

**Minutes of the 22<sup>nd</sup> General Body Meeting**  
**of**  
**Forum of Indian Regulators (FOIR)**

**Held in Ranchi (Jharkhand) during 29<sup>th</sup> February, 2008 – 01<sup>st</sup> March, 2008**

Venue : **Indian Institute of Coal Management (IICM), Ranchi (Jharkhand)**

List of Participants : **At Annexure-I (enclosed)**

The 22<sup>nd</sup> General Body Meeting of the Forum of Indian Regulators ( FOIR ) was inaugurated by Shri S.K.F. Kujur, Chairperson, Jharkhand State Electricity Regulatory Commission (JSERC) and Hony. Chairman, FOIR. Shri S.K.F. Kujur extended a warm welcome to all the Members of the Forum of Indian Regulators. Shri Kujur also conveyed his gratitude and deep appreciation to the staff of FOIR Secretariat for their arduous efforts at organizing the meeting at Ranchi.

2. Shri S.K. Chatterjee, Executive Treasurer-FOIR and Deputy Chief (Regulatory Affairs), CERC apprised the Members about the decision of the last General Body Meeting held during 04<sup>th</sup> - 05<sup>th</sup> October, 2007 at Gandhinagar (Gujarat) and also status/Action Taken Report on the same. **After a brief discussion, the Minutes of the meeting were confirmed.**

3. After the confirmation of the Minutes, a presentation was made by Shri Bejon Misra, Executive Director, Consumer VOICE, New Delhi on “Energy Conservation & Renewable Energy Portfolio Standards (RPS) with the Regulatory Mechanism in India”. He informed that VOICE was founded in 1983 to protect the rights of the consumers and create intelligent consumers at the market place by empowering them with honest, truthful and Science based knowledge. He also explained how the Cell for Consumer

Education & Advocacy (CCEA) was established with the support of UPERC. He highlighted the role of VOICE on building awareness amongst the consumers on the benefits from Energy Conservation and use of Renewable Energy.

4. The presentation made by Shri Bejon Misra, was followed by presentation of Shri Rajesh Kumar Mediratta, Vice-President, Indian Energy Exchange Limited, Mumbai on “Power Exchange : New Electricity Marketplace ”. In his presentation, Shri Mediratta highlighted the salient features of the Power Exchange proposed to be set up by IEX based on the permission granted by CERC. He explained that the main functions of the Exchange would include price discovery, a contract for purchase and/or sale of electricity as per the rules to be approved by CERC, clearance, registration and settlement of transactions in contracts. He further added that the Power Exchange would act as a legal central counter party. It was also informed that IEX was presently contemplating only day ahead market. The auctioned day ahead market would be nationwide online, automated and have double sided auction system and hourly day ahead contracts (MWh). Portfolio Bids would be allowed. There will be an equilibrium price for each hour (Rs./MWh) and hourly volume/prices would be published. Several clarifications were sought by the Members on the functioning of the proposed Power Exchange and the methodology of price discovery, which were explained by the representative from IEX. Clarifications on certain issues were also given by Shri Bhanu Bhushan, Member, CERC. On the question of Power Exchange being conceived presently only for day ahead, Shri A.K. Basu, former-Chairperson, CERC opined that since Power Exchange was an alternative being made available to stakeholders for sale/purchase, it would have been better if this option was available also for intra-day transactions along with UI Mechanism. Shri K. Venugopal, Member, DERC also echoed a similar view.

5. The presentation by IEX was followed by presentation of Shri Bhanu Bhushan, Member, CERC and Hony. Secretary, FOIR on “Open Access for Renewable Sources”. He highlighted a specific case of a small hydro project of 5 MW in Himachal Pradesh wanting to sell its output to Punjab and explained his solution to the problems surrounding such transactions – the problems, he felt, emanated largely from open access

formalities. He underscored that the transactions of this nature could be settled through UI Mechanism without disturbing the schedules of the utilities involved (PSEB and HPSEB in the instant case). Some Members felt that while this could be a viable solution for select few transactions, it might not be appropriate to conceive of a solution based on injection of power without schedule. For transactions of larger quantum of power, this might not be a feasible solution. Shri Bhanu Bhushan, however, felt that this would not generally be a problem for renewable energy given the capacity of our grid in handling transfer of power.

## **6. Arrival of Hon'ble Chief Minister of Jharkhand.**

6.1 As scheduled Shri Madhu Koda, Hon'ble Chief Minister of Jharkhand arrived at IICM, Ranchi to interact with and address the Forum. On his arrival, Shri S.K.F. Kujur, Chairperson, Jharkhand State Electricity Regulatory Commission (JSERC) and Hony. Chairman, FOIR welcomed the Chief Minister and conveyed deep gratitude on behalf of the Forum for sparing time out of his busy schedule to address the Electricity Regulators of the country. He also welcomed Shri Vijoy Kumar, Chairperson, UPERC & Hony. Senior Vice-Chairman, FOIR, Shri S.S. Chakraborty, Chairperson, TERC & Hony. Vice-Chairman, FOIR and Shri Bhanu Bhushan, Member, CERC & Hony. Secretary, FOIR and other Members of FOIR. He also conveyed special thanks to Shri A.K. Basu, Ex-Chairperson, CERC & Member, Planning Board, Government of West Bengal, Shri S.N. Ghosh, Ex-Chairperson, WBERC, Shri V.K. Sood, Ex-Chairperson, DERC and Shri A. Balraj, Ex-Chairperson, TNERC for their presence in the meeting. Shri Kujur congratulated the Chief Minister for the various initiatives undertaken by the State Government for overall development in all aspects including electricity sector in the State. He thanked the Hon'ble Chief Minister of Jharkhand for sparing valuable time to attend the meeting despite his busy schedule. He stated that the role of Central as well as State Regulators in the electricity sector had been expanded considerably after enactment of the Electricity Act, 2003. He briefly apprised the Members of FOIR about the setting up of the Regulatory Commission in Jharkhand. He also said that Jharkhand was the only State in the country where two distribution licensees were operating in the same area

with their own networks. He further informed that through the Forum of Indian Regulators efforts were being made to harmonize the regulation of electricity in various States, and FOIR has made important contribution in this area so far. Shri Kujur also highlighted the issues in brief to be discussed in this meeting.

6.2 After the welcome address by Shri S.K.F. Kujur, an audio-visual show was presented explaining the pioneering role played by the State of Jharkhand in Power Sector reforms including the present status and road ahead about power vision in the State of Jharkhand. It also depicted the reaction of the consumers in that area where two distribution licensees were operating.

6.3 Hon'ble Chief Minister, Jharkhand in his address underscored the importance of the Power Sector in developing the Indian economy. He felt overwhelmed by the presence of the Chairpersons/Members of the Electricity Regulatory Commission from all across the country. He stated that the Regulators were playing a key role in development of the Power Sector in the country. He also stated that the role played by the Regulators and by this Forum were really appreciable. The Hon'ble Chief Minister apprised the Members about the initiatives being taken by the Jharkhand Government in electricity sector and reiterated that his Government felt that power sector would be the biggest source of revenue for the State. He informed that Jharkhand State was formed about seven and a half years back and the Regulatory Commission in Jharkhand was less than five years old but there had been significant improvement in the performance of utility in the State. He also informed that Jharkhand had the distinction of being the first State in the country where two licensees were operating in the same area and giving choice to the consumers. He mentioned that Indian Power Sector had made remarkable progress during the last five decades in generation, transmission and distribution of electricity. Hon'ble Chief Minister also emphasized that there was a need to create awareness about fair regulatory practices and regulatory economics among all constituents and said that the independence, transparency and fairness of regulators must be established by code as well as conduct. The Hon'ble Chief Minister wished all success to the meeting of the FOIR.

6.4 Shri Madhu Koda's speech was followed by a vote of thanks extended by Shri Vijoy Kumar, Chairperson, UPERC and Hony. Senior Vice-Chairperson, FOIR. On behalf of FOIR, he conveyed his sincere thanks to the Hon'ble Chief Minister and all the dignitaries present in the meeting. He also thanked the staff of FOIR Secretariat for their valuable support and assistance in conducting the meeting.

#### **7. Discussion on the Issue of Tariff for Solar Power.**

Shri S.K. Chatterjee, Deputy Chief (Regulatory Affairs), CERC explained the contents of the letter written by Secretary, Ministry of New & Renewable Energy (MNRE) to Shri R. Krishnamoorthy, Member, CERC on the need for promoting Solar Power and consequently the need for devising suitable tariff structure by every State Electricity Regulatory Commission (SERC). Secretary, MNRE had highlighted that as per the information available with his Ministry, only Punjab has fixed tariff for Solar Power. It was informed that MNRE had a scheme of generation based incentive up to Rs.12 per kWh for solar photovoltaic and Rs.10 per kWh for solar thermal power fed to the grid by the solar power developer. Secretary, MNRE had urged the State Commissions to determine the tariff for Solar Power to enable the Ministry to bring down the cost of solar power in the country. The issue around the fixation of Tariff for Solar Power was also discussed. Shri Bhanu Bhushan, Member, CERC mentioned that Secretary, MNRE had spoken to him and had requested for a separate meeting with select few Regulators to discuss the issues around the concept of Solar Power. It was generally agreed that a meeting in this regard could be organized by CERC.

#### **8. Discussion on Status/Follow up action on Implementation of Open Access.**

A brief presentation was made by Shri S.K. Chatterjee, Deputy Chief (Regulatory Affairs), CERC on the role of State Load Despatch Centre (SLDC) as had come up before the CERC in implementation of Open Access. The experience of CERC in this regard underscored the need for ring-fencing/independent functioning of the SLDC. The status report on Open Access in Distribution, as available with the FOR/FOIR Secretariat had been circulated with the request to give updates, if any.

9. **Discussion on Treatment of Sale of Free Power (of States) to the DISCOM.**

Shri V.J. Talwar, Chairperson, Uttarakhand Electricity Regulatory Commission (UERC) highlighted the issue of treatment of sale of free power by States to the DISCOMs. The issue raised was as to whether the State Government needed a licence for sale of such power. It was explained by Shri S.K. Chatterjee of CERC that as per the clarifications by the Government of India, such a transaction would not be treated as trading and as such would not require any licence as per the Act.

10. **Discussion on the issue raised by MPERC in regard to legal opinion from Law Department/Legislative Assembly before issuing any/new Regulation.**

The issue raised by MPERC was explained by Shri K.K. Garg, Member, Madhya Pradesh Electricity Regulatory Commission (MPERC). It was generally felt that the issue should be settled by MPERC in consultation with the concerned department of State Government.

11. **Miscellaneous.**

11.1 Income Tax Exemption.

The issue regarding exemption of SERCs from payment of income tax was raised and it was opined by Shri S.K. Misra, Chairperson, Chhattisgarh State Electricity Regulatory Commission (CSERC) that the Constitution itself granted such exemption and there was no need for seeking exemption separately in this regard from the Ministry of Finance. It was, however, generally felt that it would be better if a special exemption was granted to all State Commissions on lines of the exemption granted to CERC to set the issue at rest perpetually.

The meeting ended with thanks to the Chair.

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**LIST OF PARTICIPANTS ATTENDED THE 22<sup>ND</sup> GENERAL BODY MEETING**

**OF**

**FORUM OF INDIAN REGULATORS ( FOIR )**

**HELD AT**

**INDIAN INSTITUTE OF COAL MANAGEMENT (IICM), RANCHI (JHARKHAND).**

**( 29<sup>th</sup> February, 2008 – 01<sup>st</sup> March, 2008 )**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
01.	Shri S.K.F. Kujur	Chairperson, JSERC & Hony. Chairman, FOIR
02.	Shri J.P. Saikia	Chairperson, AERC
03.	Shri B.K. Halder	Chairperson, BERCL
04.	Shri S.K. Misra	Chairperson, CSERC
05.	Shri Bhaskar Chatterjee	Chairperson, HERC
06.	Shri Yogesh Khanna	Chairperson, HPERC
07.	Shri K.B. Pillai	Chairperson, J&KSERC
08.	Shri C. Balakrishnan	Chairperson, KSERC
09.	Dr. Pramod Deo	Chairperson, MERC
10.	Shri Vinay Kohli	Chairperson, MSERC
11.	Shri S. Kabilan	Chairperson, TNERC
12.	Shri S.S. Chakraborty	Chairperson, TERC
13.	Shri Vijoy Kumar	Chairperson, UPERC
14.	Shri V.J. Talwar	Chairperson, UERC
15.	Shri A.K. Basu	Ex-Chairperson, CERC & Member, Planning Board, Government of West Bengal
16.	Shri V.K. Sood	Ex-Chairperson, DERC
17.	Shri A. Balraj	Ex-Chairperson, TNERC
18.	Shri S.N. Ghosh	Ex-Chairperson, WBERC
19.	Shri Bhanu Bhushan	Member, CERC
20.	Shri R. Krishnamoorthy	Member, CERC
21.	Shri Himdari Dutta	Member, AERC
22.	Shri Sarat Chandra	Member, CSERC
23.	Shri K. Venugopal	Member, DERC
24.	Shri Manmohan	Member, GERC
25.	Shri K.P. Gupta	Member, GERC
26.	Shri Tej Singh Tewatia	Member, HERC
27.	Smt. Shakuntala Sinha	Member, JSERC
28.	Shri C. Abdullah	Member, KSERC
29.	Shri M.P. Aiyappan	Member, KSERC
30.	Shri K.K. Garg	Member, MPERC

31.	Shri A. Velayutham	Member, MERC
32.	Shri S.B. Kulkarni	Member, MERC
33.	Smt. Baljit Bains	Member, PSERC
34.	Shri S.S. Pall	Member, PSERC
35.	Shri K.L. Vyas	Member, RERC
36.	Shri B. Jeyaraman	Member, TNERC
37.	Shri R. Rajupandi	Member, TNERC
38.	Shri P.N. Pathak	Member, UPERC
39.	Shri R.D. Gupta	Member, UPERC
40.	Shri Sunil Verma	Member, CEA
41.	Shri M.S. Haque	Secretary, BERC
42.	Shri P.S. Shah	Secretary, GERC
43.	Shri A.K. Mehta	Secretary, JSERC
44.	Shri N.C. Mahapatra	Secretary, OERC
45.	Shri S.K. Chatterjee	Deputy Chief (Regulatory Affairs), CERC