UNBUNDLING WITHOUT MOVEMENT: REASONS FOR THE NON-IMPLEMENTATION OF UNBUNDLING AND CORPORATIZATION OF THE STATE ELECTRICITY DEPARTMENT IN GOA

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ABSTRACT

This paper examines why the State of Goa, unlike the great majority of Indian States and several comparable Union Territories, has not unbundled or corporatized its power utility in the two decades since Electricity Act, 2003 ("EA 2003") came into force. Electricity supply in Goa continues to be administered directly by a government department – the Electricity Department, Government of Goa – functioning as a "deemed licensee" under Section 14 of the EA 2003, rather than through independent generation, transmission and distribution companies as Section 131 of the Act contemplates. The paper argues that this outcome cannot be explained by any single cause. It is instead the cumulative product of a deliberately permissive statutory design that leaves unbundling optional rather than mandatory; Goa's consequent exclusion from the coercive financial and operational levers – such as the Ujwal DISCOM Assurance Yojana ("UDAY") – that pushed larger, financially distressed States toward restructuring; entrenched political incentives to retain direct departmental control over tariffs and subsidies; sustained resistance from organized departmental labour; the Department's structural financial fragility despite comparatively strong operational metrics; the absence of any in-State generation asset base; diseconomies of scale associated with creating a full corporate structure for a small consumer base; bureaucratic inertia in cadre management; and the absence of sustained, cross-party political will. Drawing on the Comptroller and Auditor General's audit findings, Ministry of Power scheme documents, and comparative experience from Dadra and Nagar Haveli, Chandigarh and Puducherry, the paper situates Goa's experience within the wider, uneven trajectory of India's power-sector reforms, and closes with a calibrated roadmap for phased implementation.

Keywords: Electricity Act, 2003; unbundling; corporatization; Section 131; Goa Electricity Department; UDAY; deemed licensee; power sector reform; JERC.

I. INTRODUCTION

The Electricity Act, 2003 was conceived as the legal instrument through which India would dismantle the vertically integrated, loss-making State Electricity Boards ("SEBs") that had dominated the power sector since independence, and replace them with structurally separated, commercially accountable generation, transmission and distribution entities.[1] Two decades on, the reform has been substantially, if unevenly, implemented across the country: the great majority of States have unbundled their SEBs into corporate successor entities, and Central schemes running from the Accelerated Power Development and Reform Programme ("APDRP") through to the Revamped Distribution Sector Scheme ("RDSS") have used financial incentives to keep the momentum going.[2] Goa is a conspicuous outlier. Electricity supply across the State continues to be administered by the Electricity Department, Government of Goa, a civil-service department that functions as a "deemed licensee" for distribution under Section 14 of the EA 2003, rather than through any unbundled or corporatized successor entity.[3] As early as February 2004, the Rural Electrification Corporation ("REC") and the National Thermal Power Corporation ("NTPC") were engaged by the Ministry of Power to prepare a roadmap for corporatizing the Goa Electricity Department; contemporaneous reform-status records confirm that this roadmap did not translate into implementation.[4] Twenty years later, the Department remains organizationally unchanged.

This outcome is worth interrogating for reasons that go beyond Goa's own borders. Goa offers something close to a natural experiment: a small, fiscally comfortable, well-governed State with comparatively low technical and commercial losses,[5] where the standard explanation for nonreform in the Indian power sector – acute financial distress forcing the Centre's hand –

[1] The Electricity Act, 2003, No. 36, Acts of Parliament, 2003 (India), Statement of Objects and Reasons; s. 131 (power to noHfy a scheme for transfer of undertakings of a State Electricity Board or corresponding department).

[2] Ministry of Power, Government of India, Status of Implementa/on of Reforms under the Electricity Act, 2003 (reform-status compilaHon, State-wise); World Bank, More Power to India: The Challenge of Electricity Distribu/on (2014) (documenHng distribuHon-segment losses across unbundled and non-unbundled States during 2003–11).

[3] The Electricity Act, 2003, s. 14 (deemed licensee for pre-exisHng distribuHon undertakings); CAG, Report on the Electricity Department, Government of Goa (audit finding describing the Department as a deemed licensee under s. 14).

[4] Central Electricity Authority, Status of Implementa/on of Progress of Reforms under Electricity Act 2003, entry on "Unbundling of State Electricity Boards", noHng REC and NTPC were requested in February 2004 to prepare a roadmap for corporaHzaHon of the Goa Electricity Department, and recording no subsequent progress.

[5] Power Finance CorporaHon, Report on the Performance of State Power U/li/es / Discom Ra/ngs, noHng Goa among States/UTs recording improved AT&C losses in 2023-24; academic performance analysis of the Goa Electricity Department noHng AT&C losses in the range of 5-15%, materially below the naHonal average of 25-30%.

does not straightforwardly apply. Understanding why unbundling has stalled in Goa therefore sheds light on the limits of India's largely incentive-based, rather than command-based, approach to power-sector restructuring, and on the political economy that keeps departmental control attractive to State governments even where a State's finances would comfortably permit reform.

This paper's central thesis is that Goa's non-implementation of unbundling and corporatization is not attributable to any single legal, financial or administrative obstacle, but is the product of a selfreinforcing combination of a permissive central statute, Goa's consequent exclusion from the coercive reform levers applied to larger States, organized employee resistance, and the absence of sustained political will across successive State governments. Part II sets out the statutory and policy architecture governing unbundling and corporatization. Part III describes the structure and current status of the Goa Electricity Department. Part IV identifies and examines, in turn, the specific reasons for non-implementation. Part V draws comparative lessons from Dadra and Nagar Haveli, Chandigarh and Puducherry. Part VI considers the consequences of continued non-implementation. Part VII proposes a phased roadmap, and Part VIII identifies directions for future research, before Part IX concludes.

A. Methodology

This paper relies principally on doctrinal legal analysis of the Electricity Act, 2003, the National Electricity Policy, 2005, the Tariff Policy, and associated Central scheme guidelines, read alongside official reform-status documentation maintained by the Ministry of Power and the Central Electricity Authority. This doctrinal analysis is supplemented by documentary and policy analysis of audit material – principally reports of the Comptroller and Auditor General of India ("CAG") concerning the Electricity Department, Government of Goa – and of contemporaneous press reporting on employee-union responses to corporatization and privatization initiatives in Goa and comparable Union Territories, used here as evidence of the political economy surrounding the reform rather than as adjudicated fact. A third, comparative element examines the differing trajectories of Dadra and Nagar Haveli, Chandigarh and Puducherry, chosen because each is a small, non-SEB jurisdiction administratively comparable to Goa, yet each has taken a materially different path on unbundling, corporatization or privatization.

B. Limitations

This study does not draw on primary interviews with serving officials of the Electricity Department, Government of Goa, or with State government functionaries, and relies instead on the public documentary record – audit reports, official scheme documents, and press reporting. Departmental financial data for Goa is not disaggregated in the same manner as corporatized DISCOMs report to the Ministry of Power, which constrains direct financial comparison in places. The analysis of political motivation in Part IV is necessarily inferential, drawn from institutional incentives and the public record rather than from internal government deliberation, which is not part of the public domain. Finally, because reform status can change with budgetary cycles and change of government, the position described in this paper reflects the record as publicly available up to 2026, and is subject to subsequent developments.

II. THE STATUTORY AND POLICY ARCHITECTURE FOR UNBUNDLING AND CORPORATIZATION A. Section 131 and the Permissive Design of the Electricity Act, 2003

Section 131 of the EA 2003 empowers – but does not require – a State Government to notify a scheme transferring the generation, transmission and distribution undertakings of an SEB, or of a power department performing equivalent functions, to two or more government companies.[6] The provision is enabling rather than mandatory: it uses the permissive "may", in contrast to the mandatory language used elsewhere in the same Act for measures such as the constitution of a State Electricity Regulatory Commission under Section 82.[7] This drafting choice was deliberate. The EA 2003 was designed as a framework statute operating within India's federal structure, under which electricity is a Concurrent List subject and States retain primary responsibility for the organization of distribution; [8] a hard, centrally imposed corporatization mandate would have exceeded what Parliament was institutionally willing, or perhaps constitutionally comfortable, to impose on the States. The consequence, made plain by Goa's own experience, is that in the absence of coercive financial or political pressure, a State Government may simply decline to exercise the Section 131 power indefinitely, without incurring any direct legal consequence.

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[6] The Electricity Act, 2003, s. 131(1) ("the State Government may, by Notification, cause to be prepared a scheme...").
[7] Compare id. s. 131(1) ("may") with id. s. 82(1) ("shall constitute a State Commission").
[8] Constitution of India, Seventh Schedule, List III, Entry 38 (electricity as a Concurrent List subject).

B. The National Electricity Policy, 2005 and the Tariff Policy

The National Electricity Policy, 2005, framed under Section 3 of the EA 2003, expressly identifies unbundling as the preferred organizational model for State utilities, and envisages regulatory commissions playing a central role in tariff-setting once utilities are corporatized and brought at arm's length from direct departmental control.[9] The Tariff Policy, in turn, links certain reformlinked benefits – including more favourable treatment of past losses and access to specific Central financing windows – to States that have completed corporatization.[10] Neither instrument, however, purports to override the permissive character of Section 131 itself; both operate as policy guidance addressed to the States rather than as binding directions capable of independent enforcement.

C. Central Reform-Linked Financial Assistance: From APDRP to RDSS

Because the EA 2003 itself supplies no compulsion, successive Central Governments have instead used conditional financial assistance as the principal lever to induce unbundling and corporatization. The Accelerated Power Development and Reform Programme, followed by its Restructured successor (R-APDRP) and later the Integrated Power Development Scheme ("IPDS"), progressively tied release of Central grants to loss-reduction and, in places, to corporate structuring of the recipient utility.[11] The most significant such lever was UDAY, approved by the Union Cabinet in November 2015 as a financial and operational turnaround package for debt-laden DISCOMs, under which participating States could take over a defined share of DISCOM debt in exchange for committing to specific operational reform milestones.[12] Critically for the analysis in Part IV below, UDAY's own design distinguished between States with commercially structured, debt-carrying DISCOMs and States – expressly including Goa – where power was "managed through a State-run power department" rather than a DISCOM; such States were permitted to join UDAY on operational parameters alone, without any requirement to restructure their debt or their organizational form.[13] Goa is officially recorded

[9] Ministry of Power, Government of India, National Electricity Policy, 2005, paras 5.1-5.2 (envisaging unbundling and regulator-driven tariff-setting for State utilities).

[10] Ministry of Power, Government of India, National Tariff Policy, 2016, provisions on treatment of legacy losses and reform-linked incentives for corporatized utilities.

[11] Ministry of Power, Government of India, scheme guidelines for the Accelerated Power Development and Reform Programme (2000-01), the Restructured APDRP (2008), and the Integrated Power Development Scheme (2014).

[12]

[13]

as one of the States/Union Territories that joined UDAY on this "operational-only" basis.[14] The Revamped Distribution Sector Scheme, approved in 2021, continues this incentive-based approach, targeting AT&C loss reduction and improved discom governance without imposing corporatization as a binding precondition of participation.[15]

Table 1: Central Reform Levers and Their Relationship to Corporatization

Instrument	Year	Nature of Requirement
Electricity Act, 2003, s. 131	2003	Enabling; State "may" notify a scheme
National Electricity Policy	2005	Policy preference for unbundled structure
APDRP / R-APDRP / IPDS	2002–2014	Financial incentives linked to loss reduction; corporatization encouraged, not mandated
UDAY	2015	Mandatory debt/operational reform for DISCOM States; operational-only track for departmental States including Goa
RDSS	2021	AT&C loss and ACS-ARR gap targets; no binding corporatization precondition

Source: Compiled from Ministry of Power/REC scheme documentation and CEA reform-status records cited above.

III. GOA'S DEPARTMENTAL MODEL: STRUCTURE AND STATUS A. No Statutory SEB, and a "Deemed Licensee" under Section 14

Goa never possessed a statutory State Electricity Board of the kind constituted under the Electricity (Supply) Act, 1948 in mainland States. Power supply has, since Goa's accession and subsequent statehood, been administered directly through the Electricity Department, functioning as a wing of the State civil service headed by the Chief Electrical Engineer, rather than as an autonomous statutory or corporate body.[16] Under Section 14 of the EA 2003, an

[14] Id. (listing Goa among the States/Union Territories participating in UDAY on an "operational-only" basis, alongside Gujarat, Uttarakhand, Karnataka, Puducherry, and others).
[15] PRS Legislative Research, Impact of Ujwal Discom Assurance Yojana (UDAY) (2026) (describing the Revamped Distribution Sector Scheme, approved by the Union Cabinet in June 2021, and its AT&C loss and ACS-ARR gap targets).
[16] CAG, Report on the Department of Electricity, Government of Goa (describing departmental administrative structure, including divisional offices headed by Executive Engineers under the Chief Electrical Engineer).

entity engaged in distribution of electricity in a specified area before the Act's commencement is treated as a "deemed licensee"; the Goa Electricity Department has continued to operate on this basis, without seeking or being required to obtain a fresh distribution licence in the ordinary competitive sense.[17] The Department pays an annual licence fee under the Joint Electricity Regulatory Commission for the State of Goa and Union Territories ("JERC") Regulations, consistent with this deemed-licensee status.[18]

B. The Stalled 2004 REC/NTPC Roadmap

The clearest documentary evidence that corporatization was, at one point, actively contemplated for Goa is the Ministry of Power's February 2004 engagement of REC and NTPC to prepare a corporatization roadmap for the Department.[19] Official compilations tracking State-wise progress on EA 2003 reform measures record, against this item, that no progress had been made – a position that, on the public record, has not materially changed in the two decades since.[20] By contrast, the neighbouring Union Territory of Dadra and Nagar Haveli, working from a broadly comparable starting point of departmental administration, corporatized its distribution business into the DNH Power Distribution Corporation Limited with effect from 1 April 2013.[21]The DNH precedent is significant because it demonstrates that the absence of movement in Goa cannot be explained by any inherent legal or technical impossibility of corporatizing a small, non-SEB jurisdiction; the obstacle lies elsewhere.

C. Regulatory Oversight: The JERC for Goa and Union Territories

Unlike unbundling, the constitution of a State Electricity Regulatory Commission under Section 82 of the EA 2003 is mandatory, and Goa has complied with this requirement: the JERC for Goa and the Union Territories has functioned as Goa's tariff and licensing regulator since May 2005, presently seated at Gurugram, Haryana.[22] The JERC accordingly regulates

[17] The Electricity Act, 2003, s. 14, proviso; CAG audit finding, supra note 3 (confirming the Department's deemed-licensee status).
[18] Navhind Times, "CAG flags Rs 21 crore loss, says power dept failed to levy GST on meter rent" (2026) (citing Clause 6.11 of the Joint Electricity Regulatory Commission for the State of Goa and Union Territories Regulations, 2018, and Regulation 68 of the JERC (Conduct of Business) Regulations, 2009, on annual licence fee).
[19] CEA reform-status compilation, supra note 4.
[20] Id.
[21] Government of Dadra and Nagar Haveli, reform-status return (recording corporatization of the distribution business as the DNH Power Distribution Corporation Limited with effect from 1 April 2013), reproduced in CEA reform-status compilation, supra note 4.
[22] The Electricity Act, 2003, s. 82; Joint Electricity Regulatory Commission for the State of Goa and Union Territories, functioning since 2 May 2005; JERC official records (Gurugram seat).

the Department's tariffs, licence conditions and meter-rent charges notwithstanding that the Department itself remains a government department rather than a corporatized licensee – illustrating that regulatory oversight and organizational corporatization are legally and practically severable, and that Goa has implemented the former without the latter.

D. Operational Performance Against Financial Viability

Independent performance analysis and Power Finance Corporation discom-rating exercises indicate that the Goa Electricity Department's Aggregate Technical and Commercial ("AT&C") losses have historically ranged between approximately five and fifteen per cent – well below the national average, which has commonly exceeded twenty-five per cent – and that Goa featured among the States and Union Territories recording an improvement in AT&C losses in 2023-24.[23] Despite this comparatively strong operational record, independent analysis of the Department's finances concludes that it is not financially self-sustaining, with power purchase costs consistently outrunning realized revenue.[24] The CAG's most recent State compliance audit of the Department illustrates the practical consequences of departmental, rather than corporate, structuring: it found that the Department, despite being a deemed licensee under Section 14 of the EA 2003, had failed to levy Goods and Services Tax on meter rent collected between July 2017 and March 2023, and had not availed of available input tax credit on meter purchases, together resulting in an assessed loss of over Rs 21 crore – an oversight the audit attributed in part to ambiguity in the Department's own understanding of its tax status as a government body providing a licensed commercial service.[25] This is illustrative of a broader pattern documented in CAG compliance audits of the Department: governance and revenue-assurance gaps of a kind that a corporatized entity, subject to statutory company audit, a board and dedicated finance functions, would be structurally better placed to avoid.[26]

[23] Power Finance Corporation, supra note 5; performance analysis of the Goa Electricity Department, supra note 5.
[24] Performance analysis of the Goa Electricity Department, supra note 5 (concluding that the Department is operationally sound but not financially self-sustaining, with power purchase consistently exceeding sales revenue).
[25] Navhind Times, supra note 18 (describing the CAG's finding of an assessed loss exceeding Rs 21 crore arising from non-levy of GST on meter rent between July 2017 and March 2023, and non-availment of input tax credit on meter purchases).
[26] Id.

Table 2: Goa in Comparative Perspective

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Jurisdiction	Pre-Reform Status	Present Status	Year of Change
Goa	Government department; deemed licensee	Government department; deemed licensee	Not implemented
Dadra & Nagar Haveli	Government department	Corporatized (DNHPDCL)	2013
Chandigarh (UT)	Government department	Privatization initiated; employee opposition ongoing	2021 onward
Puducherry (UT)	Government department	Privatization attempted; employee strikes; process contested	2022 onward
Most mainland States	Statutory SEB	Unbundled and corporatized (generation/transmission/distribution companies)	Predominantly 2000s

Source: Compiled from CEA reform-status records, CAG audit reports on the Electricity Department, Government of Goa, and press reporting cited above.

IV. REASONS FOR NON-IMPLEMENTATION A. The Permissive, Non-Mandatory Character of Section 131

As established in Part II.A, Section 131 imposes no binding obligation on a State Government to unbundle or corporatize. Where a State faces no compelling internal or external pressure, this permissive design allows the reform to lapse indefinitely without formal breach of any statutory duty. Goa's twenty-year experience since the stalled 2004 roadmap is, on this reading, less an anomaly than a predictable outcome of the statute's own design: an enabling provision, addressed to a State Government with limited incentive to act, will not implement itself.[27]

B. Exclusion from Coercive Central Levers: The UDAY Precedent

Perhaps the single most concrete institutional reason for non-implementation is that the principal Central instrument capable of compelling restructuring – UDAY – expressly carved

[27] The Electricity Act, 2003, s. 131(1).

Goa, along with other departmentally administered States and Union Territories, out of its mandatory debtand-reform track, permitting participation on operational parameters alone.[28] Because Goa's finances were not in the kind of distress that necessitated debt restructuring, the Department was never required to convert into a DISCOM in order to access UDAY's benefits. The scheme that did the most to push larger States toward corporate discom structures therefore supplied Goa with no comparable pressure at all – an outcome consistent with this paper's broader argument that Goa's relatively sound operational performance has paradoxically removed one of the principal external drivers of reform elsewhere in India.

C. Political Economy of Direct Departmental Control

A departmentally administered utility keeps tariff-setting influence, subsidy disbursal, staff postings and populist relief measures within the direct ambit of the political executive, in a manner that an arm's-length corporate entity – answerable to an independent board, statutory auditors and the JERC – would constrain.[29] In a small, electorally competitive State such as Goa, where a comparatively limited consumer base makes visible executive control over electricity administration a politically salient asset, successive governments across party lines have had limited incentive to surrender this direct control voluntarily, particularly given the absence of any statutory compulsion to do so.

D. Organized Resistance from Departmental Employees

Electricity department employees in Goa, as elsewhere in India, have consistently treated corporatization as a precursor to eventual privatization, carrying attendant risk to job security, pension entitlements and civil-service protections.[30] Unions affiliated to the All India Federation of Electricity Employees ("AIFEE") and the All India Trade Union Congress have publicly organized in Goa against measures they characterize as steps toward privatization, including recent opposition to prepaid smart-metering, which union leadership has described as a mechanism for transferring effective control of distribution assets to private operators over

[28] REC Limited, supra note 13.
[29] This inference draws on the general poliHcal-economy literature on uHlity corporaHzaHon and regulatory arm's-length governance; see World Bank, supra note 2.
[30] All India FederaHon of Power Employees, reported remarks at Electricity Employees Union Goa office-bearers' meeHng, Vidyut Bhavan, Madgaon (2024-25), reported in AIFAP News (describing opposiHon to privaHzaHon of the electricity industry).

an extended concession period.[31] This local resistance mirrors, and draws organizational strength from, a wider national pattern: comparable employee agitation accompanied corporatization and privatization moves in Chandigarh and Puducherry, discussed further in Part V, and offers Goan employee associations both a persuasive precedent and an existing federation structure through which to mobilize opposition.[32] For a State government facing no external compulsion to reform (see Part IV.B above), the political cost of overriding sustained, organized employee opposition has evidently exceeded whatever administrative benefit corporatization might offer.

E. Financial Non-Viability and Dependence on the State Exchequer

Notwithstanding comparatively low AT&C losses, independent analysis concludes that the Department is not financially self-sustaining on a standalone basis, given that power-purchase costs consistently exceed realized revenue.[33] A departmentally structured utility can absorb this gap relatively opaquely within the general State budget, through budgetary support, deferred payments, or simple continuation of departmental deficits, without the gap being made explicit on an independently audited balance sheet. Converting the Department into a corporate entity would require these costs and subsidies to be made transparent, regulator-approved, and separately accounted for – a change that, while consistent with sound public finance practice, also removes a degree of budgetary flexibility that both the Finance Department and the political executive have had limited incentive to give up.

F. Absence of In-State Generation Assets

Goa generates no meaningful quantum of its own electricity and is almost wholly dependent on power drawn from the regional grid and purchased from neighbouring States, principally Maharashtra and Karnataka.[34] A corporatized Goan utility would, in consequence, necessarily be a pure distribution and trading company, with no generation-side assets or revenue

[31] The Herald (Goa), "Electricity workers reject privatisation of power, warn of nationwide protests" (13 February 2025) (reporting AIFE opposition to prepaid smart-metering as, in the union's characterization, a mechanism enabling private-sector control of distribution assets over an extended period).
[32] The Tribune, "UT invokes ESMA as power staff oppose privatisation" (Chandigarh) (describing employee protest against selection of a private concessionaire for Chandigarh's Electricity Department in 2021); Deccan Herald, "Puducherry in darkness as electricity department employees go on strike" (2022) (describing a work boycott by approximately 20,000 Puducherry Electricity Department employees against privatization).
[33] Performance analysis of the Goa Electricity Department, supra note 5.
[34] AIFAP News, supra note 30 (noting that no electricity is generated within Goa, and that required power is procured from Maharashtra and Karnataka).

diversification of the kind that gives unbundled entities in generationrich States a stronger independent commercial rationale for separate corporate existence. This has fed a policymaking perception – evident from the DNH precedent, where corporatization proceeded without a formal three-way unbundling into separate generation, transmission and distribution companies – that, for a jurisdiction of Goa's profile, the specific model of multi-entity unbundling envisaged by Section 131 offers limited additional commercial benefit over simple corporatization of the existing distribution function, and that even the simpler step has not been prioritized.

G. Diseconomies of Scale for a Small Consumer Base

For a geographically compact State with a comparatively small number of consumers, the fixed costs of establishing a full corporate structure – an independent board of directors, statutory company audit, dedicated finance and human-resource verticals separate from the existing civilservice machinery, and compliance with the Companies Act, 2013 – are proportionately higher relative to the utility's revenue base than for a large mainland DISCOM.[35] This has reinforced a perception among Goan policymakers, not squarely tested against DNH's contrary experience, that corporatization is not commercially justified at Goa's scale of operations.

H. Bureaucratic and Cadre-Management Inertia

Department employees are presently governed by State civil service rules on seniority, transfer, promotion and pension, administered through the general State cadre-management machinery. Corporatization would require these employees either to be absorbed into a newly created corporate service structure, with attendant questions of pay parity and pension portability, or to continue on deputation from the State cadre – both of which raise administrative complications that the general civil service apparatus has, on the evidence of the stalled 2004 roadmap, been slow to resolve.[36] The absence of any published follow-up to the REC/NTPC roadmap after 2004 is itself suggestive of an exercise that lost administrative momentum once the initial mandate lapsed, rather than one that encountered and failed to overcome a specific identified obstacle.

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[35] This inference is drawn from the general scale economics of corporate-governance compliance under the Companies Act, 2013, applied to a utility of Goa's consumer-base size relative to mainland DISCOMs.
[36] CEA reform-status compilation, supra note 4 (recording no further progress on the 2004 roadmap in subsequent reform-status returns).

I. Discontinuity of Political Will Across Successive Governments

Power-sector restructuring of the kind contemplated by Section 131 requires sustained, multi-year political commitment spanning tariff rationalization, employee transition and organizational buildout. Goa's political landscape over the period since 2004 has seen frequent changes in the ruling dispensation and shifting policy priorities; no single government has, on the public record, carried the corporatization agenda through from announcement to completion, notwithstanding the Department's participation in Central schemes that nominally contemplate reform as an underlying policy direction.[37] Where a reform can be indefinitely deferred without formal consequence (Part IV.A), and where its principal political constituency – organized employees – actively opposes it (Part IV.D), sustained multi-year commitment of exactly the kind required has simply not materialized.

J. Absence of Public and Consumer Pressure: The Paradox of Adequate Performance

Consumer-driven pressure for restructuring has historically been strongest in jurisdictions experiencing chronic supply shortages, high losses or persistent service failure. Because Goa's AT&C losses and reported service reliability compare favourably with national benchmarks,[38] the public has had comparatively little occasion to associate its electricity supply with acute crisis, in contrast to States where load-shedding or billing failures generated sustained public demand for reform. The Department's own comparative operational competence has, paradoxically, removed one of the principal bottom-up drivers that has historically accompanied restructuring elsewhere in India.

V. COMPARATIVE LESSONS FROM OTHER STATES AND UNION TERRITORIES A. Dadra and Nagar Haveli: Corporatization Without Major Disruption

DNH's 2013 corporatization of its distribution business into DNHPDCL, from a starting point materially similar to Goa's – a small, non-SEB, departmentally administered jurisdiction – indicates that corporatization is legally and administratively achievable for a jurisdiction of comparable scale, and did not require the multi-entity unbundling contemplated by Section

[37] This inference is drawn from the absence, on the public record, of any subsequent State-level legislative or executive scheme notified under s. 131 of the Electricity Act, 2003 for Goa.

[38] Power Finance Corporation, supra note 5.

131 in its fullest form.[39] The DNH experience suggests that the technical and legal barriers frequently cited as obstacles to reform in small jurisdictions are surmountable, and that the principal determinant of outcome lies in the political and administrative variables discussed in Part IV, rather than in jurisdictional scale as such.

B. Chandigarh and Puducherry: Employee Agitation as an Effective Deterrent

Chandigarh's move toward privatization – following the Union Government's 2021 budget announcement, the engagement of Power Finance Corporation as transaction consultant, and the eventual selection of a private concessionaire in 2021 – was met with sustained employee protest, invocation of the East Punjab Essential Services (Maintenance) Act, 1947 to restrain strike action, and continued opposition from the UT Powermen Union, which argued that the Department was already the Union Territory's most profitable and best-rated utility and required no structural change.[40] Puducherry's 2022 privatization initiative produced a comparable, and more disruptive, outcome: roughly twenty thousand Electricity Department employees mounted a work boycott that caused extended power cuts across the Union Territory, was condemned by opposition political parties, and was resolved only after the administration gave assurances on continuity of salary and employment terms.[41] Both episodes illustrate that organized employee resistance is capable of materially delaying, or altering the terms of, restructuring even where the political executive is committed to proceeding – reinforcing, by comparison, why a Goan government facing no comparable external compulsion to reform has had still less incentive to invite the same confrontation.

C. What These Cases Suggest for Goa

Read together, the DNH, Chandigarh and Puducherry experiences suggest a workable hypothesis: corporatization without an accompanying privatization or ownership-transfer element (as in DNH) has proceeded with comparatively limited employee resistance, whereas restructuring perceived – rightly or wrongly – as a precursor to privatization (as in Chandigarh and Puducherry) has generated sustained, organized opposition capable of stalling or complicating reform. Because Goan employee associations have publicly linked

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[39] CEA reform-status compilation, supra note 4 (DNH entry).
[40] The Tribune, supra note 32 (Chandigarh); The Tribune, "Chandigarh Administration already on job to privatise power dept, consultant hired" (describing UT Powermen Union's characterization of the Chandigarh Electricity Department as the Union Territory's most profit-earning department, never having recorded a loss).
[41] Deccan Herald, supra note 32 (Puducherry).

corporatization rhetoric to privatization risk,[42] a Goan reform proposal framed explicitly and credibly as corporatization alone, with statutory guarantees against subsequent private transfer, may be better positioned to avoid the confrontation that derailed, or significantly complicated, reform elsewhere.

VI. CONSEQUENCES OF CONTINUED NON-IMPLEMENTATION

Continued departmental administration carries identifiable costs. First, as the CAG's GST/meterrent finding illustrates, a departmental structure without dedicated corporate finance, tax and audit functions is more exposed to precisely the kind of compliance and revenue-assurance gaps that a corporatized entity, subject to statutory audit under the Companies Act, 2013, is structurally better equipped to avoid.[43] Second, subsidy flows and cross-subsidy burdens remain embedded within general State budgetary accounts rather than being made explicit, regulator-approved and separately reported, reducing fiscal transparency. Third, a departmental utility's access to projectspecific and commercial financing, and its ability to enter into power-purchase or renewableenergy arrangements on a standalone commercial footing, is structurally more constrained than that of a corporatized DISCOM operating with its own balance sheet and credit profile. Fourth, continued departmental status leaves Goa positioned, as UDAY's operational-only track already demonstrates, at the margins of Central reform architecture designed primarily around corporatized DISCOMs – a position that may limit the Department's access to future Central schemes structured on similar assumptions.

VII. THE PATH FORWARD: A CALIBRATED ROADMAP FOR GOA

Building on the comparative lessons in Part V, this paper proposes a phased approach addressed specifically to the reasons for non-implementation identified in Part IV, rather than a generic unbundling template. *First*, corporatization should be pursued as a distinct, statutorily ring-fenced step, expressly separated from any privatization or private-transfer proposal, with a binding legislative or executive commitment against transfer of ownership to a private entity for a defined minimum period, directly addressing the union concern identified in Part IV.D and Part V.B. *Second*, employee transition terms – pay parity, pension portability, and seniority protection on absorption into the new corporate entity – should be settled and guaranteed in

[42] The Herald (Goa), supra note 31.
[43] Navhind Times, supra note 18.

advance of, not after, the transfer, following the transition-assurance approach that helped resolve the Puducherry standoff.[44]

Third, subsidy and cross-subsidy flows presently absorbed within the general State budget should be made explicit and regulator-approved as part of the transition, improving fiscal transparency without altering the underlying level of State support to consumers. *Fourth*, given DNH's comparable-scale precedent, the reform should proceed as single-entity corporatization of the existing distribution function, rather than the full three-way unbundling contemplated by Section 131, directly addressing the diseconomies-of-scale concern identified in Part IV.G. *Fifth*, because the reform can otherwise be indefinitely deferred under Section 131's permissive design (Part IV.A), the State Legislature should adopt a resolution or timeline-bound executive order fixing a specific implementation date, converting an open-ended discretionary power into a time-bound commitment that survives changes in political leadership.

VIII. SCOPE FOR FUTURE RESEARCH

Several questions merit further study beyond the doctrinal and comparative scope of this paper. Primary empirical research – structured interviews with Departmental officials, JERC officers and union representatives – would allow a more direct assessment of the political and administrative calculus described inferentially in Part IV. A comparative financial study modelling the fiscal impact of corporatization on Goa's State budget, including the effect of making cross-subsidies explicit, would help quantify the trade-offs identified in Part IV.E. Further research might also usefully track the post-2021 Chandigarh and Puducherry transitions to assess, once sufficient time has elapsed, whether the transition-assurance and phased-implementation approaches recommended in Part VII in fact reduced employee opposition and operational disruption, providing an evidentiary basis for the roadmap proposed here.

IX. CONCLUSION

Goa's two-decade non-implementation of unbundling and corporatization under the Electricity Act, 2003 is not the product of any single decisive obstacle. It reflects, instead, the

[44] Deccan Herald, supra note 32 (describing the assurance on continuity of salary that resolved the Puducherry work boycott).

compounding effect of a statutory design that leaves the reform entirely discretionary; Goa's consequent exclusion, via UDAY's operationalonly track, from the principal coercive lever that has driven restructuring in financially distressed States; entrenched political incentives to retain direct departmental control over tariffs and subsidy; sustained and organizationally well-resourced employee opposition; underlying financial fragility that a departmental structure allows to remain administratively convenient rather than transparently addressed; the absence of any in-State generation base; genuine, if not conclusively established, diseconomies of scale; bureaucratic inertia in cadre management; discontinuous political commitment across successive governments; and the absence of the kind of acute service failure that has generated bottom-up reform pressure elsewhere in India. The comparative experience of Dadra and Nagar Haveli demonstrates that none of these obstacles is individually insurmountable. What Goa's experience most clearly illustrates is that, absent either external compulsion or sustained internal political will, an enabling statutory power will remain exactly that – enabling, and unexercised.