

TAMIL NADU ELECTRICITY CONSUMERS' ASSOCIATION

Regd. No. 181-8524/1998 – **CIN.No.** U37102TZ1998GAP008524

1st Floor, SIEMA Building, 8/4, Race Course, Coimbatore - 641 018

Phone: (0422) 4351400 Mobile No. 9787299000 E-mail: teca@tecaonline.in

Web:www.tecaonline.in

TECA: 2025-26/CIR/30

27 October 2025

To All Members

CIRCULAR

Sub: Seeking Comments on Draft Electricity (Amendment) Bill, 2025 proposed by Ministry of Power

Ref: Ministry of Power Notification No. 42/6/2011-R&R (Vol. -IX) dtd 09th October 2025

We wish to inform our members that, with the intent to modernising the Indian power sector, the Ministry of Power(MOP) has come out with the Draft Electricity (Amendment) Bill, dtd. 9.10.2025 and is seeking comments on or before 8.11.2025.

The proposed amendments seek to strengthen affordable, reliable and clean electricity for all while enabling a seamless and equitable energy transition. Please find below the gist of the proposed amendment in the Electricity Act 2003.

- The proposed amendment introduced 'Electric Line Authority' i.e., a person authorized by the appropriate Government to perform all or any of the function of the Electric Line Authority under this Act.
- The amendment proposes to recognise the Energy Storage Systems (ESS) as part of the power system.
- To provide clarity and regulatory consistency, it is proposed to expressly empower the Central and State to frame rules governing captive generation
- It includes the definition for 'Manufacturing Enterprise' i.e., an industry undertaking or business concern or any other establishment, engaged in the manufacturing or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development & Regulation) Act 1951.
- As per the proposed amendment, the appropriate Commission may grant a license to two or more persons for distribution of electricity through the own or shared distribution system within same area in accordance with the framework as specified by the Commission.

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- In section 42 i.e., duties of distribution licensee and open access, the subsection (1) has been substituted in such a way to ensure an efficient, coordinated and economic distribution network in his area of supply. Provide non-discriminatory open access to his network to other distribution licensee in the areas of supply on payment of wheeling charges, supply electricity in accordance with provision of Act, and develop and maintain distribution system as required avoiding duplication as may be specified by the appropriate Commission.
- Under section 43, the State Commission in consultation with 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 1MW.
- 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.
- Under section 61, the tariff should reflect cost of supply of electricity and should progressively reduce the cross subsidies in the manner specified by the appropriate Commission.
- It is relevant to note that the cross subsidy with respect to railway/metro railway and manufacturing enterprises should be fully eliminated within five years from date of commencement of amended Act 2025
- Under section 64 to determine the tariff by the appropriate Commission and application must be filed by the generating company/licensee within such a specified time under section 62 as per the respective State commission.
- Now the proposed amendment mentions that if such application is not filed within specified time, the Commission should determine the tariff suo-moto so that the new tariff comes into effect from the beginning of the next financial year Under section 73, cyber security requirement for power system is introduced.
- In section 86, the word renewable energy is substituted with non-fossil sources of energy. Further the Central Government shall fix such percentage of electricity from the non-fossil sources in respect of total consumption of electricity in the area of distribution licensee.
- Under section 92, the proceeding before the State Commission shall be decided within 120 days and in the event of delay the Commission should record the reasons for delay

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- Under section 112, composition of appellate tribunal, the number of members is increased from three to not more than seven
- Under section 126, if the assessing officer has come to the conclusion that the unauthorized use of electricity has taken place, the assessment shall be made for entire period during which such unauthorized use of electricity has taken place. Now this period limited to the period of 12 months immediately preceding the date of inspection.
- Under section 127, in respect of appeal to appellate authority instead of depositing 1/2 of the assessed amount, 1/3rd of assessed amount would be sufficient for making an appeal. Further if the appellate authority is 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 certain conditions as it may deem fit.
- Under section 142, new subsection (2) is introduced. Accordingly, if a person has not consumed power from non-fossil sources of energy as specified under section 86(1)(e) the Commission shall after giving opportunity, order penalty of a sum calculated at the rate of not less than 35 paise per unit and not more than 45 paise per unit for default.
- Section 164 is substituted as 'power of placing and maintainability of electric lines. Accordingly, the electric line authority from time to time, place and maintain electric lines for the conveyance of electricity under, over, along or across, in or upon, any immovable property.
- The electric line authority shall exercise his power only for the purpose of electric line maintenance. The appropriate Government shall not acquire any right other than that of user only in the property for the purpose of electric line.
- It is also relevant to note that the electric line authority shall do as little damage as possible when he exercises those powers in respect of any property and shall pay full compensation to the person concerned in respect of damage made.
- The State Government may describe and framework to facilitate placing of electric lines including determination of compensation
- The local authority should give permission to the electric line authority to the purpose of enabling them to take the electric lines including the removal or alteration of electric lines

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- In the case of dispute between electric line authority and local authority it should be determined by such officer as appointed by appropriate Government either generally or specifically.
- An appeal from determination of officer so appointed shall lie only from appropriate Government which is final.
- The amendment proposed lot of work, power, and action for the electric line authority in association with local authority.
- Under Section 166 the amendment proposed to constitute Electricity Council. The minister-in-charge of MOP of Central Government will be the chairperson of said Electricity Council. The minister-in-charge of department of dealing with the electricity in the State Government will be members. The secretary-in-charge of ministry of Central Government dealing with power will be convenor of Electricity Council. The role of Electricity Council is to advise Central and State Governments on policy measures, facilitate consensus on reforms and coordinate the implementation of such reform to ensure achievement of the objects of this Act.

We are enclosing the Notification of the MOP for the reference of our members. We request you to send your comments/suggestions, if any to TECA on or before 7th November 2025 by email id: teca@tecaonline.in.

You can also send your comments to the Ministry of Power within 8th November 2025 through email to rr1-mop@gov.in

With Warm Regards

L. Santhosh
President