

MINUTES OF THE 8TH STATE ADVISORY COMMITTEE MEETING OF JERC HELD AT INDIA HABITAT CENTRE, NEW DELHI ON 11TH SEPTEMBER, 2014 AT 11:00 A.M.

1. The 8th Meeting of the State Advisory Committee (SAC) of JERC was held under the Chairmanship of Shri Sudhir Kumar Chaturvedi, Hon'ble Chairperson, JERC. The other members present were:-

- a) Shri Surendar L. Rao
- b) Shri R.Krishnamoorthy
- c) Shri A.S. Narag
- d) Shri Ashok Khanna
- e) Shri K.S.Popli
- f) Shri Rajendran Sababayagam
- g) Shri Jyanti Laxmanbhai Patel
- h) Shri Kakad Bhai N.Nikulia
- i) Ms. Keerti Tewari

2. The meeting commenced with a warm welcome by Shri S.K. Chaturvedi and introduction of new members inducted in SAC. Hon'ble Chairperson gave special thanks to outgoing members, viz. Gen. Ved Prakash Malik and others. Leave of absence was granted to those who could not attend the meeting.

3. In his preliminary remarks, Hon'ble Chairperson gave a very brief introduction to JERC and its mandate and responsibilities which, interalia include determining tariff, regulating electricity purchase, issuing licenses, promoting cogeneration, protecting consumers' interests etc.

ii) He informed the SAC members that during the year 2013-14 JERC made amendments in the following regulations:

- i) Electricity Supply Code (First Amendment) Regulations, 2013
- ii) Electricity Supply Code (Second Amendment) Regulation, 2013
- iii) Conduct of Business (First Amendment) Regulations, 2013
- iv) Conduct of Business (Second Amendment) Regulations, 2013
- v) Appointment and Functioning of Ombudsman (First Amendment) Regulations, 2013.

iii) JERC takes the issue of protection of consumers interests very seriously and has notified the regulations on JERC (Establishment of Forum for Redressal of Grievances of Consumers) Regulations, 2009 and JERC (Appointment and Functioning of Ombudsman) Regulations, 2009. Hon'ble Chairperson shared with SAC members that the Consumers Grievances Redressal Forums (CGRF) are in place in all the Territories and Goa State including Lakshadweep and they are functioning very satisfactorily.

iv) Hon'ble Chairperson highlighted that a very important role of the Commission is to reduce transmission losses, and most of the areas under the jurisdiction of the JERC are within the national average loss limit i.e. 15%. (Goa State 12%, A&N 18.3%, Chandigarh 15%, Daman & Diu 9.25% Dadar and Nagar Haveli 4.70%, Puducherry 12.50% and Lakshadweep 15%. A&N has the highest transmission losses because of having many islands, and JERC is trying to bring it down to 15%. He also informed the members that Suo-moto hearings have been started by the Commission on the issue of loss reduction.

Shri Khanna praised the achievement of Dadar & Nagar Haveli for having transmission losses of only 4.7%.

Shri Rao said that theft of electricity is a major contributor to transmission losses, and suggested that more stringent steps (viz. provision of special police as in the case of Delhi) should be taken to stop electricity theft. Shri Khanna stated that Chandigarh has a lot of electricity theft, and wanted to know if the quantum could be computed separately.

v) Hon'ble Chairperson gave a comparison of the average cost of Supply and Tariff fixed for different utilities under JERC jurisdiction in the year 2013-14.

Utilities	Average Cost of supply(Rs)	Average Tariff(Rs)
Goa	3.67	3.23

A&N	23.31	4.88
Puducherry	4.39	4.34
Chandigarh	4.43	4.65
Dadar Nagar Haveli	4.39	3.91
Daman Diu	4.59	5.08
Lakshadweep	24.23	2.77

He apprised the Committee that the tariff in Goa is very low as it buys power from Maharashtra at a cheap rate, and stressed the importance of power purchase.

Shri Rao suggested encouraging the use of wind and tidal electricity in A&N. On this, Hon'ble Chairperson informed the members that A&N is not suitable for either as its islands are surrounded by corals and there are environmental issues. However, in these islands significant efforts are being made in respect of Solar Energy.

vi) Hon'ble Chairperson stated that work for issuance of Multi Year Tariff orders for the year 2015-16 is to be initiated in November, 2014. Regulations on MYT and DSM have been completed. Regulations on Medical and Housing Lease are pending with the Ministry for approval. Regulation on Solar power has been uploaded on the website for comments. JERC is also in the process of reviewing its earlier regulations.

4. The minutes of the last meeting were taken as confirmed.

5. On the issues discussed in the last SAC meeting, Hon'ble Chairperson stated that directions have been given to respective State utilities/Agencies to conduct studies on Solar and Non Solar Renewable Energy and utilities are taking it seriously.

ii) He also informed the members that MNRE has initiated solar and wind energy projects. BHEL and Centre for Wind Energy Technology (C-WET) are very helpful in this regard.

iii) For Biomass energy, members deliberated in detail that Goa, A&N and Lakshadweep are suitable territories for the generation of biomass energy from Coconut shells and steps should be taken in this direction. Hon'ble Chairperson informed the members that Lakshadweep has issued tender for 2.00 mw Biomass power generation and A&N is also exploring this option. The Commission has been pressing upon the utilities to submit their assessment reports on Biomass. iv) Members discussed the possibilities of waste to wealth, i.e. generating electricity from municipal garbage wastes, and suggested that the Commission can play an important role in promoting garbage based electricity generation which requires awareness and education among consumers. Shri Khanna informed the Committee that Chandigarh has one plant for converting municipal waste to electricity but he is not sure if it is functional. He suggested that the Commission take it up with the local administration.

v) It was informed that Open access has been operationalized in all the territories, but it is not very successful and only Daman and Diu has 3 consumers on open access.

vi) On the issue of Energy Audit, Hon'ble Chairperson informed the Members that all the utilities have engaged consultants and studies are ongoing.

6. Shri Y.P. Chawla, Adviser made a detailed presentation which highlighted the main provisions of the draft Regulation on Solar Power Tariff – Ground Mounted Grid Connected and Solar Rooftop with Net Metering Regulations-2014. The initiative of Solar Power is a collaborative effort of the institutions/individuals, distribution licensees and the Commission. All the Territories under the jurisdiction of JERC have initiated Renewable Energy projects mostly in Roof Top Solar. Achievements of Roof Top Solar in Puducherry were shared with the members of the advisory committee which were appreciated by all present.

ii) Shri Khanna suggested that some subsidy should be allowed to make solar power generation a viable commercial proposition. The PPP model could be tested. Hon'ble Chairperson shared with the members the fact that MNRE is providing 30% subsidy, and in Chandigarh, MNRE has provided 40% grant for roof top solar power. He also shared with the Members the fact that the present Minister (Power) is very keen to provide high subsidy in difficult areas.

iii) Shri .Popli suggested that as land cost is very high, leased land could be one possibility.

iv) The presentation also gave the status on compliance of Renewable Power Purchase Obligations-RPOs by the utilities. The members were informed that licensees have now become serious in compliance of RPOs, after the Commission informed them that in case of non compliance there is a provision for depositing money for buying RECs at forbearance price which is higher than the floor price/or normal purchase price of RPOs.

v) Other points which emerged during the discussion were:

- Lighting load i.e. non productive use of power should go towards solar power.
- System of incentives and penalties are required to promote solar power.

7. Hon'ble Chairperson informed the members that JERC has reviewed the fees collected as per Schedule to Regulation 1. These fees have remained the same since 2009. Hence a moderate increase in the fees is being proposed. Also most of the Commissions retain fees/penalties collected by them but in case of JERC this money goes to Consolidated Fund of India. Members expressed their views that there is no reason to treat JERC differently and this issue should be taken up with the Ministry. Ms. Tewari said that at present, because of the low fees, our collections are barely 50% of our expenditure. Dr. Rao suggested that JERC should ask for retention of earnings and also continue taking the Grant-in-aid.

8. Shri Sababayagam discussed that there is lot of gap in strategy and actual implementation of policies and ideas at grass-root level. In the past there were Electricity Departments/Boards and now there are corporations but the change is only in the name. Everything else stays the same. Organizational structure needs to be changed to implement objectives.

ii) Shri Rao agreed with him and underlined the fact that it is imperative to undertake the corporatization of electricity departments. This would bring in professionalism and create a career path for the staff. He suggested that JERC could get an organizational study done and get a model organizational structure to be made. Surat should be studied to see how efficiently it is managed and also said that technology should be used more effectively e.g. smart grid, separation of agricultural meters.

iii) Shri Khanna raised the issue of welfare, security and safety of employees as conditions in the organizations at junior level is very bad. Hon'ble Chairperson suggested that subject safety will be kept as an agenda item in the next meeting.

9. Hon'ble Chairperson gave a brief description of energy conservation initiatives in Puducherry. Shri Anish Garg, Director (Finance & Law) made a presentation highlighting the JERC approved DSM based Demand Energy Lighting Programme (DELP) in Puducherry. This scheme is being implemented through Energy Efficiency Services Limited (EESL), a Government entity. It is a massive scheme, involving covering distribution of 7.35 lakh LED bulbs in 2.45 lakh households in all the four regions of Puducherry i.e. Puducherry, Yanam, Mahe and Kariakal. The consumers will get maximum 3 bulbs/household@ Rs.10/- per LED bulb, which will have 10 years replacement warranty. They will have to deposit old working incandescent bulbs which will be disposed-off in an eco-friendly manner. It was also informed that even Municipal lighting has been brought under this scheme, which will help in saving energy and cost thereon.

This scheme is unique in the sense that it pays for itself, i.e. effectively it is tariff neutral. The upfront capital investment has been made by Energy Efficiency Services Limited (EESL) and ED-Puducherry will be able to repay to EESL from the deemed financial savings over the next 10 years. The consumers also save significant energy & benefit from the reduced energy bill.

The Committee members appreciated the scheme and urged JERC to also implement/introduce a similar scheme in other areas under its jurisdiction.

10. Hon'ble Chairperson briefed the Committee about the efforts made by the Commission in issuing the Tariff Orders for the year 2014-15 on time despite the Lok Sabha elections-2014. With the permission of the Election Commission the JERC managed the conduct of public hearings, and tariff orders were kept ready and were issued immediately on the culmination of the voting process.

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

Sd/-
(Keerti Tiwari)