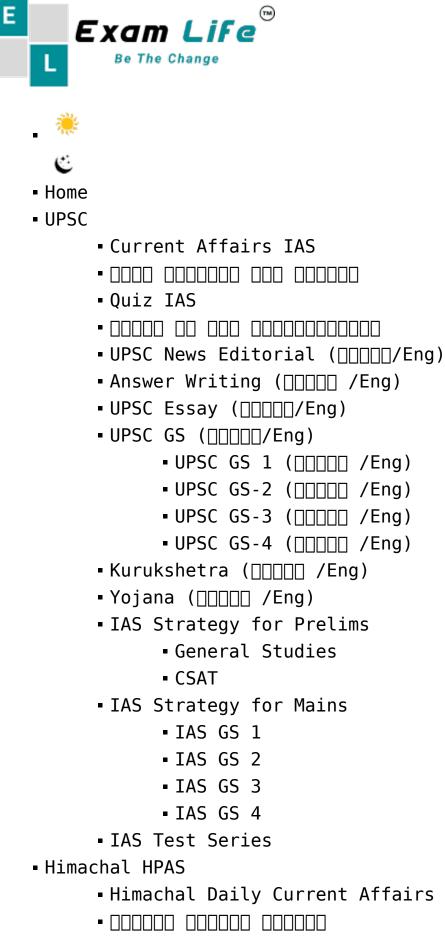
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- Answer Writing (
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- Himachal Essay (<u>[]]</u>/Eng)
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 - Magazine
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 - GENERAL STUDIES
 - CSAT
- English
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 - Haryana Current Affairs
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 - Haryana Essay (<u>]</u>]/Eng)
 - HR Government Schemes

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- CSAT English
- Concept Mindmaps
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 - History (____/ Eng)
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 - Science and Technology (DDDD / Eng)

 - Maps (<u>[[]]</u> / Eng)
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 - International Affairs (DDDD / Eng)
 - Punjab PCS Concepts
 - Himachal HPAS Concepts (
- Concept Quiz
 - Polity Quiz (___/Eng)

- Geography Quiz (<u>[]]</u>/Eng)
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- CSAT Concepts Quiz (<u>DDDD/Eng</u>)
- Maps Quiz (<u>[]</u>]/Eng)
- Art and Culture Quiz (<u>DDDD/Eng</u>)
- Punjab PCS Concepts Quiz
- Himachal HPAS Concepts Quiz (<u>DDDD/Eng</u>)
- Haryana HCS Concepts Quiz (<u>[]]</u>/Eng)
- Rajasthan RAS Concepts Quiz (<u>DDDD/Eng</u>)
- Mains
 - UPSC Answer Writing (<u>DDDD/Eng</u>)
 - HPPSC Answer Writing (<u>[]</u>[]/Eng)
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Topics Covered

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• What is the news?

- Lets Understand this Case:
 - Himachal Pradesh High Court Denies Water Cess:
 - A State Struggling for Revenue:
 - Contentious Water Cess Act:
 - Power Producers Challenged the Act:
 - High Court Verdict: Jurisdiction:
 - Repercussions and Future:
 - QuizTime:
 - Are you Ready!
- Read the Below Instructions Carefully:
 - Please Rate!
- Mains Questions:
 - Question 1:
 - Model Answer:
 - Question 2:
 - Model Answer:
 - Relevance to the Himachal HPAS Prelims and Mains syllabus under the following topics:

What is the news?

- In a blow to the Sukhvinder Singh Sukhu government, the Himachal Pradesh High Court declared the water cess unconstitutional on Tuesday. High Court: Himachal Pradesh Legislative Assembly lacks constitutional authority to adopt such a law.
- Himachal Pradesh's water cess law notification will be revoked. The High Court bench of Justice Tarlok Singh Chauhan and Justice Satyen Vaidya made these directions.
- This law was challenged by hydropower companies in High Court. Companies' lawyer Abhishek Manu Singhvi argued the case. Himachal Pradesh Congress Rajya Sabha candidate Abhishek Manu Singhvi.
- Himachal Pradesh cannot collect water cess anymore, per the High Court's latest order. It is believed the Sukhwinder Singh Sukhu government will appeal to the Supreme Court.

Lets Understand this Case:

Himachal Pradesh High Court Denies Water Cess:

 The Himachal Pradesh High Court's ruling that the state government's hydroelectric cess is unconstitutional has shaken the hydropower industry. This editorial discusses the case's background, the court's rationale, and future ramifications.

A State Struggling for Revenue:

- Recent hydroelectric developments have increased in Himachal Pradesh, famed for its stunning Himalayas and rich water supplies. These projects generate renewable energy but present environmental and water concerns. Hydropower companies' water cess may help the state government, which was struggling financially.
- To raise money, the Congress government under Sukhwinder Singh Sukhu imposed a water cess on hydropower projects in the state. The government aimed to raise Rs 1,000 crore each year from this. Several corporations paid water cess to a separate Water Commission. Many power corporations, including Sutlej Hydropower Corporation, contested this law in the Himachal Pradesh High Court.
- Some Jamahimachal firms had paid Rs 30 crores in cess. Himachal Pradesh has 172 hydropower businesses. About 35 of these enterprises paid Rs 27-30 crore in cess. The Commission had warned other corporations to phase in cess deposits.
- The Himachal government claimed rights to river water. When Jammu & Kashmir and Uttarakhand earn revenue from water cess, Himachal Pradesh should too, its counsel said.

Contentious Water Cess Act:

 Himachal Pradesh passed the Water Cess on Hydropower Electricity Generation Act in March 2023. This act halted state hydroelectric projects' electricity production. The act was meant to recompense the state for water use.



(Pic:google img)

Power Producers Challenged the Act:

- Private power companies and central hydroelectric undertakings immediately opposed the act. They claimed the act was unlawful in the Himachal Pradesh High Court.
- The National Thermal Power Corporation, BBMB, NHPC, and SJVNL contended in the High Court that they give the state 12–15% free electricity under the Center-state agreement. According to the Constitution, cess collecting will be wrong.
- On 25 April 2023, the Centre wrote to all state Chief Secretaries to discontinue water cess

collection. The Centre claimed it was unconstitutional.

High Court Verdict: Jurisdiction:

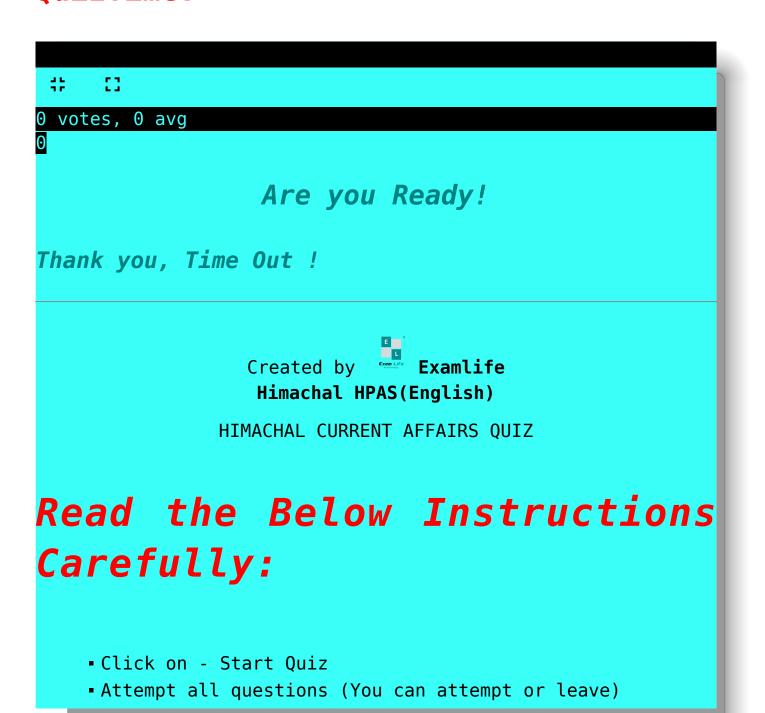
• In a major ruling, the High Court agreed with power producers on March 5, 2024. The court ruled that the state could not legislate the act. The main issue was that the act charged power generation, which Article 288 of the Indian Constitution gives to the central government. The President must approve any electricity levy under this article.

Repercussions and Future:

- Significant ramifications follow the High Court's ruling. First, it disrupts the state's water cess revenue scheme. Second, it sets a precedent for other states considering hydropower project levies. Finally, it revives the federalism and state-central power dispute in India.
- Himachal Pradesh's water cess future is questionable. The state may appeal the verdict to the Supreme Court. It may have to find other cash streams while evaluating its environmental and economic impact. This ruling further emphasises the necessity for clear and joint action between the Centre and states to regulate hydropower projects and their resource impacts.



QuizTime:



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• After Attempting Last Question.
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- Enter Name & Email
- Click on Check Result
- Scroll down Check out Solutions too. Thank you.

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Category: Himachal General Knowledge

In the context of the editorial, which of the following measures would be the MOST effective in ensuring sustainable development of hydropower in India?

 Imposing a uniform water cess across all states with hydropower potential.

 Encouraging states to focus solely on alternative revenue models like property taxes.

 Developing a clear and transparent policy framework at the central level in consultation with states.

 Granting complete autonomy to state governments in regulating and levying taxes on hydropower projects.

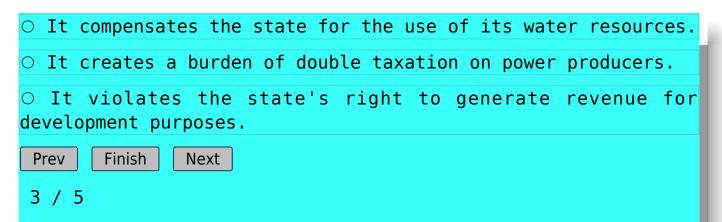


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Category: Himachal General Knowledge

Which of the following statements is/are NOT TRUE about the arguments against the water cess as discussed in the editorial? (Select the most appropriate option)

 \odot It discourages investment in the hydropower sector.



Category: Himachal General Knowledge

Considering the potential implications of the judgement, which of the following is the MOST LIKELY consequence for the development of the hydropower sector in India?

 A surge in the number of hydropower projects due to reduced operational costs.

 Increased investment in alternative energy sources due to uncertainty surrounding water cess.

 Greater need for collaboration between central and state governments for policy clarity.

 A complete halt on new hydropower projects due to legal challenges.

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Category: Himachal General Knowledge

Next

The Himachal Pradesh High Court's judgement declaring the water cess on hydropower generation unconstitutional primarily relied on which article of the Indian Constitution?

○ Article 270	
○ Article 286	
○ Article 288	

○ Article 303	
Prev Finish Next	
5 / 5	
Category: Himachal General Knowledge	
The editorial mentions that the Himachal Pradesh government might appeal the High Court's verdict. If the appeal goes to the Supreme Court, which of the following aspects would be the MOST crucial factor in determining the final outcome?	
 The financial constraints faced by the Himachal Pradesh government. 	
\odot The potential impact of the judgement on other states with similar policies.	
\odot The arguments presented by power producers against the environmental impact of hydropower projects.	
\odot The legal interpretation of Article 288 and its implications for the division of power between the center and states.	
Prev Finish	
Check Rank, Result Now and enter correct email as you will get Solutions in the email as well for future use!	
Check the Result	
Your score is	
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Mains Questions:

Below Mains Question



Write in Comment Section

Question 1:

The recent judgement by the Himachal Pradesh High Court declaring the water cess on hydropower generation unconstitutional has sparked debate. Critically examine the arguments for and against such levies, considering both the state's fiscal needs and environmental concerns. (250 words)

Model Answer:

Arguments for water cess:

- Compensation for resource utilization: Hydropower projects utilize a significant amount of water resources, and the cess can be seen as a way for the state to be compensated for this usage.
- Revenue generation: The state government faces financial constraints, and the cess could provide a much-needed source of income for development projects and social welfare initiatives.
- Environmental protection: The revenue generated from the cess could be used to fund environmental conservation efforts, mitigating the potential ecological impact of hydropower projects.

Arguments against water cess:

- Constitutional overreach: The High Court's judgement highlights the potential conflict with Article 288, which reserves the power to levy taxes on electricity generation for the central government.
- Double taxation: Power producers already pay various taxes and levies, and an additional water cess could be seen as an unfair burden on the industry.
- Discouragement of investment: High operational costs due to the cess could discourage potential investors from entering the hydropower sector, hindering clean energy generation.

Question 2:

In the context of the recent judgement on water cess in Himachal Pradesh, discuss the potential implications for the development of the hydropower sector in India. Suggest measures to ensure sustainable development of hydropower while addressing the concerns of both states and the central government. (250 words)

Model Answer:

Implications of the judgement:

- Uncertainty for revenue generation: States with significant hydropower potential might face challenges in generating revenue for development projects if similar water cess is deemed unconstitutional.
- Impact on investment: The legal uncertainty surrounding water cess could discourage private companies from investing in hydropower projects, hindering their growth.
- Need for a collaborative approach: The judgement underscores the need for better coordination between the central and state governments to develop a clear and consistent framework for regulating hydropower projects and addressing concerns related to resource utilization and revenue generation.

Measures for sustainable development:

- Clear and transparent policy framework: The central government, in consultation with states, should develop a clear and transparent policy framework for hydropower development, addressing issues like water usage charges and revenue sharing mechanisms.
- Focus on environmental sustainability: Stringent environmental impact assessments and adherence to ecological conservation measures should be mandatory for all hydropower projects.
- Promoting alternative revenue models: States can explore alternative revenue models, such as property taxes or carbon credits, to compensate for the potential loss of revenue from water cess while focusing on sustainable development practices.

Remember, these are just two examples of Himachal HPAS Mains questions inspired by the current news. Feel free to modify and adapt them further to fit your specific needs and writing style. Good luck with your preparation!



Relevance to the Himachal HPAS Prelims and Mains syllabus under the following topics:



Himachal HPAS Prelims:

• Current events of national and international importance: This section of the syllabus broadly covers any recent legal judgements with national-level significance, including those impacting the energy sector or federalism in India.

Himachal HPAS Mains:

• General Studies Paper I: Indian Polity and Governance: This paper might ask questions related to the division of power between the central and state governments in India, using this judgement as a case study. The case would also be relevant to understanding issues in federalism and the functioning of the judiciary. General Studies Paper II: Social Justice and Issues of Inclusion: While not directly related, the judgement could be indirectly connected to discussing environmental concerns associated with hydropower projects, which is a relevant topic under this paper.

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2)न्यायिक व्यवस्था में तकनीक पारदर्शिता, उत्पादकता और दक्षता सुनिश्चित करती है: मुख्यमंत्री......विस्तार से पढ़ें



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