

No. 23/08/2018-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 13th April, 2018

To,

- i. The Secretaries of the State Commissions/ JERCs
- ii. The Secretaries in charge of the Energy/Power Deptts. of the States/UTs

Subject: Clarification on charging infrastructure for Electric Vehicles with reference to the provisions of the Electricity Act, 2003.

Sir,

The Electricity Act, 2003 (The Act) was brought into force with effect from 10th June, 2003, which inter-alia as per section 12 requires licence to be obtained for the activities of transmission, distribution or trading in electricity. Recently, the issue of charging of batteries of electric vehicles has been deliberated at various forums as to whether or not charging stations would be required to obtain licence under the Act. The matter has been examined in detail in consultation with various stakeholders including Central Electricity Authority.

2. Section 2 of the Act provides definitions for "consumer" for electricity, and "trading" of electricity. As per the definition, consumer means any persons who is supplied with electricity for his own use and includes any persons whose premises are for the time being connected for the purpose of receiving electricity whereas trading is defined as procurement of electricity for resale thereof.

3. The charging of battery essentially involves utilization of electrical energy for its conversion to chemical energy, which gets stored in the battery. Thus, the charging of battery of an electric vehicle by a charging station involves a service requiring consumption of electricity by the charging station and earning revenue for this purpose from the owner of the vehicle. The activity does not in any way include sale of electricity to any person as the electricity is consumed within the premises owned by the charging station, which may be connected to the distribution system or otherwise for receiving electricity. By the same logic, the activity does not involve further distribution or transmission of electricity.



4. Therefore, it is clarified that during the activity of charging of battery for use in electric vehicle, the charging station does not perform any of the activities namely transmission, distribution or trading of electricity, which require licence under the provisions of the Act, hence the charging of batteries of electric vehicles through charging station does not require any licence under the provisions of the Electricity Act, 2003.

Yours faithfully,


13/4/18
(Ghanshyam Prasad)
Chief Engineer

Copy to:

PS to MoS (I/C) for Power & NRE, PPS to Secretary (Power), PS to JS (Thermal), PS to Dir (IPC)