

**MINUTES OF THE 16<sup>TH</sup> STATE ADVISORY COMMITTEE (SAC) MEETING OF THE JOINT ELECTRICITY REGULATORY COMMISSION (JERC) HELD THROUGH VIDEO CONFERENCING ON 05<sup>TH</sup> NOVEMBER, 2020 AT 12:00 HRS**

The 16<sup>th</sup> Meeting of the SAC of the JERC was held through Video Conferencing on 05<sup>th</sup> November, 2020 at 12:00 hrs. under the Chairmanship of Shri M.K. Goel, Hon'ble Chairperson, JERC.

The following SAC Members were presented:

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|--------------|---|---|------------------------|
| <b>I.</b>    | Shri M.K. Goel, Hon'ble Chairperson, JERC | : | Ex-officio Chairperson |
| <b>II.</b>   | Shri Rakesh Kumar, Secretary, JERC        | : | Secretary              |
| <b>III.</b>  | Mr. Danish Ashraf, Daman & Diu            | : | Ex- Officio Member     |
| <b>IV.</b>   | Mr. Siddhivinayak S. Naik, Goa            | : | Ex- Officio Member     |
| <b>V.</b>    | Shri. H.L Bajaj                           | : | Member                 |
| <b>VI.</b>   | Shri M.G. Durairaj                        | : | Member                 |
| <b>VII.</b>  | Shri C.K. Parekh                          | : | Member                 |
| <b>VIII.</b> | Shri K.C. Parekh                          | : | Member                 |
| <b>IX.</b>   | Shri Uma Shankar                          | : | Member                 |
| <b>X.</b>    | Shri Rajesh Mediratta                     | : | Member                 |
| <b>XI.</b>   | Shri Ramesh Kumar                         | : | Member                 |
| <b>XII.</b>  | Shri S.S. Walia                           | : | Member                 |
| <b>XIII.</b> | Shri D. Ravi                              | : | Member                 |
| <b>XIV.</b>  | Shri Uttam Kumar Paul                     | : | Member                 |

2. Leave of Absence was granted to those Members who could not attend the Meeting.
3. The Meeting commenced with Hon'ble Chairperson extending a warm welcome to all the Members of the State Advisory Committee. He also welcomed and introduced Sh. H.L. Bajaj, Sh. U. K. Paul and Sh. D. Ravi who were the new SAC Members and also extended a warm welcome to the Ex-Officio Members Sh. Danish Ashraf, Secretary, Consumers Affairs, Dadra Nagar Haveli and Daman & Diu and Sh. Siddhivinayak S. Naik, Director, Consumer Affairs, Goa. The Hon'ble Chairperson further mentioned that in the past the SAC meetings have been conducted in physical mode but unfortunately this time because of the prevailing pandemic due to COVID-19 conditions, the meeting is being conducted in the virtual mode. He also mentioned that the deliberations in the SAC meeting will go a long way in providing guidance for discharging the regulatory functions of JERC and we look forward to the active participation of all the SAC Members.
4. Sh. Rajesh Dangi, Director (Engg.), JERC proposed confirmation of the minutes of the 15<sup>th</sup> SAC meeting which were confirmed with the consent of the SAC members.

**5. Following Presentations were made in the meeting:**

- i. Salient Features of Tariff Orders issued in the Financial Year 2020-21- By Ms. Shikha Garg, Sr. Consultant, JERC
- ii. Initiatives for promoting Renewable Energy in the State of Goa & Union Territories – By Ms. Hansika Dhankhar, Research Associate, JERC
- iii. Updates of New Market Segments (Green Term Ahead Markets and Real Time Market) by Sh. Rajesh Mediratta, Director, IEX Ltd.

**6. Presentation by Ms. Shikha Garg, Sr. Consultant, JERC on Salient Features of Tariff Orders issued in the Financial Year 2020-21.**

- (i) A detailed presentation was given by Ms. Shikha Garg on the Salient Features of Tariff Orders issued in the Financial Year 2020-21. She informed that all the tariff petitions were admitted on time and subsequently all the tariff orders were ready for issuance by 20<sup>th</sup> March 2020. However, due to the nationwide lockdown due to COVID-19, the tariff orders could not be issued in March, 2020 and were issued on 18<sup>th</sup>/19<sup>th</sup> May 2020.
- (ii) Hon'ble Chairperson further added that like every year the Commission ensured the timely receipt & admission of all the Tariff petitions and according to the



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provisions of Electricity Act, 2003 the Commission was ready for issuance of the orders by 31<sup>st</sup> March 2020. He also mentioned that due to the sudden nationwide lockdown on 24<sup>th</sup> March 2020, even though the virtual mode meetings were not prevalent then, Video Conference meetings with Secretary/officers of the Commission was initiated and all the Tariff Orders were issued.

- (iii) Ms. Shikha further highlighted the key parameters of tariff orders in the Financial Year 2020-21 in terms of Energy Sales, the number of consumers, the connected load, peak demand and T&D Loss Target.
- (iv) She further discussed at length about each territory and the State of Goa about the tariff related parameters namely the Net Average Revenue Requirement (ARR), Revenue, Average cost of supply (ACoS), Budgetary Support.
- (v) Explaining about Chandigarh, Ms. Shikha explained that Electricity Department (ED) Chandigarh is in surplus and no tariff revision has been given this year by the Commission. She also mentioned that on account of revenue surplus in the FY 2020-21, the Commission has directed that no FPPCA will be charged this year by ED from consumers. It was also mentioned that Chandigarh's energy sale predominantly has Domestic and Industrial Consumers.
- (vi) Talking about Goa Electricity Department, it was mentioned that the entire gap has been set off by Budgetary support by the Govt. of Goa. In Goa, from this year the connected load for Low Income Group category has been enhanced to 0.25kW from 0.1kW and the limit on monthly energy consumption is increased to 50 units/month from 30units/month. Similar to the case of Chandigarh, Goa's energy sale predominantly comprises of Industrial and Domestic Consumers.
- (vii) Discussing about the Electricity Department of Daman & Diu it was mentioned that even after the tariff revision this year there was a gap which will be carried on for the next year. In this year as a relief to the Fishery Industry the Commission has continued the reduction of Fixed charges by 25% in the lean season (May to August). The Energy sales in case of Daman & Diu is predominantly Industrial.
- (viii) In case of Dadra & Nagar Haveli Power Distribution Ltd. (DNHPDCL), it was mentioned that there has been a tariff revision of 12.74% for the FY 2020-21 with increase in energy charges for all consumer categories. The fixed charges have also been increased for all consumer categories except Hoarding/advertisements and Agricultural consumer. It was mentioned that similar to the case of ED of

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Daman & Diu, Dadra & Nagar Haveli also predominantly have the energy sales from Industrial consumers.

- (ix) Ms. Shikha while discussing about ED of Puducherry mentioned that there has been a tariff revision of 3.12% for the FY 2020-21. It was also mentioned that since there is no budgetary support the gap for the year will be carried forward to the next year. In case of Electricity Department Puducherry, there is a regulatory surcharge of 4% for the FY 2020-21. It was informed that from FY 2020-21 the OHOB category has been removed for Puducherry and instead a new category named Lifeline connections has been introduced wherein the consumption will be up to 50 units charged at INR 1/kWh without any fixed charges. It was noted that in Puducherry the energy sales were predominantly from Industrial and Domestic Consumers.
- (x) Sh. Rajesh Mediratta enquired about the higher cost of supply in case of the U.T of Puducherry and the State of Goa. The Hon'ble Chairperson mentioned that Puducherry and Goa are taking power from the central generating stations and none of the territory have their own generations, hence it depends on the kind of Power Purchase Agreements (PPA) they have signed and how old these PPAs are. Sh. Mediratta inquired about the same from Sh. D. Ravi about the ways of reducing cost of supply since the power in the markets are on a lower side. Sh. D. Ravi mentioned that funds have to be allocated in advance for buying power from exchanges. To this, Sh. Mediratta mentioned about the availability of credit facility to the members of IEX which the Electricity Departments can avail to buy cheaper power on short term basis.
- (xi) Further discussing about the ED Lakshadweep, Ms. Shikha explained that the ACoS is high in case of Lakshadweep due to Diesel generation. The entire gap in case of Lakshadweep is supported by budgetary support. It was informed that the consumption in number of units for Low Income group has been increased to 100 units/month. It was mentioned that in Lakshadweep the energy sales were predominantly by Domestic consumers and then by Govt. connections.
- (xii) In case of Andaman & Nicobar also, it was informed the ACoS is high due to diesel generation. The entire gap, if any in case of Andaman & Nicobar is supported by budgetary support. It was informed that the consumption in number of units for Low Income group has been increased to 100 units/month. The Commission has also approved the reduced tariffs for Domestic, Commercial and Industrial categories to



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incentivize consumers installing solar technologies on their roofs or other available areas. It was mentioned that in Andaman & Nicobar the energy sales were predominantly from Domestic and Commercial consumers.

- (xiii) Further Hon'ble Chairperson informed the SAC Members regarding the fact that the Commission has fixed the tariff by adopting the commercial principles like no budgetary support from the government except in case of Goa and Island Territories. As for Goa, historically all the gap has been subsidized by budgetary support and for Island Territories cost of generation is exorbitantly high.
- (xiv) The Hon'ble Chairperson also mentioned that the tariff has been fixed in such a way that year on year cross subsidy is reduced over the years by reducing the gap between lowest and the highest paying tariffs gradually. The next important thing while fixing the tariffs is that no regulatory assets have been created to be carried forward and the entire gap is being recovered by tariff hike in the year itself.
- (xv) The Hon'ble Chairperson also informed to all that for the first time going alongwith the Govt. of India initiative for promoting E-Vehicle, the Commission has introduced Single part EV charging tariff for all the Territories.
- (xvi) All SAC members applauded the Commission for timely completion of Tariff Orders for FY 2020-21.
- (xvii) Ms. Shikha further explained that the Commission acknowledged the gravity and unprecedented nature of the COVID-19 pandemic and hence, came out with a Suo Moto Order providing relief to Retails Consumers as well as Utilities. The highlights of the Suo Moto Order were discussed wherein with regard to the relief to the consumers, initiatives like consumers taking their own meter reading, serving the electricity bills by electronic means, digital payment of bills without charging bank transaction charges and Moratorium on payment of fixed charges to all industrial and commercial consumers were introduced for a period starting 24<sup>th</sup> March 2020 to 30<sup>th</sup> June 2020. The Commission also allowed the extension of due date for payment of electricity bills where the due date falls between period starting 24<sup>th</sup> March 2020 to 30<sup>th</sup> June 2020 by 2 weeks without Late Payment surcharge (LPSC) to all consumers. The Commission reduced LPSC to 1% per month for the above-mentioned period.
- (xviii) It was also informed that the Commission while providing relief to the consumers also addressed the issues of the DISCOM in the Suo Moto order. In order to provide

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relief to them, the Commission felt the need for additional working capital over and above those specified in the regulations that are likely to be incurred by the DISCOMs on account of COVID-19 which shall be considered while evaluating the Annual Performance Review for FY 2020-21. The Late Payment Surcharge was reduced to 1% per month for the DISCOMs for payment to the Generating Companies and inter-state transmission licensees beyond 45 days from date of presentation of the bills by CERC.

- (xix) Sh. Chandrakant Parekh appreciated the efforts of the Commission in providing relief to the consumers especially the Industrial consumers by way of its Suo Moto Order.
- (xx) Sh. D. Ravi, Sh. H.L. Bajaj and Sh. Rajesh Mediratta also appreciated the proactive action taken by Commission for providing relief to consumers as well as DISCOMs during nation wise lockdown.

### 7. **Presentation by Ms. Hansika Dhankhar, Research Associate, JERC on Initiatives for promoting Renewable Energy in the State of Goa and Union Territories**

- (i) A detailed presentation was delivered by Ms. Hansika Dhankhar on Initiatives for promoting Renewable Energy in the State of Goa and Union Territories.
- (ii) Ms. Hansika mentioned that the Commission has been taking appropriate steps right from its inception for promoting the energy generation from RE technologies. A few regulations notified in the past were highlighted in the presentation namely; JERC procurement of Renewable Energy Regulations 2010 and amendments; JERC (Solar Power-Grid Connected Ground Mounted and Solar Rooftop and Metering) Regulations, 2015; JERC (Terms and Conditions for Tariff determination from renewable energy sources) Regulations, 2019; JERC (Solar PV Grid Interactive System based Net Metering) Regulations, 2019.
- (iii) Generic Tariff order for Renewable Energy Sources for FY 2020-21 were discussed. Financial principles for tariff determination were explained in detail and this year's tariff for Solar PV, Wind and Small Hydro projects was presented before the SAC Members.
- (iv) It was explained that the generic tariff was on a higher side for Island Territories in case of Solar PV in order to encourage investors to come forward for replacement



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of expensive DG set power. Also, it was mentioned that in terms of Wind Energy projects the tariff is the lowest in Diu.

- (v) It was mentioned by Ms. Hansika that although there is little scope for Small Hydro in the Union Territories however the Commission has still computed the Generic tariff for Small Hydro Projects based on the capacity of the projects.
- (vi) The Renewable Purchase Obligations for all the Electricity Departments were presented for the last year (FY 2019-20) along with the compliance percentage for each of them. It was mentioned that the Commission has always been closely monitoring the RPO compliance and conducting Suo Moto hearing to keep track of the compliance. It was highlighted that Electricity Departments such as Chandigarh and Dadra & Nagar Haveli (except back log) and the State of Goa has been able to comply with their targets for FY 2019-20. For all the others there has been full efforts in the RPO compliance by the Electricity Departments.
- (vii) In addition to the above-mentioned efforts, the Commission is also considering to introduce Banking facility for Renewable Energy based Captive Generating Stations and Renewable Energy Generating Stations supplying power to third party consumers through Open Access by the way of amending the existing "JERC (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017".
- (viii) The Hon'ble Chairman explained the idea for presenting this presentation before the SAC Members mentioning that the Commission is also vigilant and proactively taking all the efforts to promote Renewable Energy in its territories to the extent possible. Regarding this, the Commission has been updating its regulations and facilitating the promotion of Renewable Energy the most recent being the introduction of banking facility.
- (ix) The efforts of the Commission in this regard were appreciated by the SAC members.

**8. Presentation by Shri Rajesh K. Mediratta, Director, IEX Ltd. on Updates of New Market Segments (Green Term Ahead Markets and Real Time Market)**

- (i) A detailed presentation was delivered by Sh. Rajesh Mediratta on Updates of New Market Segments (Green Term Ahead Markets and Real Time Market). He



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explained that Real Time Market (RTM) started on 01<sup>st</sup> June 2020 and Green Term Markets (GTAM) started on 21<sup>st</sup> Aug. 2020 during the COVID Situation and also explained both the markets in detail.

- (ii) Explaining about RTM, Sh. Mediratta mentioned that it is a platform where utility can buy power on one hour later basis. Auctions are conducted every half an hour for two time blocks of 15 minutes each. The time gap between the auctions and the delivery of power is one hour hence the name, hourly market. Sh. Mediratta explained that the price discovery mechanism is a double sided closed auction with uniform price.
- (iii) Highlighting the Value proposition of RTM it was explained that for buyers, for example the DISCOMs are able to reduce their over draws and manage their deviations within the stipulated limits. DISCOMs are even able to manage their variations in RE generation (Wind or Solar) for each 15 minutes with one hour notice. Generating stations are able to sell their excess generation through RTM. Flexibility with the intra state and central GENCOs is available for selling power. NTPC and NLC are heavily using this market segment for selling power without having to take consent from the beneficiary which was earlier required.
- (iv) Emphasising on the Value proposition of RTM for Sellers, it was informed that DISCOMs are able to manage their demand drop and also manage their RE generation. Main advantage for this market is that the schedule is known to the seller much better now since forecast happens one day before.
- (v) The Hon'ble Chairperson enquired about the variation in the rates discovered in the Day Ahead Market (DAM) Transactions. Sh. Mediratta explained that the average market price for June to October for RTM price was INR 2.41/kWh and DAM price was INR 2.53/kWh, i.e. a difference of INR 0.10/kWh. However this is not the scenario always, since there is a possibility of sudden tripping where the prices may go up. He also explained that peak duration prices for RTM are higher and Off Peak Duration prices are lower.
- (vi) Talking about the participation on the buyer side, Sh. Mediratta mentioned all states except J&K and Arunachal Pradesh are participating. DNH, Goa and DD are actively participating in the market whenever there is a contingency in order to manage their systems. On the Seller side, Chandigarh is performing very well.





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- (vii) Explaining about the Green Term Ahead Market(GTAM), Sh. Mediratta mentioned that a segment is introduced in the exchange where green power can be bought directly from the green sources (renewable generator or a distribution company). The advantage is that they are buying power as well as meeting the RPO requirement.
- (viii) Buying green power under GTAM is cheaper than buying power and REC. Talking about the long term trend, it was explained that day time power will be much cheaper and can rely on this market for meeting their RPOs.
- (ix) Explaining the contract specifications of the Green Term Ahead Market (GTAM), Sh. Mediratta explained that Day Ahead and Intra-Day can be bought under GTAM. Daily and Weekly contracts are also planned for the future. Sharing a snapshot of Trade under GTAM, it was mentioned that since the past two months the total cleared quantum is 219,151 MWh, i.e 10 MUs a day on an average. So far seven generators and DISCOMs (15 Buyers and 4 Sellers) and even consumers are participating in the market.
- (x) Talking about the Day Ahead Market and their Monthly Price Trends, Sh. Mediratta mentioned that, the prices in September and October have slightly increased however the overall average prices have been about INR 2.52/u. Also a lot of sale of energy is available in the market and the cleared Volume is less.
- (xi) He also informed that comparing the Sell bid from the last year, this year it has increased. Sellers are much more than the buyers only during the peak hours.
- (xii) Lastly, Sh. Mediratta explained the Merit Order curve for three utilities namely Goa, DNH and DD and how optimization can be done. It was also mentioned that from last year to this year the DISCOMs for DD, DNH, Goa have been regularly purchasing power however the trend is lower compared to the last year. The reason mostly can be attributed to demand reduction due to COVID-19.
- (xiii) Hon'ble Chairperson appreciated the informative presentation presented by Sh. Mediratta providing insights into the market and how cost effectively the power can be procured by the Utilities.

**9. The other Agenda items were suggested by SAC Members:**

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- (i) Sh. Chandrakant M Parekh suggested that a technical auditor for respective DISCOMs should be appointed to conduct the audit of the entire system of the DISCOMs, to assess the capacity of various sub-stations, transformers and to assess the capacity of the various feeders of 11/66kVA and 220KVA and requested to the Commission to take initiatives to ensure quality power to the consumers especially in rural areas. Sh. Ramesh Kumar submitted that to a large extent these aspects are covered under JERC (Standard of Performance for Distribution Licensee) Regulations, 2015. He mentioned that this regulation stipulates standard of performance w.r.t components of system availability which are also required to be intimated to JERC in monthly/quarterly/ annual reports and also publication of these. He also explained that measures taken for improvement in overall level of performance for ensuing years are also provided for in the regulations and these measures will attend to the deficiencies of the system, if any. The Hon'ble Chairperson explained that for the energy audit the Commission has always been insisting the Utilities to submit the reports. The Commission already has regulations in place for the Utilities to meet their Standard of Performance (SOP) which the Commission has been monitoring and following up with the utilities for the same. The Hon'ble Chairperson mentioned that the feasibility of a technical auditor can be worked out in future.
- (ii) Sh. K. C. Parekh suggested reduction in supervision charges (from 15% to 5%) to be recovered by EDDD from consumers (HT Connection) since there is a confusion between the consumers on what equipment the 15% is being charged i.e if the charges are on all equipment being brought for example, transformers, cables, CTPT etc. The tariff order should be in line with the Supply code regulations as regards levying the charges. Sh. Rajesh Dangi, Director (Engg.) explained that the provisions in this regard are already mentioned in the regulations and need not be repeated in the Tariff Orders separately and they have to be followed as per the regulations.
- (iii) Sh. D. Ravi suggested to increase the Connected Load of LT Industrial connection (129 HP to 149 HP) since the small industries who want to fine tune their process

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are made to convert themselves to HT services in Puducherry. The adjoining states have already increased the limit for LT Industrial connections. He also suggested that Hotels should be included in the Industrial Category instead of Commercial Category. The Hon'ble Chairperson explained that the Average cost of supply is on a higher side and the entire Annual Revenue Requirement has to be met out of the Tariff in case of Puducherry. If the Commission changes the classification of Hotels from Industrial to Commercial then the gap in the revenue has to be met by means of hike in tariff for other consumer categories. However, if the Puducherry Administration is willing to provide subsidy to the Hotel Categories in order to compensate for the shortfall then same can be considered.

- (iv) Sh. Maria Durairaj suggested that JERC (Standard of Performance for Distribution Licensees) Regulations, 2015 to be monitored and a format should be created. Sh. Rajesh Dangi explained that the utilities have been submitting quarterly reports on standards of performances for the Commission to monitor the DISCOMs performance closely. Sh. Durairaj also suggested to expand the Scope of JERC (Net Metering Regulations), 2019 to allow Third Party/group of Prosumers/ a Prosumer to set up Solar Power Plants outside the premises and avail benefits of net metering. He also suggested that there should not be any increase in tariff for this financial year due to the COVID-19 and to carry over the regulatory assets. Sh. Durairaj also mentioned about the farmers who have non-agricultural land, he suggested, that land to be utilized for setting up Solar Plants. Sh. Ramesh Kumar submitted that Govt. Of Goa vide notification No 1-2/Admin/NCSE/2020-21/22 notified Amended Goa State Solar Policy-2017 had stipulated Solar Rooftop based Projects identifying breakup of solar rooftop in various categories of its usage. In view of this policy only solar rooftop projects are to be executed, hence if land based solar projects are to be considered, it would call for revision in the policy.
- (v) Sh. H.L Bajaj mentioned that the average cost of power in Puducherry is INR 5.85/kWh and there is a good case for Puducherry to look into procurement of power from other sources in the open market. Regarding the problem of Cash payment, he explained that if Puducherry approaches any financial institution or bank they can make a case for large savings and can easily get financing. Hon'ble

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Chairperson explained that IEX has credit facilities through members which can be beneficial in this case.

(vi) Sh. H.L Bajaj appreciated the efforts of the Commission in order to reduce the gaps for the Utilities.

10. Hon'ble Chairperson requested the esteemed SAC Members to put forward any further suggestions.

11. The Meeting ended with a Vote of Thanks by the Hon'ble Chairperson, JERC.

  
**Secretary, JERC**