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REPORT ON

Know Your Regulator (KYR) Series West Bengal Electricity Regulatory Commission (WBERC)

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Organised by:

Forum of Indian Regulators (FOIR) Centre, Indian Institute of Corporate Affairs (IICA) in collaboration with The State Capacity Initiative at the Centre for Policy Research (CPR)

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Speaker



Mr Sutirtha Bhattacharya

Chairperson,

West Bengal Electricity Regulatory Commission (WBERC)

Mr Sutirtha is a 1985 batch IAS officer Andhra Pradesh cadre. He graduated from Presidency College, Kolkata and is presently the Chairperson of the West Bengal Electricity Regulatory Commission (WBERC). Before joining WBERC he served as Principal Infrastructure Advisor under the Government of West Bengal. He was the Chairman and Managing Director of Coal India Limited and was the Chief Managing Director (CMD) of state-owned Singareni Collieries Company Limited (SCCL).

In his career, he has served as the Commissioner of Industries and Secretary in Charge of the Irrigation Department. Amongst other posts, he was CMD of the Andhra Pradesh Government Transmission Company and CMD of the Andhra Pradesh Renewable Energy and Gas Corporation.

He has successfully executed many public-private partnership projects. His contribution has been recognised by many awards including the best CEO PSU award for public sector enterprises by Forbes and under his leadership, Coal India Limited has achieved the "India Today Award of fastest-growing PSU" and also achieved excellence in the coal sector award.

Convenor & Moderators



Shri Praveen Kumar
Director General & CEO
Indian Institute of Corporate Affairs

Shri Praveen Kumar assumed the charge of Director General and CEO of the Indian Institute of Corporate Affairs in December 2021. He is a 1987 batch retired IAS Officer of Tamil Nadu cadre and has headed various responsibilities in the Government of Tamil Nadu and Government of India in multiple Departments such as Finance, Elections, Industries, Education, Corporate Affairs, New & Renewable Energy, etc.

He has also headed a number of State and Central Public Enterprises including TANMAG & TNSL (as MD), TNPFC (as CMD), SECI (as Chairperson) and IREDA (as CMD), apart from acting as Nominee Director in a number of State PSUs, and public-private partnership companies. He has also held Memberships in Boards/ Councils/ BOG of various education-related institutions such as AICTE, IIMs, IIT, IISERs and UGC Committees. Apart from getting various awards from media and civil society organizations for his work as Chief Electoral Officer, TN, in the period 2010-2014, he was also awarded the Prime Minister's Award for Excellence in Public Administration for the year 2019, for his role in acting as Prabhari Officer of the Aspirational District Virudhunagar in TN, which saw the district attain the number one position amongst all aspirational districts. He retired from the Government of India as Secretary, Ministry of Skill Development & Entrepreneurship in June 2021



Dr Abha Yadav
Associate Professor, School of Competition Law & Market
Regulation and Director Forum of Indian Regulators (FOIR)
Centre, Indian Institute of Corporate Affairs (IICA)

Dr Abha Yadav (PhD) is a faculty at IICA who leads research and capacity-building initiatives at the School of Competition Law & Market Regulation. She is also the Director of the Forum of Indian Regulators (FOIR) Centre at IICA which is the knowledge and capacity-building hub for the Central and State government regulators of the country. She steers policy discussions, thematic discourses and enhancement of capacity-building initiatives that are an integral and vibrant part of this unique Centre. She serves as Course Director of the prestigious Certificate Course in Competition Law and Advanced Professional Course in Competition Law and Market Regulation.

She is faculty for Competition Law, Law & Public Policy, Freedom of Information, Regulatory Affairs, Laws for Women, Regulatory Impact Assessment, Labour Laws etc. She is a recipient of the prestigious Fox International Fellowship at Yale University, U.S.A. and the Lok Sabha of India Fellowship. She is an eminent scholar who has lectured widely on various legal issues in India and internationally.

Convenor & Moderators



Ms Arkaja Singh

Fellow, State Capacity Initiative, Centre for Policy Research

Arkaja Singh is a Fellow at the State Capacity Initiative at the Centre for Policy Research (CPR). Her areas of interest include municipal government, informal settlements, land, water and sanitation (and especially the issues around sanitation labour and manual scavenging), and the interface of law and the Indian administrative state. The comparative project, 'Elevating Water Rights to Human Rights' in collaboration with the Chr. Michelsen Institute, Bergen considers varying and multiple mobilisations of the 'Right to Water' in an international context. Recently completed a study of state response to India's 'Crisis of Hunger' brought about by the COVID-19 pandemic, considering issues of state capacity in the organisation and delivery of the response.

Other recent work includes a study of federal relations in the context of water resources and environmental governance in India. Previously managed SCI-FI II (sanitation), in which she was responsible for managing research on institutions and finance, the social interface of technology and engineering and social and gender dynamics of sanitation. Her work included the development of laws and institutional frameworks for the management of wastewater and faecal sludge, various laws and legal responsibilities relating to sanitation work and the elimination of manual scavenging. Before that, she worked in the development sector consulting and research. Arkaja studied law at the National Law School of India University, Bangalore and has an LL.M. from the School of Oriental and African Studies, London.



Dr Ashwini K Swain

Fellow, Initiative on Climate, Energy & Environment,
Centre for Policy Research

Ashwini K Swain is a fellow at the Centre for Policy Research. His research interests include the political economy of electricity, the interface between energy service needs and climate mitigation goals, and the water-energy-food nexus, especially in the Indian context. He has also worked on public participation in service delivery and has a keen interest in the political economy of India and political analysis. In addition, he has been actively engaging with civil society organisations and public agencies at the national and sub-national levels on these issues.

Ashwini is also a (non-resident) fellow at Energy for Growth Hub. He has earlier served at the Centre for Energy, Environment & Resources, the CUTS Institute for Regulation & Competition, Agence Francaise de Development, the University of York, the University of Wisconsin-Madison, and the National Institute of Public Finance and Policy. He holds a PhD in Politics from the University of York and an MPhil and MA degree in Political Studies from Jawaharlal Nehru University.

Participants Profile

Officials from regulatory bodies across India, Researchers, Experts in the power sector & FOIR Member organisations representatives facilitated the session with their kind presence.

71 participants attended the webinar.



Program Outline

The Forum of Indian Regulators (FOIR) Centre at IICA, along with the State Capacity Initiative at the Centre for Policy Research (CPR) conducted the 'Know Your Regulator' talk series.

'Know Your Regulator' with Mr Sutirtha Bhattacharya, Chairperson, West Bengal Electricity Regulatory Commission (WBERC)

Mr Sutirtha Bhattacharya in conversation with Dr Abha Yadav, Associate Professor, Indian Institute of Corporate Affairs and Director of the Forum of Indian Regulators (FOIR) Centre at IICA, Ms Arkaja Singh, Fellow, State Capacity Initiative, Centre for Policy Research and Dr Ashwini K Swain, Fellow, Initiative on Climate, Energy and Environment, Centre for Policy Research.

'Know Your Regulator' Talks

29 July 2022, 4 PM IST on Zoom

MR SUTIRTHA BHATTACHARYA, CHAIRPERSON, WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN CONVERSATION

MR SUTIRTHA BHATTACHARYA
Chairperson, West Bengal Electricity Regulatory Commission

DR ASHWINI SWAIN
Fellow, CPR

MS ARKAJA SINGH
Fellow, State Capacity Initiative, CPR

WELCOME AND INTRODUCTORY REMARKS

MR PRAVEEN KUMAR
Director General and CEO, IICA

DR ABHA YADAV
Associate Professor and Director, Forum of Indian Regulators Centre, IICA

About WBERC

West Bengal Electricity Regulatory Commission is a statutory body set up under the provisions of the Electricity Regulatory Commission Act, 1998 (14 of 1998). The present Commission functioning under the provisions of the Electricity Act, 2003 is the same Commission constituted under the Electricity Regulatory Commission Act, 1998 with powers and functions clearly defined in the statute.

In terms of the first proviso to sub-section (1) of section 82 of the Electricity Act, 2003 (36 of 2003), since enacted by the Parliament of India repealing the Electricity Regulatory Commission Act, 1998 (14 of 1998), West Bengal Electricity Regulatory Commission, already established under section 17 of the Electricity Regulatory Commission Act, 1998 (14 of 1998) and functioning as such immediately before the appointed date, shall be the State Commission for the purpose of this Electricity Act, 2003 (36 of 2003). In terms of the Ministry of Power, Government of India Notification No. SO 669(E) dated 10.06.2003, 10th June 2003 is the appointed date.

In terms of sub-section (2) of section 82 of the Electricity Act, 2003 (36 of 2003), West Bengal Electricity Regulatory Commission (a Commission for the State for the purpose of the said Act) is a body corporate by the name aforesaid, having perpetual succession and a common seal.

In terms of sub-section (4) of section 82 of the said Act, the State Commission consists of three Members including the Chairperson.

About 'Know Your Regulator' Series

This talk series is jointly organized by the State Capacity Initiative at the Centre for Policy Research (CPR), the Forum of Indian Regulators (FOIR) and the Indian Institute of Corporate Affairs (IICA). The series consists of conversations with the people entrusted with the task of regulating Indian markets and various parts and aspects of the economy. These are the chairpersons and members of India's regulatory agencies.

In the conversations, the organizers seek to explore the public nature of the regulatory activity through questions like, why should the work of regulatory agencies be of interest to people, producers, consumers, professionals, service providers, and citizens? What are the public goals of regulation? In what ways does the work of regulation involve having to make a balance, make trade-offs, or amicably resolve competing or even conflicting claims of public and private interest? Regulatory agencies are a relatively recent innovation of the Indian state, set up to address the evolving needs of the Indian economy in the decades since the 1990s (although with some notable older instances). The series is directed at exploring the institutional form of the regulatory agencies, their features, norms and values, and their frameworks of decision-making and rationality.

In addition, the series is intended to understand the functional domain and the everyday administration of the regulatory agencies, their staffing, procedures, information systems and operational modalities. Regulatory agencies are envisaged as state agencies that can respond to complex and changing situations, both at the level of policy recommendation and in the case-specific ruling. In the conception of regulatory agencies, this was thought of as a challenge that would be addressed through specialization, expertise and the design of their power and functions. However, each regulatory agency is also unique, in terms of how its regulatory mandate is designed and the nature of the challenges that it is set up to address. In this talk series, we will seek to explore the regulatory debates (both broad and sectoral) that animate the world of regulation, and how it relates to the rest of us.

Welcome Note by Shri Praveen Kumar (DG & CEO, IICA)

Shri Praveen Kumar, Director General and CEO, IICA welcomed the esteemed speaker and other panellists. During the inaugural session, he highlighted that regulation in India is a new area that has come to dominate our economic landscape. Earlier, the government was having the power to decide what and how much has to be produced and what should be the price of it. With the deregulation of the economy in 1991, the free market practices led to distortions thereby creating a need for regulation.

The electricity sector has been working through regulation for many years with a number of stakeholders being involved, right from the producer of electricity, the consumer, the government and the transmission entities. Therefore, these regulations have a major role to play in getting an equilibrium between the interest of all the stakeholders.

Later, Dr Abha Yadav briefly introduced the concept behind the “Know Your Regulator Series”. She also provided a brief about the previously executed series. This talk with Mr Sutirtha Bhattacharya is the ninth session of the KYR series. Dr Abha opined that electricity being a Concurrent list subject, consists of a federal dimension in sharing power and responsibility between the State and the Centre and, pointed out that the Central Electricity Regulatory Commission(CERC) regulates tariffs for generating companies owned or controlled by the Central Government and for those concerned with the interstate transmission of electricity, whereas the State Electricity Regulatory Commissions regulates tariff for generations supply transmission and wheeling of electricity within the states.

Highlighting the historical background of the Electricity Commissions in India, Dr Abha stated that the State Electricity Boards were set up by the Electricity Supply Act of 1948 to oversee generation transmission and risk distribution of activities. These were the backbone of the electricity infrastructure and controlled about 70 per cent of electricity generation and almost all distribution by 1991. The State Government performed the tariff-setting role and the decision on electricity pricing was often made with political considerations, which led to a sharp deterioration of the financial condition and the management practices. She then mentioned that WBERC has been constituted by the government of West Bengal under Section 17 of the Electricity Act.

The Discourse

Mr Bhattacharya began with the evolution of the WBERC under the Electricity Act, 2003. He stated that following the Orissa reform and the Andhra Pradesh reform, the West Bengal Regulatory Commission came into existence under Section 17(1) of the Act. All these are the initial reforming states which led to the unbundling of all other electricity commissions and resulted in the growth of regulatory mechanisms. In the initial years, the reform faced a number of problems because the per capita consumption was less and there was a target to increase the same and reduce the losses.

Thereafter, on the organisational structure of the WBERC, Mr Bhattacharya stated that the West Bengal Electricity Regulatory Commission is protected under Section 82 of the Electricity Act. In its composition, it has 3 members and 3 advisors. Highlighting the importance of Section 62 of the Electricity Act, the speaker stated that to avoid violating the cost plus power, the regulator needs to determine their annual tariff and annual cost regularly. Highlighting the special features of WBERC, Mr Bhattacharya stated that there is pump storage which is not available with the rest of the commissions and the initiative of Damodar Valley Corporation (DVC) which is the government-owned power generator, operating in the Damodar River area of West Bengal and Jharkhand states of India. Presently, they have West Bengal Power Development Community, State transmission, other dedicated transmission lines of the private generator, a tiny distribution utility called Indian Power Corporation Limited (IPCL) which is located in Durgapur India and a common distribution utility area in which 3 utilities are operating in the same licence. Addressing the challenges faced by WBERC, Mr Bhattacharya stated that the major task is to convince the consumer that he is not being overcharged for power and secondly, to meet the demands of the various competing sectors.

Dr Ashwini taking forward the discourse asked the speaker to throw light on the point of cross-subsidisation. Replying to the question, Mr Bhattacharya stated that it is the decision of the State Government to give subsidies in the public interest to any class of consumers without any discrimination. Whereas for grievance redressal mechanism, there is the appointment of an ombudsman and at the district level, there are the centralised driven redressal forums, secondly, compliance is ensured through the regulation and judicial support with the implementation of Section 142 of the Electricity Act, which implies that the violation of the ombudsman's order is equivalent to the violation of the commission's order.

After that Mr Bhattacharya touched upon the issues of retail tariff and stated that compliance is an issue, as according to the procedure the supply comes either by linkage or by an e-option transmission line, then the tariff of central generating stations is determined by CERC. At the later stage, the power is purchased by the state, which determines who should procure that power. On the issue of the availability of coal, he mentioned that West Bengal Power Development Corporation Limited (WBPDC) had done great work by ensuring the availability of coal at cheaper rates during the crisis.

Therefore, the authority could control both the quality and quantity during the so-called crisis.

Further on the situation of energy transition in West Bengal, Mr Bhattacharya responded that there is a deficiency of renewable resources, due to the lack of capacity relation factor in the wind in the Eastern and North Eastern areas. Now, it is a matter of concern because the generation from renewable potential is extremely restricted, and WBERC is implementing the solution which was considered in 2002 as a load relief solution.

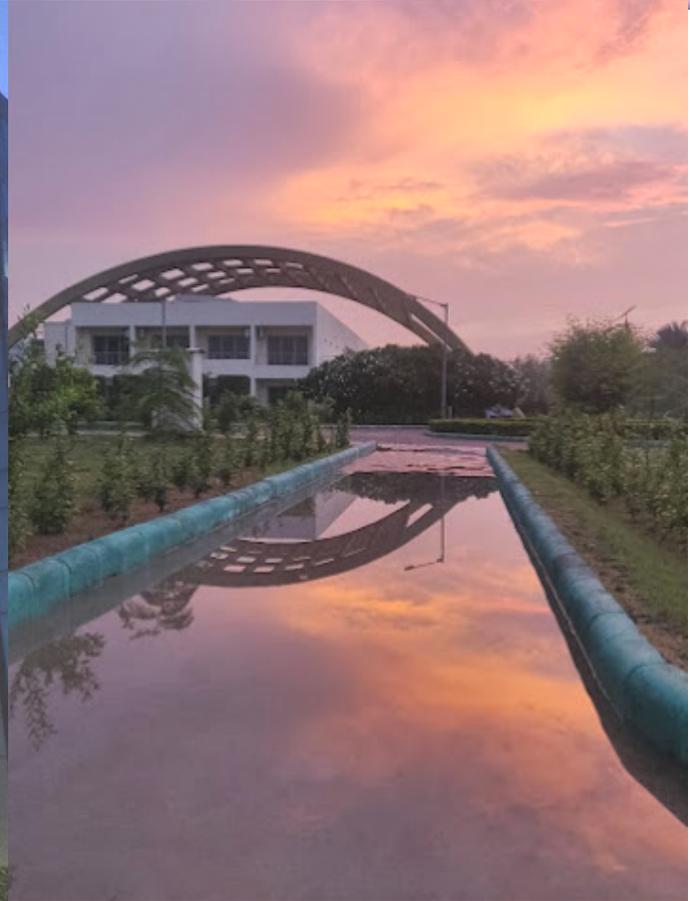
Lastly, Mr Bhattacharya on the point of light touch regulation, stated that it means the authority should try to become a system regulator instead of an auditor, and the regulation should consider the protection of public interest, instead of being an authoritarian regulation. Therefore, the so-called light touch regulations presume responsibility and responsiveness.

Vote of Thanks

The conference ended with a vote of thanks by Ms Arkaja Singh thanking the esteemed speaker and summarising the discussion.

For Queries and Feedback:

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