

Minutes of the First Meeting of the Co-ordination Forum held on 18 May 2005

As provided under sub-section (4) of Section 166 of the Electricity Act, 2003, the first meeting of the Co-ordination Forum was held on 18th May, 2005. A brief note on each agenda item along-with a copy of the presentation to be made during the meeting were circulated to members along-with invitation letter for attending the meeting. The brief note inter-alia gives information about: present practices for operation and planning of State Power System; Important issues related to smooth and coordinated development of power system in the State; National Electricity Policy; and Draft Tariff Policy. In addition, the note covered the issues of determination of Transmission Charges, Wheeling Charges, Cross Subsidy surcharge, and implementation of Availability Based Tariff in Intra-State System. The list of the members who attended the meeting is attached:-

Shri G Subba Rao, Chairman GERC warmly welcomed all the participants and informed the members that Co-ordination Forum is constituted under the provisions of the Electricity Act, 2003. The Chairman appraised the participants of the recent developments in power sector and rules and regulations framed by the GERC as provided under Electricity Act, 2003.

The Chairman further mentioned that as decided in the first meeting of Forum of Regulators, all State Electricity Regulatory Commissions (SERCs) have to finalize open access regulations as early as possible. Accordingly the SERCs have uploaded the Open Access draft regulations on its website inviting suggestions/comments from the concerned parties. Further he mentioned that to facilitate introduction of Open Access in distribution, various charges are required to be determined by the GERC and that hence the Commission have put up a discussion paper on wheeling charge, transmission charge and cross subsidy surcharge on its web site inviting suggestions/ comments.

I-le said that as Competitive Bidding Procedure was finalized by the central government, the long term power procurement by the licensees would have to change suitably. He hoped that in view of emphasis from Government as well as CERC on development of open access and better service to consumers, the entire operation of the power sector will become consumer friendly and competitive. He informed the participations that Commission have brought out regulations on establishment of redressal Forum and Ombudsman.

Mr. B.P.Kundalia, Deputy Director (Finance), GERC made a small presentation for facilitating the initiation of discussions. The initial slides of the presentation were relating to the list of Regulations finalized by the Commission and, Regulations under notification. The presentation also covered issues involved in Open Access and Intra State ART.

The presentation ended With a slide taking note of the second Rank assigned to the State power sector by the study of the Ministry of Power. The Chairman appreciated the positive measures taken by GER as well as the policy of State Government in power sector leading to such achievement. The Chairman highlighted the need for maximum concentration in identifying and implementing new projects. He also appreciated the important role of privatesector in overall improvement of power sector in Gujarat.

Shri P.S. Shah, Secretary to Commission initiated discussion on open access. Mrs Vijaylaxmi Joshi, CMD of GUVNL was of the view that open access could pose a threat to existing licensees who may lose the highest paying consumers. In addition she was of the view that CPPs are also leading to reduction in demand from the highest paying consumers of the licensees. She was of the opinion that introduction of Intra State ART will help to get surplus energy in to the system. She wanted the Commission to define the entities to be covered under the ART.

Mr Murali Ranganathan, CEO TP AEC wanted the clarification for use of Power Grid line for transmitting power. I lc wanted the clarification as to which authority will provide permission for Open Access of such line with charges. MD GIPCL said that the Commission should consider while finalizing the open access regulations the risks to licensees. Mr. Matt from Essar Power stated that the benefits given to CPPs should be continued.

The Chairman stated that there are two types of CPPs under the Electricity Act: (i) individual captive and (ii) group captive. According to MOP's guidelines CPP have to use 51 % of the power generated and balance 49 % can be sold. As certain aspects which are within the policy of the Central Government clarifications should be sought from the appropriate agencies:

Mr .Bhatt from OPEC said that SLDC should be independent. Mrs. Joshi said that SLDC will be independent, transparent and impartial as it will be under the total guidelines of the regulators. Mr. Khayaliya said that the Commission should issue ABT order before introduction of open access

Shri P.S.Shali requested the participants to send their comments as early as possible on discussion paper circulated by the Commission for Transmission, Wheeling and Cross Subsidy charges.

On the issue of Information to be submitted to the Commission by Licensees, Mrs. Joshi said that the DISCOMs are newly formed and they will need some time to establish the system.

Member (Technical), Shri ManMohan, drew attention of the members of the forum to the regulation of the Commission on Performance Standards or distribution licensees with particular emphasis on the safety aspect. Fie Roller mentioned that the Central Electricity

Authority will prescribe the regulations in this behalf I le also mentioned that. the metering will have to be provided by the licensees, according to the specifications being prescribed by the Central Electricity Authority in respect a normal metering as well as additional metering that would be required for introduction of intra state ART

The meeting concluded with a vote or thanks.

(P.S.Sbah)
Member Secretary
Co-Ordination forum
And Secretary GERC