

**MINUTES OF THE SPECIAL MEETING OF THE**  
**FORUM OF REGULATORS (FOR)**  
**(Through Video Conferencing)**

**Day/Date: Friday, 16th October, 2020**

The meeting was chaired by Shri P.K.Pujari, Chairperson, Central Electricity Regulatory Commission (CERC) and Forum of Regulators (FOR). He welcomed all the members of the Forum to the Special Meeting convened at a short notice. The list of participants is at **Appendix - I**.

Chairperson, CERC apprised the Forum that the special meeting has been convened at a short notice at the request of the FOR members so as to discuss issues relating to impact of various factors on retail tariff and measures to address them and reduce the retail tariff.

Thereafter, the Forum took up the agenda items for consideration.

**AGENDA ITEM NO.1: CONFIRMATION OF MINUTES OF 73rd MEETING OF FORUM OF REGULATORS**

The Forum considered and endorsed the minutes of the 73rd Meeting of FOR which was held on 21st & 29th September, 2020.

**AGENDA ITEM NO.2: PROPOSAL TO FORM A SUB-GROUP IN THE FOR TO SUGGEST MEASURES FOR REDUCING RETAIL TARIFF**

A reference was received from Chairperson, WBERC to discuss the issues relating to factors impacting the retail electricity tariffs and with a request to form a sub-group in FOR to analyse the same and make suitable recommendations. The said reference highlighted various factors leading to high cost of power, several of which are beyond the control of the electricity regulators. There is, therefore, a need to analyse and evolve measures towards reduction or at least containment of retail

tariff. WBERC Chairperson added that the Hon'ble Minister of Power, during his interaction with a group of select State electricity regulators a few days back, had touched upon the issues concerning the retail tariff and regulatory process related thereto. And hence, he deemed it fit to bring the same to the knowledge of the FOR, so that FOR can take a view on the matter.

The following transpired during discussion on the reference from WBERC.

- Power purchase cost constitutes 70% of the retail tariff, and in turn is dependent on cost of coal, taxation and railway freight. Quality of coal, grade slippages, increasing railway freight are major concerns, more so in view of monopoly position of the concerned entities and absence of independent regulators for these sectors, namely coal and railways. The cost of inefficiencies of these sectors gets passed on to the Discoms and ultimately is borne by the electricity consumers. These cost of inefficiencies is beyond the regulatory jurisdiction of the electricity regulators.

- The current fuel supply agreements and rail transport agreements are totally one sided. There is a need to rewrite these contracts on commercial principles. The Ministry of Power is required to take this issue up with Ministry of Coal and Ministry of Railways.

- Factors like high transmission charges, higher ROE, front loaded depreciation are also contributing to increase in retail tariffs for consumers, which need to be relooked.

- Stranded assets and lower PLF, especially as a result of increasing renewable, are resulting in fixed cost liability for the distribution companies.

- There is a need to address the governance structure of the distribution utilities.

- Compliance of new environmental norms will cause severe strain on the finances of the Discoms. Ministry of Power may consider subsidising the FGD projects from the clean energy cess.

- There is a need to evolve a framework for retiring old plants.

- Discoms need to work out the right energy mix, right approach for power procurement on long term basis and cost optimisation through greater use of market.

Chairperson , FOR/ CERC suggested that considering the various issues raised by Forum Members, a Working Group may be constituted to look into all such issues. After discussion, it was decided to form the Working Group with Chairperson of PSERC as Chair and Chairpersons of ERCs of West Bengal, Odisha, Gujarat, Tamil Nadu and JERC (Goa & UTs) as members. The Group may be assisted by FOR Secretariat and other experts as may be co-opted by the Group.

**CONCLUSION:**

At the end of the meeting, Secretary, FOR/CERC thanked everyone for participation and the officials and staff of the FOR Secretariat for their efforts in organizing the virtual meeting.

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

\*\*\*\*\*

**LIST OF PARTICIPANTS OF THE SPECIAL MEETING**

**OF**

**FORUM OF REGULATORS ( FOR )**

**HELD ON 16<sup>TH</sup> OCTOBER, 2020.**

<b>S. No.</b>	<b>NAME</b>	<b>ERC</b>
01.	Shri P.K. Pujari Chairperson	CERC / FOR – in Chair.
02.	Shri Subhash Chandra Das Chairperson	AERC
03.	Justice (Shri) Satyendra Singh Chauhan Chairperson	DERC
04.	Shri Anand Kumar Chairperson	GERC
05.	Er. D.K. Sharma Chairperson	HPERC
06.	Shri M.K. Goel Chairperson	JERC (State of Goa & UTs)
07.	Shri Lokesh Dutt Jha Chairperson	JERC ( UTs of J&K and Ladakh )
08.	Shri Ngangom Sarat Singh Chairperson	JERC ( M & M )
09.	Shri U.N. Behera Chairperson	OERC
10.	Shri Shreemat Pandey Chairperson	RERC
11.	Shri M. Chandrasekar Chairperson	TNERC
12.	Shri T. Sriranga Rao Chairperson	TSERC
13.	Shri D. Radhakrishna Chairperson	TERC
14.	Shri Raj Pratap Singh Chairperson	UPERC
15.	Shri D.P. Gairola Officiating Chairperson/Member (Law)	UERC
16.	Shri Sutirtha Bhattacharya Chairperson	WBERC
17.	Shri P. Raja Gopal Member	APERC

18.	Shri R.K. Choudhary Member	BERC
19.	Shri Arun Kumar Sharma Member	CSERC
20.	Shri Rabindra Narayan Singh Member	JSERC
21.	Shri H.M. Manjunath Member	KERC
22.	Shri Mukesh Khullar Member	MERC
23.	Shri Sanoj Kumar Jha Secretary	CERC
24.	Dr. Sushanta K. Chatterjee Chief (RA)	CERC
25.	Ms. Rashmi S. Nair Dy. Chief (RA)	CERC
<b>SPECIAL INVITEES</b>		
26.	Shri H.T. Gandhi Chief (Fin.)	CERC
27.	Shri Vijay Menghani Chief (Engg.)	CERC

\*\*\*\*\*