

No. 42/6/2011-R&R (Vol. - IX)
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated 9th October, 2025

To,

1. Secretary, Ministry of New and Renewable Energy, New Delhi
2. Secretary, Ministry of Housing and Urban Affairs, New Delhi
3. Secretary, Ministry of Micro, Small & Medium Enterprises, New Delhi
4. Chairman, Railway Board, New Delhi
5. Chairperson, Central Electricity Authority, Sewa Bhavan, R.K. Puram, New Delhi
6. Principal Secretaries/Secretaries (Power/Energy) of all State Governments/UTs
7. Secretary, Central Electricity Regulatory Commission (CERC), New Delhi
8. Secretaries of All State Electricity Regulatory Commissions/JERCs
9. Chairman/CMDs of all PSUs under administrative control of Ministry of Power
10. MD, SECI, New Delhi
11. CMDs/MDs of Discoms/Gencos of all State Governments
12. CMD, IEX LTD New Delhi & MD/CEO, PXIL, Mumbai/ HPX New Delhi
13. DG, Association of Power Producers, New Delhi
14. President, FICCI, House No. 1, Tansen Marg, New Delhi
15. President, CII, New Delhi
16. President, PHDCCI, New Delhi
17. ASSOCHAM, Chanakya Puri, New Delhi
18. Member, PRAYAS Energy Group, Pune
19. DG, Electric Power Transmission Association (EPTA), New Delhi
20. Chairman, Indian Wind Power Association, New Delhi
21. Chairman, Indian Wind Turbine Manufacturers Association (IWTMA), New Delhi
22. Director General, National Solar Energy Federation of India (NSEFI), New Delhi
23. DG, Solar Power Developers Association (SPDA), New Delhi
24. DG, All India Discoms Association (AIDA), New Delhi
25. Chairman, Federation of Indian SME Associations, Mumbai
26. DG, Indian Electrical and Electronics Manufacturers' Association (IEEMA)
27. Prof. Anoop Singh, CER-IIT-Kanpur

Subject: Seeking comments on Draft Electricity (Amendment) Bill, 2025.

Sir/Madam,

Ministry of Power has prepared the Draft Electricity (Amendment) Bill, 2025 to strengthen and reform the electricity sector in alignment with evolving industry requirements.

2. In this regard, the draft Electricity (Amendment) Bill, 2025, along with an explanatory note, and a comparative statement detailing the existing provisions of the Electricity Act, 2003, the corresponding proposed amendments and justifications thereof, are enclosed for reference.

3. It is requested that comments/suggestions on the draft Electricity (Amendment) Bill, 2025 may be furnished to this Ministry within 30 days from the date of issuance of this letter. The comments/suggestions may be sent by email to rr1-mop@gov.in.

Encl: As above

Yours faithfully,



(Manish Mishra)

Director (R&R-I)

Copy for information to: PS to Hon'ble Minister for Power, APS to MoSP, PPS to Secy (P), PPS to AS (P), PSO to CE (R&R), Ministry of Power.

Copy to: Technical Director, NIC Cell for uploading on MoP's website under "Current Notices" with the heading of "Seeking comments on Draft Electricity (Amendment) Bill, 2025"

	DRAFT ELECTRICITY (AMENDMENT) BILL, 2025	
	A BILL	
	<i>further to amend the Electricity Act, 2003</i>	
	BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:	
	1. (1) This Act may be called the Electricity (Amendment) Act, 2025.	Short title and commencement.
	(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.	
	Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.	
36 of 2003.	2. Throughout the Electricity Act, 2003 (hereinafter referred to as the principal Act),—	Substitution of reference of certain expressions by certain other expressions.
1 of 1956 18 of 2013	for the words and figures “the Companies Act, 1956”, wherever they occur, the words and figures “the Companies Act, 2013” shall be substituted;	
	3. In section 2 the principal Act, —	Amendment of section 2.
	(i) After clause (20), following clause (20a) shall be inserted, namely:— “(20a) “Electric Line Authority” means the person authorized by the Appropriate Government, and includes any officer empowered by him to perform all or any of the functions of the Electrical Line Authority under this Act;”	

	(ii) After clause (26), following clause (26a) shall be inserted, namely:- “(26a) “Energy Storage System (ESS)” means a system to store electrical energy in any form for a period of time and delivering it as electrical energy when required.”	
	(iii) in clause (31) , for the word and figures “section 617”, the words, brackets and figures “clause (45) of section 2” shall be substituted;”.	
	(iv) After clause (42), following clause (42a) shall be inserted, namely:- “(42a) “Manufacturing Enterprise” means an industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951.”	
	(v) In clause (50) following sub-clause shall be inserted after point (j), namely:- “(k) Energy Storage System ”	
	4. In section 9 of the principal Act, in sub-section (1), the following proviso shall be inserted, namely:-	Amendment of section 9.
	Provided also that the eligibility criteria for captive generating plant and its users shall be as may be prescribed by the Appropriate Government.	
	5. In section 14 of the principal Act,–	Amendment of section 14.
	In the sixth proviso, for the words “through their own distribution system within the same area”, the words “through their own or shared distribution system within the same area in accordance with the framework as specified by the Commission ” shall be substituted;	
	6. In section 15 of the principal Act, in sub-section (2), clause (ii) shall be omitted;	Amendment of section 15.
	7. In section 18 of the principal Act, in sub-section (2), clause (b) shall be omitted;	Amendment of section 18.

	8. In section 25 of the principal Act, the following proviso shall be inserted, namely:-	Amendment of section 25.
	Provided that Appropriate Government may prescribe the manner of approval and implementation of Inter-State Transmission System or Intra-State Transmission System, as the case may be.	
	9. In section 42 of the principal Act,-	Amendment of section 42.
	(i) for sub-section (1), the following sub-section shall be substituted, namely:-	
	“(1) It shall be the duty of a distribution licensee to:	
	(a) ensure an efficient, co-ordinated and economic distribution network in his area of supply;	
	(b) provide non-discriminatory open access to his network to other distribution licensees in their areas of supply on payment of wheeling charges;	
	(c) supply electricity in accordance with the provisions of this Act, and	
	(d) develop and maintain distribution system, as required, avoiding duplication, as may be specified by the Appropriate Commission.”	
	10. In section 43 of the principal Act, after sub section (3), the following sub-section shall be inserted, namely:-	Amendment of Section 43.
	“(4) Notwithstanding anything contained in this section the State Commission, in consultation with the State Government, may exempt a distribution licensee from the obligation to supply electricity to all consumers who require a supply of electricity where the maximum power to be made available at any time exceeds one megawatt. Provided that in each area of supply the State Commission shall designate a distribution licensee to supply electricity to consumers if their existing arrangement fails.”	

	11. In section 58 of the principal Act, the following proviso shall be inserted, namely:-	Amendment of Section 58.
	“Provided that such standards shall not be inferior to the minimum standards as may be prescribed by the Central Government.”	
	12. In section 61 of the principal Act, for clause (g), the following clause shall be substituted, namely:—	Amendment of section 61.
	“(g) that the tariff reflects the cost of supply of electricity and also, progressively reduces cross-subsidies in the manner specified by the Appropriate Commission;	
	Provided that cross-subsidy with respect to Railways, Metro Railways and Manufacturing Enterprises shall be fully eliminated within five years from the date of commencement of the Electricity (Amendment) Act, 2025.”	
	13. In section 64 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:-	Amendment of section 64.
	“(1) An application for determination of tariff under section 62 shall be made by a generating company or licensee at such time and in such manner and accompanied by such fee, as may be specified by the Appropriate Commission:	
	Provided that if the application as per sub-section (1) is not filed within the specified timeframe, the Appropriate Commission shall determine the tariff suo moto, so that new tariff comes into effect from the beginning of the next financial year.”	
	14. Section 66 of the principal Act shall be substituted, namely:-	Amendment of section 66.
	“The Appropriate Commission shall promote the development of a market (including trading) in power and may introduce and regulate market platforms, intermediaries, market products including non-transferable specific delivery contracts for difference, in such manner as may be specified and shall be guided by the National Electricity Policy referred to in section 3 in this regard.”	

	15. In section 73 of the principal Act, after clause (c), the following clause shall be inserted, namely:—	Amendment of section 73.
	“(ca) specify cyber security requirement for the power system excluding systems that are not part of the integrated operation of the power system.”	
	16. In section 78 of the principal Act, in sub-section (1), in clause (a), for the words “Planning Commission”, the words “NITI Aayog” shall be substituted;	Amendment of section 78.
	17. In section 86 of the principal Act, in sub-section (1),-	Amendment of section 86.
	(i) for the clause (e), following shall be substituted, namely: -	
	“(e) promote co-generation and generation of electricity from non-fossil sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee, which shall not be less than such percentage as may be prescribed by the Central Government. ”	
	18. In section 90 of the principal Act, in sub-section (2),-	Amendment of section 90.
	(i) after clause (f), the following clauses shall be inserted, namely:-	
	“(g) has wilfully violated or overlooked the provisions of this Act or the rules or regulations made thereunder; or	
	(h) has been grossly negligent in performing one or more functions assigned to him or the Commission under this Act or the rules or regulations made thereunder.”;	
	(ii) in the proviso, for the words, brackets and letters “clauses (d), (e) and (f)”, the words, brackets and letters “clauses (d), (e), (f), (g) and (h)” shall be substituted.	

	(iii) in the proviso, the words “, as the case may be,” shall be deleted.	
	19. In section 92 of the principal Act, after sub-section (5), the following sub-section shall be inserted, namely:-	Amendment of section 92.
	“(6) Every proceedings before the Appropriate Commission shall be decided expeditiously and with the endeavour to dispose the proceedings within one hundred and twenty days and in the event of delay, the Appropriate Commission shall record the reasons for delay.”	
	20. In section 112 of the principal Act, in sub-section (1), for the words “three”, the words “not more than seven” shall be substituted.	Amendment of section 112.
	21. In section 126 of the principal Act, for sub-section (5), the following sub-section shall be substituted, namely:-	Amendment of section 126.
	“(5) If the assessing officer reaches to the conclusion that unauthorised use of electricity has taken place, the assessment shall be made for the entire period during which such unauthorized use of electricity has taken place, and such period shall be limited to a period of twelve months immediately preceding the date of inspection.”	
	22. In section 127 of the principal Act,-	Amendment of section 127.
	(i) in sub-section (2), for the words “half” the words “one-third or as may be prescribed by the Appropriate Government” shall be substituted.	
	(ii) After sub-section (2), the following proviso shall be inserted, namely:-	
	“Provided that where in any particular case, the Appellate Authority is of the opinion that the deposit of such amount would cause undue hardship to such person, it may reduce or dispense with such deposit subject to such conditions as it may deem fit to impose so as to safeguard the realisation of the amount.”	

	23. In section 142 of the principal Act,-	Amendment of section 142.
	(i) the text under the section may be renumbered as sub-section (1)	
	(ii) the following sub-section (2) shall be inserted after sub-section (1), namely:-	
	“(2) Notwithstanding anything contained in sub-section (1), where the Appropriate Commission is satisfied on a complaint filed before it or otherwise, that a person has not consumed power from non-fossil sources of energy as specified under clause (e) of sub-section (1) of section 86, the Commission shall after giving such person an opportunity of being heard, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall be liable to pay a penalty of a sum calculated at a rate of not less than thirty-five paisa per kilowatt-hour and not more than forty-five paisa per kilowatt-hour for default;”	
	24. Section 164 of the principal Act shall be substituted, namely:—	Amendment of section 164.
	“164. The Power of placing and maintaining electric lines.—	
	“(1) The Appropriate Government may, by order through notification in the Official Gazette , for the placing of electric lines or electrical plant for the transmission of electricity necessary for the proper co-ordination of works, confer upon any public officer, licensee or any other person engaged in the business of supplying electricity under this Act, subject to such conditions and restrictions, if any, as the Appropriate Government may think fit to impose and to the provisions of the Act, any of the powers which the Electric Line Authority possesses under the Act with respect to the placing of electric line for the purposes of conveyance of electricity.”	
	“(2) The Electric Line Authority may, from time to time, place and maintain an electric line for the conveyance of electricity under, over, along or across, in or upon, any immovable property: Provided that— (a) the Electric Line Authority shall not exercise the powers conferred by this section except for the	

	<p>purposes of an electric line maintained, or to be so established or maintained;</p> <p>(b) the Appropriate Government shall not acquire any right other than that of user only in the property under, over, along, across, in or upon which the Electric Line Authority places any electric line;</p> <p>(c) except as hereinafter provided, the Electric Line Authority shall not exercise those powers in respect of any property vested in or under the control or management of any local authority, without the permission of that authority; and</p> <p>(d) in the exercise of the powers conferred by this sub-section, the Electric Line Authority shall do as little damage as possible, and, when it has exercised those powers in respect of any property other than that referred to in clause (c), shall pay full compensation to all persons interested for any damage sustained by them by reason of the exercise of those powers.</p> <p>(e) The State Government may prescribe a framework to facilitate placing of electric lines including determination of compensation to be paid.”</p>	
	<p>“(3) Power to enter on property in order to repair or remove electric lines.— The Electric Line Authority may, at any time, for the purpose of examining, repairing, altering or removing any electric line, enter on the property under, over, along, across, in or upon which the line has been placed.”</p>	
	<p>“(4) Power for local authority to give permission under sub-section (2), clause (c), subject to conditions.— Any permission given by a local authority under sub-section (2), clause (c), may be given subject to such reasonable conditions as that authority thinks fit to impose, as to the payment of any expenses to which the authority will necessarily be put in consequence of the exercise of the powers conferred by that sub-section, or as to the time or mode of execution of any work, or as to any other thing connected with or relative to any work undertaken by the Electric Line Authority under those powers.”</p>	
	<p>“(5) Power for local authority to require removal or alteration of electric line.—When, under the foregoing</p>	

	provisions of this Act, an electric line has been placed by the Electric Line Authority under, over, along, across, in or upon any property vested in or under the control or management of a local authority, and the local authority, having regard to circumstances which have arisen since the electric line was so placed, considers it expedient that it should be removed or that its position should be altered, the local authority may require the Electric Line Authority to remove it or alter its position, as the case may be.”	
	<p>“(6) Power to alter position of gas or water pipes or drains.—The Electric Line Authority may, for the purpose of exercising the powers conferred upon it by this Act in respect of any property vested in or under the control or management of a local authority, alter the position thereunder of any pipe (not being a main) for the supply of gas or water, or of any drain (not being a main drain):</p> <p>Provided that—</p> <p>(a) when the Electric Line Authority desires to alter the position of any such pipe or drain it shall give reasonable notice of its intention to do so, specifying the time at which it will begin to do so, to the local authority, and, when the pipe or drain is not under the control of the local authority, to the person under whose control the pipe or drain is;</p> <p>(b) a local authority or person receiving notice under clause (a) may send a person to superintend the work, and the Electric Line Authority shall execute the work to the reasonable satisfaction of the person so sent.”</p>	
	<p>“(7) Disputes between Electric Line Authority and local authority.—</p> <p>(a) If any dispute arises between the Electric Line Authority and a local authority in consequence of the local authority refusing the permission referred to in sub-section (2), clause (c), or prescribing any condition under sub-section (4), or in consequence of the Electric Line Authority omitting to comply with a requisition made under sub-section (5), or otherwise in respect of the exercise of the powers conferred by this Act, it shall be determined by such officer as the Appropriate</p>	

	<p>Government may appoint either generally or specially in this behalf.</p> <p>(b) An appeal from the determination of the officer so appointed shall lie to the Appropriate Government; and the order of the Appropriate Government shall be final.”</p>	
	<p>“(8) Exercise of powers conferred by sub-section (2), and disputes as to compensation, in case of property other than that of a local authority.—</p> <p>(a) If the exercise of the powers mentioned in sub-section (2) in respect of property referred to in clause (d) of that sub-section is resisted or obstructed, the District Magistrate may, in his discretion, order that the Electric Line Authority shall be permitted to exercise them.</p> <p>(b) If, after the making of an order under clause (a), any person resists the exercise of those powers, or, having control over the property, does not give all facilities for their being exercised, he shall be deemed to have committed an offence under section 223 of the Bharatiya Nyaya Sanhita (45 of 2023).</p> <p>(c) If any dispute arises concerning the sufficiency of the compensation to be paid under sub-section (2), clause (d), it shall, on application for that purpose by either of the disputing parties to the District Judge within whose jurisdiction the property is situated, be determined by him.</p> <p>(d) If any dispute arises as to the persons entitled to receive compensation, or as to the proportions in which the persons interested are entitled to share in it, the Electric Line Authority may pay into the Court of the District Judge such amount as he deems sufficient or, where all the disputing parties have in writing admitted the amount tendered to be sufficient or the amount has been determined under clause (c), that amount; and the District Judge, after giving notice to the parties and hearing such of them as desire to be heard, shall determine the persons entitled to receive the compensation or, as the case may be, the proportions in which the persons interested are entitled to share in it.</p> <p>(e) Every determination of a dispute by a District Judge under clause (c) or clause (d) shall be final: Provided that nothing in this clause shall affect the right of any person to recover by suit the whole or any part of any</p>	

	compensation paid by the Electric Line Authority, from the person who has received the same.”	
	<p>“(9) Removal or alteration of electric line on property other than that of a local authority.—</p> <p>(a) When, under the foregoing provisions of this Act, an electric line has been placed by the Electric Line Authority under, over, along, across, in or upon any property, not being property vested in or under the control or management of a local authority, and any person entitled to do so desires to deal with that property in such a manner as to render it necessary or convenient that the electric line should be removed to another part thereof or to a higher or lower level or altered in form, he may require the owner to remove or alter the line or post accordingly:</p> <p>Provided that, if compensation has been paid under sub-section (2), clause (d), he shall, when making the requisition, tender to the Electric Line Authority the amount requisite to defray the expense of the removal or alteration,</p> <p>(b) If the Electric Line Authority omits to comply with the requisition, the person making it may apply to the District Magistrate within whose jurisdiction the property is situated to order the removal or alteration.</p> <p>(c) A District Magistrate receiving an application under clause (b) may, in his discretion, reject the same or make an order, absolutely or subject to conditions, for the removal of the electric line to any other part of the property or to a higher or lower level or for the alteration of its form; and the order so made shall be final.”</p>	
	<p>“(10) Removal of trees interrupting conveyance of electricity.—</p> <p>(a) If any trees standing or lying near an electric line interrupts, or is likely to interrupt, conveyance of electricity, an Executive Magistrate may, on the application of the Electric Line Authority, cause the tree to be removed or dealt with in such other way as he deems fit.</p> <p>(b) When disposing of an application under clause (a) the Executive Magistrate shall, in the case of any tree in existence before the electric line was placed, award</p>	

	to the persons interested in the tree such compensation as he thinks reasonable, and the award shall be final.”	
	25. In section 166 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:-	Amendment of section 166.
	<p>“(1A) (a) The Central Government shall, by notification, establish an Electricity Council.</p> <p>(b) The Minister-in-charge of the Ministry dealing with Power (Electricity) in the Central Government shall be the Chairperson of the Electricity Council. The Ministers-in-charge of the departments dealing with Electricity in the State Governments shall be its members. Secretary-in-charge of the Ministry of the Central Government dealing with Power (Electricity) shall be the Convenor of the Electricity Council.</p> <p>(c) The Electricity Council shall advise the Central and State Governments on policy measures, facilitate consensus on reforms, and coordinate the implementation of such reforms to ensure achievement of the objects of this Act.”</p>	
	26. In section 176 of the principal Act,	Amendment of section 176.
	(i) in sub-section (1), for the words “provisions”, the words “purposes” shall be substituted;	
	(ii) in sub-section (2), , the following clauses shall be inserted, namely:-	
	“(aa) the eligibility criteria for captive generating plant and its users under sub-section (1) of Section 9.”	
	“(ca) the manner of implementation of Inter-State Transmission Network under Section 25.”	
	“(da) minimum standards of performance under Section 58.”	
	“(ia) percentage of consumption from non-fossil sources of energy under clause (e) of sub-section (1) of Section 86.”	
	27. In section 177 of the principal Act, in sub-section (2), after clause (e), the following clause shall be inserted, namely:-	Amendment of section 177.

	“(ea) the cybersecurity requirements for electricity system under clause (ca) of section 73;”	
	28. In section 180 of the principal Act, in sub-section (2), the following clauses shall be inserted, namely:- “(aa) the eligibility criteria for captive generating plant and its users under sub-section (1) of Section 9.”	Amendment of section 180.
	“(ab) the manner of implementation of Intra-State Transmission Network under Section 25.”	
	“(ma) framework to facilitate placing of electric lines including determination of compensation to be paid under clause (e) of proviso to sub-section (2) of Section 164.”	
	29. In section 181 of the principal Act, in sub-section (2), after clause (zp), the following clauses shall be inserted, namely:-	Amendment of section 181.
	“(aa) framework for operation of multiple distribution licensees in the same area under the sixth proviso to Section 14.”	
	(oa) framework for development and maintenance of distribution system under the sub-section (1) of Section 42.	
	(ta) exempt Distribution Licensees from the obligation to supply to any category of consumers under the sub-section (4) of Section 43.	
	(tb) designate distribution licensee to supply electricity to consumers if their existing arrangement fails under the proviso to sub-section (4) of Section 43.	
	30. In section 183 of the principal Act, following sub-section shall be inserted, namely:-	Amendment of section 183.
	“(1A) Notwithstanding anything contained in sub-section (1), if any difficulty arises in giving effect to the provisions of this Act as amended by the Electricity	

	<p>(Amendment) Act, 2025, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act, as may appear to it to be necessary for removing the difficulty:</p> <p>Provided that no such order shall be made under this section after the expiry of a period of two years from the date of commencement of the Electricity (Amendment) Act, 2025.”</p>	