

**Minutes of the
62nd Meeting of the Forum of Regulators**

- Venue** : **Central Electricity Regulatory Commission
Conference Room
Upper Ground Floor
Chanderlok Building
Janpath
New Delhi-110001**
- Day / Date** : **Friday, the 15 December, 2017**
- List of Participants** : **Enclosed as Annexure-I**

Opening Session

The meeting was chaired by Shri Gireesh B. Pradhan, Chairperson, Central Electricity Regulatory Commission (CERC) and Forum of Regulators (FOR). The Chairperson, CERC / FOR welcomed the Members of the Forum to the 62nd Meeting of Forum of Regulators. He also extended a warm welcome to Shri Ngangom Sarat Singh, Chairperson, Joint Electricity Regulatory Commission (Manipur & Mizoram) and Shri Suresh Kumar Agarwal, Chairperson, Uttar Pradesh Electricity Regulatory Commission, who were attending the meeting of the Forum for the first time after assuming charge.

In his opening remarks, the Chairperson informed that the Forum had met 62 times since its inception (and 25 times since he took over in 2013 October) apart from the Working Group Meetings, Technical Committee Meetings etc. He stated that he would demit office of Chairperson, CERC shortly and briefly discussed about the progress made by the Forum of Regulators over the last four years.

- He expressed satisfaction over the number of issues brought by SERCs / JERCs for discussion / sharing of best practices etc and observed that the trend reflects the way SERCs / JERCs owned the Forum and complimented the Members for their active participation. He felt that the re-designed logo of FoR allows reflecting the intent of harmonization, coordination and uniformity of approach of the Forum.
- He also referred to the accepted norm of having one out of four FoR Meetings outside New Delhi. The agenda for FoR Meetings now reflected issues and problems being faced by State Regulators much more than before.
- He observed that efforts made by the Forum to carry out studies on different subjects and designing Model Regulations, are significant and facilitated the SERCs / JERCs to formulate State-level Regulations in a time-bound manner.
- He appreciated the significant role played by the FoR Working Groups, which gave its considered view made appropriate recommendations on crucial subjects. He lauded the efforts of the FoR Standing Technical Committee, under the Chairmanship of Shri A.S. Bakshi, Member, CERC. He observed that the Standing Technical Committee played a stellar role on various issues related to RE integration.
- While referring to the importance of documentation of record of activities, he appreciated the efforts made to bring out compendium of all Study Reports, Working Group Reports, and Minutes of the Meetings of FoR. He hoped that availability of relevant reference material, would facilitate the Regulators take informed decisions.

- He noted that Government relies on the collective wisdom of the Forum and seeks its advice on matters of importance. While referring the considered opinions sent to the Government, he recalled the efforts of FoR made specially in cases of amendments to the Tariff Policy and amendments to the Electricity Act, 2003.
- While referring to the e-Court Project SAUDAMINI (System for Adjudication Using Digital Access & Management of Information through Network Integration) launched by CERC, he informed the forum that the technical discussions are in progress between CERC IT Team and NIC for development of a generic software facilitating implementation of the same across the board for all Member ERCs.
- He informed the Forum that as recommended by the FoR Task Force on North-Eastern States, a focused capacity building programme for Regulators and Regulatory Staff of SERCs of NE States was conducted and shared that feed-back of the participants was very encouraging. He thanked the SERCs for their active participation.
- While noting down the unfinished tasks viz. Open Access Registry, Implementation of RPO Web-tool in States etc. he hoped that these would be taken forward for logical conclusion.
- He felt that profound responsibility has been bestowed upon the Regulators to oversee the transition in the best interest of the investors as well as the consumers.
- While taking note of journey of reforms from the stage of acute shortage of supply and to the present stage of reported over capacity and stranded assets,

he advised the Forum that it would be unfair to think that such issues on the generation side are only the domain of the Government and not of the Regulators. The law carves out a role for Regulators to advise the Government on all sectoral issues and also play a direct role wherever it is mandated.

- He observed that going forward, the pace of change in the power sector is expected to be very fast. New and emerging technologies are likely to disrupt the traditional way of power system operation. With more and more of renewable energy coming in, roof-top solar getting popular, emerging technologies like energy storage and electric vehicles coming in a big way, the face of power sector will undergo a transformation. He urged the Regulators to gear up to adapt the Regulations to facilitate these changes seamlessly.
- He stated that the Forum could achieve substantial progress due to active participation of its Members. The Members have owned the Forum, participated in all deliberations, gave their insights, shared their experiences and best practices etc. He felt that the cross sectoral perspectives brought by Members having background other than electricity, enriched the deliberations.

He thanked the Members of the Forum for their cooperation and interaction during the tenure. He thanked Shri Sanoj Kumar Jha, Secretary, Ms. Shubha Sarma, former Secretary and the FoR Secretariat led by Dr. Sushanta K. Chatterjee for their support.

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

Business Session

Agenda Item No. 1 **Confirmation of Minutes of the 61st Meeting of FoR held on 22.9.2017.**

The Forum considered the minutes of the 61st Meeting of Forum of Regulators held on 22.9.2017 at Chennai and endorsed the minutes.

Agenda Item No. 2 **Capacity Building Programme for Regulators and Regulatory Staff of SERCs / JERC of North-Eastern States.**

Joint Chief (Regulatory Affairs), CERC briefed the Forum that as per recommendations of the FoR Task Force on North Eastern States, a specially designed Capacity Building Programme was conducted for the Regulators and Regulatory Staff of SERCs / JERC of North Eastern States, by the FoR Secretariat in association with the Indian Institute of Corporate Affairs. He informed the Forum that feed-back of the participants was encouraging.

The Forum appreciated the efforts and accorded its *ex post facto* approval to the expenditure of Rs. 14.56 lacs out of FoR Reserves which was incurred towards conducting the above capacity building programme.

Agenda Item No. 3

References from Ministry of Power 100% Discount in the Electricity Bills consumer by person with disabilities Pass through of various duties / taxes / sur-charges levied post bidding Delay in capital cost approval

The Forum discussed the references received from Ministry of Power on 100% Discount in the Electricity Bills consumer by person with disabilities, pass through of various duties / taxes / sur-charges levied post bidding and delay in capital cost approval. The Forum decided that Members may examine these issues in their respective SERCs along with a detailed analysis.

Agenda Item No. 4

FoR Study on “Impact Assessment of FoR Studies and Capacity Building Programmes”

The Forum of Regulators commissioned a study on the “Impact Assessment of FoR Studies and Capacity Building Programmes” conducted during the last five years and to analyze if these activities are in line with the overall functions and objectives of the Forum. M/s PWC was selected to provide the consulting assistance to the Forum, through a transparent bidding process.

A presentation (enclosed as **Annexure-II**) was made by the representatives of M/s PWC. The study includes a designed survey on the impact of studies and capacity building programmes. A detailed analysis was carried out on the total 103 responses received in terms of relevance, efficiency, effectiveness, impact and sustainability of the studies and capacity building programmes of FoR..

The study recommended for appointment of a working group for specific Studies/CBPs for greater coordination and ensuring accountability from all stakeholders, interest survey to gauge key topics to be covered in Studies and CBPs, checklist of critical parameters necessary for impactful Studies and CBPs to be fulfilled at every stage of Study and CBP lifecycle, online forum for regular discussions on pertinent issues, communication template for coordination between FoR Secretariat and SERCs etc.

The Forum after detailed deliberation, endorsed the study report.

Agenda Item No. 5

FoR Standing Technical Committee Report on Implementation of Framework on Renewables at the State-Level

The Chairperson launched the Volumes I & II of the First Report of the FoR Standing Technical Committee. Ms. Shruti Deorah, Adviser (Renewable Energy), CERC, made a presentation (enclosed as **Annexure-III**) on the Report of the FoR Standing Technical Committee.

The Technical Committee of Forum of Regulators (FOR) was formed under the Chairmanship of Member CERC, Shri A.S. Bakshi, comprising of Technical Members of State Commissions of renewable rich States to facilitate roll-out of Framework on Forecasting, Scheduling and Deviation Settlement of wind & solar generators in RE rich states. The Committee during the last two years met 16 times and held detailed deliberations.

The key initiatives of the Committee, inter alia include, Report on Scheduling, Accounting, Metering and Settlement of Transactions in Electricity (SAMAST), Model Framework for Forecasting, Scheduling and Deviation Settlement for RE sources at the State level, Model Deviation Settlement Mechanism (DSM) Regulations, Development of Generic RPO Webtool & Model RPO Regulations, examination of issues related to Regional Co-operation for optimum utilization of Generation Resources, Report on roll-out of Smart Meters, Model Regulations for Intra-State Hydro Generating Stations, study on introduction of 5-minute Time Block etc.

The Committee recommended all States for undertaking implementation of SAMAST report recommendations on an urgent basis, put in place DSM Regulations for all grid-connected entities and Forecasting/Scheduling Framework for RE sources, coordinate implementation of RPO web-tool for ease of reporting and compliance monitoring, along with amendments to RPO Regulations, lay down an enabling framework for balancing of variable RE power, through introduction of Ancillary Services and intra-day trading, evolve Hydro Regulations for better utilization of hydro stations for peaking.

The Forum thanked the Chairman, Shri A.S. Bakshi, Member, CERC and Members of the Committee for the efforts and urged the Committee to continue with the remaining tasks assigned to it.

Agenda Item No. 6

Working Group on Issues Related to Open Access

As per decision taken in 55th FoR Meeting, a Working Group of FoR was constituted to examine the issues affecting the implementation of Open Access. A presentation (enclosed as **Annexure-IV**) was made by Assistant Secretary (FoR) on the report of the Working Group.

The Working Group held two meetings and deliberated upon all issues relevant to implementation of Open Access including the issues highlighted in the consultation paper forwarded by the Ministry of Power. The Working Group made the following recommendations in their report.

- Measures like scheduling of power for certain slot of time i.e. for at least 24 hour, may be strictly followed, to prevent frequent shifting.
- Uniform methodology may be adopted for determination of various charges such of OA Charges, CSS and Additional surcharges.
- Impact assessment for DISCOMS as well as OA users may be conducted.
- Methodology specified in the Tariff Policy, 2016 for calculation of cross-subsidy surcharge on the basis of ACOS, may be adhered to.
- Tariff should reflect actual breakup of fixed and variable charges and gradually revise the fixed charges.

The Forum, after detailed deliberation, endorsed the Report of the Working

Group on Open Access.

Agenda Item No. 7

Presentation on the generic software of the E-Court for the State Electricity Regulatory Commissions.

The Forum in its 54th and 60th Meetings deliberated upon the e-Court Project SAUDAMINI (System for Adjudication Using Digital Access & Management of Information through Network Integration) launched by CERC, and decided to develop a generic software on the same lines for implementation in various SERCs / JERCs. Accordingly, CERC IT Team carried out technical discussions with NIC team for development of a generic software. A presentation (enclosed as **Annexure-V**) on the developments was made by Ms. Vaishali Rana, Assistant Chief (MIS), CERC.

The development of generic software and its roll-out in SERCs inter alia include Conducting Gap Analysis, Fund Transfer to NIC/NICSI, Preparation and Approval of SRS, Software Development & Testing, Security Audit of application / Touch Screens Procurement, Hiring NIC cloud service (VM), Deployment of application on Cloud web server, Roll out & Issuing guidelines of Generic e-Court portal to all stakeholders and staff etc. Apart from one time expenditure by FoR to the tune of Rs. 30 lacs towards development of generic software, the SERCs require to meet the expenditure towards procurement of hardware, cloud hosting, product support and maintenance, internet / hiring of leased line etc. In order to minimize the time for implementation of it was suggested to designate one nodal officer in each SERC for providing inputs and interacting with the NIC's implementation

team. Simultaneously, the SERCs may initiate preparing the standard masters as per the details to be provided by NIC and procure hardware.

The Forum noted the progress and suggested that a minimum of five SERCs, including one from North Eastern Region may be included to carry out the gap analysis and NIC may share the standard masters as well as the list of pre-requisites to the SERCs at the earliest. The Forum, in continuation to the decision taken in 60th FoR Meeting approving an expenditure of Rs. 30 lacs towards development of generic software, accorded its approval to meet this expenditure out of FoR Reserves.

Agenda Item No. 8

Reference from Ministry of New and Renewable Energy (MNRE) on RPO Trajectory and RPO Compliance.

The Forum discussed the reference received from the Ministry of New and Renewable Energy (MNRE) regarding aligning of State RPO targets with that of national trajectories, invoking penal provisions in cases of non-compliance in meeting the RPO targets besides discouraging carry-forward of RPO targets to the next ensuing periods.

The Chairperson primarily observed that carry-forward of RPO targets to the next ensuing period is against the spirit of the Act and policies for development of renewable energy sources. In the context of the communication from MNRE, the Forum felt that in the interest of balance of responsibility between the Government and the Regulator, it would be advisable if the MNRE only raises issues and avoids

directing / advising the Regulators to perform any specific function.

Agenda Item No. 9

Any other item with the permission of the Chair

a. Deemed Distribution licensee status to Railways.

Members of the Forum referred the issue related to deemed distribution licensee status to Railways and sought to know how the matter was dealt in other SERCs / JERCs. The Chairperson, FoR observed that MERC has dealt the matter implementation and directed FoR Secretariat to obtain the detailed information from MERC and circulate among the Members of FoR for further deliberation in the next meeting.

Thereafter, Members of the Forum led by Shri Anand Kumar, Chairperson, GERC, Justice Shri G. Bhavani Prasad, Chairperson, APERC and Shri Ismail Ali Khan, Chairperson, TSERC felicitated Shri Gireesh B. Pradhan, Chairperson, CERC / FoR for his outstanding contribution to the working of the Forum as well as for the development of power sector at national level.

Shri A.S. Bakshi, Member, CERC thanked Chairperson, CERC / FoR for his leadership, enriching the discussions in the Forum by sharing his insights and rich experience in power sector. The Forum wished him success in future endeavours. The Chairperson, CERC / FOR thanked the Members of Forum.

Secretary, CERC thanked the staff of "FOR" Secretariat for their arduous efforts in organizing the meeting.

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

LIST OF PARTICIPANTS ATTENDED THE 61ST MEETING
OF
FORUM OF REGULATORS (FOR)
HELD ON 15TH DECEMBER, 2017 AT NEW DELHI

SL. NO.	NAME AND DESIGNATION	ERC
1.	Shri Gireesh B. Pradhan Chairperson	CERC
2.	Shri M.K. Shankaralinge Gowda Chairperson	KERC
3.	Shri Narayan Singh Chairperson	CSERC
4.	Shri Anand Kumar Chairperson	GERC
5.	Shri I.A. Khan Chairperson	TSERC
6.	Shri Vishvanath Hiremath Chairperson	RERC
7.	Ms. Kusumjit Sidhu Chairperson	PSERC
8.	Shri U.N. Behera Chairperson	OERC
9.	Shri Subhash Kumar Chairperson	UERC
10.	Shri S.K.B.S. Negi Chairperson	HPERC
11.	Shri Arbind Prasad Chairperson	JSERC
12.	Shri S. Akshyakumar Chairperson	TNERC
13.	Shri M.K. Goel Chairperson	JERC Goa and UTs
14.	Shri R.P. Singh Chairperson	APSERC
15.	Shri Preman Dinaraj Chairperson	KSERC
16.	Shri S.K. Negi Chairperson	BERC

17.	Shri W.M.S. Pariat Chairperson	MSERC
18.	Shri R.N. Sen Chairperson	WBERC
19.	Shri Imlikumzuk Ao Chairperson	NERC
20.	Shri Jagjeet Singh Chairperson	HERC
21.	Shri G. Bhawani Prasad Chairperson	APERC
22.	Shri S.K. Agarwal Chairperson	UPERC
23.	Shri N. Sarat Singh Member	JERC Manipur & Mizoram
24.	Shri D. Chakravarty Member	AERC
25.	Shri B.P. Singh Member	DERC
26.	Shri A.K. Singhal Member	CERC
27.	Shri A.S. Bakshi Member	CERC
28.	Dr. M.K. Iyer Member	CERC
29.	Shri Sanoj Kumar Jha Secretary	CERC
30.	Shri M.K. Anand Chief (Finance)	CERC
31.	Shri T. Rout Chief (Legal)	CERC
32.	Shri S.C. Shrivastava Chief (Engg.)	CERC
33.	Ms. Geetu Joshi Chief (Economics)	CERC
34.	Dr. S.K. Chatterjee Joint Chief (Regulatory Affairs)	CERC
