

To

27.09.2024

The secretary,

CERC, 7th and 8th Floor, Block B, India Trading Centre

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Subject: These regulations shall be called the Central Electricity Regulatory Commission (Conduct of Business) (First Amendment) Regulations, 2024;

Reference: No. L -1/2064/2022-CERC dated 27.08.2024

Sir,

1. Under Section 80 of the Electricity Act 2003 (henceforth the Act) 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 (CAC). ***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. 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. Present constitution of CAC was notified on 05.02.2021 vide notification No. F. No. RA-14031(11)/1/2020-CERC. In the notification total 30 (thirty) members were included barring the Ex-officio members. There was total 6(Six) ex-officio members, 5(five) from CERC and another from SECRETARY, Ministry/ department of the consumer affairs and public distribution system. While added all six ex-officio members the number would be 36(thirty-six) which exceeds the limit of maximum 31 (thirty-one) as prescribed by the Act. This is against the provisions of the Act.
2. The section 81 of the Act provides the objects of the CAC which states-

“Section 81. (Objects of Central Advisory Committee): 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”*

The notification includes many names from transmission and trading licensees. As per Objects of Central Advisory Committee, the CAC would advise the Central commission in the matters relating to quality, continuity and extent of service provided by the licensee. It is improper to induct licensee as members to evaluate their performance by themselves. U/s 7 of the Act, generating companies does not require any license and after enactment of the national tariff policy 2006, tariff of the generating companies and transmission licensees are being determined through tariff bidding routes u/s 63, therefore the membership for generating companies, transmission and trading licensees shall not be included in the CAC by the Central Commission. Inclusion of generating companies and transmission licensees in the CAC has been defeating the very objectives of creation of the Committee. Main objectives of the Committee to protect the consumers' interest by monitoring the performances, therefore the members should be from the public and other academic fields only. It is also observed that since long same entity like Prayas from Maharashtra has been made member of the Committee since year 2000 in each notification the reason not known. Similarly another person Mr. R.V.Sahi has been continuously appointed many years. The conduct of business Regulations 2021 does not provide any criteria for selection and the Central commission also least concern to make the committee inducting persons to deliver for public interest. It has been observed that in earlier occasion persons from the field of agriculture were inducted as members of CAC but now in the present CAC notification no person from the agriculture sector is found. The intent of the Act is such that the specialised persons from the country and from all sectors are to be made as members so that the Committee could deliver in the interest of the consumers as prescribed U/S 81 of the Act. E.g. Assam and West Bengal

are two states which are producing maximum amount of tea in India. Tea industry is also an important consumer of electricity. Similarly, southern states such as Tamil Nadu, Karnataka and Kerala are producing maximum amount of coffee and the coffee industry is a major consumer of electricity. The persons from those areas are to be inducted as members in the CAC on public interest. Similarly, Administrative Staff college from Telangana has expertise in the field of electricity should also be inducted. India is a federal democratic state and preferably the persons from each state should be inducted as member of CAC If not at least the The members are to be appointed on rotational basis from across the country. There are so many people from public life also participate in formulations of regulations u/s 178(3) and participate in determination of tariff u/s 64 of the Act. Those persons are to be inducted in the CAC in place of persons from generating companies and transmission and trading licensees. Accordingly, the CAC is to be re-constituted according to the mandate of the Act.

3. Regarding increase in the Honorarium and allowances to members of the Central Advisory Committee as proposed, the undersigned has no objection. Public hearing must be conducted at CERC with prior information to the participants.
4. It is prayed before the Central Commission to take consideration the comment mentioned above.

Thanking You

Yours faithfully

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