

FORUM OF REGULATORS FOR EASTERN AND NORTH-EASTERN STATES(FORENS)

Secretariat: C/o-ODISHA ELECTRICITY REGULATORY COMMISSION (OERC)

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From

Priyabrata Patnaik,
Secretary, FORENS

To

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Sub: Minutes of the 13th meeting of the Forum of Regulators for Eastern & North-Eastern States (FORENS) held from 22nd to 24th January, 2020 at Agartala, Tripura

Sir,

Enclosed, please find herewith the Minutes of the 13th meeting of the Forum of Regulators for Eastern & North-Eastern States (FORENS) held from 22nd to 24th January, 2020 at Agartala, Tripura.

Encl: As above.

Yours faithfully,


9A.6.2020
SECRETARY, FORENS

**Minutes of the 13th meeting of the Forum of Regulators for
Eastern and North-Eastern States (FORENS) held at Agartala,
Tripura from 22nd - 24th January, 2020 hosted by
Tripura Electricity Regulatory Commission**

The 13th meeting of the Forum of Regulators of Eastern & North Eastern States was held on 22nd – 24th January, 2020 at Tripura State Guest House, Agartala, Tripura.

Members Present:

1. Sri U N Behera, Chairperson, FORENS and OERC
2. Sri D. Radhakrishna, Chairperson, TERC
3. S.K. Negi, Chairperson, BERC
4. Sri Imlikumzuk Ao, Chairperson, NERC
5. Sri S.C. Das, Chairperson, AERC
6. Dr. Arbind Prasad, Chairperson, JSERC
7. Sri S. Bhattacharya, Chairperson, WBERC
8. Sri Lalchhariana Pachuau, Chairperson, JERC for Manipur & Mizoram
9. Sri Durgadas Goswami, Member, WBERC
10. Sri R.N. Singh, Member, JSERC
11. Sri N. Sarat Singh, Member, JERC for Manipur & Mizoram
12. Sri S. K. Parhi, Member, OERC
13. Sri Rajeev Amit, Member, BERC
14. Sri R.K. Choudhary, Member, BERC
15. Sri P.K. Singh, Member JSERC
16. Sri J.K. Sen, Member, TERC
17. Sri S.N. Kalita, Member, AERC
18. Mrs. Bulbuli Borthakur, Member, AERC
19. Sri Pulak Tiwari, Member, WBERC
20. Sri Ronald Keishing, Member, MSERC

Officials Present:

1. Sri Priyabrata Patnaik, Secretary, OERC & FORENS
2. Sri H.K. Das, Secretary, TERC
3. Sri Ajoy Sahu, Joint Director, OERC representing FORENS Secretariat

Sri U.N. Behera, Chairperson, FORENS and Chairperson, OERC chaired the 13th FORENS meeting. He thanked Chairman of TERC for the excellent arrangements for the stay of delegates and meeting of FORENS. Chairperson, FORENS also welcomed the new Members Sri J.K. Sen, Member of TERC, Mrs. Bulbuli Borthakur, Member of AERC, Sri Pulak Tiwari, Member of WBERC and Sri Ronald Keishing, Member of MSERC to the Forum.

Sri D. Radhakrishna, Chairperson of TERC welcomed the Chairpersons and Members of the participant State Electricity Regulatory Commissions to Agartala and wished that the participants would have a comfortable stay and a fruitful meeting.

Agenda-1: A presentation on the Power Sector of Tripura by TERC

A presentation on the Power Sector of Tripura including Power Sector- National overview, Power Sector – State Overview, Generation, Transmission and Distribution sector was made by Sri H.K. Das, Secretary of the host Commission. The major highlights of the presentation were that the total number consumers of the state are 8 lakh, 88.86% of such consumers constitute domestic consumers, all consumers, distribution transformers and feeders are metered, all the villages are electrified, the entire state is load shedding free, there are about 22300 smart meters installed and the average per consumers is 5.99 Kwh. The state also exports power to the Bangladesh and earns revenue on such export.

Agenda-2: Confirmation of the minutes of the 12th meeting of FORENS held at Dirang on 26th – 28th October, 2019

The minutes of the above meeting was circulated vide FORENS Secretariat letter No.1543 dt.22.10.2019. No views/comments have been received from the FORENS members on the same.

Hence, the said minutes of the meeting was confirmed.

Agenda-3 ATR of 12th FORENS meeting

FORENS Website

It was suggested by the Chairperson, Tripura ERC that FORENS can have its own website and not in the present form as a part of the OERC website. It was therefore resolved that FORENS Secretariat may take steps to book a site of its own. A FORENS site has been booked at the godaddy.com for the domain name by the IT division of JSERC. This will be further taken up by the FORENS Secretariat with JSERC to replace FORENS site presently at OERC website with a separate URL.

Agenda-4: Financial Position of FORENS Account

During the year 2019-20, FORENS Secretariat has received Annual Subscription Fee of Rs.13,00,000/- (Rupees thirteen lakh) only from the member Commissions.

The last FORENS meeting was held at Dirang, Arunachal Pradesh from 26th – 28th September, 2019 hosted by APSERC. The total expenditure as submitted by APSERC for the said meeting was Rs.13,91,044/-. As per the resolution of the FORENS, an amount of Rs.6,95,522/- was paid to the host Commission i.e. APSERC.

This was discussed and adopted.

Agenda-5 Audit Report of FORENS Account

The Audited Accounts for the FY 2018-19 prepared and certified by the statutory auditor was placed before the members. The PAN of the FORENS was recently obtained from the Income Tax Deptt. bearing No.AAAAF8177G, a copy of which was placed for reference of the Members.

This was discussed and adopted.

Agenda-6 A Brief Overview: Distribution Franchisee Framework

A presentation was made by the APDCL, Assam on the topic highlighting Policy framework, Rules & regulation enabling Distribution franchisee mechanism, major franchisee systems, benefits to DISCOMs and experience of Franchisee system in APDCL during the last meeting at Digboi, Assam.

This topic was again discussed in the 13th meeting at Agartala. Chairperson, JSERC highlighted that distribution franchisees are not showing proper performance and consumers are not getting benefitted through this model. Chairperson, OERC informed the Forum that recently Ministry of Power, Govt. of India has shown interest in the privatization model being successfully done in Odisha. Chairperson, NERC stated that in their state also no improvement has been seen under the DF experience. He further stated that the local community instead has come forward with the participation to improve the billing and collection activities. Chairperson, BERC said that through their experience in DF, they have not seen any improvement in the performance as the DFs have not been investing in any Capex programme. The losses also increased under the revenue sharing formula and no revenue was flowing to the DISCOMs. He also observed that the DF needs to be considered agents of the DISCOMs who should also do some handholding with the DFs. The other impediment for non-performance is that no government Capex is extended to DF areas thereby depriving consumers of all such government scheme benefits. Under the Franchisee model, the DFs do not feel as the owner of such area and so do not show interest in the improvement. The Chairperson of WBERC stated that introducing competition is the key to the success of DF model. It is mostly observed that most of the DF agreements are in favour of DISCOMs and no subsidy of government goes to DF area depriving such benefits to the consumer of the area. He also stated that there has to be strong arbitration arrangement along with investment mechanism for DF to be successful.

After discussion, it was resolved by the members that FORENS shall invite companies who have shown some success in the DF operations to make presentation in the FORENS meetings. It was suggested that the companies such as Tata Power Ltd. or CESC, Kolkata may be invited to make such presentation during the next meeting of FORENS.

Agenda-7 The Competitive Bidding Framework and Approaches to Threshold Limit

After discussion it was resolved that since this issue is still being evolved, this agenda point may again be discussed in the next meeting of FORENS.

Agenda-8 Developing Comprehensive Metering Regulation and Accounting Framework for Grid Connected Roof-Top Solar Deployment in India.

A letter was sent to all the member Commissions vide FOENS Secretariat letter dt.09.01.2020 to share their experience and regulations regarding implementation of the Solar roof-top under Net & Gross metering arrangement in their state. BERC and JSERC had given their response regarding such status in their respective states.

This was discussed in the meeting.

Agenda-9: Presentation on higher interstate Point of Connection Charges for Eastern states.

In the 11th FORENS meeting at Digboi, Assam the Point of Connection (POC) charges was deliberated and it was felt that interstate POC charges for the eastern states were high. Sri R.K. Choudhary, Member, Bihar Electricity Regulatory Commission (BERC) made a brief presentation in which he highlighted that POC charges are higher for Interstate Power plants located in Bihar vis-à-vis consuming states such as Tamil Nadu, Gujarat, Delhi, Uttar Pradesh, Madhya Pradesh etc. The issue was further deliberated in the 12th meeting at Dirang and Sri Choudhary opined that the parameters determining POC charges are not rationale resulting in higher charges for eastern states. Further, since the calculation is done through software, it is difficult to appreciate the intricacies in the calculation. These parameters are not clearly understood and hence ambiguity in the calculation of POC charges.

It was felt by the members that in order to understand what factors are contributing to the higher POC charges, those factors are to be identified. Keeping this in view the members of FORENS resolved that a technical committee may be constituted comprising of technical members to study the mechanism of determination of POC charges and how it is impacting the Eastern and North-Eastern states. A committee was accordingly formed constituting the following members:

1. Sri R.N. Singh, Member, JSERC
2. Sri R.K. Choudhary, Member, BERC
3. Sri P. Patnaik, Secretary, OERC
4. Shri Anup Kumar Dutta, Director Engg. WBERC
5. Sri Rwamish Tauseef, Deputy Director (Transmission) , BERC

A presentation prepared by the Committee was made by Sri R.K. Choudhary, Member, BERC. The presentation highlighted the new draft CERC (Sharing of ISTS Charges and Losses) Regulation, 2019 which is notified by CERC during October, 2019. The presentation highlighted as to how the evolution of transmission pricing has been made over the years, the previous POC tariff mechanism based on distance, direction and quantum sensitivity, impact on Eastern region under POC methodology and how such methodology seems to be unfair to the Eastern region states. The new draft Regulation of CERC on Sharing of ISTS charges and losses makes a shift from the previous POC tariff methodology. The components of the new Transmission charge would be national component, regional, transformer and AC component. The new methodology will be on ex post basis departing from ex ante basis. The CERC has already obtained the views from the stakeholders and will be notifying the final Regulation towards sharing of ISTS charges and losses.

The Forum after discussion resolved that the Technical Committee of FORENS may suggest engaging some institutional agencies to make a study highlighting the impact of the new Transmission pricing methodology suggested in the new Regulation of CERC and its impact on the member states of FORENS.

Agenda-10: Venue for the next meeting of the FORENS with tentative date.

The earlier meetings were conducted in the following manner.

Sl. No.	Meetings	Dates	Venue	Host Commission
1	1 st meeting	26 th – 27 th October, 2013	Puri	Odisha ERC
2	2 nd meeting	7 th – 8 th February, 2014	Kaziranga	Assam ERC
3	3 rd meeting	13 th – 14 th November, 2014	Rajgiri	Bihar ERC
4	4 th meeting	18 th – 21 st November, 2015	Sundarbans	West Bengal ERC
5	5 th meeting	5 th – 6 th May, 2016	Ranchi	Jharkhand ERC
6	6 th meeting	8 th – 10 th September, 2016	Imphal	Jt. ERC (Manipur & Mizoram)
7	7 th meeting	27 th – 30 th April, 2017	Gangtok	Sikkim SERC
8	8 th meeting	12 th – 14 th October, 2017	Puri	Odisha ERC
9	9 th meeting	19 th – 21 st April, 2018	Itanagar	Arunachal Pradesh ERC
10	10 th meeting	25 th -27 th October, 2018	Bodh-Gaya	Bihar ERC
11	11 th meeting	19 th -22 nd April, 2019	Digboi	Assam ERC
12	12 th meeting	26 th -28 th September, 2019	Dirang	Arunachal Pradesh ERC
13	13 th meeting	22 th -24 th January, 2020	Agartala	Tripura ERC

The members deliberated to fix the venue and date for the next (14th) FORENS meeting. The Forum requested the Chairperson, Nagaland ERC to explore the possibilities of holding the next meeting in Nagaland. He was requested to be in touch with the FORENS Secretariat to convey his willingness in order to fix the venue for the next meeting.

The meeting ended with a vote of thanks to all participants by the Secretary, FORENS.
