

## 14234/2023/RA Section

### MINUTES OF THE 18<sup>TH</sup> STATE ADVISORY COMMITTEE (SAC) MEETING OF THE JOINT ELECTRICITY REGULATORY COMMISSION (FOR THE STATE OF GOA AND UNION TERRITORIES) HELD THROUGH VIDEO CONFERENCING ON 29<sup>TH</sup> MARCH, 2023 AT 14:00 HRS

The 18<sup>th</sup> Meeting of the SAC of the JERC was held through Video conferencing on 29<sup>th</sup> March, 2023 at 14:00 hrs under the Chairmanship of Ms. Jyoti Prasad, Hon'ble Member (Law), JERC.

The following SAC Members were present: -

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|---|-------------------------------|
| 1. Ms. Jyoti Prasad, Hon'ble Member (Law), JERC | : Chairperson                 |
| 2. Shri S. D. Sharma, Director (F&L), JERC      | : Secretary(I/c)-cum-Convenor |
| 3. Shri H.L. Bajaj                              | : Member                      |
| 4. Shri M.G. Durairaj                           | : Member                      |
| 5. Shri Rajesh Kumar Mediratta                  | : Member                      |
| 6. Shri K.C. Parekh                             | : Member                      |
| 7. Shri Sunil Ijari                             | : Member                      |

2. A leave of absence was granted to those members who could not attend the meeting.
3. The meeting commenced with Hon'ble Member (Law) extending a warm welcome to all the members of the State Advisory Committee.
4. The Secretary (I/c) welcomed all the esteemed members of the State Advisory Committee and further mentioned that due to ongoing work on tariff determination for FY 2023-24, the meeting is being conducted in the virtual mode. He also mentioned that the deliberations in the SAC meeting will go a long way in providing guidance for discharging the regulatory functions of JERC and we look forward to the active participation of all the SAC members. He also welcomed and introduced Sh. Sunil Ijari who was the new SAC member.
5. Going ahead the Hon'ble Member proposed confirmation of the minutes of the 17<sup>th</sup> SAC meeting which were confirmed with the consent of the SAC members.
6. The Secretary (I/c) further discussed the agenda for the meeting point-wise as shared earlier with the SAC members and gave a brief presentation on the Tariff Orders issued by the Commission in the last year and another presentation on the Electricity Right of Consumer Rules which were notified by the Central Government.

7. The following presentations were made in the meeting: -

- i. Salient Features of MYT ARR and Tariff Orders issued for the Financial Year 2022-23-By Sh. S.D. Sharma, Director (F&L), JERC
- ii. Electricity Right of Consumer Rules, 2020 with amendments- By Sh. S.D. Sharma, Director (F&L), JERC

8. **Presentation by Shri S. D. Sharma, Director (F&L), JERC on Salient Features of MYT ARR and Tariff Orders issued for the Financial Year 2022-23**

- (i) A detailed presentation was given by Sh. Sunil Dutt Sharma on the Salient Features of MYT ARR and Tariff Orders issued for the Financial Year 2022-23. He informed that all the tariff orders were issued well in time except for ED-Chandigarh and ED-Andaman & Nicobar Islands due to late submission of tariff petitions by the departments.
- (ii) It was informed that though this time the tariff petitions were received late but the Commission was able to issue tariff orders on time except for ED-Chandigarh and ED-Andaman & Nicobar for the reasons mentioned above.
- (iii) The key parameters of tariff orders, issued for the Financial Year 2022-23 were highlighted in terms of Energy Sales, the number of consumers, the connected load, peak demand, and T&D Loss Target.
- (iv) It was discussed at length about each territory and the State of Goa about the tariff-related parameters namely the Net Average Revenue Requirement (ARR), Average cost of supply (ACoS), and Budgetary Support.
- (v) In the case of Dadra & Nagar Haveli Power Distribution Corporation Limited (DNHPDCL), it was mentioned that there has been a tariff revision of 3.49% for the FY 2022-23 with an increase in energy charges for all consumer categories and revenue surplus of Rs.1.98 crores. The fixed charges have also been slightly increased for LT Industrial (LTP Motive Power-Upto 20 HP) and Hoarding/Signboards.
- (vi) Talking about Goa Electricity Department, it was mentioned that the entire gap has been set off by Budgetary support from the Govt. of Goa. The tariff was revised to around 1.58% for all the categories. The Commission has made the Fixed Charges uniform for the sub-categories of Low Tension-D/LT-D consumers and increased the Energy Charges for the same. It was also mentioned that energy sales in the case of Goa are predominantly Domestic and Industrial Consumers.

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- (vii) Sh. Sharma while discussing about ED of Puducherry mentioned that there has been a tariff revision of 2.38% for the FY 2022-23. It was also mentioned that since there is no budgetary support the gap for the year will be carried forward to the next year. In the case of the Electricity Department Puducherry, there is a regulatory surcharge of 5% for the FY 2022-23 is levied. It was noted that in Puducherry, the energy sales are predominantly from Industrial and Domestic Consumers.
- (viii) Discussing about the Electricity Department of Daman & Diu, it was mentioned that there has been a tariff revision of 6.58 % for the FY 2022-23 and ED-Daman & Diu is in revenue surplus of Rs.2.69 crore for FY 2022-23. The Energy sales in the case of Daman & Diu is predominantly Industrial consumers.
- (ix) Explaining about Chandigarh, it was explained that there has been a reduction in tariff by 0.88% for the FY 2022-23. Also, the Commission, on account of a revenue surplus in the FY 2022-23, has directed not to recover FPPCA from all consumer categories starting from 1st April 2022 onwards till further orders of the Commission.
- (x) In the case of Andaman & Nicobar also, it was informed the ACoS is high due to diesel generation. The entire gap, if any in the case of Andaman & Nicobar is supported by budgetary support. A tariff hike of 10.69% was approved for FY 2022-23. The Commission has introduced the kW/kVA-based billing for the fixed charges for consumers under the Domestic, Commercial, and Government Connections categories in the tariff schedule for FY 2022-23. The Commission has introduced a new category "Hotels/ Restaurant/ Resorts" with tariffs applicable to various Hotels, Restaurants, and Resorts establishments in the islands of Andaman & Nicobar. Further, the Commission has introduced new tariff slabs in the Commercial and Industrial Categories and has introduced separate tariffs for LT Industrial and HT Industrial under the Industrial Category.
- (xi) Further discussing about the ED Lakshadweep, Sh. Sharma explained that the ACoS is high in the case of Lakshadweep due to Diesel generation. The entire gap in the case of Lakshadweep is supported by budgetary support. It was mentioned that a tariff hike of 13.40% was approved for FY 2022-23 as against the proposed hike of 24.24%. The Commission has introduced the kW-based billing for the fixed charges for consumers under the Lifeline, Domestic, Commercial, and Government Connections categories in the tariff schedule for FY 2022-23.
- (xii) Sh. Mediratta expressed concern as part of the Committee that in Lakshadweep and Andaman Nicobar Islands, the power generation from diesel sets are required to be replaced by something else, either it can be Solar, Wind + Battery or may be LNG. He desired to know what actions are being taken, or any plans are there for replacing diesel with any of these better fuels because the diesel is not environment friendly and its cost is very high. This is one of the dirtiest fuels, Gas based fuel is better than diesel, and if we replace diesel with Solar, Wind, or any other RE-hybrid system with battery energy storage, it will not only reduce the average cost of supply (which is around Rs. 33/kWh) but will also be environmentally benign.

- (xiii) To the query raised, it was explained that the Commission has already given the directives to enhance Solar Generation and A&N Islands has also planned for PNG and LNG plants that could not be implemented due to the environmental issues which A&N and LKD are facing. The A&N is now coming up with the proposal for solarization of the Islands. The A&N has also started the procurement of power through Solarization though it is very minimal in the future, it will be enhanced further. Similarly, this year, the A&N Islands have proposed the Solar PPA through outside agencies also which is under approval with the Commission. Hopefully, in the future years, this will have an impact and most likely the power purchase cost in the A&N and the ACos will come down w.r.t. the battery storage.
- (xiv) Sh. Mediratta upon understanding the issues of A&N and Lakshadweep islands expressed gratitude for updating him. Sh. Mediratta also suggested that we can also give advise to the Government/UT administration that they should mandate that all new buildings should be equipped through Rooftop Solar.
- (xv) The Commission also informed that the matter was taken up in the Public Hearing also to give incentives for the Solarization of the building and at least on the Govt. buildings Rooftops can be easily done. It was also informed that the Commission & its officers were able to meet the Chief Secretary and the Secretary (Power) and that the A&N Administration is taking quite proactive steps. Though there are a lot of challenges in the Islands they are moving ahead and the LNG plants are also being reviewed and the NTPC LNG plants are also under revival.
- (xvi) Sh. Mediratta also recalled that NTPC about 2 years back was working on the same and the plant is under revival now. The Commission also shared the opportunity of a visit to a village called Mudhera in Gujarat. There they have implemented a 6 MW Solar Plant with a 15 MW battery storage system. They are feeding 1500 households and some small commercial outlets. It is completely solarized so we have given advise to all our regions, if one village can do it, then you can also do it too. The issues come with respect to the cost of the battery energy storage system and probably the transportation to the Islands. They will have to explore the feasibility and other aspects.
- (xvii) The Committee members deliberated that the Govt. talks about Smart Grid and a pilot Smart Grid Project has been done in Puducherry. A suggestion should go from the Commission to Central Government that why not one of the Island/UT should be taken up for a Pilot Smart Grid Project similar of Gujarat has done in Mudhera. Therefore, a 10-15 MW of Solar with battery storage system may be set & this should be eligible for a grant from Government because this can become a Showcase project for Smart Grid where we may apply all the technologies. The Commission may write Govt. & MNRE to create one of the Island either LKD or A&N for taking up a Pilot Project. Sh. Mediratta has further stated that when Government has given so much subsidy i.e., 16% in the case of Lakshadweep and 22% in the case of A&N, hence, Govt. is already bearing almost 200-300 Crores. Besides that, they are given in the

operating Model so why not convert that into a Capex at least they will save something in an Opex.

Sh. Bajaj has also suggested to carry out feasibility studies, whether to lay a cable or install Solar + Battery storage in these islands.

9. **Presentation by Shri S.D. Sharma, Director (F&L), JERC on Electricity Right of Consumer Rules, 2020 with amendments**

- (i) A detailed presentation was given by Director (F&L) on the Electricity Right of Consumer Rules, 2020 which was notified by the Government on 31.12.2020. Sh. Sharma presented the slides to cover the main features of Electricity (Right of Consumer Rules) as envisaged vis-à-vis our Regulations which are existing and how to deal with the likely changes which are required to be made. It was further mentioned that these rules shall empower the consumers of electricity and these Rules emanate from the conviction that the power systems exist to serve the consumers and the consumers have rights to get reliable services and quality electricity.
- (ii) It was informed that these rules are also an important steps towards furthering the ease of doing business across the country. Implementation of these Rules shall ensure that new electricity connections, refunds and other services are given in a time-bound manner.
- (iii) Sh. Sharma has elaborated the rules viz. the maximum time period for the release of connections. As per rules, the maximum time period for the release of connection is 7 days in metro cities, 15 days in other municipal areas, and 30 days for rural areas whereas as per JERC Regulations, the maximum time for the release of connection in Urban areas (Mainland) is 16 days and Rural Areas (Mainland) is 24 days and 30 days for Urban and Rural Areas (Islands). Sh. Mediratta suggested that we may align our Regulations with the Rules so far as it is for the betterment of the Sector and the Consumers. Sh. Bajaj also agreed to the said suggestion.
- (iv) Sh. Sharma has subsequently briefed the rules viz penalty clause for non-release of connection within the prescribed time. As per the Rules, if a distribution license fails to supply the electricity within the period specified by the Commission, it shall be liable to a penalty as may be determined by **the Commission**, which shall not exceed one thousand rupees for each day of default whereas the JERC Regulations does not have any clause of penalty. Sh. Mediratta has stated that nobody actually claims these penalties, even the States where such rules are there. It was suggested that we may update these provisions in our Regulations and let us empower our consumers.
- (v) Sh. Sharma has further briefed the rules viz Metering-As per Rules, the list of third-party agencies approved by the **Commission** shall be available in their various offices as well as on the website of the distribution licensee whereas as per JERC Regulations, the meter may be tested for accuracy at a third-party facility, if so desired by the consumer. The list of third-party agencies, which are accredited by NABL (National Accreditation Board for Testing and


Calibration Laboratories) shall be available on the website of the Licensee. Hon'ble Member (Law) has elaborated that as per our Regulations, we have provided a condition that the third-party testing facilities are specially accredited by NABL not just any third-party agency which is authenticated. Sh. Mediratta has suggested that we can amend our Regulations accordingly.

- (vi) The next slide was briefed by Sh. Sharma i.e., Method of payment of bills. As per Rules, a Bill amount of more than one thousand rupees or an amount specified by the Commission shall mandatorily be paid online. The commission shall specify a suitable incentive or rebate for payment through an online system whereas the JERC (Electricity Supply Code) Regulations, 2018 provides the online mode as the bill payment option in regulations but it is not mandatory, and the suitable incentive or rebate for payment through online system is also not specified. Sh. H.L. Bajaj has suggested that for Islands/regions, this provisions should not be necessary & we can make it as an exception, or we may give it on a footnote, or till such time the connectivity is not at par with the metro cities. Sh. Mediratta has suggested that since there is a flexibility on an amount of one thousand and more, we can specify a higher amount between 10-15 thousand for Regions under jurisdiction of JERC, the big customers may have all the facilities but other consumers may not have the same. The Commission explained that in some of the utilities, the problem of connectivity is there, so online payment may not work successfully. Sh. Mediratta has suggested that we can specify a higher amount so that the smaller consumers like an average household may not be able to do it online but the industrial or bigger customer should be able to do that.
- (vii) Subsequently, the PPT slide describes the disconnection and reconnection. As per Rules, in case the disconnection has been done on account of non-payment of past dues, the licensee shall reconnect the consumer's installation within such time as specified by the **Commission**, not exceeding **six working hours** of receipt of past dues and other charges as applicable whereas the JERC Regulations, the Licensee shall reconnect the consumer's installation within 5 days of payment of past dues and reconnection charges. Sh. Mediratta has suggested that we may go for the amendment as these pressurize the licensee to give relief to the aggrieved consumer.
- (viii) Sh. Sharma has further discussed the rules with respect to Automatic Compensation. As per the Rules, the Commission shall oversee that the distribution licensee designs and maintains its distribution system in such a way that there is a gradual increase in the list of parameters, which can be monitored remotely and for which automatic compensation can be made to the consumer. Sh. Mediratta suggested that there has been a flexibility to the Commission that they can see the distribution licensee's working and process and then take a decision that how gradually these parameters are improving and how that automatic compensation can be implemented. Sh. Mediratta further stated that these rules give you flexibility and you can say that we will monitor these particular clauses for the next 2 or 3 years and then we will apply for automatic compensation but not of this stage as our utilities are not so geared to handle the grievances of customers efficiently. These rules are saying automatic compensation but we can say that first we will see gradually the improvement of parameters and then the

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Commission may decide consciously to apply for automatic compensation after 2 or 3 years. These rules are discretionary to modify the existing Regulations. Sh. Mediratta suggested that we may indicate the utilities that we are going to implement automatic compensation but for the time being, we are not doing it. There is a 2 or 3 years sunrise period after which it will apply. Hon'ble Member has further suggested that we can identify the parameters and probably think of the compensation that can be there in case of default and we may specify a period that this will be implemented on a such period after 2 or 3 years

10. Sh. Sunil Ijari representing Member of Silvassa Industries Manufactures Association has requested the Chair to discuss an issue other than the Agenda. The Chairperson of the Committee has granted permission to Sh. Ijari. Sh. Ijari has expressed that the issue of Augmentation of the Substation is at very slow pace in the UT of Dadra and Nagar Haveli and Daman & Diu. The Chair has taken note of the issues raised by Sh. Ijari and will include the same as Agenda in the next meeting of SAC.
11. Hon'ble Member (Law) requested the esteemed SAC Members to put forward any further suggestions.
12. The Meeting ended with a Vote of Thanks by the Hon'ble Member (Law), JERC.



Secretary (I/c), JERC