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Item No. 1

Confirmation of the Minutes of the 6th Meeting of the Co-ordination Forum held on 15th June, 2010

The Minutes of the 6th meeting of the Co-ordination Forum held on 15th June, 2010 had been sent to all the Members vide Commission's letter No. GERC/ADM/2010/No.1289 dated 9th August, 2010. No comments have been received from any of the Members. The minutes may, therefore, be confirmed.

Item No. 2

Action Taken Report

2.1 Demand Side Management

During the last meeting of the Forum, it was informed that a pilot project to replace old agriculture pump sets with energy efficient pumps had been undertaken in the MGVCL area. An area covering 576 agricultural connections was identified and handed over to ESCO for implementation of the project. MGVCL may inform the status of the project.

In the same meeting, it was observed by some members that at present this scheme is applicable to consumers under HP based tariff only. It was suggested that the Government of Gujarat should implement this scheme for consumers with metered tariff also. Accordingly, the representative from Government of Gujarat was requested to take up the matter at appropriate level. Government of Gujarat representative may intimate the action taken.

2.2 Action Plan regarding Ring Fencing of SLDC

In the last meeting of the Forum, it was noted that in order to isolate SLDC from other activities of the STU. A proposal has been framed by GETCO for registration of a new company to look after the sole functions of SLDC. The progress made in the formation of company and ring fencing of SLDC may be intimated by GETCO / SLDC.

Item No. 3

Power Sector Scenario

GUVNL/ Utilities may present the prevailing scenario in the Power sector in the state, including Demand-Supply position, Renewable Energy and Generation and Transmission. Performance of Distribution system may specifically be highlighted.

Item No. 4**Status of Determination of Open Access Surcharge**

The Commission has examined the provisions of the National Electricity Policy and Tariff Policy which are notified by the Govt. of India under the provisions of the Electricity Act, 2003. The Commission has also considered various provisions of the Electricity Act, 2003 relating to open access in distribution and transmission and has come to the conclusion that if open access is to be encouraged, then such cross-subsidy surcharge has to be reduced so that the final cost of power to the consumer is affordable. The Commission had adopted the formula as prescribed in the Tariff Policy.

The Cross-subsidy surcharge for HT-EHT Category works out to Rs. 0.51 per Kwh, (which is 28% of the opening level of Cross-Subsidy surcharge) and Rs.0.96 per Kwh for Railway traction based on the methodology provided in the Tariff Policy. As per the provisions made in the Electricity Act, 2003 and the National Electricity Policy, it is essential to encourage open access and reduce the cross-subsidy surcharge in gradual manner to facilitate consumers to adopt open access. Therefore, the Commission has decided that cross-subsidy surcharge for both the HT/EHT industrial category as well as for the Railway Tractions be the same amount Rs. 0.51 per Kwh.

Item No. 5**Intra-state ABT**

The Commission has operationalise the Intra-state ABT on commercial basis from 5th April, 2010. SLDC preparing Unscheduled Interchange charges accounts and State Energy Accounts. It is observed that the preparation and issuance of the same is delayed, which need to be address by the SLDC and all the constituents are also required to co-operate with the SLDC in this regard. Some of the IPPs have represented that the issuance of bill is often delayed which leads to delay in issuance bill by them to GUVNL. The status of implementation of Intra-state ABT was reviewed by the Commission in a meeting with SLDC. It was observed that the delay in issuance of UI bills is mainly on account of non-receipt of certified values of injections by Wind Energy Generators. While in some cases there are no ABT compliant meters installed at WEGs, in other cases the delay is due to delay in communication the relevant data by GEDA. The SLDC was advised to take up the matter with GEDA and arrange to issue the bills in time. The SLDC may appraise the Forum regarding present status of issuance of UI bill as well as that of actual receipts / payments.

Item No. 6**Renewable Energy**

The Commission has notified the regulations on Procurement of Energy from Renewable sources vide notification no.3 of 2010. According to this regulations the Renewable Power Obligations mandatorily applicable for Distribution licensees for purchase of power from the renewable energy sources has been revised from 2% in FY 2008-09 to 5%, 6% and 7% for the years 2010-11, 2011-12 and 2012-13 respectively. The Commission has provided separate Renewable Purchase Obligation (RPO) provisions for wind, solar and other renewable energy sources based on the availability of such sources, nascent stage of Solar Power generation technology and expected energy available from them. The RPO is also made applicable to the Captive and Open Access consumers/users. However, the same will be applicable to these categories of entities from a date to be separately notified by the Commission.

Year (1)	Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy in kWh)			
	Total (2)	Wind (3)	Solar (4)	Biomass, bagasse and others (5)
2010-11	5%	4.5%	0.25%	0.25%
2011-12	6%	5.0%	0.5%	0.5%
2012-13	7%	5.5%	1.0%	0.5%

The Commission has also made necessary provisions in the Regulations for Renewable Energy Certificate (REC).

Roof top and other small solar projects

The Commission had determined the tariff for Solar Power Projects under its Order No. 2 of 2010 dated 29th January 2010. Subsequently, it was brought to the notice of the Commission that in order to meet the requirements of small solar projects as provided in the Government of India guidelines under Jawaharlal Nehru National Solar Mission, some clarity is required in the Commission's order. As such, the Commission through its order No. 8 of 2010 dated 31st August 2010, made specific provisions with respect to "Solar Roof-top Power Projects and other small solar power plants connected to LT/11 KV grid". The order provides for option to the developer of such small projects either to go for the tariff as provided in Order No. 2 of 2010 or for a levelised

tariff for 25 years. The order also provides for normative Generation Based Incentive payable to the utilities under the National Solar Mission. The Commission hopes that this would provide a boost to establishment of Roof-top and other small solar projects in the state.

Item No. 7

New Notifications

NOTIFICATION No.5 of 2010: Gujarat Electricity Regulatory Commission (Security Deposit) (First Amendment) Regulations, 2010

Security Deposit in form of bank guarantee: According to the regulations in force previously, the consumers were required to furnish the security deposit in cash only. However, keeping in view the representations received from consumers / consumer organizations, the Commission decided that the consumers having contract demand of 1 MVA or more may, at their option, furnish the security deposit in the form of irrevocable bank guarantee initially valid for a period of two years with a further claim period of 3 months for lodging the claim. Such bank guarantee shall be from a nationalized or scheduled commercial bank. It shall be the responsibility of the consumer to keep the bank guarantee valid at all times and to renew the bank guarantee at least 2 months prior to its expiry.

NOTIFICATION No.6 of 2010: Gujarat Electricity Regulatory Commission (Electricity Supply Code and Related Matters) (Third Amendment) Regulations, 2010:

Payment by applicant for old outstanding dues: Based on the recommendations of the Supply Code Review committee, the Commission has made the following change in the provisions regarding recovery of old dues from the new applicants. An application for new connection, reconnection, addition or reduction of load, change of name or shifting of service line for any premises need not be entertained unless any dues relating to that premises or any dues of the applicant to the Distribution Licensee in respect of any other service connection held in his name anywhere in the jurisdiction of the Distribution Licensee have been cleared.

Provided that in case the connection is released after recovery of earlier dues from the new applicant and in case the licensee, after availing appropriate legal remedies, get the full or part of the dues from the previous consumer/owner or occupier of that premise, the amount shall be refunded to

the new consumer/owner or occupier from whom the dues have been recovered after adjusting the expenses to recover such dues

Item No. 8

Renewable Energy Certificate

According to Sec. 86(1) (e) of the EA 2003, the SERCs are mandated to promote co-generation and generation of electricity from renewable sources. It is also mandated that the RPO is specified on consumption of energy in the distribution license area. The consumption in distribution license area consists of consumption by Captive and Open Access users and consumers of the distribution licensee. Thus, it is essential to apply RPO to these categories. The renewable energy certificate is a mechanism by which the consumers who are not connected with the grid, but getting the power through dedicated line or from their own CPP are able to fulfill their RPO obligations. In such condition, the REC is an instrument which will be helpful to the obligated entities (CPPs/Open Access users) to fulfill their statutory requirement. The Commission have made necessary provisions in the Procurement of Energy from Renewable Sources Regulations, 2010 for REC. The CERC has also made Regulations for REC. The Commission has notified the Gujarat Energy Development Agency as nodal agency for REC. Thus, the Commission has established necessary mechanism for the implementation of the REC at state level.

Item No. 9

Standard of Performance (SoP)

In the last meeting it was conveyed to the Discoms to compile quarterly reports of SOP on the annual basis and to display on the website of the Commission. According to Clause 14.5 of Standards of Performance Regulations, licensees are required to submit to the Commission quarterly as well as a consolidated annual report for each financial year, containing the information about the level of performance achieved, the measures taken by the licensee to improve performance in the areas covered by SoP Regulations and licensee's assessment of the targets to be imposed for the ensuing year and number of cases in which compensation was made and aggregate amount of compensation.

The Discoms are requested to apprise the Commission about the progress in this regard.

Item No. 10

Amendments to Terms & Conditions of Tariff and MYT Regulations

GERC had notified Regulations on Terms and Conditions of Tariff in the year 2005 in exercise of powers conferred by the Electricity Act, 2003 and the Gujarat Electricity Industry (Reorganization & Regulation) Act, 2003 and all powers enabling on that behalf.

GERC had also notified Multi Year Tariff Framework Regulation in the year 2007 in exercise of powers conferred by the Electricity Act, 2003 and on all other enabling powers on that behalf.

Thereafter, during the year 2009, the Central Electricity Regulatory Commission (CERC) notified amended Regulations for determination of tariff for Generation and transmission business. Also there are several judgments from Appellate Tribunal of Electricity (APTEL), various High Courts and Supreme Court of India on various aspects of above-mentioned Regulations countrywide. As per the provisions of the Electricity Act – 2003, for determination of tariff for Generation and Transmission business SERCs shall be guided by methodology and principles specified by central commission. Hence, the Commission has decided to revisit both the above-mentioned Regulations keeping in view Regulations on the above matters notified by CERC and judgments of APTEL, various High Courts and Supreme Court of India.

To provide assistance in the above said task of amendments in Tariff and MYT regulations, the Commission has engaged M/s ABPS Infrastructure Advisory Ltd. as its consultant. The draft regulations are at present under discussion in the Commission. Once finalized, copies of the draft regulations will be circulated to the members of the Forum. The Commission plans to notify new/amended MYT regulation at the earliest so as utilities can prepare their ensuing Tariff Petitions based on these and can submit those to the Commission within the stipulated time.

Agenda Item No. 11

Any other item with the permission of Chair