

Central Electricity Regulatory Commission (CERC)

February 23, 2021

In News: Supreme Court extends stay on Central Electricity Regulatory Commission operations.

CERC

- CERC is a statutory body functioning under sec – 76 of the Electricity Act 2003 (CERC was initially constituted under the Electricity Regulatory Commissions Act, 1998 on 24th July, 1998)

Mission

- The Commission intends to promote competition, efficiency and economy in bulk power markets, improve the quality of supply, promote investments and advise the government on the removal of institutional barriers to bridge the demand supply gap and thus foster the interests of consumers.

Objectives the Commission –

- Improve the operations and management of the regional transmission systems through Indian Electricity Grid Code (IEGC), Availability Based Tariff (ABT), etc.
- Formulate an efficient tariff setting mechanism, which ensures speedy and time bound disposal of tariff petitions, promotes competition, economy and efficiency in the pricing of bulk power and transmission services and ensures least cost investments.
- Facilitate open access in inter-state transmission
- Facilitate inter-state trading
- Promote development of power market
- Improve access to information for all stakeholders.

- Facilitate technological and institutional changes required for the development of competitive markets in bulk power and transmission services.
- Advise on the removal of barriers to entry and exit for capital and management, within the limits of environmental, safety and security concerns and the existing legislative requirements, as the first step to the creation of competitive markets.

Functions

As entrusted by the Electricity Act, 2003 the Commission has the responsibility to discharge the following functions:-

Mandatory Functions:-

- to regulate the tariff of generating companies owned or controlled by the Central Government;.
- to regulate the tariff of generating companies other than those owned or controlled by the Central Government specified in clause (a), if such generating companies enter into or otherwise have a composite scheme for generation and sale of electricity in more than one State;
- to regulate the inter-State transmission of electricity ;
- to determine tariff for inter-State transmission of electricity;
- to issue licences to persons to function as transmission licensee and electricity trader with respect to their inter-State operations;
- Improve access to information for all stakeholders.
- to adjudicate upon disputes involving generating companies or transmission licensee in regard to matters connected with clauses (a) to (d) above and to refer any dispute for arbitration;
- to levy fees for the purposes of the Act;
- to specify Grid Code having regard to Grid Standards;

- to specify and enforce the standards with respect to quality, continuity and reliability of service by licensees;
- to fix the trading margin in the inter-State trading of electricity, if considered, necessary;
- to discharge such other functions as may be assigned under the Act.

Advisory Functions:-

- formulation of National Electricity Policy and Tariff Policy;
- promotion of competition, efficiency and economy in the activities of the electricity industry;
- promotion of investment in electricity industry;
- any other matter referred to the Central Commission by the Central Government.