

# UNIT 10

## CENTRAL ELECTRICITY AUTHORITY

*The essence of good governance lies in avoiding over or under regulation*  
*TN Thakur, PTC*

### 10.1 Background

Central Electricity Authority was established under section 3 of the Electricity Supply Act 1948. Many of the regulatory functions were vested in the Authority. With the new Electricity Act 2003 coming into force the role of CEA has been substantially been modified. Under the new dispensation CEA will be playing more of a advisory role, a facilitators role, such as laying down standards and regulations and advancing the skills of people in the Electricity industry.

### 10.2 Members of CEA

CEA shall consist of not more than 14 members including its Chairperson. Maximum of eight members shall be full time members and they shall be appointed by the Central Government. The Central Government may appoint any person, eligible to be appointed as Member of the Authority, as the Chairperson of the Authority, or, designate one of the full time Members as the Chairperson of the Authority.

### 10.3 Qualification of the members

Section 70(5) states that the members of the Authority shall be appointed from amongst persons of ability, integrity and standing who have knowledge of, and adequate experience and capacity in, dealing with problems relating to engineering, finance, commerce, economics or industrial matters, and at least one Member shall be appointed from each of the following categories, namely :-

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- engineering with specialization in design, construction, operation and maintenance of generating stations;
- engineering with specialization in a transmission and supply of electricity;
- applied research in the field of electricity;
- applied economics, accounting, commerce or finance.

Section 71 also provides that No Member of the Authority shall have any share or interest, whether in his own name or otherwise, in any

- company or
- other body corporate or
- an association of persons (whether incorporated or not) or
- a firm engaged in the business of generation, transmission, distribution and trading of electricity or
- fuel for the generation thereof or
- in the manufacture of electrical equipment.

This is to protect the integrity independence of the authority.

## **10.4 General Functioning of CEA**

The Chairperson and all the Members of the Authority shall hold office during the pleasure of the Central Government. Chief Executive of the Authority shall be the Chairperson..

The headquarters of CEA shall be at Delhi. CEA shall meet at head office or any other place at such time as the Chairperson may direct, and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at its meetings) as it may specify.

All questions which come up before any meeting of the Authority shall be decided by a majority of votes of the Members present and voting, and in the event of an equality of votes, the Chairperson or the person presiding shall have the right to exercise a second or casting vote.

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All orders and decisions of the Authority shall be authenticated by the Secretary or any other officer of the Authority duly authorized by the Chairperson in this behalf.

## **10.5 Function and duties of Authority<sup>1</sup>**

Reforming and developing the Power industry of India is a challenging task. The CEA has been envisaged as a specialist body to give technical advice to the Central Government and perform such functions and duties as the Central Government may prescribe. The duties of CEA may include-

- advise the Central Government on the matters relating to the national electricity policy, formulate short- term and perspective plans for development of the electricity system and co-ordinate the activities of the planning agencies for the optimal utilization of resources to sub serve the interests of the national economy and to provide reliable and affordable electricity for all consumers;
- specify the technical standards for construction of electrical plants, electric lines and connectivity to the grid;
- specify the safety requirements for construction, operation and maintenance of electrical plants and electric lines;
- specify the Grid Standards for operation and maintenance of transmission lines;
- specify the conditions for installation of meters for transmission and supply of electricity.
- Promote and assist in the timely completion of schemes and projects for improving and augmenting the electricity system ;
- Promote measures for advancing the skill of persons engaged in the electricity industry;
- Advise the Central Government on any matter on which its advice is sought or make recommendation to that Government on any matter if, in the opinion of the Authority, the recommendation would help in improving the generation, transmission, trading, distribution and utilization of electricity;

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<sup>1</sup> Section 73 of The Electricity Act 2003

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- Collect and record the data concerning the generation, transmission, trading, distribution and utilization of electricity and carry out studies relating to cost, efficiency, competitiveness and such like matters;
- Make public from time to time the information secured under this Act, and provide for the publication of reports and investigations;
- Promote research in matters affecting the generation, transmission, distribution and trading of electricity;
- Carry out, or cause to be carried out, any investigation for the purposes of generating or transmitting or distributing electricity;
- Advise any state Government, licensees or the generating companies on such matters which shall enable them to operate and maintain the electricity system under their ownership or control in an improved manner and where necessary, in coordination with any other Government, licensee or the generating company owning or having the control of another electricity system;
- Advise the Appropriate Government and the Appropriate Commission on all technical matters relating to generation, transmission and distribution of electricity;
- Discharge such other functions as may be provided under this Act. Certain powers and directions.

### **10.6 Power to require statistics and returns**

By virtue of Section 74 the CEA can require statistics and returns from any entity in the power industry. It shall be the duty of every licensee, generating company or person generating electricity for its or his own use to furnish to the Authority such statistics, returns or other information relating to generation, transmission, distribution, trading and use of electricity as it may require and at such times and in such form and manner as may be specified by the Authority.

### **10.7 Directions by Central Government to Authority**

In the discharge of its functions, the Authority shall be guided by such directions in matters of policy involving public interest as the Central Government may give to it in writing.

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## **10.8 Safety and electricity supply<sup>2</sup>**

The CEA may, in consultation with the State Government, specify suitable measures for :-

- protecting the public ( including the persons engaged in the generation, transmission or distribution or trading) from dangers arising from the generation, transmission or distribution or trading of electricity, or use of electricity supplied or installation, maintenance or use of any electric line or electrical plant;
- eliminating or reducing the risks of personal injury to any person, or damage to property of any person or interference with use of such property;
- prohibiting the supply or transmission of electricity except by means of a system which conforms to the specifications as may be specified;
- giving notice in the specified form to the Appropriate Commission and the Electrical Inspector, of accidents and failures of supplies or transmissions of electricity;
- keeping by a generating company or licensee the maps , plans and sections relating to supply or transmission of electricity;
- inspection of maps, plans and sections by any person authorized by it or by Electrical Inspector or by any person on payment of specified fee;
- specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use.

## **10.9 Conclusion**

The need for a non-partisan, professional organization at the centre to focus on national planning, optimum resource management, co-ordination and monitoring has become crucial for maintaining

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<sup>2</sup> Section 53 of The Electricity Act 2003

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optimal growth of the power sector and ensuring energy security. CEA is uniquely positioned to have an overall perspective and is fully equipped to play a pivotal role and to simultaneously perform the role of a facilitator and an advisor to the nation on the power sector development.