



TAMIL NADU ELECTRICITY REGULATORY COMMISSION

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Draft Notification No.TNERC/ACR/ dated 01-07-2025

(Comments/suggestions are invited on or before 31-07-2025)

The following draft of the Tamil Nadu Electricity Regulatory Commission (Appointment of Consultants) Regulations, 2025 duly repealing the existing Tamil Nadu Electricity Regulatory Commission – Appointment of Consultants Regulations, 2004 notified by the Commission vide Notification No. TNERC/ACR/3/2, dated 08-01-2004 and Published in the Tamil Nadu Government Gazette on 18-02-2004, is proposed to be issued in exercise of the powers conferred by Section 91(4) read with Section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) and all other powers enabling it in this behalf, is hereby published for information of all persons likely to be affected thereby, as required under subsection (3) of section 181 of the Electricity Act, 2003.

2. Notice is hereby given that the draft Tamil Nadu Electricity Regulatory Commission (Appointment of Consultants) Regulations, 2025 will be taken into consideration after the expiry of thirty days from the date of publication of this notification in the TNERC website and that any objection or suggestion, which may be received from any person before the expiry of the aforesaid period, will be considered by the Commission.

3. Objection or suggestion, if any, should be addressed in duplicate to the Secretary, Tamil Nadu Electricity Regulatory Commission, 4th floor, SIDCO Corporate Office Building, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai – 600 032.

1. Short Title, Commencement and Extent

- (1) These Regulations may be called “Tamil Nadu Electricity Regulatory Commission (Appointment of Consultants) Regulations, 2025”
- (2) These Regulations shall come into force from the date of publication in the Tamil Nadu Government Gazette.

2. Definitions

(1) In these Regulations, unless the context otherwise requires, -

- (a) “Advisor” means an individual with professional qualifications in Law/ Finance/Engineering/Economics or any other field such as Information Technology, Tax, environment, etc. with at least 10 years of working experience in the power sector (or) Regulatory body with in-depth understanding of the regulatory framework in the power sector.
- (b) “Chairperson” means the Chairperson of the Commission;
- (c) “Commission” mean the Tamil Nadu Electricity Regulatory Commission constituted under Section 82 of the Electricity Act, 2003 (Central Act 36 of 2003);
- (d) “Consultant” means any individual, company, firm, body or association of persons not in the regular employment of the Commission, who or which possesses or has access to any specialized knowledge, experience or skill;
- (e) “Consultancy Evaluation Committee” or CEC means the committee constituted by the Chairperson of the Commission, which shall be headed by a Member of the Commission and comprising the Secretary, an officer of the Commission having knowledge in the area of work for which the consultancy services are

to be obtained, an officer of the Commission having knowledge in the area of finance or tariff and, if considered necessary, an external expert, as may be nominated by the Chairperson.

- (f) "Member" means member of the Commission;
- (g) "Professional Experts" means an individual with professional qualifications in Law/Finance/Engineering/Economics with at least 25 years of working experience in the in the field of Law/Finance/Engineering/Economics especially associated with the power sector (or) Regulatory body with in-depth understanding of the regulatory framework in the power sector.
- (h) "Secretary" means the Secretary of the Commission.
- (i) "Senior Advisors" means an individual with professional qualifications in Law/ Finance/Engineering/Economics or any other field such as Information Technology, Tax, environment, etc. with at least 20 years of working experience in the power sector (or) Regulatory body with in-depth understanding of the regulatory framework in the power sector.
- (j) "Staff" includes both officers and employees of all categories appointed whether on Deputation on foreign service terms or permanent absorption or on contract basis;
- (k) "Staff Consultant" means an individual who is/has been engaged for assisting the Commission, in cases where in-house facility is not available or not adequate enough to carry out routine work and specific professional & technical functions effectively to the satisfaction of the Commission.

Words and expressions used and not defined in the Regulations but defined in the Acts shall have the meanings assigned to them in the Acts. Expressions used herein but not specifically defined in the Regulations or in the Acts but defined under any law passed by a competent legislature and applicable to the electricity industry in the State shall have the meaning assigned to them in such law. Subject to the above, expressions used

herein but not specifically defined in these Regulations or in the Acts or any law passed by a competent legislature shall have the meaning as is generally assigned in the electricity industry, the definition given in the General Clauses Act, 1897, shall apply for the purpose of the present Regulations

3. Scope of Work

- (1) Consultants may be engaged for the following purposes, namely, -
- (a) providing expert advice and assistance on specific issues of relevance and interest or importance to the Commission;
 - (b) conducting study of best practices, analyzing data, developing benchmarks, or for any other similar purpose;
 - (c) performance of tasks requiring experience and qualifications and knowledge which are either not available within the Commission or, in the opinion of the Commission, the engagement of consultant shall be a more efficacious and efficient method for completing the task in terms of quality, cost, time or for any other consideration; and
 - (d) assisting the Commission in performing their functions, if the Commission is satisfied that there has been increase in quantum of work in the Commission or regular posts could not be filled due to various constraints and to utilize the experience of the consultant to the maximum advantage in the performance of its functions.
 - (e) assisting the Office of the Tamil Nadu Electricity Ombudsman in performing its statutory functions.

4. Categorization of Consultants

Consultants shall be categorized as:

- (a) Corporate Consultants,
- (b) Individual Consultants,

- (c) Professional experts, and
- (d) Staff Consultants.

5. Period of engagement

(1) Individual consultants (or) professional experts shall be engaged for the specific work (special job) and deliverables and whereas, the staff consultant shall be engaged for assisting the Commission in performing its routine functions provided that the Commission is satisfied that there has been increase in quantum of work of the Commission or regular posts could not be filled due to various constraints. The period of engagement shall be initially for one year and on satisfactory completion of one year by such consultant, the period of engagement shall be extended further by one year on each occasion limited to a total period of 5 (five) years.

Provided further that the Commission shall have the power to enter into a retainerhip agreement with any Consultant to avail his services, as and when required by the Commission, for such period and such monthly fees/ charges as may be deemed necessary by the Commission.

(2) The age of the applicant to be appointed as staff Consultant as on 1st January of the year of advertisement shall be below 62 years;

Provided that no Staff Consultant would be retained in the Commission after attaining the age of 65 years.

6. Corporate Consultants

(1) The Commission, on being satisfied that there is a need for availing consultancy services which, in its opinion, may be more appropriately provided by a firm, or a company or an association or body of persons, shall direct the Secretary to prepare the

terms of reference indicating the scope of the work, various deliverables, milestones and the schedule of payments linked to achievement of each milestone.

(2) The Consultancy Evaluation Committee (CEC) shall after necessary modification, if any, obtain approval of the Chairperson for the terms of reference for engagement of a corporate consultant.

(3) The CEC shall decide the weightage to be allocated to each of the parameters for the purpose of evaluation of bids, allocating at least 70% weightage to technical proposal and obtain the approval of the Chairperson for the weightage proposed.

(4) After finalizing the weightages under the sub-regulation (3), the CEC shall invite single stage bids, containing technical and financial proposals in separate sealed envelopes, through publication of notice in at least one newspaper in Tamil and one newspaper in English and also on the Commission's website and e-portal of the Government of Tamil Nadu giving, as far as possible, a notice of not less than three weeks:

Provided that in matters of urgency, the period of notice may be reduced to less than three weeks but shall not be less than two weeks, as may be decided with the approval of the Chairperson.

(5) The CEC shall evaluate the bids through 'Combined-Quality-Cum-Cost-Based System' based on the pre-determined weightages allocated to each of the parameters:

Provided that the CEC shall not proceed with evaluation of bids, unless at least two valid bids have been received:

Provided further that the condition of two valid bids may be relaxed with the prior approval of the Commission in case the adequate number of bids are not received.

(6) For consulting assignments of a standard/regular nature in Commission, the CEC with the approval of the Commission shall shortlist and empanel Consultants based on responses received against Expression of Interest through advertising in the Commission's website, GoTN e-portal, newspaper advertisement. Enquiry seeking Expression of Interest shall include, in brief, the broad type of consulting assignments, eligibility and the pre-qualification criteria to be met by the consultant(s) and consultant's past experience in similar work or service. The number of short-listed consultants should not be less than two. The panel of Consultants prepared by the CEC after approval of the Commission will be valid for one year or for the period stipulated in the expression of interest floated for the purpose. The Commission may further extend the validity of the panel of Consultants for one more year. During the validity of empanelment, the financial bids shall be invited from the panel of consultants and the consultant shall be engaged on the basis of 'Least Cost System'

(7) The Single Source Selection or Consultancy by nomination method shall be used for procurement of consultancy services under exceptional circumstances as under:-

- (i) where the assignment represents a natural continuation of previous work carried out by the firm;
- (ii) in case of an urgency where timely completion of the assignment is of utmost importance ;
- (iii) in situations where execution of assignment may involve the use of proprietary techniques or only a specialized agency/institution/consultant has requisite

expertise or the specific situation (example – Income tax, GST, Insurance, software, Tamil translation, etc.) as may be decided by the Commission;

- (iv) under some special circumstances, when it may become necessary to select a particular consultant where adequate justification is available in terms of experience, qualifications and knowledge for such single-source selection in the context of the overall interest of the Commission.

(8) Academic and Research Institutions/Organisations.

- (i) The Commission may also enter into a Memorandum of Understanding (MoU) with Government or Semi-Government Agencies, Central or State Research Institutes, and nationally or internationally reputed institutes where it deems appropriate or necessary to carry out its functions.
- (ii) The Commission, on being satisfied that there is a need for availing consultancy services for regulatory research which, in its opinion, can be more effectively performed by an academic or research institutions/ organizations, having research profile considered necessary for an assignment, may decide to engage academic or research institution or organisations of repute engaged in research in the power sector or regulatory matters;
- (iii) For the purpose of clause (i) and (ii) above, the Commission will initiate a process of engagement on receiving a proposal from the Secretary of the Commission comprising terms of reference indicating the broad scope of work and the experience/qualification required for obtaining consultancy services.

- (iv) The Consultancy Evaluation Committee shall, with the approval of the Commission, call for Expression of Interest through advertising on the website, newspaper or e-mail or as may be decided. The Expression of Interest shall include a broad description of the type of consulting assignments, eligibility, and the pre-qualification criteria to be met by the academic or research institutions/ organization related to the research experience and technical expertise to meet the regulatory research requirements of the Commission.
- (v) Consultancy Evaluation Committee shall empanel academic or research institutions/organisations meeting the eligibility and pre-qualification requirements based on responses received against the Expression of Interest.
- (vi) The panel prepared shall be valid for three years which can be extended for two more years as may be decided by the Commission. The Commission may call for bids or offers from academic or research institutions or research organizations from the panel prepared under the clause (v) of this sub-regulation, based on their area of expertise, for conducting research studies proposed by the Commission or approved by the Commission.
- (vii) The academic or research institutions or research organisations, from the valid panel prepared under the clause (v) of this sub-regulation, fulfilling technical requirements for a specific research study shall be selected for identified studies by the Commission on the least cost method.
- (viii) The corporate consultant (or) institutional consultant (or) single source consultant shall be engaged after obtaining the approval of the Commission.

(9) Notwithstanding anything contained in these regulations, in matters of urgent nature and involving financial commitment not likely to exceed Rs. ten lakhs excluding applicable taxes, the Commission may avail consultancy services of a corporate consultant on the basis of single sourcing.

7. Individual Consultants

(1) The Commission, on being satisfied that there is a need for availing consultancy services which in its opinion can be more efficiently performed by an individual, having qualification, experience and knowledge considered essential for an assignment may decide to engage an individual consultant and direct the Secretary to prepare the terms of reference indicating the scope of the work, milestones to be achieved, the schedule of payments linked to achievement of each milestone, experience and qualification required for obtaining consultancy services and the period of engagement.

(2) Individual consultant shall be engaged in the category of “Adviser” with a maximum consolidated fee of Rs.1,50,000/- (excluding service tax, if applicable) per month or in the category of “Senior Adviser” with a maximum consolidated fee of Rs.2,25,000/- (excluding service tax, if applicable) per month, commensurate with their academic qualifications, total experience in number of years, domain expertise and knowledge required for the deliverables at the discretion of the Commission.

(3) The CEC shall after necessary modification, if any, obtain approval of the Commission for the terms of reference for engagement of individual consultant,

(4) The CEC shall call for applications through publication of notice on the Commission’s website giving, as far as possible, a period of at least three weeks for submission of applications.

(5) Based on the applications received, the CEC shall, by awarding marks for the educational qualifications and experience and performance in interview, if any, held, prepare a panel of persons, indicating the order of merit, for appointment as consultant, having regard to, but not limited to, the following, namely,-

- (a) Academic background,
- (b) Experience,
- (c) Knowledge of the working environment such as language, culture, administrative system, and other relevant factors:

Provided that the CEC shall, while preparing the panel consider the profile of at least three candidates:

Provided further that the condition of considering at least three candidates may be relaxed with the prior approval of the Commission, if the responses are meager or inadequate.

(6) In deserving cases annual escalation which shall not exceed 5% of the fees already fixed may be given.

8. Professional Experts

(1) The Commission, on being satisfied for the need, may decide to engage a professional for advice on an issue of urgent nature.

(2) On such decision by the Commission, the Secretary shall formalize the proposal and prepare a list of not less than two professionals having the requisite expertise in the field, willingness of the experts to accept consultancy work and the fee demanded by each of them.

(3) The Commission may approve the name of the expert for engagement as consultant on payment of such fee and on such other terms as may be considered appropriate:

Provided that the fee so decided shall not exceed Rs. ten lakhs excluding applicable taxes, for an individual item of work.

9. Staff Consultant:

(1) The Commission, on being satisfied that there has been an increase in the quantum of work of the Commission, or difficulties arising in filling regular posts, may decide to engage a Staff Consultant in expediciencies of work apart from the regular staff, to assist the Commission in discharge of its functions effectively and direct the Secretary to take further steps for this purpose.

(2) The Secretary shall, on getting directions under sub-regulation (1) above, identify the qualifications and experience required by such staff consultant, keeping in view the relevant provisions of the regulations of the Commission governing the appointment of consultant against such posts.

(3) The Secretary shall invite applications by publishing notice in the Commission's website and by giving, as far as possible, a period of two weeks for making applications by interested persons.

(4) The Staff Consultant shall be engaged with appropriate functional designation, in the following categories, commensurate with the academic qualifications, total experience in number of years, domain expertise and knowledge required for the deliverables based on the needs:

Category	Monthly Fee Range *	Experience (in completed years)	Qualifications
Research Associate	45,000 to 80,000	Zero to three years	As may be decided at the time of issue of terms of reference commensurate with the work requirement.
Research Officer	64,000 to 1,10,000	Four to seven years	
Senior Research Officer	94,000 to 1,25,000	Eight to nine years	
Principal Research Officer	1,10,000 to 1,50,000	Ten years and above	

**excluding service tax/cess, if applicable. Fee shall be fixed taking into consideration the emoluments drawn in immediate previous employment. In deserving cases, an annual escalation up to 5% on the fee may be given with the approval of the Commission based on the performance during the preceding year.*

Provided that the engagement of Consultants from among persons who have retired from the Government, Public Sector Undertakings or Autonomous / Statutory Bodies shall be governed by the following:-

Category	Monthly Fee Range *	Qualifications and Experience
Director/Secretary Level	1,10,000 to 1,50,000	As may be decided at the time of issue of Terms of Reference commensurate with the work requirement.
Deputy Director Level	90,000 to 1,25,000	
Assistant Director Level	65,000 to 1,10,000	
Other officers level	50,000 to 80,000	

**excluding service tax/cess, if applicable. Fee shall be fixed taking into consideration the emoluments drawn in immediate previous employment. In deserving cases, an annual escalation up to 5% on the fee may be given with the approval of the Commission based on the performance during the preceding year.*

(5) The CEC shall interact with the candidates and, recommend names of suitable persons for engagement as Staff Consultants including fee to be paid for consideration of the Commission and the decision of the Chairperson shall be final in this regard. Further, the supporting staff for the allied activities like clerical, typing, and other activities which are required by the Commission may also be recruited on the need basis with the requisite qualifications and experience as may be decided by the Commission at the time of issue of terms of reference commensurate with the work requirement.

10. Vacancy in Office of Chairperson

In case of vacancy in the office of Chairperson, the powers exercisable by the Chairperson under these regulations, may be exercised by the senior-most Member of the Commission.

11. Conflict of Interest

There shall be no conflict of interest on the part of the consultants which may prejudice the interest of the Commission.

12. Power to relax:

The Commission may, for reasons to be recorded in writing, relax any of the provisions of these Regulations.

13. Saving of inherent power of the Commission

(1) Nothing in these provisions shall bar the Commission from adopting a procedure which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of the matter or class of matters, and for reasons to be recorded in writing, deems it necessary or expedient to depart from the procedure stipulated in these Regulations.

(2) Nothing in these Regulations shall, expressly or impliedly bar the Commission to deal with any matter or exercise any power under the Act for which no Regulation have been framed, and the Commission may deal with such matters with the powers and functions in a manner it thinks fit.

14. General Power to Amend

The Commission may, at any time and on such terms as it may deem fit, amend any of these Regulations for the purpose of meeting the objectives with which these Regulations have been framed.

15. Removal of Difficulty

(1) If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by general or special order, take action, for removing the same, consistent with the provisions of these Regulations.

(2) The Commission shall have the power for reasons to be recorded in writing to dispense with the requirements of any of the Regulations in a specific case or cases subject to such terms and conditions as may be specified.

(3) Failure to comply with any requirement of these Regulations shall not invalidate any proceeding merely by reasons of such failure unless the Commission is of the view that such failure has resulted in miscarriage of justice.

16. Repeal and Saving

(1) Save as otherwise provided in these regulations, the Tamil Nadu Electricity Regulatory Commission – Appointment of Consultants Regulations, 2004 shall hereby stand repealed from the date of commencement of these regulations.

(2) Notwithstanding such repeal, anything done or purported to have been done under the repealed regulations shall, in so far as it is not inconsistent with the provisions of these Regulations, be deemed to have been done or taken under the corresponding provisions of this Regulations.

(By order of the Commission)

Sd/- dated 02-07-2025

Secretary

Tamil Nadu Electricity Regulatory Commission (i/c)

Explanatory Statement

1. The section 91(4) of the Electricity Act, 2003 authorises the State Electricity Regulatory Commission to appoint consultants required to assist the Commission in the discharge of its functions on the terms and conditions as may be specified. Sanction of regular staff to the Commission was accorded by the Government of Tamil Nadu vide G.O.Ms.No.80, dated 19-08-2002 to a limited strength considering the work load prevalent at that time.

2. After full fledged functioning of the Commission, various regulations and orders are being issued considering the latest developments and position in the Indian Power Market. Furthermore, various compliance reports are to be obtained from the Licensee and furnish the same to the various Organisations like Forum of Regulators, Ministry of Power, etc. In addition to that the number of litigations between various stakeholders, viz. Licensee, Generators, Consumers, etc. have increased manifold when compared with the initial period. Accordingly, Appeals / Writ petitions before the APTEL, High Court and Supreme Court are also being filed by the stakeholders against the Orders/Regulations of the Commission and these Appeals / Writ petitions are to be followed by the Staff of the Commission closely. Further, counters are also to be prepared and submitted before these Courts/Tribunal on behalf of the Commission.

3. The Commission identifies a requirement to engage external expertise to assist with specialized tasks such as drafting Regulations to suite the present environment and developments, conducting various studies, carryout prudent checks on capital cost of new projects, creating e-filing provisions, meeting challenging issues in legal frame works, compliance reviews, tariff determination and to identify best practices.

4. The Commission finds it very difficult to do all its functional and administrative works with the limited staff. Therefore, the Commission has found that the appointment of consultants is required for the proper and timely discharge of its functions. The Commission had earlier notified the Tamil Nadu Electricity Regulatory Commission – Appointment of Consultants Regulations, 2004 and the Tamil Nadu Electricity Regulatory Commission – Conduct of Business Regulations, 2004 has certain provisions relating to the appointment of consultants. However, these Regulations do not provide flexibility for appointment of consultants like individual consultants, staff consultants especially during the conditions like increase in the quantum of work of the Commission, or difficulties arising in filling regular posts, etc., so as to discharge of the functions effectively. However, the Regulations of Central Electricity Regulatory Commission and State ERCs like Maharashtra, Karnataka, Kerala, Punjab, etc. have more flexible provisions in appointing various types of Consultants in order to discharge the functions of the Commission more efficient and effective manner.

5. The proposed Regulations aligns with practices documented by CERC and Forum of Regulators which emphasise transparency, expertise and accountability in consultant engagements. Independent expertise is crucial in –

- (a) ensuring expert judgement free from external influences;
- (b) promoting fairness and stakeholders confidence;
- (c) managing complexity and multidimensional factors;
- (d) enhancing timeliness and predictability;
- (e) maintaining integrity and accountability.

6. In view of the above, this draft of the Tamil Nadu Electricity Regulatory Commission (Appointment of Consultants) Regulations, 2025 is issued duly repealing the existing

Tamil Nadu Electricity Regulatory Commission – Appointment of Consultants Regulations, 2004 and seeks the comments from various stakeholders.

(By order of the Commission)

Sd/- dated 02-07-2025

Secretary

Tamil Nadu Electricity Regulatory Commission (i/c)