

Union Minister Shri Manohar Lal chairs meeting of the Consultative Committee for Ministry of Power

Detailed Discussions held on draft Electricity (Amendment), Bill, 2025

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The Meeting of the Parliamentary Consultative Committee for the Ministry of Power was held in New Delhi on 18th December, 2025. Shri Manohar Lal, Union Minister for Power and Housing & Urban Affairs chaired the meeting, wherein Members of Parliament of various political parties from Lok Sabha and Rajya Sabha took part in the meeting.

The meeting was called by the Minister of Power to consult the members on various proposals in the Draft Electricity (Amendment) Bill, 2025, which had been released by the ministry for consultation of stakeholders.

Shri Manohar Lal highlighted that the Draft Electricity (Amendment) Bill, 2025 ("Bill"), is of great national importance as it seeks to strengthen the legislative foundation of India's power sector in the context of the aspirations for Viksit Bharat @ 2047. After the enactment of the Act in 2003, the country has made commendable progress in all aspects of power sector. However, challenges, especially in the distribution segment in form of persistent financial stress continues.

He informed that the provisions in the Bill have been proposed to mandate cost-reflective tariffs and to empower Commissions to act suo- motu when utilities delay tariff filings. He clarified that State Governments may continue to provide subsidies to priority consumer groups such as domestic and agricultural consumers and there may not be any increase in cost for such consumers. This ensures that financial discipline and consumer welfare go hand in hand. The Bill also seeks to enhance economic competitiveness of the Indian industry. By reducing distortions caused by cross-subsidies and surcharges, the Bill aims to support Indian industry, including MSMEs, to grow, expand employment, and compete globally. He emphasised the need to make the cost of electricity reasonable for the industries for the benefit of all the citizens in the country.

The Bill also proposes to empower SERCs, in consultation with the State Government, to exempt DISCOMs from the obligation to supply large consumers. These consumers can procure power at competitive rates from other sources. At the same time, the fixed cost burden on DISCOMs associated with supplying electricity to these consumers will be reduced. This will benefit smaller consumers. He clarified that the large consumers will have choice to exit after giving notice with reasonable time.

He also noted that supporting the increased use of electricity from non-fossil sources is a collective responsibility. A minimum obligation for the use of non-fossil source electricity is proposed under the Bill. To ensure the availability of cost-competitive and adequate renewable energy, it is proposed that capacity

addition will also be enabled through market mechanisms in addition to through agreements by the DISCOMs, which will also reduce burden on DISCOMs.

He also informed that Government is committed to enhance ease of living and ease of doing business. The Bill proposes provisions to ensure better service for the general public, reduce financial and compliance burden, and to create better environment for business. To strengthen regulatory governance, several provisions have been proposed under the draft Bill. The draft Bill also proposes to expand the strength of APTEL to handle increasing case loads. The Bill includes important operational reforms such as incorporating Right-of-Way provisions directly in the Act. The Bill also proposes enabling distribution network sharing to avoid duplication. He emphasised that by allowing sharing of network, the consumers will be benefitted. He clarified that the apprehensions about privatisation and increase in cost or adverse effect on employees has no basis. Suitable regulatory and policy measures will be taken to ensure that there will not be any adverse effect on any class of consumers or employees.

The Bill envisages the establishment of the Electricity Council to foster cooperative federalism and national consensus on power sector reforms. The minister assured that Central Government will take necessary steps for reasonable compensation to farmers for their land used for laying of electric lines. He informed the members that Ministry of Power has already issued guidelines for determination of compensation linking it to market rate.

Members of Parliament provided several suggestions concerning various provisions of the Bill. They also commended the initiatives and efforts of the power ministry towards building a future-ready power sector.

Shri Manohar Lal concluded the meeting by expressing gratitude to the participants for their valuable contributions and sought support in finalising the Bill and passing the bill in Parliament for the benefit of the country.

NR/AP

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