

ALL INDIA POWER ENGINEERS FEDERATION



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No. 72 - 2020 / EA Bill 2020

12 - 09 - 2020

Sub: An Appeal to intervene Against Electricity (Amendment) Bill 2020

Respected Member of Parliament,

All India Power Engineers Federation (AIPEF) is a Federation of about one lakh Power Engineers working in all State Power Utilities in Country, CEA, DVC & BBMB. Regarding Electricity (Amendment) Bill 2020 circulated by Ministry of Power, Govt of India AIPEF wants to draw your kind attention towards some of the anti people draconian provisions of the Bill aimed at total privatisation of the Power Sector.

2. The Electricity (Amendment) Bill 2020 to amend the Electricity Act 2003 is expected to be introduced in Parliament during the coming monsoon session. The Bill 2020 has several features that are not acceptable and it is requested that Members of Parliament should strongly oppose the Bill. Summary of main objections to the bill are as under -

- a) Whereas Electricity is a concurrent subject under Constitution of India , the States have equal rights (as compared to Central govt) on legislative matters, whereas the Amendment Bill is an attempt of the Centre to impose its will or dictates on the States without any consultation or concurrence of States. The Federal structure of Electricity as granted under the Constitution must be retained and honoured and the amendments should have been discussed in detail with States instead of the unilateral approach . Electricity as a concurrent subject is distinct from Railways or Posts & Telegraphs which are Central Subjects.
- b) The Bill proposes to eliminate subsidy in Tariff and introduce new tariff based on cost of electricity. This would make the tariff of Domestic and Agricultural consumers to become too high and unaffordable.
- c) The Centre wants to introduce Direct Benefit Transfer of power subsidy which would adversely impact the farmers particularly as they would have to make payment of Discom bills while subsidy from the State may be delayed by several months.
- d) Centre wants to dictate the electricity tariff by making the State Electricity Regulatory Commissions subservient to Tariff Policy that would be determined by the Centre, Ministry of Power.

e) The Centre intends to introduce privatization of electricity distribution functions by introducing Distribution Sub licensees and Franchisees to distribute power without license. The private parties would take over the high revenue and profitable areas which would further financially impact the State Discoms.

3. STANDING COMMITTEE ON ENERGY is a committee of Parliament with members from Lok Sabha as well as Rajya Sabha . In 2014 when the Electricity (Amendment) Bill 2014 was introduced in Parliament the Bill was referred to the Standing Committee which invited comments, objections from all stakeholders and conducted hearings for objectors to give their views in detail. In a similar manner if and when the Electricity (Amendment) Bill 2020 is introduced in Parliament, the MPs from LS and RS must stress and insist that the Bill 2020 should be referred to the Standing Committee on Energy . This Committee comprises MPs from both houses of Parliament and different Parties and is a representative body to examine, discuss and debate the Bill and submit its conclusions to Parliament for final decision. Thus while Parliament may be having time and space constraints the Committee is in a position to examine the amendments in detail with feedback from all stakeholders which is possible even with constraints of Covid-19 whereas for detailed debate in Parliament the Covid 19 constraints would not permit .

4. AIPEF requests to all MPs with respect to Electricity (Amendment) Bill 2020

- a) MPs to stress that they have serious reservations and objections to the Bill.
- b) MPs should stress that the objections already raised by States against the Bill have not been addressed in Draft bill
- c) MPs to stress that Bill be referred to the Standing Committee on Energy, as in case of earlier Bill of 2014 which was referred to Committee by 16th Lok Sabha.

5. Post-Script - Ministry of power has circulated minutes of meeting of Power Ministers held on 03 July 2020. It is stated in the Minutes -

In view of the comments received, some proposals with regard to a single selection committee for the Electricity Regulatory Commissions and DBT are proposed to be modified.

The Power Minister Gol emphasized that the Bill will be finalized after consultations with all concerned.

In view of this development, all MPs may request the Power Ministry to circulate a copy of the draft Bill with amendments included and further to ensure that before introducing in Parliament the draft bill be referred to the standing committee on energy and discussed so as to ensure that there are detailed consultations with all concerned.

6. The position regarding draft Electricity (Amendment) Bill 2020 is still not clear . While on one hand Gol intendeds to introduce Bill in the coming monsoon session of Parliament , the recent interview/press statement of the Minister of power indicates that several key issues like DBT are still under discussion and yet to be finalised . The Minister has admitted that the DBT structure is still not perfect and Gol is ready to wait 5 years .

The Draft amendment Bill is to be first finalised , then vetted by the Law Ministry , then cleared by Cabinet and only then the Bill can be tabled in Parliament. In this dynamic and changing situation the States have to be on the alert so that they are not caught unaware if events related to Bill move fast. AIPEF will try to keep States updated.

Thank you with regards.

Shailendra Dubey

Chairman

CC:

Chief Minister – All States / Union Territories