

MINUTES OF THE
SEVENTH MEETING OF THE FORUM OF REGULATORS (FOR)

Venue : **“AMALTAS” HALL, Convention Centre
India Habitat Centre, Lodhi Road
New Delhi- 110 003**

Date : **13th June, 2008**

List of Participants : **At Annexure-I (enclosed).**

Shri Alok Kumar, Secretary, CERC and Forum of Regulators (FOR) welcomed the Chairpersons and the Members of the Forum to the meeting. The functions of the Forum, as prescribed in the rules were briefly recalled.

2. Dr. Pramod Deo, Chairperson, Central Electricity Regulatory Commission (CERC) and Forum of Regulators (FOR) extended a warm welcome to all members of Forum. In his brief address, Dr. Deo stated that power sector reforms required concerted efforts by the Central Government, the State Governments and the Electricity Regulatory Commissions because the electricity was a concurrent subject under the Constitution and also in view of the fact that electricity sector touched the lives of large number of citizens in the country. He said that the Forum should focus more on State level issues as the challenges in the distribution segment were many and required to be addressed urgently. He also proposed that the Forum should meet more frequently and that the Chairperson could also visit the States for effective and continuous coordination/interaction. He also said that the work being done by the Forum and its achievements needed to be appropriately projected. Chairperson, FOR mentioned about the constitution of the Coordination Forum by the Central Government at national level and expressed hope that similar Coordination Forums would become functional at a State level as envisaged in the Electricity Act, 2003.

3. The Members welcomed the suggestion of the visits by the Chairperson CERC/FOR to the States.

4. The following agenda items were taken up for discussion:

Item No.1 : Confirmation of the Minutes of the Sixth FOR Meeting held at Raipur and Review on the Action Taken Report.

4.1 The Minutes of the Sixth Meeting of FOR held during 28th February, 2007 – 02nd March, 2007 at Raipur were confirmed. After discussion on the Action Taken Report (ATR) on the decisions of the last meeting, the following decisions were taken :-

- (a) On the issue of CEA Regulations on Metering, it was decided that all SERCs would send the comments on the issue to FOR Secretariat by 30th June, 2008. The FOR Secretariat would also follow up with the SERCs.
- (b) A Working Group of the Forum may be constituted for drafting “**Code of Ethics**”.
- (c) Secretary of the SERC concerned would be Nodal person for providing necessary inputs to the FOR Secretariat for operationalizing RIMS. The FOR Secretariat would re-circulate the format of RIMS indicating the priority proforma in which the information is to be compiled first. The Secretariat would also study the experience of the DERC in this regard.
- (d) The report of the “Regulatory Study on R&M of power plants shall be posted on the website of the FOR and this could be used as reference document by Electricity Regulatory Commissions (ERCs).

Item No.2 : Funding of “FOR” : Plan Assistance to the Forum for Studies and Capacity Building Programme.

4.2 After discussion, following decisions were taken :-

- (a) Assessment of the training needs of the personnel in the ERCs should be made by the FOR Secretariat in order to appropriately design the training courses. The ongoing study being conducted by IIM Ahmedabad could also include this component.
- (b) Training course for the staff should be conducted through reputed institutions. In addition to broad based general training courses, some of the future training courses could be focused on skill impartment in various individual disciplines such as Economic Regulation, Tariff Setting, Engineering etc.
- (c) Orientation programmes for the Chairpersons/Members of the ERCs should also focus on emerging areas such as Renewable Energy, DSM etc. Appropriate MOU with reputed international organizations or counter part institutions may also be attempted. Distinguished speakers and expert presentations may be organized along with meetings of the Forum in future.
- (d) The funds available for the consultancy could also be utilized for providing technical assistance to the various Working Groups of the Forum being constituted on identified important issues.
- (e) The Chairperson, Members of the Forum and the former Chairpersons/Members of the Forum could be invited for inaugural/valedictory session of the training courses.
- (f) The following Sub-Group of the Forum (as previously constituted) was authorized to take decisions on matters regarding the training courses, orientation programme and the consultancy studies etc. :-

(i)	Chairperson, CERC	...	Chairman of the Sub-Group
(ii)	Chairperson, CSERC	...	Member
(iii)	Chairperson, JSERC	...	Member
(iv)	Chairperson, KSERC	...	Member
(v)	Chairperson, MeSERC	...	Member
(vi)	Chairperson, UPERC	...	Member
(vii)	Member, DERC	...	Member
(viii)	Member, UERC	...	Member
(ix)	Secretary, CERC	...	Member
(x)	Deputy Chief (RA), CERC	...	Coordinator.

Item No.3 : Staffing of Regulatory Commissions – Issues at stake.

4.3 After discussion, it was decided to constitute a Working Group consisting of the following to consider the matter and for suggesting appropriate recommendations in a period of three months :-

(i)	Chairperson, CERC	...	Chairman of the Working Group
(ii)	Chairperson, TNERC	...	Member
(iii)	Chairperson, MeSERC	...	Member
(iv)	Chairperson, UERC	...	Member
(v)	Chairperson, HERC	...	Member
(vi)	Secretary, CERC	...	Member
(vii)	Deputy Chief (RA)	...	Coordinator.

4.3.1 The Secretariat of the Forum would provide secretariat support to the Working Group. During the discussion, it was felt that the emphasis should not be only on creating posts in the ERCs but also on the ways and means for procuring/engaging required skilled personnel in order to effectively assist the SERCs.

Item No.4 : Issues relating to exemption from Income Tax for all SERCs.

4.4 The agenda item was discussed. No further action is required presently at the level of the Forum.

Item No.5 : Scope of Audit of ERCs.

4.5 After discussion, it was decided that a self explanatory note in the matter be sent to Comptroller and Auditor-General of India (CAG). This would be followed up with a meeting with a CAG in which the Forum would be represented by the Chairperson, CERC and Chairperson, TNERC.

Item No.6 : Operationalization of FOR Secretariat.

4.6 After discussion, the proposal of recurring annual expenses of Rs.15,00,000/- and non-recurring expenses of Rs.3,00,000/- was approved for operationalization of the Secretariat of the Forum. It was also approved that the Secretariat could engage persons and purchase various office equipment with the approval of the Chairperson of the Forum. The Secretariat could also outsource some of the work instead of engaging a consultant. Further, the SERCs would be requested to support the Secretariat in kind, i.e., by providing their staff on secondment. **The Forum also agreed to enhancement of the annual subscription from Rs.50,000/- to Rs.1,00,000/- per SERC.**

Item No.7 : Review of functioning of FOR vis-à-vis the objectives envisaged in FOR Rules/National Electricity Policy/Tariff Policy.

4.7 During the discussions, there were suggestions to form more Working Groups in addition to five Groups proposed in the said agenda item. These Groups were suggested in the areas of reviewing the present legal and policy framework, reduction of cross subsidy and supply to agricultural consumers, DSM & Energy Efficiency and drafting the Code of Ethics. It was felt that the changes, if required, in the legal and policy framework, could emerge out of the study being done by IIM, Ahmedabad and also the recommendations of the five Working Groups proposed. **After discussion, the Forum decided to constitute the following seven Working Groups :-**

- **Policies on Renewables**
- **MYT Framework and Distribution Margin**
- **Loss Reduction Strategies**
- **Protection of Consumer Interests**
- **Open Access – Theory and Practice etc.**
- **DSM & Energy Efficiency**
- **Code of Ethics.**

4.7.1 The Chairperson of the Forum was authorized to nominate various SERCs on these Working Groups. The Secretariat of the Forum would provide secretarial assistance to all these Working Groups and may also make available technical assistance from outside in accordance to the needs of the Working Groups. The Working Groups should complete the work in a period of three months. However, work of those Working Groups could take longer time where outside technical assistance is engaged. It was also decided that the Working Groups would invite the inputs from all the SERCs. As decided earlier after the discussion on agenda item No.7, SERCs may also be requested to support the Working Groups in kind by providing their staff on secondment.

4.7.2 The SERCs present in the meeting volunteered to join various Working Group as indicated below :-

SUBJECT / TOPIC	MEMBERS OF THE WORKING GROUP
Policies on Renewables	CSERC / HERC / MERC / MPERC / RERC / TNERC / UERC.
MYT Framework and Distribution Margin	MPERC / RERC.
Loss Reduction Strategies	HERC / KSERC / MERC / OERC / RERC / TNERC / UPERC.
Protection of Consumer Interests	CSERC / MPERC / RERC / UPERC / UERC.
Open Access – Theory and Practice etc.	CSERC / MERC / RERC.
DSM & Energy Efficiency	GERC.
Code of Ethics	CSERC / TNERC.

Item No.8 : Review of status of discharge of responsibility envisaged for FOR in National Electricity Policy and Tariff Policy.

4.8 After discussion, the following decisions were taken :-

- (a) The Secretariat of the Forum would short list the important items and also provide a standard format for furnishing information by the SERCs.
- (b) The FOR Secretariat would also interact with the SERCs to expedite the information and also to ensure that the information is compiled/presented in a meaningful manner.

Item No.9 : Policy on Renewables.

4.9 Various issues regarding renewables are to be considered by the Working Group on Renewables as constituted against agenda item No.7 above. It was noted that the mandate of CERC in the Tariff Policy was to provide guidelines for determining tariff for non-firm power. During the discussion, it was also felt that the Working Group should also deal with issues like Renewable Purchase Obligations, Competitive Bidding for Procurement of Renewables, Feasibility of introducing Renewable Energy Certificates, Connectivity to the Grid for Renewable source based Power Plants, Sharing of CDM benefits.

Item No.10 : Issue on Consumer Protection – Best Practices on Consumer Charter, Consumer Advocacy, Consumer Communication.

4.10 The Working Group constituted on Protection of Consumer Interests against agenda item No.7 above should consider all the relevant issues including the possible models for consumer education in the States where credible NGOs are not available and the need of consumer advocacy with the support of State Governments.

Item No.11 : Review of Open Access at State level – Exploring options for interaction of FOR with stakeholders.

4.11 The Working Group on Open Access constituted against agenda item No.7 above would consider all the relevant issues.

4.11.1 Regarding the display of status of open access on the website of the FOR, the following decisions were taken :-

- (a) The information regarding regulations and various charges as notified by the SERCs should be updated after every six months.
- (b) The status on the applications for open access and the decision thereon should be updated every month.
- (c) The website should also display the details of the pending applications so as to facilitate analysis of reasons for pendency.
- (d) Illustrative cases showing the applicable open access charges for typical open access consumers should also be posted on the website.

5. Any other Item.

It was noted that there were large number of vacancies in the position of Chairpersons/Members in the SERCs and this was affecting the various initiatives for power sector reforms. After discussion it was decided that Chairperson of the Forum would write to the Minister of Power drawing attention to the vacancies of the posts of Chairpersons/Members of the SERCs with the request that this may be taken up by the Ministry with the State Governments.

The Meeting ended with a vote of thanks to the Chair.

LIST OF PARTICIPANTS ATTENDED THE SEVENTH MEETING

OF

FORUM OF REGULATORS (FOR)

HELD ON 13TH JUNE, 2008

**AT “AMALTAS” HALL, CONVENTION CENTRE
INDIA HABITAT CENTRE, NEW DELHI**

S. No.	NAME	ERC
01.	Dr. Pramod Deo Chairperson	CERC – in Chair.
02.	Shri S.K. Misra Chairperson	CSERC
03.	Shri Berjinder Singh Chairperson	DERC
04.	Shri Bhaskar Chatterjee Chairperson	HERC
05.	Shri C. Balakrishnan Chairperson	KSERC
06.	Shri Vinay Kohli Chairperson	MSERC
07.	Shri B.K. Das Chairperson	OERC
08.	Shri Jai Singh Gill Chairperson	PSERC
09.	Shri S. Kabilan Chairperson	TNERC
10.	Shri Vijoy Kumar Chairperson	UPERC
11.	Shri Hemam Bihari Singh Chairperson	Joint ERC for Manipur & Mizoram
12.	Shri R. Radhakishen Member	APERC
13.	Shri Man Mohan Member	GERC
14.	Shri K.K. Garg Member	MPERC

15.	Shri A. Velayutham Member	MERC
16.	Shri K.L. Vyas Member	RERC
17.	Shri V.K. Khanna Member	UERC
18.	Shri Alok Kumar Secretary	CERC
19.	Shri Sushanta K. Chatterjee Deputy Chief (Regulatory Affairs)	CERC