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NEWS BRIEFS

Tariff Petitions for Revision of tariff for FY 2020-21 filed

The three State Power Companies submitted their Petitions for approval of Truing up for FY 2018-19, Annual Performance Review (APR) for FY 2019-20 and revised Annual Revenue Requirement (ARR) and determination of Tariff for FY 2020-21 as per MYT Regulations, 2018 on November 30, 2019. On preliminary scrutiny, the petitions received from Assam Power Generation Corporation Limited (APGCL), Assam Electricity Grid Corporation Limited (AEGCL) and Assam Power Distribution Company Limited (APDCL) were found incomplete in material particulars and additional clarifications on the Petitions have been sought. Technical Validation Sessions (TVS) will be held between officials of the Commission and the petitioners.

As per Section 64(2) of the Electricity Act 2003, the tariff proposals are required to be published in the daily newspapers in abridged form and manner inviting comments and observations of the stakeholders. Therefore, as per the Act, and in line with the procedure followed for the previous years, the Commission has asked the power companies to publish notices of the tariff petitions submitted in widely circulated dailies.

The tariff petitions submitted by the Companies have been uploaded in their respective websites and in the website of the Commission as well.

AERC (Grid Interactive Solar PV Systems) Regulations, 2019 notified.

The Commission notified the AERC (Grid Interactive Solar PV Systems) Regulations, 2015 on 14th May, 2015. Meanwhile, the State Government of Assam notified the Assam Solar Policy on 16th January, 2018. Although, both the Regulations and Policy aimed to augment installed solar power capacity of the State by deploying resources

provisioned under State and Central Schemes, policies and Programs.

On comparison of the provisions of the State Policy and the existing AERC Regulations, 2015, certain differences were observed and the Government of Assam under Section 108 of the Electricity Act, 2003, vide letter no. PEL.65/2014/299 dated 7th March, 2019 directed the Commission to make necessary changes in AERC (Grid Interactive Solar PV Systems) Regulations, 2015.

Accordingly, AERC notified the AERC (Grid Interactive Solar PV Systems) Regulations, 2019 on 19th August, 2019 after following the necessary procedure of previous publication. ([Back](#))

AERC notified draft AERC (Renewable Purchase Obligation and its Compliance) Regulations, 2010, (Third Amendment), 2019

The Electricity Act, 2003, mandates the State Electricity Regulatory Commissions to promote cogeneration and generation from renewable energy sources by providing suitable measures for connectivity with the grid, and also to specify for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee.

The National Electricity Policy reiterates that the power purchase obligation from non-conventional sources of energy, as envisaged in section 86(1)(e) of the Electricity Act, 2003 should be specified by the SERCs. Progressively the share of electricity from non-conventional sources would need to be increased as prescribed by the State Commission and the same should be reflected in tariff determination. The Tariff Policy also mandates the SERCs to fix the 'minimum' percentage of energy to be procured from Non-conventional energy sources taking into account the availability of such resources in the region and its impact on retail tariffs.

The Commission notified the AERC (Renewable Power Purchase Obligation and its Compliance) Regulations, 2010 on 2nd November, 2010. Subsequently, the Commission made amendments of the RPO Regulation, 2010 twice.

The MoP, GoI vide letter no. 23/3/2016/R&R dated 14th June, 2018 notified the Long-term growth trajectory of Renewable Purchase Obligations (RPOs) for Non-Solar as well as Solar Energy uniformly for all States/Union Territories, for three years from 2019-20 to 2021-22. The MoP, GoI also issued a notification on 1st February, 2019 vide no. 30/04/2018/R&R, on the capping of RPO for captive Power Plants at the RPO level applicable in the year in which plant is commissioned. In view of the above notification, the Commission notified the draft AERC (Renewable Purchase Obligation and its Compliance) Regulations, 2010(Third Amendment), 2019.

According to the draft Regulations, "Every Obligated Entity shall purchase the amount not less than percentage of its total Energy Handled from renewable energy sources under the Renewable Purchase Obligation or until reviewed by the Commission as given below:

FY	Renewable Purchase Obligation (RPO) (%)		
	Non Solar	solar	Total
2019-20	10.25%	7.25%	17.50%
2020-21	10.25%	8.75%	19.00%
2021-22	10.50%	10.50%	21.00%

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Re-Constitution of Consumer Advocacy Cell (CAC)

Consumer participation in the regulatory process like framing regulations, tariff determination etc; is a must, if, consumers are to reap the benefits from the developments that are taking place in the power sector. However, although some consumer groups representing Tea and HT Industries, actively participate in the regulatory process, representation from the general mass of the electricity consumers belonging to the domestic segment, educational institutions, small commercial units, etc has not been as envisaged. The matter was discussed at length in the 25th State Advisory Committee (SAC) meeting held on 26/07/2019 and it was suggested that an organized forum is necessary to represent the case of the low end category consumers before the Commission so that these consumers may be benefitted. In view of the consensus opinion of the SAC Members during the meeting, the Commission reconstituted the Consumer Advocacy Cell vide Notification No. AERC./668/2018/188 dated 13th August, 2019, on an experimental basis for a period of one year.

The newly constituted CAC will be submitting their views on the Tariff Petitions of APGCL, AEGCL and APDCL for Determination of Tariff for FY 2020-21. [\(Back\)](#)

Average Pooled Power Purchase Cost [APPC] for the Financial Year 2019-20.

The Assam Electricity Regulatory Commission (AERC) issued tariff orders for the power utilities of the State on 1st March, 2019. Based on the tariff order issued by AERC for the year 2019-20, the Average Pooled Power Purchase Cost (APPC) has been worked out as Rs.3.78/kWh. In exercise of the powers conferred under regulation 18 of the AERC (Grid Interactive Solar PV Systems) Regulations, 2019, the Commission notified the APPC at Rs. 3 78/unit for the financial year 2019-20 with effect from 01 04.2019. [\(Back\)](#)

Tata Power emerged as the successful bidder for distribution and retail supply of electricity in Central Electricity Supply of Odisha.

(Source: www.outlookindia.com)

Tata Power emerged as the successful bidder to own the licence for distribution and retail supply of electricity in Odisha's five circles together constituting Central Electricity Supply Utility of Odisha (CESU).

The Odisha Electricity Regulatory Commission (OERC) has awarded the Letter of Intent (LOI) to Tata Power Company Ltd. For acquisition of CESU Power Distribution in Odisha. The five electrical circles constituting CESU are the areas of Bhubaneswar (Electrical Circle - I and II), Cuttack, Paradip and Dhenkanal. The license is being offered for 25 years initially. The proposed sale of CESU to Tata Power will be through the formation of a special purpose vehicle entity. The Government of Odisha will own 49 per cent equity stake in the proposed SPV while Tata Power will hold 51 per cent equity.

CESU is spread over 30,000 Sq km with population of over 1.4 crore and consumer base of 2.5 million. The average demand of CESU is around 1,300 MW with the annual input energy of 8,400 MUs (FY 2018). ([Back](#))

New Power Sector Distribution Scheme

(Source: www.business-standard.com)

A new power sector scheme aimed at better infrastructure, smart meters, human resource development and a private franchisee model for improving power supply in States is likely to be announced by the central government in the next budget. The scheme is likely to have an estimated capital outlay of Rs 2-2.5 trillion. The scheme will replace UDAY (Ujwal DISCOM Assurance Yojana), which concludes in March next year. The scheme will provide central funding to State utilities as infrastructure support reform package and state utilities will be able to participate in the scheme by targeting mandatory reduction of AT&C losses to less than 12%, negating tariff gaps and having compulsory prepaid smart metering across the power distribution chain.

UDAY did not entail direct grants from the Centre to states. Of the several suggestions for the scheme, it is likely to be called ADITYA — Atal Distribution Transformation Yojana — named after the late Prime Minister Atal Bihari Vajpayee. ([Back](#))

Power Sector employees plan strike against privatization

(Source: www.business-standard.com)

Nearly 1.5 million employees, including engineers, of public sector undertakings in the power sector across the country will observe a one-day strike on January 8, 2020 against the proposed amendment to the Electricity Act, 2003.

The employees have alleged the amendment was aimed at facilitating the privatisation of power supply in India by segregating carriage and content and the decision to amend the Electricity Act, 2003, will adversely affect farmers and weaker sections of society. ([Back](#))

IOCL gets environment ministry nod to build Rs 766-crore 2G ethanol plant in Panipat *(Source: www.businesstoday.in)*

The IOCL had submitted a proposal seeking environment clearance for its proposed 100 KLPD Ligno-Cellulosic 2G ethanol plant at Baholi in Panipat district of Haryana

The Ministry of Environment has granted clearance to the Indian Oil Corporation Ltd to set up a Rs 766-crore 2G ethanol plant in Haryana's Panipat district. This project will not only promotes use of environment friendly fuel but also aids in fulfillment of government's goal of doubling farmers' income.

Recently, the central government had notified that no environmental clearance would be required by sugar mills to produce additional ethanol from sugarcane juice. ([Back](#))

10GW of solar energy generation capacity by 2022 *(Source: economictimes.com)*

State-owned power giant NTPC is planning to add 10 GW of solar energy generation capacity by 2022, which entails an investment of around Rs 50,000 crore, to be funded mainly by green bonds. At present, NTPC has installed renewable energy capacity of 920 MW, which includes mainly solar energy. It has formulated a long term plan to become a 130 GW company by 2032 with 30 per cent non-fossil fuel or renewable energy capacity.

The company will complete tendering of 2,300 MW of solar energy capacity by the end of this fiscal. Thereafter, it has planned to add 4GW each in 2020-21 and 2021-22. ([Back](#))

Rooftop solar power panels on government buildings across Tamil Nadu. *(Source: timesofindia.indiatimes.com)*

The Central Electronics Limited, a public sector undertaking, has floated tenders to set up rooftop solar power panels on government buildings across Tamil Nadu. This follows Tamil Nadu Energy Development Authority (TEDA) and Energy Efficiency Services Limited signing an agreement in this regard in September.

More than 1.6 MW capacity rooftop solar panels are to be installed atop government buildings in the State. Captive solar power generation would help many government departments, which are among the worst defaulters of power bills, to avoid depending fully on grid power. It could also help Tangedco reduce power supply to customers who are not prompt in paying bills. The agreement has stipulated an 18-month deadline to install the targeted capacity. ([Back](#))

On Power System Development Fund.

Power System Development Fund (PSDF) was constituted vide Central Electricity Regulatory Commission (Power System Development Fund) Regulations, 2010 dated 4th June, 2010. These Regulations have been modified twice (initially in June , 2014 and lately in August, 2019) in line with the Ministry of Power's communication issued regarding the scheme for operationalization of the Power System Development Fund (PSDF) and utilization of funds deposited therein. The PSDF shall be maintained and operated by the Public Account of India.

Regulatory Charges constituting the PSDF

The following regulatory charges are being credited to PSDF:

- Congestion Charges standing to the credit of the "Congestion Charge Account" after release of amounts payable to Regional Entities entitled to receive congestion charges along with interest, if any, in accordance with the Congestion Relief Regulations, 2009.
- Congestion amount arising from the difference in the market prices of different regions as a consequence of market splitting in power exchanges in accordance with Power Market Regulations, 2010.
- Deviation Settlement Charges standing to the credit of the "Regional Deviation Pool Account Fund" after final settlement of claims in accordance with Deviation Settlement Mechanism Regulations, 2014.
- Reactive Energy charges standing to the credit of Reactive Energy Charges Account in accordance with the CERC (Indian Electricity Grid Code) Regulations, 2010.
- Additional Transmission Charges arising out of the explicit auction process in STOA Advance Bilateral transactions in accordance with the CERC (Open Access in interstate transmission) Regulations, 2008 and amendments thereof.
- Such other charges as may be notified by the Central Commission from time to time.

Utilisation of PSDF

The funding for projects from PSDF to the entities shall be in the form of grant, and the grant amount shall be reduced from the capital cost of the project.

The PSDF be utilized for funding transmission infrastructure projects in response to feedback by the Load Despatch Centers to relieve congestion in interstate and intrastate transmission systems affecting the inter-state transmission systems (ISTS).

The fund will also be utilized for the installation of shunt capacitors, series compensators and other reactive energy generators for improvement of voltage profile in the grid.

It also proposes renovation and modernization of transmission and distribution systems for relieving congestion.

Funds from PSDF may also be utilized for the projects proposed by distribution utilities in the areas which are incidental to interstate transmission system and have a bearing on grid safety and security, provided that these schemes are not covered under any other scheme of the Government of India or respective State Government(s).

Private sector projects are not eligible for assistance from PSDF.

Nodal Agency

The National Load Despatch Centre (NLDC) shall be the Nodal Agency for the implementation of the projects or schemes under these regulations.

Sanction of Funds from PSDF

Regional Power Committees, Generating Companies, Transmission Licensees, Distribution Licensees and Load Dispatch Centers as the case may be, shall submit the schemes to NLDC as Nodal Agency for funding from PSDF. NLDC would pose these schemes to the Appraisal Committee for technical scrutiny. Based on the recommendations of the Appraisal Committee headed by Chairperson, CEA and communication of the CERC, the disbursement of the funds under PSDF shall be sanctioned by an inter-ministerial Monitoring Committee headed by Secretary, Power.

The project entity shall be responsible for execution as well as Operation and Maintenance of the projects or schemes, as the case may be, during its useful life.

Para 6 of the MoP Communication dated 10th January 2014, requires framing of the detailed Guidelines/Procedure for disbursement of the fund by the MoP in consultation with CERC. Accordingly, the detailed Guidelines/Procedure have been framed and approved by the Ministry of Power in consultation with CERC. ([Back](#))

AERC(Compensation to Victims of Electrical Accidents) Regulations, 2019

After enactment of the Electricity Act 2003, all activities related to generation, transmission distribution and trading of electricity are being regulated in accordance with the Act and the Rules & Regulations made thereunder. The State Electricity Regulatory Commissions have been authorized by the Act to make Regulations for carrying out the provisions of the Act.

The Assam Electricity Regulatory Commission (AERC or the Commission) has till date published more than 50 Regulations including their amendments and repeals. Among the Regulations, AERC notified the (Standards of Performance) Regulations for the Transmission and Distribution licensees functioning within the State of Assam. These Regulations states the minimum standards that a licensee should achieve and maintain in discharge of its obligations. In case the licensee fails to meet the minimum standards specified, the Regulations make provisions for payment of compensation by the concerned licensee. However, the above mentioned Regulations did not make provisions for payment of compensation for death or injury to human beings or animals caused by electrical accidents, in case, the electrical accidents is due to fault/ negligence of the Licensee/ Generating Company/ CPP.

Therefore, in exercise of the powers conferred by Section 181(1) read with Section 57 (2) and Section 57 (3) of the Electricity Act, 2003, the AERC (Compensation to Victims of Electrical Accidents) Regulations, 2019 was formulated. These Regulations specifies the quantum of compensation to be paid to victims of electrical accidents, assessment of compensation, procedures to be followed and other related matters.

The above Regulations were notified as a draft and uploaded in the website of the Commission on 8th March, 2019, inviting comments/ objections/ suggestions were invited from all stakeholders who are likely to be affected by the provisions of these Regulations. Notifications in this regard were also published in widely circulated local newspapers. Further, the Regulations were forwarded to the State Advisory Committee and State Government for their comments. Hearing on the draft Regulations was also conducted. The draft Regulations were finally published in Assam gazette after incorporating all the suggestions received from different sections of public.

Salient features of the Regulations:

- (i) The AERC (Compensation to Victims of Electrical Accidents) Regulations. 2019 are applicable to all Generating Companies including Captive Power Plants (CPPs), and transmission and distribution licensees operating within the State of Assam.
- (ii) Persons who are in direct and regular employment with any Licensee/ Generating Company/ CPP are not covered under the Regulations, as, social security

provisions exists for regular employees of a licensee/ Generating Company.

- (iii) The compensation payable for death of any person or animal and different categories of disablement – permanent and temporary caused by an electrical accident has been notified in Schedule B of the Regulations. The quantum of compensation has been fixed in accordance with the Assam State Disaster Management Manual, 2015.
- (iv) The actual expenses incurred during the period of hospitalization and/or treatment for the grievous hurt suffered due to an electrical accident, shall also be paid to the injured or the dependents of the deceased, as the case may be, in addition to the compensation specified in the Regulations. The medical expenses shall be paid subject to submission of certified bills of Government hospitals/ hospitals approved by the State Government/ hospitals approved by the concerned authority of the licensee.

In case, the treatment is undertaken in a private hospital, reimbursement of medical expenses shall be limited to the rates admissible in Government hospitals/ hospitals approved by the State Government/ hospitals approved by the concerned authority of the licensee.

- (v) The quantum of compensation has been considered so as to give some immediate respite to the dependents/ family members. The right of any person to claim compensation under the Regulations shall not affect the right of any such person to recover the compensation payable under any other law which is in force.

However, the amount paid as compensation shall be duly deducted from such compensation payable under any other law, so as to avoid double payment by the Licensee/ Generating Company /CPP.

- (vi) The occurrence of electrical accident leading to loss of human or animal life or injury shall be reported to the Electrical Inspector by the concerned officer of the licensee/generating company under Section 161 of the Electricity Act 2003.
- (vii) The dependents of a person who died in an electrical accident or a person affected by the injury caused to himself or an animal may make a claim for compensation in form B set out in Annexure-II of the Regulations either in person or by post to the Chief Executive Officer of the concerned Electrical Circle of the licensee or the Station Head of the generating company /CPP concerned who shall cause such claim to be enquired into and determined in accordance with the Regulations.
- (viii) All claims shall be finally settled within a period of 120 days from the date of occurrence of the electrical accident. If payment of due compensation is delayed for any reason beyond 120 days, the compensation shall be paid with additional interest of 12% per annum on the amount from the due date of payment.
- (ix) Any dispute or difference regarding the entitlement to compensation, or any person aggrieved by the orders of the Managing Director/ Chief Executive of the

Licensee/ Generating Company/ CPP concerned on the quantum or entitlement shall be deemed to be a grievance in accordance with the Assam Electricity Regulatory Commission (Redressal of Consumer Grievances) Regulations, 2016 and its subsequent amendments. The disputants shall be entitled to make a complaint before the Electricity Ombudsman.

- (x) The Commission may from time to time, by notification, and for reasons to be recorded in writing, revise the quantum of compensation given in Schedule B of the Regulations, after previous publication.

The detailed Regulations are available in the website of the Commission in the following link - <http://www.aerc.gov.in/Regulations.htm>.

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