

**JOINT ELECTRICITY REGULATORY COMMISSION
(FOR THE STATE OF GOA AND UNION TERRITORIES)**

STATEMENT OF REASONS

For

JERC (Transmission and Distribution Licensing) Regulations, 2020



No. JERC:27/2021

**JOINT ELECTRICITY REGULATORY COMMISSION
For the State of Goa and Union Territories,**

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STATEMENT OF REASONS

Dated: 10 February, 2021

1 Introduction

- 1.1 The Commission in exercise of the powers conferred under Section 14, Section 15, Section 16, Section 86(3) read with Section 181 of the Electricity Act, 2003 (Act No. 36 of 2003), and all other provisions enabling it in this behalf has framed the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Transmission and Distribution Licensing) Regulations, 2020.
- 1.2 As per the Section 14, Section 15 and Section 16 of the Electricity Act, 2003 (the Act), the Appropriate Commission may grant a licence to any person to transmit electricity as Transmission Licensee and to distribute electricity as Distribution Licensee. Further, the Appropriate Commission may specify procedure and condition for grant of licence. The relevant extract of provisions of Section 14, Section 15 and Section 16 of the Act are reproduced as under:

“Section 14. Grant of licence:

The Appropriate Commission may, on an application made to it under section 15, grant a licence to any person –

- (a) to transmit electricity as a transmission licensee; or*
 - (b) to distribute electricity as a distribution licensee; or*
 - (c) to undertake trading in electricity as an electricity trader,*
- in any area as may be specified in the licence:*

Provided that any person engaged in the business of transmission or supply of electricity under the provisions of the repealed laws or any Act specified in the Schedule on or before the appointed date shall be deemed to be a licensee under this Act for such period as may be stipulated in the licence, clearance or approval granted to him under the repealed laws or such Act specified in the Schedule, and the provisions of the repealed laws or such Act specified in the Schedule in respect of such licence shall apply for a period of one year from the date of commencement of this Act or such earlier period as may be specified, at the request of the licensee, by the Appropriate Commission and thereafter the provisions of this Act shall apply to such

business:

.....

Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements 1[relating to the capital adequacy, credit-worthiness, or code of conduct] as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose:

Provided also that in a case where a distribution licensee proposes to undertake distribution of electricity for a specified area within his area of supply through another person, that person shall not be required to obtain any separate licence from the concerned State Commission and such distribution licensee shall be responsible for distribution of electricity in his area of supply:

Section 15. Procedure for grant of licence:

(1) Every application under section 14 shall be made in such form and in such manner as may be specified by the Appropriate Commission and shall be accompanied by such fee as may be prescribed.

(2) Any person who has made an application for grant of licence shall, within seven days after making such application, publish a notice of his application with such particulars and in such manner as may be specified and a licence shall not be granted

–

(i) until the objections, if any, received by the Appropriate Commission in response to publication of the application have been considered by it:

(ii) Provided that no objection shall be so considered unless it is received before the expiration of thirty days from the date of the publication of the notice as aforesaid;

(iii) until, in the case of an application for a licence for an area including the

whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Appropriate Commission has ascertained that there is no objection to the grant of the licence on the part of the Central Government.

(3) A person intending to act as a transmission licensee shall, immediately on making the application, forward a copy of such application to the Central Transmission Utility or the State Transmission Utility, as the case may be.

(4) The Central Transmission Utility or the State Transmission Utility, as the case may be, shall, within thirty days after the receipt of the copy of the application referred to in sub-section (3), send its recommendations, if any, to the Appropriate Commission: Provided that such recommendations shall not be binding on the Commission.

(5) Before granting a licence under section 14, the Appropriate Commission shall -

(a) publish a notice in two such daily newspapers, as that Commission may consider necessary, stating the name and address of the person to whom it proposes to issue the licence;

(b) consider all suggestions or objections and the recommendations, if any, of the Central Transmission Utility or State Transmission Utility, as the case may be.

.....

Provided that no application shall be rejected unless the applicant has been given an opportunity of being heard.

(7) The Appropriate Commission shall, immediately after issue of a licence, forward a copy of the licence to the Appropriate Government, Authority, local authority, and to such other person as the Appropriate Commission considers necessary.

(8) A licence shall continue to be in force for a period of twenty- five years unless such licence is revoked.

Section 16. Condition of licence:

The Appropriate Commission may specify any general or specific conditions which shall apply either to a licensee or class of licensees and such conditions shall be

deemed to be conditions of such licence:

Provided that the Appropriate Commission shall, within one year from the appointed date, specify any general or specific conditions of licence applicable to the licensees referred to in the first, second, third, fourth and fifth provisos to section 14 after the expiry of one year from the commencement of this Act.”

- 1.3 The Commission framed the Draft JERC (Transmission and Distribution Licensing) Regulations, 2020 in accordance with the provisions of the Act. The Draft Regulations and Public Notice were placed on the website of the Commission for inviting public suggestions/comments/inputs/objections on 2nd December, 2020. Further, the suggestions/comments/inputs/objections from the stakeholders were also invited through Public Notice published in the following newspapers, on the date indicated against each:

List of Newspapers

Newspaper	Language	Dated
Ajit, Chandigarh	Punjabi	2 nd December, 2020
Arthik Lipi, Port Blair	Bengali	3 rd December,2020
Dinakaran, Puducherry	Tamil	3 rd December,2020
Gujarat Samachar, Surat	Gujarati	3 rd December,2020
The Economic Times, New Delhi Gurgaon	English	3 rd December,2020
The Andaman Express, Port Blair	English	3 rd December,2020
The Tribune, Chandigarh	English	3 rd December,2020
Savera India Times, Daman	Hindi	4 th December, 2020

- 1.4 Further, the Commission considering the request of stakeholders decided to extend the timeline for receiving suggestions/comments/inputs/objections up to 18th January, 2021. The public notices for extension of timelines were published in the following newspapers, on the date indicated against each:

List of Newspapers

Newspaper	Language	Dated
The Economic Times, Delhi/Gurgaon	English	25 th December,2020
The Economic Times, Ahmedabad	English	25 th December,2020
The Economic Times, Bengaluru	English	25 th December,2020
The Economic Times, Chennai	English	25 th December,2020

Newspaper	Language	Dated
The Economic Times, Mumbai	English	25 th December,2020
The Economic Times, Chandigarh	English	25 th December,2020
The Economic Times, Pune	English	25 th December,2020
The Economic Times, Lucknow	English	25 th December,2020
The Economic Times, Kolkata	English	25 th December,2020
The Economic Times, Hyderabad	English	25 th December,2020

1.5 The last date for submission of comments/suggestions by the stakeholders/public was 18th January, 2021. The list of stakeholders who offered their comments/suggestions on the Draft Regulations, which have been considered by the Commission while finalising the Regulations are as follows:

1. Electricity Employees Federation of India (EEFI)
2. The Superintending Engineer, O.P Circle, Chandigarh
3. All India Power Engineers' Federation (AIPEF)
4. Shri. Mukul Mishra

1.6 The main comments and views expressed by the stakeholders through their written submissions and the Commission's views thereon have been summarized in the following paragraphs. It may be noted that all the suggestions given by the stakeholders have been considered, and the Commission has attempted to elaborate all the suggestions as well as the Commission's decisions on each suggestion in the Statement of Reasons. However, in case any suggestion is not specifically elaborated, it does not mean that the same has not been considered. Further, Syntax/phrase/addition of word(s)/rewording related changes have been suitably incorporated, wherever necessary.

A. Definitions

2 Commission or JERC

Commission's Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

"2.1 (g) "Commission" or "JERC" means the Joint Electricity Regulatory Commission for the State of Goa & Union Territories of Andaman & Nicobar Islands, Chandigarh,

Dadra & Nagar Haveli and Daman & Diu, Lakshadweep and Puducherry;

Stakeholders' Comments/Suggestions:

- 2.1 Shri Mukul Mishra suggested to remove the word "JERC" as the stakeholder want to define "Commission" as Joint Electricity Commission but due to existing provision the stakeholders will be bound to use both the words i.e., Commission and JERC Simultaneously in all their further Notifications/Rule/Regulations/letters etc. to give such complete meaning.

Analysis & Commission Decision:

- 2.2 As regards to the suggestion of stakeholder on removing the word "JERC", the Commission is of the view that both the words "Commission" or "JERC" provides the same meaning.
- 2.3 The Commission further clarifies that the stakeholders can refer the Commission as "Commission" or "JERC" and there is no need to use both the words simultaneously.
- 2.4 In view of the above, the definition is retained as proposed in the Draft Regulations.

3 Petition

Commission's Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

"2.1 (v) "Petition" means and includes all petitions, application, complaints, appeals, replies, rejoinders, supplemental pleadings, other papers and documents

Stakeholders' Comments/Suggestions:

- 3.1 AIPEF suggested to add "before JERC/APTEL or competent court" after the word documents.

Analysis & Commission Decision:

- 3.2 As regards to the suggestion of stakeholder to add "before JERC/APTEL or competent court" after the word documents in the definition of Petition, the Commission is of the view that the Petition for these Regulations implies the Petition before the Commission.

- 3.3 In view of the above, no change is warranted in the definition proposed in Draft Regulations and the same is retained. the definition is retained as proposed in the Draft Regulations.

4 Transmission System

Commission's Proposal in Draft (Transmission and Distribution Licensing) Regulations, 2020.

"2.1 (dd) "Transmission System" means a network of interconnected extra high voltage electric lines (overhead lines and cables, transformers, switchgear and other associated equipment and apparatus) owned or controlled by the Transmission Licensee for connecting various generating stations and sub stations and distribution system for the purpose of conveyance of electricity;"

Stakeholders' Comments/Suggestions:

- 4.1 AIPEF has suggested amendment in transmission system definition to specify assets above 66 kV as transmission system and assets up to and including 66 kV as Distribution system. Further, term extra high voltage should relate to assets operating at voltage higher than 66 kV. Whereas Lines etc at 66 kV or 33 kV are essentially part of distribution system.
- 4.2 The Superintending Engineer Electricity O.P Circle of UT Chandigarh submitted that more clarity regarding the voltage level of transmission system shall be provided. Further, the stakeholder submitted that EHV shall be further be clarified as 33KV & above as defined in the Supply Code.

Analysis & Commission Decision:

- 4.3 The Commission has taken note of the stakeholder suggestion. However, the Commission is of the view that the definition of transmission system shall be governed as per the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Electricity Supply Code) Regulations, 2018 and as amended from time to time.
- 4.4 Therefore, the Commission has decided to amend the definition of the transmission system as per the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Electricity Supply Code) Regulations, 2018.

Provision in Final JERC (Transmission and Distribution Licensing) Regulations, 2020.

“2.1 (dd) “Transmission System” means the system consisting of EHV electric lines being operated at EHV (excluding generator interconnection facilities) owned and/or operated by the Transmission Licensee for the purposes of transmission of electricity from one power station to a sub-station or to another power station or between sub-stations or to or from any external interconnection equipment up to the interconnection with the distribution system and includes the plant and apparatus and meters owned or used by the Transmission Licensee in connection with the transmission of electricity, but shall not include any part of any Licensee’s distribution system;”

B. Procedure for Grant of Transmission/Distribution Licence

5 Recommendations of State Transmission Utility (STU) for grant of Transmission Licence

Commission’s Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

4.1 The Transmission Licensee applicant shall immediately on making application in manner specified above, forward a copy of the application along with all the enclosures to the State Transmission Utility for its recommendations.

4.2 The State Transmission Utility shall acknowledge receipt of the application and shall within thirty (30) days of the receipt of said application, send its recommendations, if any, to the Commission.

4.3 The State Transmission Utility shall whether it sends its recommendations or not, submit a report to the Commission on the following aspects within thirty (30) days of receipt of copy of the application for grant of licence:

(a) Whether the assets mentioned in the application form for Transmission Licence form part of Intra-State Transmission System;

(b) Whether the assets mentioned in the application form part of the transmission (c) plan;

(d) Whether the completion schedule mentioned in the application is feasible, synchronizes with expansion of other parts;

(e) Technical suitability of the assets;

(f) Justifiability of the estimated cost of completion indicated in the application;

(g) Any other relevant information the State Transmission Utility desire to convey to the Commission;

4.4 The recommendations, if any, and report by the State Transmission Utility shall be endorsed to the Applicant.

4.5 The Commission shall take into consideration the comments of the State Transmission Utility but the recommendations and the report of the State Transmission Utility shall not be binding on the Commission.”

Stakeholders' Comments/Suggestions:

- 5.1 AIPEF suggested that in most of UTs there would not be any STU as notified by the Govt. Hence, in the absence of any STU, the implementation of steps contained in Clause 4 of the Draft Regulations would not be possible. Therefore, in draft regulations for transmission license should contain a section regarding constitution of STU.
- 5.2 The Superintending Engineer Electricity O.P Circle of UT Chandigarh suggested that before the final the Regulation, direction shall be given to utilities for creation of STU & SLDC so that they can perform these functions under these regulations.
- 5.3 Further, the Superintending Engineer Electricity O.P Circle of UT Chandigarh suggested that the system with 33KV & above voltage level may be kept under STU so that functions assigned to STU under these regulations for grant of transmission license can be performed.

Analysis & Commission Decision:

- 5.4 The Commission is of the view that constitution of STU and direction to utilities for creation of STU and SLDC is not the subjected matter of this Regulation. However, the Commission may approve the designated office to act as STU and SLDC for the specific purpose. For the State of Goa, the Commission has approved the procedure for Grant of Open Access on July 30. 2019 under which the Commission has approved the designated offices to act as Nodal Agencies (STU and SLDC).
- 5.5 In view of the above, no change is required in the Regulation and the provision as proposed in the Draft Regulations has been retained.

6 Conditions of Transmission/ Distribution Licence

Commission's Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

"7.1 The General Conditions subject to which each of the categories of licence shall be laid down by the Commission.

7.2 The Commission may decide on the special conditions subject to which license shall be issued to the applicant.

7.3 Any person intending to apply for licence shall duly comply with the conditions and requirements laid down by the Commission."

Stakeholders' Comments/Suggestions:

- 6.1 AIPEF submitted that the Govt. of India has issued the standard bid documents (Draft) for privatization of Distribution Licensees in vide notice dated 22nd September, 2020, which is yet to be finalized. In UT Chandigarh the bids were invited for privatization of Distribution, with condition that 100% of shares would be acquired by the successful bidder. However, the UT Powermen union of Chandigarh have challenged the bidding procedure and privatisation process through Civil Writ Petition CWP 20439 of 2020. One of the arguments presented by the Petitioner union is that the privatization of Distribution of System up to 100% is not permissible under Electricity Act 2003. Further, AIPF submitted that the major objection stated above is pending before the High Court wherein the Commission is Respondent No. 6. Since the matter is sub-judice, with the Commission as one of the 6 respondents, the draft Regulations shall be put on hold and kept pending till a final decision / order of Punjab and Haryana High Court is issued.
- 6.2 Beside this, AIPEF submitted that in the Draft Regulations there is no bar or restriction on 100% privatization of Distribution. In addition to this, submitted that a Private Company can apply for Distribution Licensee of UT by acquiring 100% shares.
- 6.3 Therefore, AIPEF submitted that the draft Regulations shall be put on hold and kept pending till a final decision / order of Punjab and Haryana High Court is issued.
- 6.4 EEFI submitted that Ministry of power has overreached the jurisdiction of Electricity Regulatory Commissions all over the country by issuing Standard Bidding Document

and administrative decision towards privatization of electricity business in Union Territories. Further, they have cited Civil Writ Petition CWP 20439 of 2020. Where, the stakeholder has sued the Government of India in the Hon'ble High Court of Chandigarh with regards to overreach of the jurisdiction. In addition to this, stakeholder submitted that the Hon'bles Court has restrained the operation and effect of the impugned Office Memorandum Dated 10th June, 2020. Beside this, the stakeholder submitted that attempt form the Govt. of India to dismiss the order has been ineffective.

- 6.5 EEFI submitted that by issuing this draft regulation the Commission is trying to rescue the Ministry of Power and expediting the process of curbing its rights. Therefore, stakeholder suggested that the Commission being the quasi-judicial body should play impartial role in all its action/s and decisions.

Analysis & Commission Decision:

- 6.6 The Commission is of the view that these Regulations are for the purpose of detailing the procedure of issuing the Transmission and Distribution Licence and in no way related to privatization issue. The transfer of assets of Licence shall be governed by the provisions of Electricity Act, 2003 and Licensee conditions and appropriate provision has been made in Regulations in this regard.
- 6.7 In view of the above, the provision as proposed in the Draft Regulations has been retained.

7 Public Notice of Licence Application

Commission's Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

"12.1 Unless exempted by the applicable laws/Commission, the Applicant shall, within seven (7) days from date of admission of the application, publish a notice of his application by public advertisement in one English and one Local daily newspaper having wide circulation in the area of Transmission/Distribution for which the Licence is sought, and such advertisement shall contain such particulars as have been directed by the Commission in these Regulations, namely:"

Stakeholders' Comments/Suggestions:

- 7.1 AIPEF suggested that the Commission may put the brief particulars on the Commission website, in addition to the newspaper notice by the applicant as in the

draft Regulations it has already specifies that the public notice of application should be ensured by the applicant through newspaper advertisement in one English and one local language daily.

Analysis & Commission Decision:

- 7.2 The Commission is of the view that the notice under this provision of Regulation is to be published by the applicant who has applied for Grant of license and this notice is not to be issued by the Commission.
- 7.3 In view of the above, the provision as proposed in the Draft Regulations has been retained.

8 Amendment of Draft Licence

Commission's Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

"14.1 Any person who desires to have any amendment made in the Draft Licence shall deliver a statement of the amendment to the applicant and to Secretary or such Officer as the Commission may designate in this behalf within a period thirty (30) days from the date of publication of notice of the application by way of advertisement in newspapers.

Stakeholders' Comments/Suggestions:

- 8.1 AIPEF suggested that the Commission in addition to newspaper notice may also put details of amendments and its brief particulars on the Commission website.

Analysis & Commission Decision:

- 8.2 The Commission has taken noted of the stakeholder suggestion. However, the Commission is of the view that this provision is for the stakeholders to submit the desired amendments in Licence to the Commission.
- 8.3 In view of the above, the provision as proposed in the Draft Regulations has been retained.

9 Approval of draft Transmission/Distribution licence

Commission's Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

“.....

17.3 Before granting any licence, the Commission shall publish a notice in two (2) such daily newspapers, as the Commission may consider necessary, stating name and address of the person to whom it proposes to issue the licence, with such other details as the Commission considers appropriate.

.....

17.5 The Commission shall immediately after issue of a licence forward a copy of the licence to the concerned Government, Central Electricity Authority, local authority, and to such other persons as the Commission considers necessary.”

Stakeholders' Comments/Suggestions:

- 9.1 AIPEF suggested that in addition to newspaper notice, the same may also be put on Commission website. In addition to this, the Stakeholder also suggested that a copy of license shall also be put on the Commission website.

Analysis & Commission Decision:

- 9.2 The Commission accepts the suggestion from the stakeholder. In view to the above, the Commission has modified the provision 17.3 and 17.5 in the final Regulations.

Provision in Final JERC (Transmission and Distribution Licensing) Regulations, 2020.

“.....

17.3 Before granting any licence, the Commission shall publish a notice in two (2) such daily newspapers, as the Commission may consider necessary and on its website, stating name and address of the person to whom it proposes to issue the licence, with such other details as the Commission considers appropriate.

.....

17.5 The Commission shall immediately after issue of a licence forward a copy of the licence to the concerned Government, Central Electricity Authority, local authority, and to such other persons as the Commission considers necessary. The Commission shall also upload the copy of Licence granted, on its website.

.....”

10 Application for grant of Distribution Licence in area of supply of existing Distribution Licensee

Commission’s Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

“19.1 (2)

Requirements of Code of Conduct.

The applicant for grant of licence shall satisfy the Commission that he has not been found guilty or has not been disqualified under any of the following provisions within the last three years from the date of the application for the grant of licence:

- (a) section 203, section 274, section 388B or section 397 of the Companies Act, 1956;*
- (b) section 276, section 276B, section 276BB, section 276C, section 277 or section 278 of the Income tax Act, 1961;*
- (c) section 15C, section 15G, section 15H or section 15HA of the Securities and Exchange Board of India Act 1992;*
- (d) clause (b), (bb), (bbb), (bbbb), (c) or (d) of sub-section (1) of section 9 of the Excise Act 1944;*
- (e) section 132 or section 135 of the Customs Act 1962,*

and that the applicant is not a person in whose case licence was suspended under Section 24 or revoked under Section 19 of the Act, within the last three years from the date of application:

Provided that where the applicant is a company, it shall satisfy the Commission in addition to provisions of this rule that no petition for winding up of the company or any other company of the same promoter has been admitted under Section 443 (e) of the Companies Act, 1956 on the ground of its being unable to pay its debts.”

Stakeholders’ Comments/Suggestions:

- 10.1 AIPEF suggested that instead of last three years, the period should be last 10 years i.e., within the last 10 years from the date of application. Further, the stakeholder

suggested that few additional requirements of code of conduct that shall be added like applicant shall not be a defaulter of Income Tax or any other Govt. tax, the applicant shall provide a list of criminal case pending against him, (if any) with brief summary of each case and also provide list of past conviction, (if any).

Analysis & Commission Decision:

- 10.2 As regards the suggestion of the stakeholder to increase the period to 10 years from 3 years from the date of application and additional requirements of code of conduct, the Commission is of the view that the Requirement of code of conduct shall be governed by the Distribution of Electricity Licence (additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005.

Provision in Final JERC (Transmission and Distribution Licensing) Regulations, 2020.

- 10.3 Accordingly, this provision in the Regulation is amended as follows:

“19.1 A person applying for grant of a licence for distribution of electricity through his own distribution system within the same area of supply of an existing Distribution Licensee shall, in addition to the provisions of Regulation 3, comply with such additional requirements including capital adequacy, creditworthiness or code of conduct as prescribed by the Central Government as per Distribution of Electricity Licence (additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 as amended from time to time. The existing provisions of Distribution of Electricity Licence (additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 in this regard are as follows:

Requirements of capital adequacy and creditworthiness.

- (1) The Commission shall, upon receipt of an application for grant of licence for distribution of electricity under sub-section (1) of section 15 of the Electricity Act, 2003, decide the requirement of capital investment for distribution network after hearing the applicant and keeping in view the size of the area of supply and the service obligation within that area in terms of section 43.*
- (2) The applicant for grant of licence shall be required to satisfy the Commission that on a norm of 30% equity on cost of investment as determined under sub-rule (1), he including the promoters, in case the applicant is a company, would be in a position to make available resources for such equity of the project on the basis of net worth and generation of internal resources of his business including of*

promoters in the preceding three years after excluding his other committed investments.

Explanation :- *For the grant of a licence for distribution of electricity within the same area in terms of sixth proviso to section 14 of the Act, the area falling within a Municipal Council or a Municipal Corporation as defined in the article 243(Q) of the Constitution of India or a revenue district shall be the minimum area of supply.”*

“Requirements of Code of Conduct.

The applicant for grant of licence shall satisfy the Commission that he has not been found guilty or has not been disqualified under any of the following provisions within the last three years from the date of the application for the grant of licence:

(a) section 203, section 274, section 388B or section 397 of the Companies Act, 1956;

(b) section 276, section 276B, section 276BB, section 276C, section 277 or section 278 of the Income tax Act, 1961;

(c) section 15C, section 15G, section 15H or section 15HA of the Securities and Exchange Board of India Act 1992;

(d) clause (b), (bb), (bbb), (bbbb), (c) or (d) of sub-section (1) of section 9 of the Excise Act 1944;

(e) section 132 or section 135 of the Customs Act 1962,

and that the applicant is not a person in whose case licence was suspended under Section 24 or revoked under Section 19 of the Act, within the last three years from the date of application:

Provided that where the applicant is a company, it shall satisfy the Commission in addition to provisions of this rule that no petition for winding up of the company or any other company of the same promoter has been admitted under Section 443 (e) of the Companies Act, 1956 on the ground of its being unable to pay its debts.”

11 Amendment of a Transmission/Distribution Licence

Commission’s Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

“.....

25.6 Where an amendment to a Transmission/Distribution Licence is proposed by the Commission Suo-motu, the Commission shall publish a notice in two (2) daily newspapers one in English language and the other in Local language having wide

circulation in the area of operation of the Transmission/Distribution Licence sought to be amended, giving the following particulars:

- (a) Name of the Transmission/Distribution Licensee and address of main office in the area of supply;*
- (b) Description of alteration or amendment proposed to be made by the Commission;*
- (c) Brief reasons for proposed alteration or amendment;*
- (d) A statement that any person, desirous of making any suggestion or objection to the proposed amendment, may do so by filing written petition addressed to the Secretary within thirty (30) days from the date of the first publication of the notice.”*

Stakeholders’ Comments/Suggestions:

- 11.1 The stakeholder suggested that details of amendment of licensee may also be put on Commission website, in addition to newspaper advertisement. The stakeholder also suggested that the Commission shall issue notice in newspapers before finalizing these regulations.

Analysis & Commission Decision:

- 11.2 The Commission accepts the suggestion from the stakeholder. In view to the above, the Commission has modified the provision 25.6 in the final Regulations.

Provision in Final JERC (Transmission and Distribution Licensing) Regulations, 2020.

“.....

25.6 *Where an amendment to a Transmission/Distribution Licence is proposed by the Commission Suo-motu, the Commission shall publish a notice in two (2) daily newspapers one in English language and the other in Local language having wide circulation in the area of operation of the Transmission/Distribution Licence sought to be amended and also on its website, giving the following particulars:*

.....”

C. General Conditions of the Transmission Licence

12 Activities of the Transmission Licensee

Commission’s Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

“34.7 The Transmission Licensee shall maintain up to date records of energy transmitted by each element of the system and produce the same to the Commission whenever required.”

Stakeholders’ Comments/Suggestions:

12.1 AIPEF suggested that the Clause 34.7 needs to be expanded in detailed manners as under.

1. Every UT shall be getting its power supply through inter-state transmission lines, which shall deliver the power to UT transmission system at specified inter-state power supply points.
2. The total drawl from grid by the UT would be the sum total of power injected, totalled over all the supply points.
3. The UT has to draw the power form grid under ABT regime, wherein the power is metered on 15-minute time blocks through special energy meters (SEMs). Therefore, the transmission licensee has to install SEMs at all inter-state supply points and ensure that the SEM data is duly collected and delivered to the concerned RLDC as well as RPC.
4. The RLDC and RPC will process the SEM data and compute /determine the energy drawl for every 15-minute time block and also work out the over drawl or under drawl by comparing with “schedule.

12.2 Hence, the stakeholder suggested to amend the Draft Regulation Clause 34.7 may as under.

“The transmission licensee shall install the special energy meters at interstate supply points and ensure that SEM data is correctly measured and transmitted to concerned RLDC/RPC for finalizing energy accounts of the UT”.

Analysis & Commission Decision:

12.3 The Commission has considered the suggestion of the stakeholder and is of the view that the transmission licensee will have to install the meters as per provisions of CEA (Installation and Operation of Meters) Regulations, as amended from time to time . In view to the above, the Commission has modified the provision 34.7 in the final Regulations.

Provision in Final JERC (Transmission and Distribution Licensing) Regulations, 2020.

“34.7 The transmission licensee shall install the meters, as required in accordance with Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended from time to time and maintain up to date records of energy transmitted by each element of the system and produce the same to the Commission and to other agencies wherever required.”

13 Investments

Commission’s Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

“40.1 The Transmission Licensee shall make the investments in a prudent manner, being guided by the duty to build, maintain and operate an efficient, coordinated and economical distribution system in the State of Goa and Union Territories.

Stakeholders’ Comments/Suggestions:

- 13.1 AIPEF suggested that in 3rd line of Clause 40.1 the word “distribution” shall be replaced by “transmission” and following provision may be added at the end of Clause 40.1.

“The transmission licensee will ensure that augmentation of transmission system is done so that the overloaded portions are augmented as required”.

Analysis & Commission Decision:

- 13.2 The Commission accepts the suggestion from the stakeholder that the word “distribution” is replaced by the “transmission” and additional provision is added with regards to augmentation of transmission system.
- 13.3 In view of the above, the Commission has modified the provision 40.1 and added provision with regards to augmentation of transmission system in the final Regulations

Provision in Final JERC (Transmission and Distribution Licensing) Regulations, 2020.

“40.1 The Transmission Licensee shall make the investments in a prudent manner, being guided by the duty to build, maintain and operate an efficient, coordinated and economical transmission system in the State of Goa and Union Territories.

40.2 The transmission licensee shall ensure that augmentation of transmission system is done so that the overloaded portions are augmented as required.”

14 Expected Revenue and Tariff Filings

Commission's Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

"44.6 The Transmission Licensee shall apply to the Commission to amend its tariffs in accordance with the Act, if the Commission so requires in order to remove any undue discrimination identified by the Commission or to cause the Licensee's expected.

Stakeholders' Comments/Suggestions:

- 14.1 AIPEF submitted that Clause 44.6 is incomplete, and its concluding line/portion is missing. Therefore, the missing line / portion may be completed.

Analysis & Commission Decision:

- 14.2 The Commission accepts the suggestion from the stakeholder. In view to the above, the Commission has modified the provision 44.6 in the final Regulations.

Provision in Final JERC (Transmission and Distribution Licensing) Regulations, 2020.

"44.6 The Transmission Licensee shall apply to the Commission to amend its tariffs in accordance with the Act, if the Commission so requires in order to remove any undue discrimination identified by the Commission."

D. Technical Conditions of the Transmission Licence

15 Transmission Planning and Security Standards, Power Supply Planning and Security Standards, Transmission Operating Standards; and Power Supply Operating Standards

Commission's Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

"46.12 The Transmission Licensee shall, on an annual basis:

- (a) forecast the demand for power within the Area of Transmission and Bulk Supply in each of the next succeeding ten (10) years; and*
- (b) prepare and submit forecasts to the Commission in accordance with the guidelines issued by the Commission from time to time."*

Stakeholders' Comments/Suggestions:

- 15.1 AIPEF submitted that the forecast for power demand has to be made by Distribution licensee and not by Transmission licensee because the distribution licensee has the

record of present consumers such as domestic, commercial and industrial category, and therefore is in better position to assess the future demand trends. In addition to this, the stakeholder submitted that Distribution licensee also has the record of pending connections to be released as well as seasonal variations of demand. Therefore, due to these factors the distribution licensee would be in a better position to forecast the future load demand, while the transmission licensee can only see the loading of transmission elements such as power transformers and lines, and at the most can augment these elements if there is any over loading. Further, the transmission licensee does not deal with consumer loading or demand, and so for forecast purpose the distribution licensee would be the relevant agency.

Analysis & Commission Decision:

- 15.2 The Commission is of the view that transmission licence shall coordinate with the Distribution Licensee(s) and submit the demand forecast to the Commission.
- 15.3 In view of the above, the Commission has modified the provision 46.12 in the final Regulations.

Provision in Final JERC (Transmission and Distribution Licensing) Regulations, 2020.

“46.12 The Transmission Licensee in consultation with the Distribution Licensee(s) shall, on an annual basis:

- (a) forecast the demand for power within the Area of Transmission and Bulk Supply in each of the next succeeding ten (10) years; and*
- (b) prepare and submit forecasts to the Commission in accordance with the guidelines issued by the Commission from time to time.”*

16 Central Scheduling and Dispatch

Commission’s Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

“48.1 Having regard to information provided to it by Suppliers. Generating Companies Central Transmission Utility, Distribution Licensees and other utilities in the region (including information as to forecast levels of electricity demand and availability of generation capacity) and keeping into consideration requirements of the Transmission Planning and Security Standards and the Transmission operating Standards referred to in this Licence, the Transmission Licensee shall undertake operational planning matching

to possible output of all Generating Sets contracted to it and any other Bulk Supply and other sources or electrical energy connected to the Transmission Licensee's Transmission System (including a reserve of generation to provide a security margin or generation availability) with forecast demand after taking into account, inter alia:

- (a) unavailability of Generating Sets; and*
- (b) constraints from time to time imposed by technical limitations on the Total System or interconnections with other transmission systems or any part(s) thereof;*
- (c) consistent with this Clause (48.1) and in accordance with the Grid Codes, for the removal from service of parts of the transmission systems for maintenance, repair extension of reinforcement.*

"48.2 Taking account of the factors referred to in Clause (48.3) the Licensee shall schedule and issue direct instructions for dispatch of power from the Generating Sets and other sources of power as are at such times available to generate electricity and which are subject to dispatch instructions:

- (a) in ascending order of relevant prices that are offered for the generation of electricity into the Total System, keeping in view the constraints on hydro-electric generation; and*
- (b) as will in aggregate (and after taking account of electricity delivered to or from the Total System from or to other sources) be sufficient to match at all times (to the extent possible having regard to the availability of Generation sets) expected demand, taking account of information provided by Suppliers, the Central Transmission Utility and the Regional Electricity Board together with an appropriate margin of reserve.*

"48.3 The factors referred to in Clause 48.2 include:

- (a) expected demand (including losses);*
- (b) Economic and technical constraints from time to time imposed on the Total System or any part or parts thereof;*
- (c) the dynamic operating characteristics of available Generating Sets; and*
- (d) other matters provided for in the Grid Code.*

"48.4 The Transmission Licensee shall provide to the Commission such information as the Commission shall require concerning the merit order dispatch described in Clause (48.2(a)) or any aspect of its operation."

Stakeholders' Comments/Suggestions:

- 16.1 AIPEF submitted that in States that have PPAs with central sector generators, IPPs as well as own generating stations, it is always the Distribution licensee that does the scheduling and dispatch, including merit order scheduling, and matching the generation scheduled with expected or forecasted demand. This functions of scheduling, dispatch and forecasting is always done by Distribution /Discom and not by Transmission licensee. Further, the Discom also manages the implementation of PPAs and payment of energy bills of various generators. Therefore, these functions are beyond the purview of Transmission licensee, which is not supposed to deal with energy bills or scheduling dispatch management. Similar for UTs also similar methodology would apply since the power purchase, scheduling and dispatch functions are directly interlinked and have to be performed by Discom. In case of most Discoms the power purchase component is about 80-85% of ARR, and the primary function of Discom is to match the revenue connection from consumers with the power purchase expenditures. In matching these two parameters the function of scheduling and dispatch of generation becomes critically important and seen from functional angle it has to be decided by Discom which is directly concerned and not by Transmission company.
- 16.2 Further, the Stakeholder submitted that the function of transmission licensee or Transco is to ensure that the quantum of power flow over interstate and intra state lines can safely, securely and economically handle the power flow. In addition to this, the stakeholder submitted that the transmission licensee has to ensure that elements are augmented so that overloading is avoided. Furthermore, the commercial aspects of scheduling, dispatch and power purchase and outside purview of Transco and its always managed by the Discom.
- 16.3 Furthermore, the stakeholder submitted that in most of the states the distribution system starts at 66kV and so all parts of 66 kV network and lower voltage network such as 11 kV are managed by Discoms and Discoms have to ensure the safe and secure operation. While, Transco has to handle 132 kV, 220 kV and 400 kV system.

Analysis & Commission Decision:

- 16.4 The Commission is of the view that the Transmission Licensee shall perform the above function in consultation with the Distribution Licensee(s).

- 16.5 In view to the above, the Commission has modified the provision 48.1 in the final Regulations.

Provision in Final JERC (Transmission and Distribution Licensing) Regulations, 2020.

“48.1 Having regard to information provided to it by Suppliers. Generating Companies Central Transmission Utility, Distribution Licensees and other utilities in the region (including information as to forecast levels of electricity demand and availability of generation capacity) and keeping into consideration requirements of the Transmission Planning and Security Standards and the Transmission operating Standards referred to in this Licence, the Transmission Licensee in consultation with the Distribution Licensee(s) shall undertake operational planning matching to possible output of all Generating Sets contracted to it and any other Bulk Supply and other sources or electrical energy connected to the Transmission Licensee’s Transmission System (including a reserve of generation to provide a security margin or generation availability) with forecast demand after taking into account, inter alia:

- (a) unavailability of Generating Sets; and*
- (b) constraints from time to time imposed by technical limitations on the Total System or interconnections with other transmission systems or any part(s) thereof;*
- (c) consistent with this Clause (48.1) and in accordance with the Grid Codes, for the removal from service of parts of the transmission systems for maintenance, repair extension of reinforcement.”*

E. General Conditions of the Distribution Licence

17 Process for Levy and Recovery of Fines and Charges

Commission’s Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

“52.5 The Commission may designate an Officer to collect the fines and charges pursuant to the provisions of the Central Act and the State Act.”

Stakeholders’ Comments/Suggestions:

- 17.1 The Stakeholder suggested that the Clause 52.5 may be reconstructed in order to make the provision more effective.

“The Commission may designate an officer to collect the fines, charges or compensation so imposed in pursuance to the provision of the Central Act or State Act alternatively it may refer the matter to concerned Collector to recover the amount as Arrears of Land Revenue.”

Analysis & Commission Decision:

- 17.2 The Commission accepts the suggestion from the stakeholder that it should be Central Act or State Act. In view to the above, the Commission has modified the provision 52.5 in the final Regulations.

Provision in Final JERC (Transmission and Distribution Licensing) Regulations, 2020.

“52.5 The Commission may designate an Officer to collect the fines and charges pursuant to the provisions of the Central Act or the State Act.”

18 Franchisee

Commission’s Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

“55.1 The Distribution Licensee may engage any of its Subsidiaries or Holding Company or a Subsidiary of such Holding Company to provide any goods or services to the Licensee in connection with the Licensed Business, subject to the following conditions:

- (a) that the transaction will be on an arms-length basis and at a value that is fair and reasonable in the circumstances;*
- (b) that the transaction will be consistent with any Regulations framed by the Commission relating to the provision of goods and services with respect to Licensed Business; and*
- (c) that the Licensee will give fifteen (15) days’ notice to the Commission prior to commencement of the proposed arrangement and along with the notice provide all relevant details of the arrangement.*

55.2 The Licensee may establish subsidiaries or establish associated companies or grant a franchise or enter into management contracts including appointment of billing agent to conduct or carry out any of the functions, which the Licensee is authorized to conduct or carry out under the Acts and this Licence. Provided always that:

- (a) Any such Subsidiary or associated company or franchisees or contractors or agents shall operate under the overall supervision and control of the Licensee and upon the conditions of this licence; and*
- (b) The Licensee shall have, prior to delegating any function to any such Subsidiary or associated company or franchisees or contractor, intimate the Commission for transactions of value of greater than Rs 100 lacs per annum, subject to such conditions as the Commission may stipulate;*
- (c) The Licensee shall also be responsible for all actions of the subsidiaries or associated companies or franchisees or agents or contractors and may terminate the arrangements in case their performance is not to the satisfaction of the Licensee.*

55.3 Where such prior permission is required, the Licensee will file a suitable application with the Commission disclosing relevant facts. The Commission may, within thirty (30) days of the filing of the application, seek further information in support of the application. The Commission shall generally within thirty (30) days of such further information being submitted by the Licensee, and where no such further information is sought by the Commission as above, generally within sixty (60) days of the filing of the application, allow the arrangement subject to such conditions or modifications as is considered appropriate or reject the same, for reasons recorded in writing in the order to be issued by the Commission.

55.4 The Licensee shall be entitled to Transfer or assign this Licence or any of the functions under this Licence to any other Person only with the prior approval of the Commission. To obtain the approval of the Commission as aforesaid, the Licensee will file a suitable application with the Commission disclosing relevant facts in that behalf and the Commission shall dispose such application expeditiously.”

Stakeholders’ Comments/Suggestions:

- 18.1 AIPEF submitted that they are opposed to any proposal for giving franchise or appointing franchisee. Further, submitted that the Distribution licensee such as State Discom is required to handle and execute all functions relating to electricity distribution across all areas of the jurisdiction and there is no justification for appointing franchisee over any area or function of Discom.
- 18.2 Further, the Stakeholder submitted that starting with the period covered by

Electricity Supply Act, 1948 and then under Electricity Act, 2003 the State Electricity Board or state Discom has been performing all the function relating to electricity distribution and operating through franchisee for any area or function was never found feasible or acceptable. In addition to this, the stakeholder submitted that the State Discom/state owned distribution licensee could always perform the functions better and more economically as compared with franchisee.

- 18.3 Furthermore, the stakeholders submitted that in majority of cases the franchisee arrangement has resulted in failure both from technical as well as economic criteria and the abandoned the work which was then reverted back to the original Discom /State owned distribution licensee. Therefore, the stakeholders vehemently opposed to the appointment of franchisee in electricity distribution and also are not agreed to any Regulations for appointment of franchisee. Hence, the stakeholder submitted that Section 55 of Draft Regulations dealing with franchisees should be deleted.

Analysis & Commission Decision:

- 18.4 The Commission is of the view that franchisee is permissible as per the Electricity Act, 2003.
- 18.5 In view of the above, the provision as proposed in the Draft Regulations has been retained.

19 Establishment of Consumer Grievance Redressal forum

Commission's Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

"56.1 The Distribution Licensee shall establish a forum for redressal of grievances of the consumers in accordance with the guidelines issued by the Commission under Section 42 of the Act.

Stakeholders' Comments/Suggestions:

- 19.1 Shri Mukul Mishra suggested that in Clause 56.1 after the words "a forum " the words may be added as "or forums "and after the words "the Act " the words " from time to time " may be added as it will then give sufficient power to Hon'ble Commission for directing the Licensee to establish more CGRF. Further, the Stakeholder has also suggested establishment of Office of Electricity Ombudsman under the Section 56.

Analysis & Commission Decision:

- 19.2 The Commission accepts the suggestion from the stakeholder with regards to addition of the words in provision 56.1. Therefore, the Commission has modified the provision 56.1 accordingly in the final Regulations.
- 19.3 The Commission is of the view that establishment of office of Electricity Ombudsman is not a subject matter of this Regulations. Therefore, the stakeholder suggestion is irrelevant to this matter.

Provision in Final JERC (Transmission and Distribution Licensing) Regulations, 2020.

“56.1 The Distribution Licensee shall establish a forum or forums for redressal of grievances of the consumers in accordance with the guidelines issued by the Commission under Section 42 of the Act from time to time.”

20 Conduct of Business having adverse effect on Competition

Commission’s Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

“58.1 Every Licensee shall not enter into agreement or abuse its dominant position or enter into any combination which is likely to cause or causes an adverse impact on the competition in the distribution of electricity.”

Stakeholders’ Comments/Suggestions:

- 20.1 AIPEF submitted that in the case of State-owned distribution licensee over the area of any union territory, the electricity distribution business is conducted on cost plus basis under supervision and as per the Regulations notified by the Commission. Therefore, the issue of competition in distribution of electricity shall not be applicable as distribution licensee is regulated by the Commission. Further, the stakeholder submitted that it is the Commission which allows various components in annual or multiyear tariff orders. Therefore, the stakeholder suggested deleting the Section 58 and 58.1 of Draft Regulations.

Analysis & Commission Decision:

- 20.2 The Commission is of the view that the provision 58.1 pertains to the conduct of business by the distribution licence in order to keep fair competition in the

distribution of electricity. Therefore, the stakeholder suggestion is irrelevant to this matter.

- 20.3 In view of the above, the provision as proposed in the Draft Regulations has been retained.

21 Co-operation with State Transmission Utility, State Load Dispatch Centre and other Licensees

Commission's Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

"59.1 The Distribution Licensee shall provide to the State Load Dispatch Centre and State Transmission Utility and/or other Licensees, such information as may reasonably be required by them to perform their functions and exercise their powers under the Act and/or the Reform Act.

"59.2 The Distribution Licensee shall always comply with the, directions of State Load Dispatch Centre, Regional Load Dispatch Centre and State Transmission Utility issued under the Act and/or the Reform Act.

"59.3 The Distribution Licensee shall co-operate with generating companies, other Licensees and State Load Dispatch Centre for the efficient and coordinated operation of the power system.

Stakeholders' Comments/Suggestions:

- 21.1 AIPEF Submitted that the regional power committee is the forum provided under Act for achieving the functions and objects contained in Sections 59.1, 59.2 and 59.3.

Analysis & Commission Decision:

- 21.2 The Commission is of the view that the distribution licensee has to cooperate with STU, SLDC and other Licensees as well as Regional Power Committees.
- 21.3 In view of the above, the provision as proposed in the Draft Regulations has been retained.

22 Procurement of Material/ Equipment/ Services

Commission's Proposal in Draft JERC (Transmission and Distribution Licensing)

Regulations, 2020.

“61.1 The Distribution Licensee shall procure all material/equipment or execute any contract for availing services including power procurement only through the transparent competitive bidding process.”

Stakeholders’ Comments/Suggestions:

- 22.1 AIPEF submitted that the Commission has stressed for power procurement only through transparent competitive bidding process. However, in case of RPO (Renewable Power Obligation) the State Discom / Distribution licensee has to purchase the renewable energy under RPO without any competitive bidding and without any safeguard against higher costs/energy rates. Which is treated as an obligation to off take and pay for renewable energy at a price which is fixed in non-transparently by the outside agency and without any margin for reducing power rates through competitive bidding. Therefore, this aspect will adversely affect all the State/ UTs of the country. Hence, needs to be further deliberated in Forum of Regulators.

Analysis & Commission Decision:

- 22.2 The Commission is of the view that the procurement through competitive bidding results in transparency, fairness, competition and achieving optimal cost of power. Further, the most of the renewable energy technologies are mature technologies and large number of projects are coming under the framework of competitive bidding.
- 22.3 In view of the above, the provision as proposed in the Draft Regulations has been retained.

23 Accounts and Audit

Commission’s Proposal in Draft JERC (Transmission and Distribution Licensing) Regulations, 2020.

“63.3” Any person authorized by the Commission shall be entitled to inspect and verify the accounts of the Distribution Licensee and the Distribution Licensee shall render all necessary assistance to such person.

Provided, further that, if the Commission feel appropriate may get the independent audit of the Distribution Licensee accounts from any independent agency, including Comptroller and Auditor General of India (CAG).

Stakeholders' Comments/Suggestions:

- 23.1 AIPEF suggested that audit by CAG should be ensured through Regulations even if Distribution licensee is a private sector company.

Analysis & Commission Decision:

- 23.2 The Commission is of the view that in general all the Companies have to get the accounts audited as per statutory provisions and audit of private sector company by CAG cannot be made binding under these Regulations. Further, Regulation clearly provides that *"if the Commission feel appropriate may get the independent audit of the Distribution Licensee accounts from any independent agency, including Comptroller and Auditor General of India (CAG)."*
- 23.3 In view of the above, the provision as proposed in the Draft Regulations has been retained.

F. Miscellaneous

Stakeholders' Comments/Suggestions:

- 23.4 AIPEF and EEFI submitted that the notice of Draft Regulations was not published on the website or in any other public domain/ press/ newspapers /news media for information and needful action by the stakeholder.
- 23.5 AIPEF submitted that the stakeholder came to know about the Draft Regulations through UT Chandigarh personnel and filled draft comments / objections.
- 23.6 AIPEF requested the Commission to provide time up to 31st March, 2021 or up to final decision of Hon'ble High Court of Chandigarh is issued on the petition CWP 20439 of 2020.
- 23.7 AIPEF suggested that the Commission shall issue notice in newspapers before finalizing these regulations.

23.8 The Superintending Engineer Electricity O.P Circle of UT Chandigarh has submitted following suggestions.

(a) The objective of issuing the transmission/distribution license may be incorporated before Chapter-1 in the Draft Regulations

(b) In order to have experienced person involved in electricity business come forward it is important to have eligibility criteria fixed & incorporated with respect to technical as well financial turnover.

Analysis & Commission Decision:

23.9 The Commission after issuing the Draft Regulations provided 45 days for inviting public comments/suggestion from the Stakeholder.

23.10 Further, the Public Notice was placed on the website of the Commission for inviting public comments/suggestion on 2nd December, 2020 and Public Notice was published in the newspapers also as stated above.

23.11 The Commission has followed the due process of prior publication before finalising these Regulations and provided adequate time to stakeholders for giving the comments on Draft Regulations.

23.12 With regards to specifying the objective, the Commission is of the view that the Regulations are framed by the Commission under the provisions of Section 181 of the Electricity Act, 2003. Therefore, there is no need of specifying the objective.

23.13 Further as regards to Eligibility Criteria for issuing the licence, the Commission is of the view that the Eligibility Criteria shall be governed by the Distribution of Electricity Licence (additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005. Therefore, no modification in the existing Draft Regulation is required.
