

The Electricity Act, 2003

Section 86 - (Functions of State Commission)

1) The State Commission shall discharge 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: Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers; (b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from - 70 -The Electricity Act, 2003_____ 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) promote co-generation 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; (j) fix the trading margin in the intra-State trading of electricity, if considered, necessary; and (k) discharge such other functions as may be assigned to it under this Act.(2) The State Commission shall advise 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; - 71 -The Electricity Act, 2003_____ (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 shall ensure transparency while exercising its powers and discharging its functions.(4) In discharge of its functions, the State Commission shall be guided by the National Electricity Policy, National Electricity Plan and tariff policy published under section