

MINUTES OF THE 19TH STATE ADVISORY COMMITTEE (SAC) MEETING OF THE JOINT ELECTRICITY REGULATORY COMMISSION (FOR THE STATE OF GOA AND UNION TERRITORIES) HELD AT INDIA INTERNATIONAL CENTRE, NEW DELHI ON 4TH DECEMBER AT 11:00 HRS.

1. The 19th Meeting of the SAC of the JERC (for the State of Goa & UTs) was held under the Chairmanship of Shri. Alok Tandon, Chairperson, JERC.

The following SAC Members were present:

1.	Shri Alok Tandon	: Chairperson, JERC
2.	Smt. Jyoti Prasad	: Member (Law), JERC
3.	Shri S.D. Sharma	: Secretary (I/c), JERC-Convener
4.	Shri Alok Kumar	: Member
5.	Shri S.K. Soonee	: Member
6.	Shri Rajesh Kumar Mediratta	: Member
7.	Smt. Neerja Mathur	: Member
8.	Shri H.L. Bajaj	: Member
9.	Shri M.G. Durairaj	: Member
10.	Shri K.C. Parekh	: Member

2. Shri Neel Ratan and Shri Sunil Ijari were unable to attend the meeting due to their busy schedule. Leave of absence was granted to them.
3. The meeting commenced with the Chairperson extending a warm welcome to all Hon'ble members of the State Advisory Committee (SAC). He mentioned that the meeting would be interactive with an exchange of ideas, and the feedback and opinion provided by the SAC members will be very useful in ensuring the protection of consumer's interest and also in tackling the various issues pertaining to the power sector.
4. The Secretary (I/c)/ Convener welcomed all the esteemed members of the State Advisory Committee. He also mentioned that the deliberations in the SAC meeting will go a long way in providing guidance by the Hon'ble members for discharging the regulatory functions of JERC.
5. Going ahead the Hon'ble Member (Law) proposed confirmation of the minutes of the 18th SAC meeting & seconded by Shri K.C. Parekh and accordingly the minutes of meeting of 18th SAC meeting were confirmed with the consent of the SAC members present at the meeting.

Action points

6. The Secretary (I/c)/ Convener further briefed the point-wise agenda for the meeting as shared earlier with the SAC members and gave a detailed presentation on the following:
- i. Highlights of Tariff Orders issued for FY 2023-24
 - ii. Regulations amended by the Commission during FY 2023-24 up to 30.11.2023
 - iii. Formation of additional Consumer Grievance Redressal Forum and Ombudsman at zone level, circle level and company level
 - iv. The latest development in the power sector in terms of Green Energy Tariff
7. The Secretary (I/c)/ Convener further briefed on highlights of tariff order for FY 2023-24 through a presentation. Below are the points discussed applicable for all the utilities:
- a. The Secretary (I/c)/ Convener informed that though some of the tariff petitions were received late by the respective utilities but the Commission was able to issue the tariff orders in time except for DNHDDPDCL for which a revised tariff petition was filed by the licensee on 27.03.2023.
 - b. The Secretary (I/c)/ Convener also highlighted the key parameters of tariff orders issued for FY 2023-24 in terms of Energy Sales, Number of Consumers, Connected Load, Peak demand, Average Cost of Supply (ACoS) and Average Billing Rate (ABR) etc for all licensees.
 - c. Shri H.L. Bajaj lauded the Commission for the timely issuance of the tariff orders. He also mentioned that the Commission should take necessary steps to ensure the timely filing of the tariff petitions especially Chandigarh.
 - d. Shri S.K. Soonee highlighted that the DNHDDPDCL has very high ratio of peak demand to connected load, while the ratio is very low for Lakshadweep island. These diverse values of the ratio are not present for other ERCs, which sets JERC (Goa & UTs) at a unique position as compared to other ERCs.
 - e. Smt. Neerja Mathur pointed out that the gap between ACoS and ABR is difficult to identify especially for the regions supported with grants where some amount of grant was approved to the utility by the government but was not actually received at appropriate time.

1. Commission to ensure timely filing of tariff petitions.

Action points

- f. Shri Alok Kumar suggested the Commission to mandatorily issue full cost tariff order. A subsidised tariff will only be issued if the utility receives such subsidy from the respective government in advance. He mentioned that issuance of subsidised tariff order in the absence of actual subsidy received will not only impact the financial viability of the utility, but would also be in violation of the guidelines of National Tariff Policy and Electricity Act, 2003.
- g. Shri Rajesh Kumar Mediratta desired to know whether Solar Policies relating to net metering have been issued for the Goa and Union Territories to which Chairperson clarified that the Commission has already issued JERC (RE) Regulations, 2010 with latest amendments on March, 2022 indicating the RPO trajectory to be complied for FY 2023-24 to FY 2029-30.
8. The discussion agenda has been segregated utility-wise and the same has been described below:
- a. Puducherry Electricity Department**
- The tariff order parameters of Puducherry Electricity Department (PED) were briefed to the members of the SAC.
 - It was mentioned that there has been a tariff revision of 4.69% for FY 2023-24. It was also mentioned that as there is no budgetary support to bridge the gap between the Aggregate Revenue Requirement (ARR), a tariff increase was approved. Further a regulatory asset of past year has accumulated to Rs. 373.41 Cr. Thus a regulatory surcharge is being levied at 8% over and above the tariff increase to liquidate the regulatory asset.
 - Shri Alok Kumar enquired by when the full regulatory asset will be liquidated. It was clarified that regulatory surcharge is levied at 8% for FY 2023-24 which was earlier levied at 6% in FY 2022-23 and it is expected that this regulatory asset will be liquidated in next 3-4 years.
- b. Electricity Department of Goa**
- The tariff order parameters of Electricity Department of Goa (EDG) were briefed to the members of the SAC.
 - The approved tariff hike was 5.19% for the FY 2023-24. The residual gap was fulfilled with the help of budgetary support from the

State Government of Goa, thus the closing gap for the year turns out to be zero.

c. Lakshadweep Electricity Department

- The tariff order parameters of Lakshadweep Electricity Department (LED) was briefed to the members of the SAC.
- Secretary (I/c)/ Convener explained that the ACoS is high in case of Lakshadweep (Rs.48.11/ kWh), and there has been a tariff revision of 14.13% for FY 2023-24.
- Budgetary support was provided by the government and hence, the closing gap for the licensee wrt to FY 2023-24 is zero.

d. Electricity Department of Andaman & Nicobar Islands

- The tariff order parameters of Electricity Department of Andaman & Nicobar Islands (EDA&N) was briefed to the members of the SAC.
- A tariff revision of 12.14% was approved owing to the high ACoS (Rs. 41.34/ kWh for FY 2023-24).
- Budgetary support was provided by the government and hence the closing gap for the licensee wrt to FY 2023-24 is calculated as nil.
- Shri H.L. Bajaj raised his concern towards the usage of diesel in the islands of Lakshadweep and Andaman & Nicobar, due to its high cost and adverse impact on the environment. According to him, it was important to effectively monitor the consumption of diesel, especially in the island areas. He suggested to develop a mechanism or due diligence process to monitor the fuel consumption in the island regions, hence effectively monitoring the fuel cost. He also suggested that the solar powered smart grid model may be implemented in the island regions of Lakshadweep and Andaman & Nicobar Islands to replace diesel which is very costly as well as environmentally hazardous.
- Shri Alok Kumar mentioned that EDA&N was facing some problems in load balancing due to the penetration of intermittent solar energy into the grid. Hence, he suggested to look into the possibility of solar + battery energy storage system (BESS) as an alternative to diesel fuel in the island regions. He also mentioned that increasing the tariff up to a level comparable to ACoS will compel the consumers to

Action points

2. Development of due diligence process to monitor diesel consumption in the island areas.
3. Checking the feasibility of solar powered smart grid system in the island region.
4. Checking the solar + BESS system feasibility in island regions owing to the large usage of diesel.

Action points

opt for power from solar powered grids, which in turn would push the utilities to install more and more solar based generation plants.

- Shri Rajesh Kumar Mediratta suggested to study the feasibility of Smart Grid pilot in Andaman or Lakshadweep islands integrating solar, wind, EV charging and conventional generation on the same lines as South Korea implemented complete smart grid in Jeju island. The cost of implementing such model would be economic over long term if compared with current diesel generation at price of Rs. 30/ kWh. Implementing the smart grid may lead to the setup of EV charging stations in the region and will also resolve the diesel theft problem.

e. Electricity Wing of Engineering Department of UT Administration of Chandigarh

- The tariff order parameters of Electricity Wing of Engineering Department of UT Administration of Chandigarh (EWEDC) were briefed to the members of the SAC.
- The EWEDC is a case of utility having surplus revenue. For the same reason, the tariff for FY 2023-24 was remain same as for the year FY 2022-23.
- The Chairperson further apprised that this time EWEDC had again sought 2 months of extension for the filing of tariff petition for FY 2024-25 for which the Commission considered the request and granted only 1 month extension.

f. Dadar & Nagar Haveli and Daman & Diu Power Distribution Corporation Limited

- The tariff order parameters of Dadar & Nagar Haveli and Daman & Diu Power Distribution Corporation Limited (DNHDDPDCL) were briefed to the members of the SAC.
- DNHDDPDCL has started its business w.e.f. 01.04.2022 and ARR of the utility was worked out in surplus subject to true up, therefore the same tariff as was applicable in FY 2022-23 was approved in FY 2023-24.
- The utility also do have the highest ratio of peak demand to connected load across the utilities, the reason for which could be the

majority electricity demand coming from the industrial category consumers.

Action points

9. The Secretary (I/c)/ Convener explained the next agenda item on Regulations amended by the Commission during FY 2023-24 and briefed the same to the SAC members. Below are the regulation-wise important points discussed:

a. JERC (Generation, Transmission and Distribution Multi Year Tariff) (First amendment) Regulations, 2023

- In order to comply the directions given by the Hon'ble Supreme Court on 23.11.2022 in the matter involving Tata Power Company Limited (Transmission) and Maharashtra Electricity Regulatory Commission and others (Civil Appeal No. 1933 of 2022), in which it was directed to the Electricity Regulatory Commissions to notify a threshold limit to determine the projects to be executed under tariff based competitive bidding (TBCB) mode.
- Based on the order, the Commission on 25.02.2023 issued a draft consultation paper and subsequently issued the amendment of (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 regulation on 04.08.2023.

b. JERC (Appointment of Consultants) (Second Amendment), Regulations, 2023

- The Secretary (I/c)/ Convener provided the brief of the context of amending the Regulation to the SAC members. The Commission historically consisted of 14 posts out of which 6 posts have been abolished. Thus currently only 8 posts are active.
- Shri Alok Kumar appreciated the staff shortage in the Commission. He suggested that the Commission should make earnest effort to get the abolished posts revived. The Chairperson clarified that the Commission has already written to MoP for revival of abolished posts and also a detailed proposal for sanction of additional staff strength has been forwarded to MoP which is under their consideration.
- Shri Rajesh Kumar Mediratta emphasised that continuity of the regular manpower in the Commission is must for institutional memory and continuity.

5. Revival of old posts to increase the manpower in the Commission to be followed up with MoP.

- Shri H.L. Bajaj re-iterated the fact that institutional memory is very important for Electricity Regulatory Commission. In the absence of the sufficient number of regular employees in the Commission, it will not have any institutional memory and may not evolve impacting the development of the Commission in the coming years. He also suggested that the Commission may consider a program for the 3-6 months paid internship for youths/ fresh consultants at minimum cost in order to prepare them to perform the activities for the Commission as a consultant.

c. JERC (Terms and conditions for Tariff determination from Renewable Energy Sources) Regulations, 2019

- Secretary (I/c)/ Convener briefed the Committee about the (Terms and conditions for Tariff determination from Renewable Energy Sources) Regulations, 2019.
- The regulations were applicable for a control period of three years up to 23.07.2022. However, as per Regulation 5 of the Renewable Energy Tariff Regulations, 2019, the Commission extended the time period of applicability of the said Regulations till the issue of further orders or till the notification of new Terms & Conditions for Tariff Determination from Renewable Energy Sources Regulations, whichever is earlier.

10. The Secretary (I/c)/ Convener further explained the next agenda item on formation of additional Consumer Grievance Redressal Forum and Ombudsman at zone level, circle level and company level and briefed the SAC members about the same.

- a. It was stated that while CGRF is appointed for each Union Territory and the State of Goa, however more number of CGRF may be required considering the scattered geography of locations like Goa or Lakshadweep.
- b. Other important point highlighted was to align the regulation of the Commission wrt the Ministry of Power (Right of Consumers) Rules, 2020 with amendments in 2021 and 2022, for which the Commission is currently working on.
- c. Shri Alok Kumar suggested a status of the disposals by Ombudsman may be taken as forth and also suggested to prepare the feedback

Action points

6. Appointment of more than one CGRF for scattered geographies like Lakshadweep & PED to be explored.

form to receive the feedback from consumers having their complaints addressed by the CGRF. Ombudsman and consumer feedback form should be prepared. A consultant may be engaged for the process which will involve the activities like preparation of the consumer feedback form, sharing the form with the relevant consumers via emails or any other medium, helping the consumers to understand the feedback form, receiving the filled feedback form from the consumer, etc.

- d. Smt. Neerja Mathur pointed out that in regions like Puducherry, there is only one CGRF available. The number can be increased owing to the separate scattered locations like Mahe, Yanam, etc.

11. The Secretary (I/c)/ Convener further briefed the next agenda item on latest development in the power sector in terms of Green Energy tariff to the SAC members.

- a. It was stated that MoP notified "Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022" and subsequent amendments to promote the installation of renewable energy. The rules mandate the Commission to determine a separate tariff for green energy.
- b. Shri Alok Kumar asked about the approach to charge the green tariff to which the Chairperson clarified that the incremental charge approach is primarily used for the determination of green tariff across the Electricity Regulatory Commissions, hence it will be charged over and above the normal tariff.
- c. The Commission accordingly has proposed the incremental charge approach where the green energy tariff will be determined first by computing three components namely, average pooled power purchase cost of renewable energy, landed cost of renewable energy and cross subsidy surcharge.
- d. It was further discussed that a cap of Rs 1/ kWh on the green energy tariff for a period of 2 years may be considered. It was also suggested that an upper cap of 50% of incremental charges may be considered on green tariff if the incremental charge is more than Rs 1/ unit. The purpose of such caps would be beneficial in promotion of

Action points

7. Review of feedback received from consumers having their grievances addressed by the CGRF.

8. Capping the incremental charge of green tariff for a period of 2 years to make it consumer appealing economically.

green energy. The green tariff would then be reviewed for every 2-3 years thereafter.

- e. Shri Alok Kumar enquired about the details of any Renewable Energy PPA in DNHDD, if executed. Shri K.C. Parekh asked for the clarification regarding quantum of electricity provided to the consumers. Shri Maria G Durairaj was concerned about the procurement of green energy at a higher tariff. It was clarified that the utilities under jurisdiction are now focusing on the procurement of green energy. Recently, DNHDD has floated a tender of Round the Clock renewable energy power with CUF of 90%. The bids have been received by DNHDD in open tender and the same is to be finalised.
- f. Shri Rajesh Kumar Mediratta suggested that the regulation to be formulated in a manner that if an obligated entity wants to buy green power to fulfil its Renewable Purchase Obligation (RPO), then it may do the same by buying the Renewable Energy Certificate (REC) instead of physical power. Shri Alok Kumar also added that the entities can buy green power via Green-Day Ahead Market (G-DAM). He further added that some Cooperative Housing Societies (CHS) in Mumbai are showing their interest in buying green power. Hence the Commission should encourage the consumers in utilising the available renewable power.
- g. Shri H.L. Bajaj emphasised that installation of green hydrogen plants may be explored which may create the demand for the procurement of green power.

12. Shri Maria G Durairaj took over on the additional agenda on power supply position for the state of Goa and briefed the same to the SAC members.

- a. One of the key points of discussion was focussed on 120-150 MW of shortfall in peak power faced by the state of Goa that leads to price excursions upto Rs 20/ unit. This forces the EDG to go to demand restrictions on industrial, hotel and commercial consumers who are then forced to run the diesel generator (DG) sets to meet their peak power requirement. This high price excursion will make a energy storage system to meet peak demand financially viable.

Action points

9. Installation of green hydrogen plants or EV charging stations to create a market for green power.

- b. To design the energy storage system, the necessary tasks to would be the estimation of peak power shortage, cost benefit analysis for the procurement of power from Battery Energy Storage System (BESS).
- c. The Chairperson highlighted that about a 10 MW size BESS system that has been installed in Delhi. Accordingly, it was decided to study the BESS system in Delhi and explore the possibility of implementing a BESS system in order to meet the peak demand requirements in the state of Goa.
- d. Shri Alok Kumar further added that the demand side of the electric power system should be balanced in a way to meet the peak demand requirements since there are already many solutions that are being undertaken at the generation side in order to meet the peak demand requirements. One way is to change the demand usage pattern for the consumers. Some important steps already undertaken in this direction like implementation of Time of Day (ToD) tariff. Mechanisms like Demand Side Management (DSM) or Demand Response (DR) may also be explored in order to change the overall consumer behaviour to reduce the peak demand.
- e. Mr Alok Kumar also enquired on the availability of the DSM regulation by the Commission and the intervention measures to implement ToD or DSM. It was clarified that the Commission has already issued the relevant regulations and is in force. The ToD has been implemented by all licensees other than islands.
- f. Shri Maria G Durairaj points out that it may be difficult for the consumers to shift their demand in order to manage the peak load. Shri Alok Kumar added that the consumers from industrial and commercial category will eventually be able to implement the demand shift as per the requirements of the electricity system. For example, shifting of laundry hours by hotels to manage the peak demand is currently being made.
13. Shri K.C. Parekh took over on the further agenda on fixed comparison between DNHDDPDCL and UGVCL & DGVCL and briefed the same to the SAC members.

Action points

10. Study the feasibility of implementing BESS to meet the peak demand requirements in the state of Goa.

- a. He mentioned that the consumers of DNHDDPDCL are paying higher demand charges when compared UGVCL's or DGVCL's consumer.
- b. He also mentioned that the licensee is also asking for the security deposits from consumers who are interested in the installation of rooftop solar. The Secretary (I/c)/ Convener assured to check on this with the licensees.
- c. Shri Alok Kumar said that the fixed demand charges should reflect the fixed cost of the licensee.
- d. Shri Rajesh Kumar Mediratta suggested that there could be a separate consumer category especially for the consumers having seasonal demand due to particular business cycle to free them from paying high fixed charges especially when they are not using electricity.
- e. Shri S.K. Soonee pointed out that the Commission covers a region of non-contiguous fragmented territories, which no other State Commission possesses. This geographical diversity of a licensee should be used as an advantage in terms of accounting principles of demand to meet the peak demand of an area of the licensee.
- f. Shri K.C. Parekh said that the Silvassa region was asking for its own separate CGRF.
14. The Chairperson requested the esteemed SAC members to put forward any further suggestions.
15. The meeting ended with a Vote of Thanks to the Chair.

Action points

11. To check from the licensee regarding the submission of deposits from consumers opting for rooftop solar.
12. Introduction of separate consumer category for seasonal consumers.



(SD Sharma)

Secretary (I/c)