GUJARAT ELECTRICITY REGULATORY COMMISSION
Ahmedabad

Proceedin s of the 4th Meeting of the

Co-ordination Committee held on 8th October 2008

The meeting of the 4th Co-ordination Committee was held on 8th October,2008 at Inder Residency at 11.30 a.m. Following members were present at the meeting.

1. Dr.P.K.Mishra In Chair
2. Shri K.P.Gupta, Member(F)
3. Shri Man Mohan, Member(T)
4. Smt.V.L.Joshi,IAS, Chairman & Mg.Director, PGVCL,
5. Shri L.M.Chuaungo,IAS, Mg.Director, GUVNL
6. Shri G.Mahapatra,IAS, Chairman, UGVCL.
7. Smt.Avantika,IAS, Dy.Secretary, EPD, GoG.
8. Shri Anup Shukla, IFS, Managing Director, MGVCL.
9. Shri G.K.Sinha,IFS, Managing Director, DGVCL.
10. Shri Verma, IFS, Managing Director, UGVCL.
11. Shri S.K.Negi, Managing Director, GETCO.
12. Shri V.B.Buch, Director, GEDA
13. Shri S.B.Khyalia, GM(Com.), GUVNL..
14. Shri Tushar Bhatt, Essar Power Ltd.
15. Shri Markand Bhatt, Mg.Director, TPL
16. Shri Murali Ranganathan, Director, TPL.

Dr P.K. Mishra Chairman welcomed the Members to the 4th meeting of the Co-ordination Forum. In his welcome address, he outlined the growing importance of power sector for our economy. He mentioned that electricity has always been an important part of our infrastructure, but in the context of high growth targets set out for our country's economy, in general and the State of Gujarat in particular, its role has become extremely critical. In order to bridge the gap between the demand and supply efforts have also been made in the past for addition of generation capacity. However, the overall growth of GDP

now targeted is about 9% which will require massive efforts. The projected growth of GDP is directly reflected in the incremental demand for power.

The network of power system as well as economic growth in Gujarat is somewhat different from other States. Gujarat is relatively comfortable as compared to many other States. During the last meeting of the Co-ordination Forum, Smt V.L. Joshi, ex-Chairman, GUVNL had made an analytical and detailed presentation on the perspectives of generation, transmission and distribution in Gujarat which will lead to further augmentation of infrastructure. The ultimate objective of the reform process is to improve the quality of services at affordable prices. As such, various initiatives for capacity augmentation in generation, transmission and distribution system should be coordinated. The pace of reforms and the type of changes in other sectors like Telecom during the last 10 years shows that the power sector still lags behind in terms of reform measures, physical expansion and cost reduction. The power sector requires improvement to cater to the needs and satisfaction of the consumers. Chairman also referred to a meeting of the State Advisory Committee the previous clay wherein Members had raised issues regarding slow progress of metering of agricultural consumption. It was reported that there is a marginal increase of only 4% (from 27% to 31%) in agricultural metering in the last 3 years. Some Members had also raised the issue of delay in providing new agricultural connections to the consumers which impeded installation of energy efficient pumps for saving energy. It was also mentioned that the maintenance of feeders requires to be carried out at regular intervals for providing

quality and reliable power supply. Safety is an important aspect which requires to be emphasized by the licensees by adopting effective measures. There was a growing need to adopt the latest technology for safety and there cannot be any compromise in this regard. Thereafter the agenda items were taken up for discussion.

Approval of the Minutes of the Third Meeting of Coordination Form:

Since there were no comments received from any of the Members, the Minutes of the previous meeting were approved.

Item No.2: Action points of the Third Meetin

Infra State ABT•

The Commission had directed Essar Power Ltd. and Torrent Power Ltd. to give daily schedules for their generation for the mock trial being done by the GETCO/ SLDC for energy accounting. The aforesaid directives of the Commission had already been implemented by both the generating companies. Some of the stakeholders had raised the issue of synchronization of the present ABT compliant meters on real time basis. Shri S.K.Negi, Managing Director, GETCO informed the Forum that the work on synchronizing of the ABT compliant meters on real time basis was going on and therefore, the issue will shortly get resolved. So far as the other issue on changes observed in charges after adjustment of pooled losses and lack of data/ calculation methods to verify the changes in pooled losses is concerned, he mentioned that the data /calculation methods were made available to the stakeholders on their website and stakeholders can easily access

the same. So far as the change in the UI charges is concerned, it is within the limit.

Item No.3: Discussion on the power sector scenario

(a) **Capacity Addition:**

Shri L.M.Chuaungo, MD, GUVNL made a presentation on the power sector scenario in Gujarat and stated that the present installed capacity of the State is 9804 MW. It is planned to add 1317 MW in the year 2008-09, 2025 MW in 2009-10, 2181 MW in 2010-11 and 3870 MW in 2011-12. Thus, the cumulative addition during the above four years is 9393 MW and cumulative total capacity at the end of 11th Plan will become 19197 MW. According to 17 EPS Report, the demand of the state will be 14374 MW. At 80% PLF level, the installed generating capacity will be 17968 MW which will be more than the demand. It is expected that at the end of 2011-12, even at 80% PLF there will be surplus power of 1229 MW.

He further stated that as per the Financial Restructuring Plan, the Government has fixed a target to reduce T&D losses from 29.79% (FY 2005-06) to 22.61% (FY 2007-08). As against this, the T&D losses have been reduced to 21.71% during the year 2007-08. Thus, there is a reduction in T&D losses in comparison to the target fixed in the Financial Restructuring Plan.

He further stated that to evacuate the power generated from the new power plants which will be commissioned by the year 2011-12, GETCO has planned to increase its substations /lines of 400 KV, 220 KV, 132 KV and 66 KV in a phased manner.

The availability of transmission substations and lines was above 99% during the last 5 years which is above the national average.

There will be increase in the number of consumers in each distribution license area. To cater to their demand in the coming years (i.e. upto 2011-12), the distribution licensees have planned to increase distribution transformer centres, HT & LT lines and such other works. Under the Jyoti Gram Yojana, agricultural feeders have been separated from the rural feeders to large extent. In some feeders, it is unduly costly to bifurcate agricultural and rural feeders because of certain geographical and load conditions and hence not yet bifurcated. On such feeders, 3 phase power supply is being given only for 8 hours whereas for remaining 16 hours, single phase supply is given. Thus, the commitment of supplying 24 hours power to the households and other commercial activities in the rural area has been fulfilled by the end of 2006-07. The collection efficiency of the distribution licensees was 98.09% durincl the year 2006-07.

(b) Shri S.K.Negi, Mg. Director, GETCO made a detailed presentation on the transmission plan and projected capacity

additions. He stated that at present 53% power is generated from south Gujarat, 40% from Central Gujarat and 7% from Saurashtra and Kutch region which also includes the wind energy generation. The power supply received from the above sources is catered to different parts of the state by providing adequate transmission system. The transmission loss which was 4.41% in the year 2003-04 has reduced to 3.85% in the year 2007-08. The availability of transmission sub-station was 99.81% and that of the lines was 99.41% during the year 2007-08.

GETCO has prepared a contingency plan to evacuate power which will be generated by various upcoming generating plants of GSECL, GSPC, SLPP, GSEG, GIPCL, Torrent, Bhavnagr Energy Co.Ltd. Ultra Mega Power Project at Mundra, Essr Power Vadinar, Adani Power Mundra and power generated from the wind energy sources upto the 11th Five Year Plan. Major future power projects are in pipeline in the Kutch and Saurashtra region. The load demand is much less in comparison to the new power projects which are coming in this region. GETCO is therefore planning to bring power •from this region to cater the needs of other regions. He stated that GETCO has planned to install total 229 substations and 10600 Kms of lines of different voltage levels (400 KV, 220KV, 132 KV & 66KV) during the 11th Five Year Plan. The addition of the transformation capacity of different voltage levels is 10260 MW. He further mentioned that the necessary capacitor banks /reactors are already installed to compensate the reactive power requirement in

future. He also referred to the work in progress to construct second Vadodara-Godhra line which will be helpful in transmission of power in case of failure of one line.

He stated that at present Wind Energy Generation installed capacity is 1242 MW. As against the total maximum demand of 8400 MW the maximum wind energy available was 800 MW which is about 9.5% of maximum demand. It is expected that the maximum demand in 2012 will be 14500 MW, 10% of the same if catered by the Wind Energy generation, will be 1450 MW and proportionate installed capacity works out to 2251 MW. As the Wind Energy Generation is infirm power, it creates problems in operating the grid system because at certain times wind generation is maximum which falls down within short time. In such a situation, it becomes difficult to ramp out and match the demand/ supply position. It is essential to formulate some scheme or norms to avoid such problems. He also mentioned that Shri L.M.Chuaungo, MD, GUVNL has already presented salient aspects of power scenario prevailing in the State (covered in the earlier paras).

Shri V.B.Buch,Director, GEDA also made a presentation on wind energy generation. He stated that at present the installed capacity of the wind energy generation is 1242.255 MW at 537 locations. The potential of wind energy generation in Gujarat is 10000 MW (on shore) and 4000 MW (off shore). So far as installed capacity of Wind Energy generation in different states is concerned, Gujarat comes

third. However, there is still scope for increasing the Wing Generation capacity.

The Forum members were apprised that the Commission has uploaded a discussion paper on "Determination of tariff of demonstration based grid connected Solar PV and Solar thermal power projects as per MNRE guidelines". The Commission has received the comments and suggestions from the stakeholders. The Commission will determine the tariff based on the MNRE guidelines for Solar PV and Solar Thermal power projects within a short time.

Item No.4: Intra-State ABT Issue

Shri S.K.Negi, MD reiterated the facts stated in para 3 (b). He stated that in all 661 Infra state ABT meters were installed as on 30.9.2008 at different locations based on which the data collection for energy accounting on weekly basis is taken. Energy accounting has been organized and trial account of 70 weeks has been prepared. The weekly data from (i) 30.6.2008 to 6.7.2008 and (ii) 7.7.2008 to 13.7.2008 showed that the difference payable is quite marginal at 2.12% for (i) and 1.65% for (ii) period while in case of Inter-State Accounting, the difference for the period (i) is 15.25% and (ii) is 6.91% which is much more in comparison to Intra-state ABT energy accounting carried out in Gujarat. Ul Accounting has been done with realistic inputs from 100% participation of Intra State entities. To measure accuracy, difference between receivable and payables is the crucial parameter. The disconns have started internal arrangement for bilateral trading between the

discoms. The SLDC has made necessary arrangements for synchronizing of the meters. He stated that there were issues (i) on scheduling/ re-scheduling of CPP of Essar power Ltd. which still require to be addressed and (ii) TPL is not giving allocation/ declaration for next date energy separately for Torrent Power, Ahmedabad and Torrent Power, Surat area.

General

The Chairman emphasized the need for educating agricultural consumers for installation of meters and utilization of energy efficient pumps. He also advised adoption of safety measures to avoid fatal/ non fatal accidents. During the State Advisory Committee meeting held on 7.10.2008, one of the members emphasized the need for extending the benefit of electrification to rural schools where poor students are studying and are deprived of electricity. It was also pointed out that one Belagam school in Bhavnagar is yet to get the electricity and Shri Chuaungo was requested to take up the matter for doing the needful. The Chairman also mentioned that Consumer Grievances redressal mechanism with the utilities should be improved for providing quality service and keeping this in mind, a meeting of the members of the Consumer Grievance Redress has been convened on 21st October,2008. The Commission has also scheduled a meeting on 18th October,2008 with the utilities to discuss the issues related to Standards of Performance formats and also Regulatory Information Management System (RIMS).

Smt.V.L.Joshi, Chairman & Mg. Director, PGVCL suggested that it is essential to provide effective earth terminal at consumer premises. However, it is also essential to study the various methods prevailing for earthing system and to know how far the system will be effective. However, if any new system for earthing is proposed, it is also essential to evaluate the cost implications which may be very high. Accordingly, a Pilot study by an independent agency can be undertaken. Even CEI is not having the clarity about certain aspects of the earthing terminal. In this context it was mentioned that a meeting will be held on 17th October,2008 at 2.30 pm in the office of the Commission to discuss the issues.

Shri L.Chuaungo, MD, GUVNL, Shri Murali Ranganathan and Smt.V.L.Joshi and Shri S.K.Negi, MD, GETCO were of the view that the Wind Energy generation creates problem for grid managelment. Moreover, this is infirm power and there is no certainty about the availability of this power. Very often this power is available when it is not required and when it is required the availability is very low. Due to this reason, GSECL had to back down their thermal plants as and when such power came into grid in bulk quantity. In Gujarat, the major power plants are thermal based (hydro power back-up is almost negligible) and it is very difficult to ramp out the power requirement with uncertain wind conditions.

Shri Murali Ranganathan, Director, TPL suggested that prior to implementing the Intra-state ABT, they need some more time to discuss different issues arising out of Infra-state ABT.

Shri Tushar Bhatt of Essar Ltd. stated that in their steel plant, the power in a short time. It is therefore, difficult to match out with frequency requirement of the grid. The Ul charges is leviable and payable to beneficiaries whenever there is change in scheduling fdrawal by the beneficiaries.

Shri K.P.Gupta, Member(F) thanked the Chairman, GERC for convening this meeting shortly after he joined GERC and according due priority to co-ordination of stakeholders in the power sector in the State. He also thanked Mr.Chuaungo for making an excellent presentation on the power scenario in Gujarat, ivir.Negi for making presentations on-Intra-state ABT and Transmission Planning and Mr.V.B.Buch for his presentation on Wind Energy and other Renewable Energy Sources and finally all the members for sparing their valuable time and holding the meeting successfully and effectively.

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

SECRETARY