

GUJARAT ELECTRICITY REGULATORY COMMISSION

1st Floor, Neptune Tower, Opp: Nehru Bridge, Ashram Road, Ahmedabad — 380009

Minutes of the meeting of the Coordination Forum held on Wednesday 2nd January 2008 at 17.30 Hrs. in Camp Bungalow, Torrent Power Ltd., Ahmedabad.

The following members were present.

1.	Shri G Subba Rao, Chairman	In chair
2.	Shri K.P. Gupta, Member (F)	Member
3.	Dr. Man Mohan, Member (T)	Member
4.	Smt. V.L Joshi, IAS, PS EPD and Chairperson GSEC/GETCO/GUVNL	Member
5.	Shri G Mohapatra, IAS, Chairman, UGVCL	Member
6.	Shri L.M. Chuango, IAS, Chairman MGVCL/DGVCL	Member
7.	Shri H.S. Patel, IAS, MD UGVCL	Member
8.	Shri G.K. Sinha, IAS, MD DGVCL	Member
9.	Shri P.H. Rana, MD PGVCL	Member
10.	Shri Rajeev Misra, MD GPEC	Member
11.	Shri Murali Rangnathan, Director TPL	Member
12.	Mr Markhand Bhatt, MD TPL	
13.	Shri Jagrut Vyas, Executive Director, TPL, Surat	Member
14.	Shri P.S. Shah IAS	Secretary

Other Officers

1. Mr Ashok Modi, Executive Director TPL
2. Mr Sudhir Shah, Executive Director TPL
3. Shri S.B. Kyalia, General Manager (Comm) GUVNL

Shri G Subba Rao, Chairman GERC and Chairman of Coordination Forum warmly welcomed the Members and Officers. He mentioned that the 3rd meeting of the forum was being held after a long period. It was noted that since there were no major issues to be discussed in the Coordination Forum, such meeting was not called. Nevertheless, he emphasized that the Co-ordination meeting should be held regularly and more frequently.

At the outset, Shri Subba Rao, briefly mentioned the important initiatives of GERC including the tariff orders and approval of Power Procurement by GUVNL through competitive bidding process. He also mentioned the accelerated capacity addition in wind generation in Gujarat after the determination of competitive yet viable tariff by

the Commission (for procurement of wind power). He also briefly touched upon other issues like Open Access, harnessing of power from captive generation etc. Thereafter he mentioned the discussion at the meeting convened by the Ministry of Power, Government of India presided over by the Hon'ble Prime Minister of India. The resolution of the meeting highlighted the need for capacity addition in generation and proper mix (basket) of such generation. Shri Subba Rao noted that the State of Gujarat being highly industrialized and one of the most progressive states, has increasing demand for power and as such in addition to the generation capacity, we have to ensure commensurate development of transmission and distribution network as well.

Thereafter the following Agenda Items were taken up.

Item No. 1 Approval of the meeting of the second meeting of Coordination Forum

The Seco ad meeting of the Coordination forum was held on 29.7.2006 at Ahmedabad. The minutes of the said meeting were sent to all the Members and Officers vide Commission's letter No. GERC/SEC/2149/06 dated 4.10.06 . As there was no comment or suggestion, the said minutes are being taken as approved.

Item No. 2 Action taken report of the 2nd meeting of the Coordination Forum.

(a) Status of Power Scenario

Government of Gujarat and GUVNL had taken various measures for capacity addition as well as strengthening and expansion of transmission and distribution net work. The present status regarding further development of the power sector is again kept as Agenda Item No. 3 and Smt V.L. Joshi, PS, EPD and Chairperson GUVNL would be elaborating the same later.

(b) Intra State ABT

It was noted that in accordance with the Commission's order, the Intra State ABT, was being implemented by GETCO on a mock trial basis at present. There were some technical and legal issues which were being sent to GERC for appropriate consideration.

© Wind Energy Projects

It was noted that the Govt. of Gujarat has declared the Wind Energy Policy vide Energy & Petrochemicals Department G.R No. EDA-102001-3054-B dated 13th June, 2007.

Item No. 3 Status of Power Sector scenario in Gujarat.

Smt. V.L. Joshi PS EPD and Chairperson GUVNL apprised the Members of the Forum on following aspects of development in the power sector scenario in Gujarat.

- (i) Smt Joshi mentioned about the various initiatives for capacity addition (considering the CAGR) including the successful completion of competitive bidding process by GUVNL through which 3200 MW power has been tied up at reasonable rates. She further mentioned the various expansion projects which were being taken up by GSECL. She also made a reference to further capacity addition through private participation. In a nutshell, the Government is taking active initiatives to ensure that the demand supply gap is bridged by end of the 11th Five Year Plan. With detailed planning and continuous monitoring of various projects, the State would be in a position not only to bridge the demand supply gap but also to create some surplus capacity.

- (ii) Smt Joshi mentioned that the transmission net work would require a huge investment considering the power evacuation and transmission from various projects which were in pipeline including UMPP at Mundra, 3200 MW Projects through competitive bidding and some other projects which were either under execution or in pipeline of GSECL and other private generating companies. The Government was interalia considering public-private partnership (joint ventures) for developing certain transmission projects to evacuate the power from various generation projects which were at different stages. She hoped that the Commission would approve GETCO's proposals for capital investment and development of various transmission projects through public-private partnership (joint ventures) / private sector (exclusively). For development of the distribution network and making the DISCOMs self reliant, Smt Joshi high lighted the need

for providing full return on equity i.e. ROE to the DISCOMs. This would help in strengthening and augmenting the network which ultimately would result in reliable, uninterrupted and quality power to all. The tariff has almost remained unchanged during the last 5-7 years. Improved efficiency, including reduction in T&D losses have helped the unbundled utilities to achieve a turn-around in the financial position i.e. from huge losses to cash profit. However there are always limitations in reduction of T&D losses beyond a point and as such upward tariff revision would be necessary. Smt Joshi also informed the members that on full implementation of e.urja, the decision making will become faster and the Discoms will be able to provide prompt services to the consumers. They would also like to consider the next financial year as 'Year of Consumers'. She informed that the consumers of Bet-Dwarka were also now getting 24 hours uninterrupted power supply. She also expressed concern for the rising prices of fuel including imported coal and the gas price in the international market.

- (iii) Smt Joshi elicited cooperation from all the utilities and others concerned in implementing the Intra State ABT on commercial basis. She highlighted the initiatives taken by the Government for harnessing captive power and encouraging Open Access and supported reduction in cross subsidy charge.
- (iv) Summing up, Smt Joshi emphasized that the Government was keen to accelerate development of Generation, Transmission & Distribution so as to avoid any load shedding and to ensure reliable, uninterrupted and quality power to every consumer/house hold. She also requested the Chairman and Members to extend necessary support in this endeavor.
- (v) Shri Chuango briefed the members about requirement of sizeable investment for providing electricity supply to BPL families and the agriculture sector including the provision of large number of Distribution Transformers in the system.
- (vi) Shri Murli Rangnathan, CEO, M/s Torrent Power Ltd. briefed the members about high growth rate of electricity demand in urban area and stated that the gap between peak and off peak is increasing. He suggested that in view of the present

fuel scenario vis-à-vis demand growth, it will be important to upscale administrative measures like DSM (Demand Side Management) activities.

Item No. 4 Status of Intra State ABT

A number of Members of the Forum gave their feed back regarding Intra State ABT in the State. SLDC representative mentioned some of the issues like (non-declaration by ESSAR, TPL etc.) as well as steps taken for ABT compliance viz., development of software for energy accounting and commercial settlement. The mock trial was in operation at present and except a few issues which the Hon'ble Commission would have to sort out, there would be no difficulty in commercial operation of Intra State ABT.

Shri Murali Rangnathan, Director, TPL and others also pointed out the constraints they were facing at present in Intra State ABT. However, most of the Members expressed that they would extend necessary support in implementation of Intra State ABT after necessary clarification on certain issues by the Commission and others concerned.

It was mentioned that Shri Subba Rao, on completion of his tenure as Chairman GERC, would be demitting office on 6.1.2008, Smt Joshi, Principal Secretary EPD, Shri Chuango MD, GUVNL and other Chief/Senior Executive Officers and Members of the Coordination Forum expressed their gratitude to Shri Subba Rao for his guidance and positive attitude and the interactive approach which had helped them in completing the reform process and wished Shri Rao a very healthy and happy retired life. Shri Murali Rangnathan Director TPL, Shri G Mohapatra, Shri P.H. Rana, Shri H.S. Patel, Shri Srivastava and others also expressed their best wishes to Shri Subba Rao and appreciation for his illustrious work.

At the end Shri P.S. Shah, Secretary GERC presented a vote of thanks to Chairman, Members, Smt V.L. Joshi PS, EPD and her team of Sr Officers, Shri Murali Rangnathan and other Executive Directors of TPL and the Members of the Coordination Forum for their deliberations at the meeting. He also expressed thanks to TPL for providing a nice venue for the meeting and for hosting the farewell dinner in honour of Shri Subba Rao.

Item No. 5 Any Other Items with the permission of the Chair

As there were no other issues, the meeting concluded with a Vote of Thanks to the Chair.



(P.S. Shah)
Member Secretary
Coordination Forum &
Secretary, GERC