



सत्यमेव जयते

Ministry of Power

Government of India

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Azadi Ka
Amrit Mahotsav

REFORMS IN POWER SECTOR

Rules, Policies, Guidelines & Orders

Notified by
Ministry of Power
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विद्युत मंत्री एवं
नवीन और नवीकरणीय ऊर्जा मंत्री
भारत सरकार
Minister of Power and
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Government of India



MESSAGE

I am happy to note that a compilation of Reforms is being brought out to highlight the reform initiatives taken by Ministry of Power in the last 5 years. These reforms in the power sector have brought about a sea change in the Power sector increasing the viability of the sector and ease of doing business. The reforms facilitate supply of reliable and quality 24x7 power throughout the nation and encourage the use of green energy. The reforms have led to creation of an enabling environment for enhanced investments in power sector and consumer friendly approach to meet the growing needs of industry, commerce, agriculture and households. These reforms will help in development of environmentally sustainable and financially viable power sector.

I am sure that everyone associated with the Power Sector will find this Compilation a useful reference document.

(R. K. SINGH)

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आजादी का
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केन्द्रीय राज्य मंत्री,
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संदेश

मुझे यह जानकर खुशी हो रही है कि पिछले 5 वर्षों में विद्युत मंत्रालय द्वारा किए गए सुधार उपायों पर सुधार प्रयासों का संकलन प्रकाशित किया जा रहा है। विद्युत क्षेत्र में सुधार के लिए, विद्युत मंत्रालय द्वारा पूरे देश में विश्वसनीय और 24x7 गुणवत्तापूर्ण विद्युत आपूर्ति सुनिश्चित करने के लिए कई नीतिगत प्रयास किए गए हैं। ये सुधार प्रयास विद्युत के उपभोक्ताओं को सशक्त बनाएंगे और वर्ष 2030 तक गैर-जीवाश्म ईंधन से 500 गीगावाट की संस्थापित उत्पादन क्षमता के लक्ष्य को पूरा करने में मदद करेगी। इसके परिणामस्वरूप मांग को पूरा करने के लिए स्वच्छ तथा पर्यावरण हितैषी ऊर्जा के उपयोग में वृद्धि होगी और इससे सभी हितधारकों और अंतिम उपभोक्ताओं को लाभ होगा।

मुझे आशा है कि विद्युत क्षेत्र में सभी के लिए यह सुधार पुस्तिका बहुत उपयोगी होगी।

(कृष्ण पाल गुर्जर)

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FOREWORD

The Power Sector in India has seen unprecedented transformation in the last few years. We need to continue this momentum, which would only be possible by time bound implementation of several path-breaking reform initiatives taken by Minister of Power. This compilation of such reforms/policies has been prepared to disseminate knowledge amongst stakeholders. These reforms measures pertain to wide ranging areas such as promotion of green energy, ease of doing business, restoring financial viability of discoms, etc. It is expected that these initiatives will lead to creation of enabling environment for required investments in power sector and development of sustainable power sector with a consumer friendly approach.

I hope that this Reforms Booklet will be useful to all the stakeholders.

(ALOK KUMAR)



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Ease of Doing Business & Ease of Living



Ease of Doing Business & Ease of Living

1. Laying down the Rights of Consumers

<i>Rules</i>	<i>Date of Issue</i>
<u>Electricity (Rights of consumers) Rules, 2020</u>	<u>31.12.2020</u>
<u>Electricity (Right of consumers) Amendment Rules, 2021</u>	<u>28.06.2021</u>

With the objective of beginning an era of empowering Power Consumers, laying down rights of the consumers and a system of enforcement of these rights, while facilitating ease of doing business in power sector, the Ministry of Power promulgated the Electricity (Right of Consumers) rules 2020 with the conviction that the power systems exist to serve the consumers and the consumers have rights to get the reliable services and quality electricity. These Rules lay down the time limits and standards for the various services to be provided by the Distribution Companies across the country, which are monopolies, to provide services in accordance with standards or pay compensation to their consumers. These Rules inter-alia covers the aspects of obligations of Distribution companies towards the consumers, the time limits for grant of new connections, attending to faults & defective meters, billing, standards of performance, compensation mechanism, grievance redressal mechanism as well as right of consumers for installing RE generation and use or sell the same as prosumer. Implementation of these Rules shall ensure that consumers will get quality services in a time bound manner and get compensated in case of wilful disregard of consumer rights by the Distribution companies. This is one of the major initiatives and yet another step by the Union Government to put consumer in the centre-stage of public utility services.

2. Reducing the rate of Late Payment Surcharge (LPS) to reduce the burden of the DISCOMs and Power costs and to make the whole Power Sector financially viable

<i>Rules</i>	<i>Date of Issue</i>
<u>Electricity (Late Payment Surcharge and Related Matters) Rules, 2022</u>	<u>03.06.2022</u>

Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 have been issued to give huge relief to the DISCOMs, as well as electricity consumers and at the same time Generating companies also getting the benefit from assured monthly payments, which will help the whole power sector to become financially viable. In the Rules, provision has been made for one-time scheme for liquidation of arrears, enabling DISCOMs to pay total outstanding dues including Late Payment Surcharge (LPS), as on the date of notification, in upto 48 number of monthly instalments. No LPS on past outstanding dues will be applicable in case of timely payment of these instalments. It will bring discipline in timely payment of dues. It will also benefit DISCOMs in form of no liability towards LPS, which will ultimately benefit the electricity consumers. DISCOMs will also be benefitted by way of reduction of LPS from 18% to a rate linked to Bank lending rate. If bank rate reduces, the LPS will also reduce, resulting in lower tariff for the consumers.

Regulation of power supply is mandated in case of non-maintenance of Payment Security Mechanism (PSM) or continuation of default in payment of outstanding dues. Provision for regulation of short-term, medium-term and long-term access may be in a gradual manner in case of non-payment of dues even after 2.5 months from bill presentation has been made to ensure timely payment of dues. Through special provisions for ensuring supply obligation of the Generating Company to maintain sanctity of PPAs DISCOMs' interests are protected to avoid supplying the power in Power Market during high market price period instead of to DISCOMs as per PPA. At the same time, it ensures the Generators' viability by allowing them to sell in power market in the event of non-maintenance of PSM and continuous payment default of DISCOMs.

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