

Venue: Conference Room, Office of the Gujarat Electricity Regulatory Commission, Gandhinagar

Date: 10th July 2018

Time: 11:30 AM

The meeting started with the welcome address by Shri Anand Kumar, Hon'ble Chairman, GERC where he welcomed all the members of the State Advisory Committee considering the fact that the meeting is being held for the first time after reconstitution of the State Advisory Committee and ensured the Forum that efforts will be made to hold frequent interactions with the members who are representing reputed organisations in the State Advisory Committee with an aim for development of power sector in the State of Gujarat. Hon'ble Chairman, GERC also reiterated that Additional Chief Secretary, Food, Civil Supplies and Consumer Affairs Department, Government of Gujarat is ex-officio Member of the State Advisory Committee. Considering the first meeting for the new members, Hon'ble Chairman, GERC requested for a brief introduction to get acquainted with each other. Hon'ble Chairman, GERC also apprised the members the reasons for inclusion of representatives of Indian Energy Exchange and Farmers' organisations as both of them being backbone for development of power sector.

After the brief introduction of the members of the Committee, agenda items were taken up for discussion.

The discussion took place as per agenda items.

Agenda Item No. 2: Approval of the minutes of the 24th Meeting of the State Advisory Committee held on 31st August, 2017.

Minutes of the last meeting was circulated to the members of the Committee and since no comments were received from any of the members, the said minutes were confirmed by the Committee.

Agenda Item No. 3: The Members were apprised about the issues deliberated during 24th Meeting of the State Advisory Committee and directives issued to utilities on the basis of discussions. Action Taken Reports received from concerned entities on minutes of 24th meeting of the State Advisory Committee were discussed.

The Members of the Committee were apprised about the issue of rejection of claims for crop compensation of framers by insurance companies, deliberations held on the issue during last meeting and directives given to DGVCL to look into

the matter. Committee Members were informed about action taken by DGVCL in this regard along with reasons for rejection of the said claims and were also informed about details furnished by other distribution utilities on status of crop compensation cases settled as part of action taken report on minutes of the last meeting.

Issue of cross verification of maintenance activities by Chief Electrical Inspector was discussed where Hon'ble Chairman, GERC apprised that based on the complaints of poor maintenance activities being carried out by distribution utilities, Chief Electrical Inspector was advised to cross-check such maintenance activities. While deliberating on the action taken report, Shri Managbhai Patel, representative of Bharatiya Kisan Sangh (BKS), Gujarat intervened and raised a concern of frequent trippings being faced by agriculture consumers staying at their farms and getting power supply from such agriculture feeders. Dr. Samir Shah, President, Bhavnagar District Chamber of Commerce and Industries also took up the issue of poor maintenance and earthing work carried out by PGVCL and apprised the members of the Committee. It was informed that issue of poor earthing was discussed during 24th meeting of the State Advisory Committee with Chief Electrical Inspector and he was asked to cross check earthing works carried out by the distribution utilities on sample basis and come out with findings. Action Taken Report submitted by Chief Electrical Inspector was also deliberated with the members of the Committee where it was informed that a separate meeting with distribution utilities' officials was convened and it was decided to carry out joint inspection of maintenance work and earthing work of distribution utilities. However, the said issue will be discussed with the Chief Electrical Inspector during 20th Meeting of the Coordination Forum separately. Hon'ble Chairman, GERC also discussed a specific complaint received by the Commission where the complainant raised the issue of leakage of electrical current in the walls of his premises and on inspection Electrical Inspector concluded it to be a case of improper internal wiring causing the said problem. Details have been sought from the office of the Chief Electrical Inspector of Licensed Electrical Contractor who has issued Test Report for the said installation and whether physical verification was carried out by the said Contractor before issuance of Test Report. Based on the receipt of the details, further actions may be initiated, if required and the said issue will also be discussed during 20th Meeting of the Co-ordination Forum.

Explanation was sought by Ms. Sangeeta Singh, Additional Chief Secretary, Food, Civil supplies and Consumer Affairs Department, Government of Gujarat on functioning of Agriculture Feeder and JGY Feeder. It was thoroughly explained that JGY scheme was introduced in the year 2005 wherein bifurcation of feeders into agriculture feeders and JGY feeders was carried out to supply 8

hours three phase power supply to agriculture consumers, 24 hours power supply to other than agriculture consumers i.e. residential consumers in the vicinity of villages and installation of Special Design Transformer for supply of single phase power after 8 hours to residential consumers staying on agriculture land. However, unauthorised usage of electricity was brought to the notice where single phase motors are being operated through Special Design Transformers and usages of phase splitters to get 24 hours single phase supply from JGY feeders in agriculture land. Further, it was also brought to the notice that JGY feeders are being used to provide power supply to industrial consumers and it was decided to send letters to distribution utilities seeking details of JGY feeders transferred into industrial feeders.

Additional Chief Secretary, Energy and Petrochemicals Department, Government of Gujarat explained the members of the Committee that farmers can install solar panel at their premises under the SKY scheme of Government of Gujarat for which loans at minimal rate would be provided along with some subsidy from State Government and Central Government and distribution utilities would be buying excess power from farmers which will help farmers economically. Further, this will also help reduce electricity pilferage problems and AT & C losses. It was also informed that a pilot project was initiated in MGVCCL's Anand area through a co-operative society of farmers for the purpose where out of 8 hours power generated through SPV, only 4 to 5 hours power is being used in a day for agriculture purpose and for remaining power is exported to MGVCCL and the farmers are being paid for such excess generation. Shri Maganbhai Patel welcomed the initiative of the State Government and expressed his confidence about the success of the scheme.

Thereafter, the members of the Committee were apprised about role of the Commission and various provisions of the Electricity Act, 2003 about de-licensing of generation business and issuance of license to transmission, distribution and trading of electricity business. Further, the Commission is entrusted with responsibility of determination of various charges/ tariff of electricity and notification of various regulations specifying process of getting supply, promoting competition in electricity through open access mechanism in accordance with concerned provisions depicted in the Electricity Act, 2003. Notification of Regulations on Consumer Grievances Redressal Mechanism were also apprised along with Consumer Grievances Redressal Forums established in the State of Gujarat. Establishment and functioning of Electricity Ombudsman were also apprised.

Hon'ble Chairman, GERC raised concern of grid integration with increasing renewable energy generation and ambitious targets set for RPO compliance, as

8000 MW to 10000 MW capacity of renewable will be installed in coming years and with varying nature of wind, grid integration would be a big issue which SLDC and STU have to be prepared for, which they are, as Gujarat Grid has faced wind variation upto 3500 MW within 15 minutes. However, it was also informed that renewable energy has to be kept as backup due to high cost of gas for gas based power plants though Gujarat having installed capacity of 5000 MW of gas based energy generation. Professor Ajay Pandey, IIM Ahmedabad also added that solar mission would increase solar capacity which would enhance grid integration issue and desired to know whether any planning is in place to tackle the issue. He has also added that though Ancillary Service is one of the step initiated to mitigate grid integration issue but planning is done at Central level however, implementation is at State level which has been an issue. Hon'ble Chairman, GERC asked staff of the Commission to communicate to GETCO to carry out study of loading on transmission lines and planning to tackle the grid integration problem and submit a report in this regard to the Committee.

Further, discussions on decreasing price in renewable were also held where Hon'ble Chairman, GERC reiterated that Gujarat was the first state where SERC issued letters to GUVNL asking them to purchase renewable power through competitive bidding only in accordance with provision of the Electricity Act, 2003 and other States followed through which prices of wind and solar have gone down up to Rs. 2 to Rs. 2.5/unit. Steps taken by GERC in reducing power purchase costs have also been discussed where the members were informed that GUVNL has de-commissioned 4 old plants and thus saving consumers from payment of fixed costs of such generating stations which amounted to Rs. 300 Crore. Concern was raised on non-availability of 5000 MW of installed capacity of Essar Power and Adani Power due to legal ramifications, which further led to discussion on capacity of gas available with Gujarat State and non- running of gas based power plants due to high cost of gas.

Hon'ble Chairman, GERC also emphasized on initiatives of SLDC for renewable forecasting through third party agency and also in-house where equipments have been installed at pooling stations which provides forecasting of renewable at the interval of 15 minutes.

Shri Sudhir Jain, Director, IIT Gandhinagar preferred to know whether with increasing roof top solar capacity in the State, any study on ageing of solar panels has been carried out due to high capital cost involved, and if not, suggested for a co-ordinated study with IIT Gandhinagar and GUVNL, to which Shri Sujit Gulati, Additional Chief Secretary, Energy and Petrochemicals Department, Government of Gujarat provided information on such study carried out by

Ministry of New and Renewable Energy, Government of India, however agreeing with suggestion of joint study.

Shri Maganbhai Patel, Bhartiya Kisan Sangh informed the members of the Committee about one project initiated by a farmer regarding production of electricity from CNG produced from bio-mass to which Shri Sujit Gulati, Additional Chief Secretary, Energy and Petrochemicals Department, Government of Gujarat informed that Central Electricity Regulatory Commission has already determined tariff for generation from such source and a policy on bio-mass is under consideration where bio-mass generation would be coordinated with MNREGA scheme for provision of employment. Further, information on wind-solar hybrid policy and repowering of wind projects policy was also provided.

Shri Rohit Bajaj, Indian Energy Exchange put forward role of Indian Energy Exchange in development of electricity market and initiatives taken by Indian Energy Exchange for mitigation of grid integration of renewables issue where the members were informed that based on solar power sell of Telangana State, a pattern of solar generation has been observed and through the usage of that pattern, forecasting of solar can be carried out. Further, Indian Energy Exchange will come up with a petition in Central Electricity Regulatory Commission for revision of solar based on forecasting of solar, to which Professor Ajay Pandey, IIM Ahmedabad countered that solar generation in Telangana is different matter as solar generation is very high in the state and distribution utilities of the said State have been refusing for payment of excess generation of solar due to non-demand.

Thereafter, matter of levy of property tax/ rent on electricity network in TPL's license areas was taken up where Shri Sujit Gulati, Additional Chief Secretary, Energy and Petrochemicals Department, Government of Gujarat opined that there should not be any discrimination between consumers of four State Owned DISCOMs and Private Licensees and matter will be take up on priority basis with the concerned.

During the last meeting, Torrent Power Limited volunteered for study on per KVA charges for HT connections applications and was asked to come up with a report within 4 weeks, however, TPL has not submitted any report in this regard even after passage of more than 10 months from the date of last meeting and therefore the members decided to communicate to TPL to submit such report within two weeks from the date of issuance of this minutes. Shri Yudhisthir Gohil, Gujarat Chamber of Commerce & Industries and Dr. Samir Shah, President, Bhavnagar District Chamber of Commerce and Industry suggested that based on

length of line and contracted capacity of consumers, such charges can be decided and to promote small industries such charges on per KVA basis can be decided for applications upto 1 MW. Another issue discussed during 24th Meeting of State Advisory Committee meeting regarding installation of automatic tripping relay by GETCO to avoid fatal electrical accidents and action taken by GETCO in this regard was also apprised to the members.

The committee members were also apprised about study to be carried out by R & D Department of GUVNL regarding re-sizing of CTPT units to mitigate issue of space constraints for distribution transformers. Further, information on guidelines for feeder bifurcation issued by distribution utilities were also informed to the members of the Committee, which was also the issue taken up during 24th meeting of the State Advisory Committee.

(Action: Staff of the Commission, EPD, CEI, GETCO)

Agenda Item No. 4: The committee members were apprised about important activities carried out by the Commission during the year 2017-18 where determination of tariff for FY 2018-19 and decisions taken such as abolition of meter rent, similar tariff for HT and LT agriculture connections, etc. were informed along with regulations and draft regulations published by the Commission during the year 2017-18.

Shri Sudhir Jain, Director, IIT Gandhinagar sought explanation on different tariff rates for commercial and residential to which an explanation was given that tariff is being decided based on purpose of usage, capacity to pay, cross subsidization principles as narrated in the Electricity Act, 2003 and Tariff Policy. It was also informed that Gujarat has been the only state having single category for industrial and commercial purpose. Further Hon'ble Chairman, GERC also informed the members about discussions being held on issuance of Draft Tariff Policy limiting number of tariff categories to five for ease of tariff fixation and better tariff management.

Dr. Samir Shah, President, Bhavnagar Chamber of Commerce and Industry raised concern about high distribution losses in PGVCL's license area which puts burden on consumers to which he was informed that consumers are paying for approved distribution losses, though it was also agreed upon that steps should be taken by PGVCL to reduce such distribution losses. It was also suggested that consumer's organisation should take steps in making consumers aware about repercussions of electricity theft and asked them to avoid such electricity pilferage to which consumer's organisations responded that such steps are being taken by them through various means of consumer's awareness.

Agenda Item No. 5: Next agenda item discussed during the meeting were Standard of Performance Reports of Distribution Licensees for FY 2017-18, where the committee members were explained about details submitted by distribution utilities on quarterly half yearly and yearly basis to the Commission in accordance with the GERC (Standard of Performance of Distribution Licensee) Regulations, 2005 and subsequent amendments. While going through these reports, the members observed that number of complaints in case of DGVCL and UGVCL is high and complaints of loose connections is also high in all the utilities. Further, Shri B. R. Joshi, Independent Member also observed that number of complaints in case of UGVCL increased abruptly during the year 2017-18 compared to previous years along with number of transformers failure. Deliberations were held in this regard where it was anticipated that old infrastructure along with overloading and quality of transformers may be the reasons for such higher rate of transformer failure. It was also observed that transformer failure rate in case of Torrent Power Limited has been close to nil through these years. Professor Ajay Pandey, IIM Ahmedabad threw light on the issue citing that in case of Torrent Power Limited transformer size is decided based on study of estimation of load while in case of four State Owned DISCOMs, size of transformer is decided having base of demand of consumer which can also be part of such higher transformer failure rate. While discussions on such Standard of Performance Reports, Shri Yudhisthir Gohil, Gujarat Chamber of Commerce and Industry raised issue of refusal of providing electricity connection by UGVCL citing lack of availability of transformers as reason. The issue has been discussed considering seriousness and it was decided that a separate communication in this regard be sent to UGVCL seeking details of the said matter.

(Action: Staff of the Commission)

Agenda Item No. 6: Shri Yudhisthir Gohil, Gujarat Chamber of Commerce and Industry raised an issue concerned with payment of estimate where it was informed that distribution utilities are not accepting payment of estimate issued through RTGS/ NEFT which delays the procedure of getting electricity supply. Hon'ble Member (Technical) suggested to take up the issues concerned with distribution utilities during next meeting of the State Advisory Committee and asked staff of the Commission to invite distribution utilities and Chief Electrical Inspector during the next meeting so that deliberations of the issues raised may be held with them to reach at amicable solutions.

Further, Shri Yudhisthir Gohil, Gujarat Chamber of Commerce and Industry also suggested to the Commission to provide legal aid to consumers seeking to file petition before the Commission. Shri Sujit Gulati, Additional Chief Secretary, Energy and Petrochemicals Department, Government of Gujarat also suggested

to establish one cell for removal of difficulties in implementation and interpretation of provisions of various regulations and rules notified by the Commission. Hon'ble Chairman, GERC asked staff of the Commission to explore possibilities for establishment of such cell.

Ms. Sangeeta Singh, Additional Chief Secretary, Food, Civil supplies and Consumer Affairs Department, Government of Gujarat raised concern over large number of electrical accidents and sought a detailed study on this regard. Hon'ble Chairman, GERC seconded the suggestion considering seriousness of the issue and asked staff of the Commission for detailed study in this regard and submit the report to the committee members.

(Action: Staff of the Commission)

Hon'ble Chairman, GERC thanked members of the committee for their valuable suggestions and hoped for frequent interactions in future to make electricity system of the State better. The meeting was concluded with a Vote of Thanks to the Chair.

Sd/-
(Roopwant Singh, IAS)
Secretary
Gujarat Electricity Regulatory Commission
Gandhinagar

List of Participants

1. Shri Anand Kumar, Chairman, GERC
2. Shri K. M. Shringarpure, Member (Finance), GERC
3. Shri P. J. Thakkar, Member (Technical), GERC
4. Shri Sujit Gulati, Additional Chief Secretary, Government of Gujarat
5. Ms. Sangeeta Singh, Additional Chief Secretary, Government of Gujarat
6. Shri Ajay Pandey, Professor, IIM Ahmedabad
7. Shri Sudhir K. Jain, Director, IIT Gandhinagar
8. Shri Yudhisthir Gohil, Gujarat Chamber of Commerce & Industry
9. Dr. Samir Shah, President, Bhavnagar Chamber of Commerce & Industry
10. Shri Maganbhai Patel, Bhartiya Kisan Sangh
11. Shri A. H. Buch, President, Gandhinagar Saher Vasahat Mahamandal
12. Shri Rohit Bajaj, Indian Energy Exchange
13. Shri B. R. Joshi, Independent Member
14. Shri Chetan Jain, Indian Energy Exchange
15. Shri G. K. Prajapati, Gujarat Chamber of Commerce & Industry
16. Shri A. P. Sejpal, Gujarat Chamber of Commerce & Industry

Officers of the Commission:

1. Shri D. R. Parmar, Joint Director, GERC
2. Shri S. T. Anada, Joint Director, GERC
3. Shri M. R. Jhala, Joint Director, GERC
4. Shri P. J. Jani, Deputy Director, GERC
5. Shri A. U. Adhvaryu, Deputy Director, GERC
6. Shri A. S. Makwana, Assistant Director, GERC
7. Shri S. K. Asipu, Executive, GERC
8. Shri K. M. Thanki, Executive, GERC
9. Smt. S. B. Dal, Executive, GERC