

Particulars of Organization, functions and duties**1.1 Organization**

The Himachal Pradesh Electricity Regulation Commission was constituted by the Government of Himachal Pradesh vide Notification No.: PP-A (7)-1/2000 dated 30.12.2000 under the Electricity Regulatory Commissions Act, 1998(14 of 1998) and has been functioning since 6th January, 2001 with headquarters at Shimla. It is presently a One Member Commission headed by the Chairman of the Commission.

1.2 Functions and Duties of the Commission

The ERC Act, 1998 was repealed by the Electricity Act, 2003 which came into force on 10.06.2003. The functions of the State Commission provided for in Section 86 of the new Act, read as follows:

- (1) The State Commission is discharging the following functions, namely: -
 - (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State;
 - (b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity is procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
 - (c) facilitate intra-State transmission and wheeling of electricity;
 - (d) issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
 - (e) promotes cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
 - (f) adjudicate upon the disputes between the licensees and generating companies and to refer any dispute for arbitration;
 - (g) levy fee for the purposes of this Act;
 - (h) specify State Grid Code consistent with the Grid Code specified under clause(h) of sub-section(1) of section 79;

- (i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees; and
 - (j) fix the trading margin in the intra-State trading of electricity, if considered, necessary;
 - (k) discharge such other functions as may be assigned to it under this Act.
- (2) The State Commission advises the State Government on all or any of the following matters, namely: -
- (i) promotion of competition, efficiency and economy in activities of the electricity industry;
 - (ii) promotion of investment in electricity industry;
 - (iii) reorganization and restructuring of electricity industry in the State;
 - (iv) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.
- (3) The State Commission ensures transparency while exercising its powers and discharging its functions.
- (4) In discharge of its functions, the State Commission guided by the National Electricity Policy, National Electricity Plan and Tariff Policy published under sub-section (2) of section 3 of the Act.