

AS INTRODUCED IN THE RAJYA SABHA ON  
THE 23RD NOVEMBER, 2012

**Bill No. XXXVI of 2012**

THE RURAL ELECTRIFICATION AUTHORITY BILL, 2012

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BILL

*to provide for the establishment of a Rural Electrification Authority to ensure uninterrupted electricity supply to farmers for their agricultural activities and for providing at least one bulb connection to every dwelling in rural India and for matters connected therewith and incidental thereto.*

BE it enacted by Parliament in the Sixty-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Rural Electrification Authority Act, 2012.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification  
5 in the Official Gazette, appoint.

Short title,  
extent and  
commencement.

Definitions.

**2.** In this Act, unless the context otherwise requires,—

(a) "Authority" means the Rural Electrification Authority established under section 3;

(b) "prescribed" means prescribed by rules made under this Act;

(c) words and expressions used but not defined in this Act and defined in the Indian Electricity Act, 1910 and the Electricity (Supply) Act, 1948, shall have the meanings respectively assigned to them in those Acts. 5 9 of 1910 54 of 1948

Establishment of the Rural Electrification Authority.

**3. (1) The Central Government shall, by notification, establish a Rural Electrification Authority to exercise the powers conferred on, and to perform such duties and functions assigned to it under this Act.** 10

**(2) The Authority shall consist of not more than five members appointed by the Central Government from amongst the persons having domain, knowledge and professional expertise in the field of power generation, electrical maintenance, distribution and agriculture of whom at least two shall be from amongst the farmers.**

(3) The Central Government shall appoint one of the members to be the Chairman of the Authority. 15

(4) The head office of the Rural Electrification Authority shall be in Delhi.

(5) The Authority may appoint a Secretary and such number of officers and employees as it considers necessary on such terms and conditions as may be prescribed.

(6) The qualifications and experience, term of office and allowances of the members, officers and employees of the Authority shall be such, as may be prescribed. 20

Powers and functions of the Authority.

**4.** The powers and function of the Authority shall, *inter alia*, include,—

(i) to develop a sound, adequate and uniform National Rural Electrification Policy;

(ii) to provide uninterrupted power supply to the farmers for irrigation and other agricultural purposes; 25

(iii) to provide uninterrupted power supply to the village and cottage industries and village artisans engaged in self-employment in villages;

(iv) to provide at least one bulb connection of electricity in every dwelling unit of each village in the country;

(v) to give attention to the drought prone areas by establishing power units for power generation under public private partnership exclusively to cater the requirements of the rural sector in the country; 30

(vi) to carry out the investigations and to collect and record the data pertaining to the generation, distribution and utilisation of power in the rural sector and the development of the power resources in the rural areas; 35

(vii) to co-ordinate the activities of the national and state planning agencies particularly in relation to the control and utilisation of power resources for the rural sector;

(viii) to advise the Government and other agencies on production, distribution and utilisation of power and such other related matters from time to time. 40

Funds for the Authority.

**5. The Central Government shall provide, from time to time, after due appropriation made by Parliament by law, adequate funds for the rural electrification works to be undertaken by the Authority and for the administrative expenses of the Authority.**

- 6. The Authority shall have a Fund to be called the Rural Electricity Development Fund to which all moneys received from the Central and State Governments for the purposes of rural electrification and from all other sources such as the rural consumers, private sector generating electricity for rural sector, etc. shall be credited and all payments by the Authority towards electrification expenditure shall be made therefrom.**
- Rural Electricity Development Fund.
- 7. The Authority shall establish new power generating stations in any area in which it is required by any scheme of the Authority.**
- Authority to establish new power generating stations.
- 8. The Authority may supply electricity to the farmers at such subsidised rates as may be prescribed from time to time.**
- Authority to provide electricity at subsidised rates to farmers.
- 9. It shall be the duty of the Authority to provide one bulb connection and supply of electricity thereto free of cost to the Scheduled Caste, Scheduled Tribe and Other Backward Class including minorities and below poverty line families residing in rural areas of the country.**
- One Bulb connection to be free of cost for the Scheduled Caste, Scheduled Tribe and Other Backward Class including minorities and below poverty line residing in rural areas.
- 10. Save as otherwise provided in this Act, the provisions of this Act shall be in addition to and not in derogation of the Indian Electricity Act, 1910 and the Electricity (Supply) Act, 1948.**
- Effect of other laws.
- 11. The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.**
- Power to make rules.

#### STATEMENT OF OBJECTS AND REASONS

Our country is facing an acute shortage of power in the industrial sector, the agricultural sector and the household. Our power stations are producing electricity much below their generating capacity whereas the demand for electricity is increasing day-by-day in all the sectors. It has been observed that while distributing the electricity, the Electricity Boards and Undertakings give priority to the urban areas and the industrial sector thereby neglecting the rural areas particularly the agricultural sector. Very often it has been seen that the electricity meant for rural areas is diverted to the urban areas. Nobody bothers when the electricity is cut off to the rural areas for days together even if the crops of the hapless farmers are drying in the absence of the water.

Seventy per cent. of the population of the country is living in villages and lacks facilities to live a decent life and sufficient earning to meet both ends. This compels the new generation to migrate to towns. This migration is not only disturbing the development of the towns, but also destabilising the village economy. It is the need of the day that all infrastructural facilities and employment opportunities be provided to promote the young generation in their development at the place of their stay only. As most of the population in the country is engaged in agriculture and agriculture-related small and cottage industries, it is our bounden duty to give uninterrupted. power supply to the agricultural sector. It is also necessary to provide at least one bulb connection to every household including every dwelling unit in the country. To achieve these objects, it is proposed to establish a Rural Electrification Authority to provide electricity exclusively to the rural areas and uninterrupted electricity supply to the agricultural sector including drought prone areas and give at least one bulb connection to every household in the villages.

Hence this Bill.

SHADI LAL BATRA

## FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for establishment of the Rural Electrification Authority. Clause 5 provides that Central Government shall provide funds to the Authority. Clause 6 provides for creation of a rural electricity development fund to which the Central and State Governments shall contribute for the purposes of rural electrification and from all others sources such as rural consumer, private sector generating electricity for rural sector etc. shall be credited.

Clause 7 of the Bill provides that Rural Electrification Authority shall establish new power generation station. The Bill, if enacted, will involve expenditure from the Consolidated Fund of India and it is difficult to calculate the expense at this juncture. A non-recurring expenditure of rupees one hundred crore may also involve from the Consolidated Fund of India.

#### MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 11 of the Bill gives power to the Central Government to make rules for carrying out the purposes of the Bill. The rules will relate to matters of details only. The delegation of legislative power is of normal character.

# RAJYA SABHA

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*(Shri Shadi Lal Batra, M.P.)*