

F. No. 12/06/2023-RCM
Government of India
Ministry of Power
(RCM Division)

Shram Shakti Bhawan, New Delhi
Dated the 8th May, 2023

To
The Secretary
CERC
New Delhi

Subject: Consultation with Ministry of Power in the initial stages of regulation making by CERC.

Sir,

Section 178 of the Electricity Act, 2003 requires the Central Commission to make regulations consistent with the Act and the Rules made there-under to carry out its provisions. Furthermore, Section 79 (3) mandates that the Central Commission ensure transparency while exercising its powers and discharging its functions. As per Section 79 (4), the Central Commission is requested to work in accordance with the Act, the Rules framed by Central Government under the Act, Electricity Policy, National Electricity Plan, the Tariff Policy, and policy direction the Central Government may give under Section 107 of the Act.

2. The Ministry of Power is responsible to the Parliament and the people for the growth and development of the power sector. In the recent past, Ministry of Power came across a number of critical issues to address which it had to issue policy directions to CERC necessitating amendments in its regulations. Frequent changes in regulations are not in the interest of a predictable and stable regulatory framework in the Country. The CERC is required to consult all stakeholders before framing regulation and the Government are the most important stakeholder. In view of the above, CERC must consult the Ministry of Power in detail at the stage of formulating regulations. This will ensure that the Regulations are consistent with the Rules framed by Government and the Governments Reforms Agenda; and will also obviate the necessity of any subsequent policy direction the Government under Section 107.

3. This is issued with the approval of the Competent Authority and is a policy direction under Section 107 of the Act.

Yours sincerely



(Suresh Annepu)
Director (RCM)
Tel: 011-23717737

Copy to: PPS to Secretary (P)/PSO to CE(R&R)/RCM Section.