



Electricity (Rights of Consumers) Rules, 2020

December 21, 2020

On 21.12.2020, the Ministry of Power notified the Electricity (Rights of Consumers) Rules, 2020 (**Rules**). The Ministry of Power have notified the Rules with the intention to empower consumers of electricity and uphold the conviction that the power systems exist to serve the consumers and the consumers have rights to ensure reliable services and quality electricity. Given that distribution companies across the country are monopolies – either government or private and the consumer has no alternative, it was seen as necessary to lay down the consumers' rights in Rules and a system of enforcement of these rights be put in place. The objective of these Rules is also touted as step to ease doing business across the country.

The key takeaways from the Rules are as follows:

1. **Rights of consumers and obligations of distribution licensees.**

It is the duty of every distribution licensee to supply electricity on request made by an owner or occupier of any premises in line with the provisions of the Act.

It is the right of the consumer to have minimum standards of service for supply of electricity from the distribution licensee.

2. **Release of new connection and modification in existing connection**

The process for release of new connections/modification of existing connection is to be transparent, simple and a time-bound process as to ensure the protection of the consumer.

The application forms will be made available online for free download. Digitisation of application system, tracking and acknowledgment have been prescribed under the new Rules. Further, penal provisions for failure to supply electricity within the period specified by the Commission, has been also prescribed.

3. **Metering arrangement**

It is imperative under the new Rules to obtain a meter. No connection shall be given without a meter. There shall also be provisions providing protection to consumers for replacement of defective/burnt/stolen meters.

4. **Billing and payment**

- Discoms to provide for tariff for each category along with any change in tariff including fuel surcharge and other charges.
- Consumer shall now have the option to pay the bill online or offline and there shall also be a provision added for advance payment of bills. The distribution licensee is required to mandatorily establish an

online portal as well as sufficient number of collection centres or drop boxes at suitable locations with necessary facilities, where consumer can deposit the bill amount with ease.

In case of post payment meters, when a domestic consumer gives prior information in about his continued absence from residence, the distribution licensee shall **not** send any notice or provisional bill to the consumer provided that the consumer pays the fixed charges for such period in advance and his supply line shall not be disconnected.

5. **Disconnection and Reconnection**

The Rules, provide for an efficient and timely resolution of disconnection and reconnection requests.

6. **Reliability of Supply**

It shall be the duty of the distribution licensee to ensure that mechanism is put in place for monitoring and restoring outages and shall also ensure supply of power 24x7 to all consumers.

7. **Consumer as Prosumer**

Prosumer shall have the same rights as a general consumer with an additional right to set up Renewable Energy (**RE**) generation unit including roof top solar photovoltaic (**PV**) systems.

Further, the Commission shall lay down regulations on Grid Interactive Rooftop Solar PV system and its related matters with timelines of not exceeding six months from the date of notification of these rules, in case the same has not been notified. The regulations on Grid Interactive Roof top Solar PV system and its related matters shall provide for net metering for loads up to ten kW and for gross metering for loads above ten kW.

Further, the Rules lay down the process for setting up of RE generation system at prosumers' premises by distribution licensees, which is digitised, time bound and transparent.

8. **Standards of Performance of licensee**

In case of any violations, distribution licensee shall be liable to pay compensation to the consumer for standards of performance. The Commission shall notify the standards of performance for the distribution licensees as per sub-section (1) of section 57 of the Act and in consonance with the rules or regulations made thereunder.

9. **Compensation Mechanism**

The compensation mechanism is to ensure that the consumer is not cheated. The distribution licensee shall be liable to pay compensation for time taken for change in no supply to a consumer beyond a particular duration, to be specified by the Commission, number of interruptions in supply beyond the limits as specified by the Commission, delay in time taken for change in consumer details, for replacement of defective meters, bill related complaints, amongst other things.

In all cases of compensation, the payment of compensation shall be made by adjustment against current or future bills for supply of electricity, within stipulated time from the determination of claim as specified by the Commission.

10. **Call Centre for consumer services**

Toll-free call centres shall be established and operational 24x7 by the distribution licensee. A common Customer Relation Manager (**CRM**) shall be established by licensees in order to get a unified view.

11. **Grievance redressal mechanism**

Consumer Grievance Redressal Forum (**CGRF**) shall include consumer and prosumer representatives. The number of consumer representatives have also been increased from one to four.

SKV Comment:

The Rules are a welcome change to empower consumers and strengthen provisions for timelines, for connection, modifications and disconnection. The mandatory use of smart meters, and mandated supply schedules coupled with compensation mechanisms for failures, is the need of the hour. Infusion of digitisation across the board in the electricity sector and making it consumer friendly and ensuring ease in business is important to bring the experience at par with private entities. The ceiling capacity of net metering restricted only up to 10kw has been adversely questioned by solar players on the ground that the Rules, restrict the rights of higher load consumers to avail net-metering by installing solar rooftop within their premises as recognised by different state net-metering regulations and would result in very low adaptation of distributed solar.

Additionally, no provision for further applicability beyond the 10 kW ceiling has been clarified in the rules for large consumers. According to the solar body's statement, barring net-metering above 10 kW would give a stall to the MSMEs currently operating in the rooftop segment. Also, manpower and manufacturing units in business would be affected and incur excessive losses adding to their already liquidity deficits amid the crisis brought in by COVID-19.