

Minutes of the 15th State Advisory Committee Meeting

Meeting of 15th State Advisory Committee (SAC) was held on 04.01.2016 at 11.30 Hrs. and the following were present.

Commission

1. Sh. P.D.Sudhakar, Chairman
2. Sh. J.P.Singh, Member
3. Sh. B.P. Singh, Member

Other Members of SAC (incl. their nominees):

1. Sh. R.K. Srivastava, EO to Principal Secretary, Dept. of Power, GoNCTD
2. Sh.O.P. Gupta, Member, PG Cell, GoNCTD
3. Sh. R.K. Duggal, CE, East Delhi Municipal Corporation.
4. Sh. Rajesh K. Mediratta, Director (Business Development), IEX
5. Prof. Bhim Singh, HOD (Electrical), IIT Delhi
6. Sh. K. Ramanathan, Distinguished Fellow, TERI
7. Sh. Pankaj Goel, Sr. Vice President, PTC
8. Sh. Anoop Gupta, Director (Electrical), DMRC
9. Sh.ChanderPrakesh, Director, CEA
10. Sh. P.C. Mishra, Council Member, Institution of Engineers (India)
11. Sh. KoshyCherail, (Nominee of Chairman), AEEE

Officers of the Commission:

1. Sh. Mahender Singh, Secretary & Executive Director (Tariff)
2. Sh. U.K. Tyagi, Executive Director (E)
3. Sh. Rakesh Kumar Mehta, Executive Director (Law)
4. Sh. Prashant Kumar, Joint Director (T-F)
5. Sh. Sanjay Kumar Sharma, Joint Director (PSE)
6. Sh. Amit Sharma, Joint Director (T-E)
7. Sh. C.K. Roy, Joint Secretary
8. Sh. Abhishek Moza, Deputy Secretary

The Chairman welcomed the Members of the State Advisory Committee and stated that the Committee may consider and discuss the issues placed before it and provide the Commission with their valuable suggestions.

During the course of discussions, the issues taken up, suggestions received as well as observations of the Members of the Committee are given below.

Item No. 1

Approval of Minutes of 14th SAC Meeting held on 22.04.2015.

The Committee considered and approved the minutes of the State Advisory Committee Meeting held on 22.4.2015 with minor change as suggested by Sh. R.K. Srivastava, EO to principal Secretary (Power), Department of Power, GoNCTD in para 7 of Agenda item no. 3 (e) that "the Commission may increase the tariff of Renewable Energy under Net Metering Regulations" be substituted by "increase in the tariff of Renewable Energy under Net Metering Regulations is not required".

Item No. 2

Review of "Action Taken Report (ATR)" on issues discussed in the previous meetings.

A presentation was made on the Action Taken Report on the issues discussed in the 14th SAC meeting and the Committee considered and noted the same. Further regarding para 3 of 3(d), CEA informed that a committee has been constituted under the Chairmanship of Chairperson CEA to review the functional specification of smart meters and the report was submitted to MoP on 12.06.2013.

**Item No. 3
DERC Draft MYT Regulations, 2015.**

A presentation on Draft Delhi Electricity Regulatory Commission (Composite Terms and Conditions for Tariff & Accounting) Regulations, 2015 was made by Tariff Division.

The committee was informed that the Commission has framed Draft Delhi Electricity Regulatory Commission (Composite Terms and Conditions for Tariff & Accounting) Regulations, 2015 which has been uploaded on DERC website on 18/12/2015 and public notice in various newspapers were issued inviting comments/suggestions from various stakeholders.

The Committee was informed about the salient features of Tariff determination as well as Accounting principles adopted in the draft Regulations which are divided into seven chapters. The Tariff division presented the Comparison between existing MYT Regulations 2011 & Draft Composite Regulations 2015 and explained that the draft Regulations are combined regulations for Tariff principles for Generation, Transmission & Distribution Business as well as accounting principles and has been prepared keeping in view recent proposed amendments in the Electricity Act 2003 which promote more competition and strict targets. While comparing both regulations, the committee was informed that AT&C losses have been divided into Distribution Loss and Collection Efficiency targets in the draft Regulation, RoE approach has been proposed as compared to RoCE approach and provision for Benchmark for Sale Rate of Surplus Power has been introduced considering public interest. Further Excess/Shortfall in Capitalization is linked to Bank rate, procedure for treatment of Profit/Loss of De - Capitalization & treatment of delay in refund of unspent deposit work scheme has been made in the draft regulations which were not contained in the existing regulations.

During the meeting, representative of PTC asked about the difference between the Accounting standards of ICAI and these regulations. The same was explained that these regulations are not contrary to the accounting standards of ICAI and only certain parameters have been included to bring uniformity in accounting of utilities which are necessary for tariff determination for electricity business and to analyse the accounts of utilities.

IEX proposed that priority for power purchase may be specified as per economic Merit Order Dispatch principles in these regulations such that the same may be benchmarked at the time of true up accordingly and suggested that Discoms may give their power purchase plan upfront for the financial year at the time of tariff determination. He also submitted that the Commission may benchmark the price of power purchase through banking in a year with the last year price history and other available information.

It was explained that the banking & other options for power procurement may be different at the time of actual procurement and true up and the suggestion may not be feasible. The Committee was of the view that the IEX will coordinate with Tariff division and explain the same for further consideration. Thereafter, the Commission may analyse the detailed comments submitted by the stakeholders and decide upon the issue.

The members of State Advisory Committee were requested to offer their comments on the Draft Regulations to the Commission by 11.01.2016.

Item No. 4

Annual DSM plans of Discoms.

A presentation on Demand Side Management schemes of Discoms as required under DERC (Demand Side Management) Regulations 2014 as notified on 18/11/2014 was made by Tariff Division. It was explained that DSM Offers cost effective and immediate solution to bridge Demand Supply Gap which helps in flattening of Load Curve, Optimization of Power Purchase Cost & provides Long Term Energy Security. The Committee was informed that various DSM schemes submitted by the Discoms are regarding replacement of inefficient bulbs with LEDs, replacement of inefficient ACs with 5 star/ inverter ACs for domestic consumers only and Automatic Demand Response for consumers having adequate demand who can reduce their demand voluntarily on the request of Discom.

The Committee was informed about the LED scheme as implemented by the Discoms where ICL & CFL are replaced by LEDs. An agreement between EESL & DISCOMs has executed and as on 01/01/2016, approximately 46.15 lakh LED Bulbs were distributed under DELP. All associated costs are borne by EESL and as per EESL, the price of LED has decreased from the projected cost of Rs. 130/LED to Rs. 93/LED which was discovered through competitive bidding conducted by EESL. Further on the issue raised regarding applicability of this scheme for other consumers, it was clarified that the scheme is formulated by Government of India which was proposed by EESL along with Discoms and the Commission has endorsed the same in the interest of the consumers of Delhi. The Committee recommended that for any modification of scheme, consumers may approach EESL for consideration.

Further, regarding replacement of non-star rated Air conditioner with BEE 5 Star rated/ inverter air conditioner scheme of TPDDL at attractive/low price to the consumers in its area of supply, it was informed that the total number of AC proposed to be installed under the scheme is 20,000 and savings due to replacement of ACs under this scheme is passed on to respective consumers in the form of rebate on purchase of new AC. Total 1205 number of ACs has been installed in TPDDL area as on 30.11.2015. The expenses of floating tender, hiring of implementation agency, administrative costs & rebate cost along with interest thereon is allowed additionally in ARR under DSM Fund. The Scheme is applicable for domestic consumers with monthly consumption <1200 units and 1 AC per consumer on first come first serve basis is allowed. The Discom has mandate for Proper and Safe disposal of old replaced ACs.

The member of the Committee asked about whether the cost benefit analysis of the scheme was performed, for which it was informed that scheme was approved "in-principle" after due cost benefit analysis of the scheme and various parameters like surplus sale, saving on energy saved & other associated costs were included for cost benefit analysis of the individual consumer and total consumers.

The Committee was also informed about the new scheme submitted by TPDDL of Automated Demand Response (ADR) for consumers having adequate demand who can reduce their demand voluntarily on the request of Discom. In pursuance of the initiatives undertaken to implement SMART GRID in India and focus on the demand response of the consumers, TPDDL had sought "in-principle" approval of the Commission for initiating and implementing a pilot project on Automated Demand Response (ADR) with Smart Metering. Under the scheme, total 550 consumers were audited and 161 consumers are connected for ADR and smart meters are installed for 194 consumers. Total Non-Critical Load Connected is about 11 MW, where 17 ADR Events were conducted in FY 14-15 and in response maximum shed potential achieved was 7.2 MVA as per peak demand time slots. The incentive will be fixed for the consumers who will curtail the load as per the request of the Discom in peak hours. The Committee was informed that the Commission has admitted the petition and the detailed scrutiny is under process. The members asked why incentives will be given to the consumers, for which it was

explained that the consumers are voluntarily reducing their load on the request of the Discom at the time of peak demand where the consumer is compromising with comfort to meet the demand of other consumers and helps to avoid purchase of costly power through short term at that particular moment, which will be beneficial.

The representative from IEX suggested that the Commission may also consider market based demand response and for the benefit of all, Discoms may involve with International Energy Agency group which is an experience sharing forum to explore and learn more in this regard.

Item No. 5

Discussion on Draft Solar Policy.

A presentation on draft solar policy of Government of Delhi was presented for discussing on implementation of few points of solar policy pertaining to the Commission. The Committee was informed about the background that the Commission had issued Renewable Purchase Obligation Regulations on 01.10.2012, Renewable Tariff Regulations for Gross Metering 08.01.2013, Renewable Net Metering Regulations on 25.09.2014 & Renewable Net Metering Guidelines on 23.12.2014. The Committee was apprised of the salient features of the draft policy and the concept of Group Net Metering and Virtual Net metering was explained in detail. The Committee observed the same and suggested that members may offer their comments on both the issues. A representative from TERI suggested that the technical aspects like limit on DTs etc. may be studied. The Commission considered the same and recommended that the same will be done while preparing the detailed framework for the same.

The Meeting ended with vote of thanks.