

GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
UNSTARRED QUESTION NO.1108
ANSWERED ON 09.02.2026

DRAFT ELECTRICITY (AMENDMENT) BILL, 2025

1108 SHRI MOHAMMED NADIMUL HAQUE:

Will the Minister of **POWER** be pleased to state:

- (a) whether Government, in accordance with concerns elicited by civil society, has taken cognisance of the fact that the Draft Electricity (Amendment) Bill, 2025 proposes to introduce multiple distribution licensees in the same area (Section 14 amendment) and expand consumer choice to shift to private suppliers;
- (b) if so, whether this could allow private operators to prioritise commercial consumers while leaving public DISCOMs with rural or domestic consumers in a disadvantaged position;
- (c) whether Government has assessed the impact of this bill on agricultural and domestic consumers, particularly in States like Punjab where agriculture receives free power; and
- (d) if so, the details thereof?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) to (d) : The Electricity Act, 2003 (Act) already allows multiple distribution licensee in the same area. It also mandates non-discriminatory open access to the distribution network. But presently, every new licensee had to build its own separate network, which means duplication of poles, wires, and substations - making power costlier for everyone. The proposed amendment under draft Electricity (Amendment) Bill, 2025 intends to remove this wasteful duplication by allowing use of other distribution licensee's network upon payment of charges decided by the State Electricity Regulatory Commission (SERC) by a distribution licensee for supplying power to its consumers.

Under the provisions of the Act, the area of supply for each distribution licensee is defined and it has to be approved by the SERC, while granting license. The subordinate legislations already prescribe a minimum geographical area for granting a distribution licence - covering either an entire Municipal Corporation or at least three adjoining revenue districts, or a smaller area only if specifically notified by the Appropriate Government. Every distribution licensee, whether public or private, will continue to have a Universal Service Obligation for all the consumers including the rural and domestic consumers, except the large consumers for which the distribution licensee is specifically exempted by the SERC, as per the provisions under the proposed draft Electricity (Amendment) Bill, 2025. They have a duty to supply electricity to all consumers in its area of supply, without discrimination. The amendment further proposed to mandate the SERCs to establish a clear framework for introducing multiple licensees within the same supply area, ensuring transparency and fairness.

It is envisaged that there would not be any adverse impact on agricultural and domestic consumers, rather, the competition will improve quality of service. Further, the subsidies for specified consumer categories including agricultural and domestic consumers may continue to be provided by the State Government under Section 65 of the Act.
