

# GUJARAT ELECTRICITY REGULATORY COMMISSION

1st Floor, Neptune Tower, Ashram Road, Ahmedabad-380009

*Minutes of the meeting of the Coordination Forum  
held on 29<sup>th</sup> July, 2006 in Hotel hider Residency, Ahmedabad.*

The following members were present:

1)	Shri G.Subba Rao, Chairman	In Chair
2)	Shri K.P.Gupta, Member(F),	Member
3)	Shri Man Mohan, Member(T)	Member
4)	Shri P.K.Taneja, IAS, Chairman, MGVCL.	Member
5)	Shri H.S.Patel, IAS, Mg.Director, UGVCL.	Member
6)	Shri G.K.Sinha,IFS, Mg.Director, DGVCL.	Member
7)	Shri Murali Ranganathan, CEO, TPAL.	Member
8)	Shri Srivastava, Mg.Director, Essar Powr Ltd.	Member
9)	Shri MSN Murthy, GPEC	Member
10)	Shri P. S . Shah,IAS	Member Secretary
11)	Shri K.H.Chorera	Representative of GoG

## Other Officers

12)	Shri S.B.Kyalia	GUVNL
13)	Shri Abhay Potdar	GPEC
14)	Shri S.B.Patil	GEDA
15)	Shri B.B.Shah	GSECL
16)	Shri P.B.Shukla	GETCO, SLDC
17)	Shri K.N.Pandya	TPAL
18)	Shri Ahmed Khan	GSEG
19)	Shri S.V.Chauhan	TPSL
20)	Shri D.M.Shah	GPCL
21)	Shri Anoop Shukla	MGVCL
22)	Shri Arun Srivastava	Essar
23)	Shri B.S.Jaiswal	GERC
24)	Shri M.B.Bhalgama	GERC
25)	Shri D.R.Parmar	GERC
26)	Shri R.H.Shah	GERC
27)	Shri S.R.Pandey	GERC
28)	Shri B.P.Kundalia	GERC

The Chairman warmly welcomed the members and other officers. It was noted that the second meeting of the Forum is being held after a gap of nearly one year. The Chairman mentioned that every effort should be made to convene such meetings more regularly. Thereafter agenda items were taken up.

*Item No.1: Approval of the minutes of the First Meeting:*

The minutes of the first meeting of the Coordination Forum held on 18<sup>th</sup> May,2005, circulated vide Commission's letter No.GERC/SEC/2006/1246 to 1258 dated 3<sup>rd</sup> August,2005 were approved.

*Item No.2: Status of Power Sector scenario in Gujarat by MD, GPCL (Nodal Agency p\_1  
Govt. of Gujarat), Gandhinagar.*

Shri P.K.Taneja, Director (Finance) GUVNL made a presentation on the status of Power Sector scenario in Gujarat. During the course of presentation, he mentioned about the new capacity being added in the Gujarat power system. He also mentioned about the initiative taken by GUVNL to procure power through the competitive bidding process in accordance with the guidelines issued by Ministry of Power. He stated that the GUVNL has initiated the process for procuring approximately 6000 MW of power considering the demand-supply position and the expected growth over next 5-6 years.

He also mentioned that in the beginning of July, in the absence of rain, the demand of power (including agriculture) was expected to be high. However, the recent good rainfall has led to improve power situation. As the monsoon is reasonably good, GUVNL has worked out the short term demand (with the normal increase in demand in the coming festival and considering the rabi season) for the period of September to December,2006 (to meet the excess demand in this period) and has arranged for the aggregate purchase of 2411 MW of power from various licensees @ Rs.4.64 to Rs.632 per KW depending upon peak/ off-peak. The members of the Forum appreciated the presentation on the power situation in Gujarat.

During discussion on this item, Shri Murali Ranganathan, CEO & MD, Torrent Power AEC Ltd., Ahmedabad suggested that to overcome the difficulty of excess power consumption during the peak period, pumping of water by the local bodies should be done in the night. He also mentioned about some other initiative taken in the power sector in the State of Gujarat. He specifically stated that the process of implementation of intra-state ABT in the state is at

an advanced stage and Gujarat may be the first State in implementing intra-state ABT in a real sense in the country.

Shri Srivastava, Managing Director, Essar Power Ltd. mentioned that Captive Power Plant owners were generating power for their use only though they may have some surplus capacity. The surplus capacity could be utilized to meet power demand of mainly residential and commercial category at a little extra price. He cited the example of uninterrupted power supply provided in Pune area where the consumers were ready to pay extra amount towards "reliability charges", which has helped MSEB to provide reliable power in the Pune city. However, it was pointed out that in Gujarat, power supply is continued in almost all the areas without any such reliability charge.

Shri Taneja stated that the power situation in Gujarat is better than in any other state as reflected in the implementation of Jyoti Gram Yojana(JGY) under which power is supplied continuously even in the rural areas. Almost all the villages of the State are now covered under the JGY scheme and as such, power supply for the domestic and commercial purposes in the State has quite good reliability. The Chairman of the Forum expressed satisfaction over the power situation in Gujarat. However, he pointed out that capacity addition and augmentation of transformer capacity needs significant investment to meet with the future demand. Regulatory initiatives for Demand Side Management (DSM) are also necessary. He also invited suggestions and ideas on the initiatives which can be taken in this regard including harnessing of extra capacity of the captive power plants. He pointed out that the Government of India is also very keen to see that state harnesses maximum power from the surplus captive capacity.

*Item No.3: Discussion paper on "Intra-State ABT"*

A presentation regarding progress in implementation of Intra-state ABT was made by GETCO.. In the presentation, it was informed that 870 special energy meters have been purchased and majority of them have been installed. The remaining work would also be over before 15<sup>th</sup> of August,2006. PGCIL has developed necessary software for scheduling and energy accounting and would be in place in a short time.

GETCO/SLDC has already started retrieving data from the already installed special energy meters. The initial problems regarding installing meters at various inter-face points including independent power producers have been sorted out. The Chairman of the Forum mentioned that the Commission had invited comments and suggestions on the discussion paper for intra-state ABT and the Commission has received good response. He mentioned that the various comments and suggestions have been critically analyzed and that the final order for implementation of intra-state ABT would be issued soon. The representatives of GPEC submitted their difficulties in implementation of ABT. They expressed a view that the gas based power stations had distinct problems unlike those of other thermal units. He mentioned that scheduling of power supply for 15 minutes instead of one hour was not according to the terms of their PPA. Shri Man Mohan addressed the point by explaining in detail the methodology to be followed under ABT regime.

The Managing Director of Essar mentioned that their PPA is ABT compliant and that they will not face any problem. At this point, Shri Khyalia of GUVNL mentioned that according to the provisions of the PPA with Essar, after 10 years, the capacity charges were payable on actual drawal and not on the availability.

At the end of the discussion, the Chairman clarified that sufficient care has been taken while finalizing the intra-state ABT regulations and the order. He also stated that time would be given for trial run of intra-state ABT and that therefore, any practical difficulty which may arise during the trial run could be suitably addressed.

#### *Item No. 4: Discussion Paper on "Wind Energy Policy"*

The Commission has uploaded a discussion paper on Wind Energy tariff and has received suggestions and comments from the various stakeholders. The members were apprised about the various parameters that the Commission is considering. The representative of GEDA, Shri Patil was also invited to attend the meeting with a view to apprise the members about the recent status of wind energy and its functioning. Shri Patil mentioned that implementation

of intra-state ABT may not be feasible in respect of wind energy generators. However, he assured to extend all possible help of GEDA as a nodal agency for wind energy.

After the agenda items were over, the Secretary of GERC mentioned following two issues for the information of the members of the Forum:

- (1) Gujarat State continued to maintain second position in the overall performance of the power sector in the State for the second consecutive year according to the ranking made by the Ministry of Power. Shri Murali Ranganathan congratulated all unbundled entities of GEB and thanked the Commission for its support to power sector utilities.
- (2) He requested all the Distribution licensees to submit their details (to the Commission) for the Performance Award Scheme of the Ministry of Power as the Central Electricity Authority has asked for comments of the Commission on the performance of each of the Distribution licensees for the Award Scheme. He requested the Distribution Licensees to submit the details to the Commission without any loss of time.

While concluding the meeting, the Chairman thanked the members for actively participating in the discussions on various issues. He also promised that the next meeting will be held within six months time and outside Ahmedabad. He also congratulated Shri Taneja and his team (including all the unbundled entities of erstwhile GEB) for maintaining the second rank in the country and hoped that Gujarat will attain the first rank next year.

The meeting was ended with a vote of thanks to the Chair.



[P.S.Shah]  
Member Secretary Co-ordination Forum & Secretary, GERC.