



Indian Institute of
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REPORT ON **REGULATORY GOVERNANCE - BEST PRACTICES**

*Conference for Member Bodies of the Forum of Indian Regulators (FOIR)
conducted by the Indian Institute of Corporate Affairs (IICA) to highlight
National and International Regulatory Best Practices*

December 21-22, 2023 | Kerala



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INTRODUCTION

Regulators can be considered a critical lever in the ecosystem of regulatory policy. As per the Organisation for Economic Cooperation and Development (OECD), *“Governments are responsible for the delivery of public policies, but the achievement of many key social, economic and environmental goals is the task of regulatory agencies”*. Cognizant of this important place that regulators occupy, the OECD released Best Practice Principles for Regulatory Policy in 2014 as a guidance tool. The document provides an institutional framework for regulatory governance, embedded with best practice principles, viz. role clarity, preventing undue influence and maintaining trust, decision making and governing body structure, accountability and transparency, engagement, funding, and performance evaluation. It continues to act as a substantive reference point for countries all over the world in positively shaping their regulatory environment.

Domestically as well, regulators are actively adopting many of the recognised best practices, especially with regards to stakeholder consultation, good governance, and evaluation. For instance, NITI Aayog's recently released report - 'Best Practices in Social Sector: A Compendium 2023', exemplifies the positive impact of best practices on citizens' lives. The document gives an account of 75 case studies from across the country. One such regulatory intervention, undertaken by the Department of Transport, Andaman and Nicobar Islands, has served to improve the quality of life of citizens. This was achieved through a set of interventions including introduction of electric buses, mandatory procurement of electric cars for government use, restriction of licenses for conventional vehicles while allowing those for electric vehicles such as e-rickshaws.

Evidently, efforts to identify best practices, and explore the potential for replicating them across sectors, make for a potent tool in the regulatory arsenal. The Conference on **Regulatory Governance: Best Practices**, conducted for the Member Bodies of the Forum of Indian Regulators (FOIR) was one such endeavour that brought together important functionaries, including serving and former Chairpersons and Members, in the regulatory ecosystem of various sectors. The enriching deliberations brought to light various good practices that are currently being followed, and provided ample food for thought for adopting more such practices going forward.



Prof (Dr) Naveen Sirohi
*Director, FOIR Centre and
Founding Head, School of Finance
Indian Institute of Corporate Affairs*

PROGRAM AGENDA

December 21, 2023 (Thursday)

13:00 onwards Arrival / Welcome of guests

20:00 onwards Networking Evening / Dinner

December 22, 2023 (Friday)

10:00 - 10:10 **Inaugural address**

- **Shri Jishnu Barua** (*Hony Vice-Chairman, FOIR & Chairperson, CERC*)
- **Shri T S Balasubramanian** (*Member, TAMP*)
- **Shri Anjani Kumar Tiwari** (*Member, PNGRB*)

10:10 - 11:00 **Infrastructure Development and Financing**
by **Prof Sebastian Morris** (*Former Professor IIM - Ahmedabad*)

11:00 - 12:00 **Panel Discussion on Best Practices & Regulatory Convergence**

- **Shri T S Balasubramanian** (*Member, TAMP*)
- **Shri Arun Goyal** (*Member, CERC*)
- **Shri Anjani Kumar Tiwari** (*Member, PNGRB*)
- **Shri P Ravikumar** (*Chairperson, Karnataka ERC*)
- **Shri Sanjay Kumar** (*Chairperson, Maharashtra ERC*)

Moderated by **Prof (Dr) Naveen Sirohi** (*Director, FOIR Centre, IICA*)

12:00 - 13:00 **Regulatory Governance – Best Practices**
by **Mr Stephen Gibson** (*Chair, Regulatory Policy Committee, UK Government*)

13:00 - 13:05 **Vote of Thanks**
by **Shri Harpreet Singh Pruthi** (*Executive Secretary, FOIR & Secretary, CERC*)

13:05 - 14:00 Lunch

SPEAKER'S PROFILE



Shri Jishnu Barua (*Hony Vice-Chairman, Forum of Indian Regulators & Chairperson, Central Electricity Regulatory Commission, CERC*)

Mr Barua joined as Chairperson, CERC, in March 2023. He's a former Indian Administrative Services (IAS) Officer, and has served in important capacities in both the State and Central Governments, including Managing Director, Assam Industrial Development Corporation, and Joint Secretary, Department of Personnel & Training (DOPT), Government of India. After this, he was posted as Principal Secretary to Government of Assam, Power Department, during which he also served as Chairman of Distribution, Generation and Transmission Companies under the State Government.



Shri Harpreet Singh Pruthi (*Executive Secretary, Forum of Indian Regulators & Secretary, Central Electricity Regulatory Commission, CERC*)

Mr Pruthi was appointed as Secretary in CERC in March 2022. He serves as an ex-officio Secretary to the Forum of Regulators (FOR), Executive Secretary of FOIR and Honorary Secretary of South Asia Forum for Infrastructure Regulation (SAFIR). An Indian Railway Stores Services (IRSS) of 1999 Batch, he has worked in various capacities in key infrastructure ministries viz. Ministry of Railways and Ministry of Power. He possesses vast experience in the field of Public Procurement, Public Policy and Human Resources (HR) in Transport and Power sectors.



Shri Arun Goyal (*Member, Central Electricity Regulatory Commission, CERC*)

Mr Goyal joined as Member, CERC in April 2020. He is a 1985 batch Indian Administrative Service officer of the Union Territories Cadre, and has served as Secretary to Government of India. He superannuated in August 2019 from the Cabinet Secretariat as Secretary (Coordination). He has extensive experience in all spheres of Power Sector and played a major role in carrying forward and stabilizing historic power reforms of Delhi resulting in unbundling of Delhi Vidyut Board and privatization of distribution.

SPEAKER'S PROFILE



Shri T S Balasubramaniam (*Member, Tariff Authority for Major Ports, TAMP*)

Mr Balasubramaniam took charge as Member (Finance) in TAMP in March, 2012. Prior to this he worked in the Union Ministry of Petroleum and Natural Gas. He served as Joint Secretary and Financial Advisor in Oil Industry Development Board. He has held several important assignments both with Central Government as well as in Oil and Natural Gas Corporation Limited and Reserve Bank of India. In the Central Government, he had earlier worked in the Ministry of Defence, Ministry of Finance, Ministry of Information and Broadcasting and Tariff Commission.



Shri Anajni Kumar Tiwari (*Member, Petroleum & Natural Gas Regulatory Board, PNGRB*)

Mr Tiwari joined as member, PNGRB in December 2021. Before joining PNGRB, he worked in various capacities in Gas Authority Of India Limited (GAIL) (India), including as a Director (Finance) and Chief Financial Officer (CFO). During his time at GAIL, Mr Tiwari was involved in transformation of finance functions to align with the overall company strategy and in finalisation of GAIL Strategy 2030 which focused on diversification and growth of Natural Gas Sector as well as Renewables. He has over 38 years of experience in the Oil & Gas, Thermal Power, Hydel Power and City Gas Distribution sectors.



Shri Sanjay Kumar (*Chairperson, Maharashtra Electricity Regulatory Commission, MERC*)

Mr Kumar joined as Chairperson, MERC in March, 2021. He is a senior civil servant with an experience of 36 years in the Indian Administrative Service (IAS), during which he held various administrative positions at the State and Districts levels. These include Chief Secretary and Additional Chief Secretary (Housing Department), Government of Maharashtra. During his many roles, Mr Kumar introduced pioneering initiatives such as Bal Aadhaar and Gender Budgeting, led the largest Affordable Housing Scheme in Maharashtra, and spearheaded Government fight against the Covid-19 pandemic.

SPEAKER'S PROFILE



Shri P Ravikumar (*Chairperson, Karnataka Electricity Regulatory Commission, KERC*)

Mr Ravikumar was appointed as Chairperson, KERC in June 2022 after his superannuation as Chief Secretary, Government of Karnataka. An Indian Administrative Service officer of the 1984 batch, he headed the Government's energy department during the launch of the Pavagada solar park, one of Asia's largest solar parks. Academically, he holds a postgraduate degree in Mathematics and a Postgraduate Diploma (PGD) in Econometrics.



Mr Stephen Gibson (*Chair, Regulatory Policy Committee, RPC, United Kingdom, UK*)

Mr Gibson is an expert in regulation with over 30 years' experience of leading major economic and regulation projects. He is a Senior Fellow at the Harvard Kennedy School for Business and Government in Harvard University, with his area of research being how to improve regulatory processes and reduce the burden of regulation on businesses. He is Chair of the UK government's RPC which is the independent better regulation watchdog, and has also served as Chief Economist in various regulators in the UK viz. water, rail, communications, and postal.



Prof Sebastian Morris (*Former Professor, Indian Institute of Management, IIM-Ahmedabad*)

He is currently employed as Professor at the Goa Institute of Management and Chair of the Centre for Public Policy and Governance. Earlier, he was Professor at IIM - Ahmedabad for over 27 years. He was also recipient of the Ford Foundation Post-Doctoral Fellowship in International Economics; won the Export Import (EXIM) Bank's International Trade Research Award; was visiting faculty at the University of Pennsylvania, Philadelphia, and Essec Business School, Paris.



Prof (Dr) Naveen Sirohi (*Director, FOIR Centre, Indian Institute of Corporate Affairs, IICA*)

Dr Sirohi is the Director of FOIR Centre at IICA, which is the knowledge, research and capacity building hub for the Central and State Government regulators in India. He is also the Founding Head of School of Finance at IICA. He possesses a unique blend of 20+ years of experience across corporate, academia and government. He has conducted 100+ Executive Education Programmes catering to more than 5000 corporate executives and government officials on contemporary financial and leadership themes.

LIST OF ATTENDEES

S.No.	Name	Designation	Organization
1	A J Wilson	Member	KSERC
2	A K Tiwari	Member	PNGRB
3	A Velayutham	Former Member	MERC
4	Ajay Gupta	Member -Tech	JERC JK & L
5	Alok Tandon	Chairperson	JERC Goa & UTS
6	Arun Goyal	Member	CERC
7	Arvind Kumar	Chairperson	UPERC
8	Aswini Kumar Das	Former Member	OERC
9	B Mohan	Member Legal	TNERC
10	B Pradeep	Member	KSERC
11	Bandaru Krishnaiah	Member	TSERC
12	Bhanu Pratap Singh	Former Member	HPERC
13	C Balakrishnan	Former Chairperson	KSERC
14	D P Gairola	Chairperson/Member	UERC
15	D Radhakrishna	Chairperson	TERC
16	Devendra Kumar Sharma	Chairperson	HPERC
17	G S Rajamani	Former Member	CERC
18	H M Manjunatha	Member	KERC
19	Hemant Kumar Jain	Member	RERC
20	Hemant Verma	Chairperson	CSERC
21	Jayant Deo	Former Member	MERC
22	Jishnu Barua	Chairperson	CERC
23	K Venkatesan	Member	TNERC
24	Kumar Sanjay Krishna	Chairperson	AERC
25	M Chandrasekar	Chairperson	TNERC
26	M D Manohar Raju	Member	TSERC
27	M D Ravi	Member	KERC
28	M P Aiyappan	Former Member	KSERC
29	M V Rao	Chairperson	WBERC
30	M K Jain	Former Member	UERC
31	Mahendra Prasad	Member Law	JSERC

LIST OF ATTENDEES

S.No.	Name	Designation	Organization
32	P Ravikumar	Chairperson	KERC
33	Paramjeet Singh	Member	PSERC
34	Pravas Kumar Singh	Member	CERC
35	Preman Dinaraj	Former Chairperson	KSERC
36	Prithviraj	Former Member	RERC
37	Ramesh Kumar Choudhary	Former Member	BERC
38	S K Jayaswal	Former Member	BERC
39	Sanjay Kumar	Chairperson	MERC
40	Sanjay Kumar Singh	Member	UPERC
41	Satyendra Nath Kalita	Member	AERC
42	Shishir Sinha	Chairperson	BERC
43	Surendra J Biyani	Member	MERC
44	Suresh Chandra Dinkar	Former Member	RERC
45	T S Balasubramanian	Member	TAMP
46	T Sriranga Rao	Chairperson	TSERC
47	V K Srivastava	Member	UPERC
48	Vikraman Nair	Former Member	KSERC
49	Vishwajeet Khanna	Chairperson	PSERC

INAUGURAL SESSION

The Conference commenced with a formal welcome of guests by **Prof (Dr) Naveen Sirohi** (*Director, FOIR Centre, IICA*). After announcing the theme for the gathering - "Regulatory Governance - Best Practices" - he invited **Shri Jishnu Barua** (*Hony Vice-Chairman, Forum of Indian Regulators & Chairperson, Central Electricity Regulatory Commission, CERC*), **Shri T S Balasubramanian** (*Member, Tariff Authority for Major Ports, TAMP*), and **Shri Anjani Kumar Tiwari** (*Member, Petroleum and Natural Gas Regulatory Board, PNGRB*) to address the guests.

Shri Jishnu Barua touched upon several areas pertaining to regulatory collaboration in his address. He started by giving the example of the Working Group of CERC, Telecom Regulatory Authority of India (TRAI) and State Electricity Regulatory Commissions for deployment of 5G related technology on electricity towers. Thereafter, he pointed to potential areas for future collaboration, such as a possible joint effort between CERC and PNGRB pertaining to an intersection of infrastructure of natural gas pipelines and transmission and distribution networks. Towards the end, he brought attention to the rapidly changing regulatory framework on account of technological advancements, globalisation, and increasing public expectations. This necessitates collaboration among diverse sectors to give shape to a progressive regulatory structure in sync with national goals.

Shri T S Balasubramanian apprised the gathering of the revamped role and functions of TAMP during his speech. After enactment of the The Major Port Authorities Act of 2021, various administrative and management control functions, including tariff fixation, were granted to ports. The rationale behind this was to make government-owned ports competitive with private ports. After this, TAMP no longer determines tariff for port services (vessel, cargo, etc.) and is mainly involved in adjudication of disputes between stakeholders (ports, export import traders, Public Private Partnership (PPP) concessionaires, etc.).



From Left to Right: **Shri T S Balasubramanian** (*Member, TAMP*), **Shri Jishnu Barua** (*Hony Vice-Chairman, FOIR & Chairperson, CERC*), and **Shri Anjani Kumar Tiwari** (*Member, PNGRB*)

INAUGURAL SESSION

Shri Anjani Kumar Tiwari set the context for the crucial role of regulators by drawing attention to the phenomenon of energy transition nationally and globally. In the journey of switching to cleaner energy sources, as well as a general principle, regulators must be assertive in their decision making, taking into consideration national and stakeholder interests. To this end, a deep, well-rounded understanding of specific functional areas and sectoral dynamics has to be developed. Mr Tiwari stressed that legal functionaries in regulatory bodies are especially important in ensuring that regulation-related issues/disputes get resolved quickly. In addition, a cooperative spirit can greatly assist in finding solutions to the many cross cutting regulatory issues present in modern economies. He concluded that together, the aforementioned elements of regulatory frameworks can propel sectoral and national well being.



From Left to Right: **Shri T S Balasubramanian** (*Member, TAMP*), **Shri Jishnu Barua** (*Hony Vice-Chairman, FOIR & Chairperson, CERC*), and **Shri Anjani Kumar Tiwari** (*Member, PNGRB*)

INFRASTRUCTURE DEVELOPMENT AND FINANCING

Prof Sebastian Morris (Former Professor IIM - Ahmedabad) set the tone for his address by highlighting the guiding principle underlying the development of infrastructure projects - they should serve to add utilitarian value to the citizens and not just be used as a macroeconomic spending tool by governments. Accordingly, the rationale, design and implementation mechanisms have to be well thought out before commencing any project. Thereafter, he briefly described some key issues and set forth possible solutions.

Design: The design of the infrastructure projects needs to be carefully deliberated upon. Poor design could lead to suboptimal value creation and cause difficulties for the end user, whereas suitable design contributes to ease of living and improved quality of life. For example, the grid model for road networks works better to shorten travel time and lessen traffic jams as opposed to a point-to-point network model.

Pricing and Subsidies: The pricing (and subsidy) policy tools should have a proper justification for use, coupled with an appropriate implementation mode. In absence of these, the prices indicated to the end user can result in perverse incentives. For instance, an electricity subsidy effectively reduces the marginal cost of using power to zero, leading to overuse and wastage of resources. The 'endowment' model of subsidy (a certain number of electricity units assigned as endowment to the end user, like farmers), coupled with trading rights of the endowments can remedy the situation. This creates an incentive for using the subsidised units judiciously, and even save those units for trading in the market for earning revenue.

Regulation models: The importance of choosing the right regulatory models for infra projects was highlighted. For instance, for tariff determination of power projects, price-cap regulation instead of cost plus approach is better suited. Besides specific regulatory approaches, Prof Morris emphasised on the working principle of creating frameworks and structures, and within those, providing autonomy to market players to make decisions.

Partnership models and Financing: When infrastructure projects are being undertaken jointly by the public and private sector, a collaboration model that fairly distributes risks and returns is crucial for the benefits to sustain throughout the project's lifecycle. For example, adoption of the Hybrid Annuity Model (HAM) is conducive to the development of roads and highways as compared to the traditional Build Operate Transfer (BOT) models of Public Private Partnership. Besides this, factors such as the depth of Indian capital markets and comprehensive due diligence of project developers by financiers play an important role in the success of any infrastructure project.



Prof Sebastian Morris (Former Professor IIM - Ahmedabad) during his address

INFRASTRUCTURE DEVELOPMENT AND FINANCING

QUESTION / ANSWER ROUND

The session by **Prof Sebastian Morris** (*Former Professor IIM - Ahmedabad*) was followed by questions from the guests. The discussion revolved around the development of metro rail networks in big cities and the long term Power Purchase Agreements (PPAs) entered into by utilities.

When the issue of proliferating metro rail networks in cities was brought up, Prof Morris highlighted the necessary elements of metro services that maximise value for the users and justify the costs of the projects. Among them are interconnection to other modes of transport viz. roads, railways, airports, and commercial land use patterns around metro lines to increase density and project viability. This, he said, underscores the importance of proper designing, thereby incentivising greater adoption.

One of the guests brought out the issue of expensive long term PPAs entered into by utilities. This has implications for the tariff petition hearings conducted by electricity regulators. Often, the PPA contracts have no/tough exit clauses and the utilities are bound to keep purchasing expensive power for the long term. One of the possible solutions, Prof Morris suggested, is to embed clauses in the legislation itself that specify the fundamental principle underlying PPAs - contracts are signed with a certain return on capital in view. Thereafter, equivalent payments to be made for the duration of the contract can be calculated in net present value terms and the contract can be bought as an exit.



PANEL DISCUSSION

THEME 1: REGULATORY BEST PRACTICES

The Panel Discussion segment was a vital element of the Conference, meant to infuse a lively exchange of ideas and experiences, with the potential to lead to meaningful action. It covered 2 major themes, namely Regulatory Best Practices and Regulatory Cooperation and Collaboration.

The panel consisted of esteemed guests **Shri T S Balasubramanian** (Member, Tariff Authority for Major Ports, TAMP), **Shri Arun Goyal** (Member, Central Electricity Regulatory Commission, CERC), **Shri Anjani Kumar Tiwari** (Member, Petroleum and Natural Gas Regulatory Board, PNGRB), **Shri P Ravikumar** (Chairperson, Karnataka Electricity Regulatory Commission, KERC), and **Shri Sanjay Kumar** (Chairperson, Maharashtra Electricity Regulatory Commission, MERC). For the first theme, the panellists informed the guests about various best practices adopted in their respective regulatory bodies.

Shri T S Balasubramanian emphasised the twin principles of transparency and stakeholder consultation that is followed by TAMP in their regulatory functioning. Stakeholders such as ports and port operators are regularly consulted before formulating regulations to gain a better understanding of concerns and reflect those in the regulations.

In addition, online hearings are now given preference over physical hearings since they elicit wider stakeholder participation through videoconferencing. The practice of issuing Speaking Orders - elaborating the reasoning behind regulations, is also followed. These practices serve to improve accessibility, transparency, and credibility of the regulations.

Shri Arun Goyal brought out the adaptability of the regulations of CERC through the examples of open access (OA) and power market regulations. With regards to the former, he noted that initially, OA was linked to Power Purchase Agreements (PPAs) and was duration based. With the issue of General Network Access regulations by CERC, OA became non discriminatory, with the consumer/distribution licensee seeking OA getting the freedom to enter into contracts of their choice. This a fundamental shift towards a greater separation between content and carriage.

In the power market segment, the real time market (RTM) regulations were issued by CERC in 2021, detailing the functional mechanism of the Power RTM. The commencement of RTM brings trade of electricity closer to real time for sellers and buyers and is set to gradually replace long term PPAs. This will aid transparent price discovery and deepen the power market.



From left to right: **Prof Naveen Sirohi** (Director, FOIR Centre), **Shri Sanjay Kumar** (Chairperson, Maharashtra ERC), **Shri Arun Goyal** (Member, CERC), **Shri T S Balasubramanian** (Member, TAMP), **Shri Anjani Kumar Tiwari** (Member, PNGRB), and **Shri P Ravikumar** (Chairperson, Karnataka ERC) during the panel discussion

PANEL DISCUSSION

THEME 1: REGULATORY BEST PRACTICES

Shri Anjani Kumar Tiwari focused on two critical factors for enhancing the dynamism in the functioning of PNGRB. One is proactive decision making whilst taking into consideration national, stakeholder, and consumer interests. Mr Tiwari illustrated this with the example of speedy PNGRB authorisation of natural gas pipelines in the big cities of Faridabad, Gurgaon, and Noida, after the case was stuck in courts for many years.

Secondly, regulatory frameworks need to be more dynamic to account for the conditions prevailing in current times. The regulations that were suitable, say, 20 years ago, may not be suitable now. For example, the phenomenon of energy transition that is occurring across the globe requires regulations to account for newer technologies and economic considerations.

Shri P Ravikumar reiterated the commitment of the Karnataka Electricity Regulatory Commission (KERC) in strengthening involvement of the general public by increasing the frequency of consultations. While noting that participation of the last mile consumer is concentrated in the hearing stage, he reiterated that KERC is actively working towards expanding this to other stages as well, such as in drafting of regulations. To this end, KERC is taking the initiative to consult the general public throughout the year. The greater frequency of dialogue with the citizens brings with it the potential to increase public awareness, improve service quality and enhance credibility of the regulator in the public's mind.

Shri Sanjay Kumar listed initiatives which the Maharashtra Electricity Regulatory Commission (MERC) has undertaken to strengthen stakeholder inclusivity. Firstly, the practice of online hearings, which started as a necessity during the pandemic, has now been adopted as the default process by making necessary changes in MERC's Conduct of Business Regulations. This has eased the tariff hearing process for stakeholders as documents can be filed online and hearing recordings are accessible to all.

MERC has also made amendments to regulations pertaining to performance and service parameters, after thorough consultation with regulated entities. For instance, regulations about the transportation of coal, affecting the power generating companies (Gencos), were formulated after thorough consultation with Gencos.

PANEL DISCUSSION

THEME 2: REGULATORY COOPERATION AND COLLABORATION

In this segment of the discussion, the panellists deliberated upon various facets revolving around collaboration and cooperation in service of common goals/objectives.



Shri T S Balasubramanian (*Member, Tariff Authority for Major Ports, TAMP*) focused on the process of learning from peers. The successes and failures of individual sectors in their regulatory journey should be acknowledged and discussed in order to bring out learnings that can be applied to other sectors as well. To this end, he noted the important role of the Conference and other similar events, bringing together representatives from multiple sectors for a free flow of dialogue about experiences and learnings. He was of the opinion that more such Programs were essential in fostering a cooperative and collaborative spirit.



Shri Arun Goyal (*Member, Central Electricity Regulatory Commission, CERC*) discussed the need for collaboration through the lens of the rapidly evolving technological scenario. Observing that technology is playing a crucial role across sectors, whether it be smart cities, smart grids, or sophisticated hardware and software, he saw the potential of inter-sectoral collaboration in assisting one another in driving transformations through technology. He cited the example of cyber security where different sectors can work together to implement security solutions for sectoral welfare. Further, he noted that borrowing from peer experience is a quicker way to shorten implementation time and achieve desired results as compared to each regulator working separately. He also suggested a collaboration between CERC and CCI for keeping a check on anti competitive practices and enhancing sector competitiveness.



Shri Anjani Kumar Tiwari (*Member, Petroleum and Natural Gas Regulatory Board, PNGRB*) set the purpose of inter-sectoral collaboration in the context of sustainable development, referring to the target of limiting global temperature increase to 1.5 degrees celsius, and reaching self-reliance in energy. The necessary set of actions for these goals include reduction in the mix of thermal energy while sourcing progressively greater amounts from renewable options (solar, wind, hydro, etc.), major and minor policy/regulatory interventions, and gradual reduction in imports of energy sources (oil, gas, coal). These actions, characterised by interlinkages, have to be coordinated at the inter-sectoral level for effective implementation, thus highlighting the need for multi-sectoral cooperation.

PANEL DISCUSSION

THEME 2: REGULATORY COOPERATION AND COLLABORATION



Shri P Ravikumar (*Chairperson, Karnataka Electricity Regulatory Commission, KERC*) acknowledged the important role of cross-sectoral collaboration in resolving complex issues. For instance, regulators have to ensure that the industry infrastructure, built with the help of public resources, is utilised optimally. If not, stranded assets can multiply, such as in the case of around 25,000 MW of gas-based power plants. In his opinion, creation of inter sectoral working groups to deliberate upon such issues and find solutions can prove to be immensely beneficial. He also pointed to the need for regular communication between the regulators and the government as a way to evolve policies/regulations, and ensure effective implementation.



Shri Sanjay Kumar (*Chairperson, Maharashtra Electricity Regulatory Commission, MERC*) stressed the importance of gaining clarity on fundamental questions related to collaboration, including identification of specific areas for joint endeavours and developing a concrete plan of action for each party through instruments such as memorandum of understanding (MoUs). He referred to inter-departmental collaboration in States as a low hanging fruit with rich dividends, using the solarisation of 11kV and 33kV lines in Maharashtra as an example. This required communication and coordination amongst various departments. The government framed the policy, involving the revenue department. Public and private land was pooled and then tenders were floated. This has resulted in the agriculturists getting ample power at economical prices, and a reduction in the cross subsidy burden on industry, making it more competitive.

PANEL DISCUSSION QUESTION / ANSWER ROUND

After the panelists shared their thoughts and opinions on the themes, guests from amongst the audience were invited to raise questions and share their views/comments.

One of the guests discussed the practice of framing model regulations as an immensely helpful tool for States. The model regulations, for instance, those framed by CERC, usually undergo much debate and deliberation before being finalised. They are then released for adoption by States. Notably, these are not binding on the adopting parties. This provides flexibility to the States as they can tailor the model regulations to suit their conditions. They act as a guiding framework for states in the process of formulating their own regulations.

Another guest put forth the idea that in collaborative endeavours, it is difficult to arrive at total commonalities, owing to different techno-economic conditions associated with different sectors. However, some common minimum denominator can be agreed upon. This can be related to objectives such as optimal infrastructure utilization, safeguarding consumer interest, protecting industry, etc.

Closing out the session, another guest suggested the need for greater advocacy on the part of regulators. Citizens should be made aware of the purpose and role of the regulators through outreach and awareness programs, and regulators should be proactive in resolving complaints that are brought to the surface through such interactions.



REGULATORY GOVERNANCE – BEST PRACTICES

Mr Stephen Gibson (*Chair, Regulatory Policy Committee, UK Government*) discussed the process of carrying out impact assessment of regulations in the United Kingdom (UK). He started his address by underscoring the need for Better Regulation (BR). BR answers fundamental questions before any regulatory intervention, including:

- Alternatives to introducing regulation for achieving a specific objective (e.g. no regulation, self-regulation, other policy tools)
- The efficacy of regulations, evaluated from time to time, with respect to the achievement of desired objectives
- Minimising compliance burden on businesses, especially on small and micro businesses
- Impact analysis in terms of costs and benefits to market, and the wider society (this not only includes a quantitative cost and benefit analysis (CBA), but also how these are distributed across stakeholders)

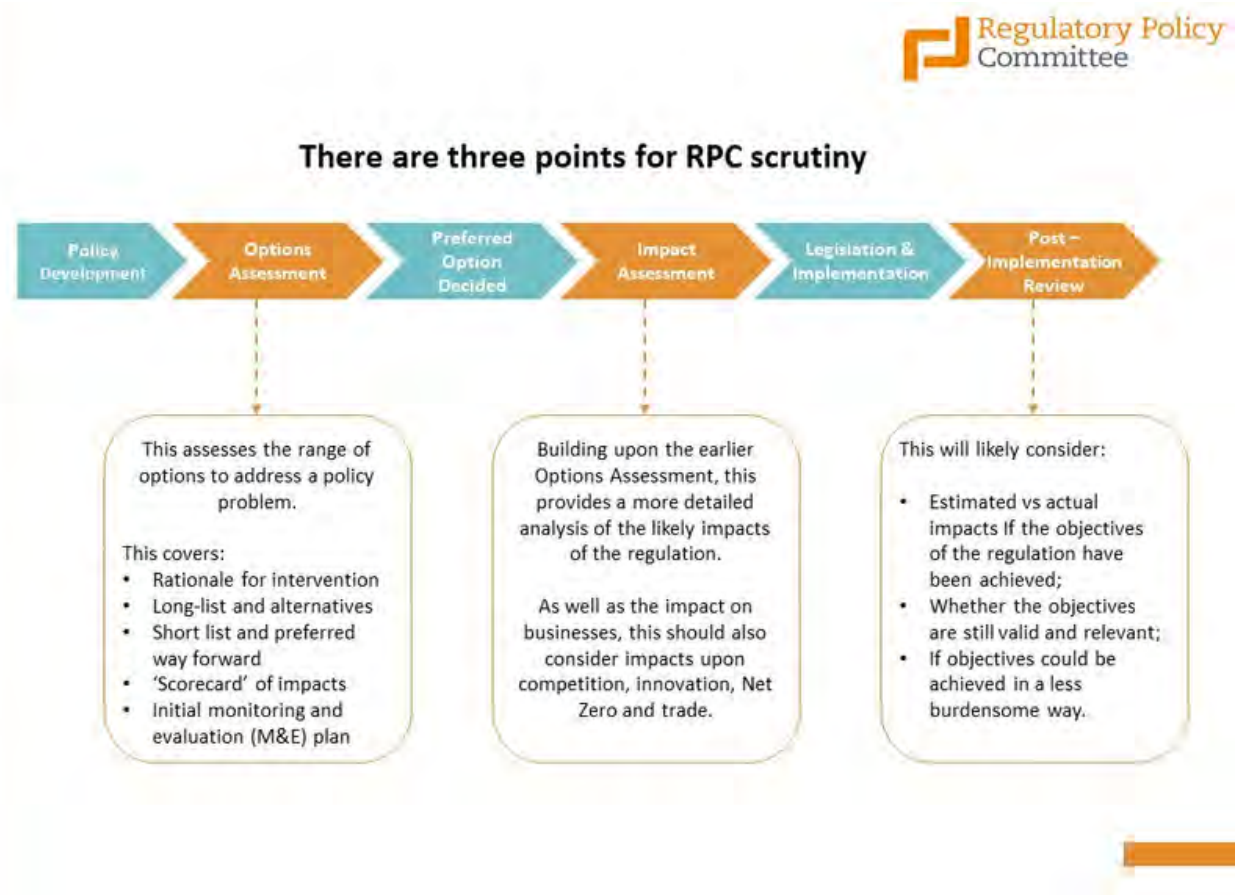
After a brief explanation of the principles of BR, namely, Proportionality, Accountability, Consistency, Transparency, and Targeting, Mr Gibson informed the guests about UK's Better Regulation Framework (BRF) that aims to translate the principles underpinning BR into practice. To this end, the Regulatory Policy Committee (RPC) – an independent body for scrutiny of regulatory interventions which are placed in the UK Parliament – plays an important role. It examines the ex-ante Impact Assessments (IA), Post Implementation Reviews (PIRs), and the evidence and analysis undertaken by the concerned government departments before they consider introducing a regulatory measure.



Mr Stephen Gibson (*Chair, Regulatory Policy Committee, UK Government*) during his address

REGULATORY GOVERNANCE – BEST PRACTICES

Mr Gibson stated that the Regulatory Policy Committee (RPC) can conduct this examination at 3 stages of the policy/regulation development: Options Assessment; Impact Assessment (IA); and Post Implementation Review (PIR)

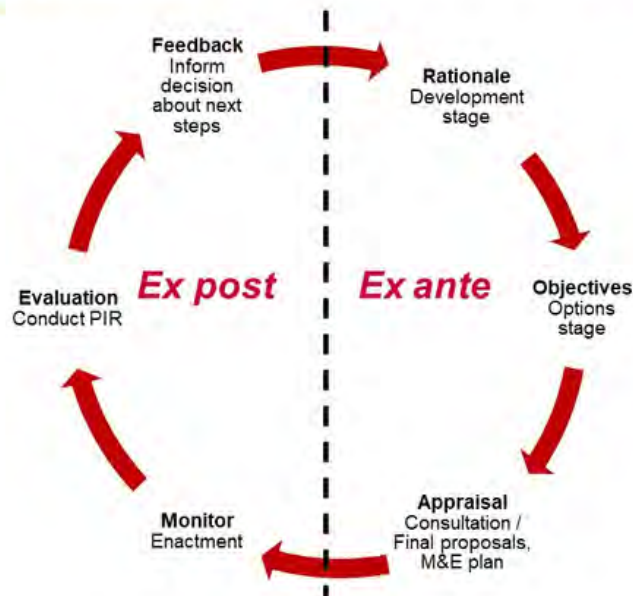


Based on its examination, the RPC can categorise the proposed measure as green (indicating satisfaction with the IA, CBA and evidence analysis) or red (measure deemed as not fit for purpose). Mr Gibson clarified that this categorisation assesses the logical reasoning and forethought on the part of the government before the introduction of the proposed measure, and doesn't comment on the merit of the policy/measure itself. But when the intervention is placed in the Parliament, the opinions of the RPC can be instrumental in determining whether it is approved.

With the help of the ROAMEF (Rationale, Objectives, Appraisal, Monitor, Evaluation, Feedback) cycle, Mr Gibson explained the interlinkages between ex-ante and ex-post evaluation in the circular process of developing policy/regulatory measures.

REGULATORY GOVERNANCE – BEST PRACTICES

THE ROAMEF cycle



The Feedback step in the cycle influences the rationale for the next round of policy revision through the learnings/results of the ex post review steps. This, Mr Gibson states, is beneficial not only for revisions/amendments to the intervention in question, but also for developing new policies.

In the last leg of the address, Mr Gibson delved into the New BRF introduced by the UK Government in September, 2023. It focuses on improving the following aspects related to BR, besides reiterating the importance of independent scrutiny:

- Earlier scrutiny of measures, enhancing the influence of the opinions of RPC on parliamentary decisions
- Greater focus on Post Implementation Review (PIR) - improving the proportion of regulations that properly complete PIRs, and better monitoring and evaluation plans
- Removal of Business Impact Targets (BITs) as necessary requirements in Impact Assessment (IAs) submitted by concerned government departments - BITs were introduced as a way to quantify compliance costs on businesses and to assign targets for reducing those progressively. However, the results of setting such targets weren't as intended, as the government wasn't successful in reducing compliance costs.

REGULATORY GOVERNANCE – BEST PRACTICES

QUESTION / ANSWER ROUND

The address by **Mr Stephen Gibson** was followed by the question/answer round wherein the issues of anticipating potential problems and the process of ex-ante and ex-post regulatory impact assessment (RIA) were discussed.

One of the guests inquired about existing institutional mechanisms/processes in the UK for anticipating what problems could arise in a given sector when new developments are taking place. Mr Gibson emphasised that much of the work of the government revolves around anticipating issues and then listing and exploring the viability of several policy options as potential solutions. For example, departments actively look for potential issues such as litter in the marine environment, childhood obesity, carbon emissions, etc. and explore a range of policy options to tackle them. He also added that as part of the impact assessment exercise, international approaches and experiences are also considered as valuable evidence, and as a way to enlarge the set of available policy options.

In response to the question about ex-ante and ex-post RIAs, Mr Gibson informed the gathering that ex-ante IA is mandatory for all new regulations that have an impact of 5 million Pounds per year and above. While this alone doesn't guarantee that the regulations will be successful in achieving the stated policy objectives, it internalises a system of logical reasoning behind the measure where alternatives, impact on stakeholders, costs and benefits, and monitoring methods are duly considered before going ahead with the regulation.



VOTE OF THANKS

Delivering the valedictory address, **Shri Harpreet Singh Pruthi** (*Executive Secretary, Forum of India Regulators, FOIR & Secretary, Central Electricity Regulatory Commission CERC*) expressed his gratitude to **Shri Jishnu Barua** (*Hony Vice-Chairman, FOIR & Chairperson, CERC*), **Shri T S Balasubramanian** (*Member, Tariff Authority for Major Ports TAMP*), and **Shri Anjani Kumar Tiwari** (*Member, Petroleum and Natural Gas Regulatory Board PNGRB*) for their inaugural speeches.

He extended his thanks to panellists **Shri T S Balasubramanian** (*Member, TAMP*), **Shri Arun Goyal** (*Member, CERC*), **Shri Anjani Kumar Tiwari** (*Member, PNGRB*), **Shri P Ravikumar** (*Chairperson, Karnataka Electricity Regulatory Commission*), **Shri Sanjay Kumar** (*Chairperson, Maharashtra Electricity Regulatory Commission*) and to guest speakers **Prof Sebastian Morris** (*Former Professor IIM - Ahmedabad*) and **Mr Stephen Gibson** (*Chair, Regulatory Policy Committee, UK Government*) for enriching collective understanding around regulatory best practices. He appreciated dignitaries and guests for their proactive engagement and stimulating discussions over the course of the Program.

Ending his address by emphasising on the need for collaboration and connection amongst the various sectors representative of FOIR, Mr Pruthi proposed more training/capacity building programs, conferences, etc. in collaboration with Indian Institute of Corporate Affairs (IICA).

The efforts and initiative of the team at FOIR Secretariat, including **Shri Sushanta K Chatterjee** (*Chief, Regulatory Affairs, CERC*), **Smt Rashmi Nair** (*Deputy Chief, Regulatory Affairs, CERC*), and **Shri Rajiv Kumar** (*Assistant Secretary, CERC*) were collectively lauded by the gathering.

Prof (Dr) Naveen Sirohi (*Director, FOIR Centre, IICA*) concluded the Conference with a vote of thanks to the guests and speakers. The team at the FOIR Centre, IICA comprising **Ms Ankita Tiwari** (*Fellow*), **Mr Avanish Ranjan** (*Consultant*), **Mr Aasheesh Pareek** (*Consultant*), and **Ms Akanksha Chaudhri** (*Research Associate*) received positive feedback from the guests for the success of the Program.



(Left) **Shri Harpreet Singh Pruthi** (*Executive Secretary, FOIR & Secretary, CERC*) and **Prof (Dr) Naveen Sirohi** (*Director, FOIR Centre, IICA*) during the valedictory session

TESTIMONIALS



"I happened to be the oldest member of FOIR -28 years! Also the only Octogenarian in the Conference. I can say that this is one of the best arrangements I've seen outside Delhi. Full credit to everyone KSERC, FOIR secretariat, ICC. I enjoyed meeting the Chair of the CERC and other SERCs and the Members. I am grateful to each one of you to have taken care of me for my balance and been kind and supportive. Thank you Rashmi and Avanish for making my stay comfortable. A word of thanks to the wonderful ladies too."

~Shri G S Rajamani (Former Member, CERC)

"The arrangements made by FOIR/ IICA teams in the conference were excellent. Our stay was quite comfortable. All the team members deserve appreciation for the same. We had the nice opportunity to interact with our senior colleagues by way of this Forum . Meeting with Mr GS Ranjmani in the conference was indeed a great inspiration for us. We express our sincere gratitude and special compliments to Rashmi and her entire team (including IICA) for organising such a nice event."



~Shri Suresh Chandra Dinkar (Former Member, RERC)



"It was very nice arrangement. Everybody was taken care. We are going back with numbers of memories. Special thanks to Rashmi and Avneesh."

~Shri Dinesh Gairola (Chairperson Incharge, UERC)

"On the whole everything done by FOIR -IICA team is commendable. Team CERC, has made it a success. Thanks a lot to each n everyone. We will remember efforts n support of KSERC in making the event memorable one. Best wishes."



~Shri Aswini Kumar Das (Former Member, OERC)



"Well synchronized event at 50hz+/- zero. Thanks a lot CERC/FOIR Team. Regards to every one."

~Shri Ramesh Kumar Choudhary (Former member, BERC)

"Well organised. Will remember it. Hoping to attend next one."



~Shri Jayant Deo (Former Member, MERC)



"Congratulations FOIR secretariat and IICA for a job well done"

~Shri Jishnu Barua (Chairperson, CERC)

"Three cheers for the conference management team"



~Shri Shishir Sinha (Chairperson, BERC)

TESTIMONIALS



"Thank you very much! Well organised..We had a very nice experience!!."

~Shri M V Rao (Chairperson, WBERC)

"The FOIR conference was very well organised. Kudos to FOIR Secretariat and IICA for the wonderful work."

~Shri Arun Goyal (Member, CERC)



"Thanks for great hospitality and meticulous managements Specially to Rasmi and Avneesh"

~Shri Vinod K Srivastava (Member, UPERC)

"The FOIR conference was very well organised. Congratulations to FOIR Secretariat and IICA for the wonderful work."

~Shri Hemant Verma (Chairperson, CSERC)



"Thanks Rashmi and team for excellent and meticulous arrangements for looking after all the minor details."

~Shri Paramjeet Singh (Member, PSERC)

"We are thankful to complete FOIR-IICA team to make this trip memorable for years. Everything was perfectly articulated. Keep it up and all the best"

~Shri Manoj K Jain (Former Member, UERC)



"What wonderful arrangements!!! Congrats to the entire team led by Rashmi and Avinash for making this FOIR a real memorable experience. God bless you all and Merry Christmas and a wonderful new year to all FOIR colleagues."

~Shri Preman Dinaraj (Former Chairperson, KSERC)

"Thank you very much, conference was well organised, arrangements and logistics are well planned. Conference was very fruitful. Spl thanks to Mrs Rashmiji, Mr Avanish and FOIR & IICA team."

~Shri Bandaru Krishnaiah (Member, TSERC)



"Very good arrangements Thanks to the team FOIR."

~Shri M Chandrasekar (Chairperson, TNERC)

"Thank FOIR/IICA for the successful management of the conference ."

~Shri A Velayutham (Former Member, MERC)



TESTIMONIALS

"Thanks a ton to Smt.Resmi, Sri .Avanish and all other friends of CERC and IICA for the excellent arrangements and the warm treat. Regards."

~Shri M P Aiyappan (Former Member, KSERC)



"Thanks to Rashmi, IICA, FOIR and KERC for such good arrangements.."

~Shri Devendra Kumar Sharma (Chairperson, HPERC)

"Thanks to IICA and FOIR for the wonderful arrangements. Spacial thanks to Rashmi and Avinash. Regards..."

~Shri T Sriranga Rao (Chairperson, TSERC)



"Thanks Rashmi for such a wonderful arrangement."

~Shri Sanjay Kumar (Chairperson, MERC)

"Thanks to FOIR and IICA for organizing an eventful meeting. Spacial thanks to Rashmi and Avinash for their meticulous arrangements."

~Shri M D Manohar Raju (Member, TSERC)



"Many thanks to FOIR Sectt & IICA and Ms Rashmi & Avanish, in particular, for successful management & wonderful arrangements."

~Shri S K Jayaswal (Former Member, BERC)

"Thanks to IICA and FOIR for the wonderful arrangements. Spacial thanks to Ma'am Rashmi and Avinash."

~Shri Bhanu Pratap Singh (Former Member, HPERC)



"Rumination of events and the suddenness of its closure instills in us happy memories of the event and makes us feel humble before the adroit management team."

~Shri Sanjay Kumar Singh (Member, UPERC)

"Thanks to Rashmi and team for the excellent arrangements made."

~Shri C Balakrishnan (Former Chairperson, KSERC)



PHOTO GALLERY





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