

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

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

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To

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5. The Secretary,
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9. The Secretary,
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10. The Secretary,
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Sub: Minutes of the Meeting of the 15th meeting of FORENS at Gangtok, Sikkim

Sir,

This has reference to the subject cited above. The last (15th) FORENS meeting was held at Gangtok, Sikkim from 19th to 21st October, 2022.

Enclosed please find the Minutes of the meeting of the said meeting. As per the decision in the meeting following actions needs to be further taken by the member Commissions:

1. The **Sharing of Inter-State Transmission Charges and Losses Regulations, 2020** in STOA (Collective and Bilateral Transactions) was discussed in the 14th meeting at Kolkata. The matter was discussed again in the 15th meeting and it was decided that the member Commissions may send their considered views on the issue, if any, within 15 days to the FORENS secretariat.
2. The **Development of Distribution Infrastructure as submitted by OERC was discussed** in the 14th meeting at Kolkata. After deliberations again in the 15th meeting at Gangtok, it was decided that member commissions may send the views, if any, on the matter to the FORENS secretariat within 15 days.
3. A topic related to the implementation of the PM-KUSUM Yojana was discussed in the meeting. Chairman Tripura ERC, Mr. D. Radhakrisnan, stated that the implementation of the PM-KUSUM Yojana is successful in the state of Tripura. As decided in the meeting, Chairman Tripura ERC was requested to share a note on such experience to the FORENS secretariat for circulation in the interest of the Member Commissions.
4. The members are requested to remit the Annual subscription for the year 2021-22 and 2022-23, **if not paid**, to the FORENS Secretariat. The total **combined subscription** (for

both the years 2021-22 and 2022-23) for single member Commission is Rs. 2.5 lakh and for multi member commissions is Rs. 5 Lakh. Bank details of the FORENS account for remittance of the subscription fee is as follows:

Name of Bank : Union Bank of India, Plot No.1882, Besides Kalyani Mandap,
Unit-8, Nayapalli, Bhubaneswar-751012, Odisha.
Account No : **520141000775491**
Name of the Account Holder : Forum of Regulators for Eastern & North Eastern States
IFSC Code : UBIN 0905411

5. On request of the FORUM, Chairman Meghalaya State ERC consented to conduct the next meeting (16th meeting) of the FORENS in the state of Meghalaya. Chairman Meghalaya State ERC is requested to confirm the venue and date for the next meeting (anytime after March 2023) to the FORENS secretariat.

Encl: As above.

Yours faithfully,


22/11/2022
SECRETARY, FORENS

**Minutes of the 15th meeting of the Forum of Regulators for
Eastern and North-Eastern States (FORENS) held at Gangtok, Sikkim
from 19th - 21th October, 2022 hosted by Sikkim State Electricity
Regulatory Commission**

The 15th meeting of the Forum of Regulators of Eastern & North Eastern States was held at Gangtok, Sikkim from 19th - 21th October, 2022.

Members present :

1. Sri D. Radhakrishna, Chairperson, TERC
2. Sri P. W. Ingty, Chairperson, MSERC
3. Sri K. Sanjay Krishna, Chairperson, AERC
4. Sri Shishir Sinha, Chairperson, BERC
5. Sri Gajendra Mohapatra, Chairperson (Offg.), OERC
6. Sri K.B. Kunwar, Chairperson, SSERC
7. Sri Khose Sale, Chairperson, NERC
8. Dr. Mallela V. Rao, Chairperson, WBERC
9. Justice (Shri) Amitav Kumar Gupta, Chairperson, JSERC
10. Sri S.N. Kalita, Member, AERC
11. Sri. Pulak Tewari, Member, WBERC
12. Sri J.K. Sen, Member, TERC
13. Shri Roland Keishing, Member, MSERC
14. Sri S.C. Chaurasia, Member, BERC
15. Sri S.K. Ray Mohapatra, Member, OERC
16. Sri Atul Kumar, Member, JSERC
17. Sri Mahendra Prasad, Member, JSERC

Officials Present:

1. Shri P. Patnaik, Secretary FORENS, OERC
2. Dr. Sherap Shenga, Secretary, SSERC
3. Sri Ajoy Sahu, Joint Director, OERC
4. Sri P Chakta, Director, SSERC

Inauguration of the meeting:

The meeting was chaired by Mr. K.B. Kunwar, Chairperson, SSERC. He welcomed the Chairperson and members of the various Commissions of Eastern and North eastern states of the country to the beautiful state of SIKKIM. At the outset he also welcomed the new members of the FORENS, Dr. Mallela V. Rao, Chairperson, WBERC and Justice (Shri) Amitav Kumar Gupta, Chairperson, JSERC, who have assumed their office after the last meeting and Mr. U. N. Behera, Ex-Chairperson, OERC (as special invitee). The members of the FORUM were also greeted by the Secretary Sikkim SERC.

Agenda-1: The presentation on the Power Sector of Sikkim by Sikkim SERC

A presentation on the overview of Power Sector of Sikkim including development of Generation, Transmission and Distribution sector in the State over the years was made jointly by the Power department, Sikkim and the host Commission.

Agenda-2: Confirmation of the minutes of the 14th meeting of FORENS held at Kolkata on 14th – 16th July, 2022

The minutes of the 14th meeting of FORENS was circulated by FORENS Secretariat, vide letter No.792 dt.26.07.2022 (**Annexure-1**), no views/comments were received from the FORENS members and the said minutes of the meeting was confirmed in the meeting.

Agenda-3 ATR of 13th FORENS meeting.

(a) Audit Report of FORENS Account

The requisite information received from the bank in proper format was sent to the statutory auditor of FORENS Account, for the audit of the FY 2019-20, FY 2020-21 and FY 2021-22. Forum was informed that the exercise would be completed shortly and will be placed in the next meeting of the FORENS.

(b) FORENS Website

Under the guidance of Mr. S. N. Kalita, Member, Assam ERC, the broad framework of website including design and contents prepared by IT Department of AERC was placed before the forum for discussion. The members agreed to such framework. However, it was suggested to exercise caution while placing the contents on the website as the views of the forum can be misused and misinterpreted. Members also raised concern about the choice of contents which should be accessible to the general viewer. The members suggested that before placing the contents in the website, the matter may be submitted by Secretary FORENS for approval of the Chairperson FORENS.

Agenda-4: Financial Position of FORENS Account

- a) The forum was informed that contribution of Rs.10 lakh was paid to the host Commission WBERC from the FORENS account for conducting the last meeting of FORENS (14th meeting) held on 14th–16th July, 2022 at Raichak, Kolkata.

- b) The members also discussed about the contribution to be made by FORENS to the Sikkim ERC for the current FORENS meeting (15th) in view of the enhanced cost as appraised by the host Commission. After discussion, the members decided that FORENS would contribute Rs.15 lakh to the SSERC as a special case towards expenditure for the current meeting and this may not be considered as precedence for the forth coming meetings. It was also informed to the members that at the present, the current balance in the FORENS account is Rs. 27.98 lakh.
- c) The members were requested to remit the Annual subscription for the year 2021-22 and 2022-23, if not paid, to the FORENS Secretariat.

Agenda-5: Higher interstate Point of Connection Charges for Eastern states.

In the last meeting, a Committee comprising of the following Members of the forum was constituted to study the GoI notification on Implementation of Sharing of Inter-State Transmission Charges and Losses Regulations, 2020 in STOA Collective and Bilateral Transactions.

1. Shri D. Radhakrishnan, Chairperson Tripura ERC, Chairman of the Committee
2. Shri S. Kalita, Member Assam ERC, Member of the Committee
3. Shri. S.K.Ray Mohapatra, Member Odisha ERC, Member of the Committee

All the Member Commissions of the forum were requested to send their considered view on the subject matter to the FORENS secretariat. However, response has not been received from member commissions. The member Commissions were requested to send their considered views, if any, on the issue within 15 days.

Agenda-6: Renewable Purchase Obligation (RPO) target setting and weak compliance:

Shri S. K. Ray Mohapatra, Member OERC stated that the new notification of Ministry of Power (MoP), Govt. of India envisages uniform RPO (Wind RPO, HPO, Other RPO) and Energy Storage Obligation trajectory till 2029-30 across the country. He further deliberated that this RPO target is quite challenging for the Eastern and Northeastern states where Renewable Energy potential is limited. Further the notification envisages total RPO of 33.01% by 2025-26 and 43.33% by 2029-30 and Energy Storage obligation of 1.5% by 2025-26 and 4% by 2029-30, which looks quite ambitious for Eastern and North Eastern states.

The members discussed the issue and it was informed that this issue has already been seriously taken up in the FOR meetings and has been discussed with the Hon'ble Minister of Power,

GoI to consider realistic target for Eastern and North Eastern States. In view of the same the FORUM decided to drop this agenda.

Agenda-7: Development of Distribution Infrastructure

After deliberations in the last meeting, it was decided that the individual States would study the proposal of OERC submitted in the last meeting and provide their valuable inputs/suggestions.

However, no response was received from the member commissions on the issue. After deliberations, it was decided that member commissions may send their views, if any, on the matter to the FORENS secretariat within 15 days.

Agenda-8: The OERC has outlined certain pertinent issues related to regulations & rules notified by the MoP, Govt. of India, intra-State TBCB and micro grids etc. The following issues were discussed in the meeting:

(a) Creation of CGRF at all levels:

As per Rule 15 of Electricity (Rights of Consumers) Rules, 2020, the distribution licensee shall establish Consumer Grievance Redressal Forum (CGRF) at Sub-division, Division, Circle, zone and Company level. Chairperson BERC Mr. Sishir Sinha informed that in Bihar the public grievance is being addressed through CGRF. Other States have also similar practice. However, the recent notification of Rule by MoP, GoI need to be studied for further course of action.

(b) Methodology for automatic billing to consumer as FPPAS:

Methodology for automatic billing to consumer as Fuel and Power Purchase Cost Adjustment Surcharge (FPPAS) due to change in fuel cost, Power Purchase cost and transmission charge and the formula to be used by the state commissions was discussed in the meeting. The members were of the opinion that it is not desirable that the bills of the consumers shall change on monthly basis due to FPPAS. In some states the adjustment is done on the quarterly basis which is a more acceptable method. This mechanism would reduce sudden tariff burden on consumer at the end of the Financial Year. There could be resentment from the consumer while adopting such scheme of GoI.

(c) Development of Microgrid:

The development of Microgrid in remote inaccessible location by DISCOMs / Private entity instead of extending distribution network to such location is the need of hour. Microgrid will reduce subsidy burden, reduce T&D loss and there will be no need of extension of Distribution network or creation EHV substation in nearby area. Chairperson BERC Mr. Sishir Sinha informed the forum that in Rohtas area of Bihar some villages are electrified through Microgrid and it has been observed that the discovered tariff is high and the State of Bihar is not very much in favour of development of microgrid. Moreover, through Government of India schemes most of the villages are being electrified which is viable way of receiving subsidy and to reduce tariff burden on the consumers. But for States like Odisha where DISCOMs are run by private agency (M/s Tata Power), the benefit of GoI Schemes is not being passed on and Microgrid could be good solution for remote and inaccessible areas.

(d) Rules prevailing over Regulation:

MoP, vide its letter No 23/22/2019-R&R (Part-4A) dated 13-09-2022 Regarding Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 has notified that any Regulation framed by CEA or Appropriate Commission have to be in accordance with Electricity Act and the Rules made there under. In case of any conflict between Rules and Regulations, the Rules will prevail. The matter was discussed and the members expressed that rules should not encroach the jurisdiction of State Regulatory Commission as each State has unique operating conditions and compulsions.

(e) Intra-State TBCB:

As per Section 181 read with 61, 66 & 86 of the Electricity Act and in pursuance to Clause 5.3 of the Tariff Policy, 2016 Intra State Transmission Projects shall be developed by State Government through Competitive bidding process and for projects above a threshold limit which shall be decided by SERCs. This topic was discussed in the meeting. The members were of the opinion that most of the Intra-State TBCB projects help private players. Although the projects are awarded through a transparent mechanism, Intra-State transmission projects may be implemented through TBCB route on case to case basis taking into account constraints of the individual states.

(f) Planning of LTA for purchase of power:

The rapid change in the power scenario in the country due to large scale integration of RE and reduction in cost per unit of solar power. In such a scenario and considering volatility in the power market, there is need to enter into long term PPA for purchase of power from conventional /RE sources to meet long term power requirement. Chairperson BERC Mr. Sishir Sinha observed that the investment in thermal plants is on decline in the country and huge investment is being made in the Renewable Energy. However considering the volatility in the power market long term PPA serve as a cushion to the distribution companies. It is not desirable to keep all the eggs in a single basket. There has to be diversified portfolio of energy source. This was endorsed by the other members who were of the opinion that there has to be balance between long term PPAs and short term purchase in order to provide reliable, affordable, uninterruptible (24x7) quality power to all.

- (g) **PM-KUSUM:** Yojana for the farmers, Panchayats and Co-operative Societies is aimed at uninterrupted power supply to the farmers for lift irrigation pumps during day time, check groundwater over exploitation, risk free income for farmers and reduce cross subsidy burden on industrial consumers. The Component-C of the PM-KUSUM Yojana is aimed at solarisation of grid connected agricultural pumps and agriculture feeder solarisation. Farmer's irrigation needs is to be met by using the generated solar power and the surplus power generated is to be sold to DISCOMs.

Chairperson of Tripura ERC, Mr. D. Radhakrisnan, stated that the implementation of the PM-KUSUM Yojana is successful in the State of Tripura. On request of the members, Chairperson of Tripura agreed to share a note on such experience through FORENS Secretariat for benefit of member Commissions.

Agenda-8: Request of Chhattisgarh SERC for inclusion in FORENS

The Chairman, Chhattisgarh SERC in a letter addressed to FORENS Chairperson had requested to consider inclusion the state of Chhattisgarh as a member state of FORENS. This was discussed and members wanted to know, if state of Chhattisgarh falls in the eastern part of the country. This need to be ascertained through other GoI and NITI Ayog notifications. The members

also agreed that the inclusion of Chhatisgarh ERC to the FORENS may be deferred for the time being.

Agenda-9: 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
14	14 th meeting	14 th -16 th July, 2022	Raichak, Kolkata	West Bengal ERC
15	15 ^h meeting	19 th -21 th October, 2022	Gangtok	Sikkim ERC

On request of the members, the Chairman Meghalaya State ERC consented to conduct the next meeting (16th) of the FORENS in the state of Meghalaya. It was left to the Chairman to fix the venue and date for the next meeting anytime after March 2023.

The meeting ended with the vote of thanks by the Secretary FORENS to the Chair.
