENT OF HYDRO POWER BY IPPS

a) Tariff based competitive bidding constraints:

Hitherto, tariff based bidding has not been undertaken for hydro projects in the country. The levels of uncertainty arising out of construction risks due to adverse geological conditions, delays due to land acquisition, rehabilitation and resettlement (R&R) issues, law and order problems, natural calamities etc. are so high that it is extremely risky to make bids on the basis of tariff even before the DPR and other pre-construction investigations are carried out. The

problems are particularly acute in the case of storage projects, which involve construction of large dams & creation of reservoir involving large displacement primarily due to the uncertainties relating to R&R. Similarly, large run-of-the river (ROR) projects involving tunnels over long distances have also been found to be risky in view of the uncertainties and wide variations in geology observed in the Himalayas.

b) Resettlement & Rehabilitation problem

The progress of some of the projects has been severely affected on account of opposition to the construction by environmentalists and project affected people. Rehabilitation is becoming a major issue in the implementation of storage-based hydro development and many times, it is one of the main reasons for the delay in the execution.

National rehabilitation policy has been brought out in October 2007 by the Ministry of Rural Development (Deptt. of Land Resources) and the policy will be implemented uniformly to Hydel Projects which will reduce time in settlement of R&R Packages to Hydro Projects . The objectives of the Policy are as follows :-

- i) To minimize displacement and to identify non-displacing or least-displacing alternatives;
- ii) To Plan the resettlement and rehabilitation of Project Affected Families, (PAFs) including special needs of Tribals and Vulnerable section;
- iii) To provide better standard of living to PAFs and;
- iv) To facilitate harmonious relationship between the Requiring Body and PAFs through mutual cooperation.
- v) Environment & Forest Aspects

Hydro electric projects involve submergence causing displacement of project area people and often require forest land for their implementation. The impact on ecology, monuments, seismicity, resettlement and rehabilitation, catchment area treatment, flora and fauna are assessed in the environment appraisal of the project. Forest clearance requires compensatory afforestation on the non forest lands. These aspects need to be looked into carefully to avoid undue problems during execution of the projects. The progress of some of the projects has been affected on account of opposition to the construction by environmentalists and project-affected people.

The time limits specified for various processes should be strictly adhered to. MoEF should be empowered to enforce adherence to the time limits by all agencies including State Governments.

c) Law & Order problems

Disturbed condition in some part of the country is one of the factors causing delay in project execution and even suspension of work. Some of the hydro-electric projects suffering due to these problems are Dulhasti, Upper Sindh, Dhansiri, Turial etc.

d) Paucity of Funds in the past & longer gestation period:

Paucity of funds in the past has been the major cause of slow development. The thermal projects get priority in fund allotments with a view to get early benefits, as the gestation period of thermal plants is comparatively short. There were a number of attractive hydro schemes which were accorded investment decision, but constructional beginning could not be made due to non-availability of funds. The availability of investable funds for supporting the hydel development in the country remained one of the major bottlenecks during past years.

A special requirement of hydel projects is the availability of long term funding at reasonable interest rates for back ending of tariffs so that the cost of power during the initial years is reasonable. The FIs perceive a lower payment security risk if the first year tariff is reasonable and are reluctant to fund project with high first year tariff even if it is demonstrated that the tariff would be reasonable in the later years.

One of the main reasons for slow development of hydro projects has been the reluctance of FIs to fund these projects given the risks of geological and hydrological uncertainties, delays in land acquisitions, rehabilitation and resettlement problems, law and order problems and poor communications in addition to the general problems of IPPs like payment security etc. The financial institutions have the largest stake in the project as they fund about 70% of the total project cost. However encouraged by the provisions of the Electricity Act, 2003 the financial institutions are no longer looking for Government guarantees and have reiterated that there would be no dearth of fund for projects with viable tariffs promoted by credible developers.

An inter-institutional group (IIG) with the MD, SBI as its convener and representatives from other financial institutions and the Ministry of Power has been constituted to facilitate financial closure of private sector power projects. The IIG has been instrumental in getting financial closure for large number of projects with competitive tariffs covered by long-term power purchase commitments are essential requirement for funding by FIs. The FIs are no longer insisting on State Govt. guarantees. Instead, they evaluate projects on the basis of tariffs of the project, ability of the developer to bring in the required equity and technical expertise for completing the project on time. Given the unique tariff structure characteristic of hydro stations (of high tariffs during the initial years which progressively decrease as debt gets repaid), a long term PPA which incentivises meeting timely payment by utilities in the initial years in return for purchase of low cost power in the later years is considered a major payment security mechanism. The FIs would like sale of power to be tied up with power purchase agreements covering tenure such that it not only ensures full repayment of debt to lenders but also facilitates availability of cheaper power to the consumers.

e) Geological Surprises:

The features of the hydro electric projects, being site specific, depend on the geology, topography and hydrology at the site. The construction time of a hydro project is greatly influenced by the geology of the area and its accessibility. Even when extensive investigation using new techniques of investigations, are undertaken an element of uncertainty remains in the sub-surface geology and the geological surprises during actual construction can not be ruled out.

It is, therefore, essential that state-of-the-art investigation and construction techniques are adopted to minimise geological risks as well as the overall gestation period of hydel projects.

f) Inter-State Aspects:

A substantial hydel power potential has remained locked up and many mega hydel projects could not be taken up for implementation, even though these projects are well recognized as attractive and viable, because of unresolved Inter-State issues. At present 36 number of hydro electric projects with an aggregate installed capacity of 7510 MW are held up because of various interstate disputes. Govt. of India recognizes the need for evolving an approach to ensure that the available hydro-electric potential is fully utilized without prejudice to the rights of the riparian States as determined by the Awards of the Tribunals/Agreements arrived at among the party States for a given river basin with regard to water sharing. The selection and design of project would be based on integrated basin wise studies, so as to arrive at an optimal decision and care will be taken that such projects do not in any way prejudice the claims of basin

states or affect benefits from the existing projects. A consensus would be evolved amongst the basin states regarding the location of such project, basic parameters involved and mechanism through which each project would be constructed and operated.

7. THE EXISTING POLICY GUIDELINES

Gist of the existing policy guidelines

A policy on hydro power development which, inter alia, included provision for allocation of hydro electric projects to private sector was announced by the Government in 1998. According to this Policy and clarifications issued there under in 2002, hydro projects of the capacity of up to 100 MW can be allocated on MoU (Memorandum of Understanding) basis while projects with higher capacities were required to be developed through the process of competitive bidding. It was stipulated further that even for projects below 100 MW allocated through the MoU route, the EPC contracts for development must be awarded through the ICB process.

It has been laid down under Section 63 of the Electricity Act, 2003 (approved by Cabinet on 4th March, 2003) that if tariff has been determined through a transparent process in accordance with the guidelines issued by the Central Government, then such tariff shall be adopted by the appropriate Commission. The Ministry notified guidelines, on 19.01.2005, for the determination of tariff through bidding process for the procurement of power by distribution licensees.

The Tariff Policy of the Ministry of Power (approved by the Cabinet on 29th Dec., 2005), issued on 6.1.2006, required that all distribution utilities shall procure power only through competitive bidding (except in cases of expansion of existing projects or projects controlled/owned by public sector companies for a period of 5 years). As a consequence, from 6.1.2006 onwards, it is obligatory on all distribution licensees to procure power only through the tariff based bidding process following the guidelines of the Ministry.

It was clarified by the Ministry of Power vide its letter dated 14.3.2006 addressed to all the States that all projects above 100 MW capacity must be allocated following the competitive bidding route and that tariff has to be the sole basis for such competitive bidding. Further, instructions were also issued by the Ministry dated 3rd July, 2006 to the effect that allocating projects to the private developers through "*adoption of any other criteria (i.e. other than tariff based normal bidding) for evaluation of competitive bidding would be in the contravention of the Policy Guidelines*".

8. PROVISIONS OF THE NEW HYDRO POLICY

- 8.1 Section 63 of the Electricity Act, 2003 provides for development of projects on the basis of competitive bidding for tariff, while Sections 61 and 62 allow tariff of the projects to be fixed by the Regulator based on capital cost and norms. Further, the Tariff Policy notified in January 2006 states that 'all future procurement of power by utilities will have to be made through a process of tariff based bidding'. However, a special dispensation has been provided for CPSUs/SPUs which enables these public sector companies to develop projects on the traditional 'cost plus' basis with tariff determination by the appropriate commission under provisions of Section 62 of the Electricity Act 2003. It is only after January 2011 that the PSUs will also be required to have their tariffs determined on the basis of competitive bidding. It has been decided that this dispensation, presently allowed for PSUs, should also be made available for the same period i.e. till January 2011, to promote hydro power development even through the private sector route. This dispensation would be available to private sector hydro projects which obtain CEA concurrence, sign PPAs with distribution licensees and achieve financial closure before January, 2011. The continuance or otherwise of this dispensation could be considered at the appropriate

time, much prior to January, 2011, based on the experiences gained in implementation of the proposed policy.

- 8.2 The above arrangement would have several advantages. While the initiative for allocation of the projects would remain with the State Governments (the States would have to ensure transparency in the allocation process), the scrutiny of the Regulator and the CEA would ensure that the projects are designed and built in the most optimal and economic manner and that the interest of the consumers is adequately protected. From the point of view of the developer, this procedure would reduce numerous risks associated with the construction of hydro projects. This would also facilitate the requisite development of transmission lines particularly in the case of projects in the North East.

8.3 The revised policy guidelines for development of hydro projects in the Private Sector

- 8.3.1 Tariff based bidding remains the most desirable option for developing power projects including hydro-electric stations. However, it needs to be recognized that hydro project construction involves huge risks and uncertainties as explained in Para 4. The situation is particularly acute in the case of storage projects involving large land acquisition and in the case of projects involving long tunneling and large underground excavation.
- 8.3.2 Another problem associated with hydro projects in the Himalayas is the requirement of dedicated transmission lines that have to be pass through difficult and narrow mountain valleys to bring power to the load centres. In particular, power from the North-East requires specially designed compact, high capacity transmission lines to be built through the narrow “chicken’s neck” south of Siliguri.
- 8.3.3 The Electricity Act 2003 (Section 8) provides adequate powers to the Central Electricity Authority (CEA) to ensure the optimal development of hydropower in consultation with the Central / State Governments and other agencies. The CEA is also empowered to frame regulations for this purpose and to scrutinize the capital cost estimates for projects exceeding a certain capital expenditure as may be fixed by the Central Government from time to time by notification. This sum having been notified by the Ministry of Power on 18.4.2006.
- 8.3.4 However, keeping in view the difficulties of the hydro sector in responding to tariff based bidding, the need to develop the requisite transmission lines and also to capture the cost of generation in the most efficient manner for the benefit of all the stakeholders, it is necessary to regulate the tariff from hydro power stations. At the same time, from the point of view of the private sector the major incentive is the scope for trading – particularly in the latter years when cost of generation goes down and the market price of power is high. It is proposed to balance these conflicting interests by proposing that a major portion of the power is tied up through long term Power Purchase Agreements (PPAs) to facilitate financial closure of hydro projects and also incentivise the developer through permitting merchant sale of a certain quantum of power linked to the speedy commissioning of the project. Further, these long term PPAs to be signed between the developer and the buyers of power would facilitate timely and optimal development of transmission lines and also quick financial closure. Merchant sales in large quantities would also require surplus evacuation and transmission capacity. In order to avoid a mismatch between construction of projects and availability of transmission lines, binding indemnification agreements will be signed between the transmission utility and the private developer.
- 8.3.5 While it is widely recognized that issues relating to resettlement and rehabilitation have been a major impediment in the development of hydro projects, it has also to be recognized that resettlement & rehabilitation have to go beyond mere compensation for loss of assets and

livelihood. An effective R&R Policy should aim to providing a higher living standard to the Project Affected People making them stake-holders in the project which would be immensely beneficial for the early commissioning of the project. It has also been felt that there is a need for infusion of a regular stream of revenue aimed at providing income generation and welfare schemes and at creating additional infrastructure and common facilities on a sustained and continued basis. With this objective it has been agreed to provide and exclusively earmark an additional 1% of power (over and above the existing provision of 12% free power) from the project for local area development. It is recommended that the host State Government also provides a matching 1% of power from its share of 12% free power towards this corpus. This would however not apply retrospectively for projects already allocated.

- 8.3.6 Another area of criticism of hydro power development is the non-availability of electricity to people in the project vicinity. There is need to involve the developer in providing electricity to the local population in the vicinity of the project area and also factor free power for project affected person.

8.4 Salient features of the New Hydro Power Policy

- 8.4.1 Since the above issues were not adequately addressed in the earlier Policies, the new policy guidelines outlined below seek to balance the competing interests of the various stakeholders for the sake of speedy implementation of hydro projects in the country: -

- (a) The existing dispensation available to the Public Sector under the National Tariff Policy 2006, regarding exemption from tariff based bidding up to January 2011, is also extended to private sector hydroelectric projects, which obtain CEA's concurrence, sign PPAs with distribution licensees and achieve financial closure before January, 2011.
- (b) State Governments would be required to follow a transparent procedure for awarding potential sites to the private sector. The selection criteria may include the financial strength of the developer as measured by his net worth, experience in the development of infrastructure projects of similar size, past track record in delivering projects on time and within estimated costs, turnover of the developer in relation to the size of the project, ability to meet the performance guarantees etc. This eligibility criteria will be applicable at the RFQ stage. The States will call for bids from the short-listed developers who qualify the RFQ stage on a single quantifiable parameter identified from any of the options being exercised by the States either of more than 12% free power or equity participation or upfront payment etc.
- (c) The concerned private developer would be required to follow the existing procedure such as getting the DPR prepared, obtaining concurrence of CEA / State Government, obtaining environment, forest and other statutory clearances, and then approaching the appropriate regulator. As provided under the existing guidelines, it would be obligatory for the developer to go through an International Competitive Bidding (ICB) process for award of contract for supply of equipment and construction of the project either through a turnkey contract or through a few well-defined packages.
- (d) The tariff of the project would be decided by the appropriate Regulatory Commission. To this extent, the Tariff Policy notified in January 2006 is modified and the developer would be required to enter into long term PPAs with distribution companies subject to provisions in para 9.4.1 (g) below. While determining tariff the appropriate Regulatory Commission shall not allow as a part of the project cost the expenditure incurred or committed to be incurred by the project developer for getting the site allotted to him. The dispensation accorded under the Hydro Policy of 1998, regarding 12% free power to be provided to the host state government, will, however, be supplemented by an additional 1% in accordance with Clause (h) below. Any free power beyond

13%, would be met by the developers from their own resources and would not be a pass through in tariff.

- (e) The project developer wishing to avail of this dispensation must reach the specific milestones – concurrence by CEA / States and all clearances, financial closure and award of work by January 2011, and completion of the project within 4 years thereafter. Any extension to the deadline of January, 2011, if made applicable to the CPSUs under the tariff policy, shall be applicable for the aforesaid purposes to such private hydro projects also. Large storage projects and run-of-the-river projects of capacity above 500 MW could be given suitable increase with respect to construction time. This time schedule would be determined by the appropriate regulator and must be obtained before commencement of the construction. Independent third party verification would be done regarding adherence to the agreed timelines.
- (f) In order to enable the project developer to recover the costs incurred by him in obtaining the project site, as mentioned in para 5 above, he would be allowed a special incentive by way of merchant sales of up to a maximum of 40% of the saleable energy. Projects that do not conform to the prescribed time lines would however lose this incentive of merchant sales in a graded manner. With a view to ensure timely completion of these projects, delays of every six months in the commissioning date would result in reduction of merchant sales by 5%. This condition would be operationalised by the appropriate regulator duly apportioning the Annual Fixed Charge accordingly.
- (g) The same policy guidelines would be applicable to projects above 100 MW capacity, which have already been allocated by various States to the private developers, if such allocations have been made in a transparent manner and on the basis of predetermined set of criteria.
- (h) An additional 1% free power from the project would be provided and earmarked for a Local Area Development Fund, aimed at providing a regular stream of revenue for income generation and welfare schemes, creation of additional infrastructure and common facilities etc. on a sustained and continued basis over the life of the project. It is recommended that the host state governments would also provide a matching 1% from their share of 12% free power towards this corpus. This fund could be operated by a standing committee headed by an officer of the State Government, not lower than a district magistrate to be designated by the State Government, male and female representatives of the Project Affected People and the project head nominated by the developer. This fund would be available in the form of an annuity over the entire life of the project.
- (i) For a period of 10 years from the date of commissioning of the project, 100 units of electricity per month would be provided by the project developer to each Project Affected Family through the relevant distribution company. It is expected that the PAF will consume at least the minimum lifeline consumption of one unit per day and the cost of balance unused electricity, if any, could be made available to PAF in cash or kind or a combination of both, at rates to be determined by the State Electricity Regulatory Commission.
- (j) The project authorities would involve themselves in the implementation of the RGGY Scheme within a certain radius/surface distance from the Power House/Dam Site as per requirement. Since the RGGVY is being funded on 90:10 (90% grant and 10% loan) basis by the Government of India. The project authorities should bear the State Governments' share of 10% of the Rajiv Gandhi Gramin Vidyutikaran Yojana within this surface distance of the Power House/Dam.
- (k) Hydroelectric projects displace families in remote areas. In the interest of speedy implementation of hydro electric projects, the Resettlement and Rehabilitation package can be more liberal than the National Resettlement and Rehabilitation Policy, 2007. The costs towards expenditure incurred in Sl. No (i), (j) & (k) above would be an essential part of the R&R plan and hence borne as a part of the project cost.

37/48/2006-H.II
Government of India
Ministry of Power

New Delhi, dated the 28th April, 2008

To

1. The Secretary (Power/Energy Department), All States/UTs
2. The Chairman, State Electricity Boards/Power Utilities
3. The CMDs of all PSUs under the Ministry of Power
4. CMDs / MDs of all IPPs

Sub : Compendium of Hydro Power Policy

Sir,

This Ministry vide letter No. A-32/95-IPC dated 3rd July 2002 had issued the guidelines stipulating that award of power projects to private sector should not be through the MOU after the cut off date of 18th February 1999.

The above stipulation was slightly relaxed vide this Ministry's letter No. A-132/2005-IPC dated 3rd July 2006 wherein it was reiterated that in line with the Hydel Policy announced by the Central Government in 1998, 'the State Government are at discretion to structure hydro electric projects having capacity of upto 100 MW on the MOU route, in case this route is considered more feasible'. Even for these projects upto 100 MW, awarded on the MOU route, it was stipulated that 'the EPC contract should be awarded through competitive bidding'. However, pursuant to the notification of the Tariff Policy by the Government of India vide Gazette Notification No. 23/2/2005-R&R (Vol III) on 6th January, 2006, it was mandated that the purchase of power from IPPs should only be through tariff based competitive bidding. However, several State Governments and developers expressed difficulty in obtaining financial closure as the PPA could only be entered into after the tariff based bidding was completed by the purchasing utilities. The Power Purchase Agreement being an essential payment security demanded by the financial institutions/lenders who fund upto 70% of the project cost. It was becoming necessary to tie up sale of power through competitive bidding prior to financial closure. The developers, however, expressed their inability to participate in tariff based bidding even prior to the commencement of the construction of the project as hydro power projects typically entail huge construction risks, often encountering geological surprises in the young Himalayan mountain range and problems relating to resettlement & rehabilitation.

In order to bring about a parity and provide a level play field between private and public sector developers, the Ministry of Power had mooted a proposal for revision of the Hydro Power Policy which has since been approved and notified vide Gazette Notification No.23/2/2005-R&R (Vol.IV) dated 31st March 2008.

The above policy is expected to provide an impetus to the timely harnessing of vast hydro potential in the country. You may kindly look to convey the decision in this regard to the concerned organization, State Utilities and Corporations.

Copy of the Compendium is enclosed.

Yours faithfully,

Sd/-
(Sanjay Chadha)
Director (H)
Tel. : 23715327

Encl : As above

[Published in the Gazette of India, Extraordinary, Part 1, Section 1 dated 31st March, 2008]

MINISTRY OF POWER RESOLUTION

New Delhi, the 31st March, 2008.

F.No.23/2/2005-R&R(Vol.IV) – In this Ministry’s Resolution F. No. 23/2/2005-R&R(Vol.III) dated 6th January, 2006 published in the Gazette of India (Extraordinary), Part I, Section 1, notifying the Tariff Policy under the provisions of Section 3 of the Electricity Act, 2003, the following amendment is hereby made:

The following proviso is added at the end of Para 5.1 of the Tariff Policy:

“Provided that a developer, of a hydroelectric project, not being a State controlled/ owned company, would have the option of getting the tariff determined by the appropriate Commission on the basis of performance based cost of service regulations if the following conditions are fulfilled:

- a) The appropriate Commission is satisfied that the project site has been allotted to the developer by the concerned State Government after following a transparent two stage process. The first stage should be for prequalification on the basis of criteria such as financial strength as measured by networth, past experience of developing infrastructure projects of similar size, past track record of developing projects on time and within estimated costs, turnover and ability to meet performance guarantee etc. In the second stage, bids are to be called on the basis of only one single quantifiable parameter, such as, free power in excess of 13%, equity participation offered to the State Government, or upfront payment etc.
- b) Projects of more than 100 MW design capacity for which sites have been awarded earlier by following a transparent process and on the basis of predetermined set of criteria would also be covered in this dispensation.
- c) Concurrence of CEA (if required under Section 8 of the Act), financial closure, award of work and long term PPA (of more than 35 Years) of the capacity specified in (d) below with distribution licensees are completed by 31.12.2010.
- d) Long term PPA would be at least for 60% of the total saleable design energy. However, this figure of 60% would get enhanced by 5% for delay of every six months in commissioning of the last unit of the project against the scheduled date approved by the Appropriate Commission before commencement of the construction. The time period for commissioning of all the units of the project shall be four years from the date of approval of the commissioning schedule by the Appropriate Commission. However, the Appropriate Commission may, after recording reasons in writing, fix longer time period for large storage projects and run-off-the river projects of more than 500 MW capacity. Adherence to the agreed timelines to achieve the fixed commissioning schedule shall be verified through independent third party verification.
- e) Award of contracts for supply of equipment and construction of the project, either through a turnkey or through well defined packages, are done on the basis of international competitive bidding. In cases, where the conditions mentioned above at (a) to (e) are fulfilled, the Appropriate Commission shall determine tariff ensuring the following:
 - (i) Any expenditure incurred or committed to be incurred by the project developer for getting project site allotted (except free power up to 13%) would neither be included in the project cost, nor any such expenditure shall be passed through tariff.

- (ii) The project cost shall include the
 - cost of the approved R&R plan of the Project which shall be in conformity with the following:
 - (a) the National Rehabilitation & Resettlement Policy currently in force;
 - (b) the R&R package as enclosed at appendix; and
 - the cost of project developers' 10% contribution towards RGGVY project in the affected area as per the project report sanctioned by the Ministry of Power.
- (iii) Annual fixed charges shall be taken pro-rate to the saleable design energy tied up on the basis of long term PPAs with respect to total saleable design energy. The total saleable design energy shall be arrived at by deducting the following from the design energy at the bus bar:
 - a) 13% of free power (12% for the host Government and 1% for contribution towards Local Area Development Fund as constituted by the State Government). This 12% free power may be suitably staggered as decided by the State Government
 - b) Energy corresponding to 100 units of electricity to be provided free of cost every month to every Project Affected Family notified by the State Government to be offered through the concerned distribution licensee in the designated resettlement area/ projects area for a period of ten years from the date of commissioning”.

I.C.P. KESHARI, Jt. Secretary.

SALIENT FEATURES OF THE APPROVED R&R PROVISIONS FOR HYDRO POWER PROJECTS

1. SCOPE OF COVERAGE

The following provisions shall be applicable even if one family is affected by the development of a Hydro Power Project.

2. DEFINITION OF PROJECT AFFECTED FAMILIES (PAFs)

A Project Affected Family (PAF) shall mean a family whose place of residence or other property, or source of livelihood has been affected by the development of a hydro project and who have been residing in the affected zone for two years preceding the date of declaration of notification under Section-4 of the LA Act. The affected family would also include squatters.

3. DEFINITION OF AGRICULTURAL LABOURER

A person normally residing in the affected zone for two years preceding the date of declaration of the affected zone and earns his/her livelihood principally by manual labour on agricultural land.

4. DEFINITION OF NON AGRICULTURAL LABOURER

A person normally residing in the affected zone for two years preceding the date of declaration of the affected zone and who does not hold any land in the affected zone but earns his/ her livelihood principally by manual labour or as rural artisan or a service provider to the community.

5. DEFINITION OF SQUATTERS

A family occupying Government land in the affected zone without a legal title, at least for 5 years prior to the date of declaration of notification under Section-4 of L.A. Act.

6. REHABILITATION/ RESETTLEMENT COLONIES

This policy aims to provide built up houses to Project Affected Families (PAFs) who get displaced due to the development of hydro projects to the extent possible. However, wherever opted for, liberal House Construction Allowance would be given in lieu.

7. TRAINING AND CAPACITY BUILDING

This policy also emphasizes the need to provide training to the Project Affected Families as well as to the local population for a sustained livelihood. Special training programmes from ITIs aimed at providing the required skills to the local population would be undertaken by the Project developers at least six months prior to commencement of construction. This is expected to boost the employability of the PAFs and other people residing in the vicinity of the project.

8. ADDITIONAL PROVISIONS

This policy envisages additional provisions for Project Affected Families such as:

- scholarships for meritorious students,
- extension of medical facilities,
- marriage grants,
- subsistence grants,
- support for income generation schemes for cooperative and self help groups,
- seed, pesticides and fertilizer subsidies, and irrigation support.

Besides the additional provisions mentioned above, the normally applicable provisions of the National Policy on Rehabilitation and resettlement, currently in force, would be applicable.

No. 18/14/2009-H-II
Government of India
Ministry of Power

Shram Shakti Bhavan, Rafi Marg,
New Delhi, the 4th August, 2009

To

1. Secretary, CERC, New Delhi
2. Chairperson, CEA, Sewa Bhawan, R.K. Puram, New Delhi
3. The CMDs –NHPC, NTPC, SJVNL, THDC, NEEPCO
4. The Chairman, BBMB, DVC

Sub. : Implementation of R&R provisions as contained in New Hydro Policy, 2008 by CPSUs

Sir,

This Ministry has been receiving representations from various hydro CPSUs to allow them to adopt the various Resettlement and Rehabilitation (R&R) provisions as contained in the New Hydro Power Policy, 2008. The Government of India issued the Hydro Power Policy, 2008 with the objective of harnessing the hydroelectric potential in the Country, inducing private investment in hydro power development, facilitating financial viability of hydro projects and improving rehabilitation and resettlement to facilitate project development. Hydro Power Policy, 2008 further provides that financial implication of the above provisions shall be allowed to be recovered through tariff provided the project is awarded to private developers through the bidding process defined in the policy. These provisions are not applicable for hydro power projects developed by CPSUs. Subsequent to the issue of this policy, all State Government have been insisting on such benefits from CPSUs also for hydro power projects awarded to them. However, such benefits for recovery through tariff was not available to the CPSUs, thus, creating a disparity between private developer and CPSUs.

The above issue was examined by the Competent Authority in this Ministry. It has been decided that the hydro CPSUs may be permitted to incorporate the new provisions of R&R in their own existing R&R Policy in order to avoid the disparity as mentioned above, subject to approval of their respective Board of Directors. The expenditure incurred on adopting the new R&R provisions may be counted for the purpose of calculation of the total cost of the project, thus allowing the CPSUs to recover the cost through tariff. All regulatory commissions may also kindly consider the aforesaid revision.

Yours faithfully,

(Ajit Kumar
Under Secretary to the Govt. of India
Tel : 23714169
Email : kumar.ajit@nic.in

Copy for information to :

US (H-I) / US (NHPC) / US (TH.) / US (IPC) / US (BBMB) / US (DVC)

Chapter 29

**Coal Block Allotment
Procedures**

F.No.FU-5/2003-IPC
Government of India
Ministry of Power
(IP Cell)

New Delhi, dated 28th September, 2007

To

The Chairperson,
Central Electricity Authority,
New Delhi.

**Sub:- Procedure for processing of proposals of IPPs / CPPs seeking coal blocks / coal linkage
received from the Ministry of Coal**

Sir,

I am directed to refer to this Ministry's OM No. FU-5/2003-IPC dated 3rd November, 2006, circulating the guidelines for allocation of coal blocks/linkages for power sector. As per these guidelines, the practice of giving specific recommendation by the Ministry of Power to the Ministry of Coal on the proposals of IPPs/CPPs on a case basis has been discontinued. However, this Ministry is required to give its comments or views during the course of the deliberations in the meetings of Screening Committee and Standing Linkage Committee (Long Term) of the Ministry of Coal on the specific proposals of IPP/CPP, as contained in the agenda for the respective meetings.

2. In consonance with the aforesaid guidelines dated 3rd November, 2006, the procedure as at para (3) below is to be adhered to with immediate effect for processing the proposals of IPPs/CPPs.
3. (i) The applicants are required to send their proposals directly to the Ministry of Coal for grant of coal blocks/coal linkage.
 - (ii) The proposals as received from the Ministry of Coal for comments would be sent to the Central Electricity Authority (CEA) for their examination and remarks. For this purpose, CEA would set up a Standing Committee with the following composition to examine proposals for coal linkage/ coal blocks.
 1. Member (Thermal) CEA
 2. Chief Engineer (Thermal) CEA
 3. Chief Engineer (Planning) CEA
 4. Chief Engineer (OM) CEA
 5. Nominee of Power Finance Corporation Ltd., New Delhi.
 - (iii) The above Committee will examine the proposals/applications of IPPs/CCPs for grant of coal linkage/captive coal blocks and send its comments to this Ministry in the enclosed format, keeping in view the prescribed norms of allocation of coal block/linkage of the Ministry of Coal and the policy guidelines of the Ministry of Power in this regard as issued from time to time.
 - (iv) The comments of this Ministry as well as any further clarification thereon, will be given by the representative of the Ministry of Power during the course of the meetings of the Screening Committee/SLC (LT) in the Ministry of Coal.
4. This issues with the approval of the competent authority.

Yours faithfully,

Encl. As above

(S. Narayanan)
Under Secretary to the Govt. of India
Tel : 23766236

Copy to :

1. Secretary, Ministry of Coal, New Delhi.

It is requested to kindly send the proposals, if so required, for comments of the Ministry of Power on a month basis for timely examination of the proposals of IPPs/CPPs for allocation of coal linkage/coal blocks.

2. CMD, PFC, New Delhi

It is requested to nominate a Senior Officer of the PFC to the Standing Committee of CEA as given in para 3 (ii) of the above letter.

(S. Narayanan)

Under Secretary to the Govt. of India

PROFORMA FOR FURNISHING COMMENTS BY THE STANDING COMMITTEE OF CENTRAL ELECTRICITY AUTHORITY

1.	Name & Address of the Developer/applicant
2.	Details of Power Project/Plant Location : Capacity :
3.	Category of the Power Plant as per the guidelines dated 3.11.2006 of the Ministry of Power for allocation of coal blocks/coal linkages
4.	(i) Whether the Plant is likely to be commissioned during the current Five Year Plan. (ii) Likely year of commissioning
5.	Comments of the Committee

New Delhi, dated the 18th March, 2011

OFFICE MEMORANDUM

Subject: Amendment of coal linkage policy for 12th Plan Power Projects.

The undersigned is directed to refer to Ministry of Power's OM of even number dated 21st October, 2009 and to say that coal linkage policy for projects in 12th Plan with unit size less than 200 MW has been amended which is hereunder:

i)	Power projects of IPPs, Central & State PSUs	Coal linkage will not be available for any projects with unit size less than 200 MW*
ii)	Plants having Biomass as primary fuel	Coal as support fuel upto 15% may be considered for projects envisaging unit size 10 MW and above.
iii)	Plants based on washery rejects	The ratio of coal and rejects of 22: 78 with F grade coal would be considered for projects having unit size 50 MW and above
iv)	Co-generation based plant	Coal linkage would be considered for unit size of 10 MW and above

* This is not applicable to CPPs.

2. Accordingly, para 2 and 4 of the coal linkage policy issued vide OM of even number dated 21st October, 2009 stands deleted.
3. This issues with the approval of Minister of Power.

(S. Narayanan)
Under Secretary to the Govt. of India

Ministry of Coal
(Shri G. Srinivasan, Under Secretary)
Shastri Bhawan, New Delhi

Copy to:

- (i) Chairperson, CEA, New Delhi
- (ii) NIC for uploading in MOP's website

New Delhi, dated the 21st October, 2009

OFFICE MEMORANDUM

Sub : Coal Linkage Policy for 12th Plan Projects

The undersigned is directed to refer to Ministry of Coal's OM No. 23011/27/2008-CPD dated 26.12.2008 regarding the shelf of 12th Plan projects and to say that in view of the shortage of coal and a number of power projects proposed for commissioning during 12th Plan awaiting linkage, it has been decided in the Ministry to adopt the following methodology for allocating coal linkage for 12th Plan projects :-

A. Sector wise priority :

Following is the order of priority for allocation of coal linkage :

- i) Power projects of Central Sector CPSUs, state sector and projects to be bid out by states on tariff based competitive bidding (Case II)
- ii) IPP Projects
- iii) Captive Power Projects.

B. Prequalification of projects for coal linkage:

- (i) Water allocation should be available to meet the full requirements of the project and a certificate to this effect issued by the competent authority of the State Government must be produced.
- (ii) The proposed project should have clearly identified the location and the area required for setting up of the power project.
- (iii) Report of the State Government about availability of land for project purposes should be produced along with evidence of initiation of process for procurement of land.
- (iv) The developer of the project should furnish the report of the Expert Appraisal Committee of Ministry of Environment & Forests along with Terms of Reference issued by MOEF.
- (v) The project developer meets the financial pre-qualifications as defined in the Standard Bid Document for procurement of power through tariff based competitive bidding (Case-I).

Authenticated copies of financial documents along with supporting affidavit signed by the authorized representative of the Board or the Chief Promoter(s) of the Project have to be furnished. The promoter shall remain responsible for the genuineness of the documents.

C. Weightage for priority :

Ministry of Coal will indicate the availability of coal for the 12th Plan. 60% percent of available coal would be earmarked for the Central and State sector projects, including the projects based on tariff based competitive bidding (Case-II). For State sector projects, coal will be allocated based on the projected demand supply gap of the State.

35% of the coal available will be earmarked for the I PPs and balance 5% will be earmarked for the CPPs. Inter-se priority will apply for each category viz. Central and State Sector projects including those to be bid on tariff based competitive bidding (Case II) by the State Governments and IPPs. Prioritisation will be based on points to be allocated as detailed below:

Sl.No.	Parameter	Points allotted to projects which are fulfilling the conditions	Other projects which are not fulfilling the conditions
1	Projects proposing installation of units with supercritical technology	20	0
2	Project at pit-head or in State where no major power projects have been planned in the 11 th /12 th Plan shelfe	20	0
3	Projects using sea water instead of fresh water*	10	0
4	Proaress of land acquisition **		50
(i)	>25% <50% land acquired	20}	0
(ii)	>50% <75% land acquired	30}	0
(iii)	>75% <100% land acquired	40}	0
(iv)	100% land acquired	50}	0
	Total		100

* Only the I PP projects located within 150 km from the nearest port will be required to meet at least 30% of their coal requirements through import. This is not applicable to SPSUs and CPSUs as Government is already fixing target for import of coal for them

** For weightage for progress of land acquisition, the developer shall submit a certificate from the District Collector or the State Revenue Authority or the authorized agency of the State Government such as Industrial Development Corporation. The responsibility of correctness of the certificate will rest with the developer as it will not be possible for CEA to verify the land records.

D. Captive Power Projects

For CPPs, linkage will be ecommended for those who are having capacitymore than 10 MW. Following industries for captive use may be given preference:

- i. Steel Industry
 - ii. Aluminium industry
 - iii. Process industries such as cement, textile, sugar etc.
2. Cases of linkage for CPPs/PPs having unit size less than 200 MW will be considered only if equipment are sourced from reputed domestic manufacturers. However, if the equipment are ordered before 24.07.2008 to others, linkage may be considered.
 3. There will be no domestic linkage to power plants based on imported coal in 12th Plan.
 4. For washery rejects, the ratio of coal and rejects to be considered is 22:78 based on grade of coal. With bio-mass, coal as support fuel upto 15% may be considered.
 5. This issues with the approval of the competent authority.

(S. Narayanan)

Under Secretary to the Govt. of India

Secretary Ministry of Coal
Shastri Bhawan New Delhi,

Copy to the Chairperson, Central Electricity Authority, Sewa Bhavan, R.K.Puram, New Delhi with a request to prepare a shelf of 1ih Plan projects awaiting coal linkage with appropriate marking against those projects.

F.No. FU-9/2009-IPC
Government of India
Ministry of Power

.....

New Delhi, dated the 8th January, 2010

OFFICE MEMORANDUM

Sub: Clarification on coal linkage policy for 12th plan projects

The undersigned is directed to refer to Ministry of Power's OM of even number dated 21st October, 2009 and to issue the following clarification on coal linkage policy for 12th Plan power projects:-

Para 1 D

For CPPs, linkage will be recommended for those who are having unit size more than 10 MW.

(S. Narayanan)
Under Secretary to the Govt. of India

Ministry of Coal
(Shri G. Srinivasan, Under Secretary),
Shastri Bhawan,
New Delhi.

Copy to :-

- (i) Chairperson, CEA, New Delhi.
- (ii) NIC for uploading in MOP's website.

F.No.FU-9/2009-IPC
Government of India
Ministry of Power

New Delhi, dated the 11th January, 2010

OFFICEMEMORANDUM

Sub: Clarification on coal linkage policy for 12th plan projects

The undersigned is directed to refer to Ministry of Power's OM of even number dated 21st October, 2009 and to issue the following clarification on coal linkage policy for 12th Plan power projects:-

Para 1 B(iv)

The developer of the project should furnish the letter of Terms of Reference issued by Ministry of Environment & Forests, prescribed for the project.

(S. Narayanan)
Under Secretary to the Govt. of India

Ministry of Coal
(Shri G. Srinivasan, Under Secretary),
Shastri Bhawan,
New Delhi.

Copy to :-

- (i) Chairperson, CEA, New Delhi.
- (ii) NIC for uploading in MOP's website.

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Chapter 30

**Award Schemes for
Generation, Transmission &
Distribution**

COMPREHENSIVE AWARD SCHEME

1. The Meritorious Productivity Award Scheme was in operation since 1983. Under this scheme, cash awards were given to the thermal power stations based on PLF/Generation and this amount was in turn distributed to the employees in proportion to their salaries. In addition, shields were awarded to the thermal power stations which exceeded specified level of generation and Gold, Silver or Bronze medals were awarded to the heads of the power stations based on ranking of their power station.
2. Subsequently, a scheme for Incentive Award for reduction of Secondary Fuel Oil Consumption and Auxiliary Power Consumption was also introduced in 1992. This scheme envisaged reward of incentives for efficient and economic operation of coal/lignite based thermal power stations in the country. The main objectives of these awards was to foster competitive spirit among the coal/lignite based thermal power stations of the country for economic and efficient operation and also to reward the employees in their effort to improve the station's output alongwith affecting economy in the use of secondary fuel oil and reducing auxiliary power consumption. The scheme was framed to reward those power stations which achieved better results than the achievement in the preceding year.
3. Under this Scheme awards were distributed under the following two categories:-
 - (a) Specific fuel oil consumption category
 - (b) Auxiliary power consumption category
4. These award schemes have shown encouraging results. The performance of thermal power stations have since improved considerably and the average PLF of power stations has increased to 74.8% in 2004-05. There has been reduction in the Secondary Fuel Oil Consumption and Auxiliary Power Consumption owing to concerted efforts of O&M personnel of thermal power stations upto 1.37 ml/kwh and 8.57% respectively.
5. Encouraged by the success of the award scheme in improving the performance of thermal power stations, it has been decided to extend the scheme to cover other important areas of power sector such as the hydro stations, nuclear stations, transmission and distribution utilities/companies. Excellence in project management to recognize and encourage early completion of projects is also to be recognized. The Comprehensive Award Scheme has been introduced to recognize performance w.e.f. 2004-05.
6. The objective of Comprehensive Award Scheme is to develop the spirit of competitiveness among the various power stations/projects in the power sector. The Comprehensive Award Scheme includes awards in the following categories:
 - Thermal Power Station Performance Awards
 - Early Completion of Thermal Power Projects Awards
 - Hydro Power Station Performance Awards
 - Early Completion of Hydro Power Projects Awards
 - Transmission System Availability Awards
 - Early Completion of Transmission Power Project Awards
 - Nuclear Power Station Generation Awards
 - Performance Award of Distribution Companies
 - Performance Awards for Rural Franchisees
 - Environment Management in Thermal Power Stations.

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Chapter 31

Formula for Allocation of Power

No. 8/1/96-OM
Government of India
Ministry of Power

New Delhi, dated the 27th April, 2000

To

1. Chief Secretaries/All the State Govts./UTs
2. All the State Govts. (Power Deptts.)
3. State Electricity Boards/State Power Sector Companies
4. All Central Power Sector Utilities

**Sub:- Formula for allocation of power from Central Sector Generating Stations to the State/UTs-
regarding**

Sir,

The allocation of power from the central sector power stations to the States/Union Territories of the region is governed by a formula evolved in late seventies, in case of thermal/nuclear power stations, and early eighties, in case of hydel power stations. The formula was evolved at a time when the power sector was served almost fully by the public sector and the central power sector utilities (CPSUs) were entirely supported by the budgetary allocation of the Central Government or by external assistance. With Independent Power Producers (IPPs) entering the power industry in larger numbers, the operational environment of power sector changing very fast and the role of Central Government being substantially reduced, the allocation of power from new projects of CPSUs to the beneficiary States has lost its original relevance.

2. In recent times, allocation of power from the new projects tends to be guided by necessity and capacity to pay more than any other factor. In the context of cash and carry scheme and pressure of financial institutions on the utilities to recover their dues, the factors which have gained predominance over others are the necessity and financial capability of bulk consumers. Likewise, the surplus power in the Eastern Region is already being exported to Southern, Western and Northern regions.

3. In view of the background explained above, it has been decided to treat the present "formula" as "guidelines" for new central sector power stations. The implications of this change are enumerated below:-

- (i) It will not disturb the allocation already made under the "formula". There will be no change in the contents of formula.
- (ii) Power from the new central sector power stations will be made in accordance with power purchase agreements (PPAs) to be signed between the CPSU and the State/UT or any of their authorised agency/Board.
- (iii) First offer for purchase of power shall be made by the CPSU to each constituent (State/UT or any of their authorised agency) of the region as per their entitlement.
- (iv) In case any constituent of the region does not buy its share or part thereof, the CPSU shall have the right to sell that power to any other State/UT in accordance with the PPA to be entered into by them. However, such offer by the CPSU shall first be made to the State(s)/UT(s) within the region (where power station is located) before diverting the power to State(s)/UT(s) outside the region.

- (v) Where there are more than one claimants to the surplus power, so offered, weightage in allocation shall be given to the power sector reforming State(s)/UT(s).
- (vi) This does not affect allocation of 10% of the power to the State where the Central thermal power plant is located and the 12% free power from Central hydel power stations to the State(s)/UT(s) of the regions (including the state where the hydel project is located).

Yours faithfully,

Sd/-
(S.K. JAYASWAL)
Deputy Secretary to the Government of India

Copy for information to :-

1. The Principal Secretary to Prime Minister
2. The Cabinet Secretariat, New Delhi (No. CCEA/5/2000)
3. The Secretary, Ministry of Home Affairs (N.E. Division), New Delhi
4. The Secretary, Department of Expenditure, Ministry of Finance, Plan Finance-I Division, New Delhi
5. The Secretary, Department of Economic Affairs, Ministry of Finance, Fund Bank Division, New Delhi
6. The Planning Commission, Power and Energy Division, Yojna Bhawan, New Delhi

Sd/-
(S.K. JAYASWAL)
Deputy Secretary to the Government of India

Note : The 12% free power mentioned in para 3(vi) above since revised to 13% (including 1% contribution towards Local Area Development Fund as constituted by the State Government), published in the Gazette of India Resolution No. 123 of 31st March, 2008 (page-)

No. 5/12/2009-Th-II
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi-110 001
17.01.2011

To

The Chairman & Managing Director
NTPC Limited,
7, Institutional Area,
Lodhi Road, New Delhi-110003

Sub:- Allocation of power from the fourteen upcoming power projects of NTPC.

Sir,

I am directed to state that the Government of India has approved allocation of 50% of power to the 'Home' States from the following upcoming power projects of NTPC.

Sl. No.	Station	Capacity	'Home' State
1.	Gadarwara	2640 MW	Madhya Pradesh
2.	Lara	4000 MW	Chhattisgarh
3.	Talcher Expansion	1320 MW	Orissa
4.	Kudgi	4000 MW	Karnataka
5.	Darlipalli	3200 MW	Orissa
6.	Gajmara	3200 MW	Orissa
7.	Gidderbaha	2640 MW	Punjab
8.	Katwa	1600 MW	West Bengal
9.	Dhuvran	1980 MW	Gujarat
10.	Khargone	1320 MW	Madhya Pradesh
11.	Pudimadka	4000 MW	Andhra Pradesh
12.	Bilhaur	1320 MW	Uttar Pradesh
13.	Kathua	500 MW	Jammu & Kashmir

2. It is further stated that 15% of power from the installed capacity of the above projects of NTPC will remain as unallocated quota at the disposal of the Government of India. Remaining 35% of the power from the above projects will be allocated to the other constituents (except the 'Home' State) of the particular region on the basis of extant guidelines or allocation of power (as modified vide this Ministries letter no 8/1/96 OM dated 27.04.2000) giving equal weightage to the percentage of central plan assistance and percentage of energy consumption by each State with reference to the region as a whole for the preceding 5 years.
3. The Government of India has also approved the proposal for 50% and 35% allocation of power from the Barethi power project (3960 MW) to Madhya Pradesh and Uttar Pradesh respectively,

the project being set up in the district of Chhattarpur in the Bundelkhand region of Madhya Pradesh to facilitate development of infrastructure in the region 15% of power from the installed capacity of this project will remain as unallocated quota at the disposal of the Government of India.

4. While allocation of power from the individual projects will be made separately, it is envisaged that this decision of the Central Government will facilitate NTPC and the 'Home' State Governments to work together in tying up necessary inputs i.e. land, water, fuel, environmental clearances etc. for expeditious implementation of the projects. 'Home' States are expected to make available land, water etc. quickly. All other conditions of the guidelines of 2000 will be applicable.
5. NTPC must complete the awards and start works on the above listed projects within 12-18 months.

Yours faithfully,

Sd/-

(K.C. Sharma)

Under Secretary to the Government of India

Telefax : 23719710

Copy to : Secretary (Energy) – Governments of Madya Pradesh/Chhatisgarh/
Orissa/Karnataka/Punjab/West Bengal/Gujarat/
Andhra Pradesh/Uttar Pradesh/Jammu & Kashmir

Copy for information to : 1) Director (OM)
2) Director (State Thermal)

Gazette of India,
Extraordinary, Part I, Section 1
dated 8th July, 2011

Ministry of Power

Resolution

New Delhi, dated the July, 2011

F. No. 23/2/2005-R&R (Vol. V) — In this Ministry's Resolution F. No. 23/2/2005-R&R (Vol. III) dated 6th January, 2006 published in the Gazette of India (Extraordinary), Part I, Section I, notifying the Tariff Policy under the provisions of Section 3 of the Electricity Act, 2003, which was subsequently amended vide Resolution dated 31st March, 2008 and Resolution dated 22nd January, 2011 the following amendment are hereby made :

The following provisions will replace the proviso para of para 5.1 :

Provided that a developer, of a hydroelectric project, would have the option of getting the tariff determined by the appropriate Commission on the basis of performance based cost of service regulations if the following conditions are fulfilled :

The following provisions will replace the sub para (c) of para 5.1 :

c) Concurrence of CEA (if required under Section 8 of the Act), financial closure, award of work and long term Power Purchase Agreement (PPA) (of more than 35 years) of the capacity specified in (d) below with distribution licensees are completed by 31.12.2015.

The following provisions will replace sub para (6) and (7) of para 7.1 :

7.1 (6) Investment by transmission developer including CTU/STUs would be invited through competitive bids. The Central Government has already issued tariff based competitive bidding guidelines for transmission service vide Gazette Notification dated 13th April, 2006.

The tariff of the projects to be developed by CTU/STU after the period of five years or when the Regulatory Commission is satisfied that the situation is right to introduce such competition (as referred to in clause 5.1) would also be determined on the basis of competitive bidding.

However, in the following cases the exemptions from competitive bidding route may be adopted:

- (i) First two experimental works for 1200 KV HVDC line.
- (ii) Works required to be done to cater to an urgent situation or which are required in a compressed time schedule by CTU/STUs as decided by the Central Government on a case to case basis.
- (iii) The intra-state transmission projects by STUs will be exempted from competitive bidding route for further 2 years beyond 6.1.2011.

7.1 (7) After coming into effect of the CERC Regulation on framework for the inter-State transmission, a similar approach should be implemented by SERCs in next two years for the intra-State transmission, duly considering factors like voltage, distance, direction and quantum of flow.

2. These provisions shall come into force with effect from 6.1.11.

(Ashok Lavasa)

Additional Secretary to the Government of India

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Subject Index

S. No.	Page No.
A. Electricity Act, 2003 (with both amendments incorporated) (Notification dated 10.6.2003 bringing into force the Electricity Act, 2003)	3
(a) Electricity (Amendment) Act, 2003 (Notification dated 27.1.2004 bringing into force the Electricity (Amendment) Act, 2003)	114
(b) Electricity (Amendment) Act, 2007 (Notification dated 12.6.2007 bringing into force the Electricity (Amendment) Act, 2007)	124
A 1. APTEL Rules, 2004	
(i) Appellate Tribunal for Electricity (Salaries, Allowances and other conditions of service of Chairperson and Members) Rules, 2004 (Notification dated 13.4.2004)	139
(ii) Appeal to the Appellate Authority Rules, 2004 (Notification dated 16.4.2004) (the amendment notification dated 7.9.2006 incorporated)	180
(iii) Means of Delivery of Notice, Order or Document Rules, 2004 (Notification dated 21.6.2004)	183
(iv) Procedure for conducting Inquiry against a Member of Appropriate Commission Rules, 2004 (Notification dated 21.6.2004)	181
(v) Procedure for Holding Inquiry by Adjudicating Officer Rules, 2004 (Notification dated 31.8.2004)	184
(vi) Appellate Tribunal for Electricity (Salary, Allowances and other conditions of service of the Officers and Employees) Rules, 2004 (Notification dated 28.10.2004) (the amendment notification dated 6.5.2005 incorporated)	186
(vii) Appellate Tribunal for Electricity (Salary, Allowances and other conditions of service of the Officers & Employees) (Amendment) Rules, 2005 (Notification dated 6.5.2005)	192
(viii) Appellate Tribunal for Electricity (Procedure, Form, Fee and Record of Proceedings) Rules, 2007 (Notification dated 22.1.2007)	143
(ix) Appellate Tribunal for Electricity (Salary, Allowances and other conditions of service of the Officers & Employees) (Second Amendment) Rules, 2008 (Notification dated 22.7.2008)	193
(x) Appellate Tribunal for Electricity (Salaries, Allowances and other conditions of service of Chairperson and Members) (Amendment) Rules, 2008 (Notification dated 29.9.2008)	142
A 2. CEA Rules, 2005	
CEA (Terms & Conditions of Chairperson & other Members) Rules, 2005 (Notification dated 24.11.2005).	207
A 3. CERC Rules, 2004	
i) CERC Rules, 2004 (Salary, Allowance and other conditions of service of Chairperson and Members) Rules, 2004 (Notification dated 8.3.2004)	132

S. No.	Page No.
ii) CERC (Preparation of Annual Report) Rules, 2004 (Notification dated 28.1.2005)	198
iii) Central Electricity Regulatory Commission (Preparation of Annual Report) (Amendment) Rules, 2005. (Notification dated 11.8.2005)	200
iv) Central Electricity Regulatory Commission Fund (Constitution and the manner of application, of the Fund) and Form and Time for Preparation of Budget Rules, 2007. (Notification dated 22.10.2007)	219
v) Central Electricity Regulatory Commission (Form of Annual Statement of Accounts and Records) Rules, 2007. (Notification dated 22.10.2007)	228
vi) CERC (Salary, Allowances and other Conditions of Service of Chairperson and Members) (Amendment) Rules, 2004 (Notification dated 9.3.2010)	135
A 4. FORUM OF REGULATORS RULES	
Forum of Regulators Rules, 2005 (Notification dated 16.2.2005)	201
A 5. NLDC Rules	
National Load Despatch Centre Rules, 2004 (Notification dated 2.3.2005)	203
A 6. Notification for removal of Difficulties – issued under the Electricity Act, 2003	
i) Disposal of free electricity received by a State Government from hydro power generating stations (Notification dated 8.6.2005)	315
ii) Exemption from payment of surcharge on direct sale or supply of electricity under the authorizations/Consent under the repealed laws (Notification dated 8.6.2005)	313
iii) Establishment, operation or maintenance of dedicated transmission lines (Notification dated 8.6.2005)	318
iv) Inclusion of measures to control theft in Electricity Supply Code (Notification dated 8.6.2005)	311
v) Levy and collection of fees and charges for using transmission system (Notification dated 8.6.2005)	320
vi) Supply of electricity by the generating companies to the housing colonies of its operating staff (Notification dated 8.6.2005)	317
vii) Supply of electricity to housing colony of sub-station (Notification dated 8.6.2005)	321
viii) Previous publication of regulations by State Commission (Notification dated 9.6.2005)	324
ix) Supply of electricity to Cooperative Group Housing Society, supply of electricity by distribution licensee at single point to a person for his employees (Notification dated 9.6.2005)	322
A 7. Notifications on Joint Electricity Regulatory Commissions.	
i) Notification on constitution of Joint Electricity Regulatory Commission for Manipur and Mizoram (dated 18.1.2005).	402
ii) Notification on constitution of Joint Electricity Regulatory Commission for all Union Territories except Delhi (dated 2.5.2005).	397

S. No.	Page No.
iii) Joint Electricity Regulatory Commission for the States of Manipur and Mizoram (Salaries, Allowances and other Conditions of Services of Chairperson and Members) Rules, 2006 (dated 14.8.2006)	403
iv) Joint Electricity Regulatory Commission for Union Territories except Delhi (Salary, Allowances and other Conditions of Services of Chairperson and Member) Rules, 2007 (dated 19.03 2007).	399
v) Notification for inclusion of Goa in JERC for Union Territories (dated 30.5.2008).	398
vi) JERC for Goa & UTs (Preparation of Annual Report) Rules, 2010 (Notification dated 21.6.2010)	405
vii) JERC for Manipur & Mizoram (Preparation of Annual Report) Rules, 2010 (Notification dated 21.6.2010)	407
A 8. Clarifications under the Electricity Act, 2003.	
i) Regulatory jurisdiction over the DVC under the Electricity Act, 2003 (dated 2.6.2005)	330
ii) On compounding of theft offence (dated 26.10.2005).	333
iii) Rule 8 of Electricity Rules 2005 regarding approval by PPA by Appropriate Commission for Inter-State Projects (dated 28.8.2006)	327
iv) Clarification on Captive Power Plant (dated 6.8.2007)	329
v) Setting up of generating station (dated 9.8.2007)	328
vi) Applicability of provisions of section 126 and 135 of the Electricity Act, 2003 (dated 12.11.2007)	332
vii) Supply obligation in respect of DVC (dated 27.11.2007)	331
viii) Clarification on Captive Power Plant (dated 7.10.2010)	344
A 9. Other Rules under Electricity Act, 2003	
i) Fees for Making Application for Grant of Licence Rules, 2004 (Notification dated 23.3.2004)	137
ii) National Electricity Plan Notification Rules, 2004 (Notification dated 6.4.2004)	138
iii) Intimation of Accidents (Form & Time of Service of Notice) Rules, 2004 (Notification dated 22.12.2004)	194
iv) Distribution of Electricity Licence (additional requirements of capital adequacy, creditworthiness and Code of Conduct) Rules, 2005 (Notification dated 23.3.2005)	205
v) Electricity Rules, 2005 regarding requirements of captive generating plant, compliance by transmission lines etc. (Notification dated 8.6.2005) (amendment made vide notification dated 26.10.2006 incorporated).	127
vi) Electricity (Procedure for Previous Publication) Rules, 2005 (Notification dated 9.6.2005)	250
(vii) Notification on Intimation of Accidents (Form & Time of Service of Notice) (Amendment) Rules, 2005 (Notification dated 11.8.2005)	197

S. No.	Page No.
viii) Works of Licensees Rules, 2006 (Notification dated 18.4.2006)	210
viii) Qualifications, Powers and Functions of Chief Electrical Inspector and Electrical Inspectors Rules, 2006 (Notification dated 17.8.2006)	216
ix) Electricity (Amendment) Rules, 2006 (Notification dated 26.10.2006).	
A 10. Resolutions under Electricity Act, 2003	
i) Resolution on Establishment of Regional Power Committees for the five regions (dated 25.5.2005) (amendments made vide resolution 29.11.2005 and 9.5.2008 incorporated)	365
ii) Amendments to the Resolution on Regional Power Committees (dated 29.11.2005)	378
iii) Resolution on Constitution of Coordination Forum by the Central Government (dated 19.2.2008).	391
iv) Amendments to the Resolution on Regional Power Committees (dated 9.5.2008)	386
B. National Electricity Policy	251
C. Tariff Policy (amendment made vide resolution dated 31.3.2008 incorporated)	271
(i) Amendment to Tariff Policy (31.3.2008)	293
(ii) Amendment to Tariff Policy (20.1.2011)	296
(iii) Amendment to Tariff Policy (8.7.2011)	759
C 1. Clarification on Tariff Policy	
i) Tariff Policy regarding PPA before 6.1.2006 (dated 28.3.2006)	334
ii) Tariff Policy regarding PPA before 6.1.2006 (dated 15.2.2008).	336
iii) Para 5.1 of Tariff Policy (dated 29.11.2010)	337
iv) Para 5.1 and 7.1 of Tariff Policy (dated 9.12.2010)	338
v) Meter rent in power sector under Electricity Act, 2003 (dated 28.2.2011).	343
vi) Short-term purchase of power by a DISCOM (13.4.2011)	342
vii) Para 6.4 of Tariff Policy (dated 19.4.2011)	340
D. Energy Conservation Act, 2001	409
Energy Conservation (Amendment) Act, 2010	443
D 1. Rules and Regulations under Energy Conservation Act	449
i) The Energy Conservation (Minimum Qualification for Energy Managers) Rules, 2006 (Notification dated 8/12/2006)	500
ii) The Energy Conservation (The form and manner for submission of report on the status of energy consumption by the designated consumers) Rules, 2007 (Notification dated 2/3/2007)	502
iii) The Energy Conservation [Form and Manner and Time for Furnishing Information with Regard to Energy Consumed and Action Taken on Recommendations of Accredited Energy Auditor] Rules, 2008 (Notification dated 26/6/2008)	511

S. No.	Page No.
iv) Energy Conservation (Manner of holding Inquiry) Rules, 2009 (Notification dated 25/02/2009)	527
D 2. Rules under Bureau of Energy Efficiency	
i) The Bureau of Energy Efficiency Appointment and Terms and Conditions of Service of the Director-General Rules, 2003 (Notification dated 24/9/2003) (Amendment made vide notification dated. 2/9/05 incorporated)	451
ii) The Bureau of Energy Efficiency (Appointment of Secretary) Rules, 2004 [Notification dated 15/6/2004]	458
iii) The Bureau of Energy Efficiency Appointment and Terms and Conditions of Service of the Director-General (Amendment) Rules, 2005	453
iv) The Bureau of Energy Efficiency (Annual Report) Rules, 2005 [Notification dated 5/9/2005] (Amendment made vide notification dated 29/11/2006 incorporated)	454
v) The Bureau of Energy Efficiency [Procedures for Conduct of Business of the Governing Council] Regulations 2005 (Notification dated 27/9/2005)	460
vi) The Bureau of Energy Efficiency (Annual Report) Amendment Rules, 2006 (Notification dated 29/11/2006)	457
vii) The Bureau of Energy Efficiency (Form of Annual Statement of Accounts and Records) Rules, 2007 (Notification dated 28/2/2007)	462
viii) Altered List of Energy Intensive Industries and other establishments [Notification dated 12/3/2007]	508
ix) The Bureau of Energy Efficiency (Appointment of Members, Manner of Filling Vacancies, Fees and Allowances and Procedure for Discharging their Functions) Rules–2007 (Notification dated 3/8/2007)	497
x) Bureau of Energy Efficiency (the manner and intervals of time for conduct of energy audit) Regulations, 2008 (Notification dated 10.6.2008);	528
xi) The Bureau of Energy Efficiency (Advisory Committees) Regulation 2008 (Notification dated 25/11/2008)	521
xii) Bureau of Energy Efficiency (Certification Procedures for Energy Managers) Regulations, 2009 (Notification dated 15.07.2009.	544
xiii) Bureau of Energy Efficiency (Qualifications for Accredited Energy Auditors and Maintenance of their List) Regulations, 2010 (Notification dated 31.03.2010);	558
xiv) Bureau of Energy Efficiency (Manner and Intervals of Time for Conduct of Energy Audit) Regulations, 2010 (Notification dated 28.04.2010)	569

S. No.	Page No.
E. Competitive Bidding Guidelines for procurement of Electricity (Contains amendments dated 30.3.2006, 18.8.2006, 27.9.2007, 27.3.2009 and 21.7.2010)	345
F. Generation	
1. Revised Mega Power Project Policy	651
2. Concept of Ultra Mega Power Projects (UMPPs)	655
3. Guidelines for taking Renovation & Modernization	711
4. Hydro Policy	721
5. Coal Allotment Procedure	739
G. Transmission	
1. Tariff based Competitive- bidding Guidelines for Transmission Service	637
2. Guidelines for Encouraging Competition in Development of Transmission System	645
3. Notification on Operationalisation of Power System Operation Corporation Limited (POSOCO) (dated 27.9.2010)	661
H. Distribution	
1. Guidelines for Accelerated Power Development and Reforms Programme (APDRP)	621
2. A Scheme for Supply of Electricity in 5 km Area around Central Power Plants	705
I. Rural Electrification	
1. Rajiv Gandhi Grameen Vidyutikaran Yojana Scheme (a) RGGVY Web Portal and Milestone Based Project Monitoring	665
2. Decentralised Distributed Generation (DDG) Scheme Under RGGVY	673
3. Rural Electrification Policy	297
4. Rural Area Notification	701
J. Miscellaneous	
1. Award Scheme of Energy Conservation	585
2. Scheme for Energy Efficiency Labeling	589
3. Energy Conservation Building Code (ECBC)	617
4. Award Scheme for Generation, Transmission and Distribution	749
5. Formula for allocation of Power	753

* The subject index has been prepared in the alphabetical order with the sub-headings in chorological order to the extent possible.

