

MINUTES OF THE 15TH STATE ADVISORY COMMITTEE (SAC) MEETING OF THE JOINT ELECTRICITY REGULATORY COMMISSION (JERC) HELD AT JOINT ELECTRICITY REGULATORY COMMISSION, GURUGRAM ON 26TH NOVEMBER, 2019 AT 11:00 HRS

The 15th Meeting of the SAC of the JERC was held at JERC Headquarters Gurugram on 26.11.2019 at 11:00 hrs under the Chairmanship of Shri M.K. Goel, Hon'ble Chairperson, JERC.

The following SAC Members were present:-

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| I. | Shri M.K. Goel, Hon'ble Chairperson, JERC | : | Ex-officio Chairperson of SAC |
| II. | Ms. Neerja Mathur, Hon'ble Member, JERC | : | Ex-officio Member of SAC |
| III. | Shri Rakesh Kumar, Secretary, JERC | : | Ex-officio Secretary of SAC |
| IV. | Shri M.G. Durairaj | : | Member |
| V. | Shri C.K. Parekh | : | Member |
| VI. | Shri K.C. Parekh | : | Member |
| VII. | Shri Rajesh Mediratta | : | Member |
| VIII. | Shri Uma Shankar | : | Member |
| IX. | Shri Ramesh Kumar | : | Member |

2. Leave of Absence was granted to those Members who could not attend the Meeting.

3. The Meeting commenced with a warm welcome to all the Members by the Hon'ble Chairperson of the Committee. He mentioned that the Meeting is being held after a long gap of a little over nine months. He also informed that the 14th SAC Meeting was held at Port Blair on 21st February 2019 where the initiatives that JERC had taken and regulations that were notified were discussed. He further mentioned that new developments have taken place since then and a few new regulations have been notified which will be deliberated in this meeting.

4. Minutes of 14th SAC Meeting circulated earlier were confirmed with the consent of the SAC Members. Thereafter the Agenda items of the 15th SAC Meeting were taken up by the SAC.

5. Following Presentations were made in the meeting:

- (i) Recent Initiatives of JERC- By Mr. Chinmoy Gangopadhyay, Director. (Fin & law), JERC
- (ii) Key Challenges in RPO Compliance – By Mr. Rajesh Mediratta, IEX
- (iii) RPO requirement to be met by industries; Installation of Solar Power Plant to the quantum of 5% of the contract demand invariably by all the existing EHT and HT consumers of DNH & DD – Reference by Mr. C.K Parekh, DNH (SAC Member)
- (iv) Discussion on effectiveness of regulations on Standard of Performance and other regulations notified by Commission- Reference by Mr. M. Durairaj (SAC Member)

6. **Presentation by Mr. Chinmoy Gangopadhyay, Director (Fin & Law), JERC on the Recent Initiatives of JERC**

- (i) A detailed presentation was given by Mr. Chinmoy Gangopadhyay, Director (Fin & Law), JERC highlighting the recent initiatives of JERC. Open Access Regulations, 2017 were discussed first wherein it was explained that though the regulations existed in 2009, the Commission in order to maintain transparency in the Power Sector and for the regulations to be more consumer friendly has now brought in amendments to earlier regulations with a motive to improve upon the earlier regulations by introducing Medium Term Open Access (MTOA) along with the Long Term Open Access (LTOA) & Short Term Open Access (STOA) which existed earlier. He also highlighted that the duration for LTOA & STOA have also been rationalized in accordance with CERC Regulations.
- (ii) It was also informed that in the new Regulations clause related to Additional Surcharge has been modified and it has now been linked to Contract Demand. He also explained that the new regulations stipulate that the Short-Term Open Access Consumer is required to maintain a uniform schedule for at least eight hours, so as to minimize



- frequent switching to Open Access. The Regulation thus demands a more responsible behavior from the consumers.
- (iii) Mr. Gangopadhyay further added that the idea of the regulation is to create a fair and open field for all so as to bring down the barriers in regard to the Open Access regulations. In spite of all the provisions if the consumer still wants to stay with the department it shows that the quality of supply of power is good and the tariffs are healthy.
- (iv) Mr. Gangopadhyay further moved on to the Supply Code Regulations, 2018 notified by JERC. He informed that the regulations have now made it easier for consumers to get a new connection & supply.
- (v) He further added that through the new Regulations the consumers have an option of self-execution as well, which implies that if the consumer desires new connection and he wants to carry out the work himself he can do so by paying 15% supervision charges to the DISCOM.
- (vi) The next Regulation notified by JERC was the Net Metering Regulations, 2019. Mr. Gangopadhyay informed that in addition to the concept of Group Net Metering, the Commission has now also introduced the concept of Virtual Net Metering for residential consumers, Group Housing Societies and establishment of Government/Local Authorities.
- (vii) Mr. Gangopadhyay explained the Renewable Energy Tariff Regulations, 2019. The control period being 3 years for these regulations, Generic tariff is being determined for Solar PV, Wind Energy and Small Hydro projects and Project Specific tariff will be determined for Solar Thermal, Biomass, Biogas, MSW, Tidal, Solar & Wind Hybrid projects on case to case basis.
- (viii) He further informed that in order to make it easier to procure renewable power, the Regulations provides that up to 1 MW no prior power procurement approval is required from the Commission. DISCOMs can also procure power from RE projects at Generic tariff or through Competitive Bidding. However, in case of competitive bidding the Generic Tariff will act as Ceiling tariff.
- (ix) Mr. Gangopadhyay also explained the Generic Tariff set for Solar PV, Wind and Small Hydro for FY 2019-20. He explained that this is a single part tariff but for technologies

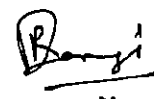
such as biomass where there will be a fuel cost and fixed cost, two-part tariff will be determined.

- (x) While discussing the Generic tariff for Solar Projects, it was explained that the tariff ranges from INR 4.61/unit to INR 6.63/unit (A&N and Lakshadweep, being island territories, have higher tariffs). The tariff for a project will be valid for 25/ 35 years. Hon'ble Chairperson further added that in order to attract investment in the Union Territories and to promote renewables this tariff will act as a guiding tariff.
- (xi) SAC was informed that new CGRF and Ombudsman Regulations, 2019 were notified by the Commission in September 2019. It was further informed that through these new Regulations, the Commission has tried to broaden the eligibility criteria so that there are better choices available for selection of CGRF members and Ombudsman.
- (xii) It was also informed that the new Regulations have vested power with the Commission so that if Licensee fails to select the Chairman/Member timely, the Commission can appoint them.
- (xiii) Grievance handling procedure in the CGRF Regulations now stipulates a timeline; hence the Commission has made it a timebound process. It has also now become easier for the consumers to submit their grievance as it can be submitted to any of the Electricity offices so that the same can be forwarded to the CGRF of the Union Territory.
- (xiv) While explaining the Salient features of Tariff Oder for FY2019-20, it was informed that a new category for "Electric Vehicle Charging" has been added for all Union Territories. Also, the Commission has tried to rationalize the tariff, which is the Tariff Policy's basic principle today that consumers should pay the cost of power in their respective category. The Commission has provided higher increase in the tariff for cross-subsidized categories than the tariff for cross-subsidizing categories. Hon'ble Chairperson added that while fixing the tariff, the Commission has made sure that the element of cross subsidy does not go up and remains on lower side compared to previous years.
- (xv) SAC was also informed that T&D losses in all the territories under JERC are below 15% and the territories like DNH, DD and Chandigarh have losses below 10%.

7. Presentation by Shri Rajesh Mediratta, IEX on Key Challenges in RPO Compliance



- (i) Mr. Mediratta highlighted the key challenges in RPO compliance through his presentation.
- (ii) While responding to specific queries that Renewable Energy Certificates (RECs) are not available in the market, Mr. Mediratta mentioned that RECs are available but at a very high premium since there is a shortage of supply. He further explained that the other reason for higher rates is that not all RE projects are eligible to issue REC.
- (iii) Mr. Mediratta further advised that the UTs should try to purchase RECs during the starting of the year when Solar RECs are cheaper.
- (iv) Hon'ble Member JERC stressed that it is extremely important to focus on RPO compliance other wise solar projects won't come up and consequently the REC prices will shoot up. Solar Projects are not coming up because the state Commissions have not been emphasizing on RPO compliance, Hon'ble Member added. Hence, the UTs should be urged to meet RPO obligations.
- (v) Mr. Mediratta also explained that RPO target as per MNRE is 17% for 2020. All states have increased RPO targets to 12-13% but not as much as 17%, fixed by MNRE. Vis-à-vis the above, the actual compliance is only 10% in energy terms. Hence the gap between targets of State Commissions and MNRE Targets and their actuals is widening.
- (vi) Elaborating further on the total RPO Target (MNRE) vs the achieved target, Mr. Mediratta stated that the total target (solar and non-solar) in FY 17 was 11.50% out of which only 7% was achieved. Similarly, in FY18 target was 14.25% and achievement was 10% and for FY 19, the achievement was only 11% as against the target of 17%.
- (vii) Hon'ble Chairperson opined that the UTs should make permanent arrangement for buying the actual power (either own generation or from tie up with SECI) rather than depending largely on the RECs in view of the short availability of RECs in the market and their high rates.
- (viii) At the end of the presentation Mr. Mediratta apprised the members about the Green Term Ahead Market which aims to achieve the renewable capacity addition targets of GOI. Mr. Mediratta explained that it is a mechanism where RE surplus and RE deficit states would trade RE power and balance their RPO targets. This would incentivize RE rich states to develop RE capacity beyond their own obligations and will, at the



same time, facilitate the RE deficit states of meet their RPO obligation through purchase of physical RE power, alleviating the need to deal with vagaries of REC mechanism.

8. Discussion on "RPO requirements to be met by industries" in DNH and DD- Reference by Sh. C.K. Parekh, DNH (SAC Member)

- (i) Mr. Parekh discussed about the circular that DNHPDCL had floated making it mandatory to install Solar Power plant (Rooftop/Ground Mounted) up to 5% of the contract demand, by all new and upcoming Industrial Consumers/Additional Loads. Also, that all the existing EHT & HT Consumers shall also install Solar Power Plant to the quantum of 5% of the contract demand invariably. The circular also stated that in case of noncompliance with the provisions of the circular within 6 months of its issuance, their power supply will be liable to be disconnected.
- (ii) He explained that the existing industrial consumers do not have the proper roof strength, as their old roofs are not strong enough, to bear the load of solar panels and replacing such old roofs will cost them more than the cost of installation of solar.
- (iii) Hon'ble Chairperson suggested that the industrial consumers should take up this matter appropriately with the UT administration.

9. Discussion on "Effectiveness of regulations on Standard of Performance and other regulations notified by the Commission"- Reference by Sh. M. Durairaj (SAC Member)

- (i) Mr. Durairaj opined that JERC should device some ways to ensure that the regulations notified by it specially those which are directly concerned with the consumers services like supply code, SOP regulations are effectively implemented as it is seen that the implementing officers of the EDs are not even aware of the provisions of the regulations.
- (ii) Mr. Mediratta suggested that some capacity building programs can be conducted or trainings can be undertaken within the DISCOM for creating awareness of the Regulations in place. The Commission informed that respective Discoms are primarily



responsible for these activities. However Commission shall also advise them to take adequate steps with regard to above.

10. Hon'ble Chairperson requested the Members to put forward other suggestions, from time to time so these could be deliberated in the SAC Forum meaningfully.

11. The meeting ended with a Vote of Thanks by Mr. Rajesh Dangi, Director (Engg.), JERC.



Rajesh Dangi
Director(Engg.), JERC