



WELCOME / FAREWELL



- Mr. Raghunath Prasad Singh has taken over as Chairperson-cum-Member, Arunachal Pradesh SERC w.e.f. 8th July, 2016.
- Shri Ramesh Kumar Choudhary has taken over the charge of Member, Bihar Electricity Regulatory Commission w.e.f. 08th August, 2016.
- Shri Debashish Majumdar, has taken over the charge of Member, Haryana Electricity Regulatory Commission w.e.f. 23rd August 2016.
- Shri WMS Pariat, IAS (Retd.) has taken over the charge of Chairman, Meghalaya State Electricity Regulatory Commission w.e.f. 6th September, 2016.



Chairperson's Message



I am delighted to introduce you to the first issue of Forum of Regulators (FOR) Newsletter, a quarterly publication by the FOR Secretariat. As part of expanding scope of FOR activities and its growth, the Forum in its earlier meetings decided to explore various channels for seamless flow of information related to sectoral developments amongst the Member Organizations. The FOR Secretariat, after several rounds of internal discussions finalized this quarterly newsletter.

The Newsletter is specifically designed towards information dissemination and to keep the Member Organizations and other stakeholders updated about various activities taking place in the regulator space in the electricity sector. This new initiative would be a regular publication, covering *inter alia*, brief about new regulations, new developments in regulatory matters, important decisions issued by APTEL/CERC/SERCs etc., studies carried out by FOR and other important sectoral issues and developments.

On behalf of FOR, I would like to convey gratitude for your continued interest in the activities of FOR. We look forward to contributions and feedback from Members in respect of the articles to be published in the newsletter which will make this publication more enriching and useful.

FOR Meeting

- ❖ 54th FOR Meeting was held from 7th - 9th April 2016 in Varanasi, Uttar Pradesh. In the meeting, FOR's ongoing studies i.e. Best Practices on and Strategies for Distribution Loss Reduction Utilities & Review of functioning of CGRF's & Ombudsman were discussed. The Budget & Training programmes proposed for FY16-17 were discussed.
- ❖ 55th FOR Meeting was held on 22nd July 2016 in New Delhi. Some of the areas of discussion were Impact of revised environment norms applicable on coal based thermal power plants, "Scheme of 24X7 Power Supply" & issues pertaining to Open Access.
- ❖ 56th FOR meeting was held on 30th September 2016 in New Delhi. Issues such as Implementation of Tariff policy provisions on smart meters, licensee status for military Engineering services, MNRE scheme for setting 1000 MW ISTS connected wind power projects, Enforcement of must run status for solar power projects etc. were discussed.



Regulations at a Glance

CERC Regulations

- CERC has come up with regulation on Terms and Conditions for Dealing in Energy Savings Certificates. The complete regulation is available at: <http://www.cercind.gov.in/2016/regulation/Noti124.pdf>

SERC Regulations

- UPERC has framed regulation on Promotion of Mini-Grid Renewable Energy Generation and Supply. The complete regulation is available at: http://www.uperc.org/App_File/NotifiedUPERCMinigridergulations2016-pdf411201630132PM.pdf

- DERC has amended the existing DERC Supply Code and Performance Standards Regulations 2007 (Supply Code Regulations 2007), more specifically Regulations 63, 69 and has made corresponding amendments to provisions of Schedule-I and Schedule-III of the "Guaranteed Standards of Performance" and "Guaranteed Standards of Performance and Compensation to Consumers in case of Default" respectively.

Source: <http://www.derc.gov.in/regulations/dercregulations/Regulations%202016/4th%20Amendment%20SOP.pdf>

- Odisha Electricity Regulatory Commission (OERC) passed an order on 11.04.2016 in Case Nos. 61, 62, 63 & 64 of 2015 with regard to approval of Open Access Charges (Transmission/wheeling Charges, Surcharge and Additional Surcharge applicable to open access customers for use of Intra-state transmission/distribution system)

Source: <http://oierc.org/NOTIFICATION%20on%20Open%20Access%20Charges%20%20for%202016-17.pdf>

- Haryana Electricity Regulatory Commission, Panchkula on 25th May 2016 has come up with regulation on SMART Grid

Source: <https://herc.gov.in/writereaddata/pdf/r20160525.pdf>



Appellate Tribunal for Electricity Judgments

APTEL judgment in relation to Cross Subsidy Surcharge and Additional Surcharge

Appeal was made by Open Access Users Association (Appeal No. 269 of 2014). in the state of Haryana against arbitrary increase in Cross Subsidy Surcharge and Unreasonable imposition of Additional Surcharge. Both the appeals have been rejected and the order of HERC has been upheld (Decision on 28.04.2016). **The complete order is available at:** <http://aptel.gov.in/judgements/A.No.%20269%20of%202014%20&%20204%20of%202014%20&%20IA%20No.%20320%20of%202014%20&%20309%20of%202014%20&%20188%20of%202015%20&%20216%20of%202015%20&%20IA%20No.%20356%20of%202015.pdf>



Regulation Snippets

CERC has come up with regulation on Terms and Conditions for Dealing in Energy Savings Certificates. The objective of these regulations is to define a framework for dealing in Energy Savings Certificate through Power Exchanges. Some of the key aspects of the regulations are as follows

- The value and validity of ESCerts shall be as specified in the Energy Conservation Rules
- The denomination of one ESCert as mentioned in the Energy Conservation Rules shall be equal to energy consumed in terms of one Metric Ton of Oil Equivalent (mtoe). The market price of ESCerts shall be as discovered through the process of bidding at the respective Power Exchange.
- The eligible entities for dealing in ESCerts on Power Exchanges will include
 - entities achieving specific energy consumption less than the energy consumption norms and standards notified by the Central Government for the cycle period, under Energy Conservation Rules, and subsequent cycles
 - entities whose specific energy consumption are more than the prescribed energy consumption norms and standards specified for a cycle period and subsequent cycles and who wish to comply with the prescribed energy consumption norms and standards using ESCerts in lieu of implementing energy conservation and energy efficiency improvement measures

UPERC has framed regulation on Promotion of Mini-Grid Renewable Energy Generation and Supply. The objective is to supply electricity in the rural areas and areas having inadequate supply of electricity during peak hours and/or compulsory supply hours in the State of Uttar Pradesh.

These regulations will be applicable to Mini-Grid Projects with an installed capacity up to 500 kWp. The regulation provides guidelines for business operations (Pre-existing Grid and No existence of Grid), Technical Standards for Construction of Power Distribution Network, determination of tariff, commercial framework and other key aspects related to fulfilment of contractual obligations.





FOR Reports

Update on FOR Report:

FOR has undertaken a study to review the steps taken in various States in operationalizing the CGRF and Ombudsman.

On the basis of the analysis of data regarding CGRF and Ombudsman of the 10 States along with literature review of grievance redressal mechanism in other sectors, the following key learning have been re-emphasised:

- a. Improving reach of CGRFs will be necessary for all States
- b. Involving and educating consumers through new initiatives will be essential in improving services in the long run
- c. Ensuring independence of working of CGRFs from distribution licensees

Thus, all the initiatives to improve the operationalization of existing structure of grievance redressal mechanism in electricity shall focus on the above three pillars.

Please send your feedback at

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