

**Minutes of the 9<sup>th</sup> Meeting of the Co-ordination Forum held on 16<sup>th</sup> November, 2011 at 11:30 A.M. at “Narmada Seminar Room”, Sardar Patel Institute of Public Administration (SPIPA), Ahmedabad.**

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The following members / representatives of Co-ordination Forum and members / staff of the Commission were present in the meeting:

**Commission and Secretary:**

1. Dr. P.K. Mishra, Chairman, GERC
2. Shri Pravinbhai Patel, Member (Technical), GERC
3. Dr. M.K. Iyer, Member (Finance), GERC
4. Dr. Ketan Shukla, Secretary, GERC

**Members / Representatives of Co-ordination Forum:**

1. Shri N. Srivastava, IFS, MD, UGVCL
2. Shri H.S. Patel, IAS, MD, DGVCL
3. Shri A.N. Khatri, IAS, MD, MGVCL
4. Shri K.H. Chorera, Dy. Secretary, EPD
5. Shri P.L. Panchal, Dy Secretary, EPD
6. Shri S.B. Khyalia, ED, GUVNL
7. Shri Gurdeep Singh, MD, GSECL
8. Shri D.P. Joshi, IAS, Director, GEDA
9. Shri Murali Ranganathan, Director, TPL
10. Shri T. P. Vijayasathy, ED (Corp), TPL
11. Shri Samir Shah, VP (Finance), TPL
12. Shri Bhadresh B Chauhan, GETCO
13. Shri Jasmin Gandhi, CE, PGVCL
14. Shri M.B. Jadeja, PGVCL
15. Shri Chetan Bundela, Torrent Power Ltd.
16. Shri Jeetendra Thakkar, GPEC
17. Shri S.L. Bose, ED (SLPP), GIPCL
18. Shri P.N. Trivedi, GM(Com), GIPCL
19. Shri Naveen Munjal, Director (Busi. Dev.), GPEC
20. Shri S.B. Patil, Dy Director, GEDA
21. Shri P.N. Gandhi, CEI

22. Shri T.S. Bhatt, MD, Essar Power Ltd.
23. Shri A. Ganesan, SE, KPT
24. Shri S.M. Godkhindi, CE, MGCVCL
25. Shri Y.B. Sukhadia, ACE (RC&V), MGCVCL
26. Shri B.V. Shah, Addl. C.E. (C&R), DGVCL
27. Shri Sanjay Vashishtha, AF Mercados EMI
28. Shri Anish De, AF Mercados EMI
29. Shri Chinmaya Acharya, Shakti Sustainable Energy Foundation
30. Shri Vipul H Jadav, Adani Power Ltd.

**Officers of the Commission:**

1. Shri D.R. Parmar, Joint Director
2. Shri S.R. Pandey, Legal Advisor
3. Shri B.R. Joshi, Technical Consultant
4. Shri G.H. Patel, Dy. Director
5. Shri S.T. Anada, Dy. Director

At the outset, Shri Ketan Shukla, Secretary, GERC welcomed on behalf of GERC all the members and participants and invited Dr. P.K. Mishra, Chairman, GERC, to address the Forum.

Dr. P.K. Mishra, Chairman, GERC, also welcomed all the dignitaries. He introduced the new members, Shri Mukesh Puri, MD, GUVNL, Shri Gurdeep Singh, MD, GSECL, Shri N. Srivastava, MD, UGVCL, Shri H.S. Patel, MD, DGVCL, Shri P.N. Gandhi, Chief Electrical Inspector, Shri D.P. Joshi, Director, GEDA, Shri S.L. Bose, Executive Director, Bhavnagar Energy Co. Ltd. and representatives from Shakti Foundation / AF Mercados.

Thereafter, the agenda items were taken up for discussion.

**Agenda Item No. 1**

**Approval of the minutes of the 8<sup>th</sup> Meeting of the Co-ordination Forum held on 02<sup>nd</sup> April, 2011**

The 8<sup>th</sup> Meeting of the Co-Ordination Forum was held on 2<sup>nd</sup> April, 2011. The minutes of the meeting were sent to all the members on 30<sup>th</sup> May, 2011. Since no comments or suggestions have been received on it, the same were adopted as approved.

**Agenda Item No. 2****Action Taken Report on the minutes of the 8<sup>th</sup> Meeting of the Co-ordination Forum**

The Action Taken Report was discussed item-wise as under:

- (a) *As per the recommendations of the consultant on study of the merit order dispatch, GUVNL/SLDC informed that they will implement all the recommendations of the consultants except forming another Co-Ordination Committee for discussing the discrepancies observed in the merit order. It was explained that as all the constituents meet regularly, there is no need for an additional committee in this regard. Chairman, GERC, enquired as to whether SLDC has already placed the technical minimum requirement of each of the power station on its website. SLDC confirmed the same.*

*Shri S.T. Anada, Dy. Director, GERC, explained the salient features of the recommendations and it was decided that the consultant's report was acceptable and implementable. Chairman, GERC, suggested that the principles and actions as mentioned in the report should be adhered to by all the constituents. Chairman, GERC, enquired whether proper communication system is available between SLDC and other utilities. SLDC confirmed that there is no gap in communication system among utilities.*

*Chairman, GERC, advised SLDC to take following measures:*

- *SLDC should submit a report on the implementation of the recommendations of the consultant regarding Merit Order Despatch.*
- *SLDC should ensure that there is total transparency in its functioning so that all the stakeholders have confidence in its objectivity.*

{Action- SLDC}

- (b) *The issue of electrical accidents to both human and animal was discussed. It was further discussed in detail during discussion on agenda item regarding Standard of Performance.*
- (c) *The Open Access Regulations notified by GERC are being implemented by the transmission/distribution utilities. However, Member (Tech), GERC, pointed out that there were certain implementation issues raised by SLDC and other consumers. In view of this, a meeting has already been scheduled with all the constituents on 24.11.2011 to sort out the issues regarding Open Access Regulations. The Chairman, GERC urged that the senior officials of each of the utilities should attend the same for resolving any discrepancies or issues in this regard.*

{Action- Legal Advisor, GERC}

- (d) *Regarding the committee report on the governance for safety in the electricity industry, it was observed that the Committee had recommended proper co-ordination among various agencies. Agencies such as Municipal Corporation, Urban Development Authorities, the electricity, gas, telecommunication service providers, National Highway Authority of India, GIDC, Railways and other private agencies should jointly frame necessary norms to overcome the problems observed by various service providers. Shri Murali Ranganathan, Director, TPL, who had earlier put forward the need for such a report, emphasized that with the growing urbanization, there are severe constraints in getting land for construction of new sub-stations and hence exclusive corridors for utilities must be established in the Town Planning Scheme itself.*

*The main conclusion which emerged from the above discussion was that there is an urgent need to make provision for land/corridors for power distribution utilities in urban planning. If necessary, arrangement could be made in the legal and policy framework relating to Urban Development and Town Planning. Energy & Petrochemicals Department may move the relevant government department in this regard.*

{Action- DGVCL & TPL to prepare detailed note with Action Taken Report}

### **Agenda Item No. 3**

#### **Highlights of Tariff Order.**

Chairman, GERC, briefed the Forum that the Commission had initiated an elaborate exercise of not only formulating MYT Regulations, but also ensuring that the tariff orders for all the utilities are issued as per the Regulations laid down. He also stated that the Commission has been very innovative and has ensured transparency and reduction in the tariff categories to avoid misinterpretation and problems to the consumers.

Shri Dharmendra R Parmar, Jt Director (Tech), GERC, gave highlights of the tariff order which, inter-alia, included shifting towards demand based tariff, time of use charges to all H.T. consumers, rationalization of tariff for industrial consumers, merging of motive and lighting tariff etc. The Forum members appreciated the initiatives of GERC; however, it was felt that the total impact of the tariff revision will be known only after the first two billing cycles are implemented.

Chairman, GERC, urged that the tariff principles laid down should be properly adhered to. It was also pointed out during the discussion that in view of the rationalization done by GERC in the tariff structure, the Chief Electrical Inspector should take appropriate action for restructuring the electricity duty in consonance of the tariff order. It was pointed out by the distribution companies that in view of the various categories in the electricity duty format, the utilities are not in a position to remove the additional meter in the consumer premises as they have to pay different duties under the electricity duty provisions. Chairman, GERC observed that early action for rationalisation in the duty structure should be initiated by the Chief Electrical Inspector. Shri K.H. Chorera, Dy. Secretary, EPD assured that the proposed for rationalization once received from the Chief Electrical Inspector shall be taken up with the Finance Department for early action.

The Chief Electrical Inspector will immediately move the Energy & Petrochemicals Department and Finance Department for restructuring of the electricity duty in consonance with the revised tariff structure and keeping in view the need for simplification of the duty structure in the interest of consumers of electricity. A report, in this regard, should be submitted to the Commission within a month.

{Action- Chief Electrical Inspector: Report to be submitted within 15 days }

#### **Agenda Item No. 4**

##### **Discussion paper on Solar Tariff for the new control period.**

Chairman, GERC indicated that as the control period for the existing solar tariff is coming to an end, the GERC has brought out a comprehensive discussion paper on Solar Tariff for the next control period of 3 years. The existing control period is upto 28.1.2012. In the context of the Power Purchase Agreement signed between GUVNL and Solar Power Developers, it was pointed out that the PPA envisages commissioning of the projects by December 2011, whereas the control period for the current tariff is upto 28.1.2012. On an enquiry, as to whether there is any conflict between the provisions of PPA and tariff order, Shri S.B. Khyalia, Executive Director, clarified that the tariff as prevalent from time to time based on the Commission's order is applicable which is not in conflict with the provisions of the PPA. On an enquiry as to whether there was any specific comment on the discussion paper, Shri Khyalia pointed out that the tariff for solar thermal has been increased which appears to be on the higher side. Chairman, GERC explained that there was a downward trend in the price of solar PV and hence, there is a downward trend of over Rs. 2/- in the levelised tariff for solar PV, whereas in the case of solar thermal it was felt that the earlier tariffs were too low as there was no experience in the case of solar thermal costs. However, he requested all the utilities to give their comments which shall be appropriately considered by the Commission.

It was pointed out that GUVNL had been advising GEDA, the nodal agency for renewable, not to approve REC based wind power as GUVNL would find to be more expensive to fulfil its RPO obligation because it has to pay for the REC certificate in addition to the average cost of purchase. The cost will be more than the preferential tariff. Shri S.B. Khyalia mentioned that GUVNL had no objection to purchase renewable power, such as wind energy, at preferential tariff, but not at average pool cost of purchase from REC based projects. Shri Pravinbhai Patel, Member (Tech) enquired whether the CERC Regulations stipulate that generators on renewable power cannot be denied

the option of REC. It was felt that more clarity is required on this issue. It was decided to further examine the relevant provisions.

The issue of extension of the existing solar tariff structure for a further period as requested by some of the solar developers who have already signed PPA with GUVNL was discussed. It had been represented by many developers that they were facing difficulty in land acquisition as well as financial constraints due to delay by Financial Institutions and hence, they wanted extension of the existing solar tariff for a further period of 3-4 months. In this regard, GUVNL suggested that only in cases where delay has occurred on account of delayed allocation of land by Government of Gujarat order, there seems to be some justification. In case of other developers there is no reason not to fulfil the deadlines as prescribed in the PPA. Shri S.B. Patil, Dy. Director, GEDA pointed out that as of date 82 MW of solar power had been commissioned, 68 MW are on the verge of completion, 431 MW projects have requested for customs clearance which have been accorded, 111 MW are at the preliminary stage of formulation and about 277 MW of solar power projects are yet to take off as many of the developers have not come forward to GEDA or any government agency for necessary clearance in this regard. Chairman, GERC suggested that the above aspects should be discussed as and when public hearing on discussion paper is held by the GERC.

### **Agenda Item No. 5**

#### **Standard of Performance (SoP)**

The Standard of Performance (SoP) reports of the licensees were taken up for detailed discussion. Chairman pointed out that although there seems to be a decline in the number of accidents during the quarter under consideration as compared to the corresponding quarter of the previous year, it does not reflect appropriate efforts by the utilities to ensure zero accident. The Discoms stated that they had taken many initiatives to curb the accidents, but certain accidents occur on account of negligence and such other action by the consumers within their premises. Shri Murali Rangnathan, Director, TPL gave detailed account of the accidents in TPL, Ahmedabad area and pointed out that the consumers do not take adequate precaution despite regular campaign and educational advertisement in this regard. The report of the Committee which has analysed the accidents was also discussed. The

Committee has suggested many preventive measures to avoid electrical accidents during monsoon. However, there seems to be no concrete action plan for reduction of electrical accidents by ensuring proper earthing, installation of ELCB etc. The Chief Electrical Inspector pointed out that detailed investigation is done on the causes of accidents and punitive remedial actions are initiated. It was suggested that not only the above action should be initiated, but the CEI and utilities should also check the existing installations and ensure compliance of safety standards. Chairman, GERC suggested that all efforts should be made to ensure zero accident.

As far as the issue of meter replacement and repair is concerned, it was found that the performance of DGVCL and MGVCL was poor. Shri H.S. Patel, MD, DGVCL informed that they will take appropriate action to ensure faster repair/replacement of meters. However, it was pointed out by the utilities that as the meters are available in plenty all the faulty meters should be immediately replaced and the bills issued to the consumers based on the readings as per the new meters. It was also decided that monitoring of repairing of the meters may not be necessary and hence, monitoring of meters replaced will be taken up in future.

Similarly, it was also pointed out that DGVCL and PGVCL have high incidence of DTR failure, which was not acceptable. The Chief Engineer, PGVCL and M.D., DGVCL assured that failure rate would be brought down by taking appropriate measures.

The report on SAIFI, SAIDI and MAIFI was discussed. It was pointed out that DGVCL and MGVCL are showing poor performance based on SAIDI which was not acceptable. Concerted efforts should be made by all concerned to ensure that SAIDI and SAIFI are within the reasonable limits. Shri Murali Ranganathan, Director, TPL suggested that proper method of SAIDI and SAIFI are required to be worked out especially with reference to definition the term 'interruption'. Some of the utilities ignore the interruptions to the extent of 3 minutes of the occurrence, which may not be correct. Chairman, GERC suggested that as per the SoP, the review committee is already looking into a comprehensive change in the SoP based on FOR recommendations; the utilities may participate and give their suggestions to ensure that the revised SoP would be more purposeful.

{Action- Joint Director (Tech), GERC}

**Agenda Item No. 6****Safety in the Electricity Industry**

Chairman, GERC, emphasized the need to take preventive actions to minimize accidents. Looking at the Standard of Performance Reports of the Discoms, Dr. P.K. Mishra said that the Discoms should focus on safety and form safety cells so that safety aspect would get immediate proper attention. It was decided to form a committee for monitoring of the accidents in all the Discoms. Shri N. Srivastava, MD, UGVCL will head the Committee along with MD, GSECL, which will consist of members from DGVCL, MGVCL, PGVCL, UGVCL, Torrent Power Ltd., Torrent Energy Ltd., MPSEZ Utilities Pvt. Ltd. and Kandla Port Trust. The Committee will analyse the accident data of the past 5 years on a quarterly basis and the report will be submitted in the next Co-ordination Forum Meeting.

{Action- Managing Director, UGVCL}

**Agenda Item No. 7****Status of Transmission Projects**

The Chief Engineer (Projects), GETCO made a detailed presentation on the status of various transmission schemes associated with generating stations and renewable sources projects, including the solar park. He presented line-wise status and expressed confidence in completing the projects within the revised time limit prescribed. He indicated that for all the lines and substations, land acquisition, ordering for equipment, contract for construction awarded or in the process of being awarded soon. He indicated that as against the total capital expenditure of Rs. 2481 crores approved by the Commission they would be in a position to book the expenditure to the extent of Rs. 2200 crore by end of March, 2012.

It was pointed that GETCO should take more care and make efforts to ensure that the evacuation projects are commissioned before the actual commissioning of the power projects. Chairman, GERC suggested that GETCO should take immediate and appropriate action in this regard.

{Action- Gujarat Energy Transmission Co: To submit report regularly}

**Agenda Item No. 8****Monitoring of RPO & Compliance.**

Chairman, GERC, noted that there is no appropriate or proper mechanism for monitoring of RPO and its compliance. GEDA which is the Nodal Agency has not been able to submit the report to the Commission as prescribed under the Regulation. GEDA regretted for the delay in compliance and assured to send the report in this regard without any delay. GUVNL pointed out that it will be able to fulfil the RPO obligation in respect of wind, solar and biomass and as on date for the period 2010-11 it has exceeded 5% limit as far as wind generation is concerned. TPL indicated it has not been able to fulfil the RPO on account of various constraints and inspite of advertising for the same. For the current year, it has already purchased 102 MU towards RPO, but still it falls 1% short of the overall requirement. It was pointed out by Shri Murali Rangathan, Director, TPL that they will not be able to fulfil the obligations as they have already purchased more than 50% of the available REC from the market.

Chairman, GERC observed that it is the responsibility of the utilities to ensure compliance with the relevant Regulations. The Regulations provide for various actions in the event of non-fulfilment of RPO. It also provides for creating a fund by the utilities to compensate for the non-fulfilment of RPO.

It was decided that GEDA should more effectively monitor compliance of RPO. GEDA should also submit a quarterly report in this regard to the Commission.

{Action- Gujarat Urja Development Agency: To submit report in 15 days and later on, on quarterly basis }

**Agenda Item No. 9****Proposed guideline for signing of PPA for Power Projects and Renewable Energy**

In order to ensure appropriate and comprehensive PPA between the developers and utilities, GERC has come out with the proposed guidelines for conventional power and renewable energy. As the agenda was taken up at a

short notice, it was decided that utilities would send their suggestions within a period of 10 days on the proposed guidelines. Further, GUVNL indicated that it will prepare model PPAs for each of the renewable categories to be approved by the Commission so that there is uniformity in this regard and each PPA need not be required to be scrutinized or approved by the Commission.

{Action- Joint Director (Tech), GERC}

### **Agenda Item No. 10**

#### **Status of Renewable Energy – GEDA**

GEDA gave a presentation on the status of renewable energy and expressed satisfaction on the compliance by the distribution entities in the public sector. GEDA also indicated the status of solar projects in the State and expected that almost 300 MW of solar power would be commissioned by the end of March, 2012. Chairman, GERC once again reiterated that GEDA should play a more proactive role and ensure that necessary clearances are given for encouraging renewable power in the State. GEDA should also monitor the RPO of the utilities and submit its report in this regard regularly.

{Action- Gujarat Energy Development Agency}

### **Agenda Item No. 11**

#### **Presentation on Power Sector Scenario by GUVNL**

Shri S.B. Khayalia, Executive Director, GUVNL made a detailed presentation on the power scenario in the State. He pointed out that as on the date almost 13000 MW of capacity has been installed and more projects are on the verge of commercial operation. He indicated that almost 2500 MW would be commissioned by March, 2012. He further gave a scenario of the power sector by 2020 in Gujarat and pointed out that Gujarat will be surplus and there will be no peaking shortages as well.

Chairman, GERC directed that GUVNL while making a presentation on the power sector scenario of Gujarat should include performance parameters such as AT&C loss and T&D loss and also financial aspects.

{Action- Gujarat Urja Vikas Nigam Limited: Presentation in the next meeting }

### **Agenda Item No. 12**

#### **Presentation on Merit Order of Power stations by Shri Gurdeep Singh, MD, GSECL**

Shri Gurdeep Singh, MD, GSECL made a presentation on Merit Order of Power stations of GSECL. In view of the peculiar position of GSECL, which has a mix of 210 MW as well as 120 MW plants, it becomes imperative that an innovative model of Merit Order is considered for GSECL plants. He suggested that the 210 MW plants may be bunched together and 120 MW may be bunched separately and their cost of generation be considered for Merit Order dispatch. This would ensure an additional generation by efficient plant without extra fuel being consumed. Shri S.B. Khayalia, Executive Director, GUVNL pointed out that instead of such bunching, unit wise Merit Order may be considered for scheduling and real time operation. Chairman, GERC, while appreciating the new approach suggested by MD, GSECL, suggested a detailed discussion in this regard and requested GUVNL to take initiative in this regard.

In the end, Chairman, GERC advised the utilities that they should file their tariff true-up petitions within the time limit prescribed and any delay would be viewed seriously. GUVNL and DISCOMS indicated that as the rationalization of the tariff structure has just been announced and being implemented, it may be appropriate to wait for 2 billing cycles before the proposals are made. They sought time up to January 2012 to file their petitions. However, Chairman, GERC suggested that they should file their return before December, 2011. TPL indicated that they would file their petition by middle of December, 2011.

{Action- All licensees except GSECL, GETCO, SLDC and MUPL }

**Agenda Item No. 13****Presentation on Energy Efficiency Purchase Obligation (EEPO) by Shakti Foundation/AF Mercados EMI**

Representatives of Shakti Foundation/AF Mercados EMI made a presentation on the energy efficiency purchase obligation, a concept mooted to ensure energy efficiency and savings. They indicated that there is a huge potential for energy efficiency by using energy efficient equipments which will not only ensure reduction of consumption leading to reduction of power purchase by utilities, but also the consumers would be benefited by lower electricity bills. The mechanism to be adopted for this purpose includes a third party who will fund the energy efficiency programme to be approved by the Regulatory Commission and as far as the utilities are concerned, they may in case of investment in energy savings equipments or subsidy to the consumers, take up the expenditure in the ARR and thus, will not lose any revenue in this regard. The representatives of the utilities and GUVNL pointed out that as Gujarat is surplus in power, it is important for them to encourage consumption rather than reducing it. Chairman, GERC pointed out that energy efficiency programmes should be encouraged as it will lead to overall savings and reduced carbon emission not only in Gujarat, but globally. PGVCL volunteered to take up a pilot in this regard in consultation with Shakti Foundation / AF Mercados project.

{Action- Managing Director, PGVCL}

The meeting was concluded with a Vote of Thanks to the chair.

**SECRETARY  
GERC**