

MINUTES OF THE FIRST MEETING OF THE FORUM OF REGULATORS (FOR)

Venue : **Lite House, India Habitat Centre, Lodhi Road, New Delhi.**

Date : **28th April, 2005**

List of Participants : **At Annexure-I (enclosed).**

The Forum of Regulators (FOR) was constituted vide Notification dated 16th February, 2005 in pursuance of the provision under Section 166(2) of the Electricity Act, 2003. The Forum consists of Chairperson of Central Electricity Regulatory Commission (CERC) and Chairpersons of State Electricity Regulatory Commissions (SERCs). The Chairperson of CERC is the Chairperson of the Forum.

2. The first meeting of the FOR was held on 28th April, 2005 at India Habitat Centre, New Delhi under the chairmanship of Shri A.K. Basu, Chairperson, CERC. Inaugurating the first meeting, the Chairperson impressed upon the need for harmonization, coordination and ensuring uniformity of approach amongst the Electricity Regulatory Commissions across the country, in order to achieve greater regulatory certainty in the Electricity Sector.

3. The Agenda for the meeting was as under :-

Discussions on the functions of the Forum as defined in the Notification constituting Forum of Regulators.

Discussions on the follow-up action on the part of the Central Commission and State Commissions, arising out of the National Electricity Policy issued by the Government of India.

Measures for regulating traded power.

Distribution open access and methodology for computation of surcharge.

Discussion on Time of Day (TOD) tariff.

Any other item, with the permission of Chair.

4. While the meeting of the Forum continued during the full day, Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission interacted with the Regulators in the afternoon session. Chairperson, CERC welcomed the Guest and introduced him to all the Chairpersons of SERCs. A brief about FOR was also given by Chairperson, CERC to Deputy Chairman, Planning Commission which was followed a presentation by Shri A.K. Sachan, Secretary, CERC highlighting the roles and responsibilities of CERC and SERCs and achievements of the Electricity Regulatory Commissions during the last few years. During his address, Dr. Ahluwalia emphasized on the need for strong and independent Regulators, especially for infusing transparency and accountability in the system. The Electricity Regulators, he underscored, have a complex and difficult role, and have been discharging their responsibilities impartially. There is a need to harmonize their actions and bring about greater degree of uniformity. Deputy Chairman, Planning Commission also appreciated the need for greater financial autonomy and adequate staffing for the Regulatory Commissions, and their distancing from Government, so as to ensure that the Commissions operate on professional line. He also indicated that the Planning Commission might examine the proposal of providing funds to SERCs/State utilities for conducting studies for evolving baseline data and efficiency improvements. Dr Ahluwalia indicated that the Planning Commission was reviewing the Regulatory structures existing in the country based on international practices and experiences. The Planning Commission would interact with and obtain inputs from the Electricity Regulators before finalizing their Recommendations.

5. During the day-long meeting of the Forum, the following decisions were taken :-

(I) **General Issues –**

It was decided that the Forum will meet at least twice a year. However, more meeting could be organized depending upon the importance of the issue as and when needed.

About funding of FOR, it was decided that Rs.50,000/- (out of total annual subscription of Rs.1.50 lakhs being contributed by the Regulatory Commissions

towards FOIR) be diverted to FOR to start with. For this, consent of the Governing Body of FOIR would have to be sought.

It was also decided that necessary rules for transactions of business of FOR would have to be formulated.

Meetings of FOR would generally be held in Delhi.

(II) **Deliberations on National Electricity Policy –**

A group consisting of the Chairpersons of the Electricity Regulatory Commissions of Andhra Pradesh, Gujarat and Maharashtra would deliberate and prepare a paper on “appropriate commercial arrangements required to be instituted between Licensees and the Captive Generators for harnessing of spare capacity energy from Captive Power Plants”.

The Electricity Grid Code which is already in place in most of the States, would be fine-tuned, wherever necessary and finalized by September, 2005.

Distribution open access regulations, for providing choice to consumers above 1 MW to select their source of supply, which have been finalized or drafted in all States except Delhi, Chattisgarh, Jammu & Kashmir and Assam will be finalized by June, 2005.

The weighted average avoided cost method was generally indicated by the Regulators as the preferred method for computation of surcharge for distribution open access.

The Regulators have been vested with the responsibility of gradual reduction of cross-subsidy. It was decided that the Regulators would continue to consult all Stakeholders, including the State Governments, while taking decisions in this regard.

The Act requires 100% metering of consumers within two years. SERCs will obtain metering plans from Discoms, and monitor their performance.

18 SERCs have so far introduced Time of Day (TOD) tariff for large consumers.

All SERCs would introduce TOD tariff for the eligible categories in the Tariff Orders of FY 2006-07.

Transmission charges for open access consumers would be determined immediately by all State Commissions.

Intra-State Trading Regulations would be finalized by the State Commissions on priority, wherever these have not been done.

Terms and conditions of Tariff have been finalized or drafted by 15 SERCs, following the principles and methodologies of the Central Commission. All SERCs would complete this exercise in the next 4 months.

Technological upgradation of SLDCs and SCADA for distribution licensees would be effected by June, 2006.

To promote co-generation and generation from renewable sources, some SERCs have determined the minimum percentage of power purchase from such sources by the Discoms. The other SERCs would do so in near future. The SERCs would also consider differential pricing for procurement of power from such sources till competitive bidding is put in place.

To ensure protection of consumer interest, 14 SERCs have already set up Consumer Redressal Forum and appointed Ombudsman. This task would be completed by all SERCs by July, 2005.

(III) Cost of Traded Power –

The issue of Cost of Traded Power was discussed. There were divergent views on the need for fixing ceiling of price of traded power. It was decided that a group consisting of the Chairperson, CERC and Chairpersons of ERCs of Uttar Pradesh, Rajasthan, Tamil Nadu, Orissa and West Bengal, would meet to take a view on the issue.

The meeting ended with a vote of thanks to the Chair.

LIST OF PARTICIPANTS ATTENDED THE FIRST MEETING

OF

FORUM OF REGULATORS (FOR)

HELD ON 28TH APRIL, 2005

AT LITE HOUSE, INDIA HABITAT CENTRE, NEW DELHI

S. No.	NAME	ERC
01.	Shri A.K. Basu Chairperson	CERC
02.	Shri K. Swaminathan Chairperson	APERC
03.	Shri Bhaskar Barua Chairperson	AERC
04.	Shri K. Venugopal Member	DERC
05.	Shri G. Subba Rao Chairperson	GERC
06.	Shri S.S.Gupta Chairperson	HPERC
07.	Shri SKF Kujur Chairperson	JSERC
08.	Shri K.P. Pandey Chairperson	KERC
09.	Shri M.K.G. Pillai Chairperson	KSERC
10.	Shri P.K. Mehrotra Chairperson	MPERC
11.	Dr. Pramod Deo Chairperson	MERC
12.	Shri D.C. Sahoo Chairperson	OERC
13.	Shri R.S.Maan Chairperson	PSERC
14.	Shri S.M. Dharendra Member	RERC
15.	Shri A. Balraj Chairperson	TNERC

16.	Shri Vijoy Kumar Chairperson	UPERC
17.	Shri Divakar Dev Chairperson	UERC
18.	Shri Satyendra Nath Ghosh Chairperson	WBERC
19.	Shri S.K. Misra Chairperson	CSERC
20.	Shri S.S. Chakraborty Chairperson	TERC
21.	Shri K.B. Pillai Chairperson	J&K SERC

Lt. Col. (Retd.) Raghbir Singh, Chairperson, Haryana Electricity Regulatory Commission could not attend.