

**CENTRAL ELECTRICITY REGULATORY COMMISSION
(NEWDELHI)**

Explanatory Memorandum to the Central Electricity Regulatory Commission (Conduct of Business) (First Amendment) Regulations, 2024

1. Background

1.1 The Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 were first notified on 23rd April 1999 and amended from time to time (the “1999 Regulations”), and subsequently repealed by the Central Electricity Regulatory Commission (Conduct of Business) Regulations were notified in 2009, and then in and 2023 (the “2023 Principal Regulations”). These regulations provide the framework for the Central Advisory Committee and procedures related to the participation of the members of the Central Advisory Committee. The proposed amendments were brought to recognize the participation of experts or persons of eminence in the expert Committees, seminars or lectures organized by the Central Electricity Regulatory Commission (“the Commission” or “CERC”) in relation to the discharge of the functions of the Commission under the Electricity Act, 2003 (“the Act”).

2. Participation of Experts and Persons of Eminence (New Regulation 60A)

2.1. The existing provisions of the 2023 Principal Regulations recognize the framework of the Central Advisory Committee and the procedure for participation in the meeting thereof. CERC is a knowledge-based organisation and is required to update with the issues and development of the power sector from time to time to discharge the functions under the Act effectively. The functions discharged by the Commission demand skill sets of multiple disciplines and exposure of the personnel to the theory and practice of various facets of regulation involving finance, economics, law, regulatory matters, etc. Thus, in addition to the Central Advisory Committee meetings, the Commission is required to invite experts from various fields to contribute to various other expert committees, Seminars or Lectures organized, thereby enhancing the organization’s ability to effectively discharge the mandate under the Act. In order to recognize the participation of Experts or Persons of Eminence in the Expert Committee or Seminars or Lectures organized by the Commission, it is proposed to insert new Regulation 60A into the Principal Regulations.

3. Honorarium and allowances to members of the Central Advisory Committee

3.1 The participation of the members of the Central Advisory Committee and their views/inputs/suggestions on the subject discussed during the meeting facilitates the Commission to make decisions on various regulatory matters. The existing provision of the 2023 Principal Regulations specifies entitlements and an honorarium. These entitlements and honorarium are reviewed and proposed to be enhanced based on the current practices followed by other regulators /education institutes. Accordingly, Clause 9 of Regulation 60 of the Principal Regulations is proposed to be amended.
