

মমতা ব্যানার্জী
ममता बैनर्जी

ممتا بنرجی

Mamata Banerjee



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CHIEF MINISTER, WEST BENGAL

No.32- CM/2021

August 7, 2021

Respected Prime Minister,

I write this letter to re-lodge my protest against the Union Government's fresh move to place the much-criticized Electricity (Amendment) Bill, 2020 in the Parliament. It was proposed to be moved last year, but many of us had underlined the anti- people aspects of the draft legislation, and at least I had detailed out all the salient pitfalls of the Bill in a letter to you on 12 June, 2020.

The Bill was then not moved, and I had believed that wider consultations with stakeholders would now be initiated for a consensual view on the sensitive subject at hand. Now, I am stunned to hear that the Bill is coming back without any consideration for our reservations, and in fact with some graver anti- people features this time.

Power is too important a sector for such unilateral interferences, especially when 'electricity' as a subject is in the Concurrent List of the Constitution of India and any legislation on a subject in such a list needs serious prior consultation with the States. In the present case, there has been some tokenism of consultations, but no real exchange of views, which is antithetical to the federal structure of our polity.

To summarily recapitulate my arguments as I had conveyed in my earlier letter last year, I reason against the sweeping abdication of the State's pre-eminent role in the power sector in favour of unregulated and de-licensed private players. Such a laissez faire approach would result in concentration of private profit- focussed utility players in the lucrative urban-industrial segments, while poor and rural consumers would be left to be tended by public sector DISCOMs. In the name of market reforms, the State will give up its commanding height, state PSUs will become sick and ailing and yet forced to serve areas where no corporate body would focus. Allowing cherrypicking to select private entities cannot be the goal of public policies, particularly in a strategic sector like power.

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The avowed objective of the Bill is to provide plural choices to the consumers, even while actually the Bill will finally end up in profiteering by the new service providers through enhancements in tariffs and every sector of the society will suffer due to increased tariff.

I am dismayed also by the centrist design to make the entire State electricity grid (right from the local substation) an appendage of the National Grid. The Electricity Act 2003 had struck a fine balance between the Centre and the States in the management of the power sector, while the proposed Amendment strikes at the root of that federal architecture.

The reduction of the role of the state public utility bodies, the unchecked enhancement of the role of private corporate bodies, and the curtailment of the authority of the states in the power sector together imply a sinister design, whereby crony capitalism will get nourishment at the cost of the states, the public sector and the common people at large.

The dilution of the role of the State Electricity Regulatory Commission and the State Distribution Companies implies a political design to demolish state bodies and domestic industries. Direct interference by the Central Government in activities involving distribution will not at all be helpful to take care of the interest of the common people and the States.

I would request you to kindly refrain from the initiation of the legislation and to ensure that a broad-based and transparent dialogues on the subject is opened up at the earliest.

With regards,

Yours sincerely,


(Mamata Banerjee)

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