

## **8<sup>th</sup> FORENS Meeting at Puri, Odisha from 12<sup>th</sup> – 14<sup>th</sup> October, 2017**

**Venue: Hotel Holiday Resort, Puri**

### **AGENDA NOTE**

**Agenda-1: Confirmation of the minutes of the 7<sup>th</sup> meeting of FORENS held at Gangtok on 27<sup>th</sup> – 30<sup>th</sup> April, 2017**

The minutes of the above meeting was circulated vide FORENS Secretariat letter No.721 dt.15.05.2017 (copy enclosed at **Annexure-1**). No views/comments have been received from the FORENS members on the same.

Hence, the said minutes of the meeting may be confirmed.

**Agenda-2: Action Taken Report (ATR) on the 7<sup>th</sup> FORENS meeting.**

#### **1. Renewable Purchase Obligation (RPO) target and weak compliance.**

In the 7<sup>th</sup> FORENS meeting at Sikkim, it was decided that Chairperson of WBERC would draft a letter to be written to MNRE, Govt. of India to provide a Viability Gap Funding (VGF) for Renewable Energy projects. Accordingly, Chairperson, WBERC has sent a draft letter to FORENS Secretariat for finalization of the same. Since the letter highlights many important issues, the same is required to be discussed by the FORENS members before sending to MNRE, Govt. of India. The said draft letter is placed at **Annexure-2** for discussion and finalization by the Members.

#### **2. Inter-state Comparison of Retail Supply Tariff**

In the 7<sup>th</sup> meeting at Sikkim, a presentation was made by OERC regarding the comparison of Retail Supply Tariff of various states including states of FORENS members. It was resolved in the said meeting that a questionnaire be devised by OERC and sent to the member Commissions including other elements such as cost of power purchase, distribution loss and other expenses for making a comprehensive comparison.

The OERC has prepared the questionnaire on those lines which is placed (**Annexure-3**) before the members for discussion and finalization.

### **3. Registration of FORENS under Society Registration Act, 1860**

In the 7<sup>th</sup> meeting at Sikkim, it was decided that necessary modalities may be undertaken.

The FORENS Secretariat has studied the Bye-law adopted in the 4<sup>th</sup> meeting at Rajgiri, Bihar. There are certain changes in Bye-law required for the registration as Society. A proposed modified Bye-law (**Annexure-4**) is placed before the members for discussion and finalization of the same. The details of the Chairperson and Members have been obtained from their respective offices.

### **4. Audit Reports of FORENS Account**

In the 7<sup>th</sup> meeting at Sikkim, the audited account for the years 2013-14, 2014-15 & 2015-16 were placed before the FORENS members for adoption. The members in the said meeting observed that they require some more time to study the same and get back on the same. Accordingly, WBERC (**Annexure-5**) and AERC (**Annexure-6**) have given comments on the same. The accounts have accordingly been modified and audited. The modified audited accounts for the years 2013-14, 2014-15, and 2015-16 along with 2016-17 which is also ready by now are placed at **Annexure-7, 8, 9 and 10** for consideration and adoption.

### **5. Finalization position of FORENS Account**

In the 7<sup>th</sup> meeting at Sikkim, it was resolved that the contribution to the FORENS fund be increased to Rs.2 lakh in case of multi-member Commission and Rs.1 lakh in case of single member Commission w.e.f. FY 2017-18. It was also resolved to contribute 50% of the cost of holding any FORENS meeting to the host Commission subject to a maximum of Rs.7.00 lakh henceforth. However considering the higher expenditure on transport incurred by SSERC, it was resolved that Rs.7.5 lakh be paid to SSERC as contribution from the FORENS fund for holding the 7<sup>th</sup> meeting at Gangtok as a special case.

Accordingly, all the members (except Tripura) have paid the contribution at the increased rate and a statement to that effect is placed at **Annexure-11**. The SSERC was also paid Rs.7.5 lakh as contribution from the FORENS fund for the 7<sup>th</sup> meeting held at Gangtok, Sikkim.

The above ATRs may be adopted.

**Agenda-3:    Modification of Memorandum of Association and Rules and Regulations of FORENS**

There are certain changes in Bye-law required for the registration as Society. A proposed modified Bye-law (Annexure-4) is placed before the members for discussion and finalization of the same.

**Agenda-4:    Roof-top Solar plants - Issues & challenges**

The Roof-top Solar has provided an opportunity to penetrate into the urban landscape for Solar expansion in order to meet the ambitious target set by the Govt. of India of 175 GW of Solar generation. However, the need of the hour is to address issues and challenges hampering the growth of solar rooftops across the country. These are discussed briefly.

- Although there are net metering guidelines in place, the distribution licensees are still not ready with procedures to grant connectivity to rooftop solar plants.
- There is a need to streamline approvals and clearances between multiple departments which may cause delays.
- From a consumer perspective, there are complexities involved in procedures involving installation of project, avail CFA, apply for grid connection and follow up on bill settlement by the distribution licensee.
- Another major challenge is the non-availability of skilled and trained manpower. This couples with loosely drafted rooftop leasing agreement and sharing of roles and responsibilities between the developer and the rooftop owner.
- The most promising method of implementation is currently the RESCO mode. The developers are mostly interested in putting up plants on big corporate houses and not on smaller consumers. The market share of smaller consumers is what needs to be captured here, but the decentralised nature of installation of small systems at multiple locations does not result in significant returns for the developer and economies of scale.

- In terms of distribution, there are limits on the total amount of electricity that can be injected in the grid at one point owing to the transformer capacity at that location. There is a perception that the success of solar rooftops can be detrimental to the business of DISCOMs in the sense that they lose out mainly on prime customers that were paying their charges in full and on time and those that were paying higher tariffs too.
- Other grid related issues such as effect on voltage control, quality of power, grid protection issues, forecasting and scheduling issues are other factors that have to be taken care of.

A presentation on such aspect will be made by GEDCOL (Green Energy Development Corporation Limited) Odisha. GEDCOL is primarily responsible for the development of Roof top solar generation in Odisha.

#### **Agenda-5: The support of state governments in the power sector development**

Distribution is the most important link in the entire power sector value chain. As the only interface between utilities and consumers, it is the cash register for the entire sector. Under the Indian Constitution, power is a Concurrent subject and the responsibility for distribution and supply of power to rural and urban consumers rests with the states.

Government of India provides assistance to states through various Central Sector / centrally sponsored schemes for improving the distribution sector. Govt. of India schemes includes Integrated Power Development Scheme (IPDS) Scheme for strengthening of distribution systems in urban areas, metering and IT enablement of distribution network, Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for strengthening of distribution network in rural areas, metering and separation of agricultural and non-agricultural feeders. Besides, GoI has set up National Electricity Fund (NEF) to promote investment in the distribution sector and Financial Restructuring Scheme for achieving financial turnaround of distribution sector by restructuring their short term liabilities with support through a Transitional Finance Mechanism from Central Govt.

In Odisha, State Government have taken up many programmes for network strengthening. ODSSP is a system strengthening project under which construction of 500 nos. of 33/11 KV S/Ss

across the state has been envisaged in order to improve the quality of power. SCRIPS scheme envisages 24x7 uninterrupted stable power supplies to all classes of consumers in the capital region through GIS based S/Ss, underground cabling and using smart grid technologies. Other notable schemes are Radial to Ring conversion projects, Disaster Resilient Power System & Disaster Response Units and Smart Grid.

Shri Hemant Sharma, Commissioner-cum-Secretary to Govt. of Odisha, Deptt. of Energy will make a presentation on the role of Government of Odisha in development of Power Sector in Odisha.

**Agenda-6: Involving non-governmental agencies such as Self-help Groups (SHG) in Distribution business.**

The power distribution sector ails from many problems such as high AT&C losses, infrastructure inadequacy, inefficient metering, billing, collection and consumer service. Many innovative methods have been experimented to involve community as a whole in addressing some of these issues. In Odisha Community participation has been successfully tried through Women's Self Help Groups (WSHGs) in Nayagarh Electrical Division under CESU. They perform Metering, Billing and Collection activities and are also empowered to act as facilitators to address small problems of the community. This has helped in reduction of distribution losses and improved service delivery. It is seen that these WSHGs could play an active role because of their community acceptance.

The OERC has analysed that the experiment of Nayagarh and have directed to scale it up to involve WSHGs in the entire State of Odisha where about three lakh of the WSHGs are very vibrant and active. Government in Energy Department has also brought out detailed guideline (copy enclosed at **Annexure- 12**) specifying the role of women SHGs which has been suitably modified to facilitate WSHGs participation in electricity distribution business. The WSHGs can therefore make a significant contribution to reduce the losses in the distribution system and make it more efficient.

A presentation on this topic will be made by Mr. Manoj Singh, Sr. G.M.(AT&C), CESU and Smt. Purabi Das, Jt Dir (Public Affairs), OERC.

### **Agenda-7:     **Functioning of distribution franchise****

In its efforts to reduce AT&C loss, Central Electricity Supply Utility of Odisha (CESU), one of the four DISCOMs of Odisha has engaged Distribution Franchisees (DFs) in 14- nos. of Electrical Division out of the total 20 Divisions, where the AT&C loss was very high (more than 55%) and the Revenue Realization per Unit (RPU) was less than the Average Power Purchase Cost.

Due to financial constraint, the CESU had not been able to undertake the important activities such as metering, AB Cabling, AMR systems for high value consumers etc. The scheme, therefore, envisaged that the Franchisees would invest money in various loss reduction activities in order to reach the loss reduction target set by the Commission. Accordingly, the Franchises were chosen under the Franchisee model called as Input Based Franchisee with Incremental Revenue Sharing (IBF-IRS) Model. This model required that Franchisee would carry out all commercial activities, operational activities, invest in technology and metering and reduce the AT&C loss to a level of 15% within a time frame, without any extra expenditure by CESU. The incremental revenue beyond the base line RPU is shared between Franchisee and CESU. There has been mixed success in this effort. Similar experience in the member states may be discussed.

### **Agenda-8:     **Consumer Indexing – Purpose Energy Audit****

It has been a challenging task for the distribution companies to continuously track power distribution system due to expanding network, burgeoning consumer base and spatial distribution of loads. A properly linked consumer data base, a network data base and a billing data base is required for its effective monitoring. Hence a proper protocol needs to be designed for consumer indexing which can be easily scaled up in future with new requirements.

The present objectives therefore for Consumer Indexing are essentially as follows :-

- (i) To determine the loss in the identified / whole distribution network as a part of energy audit in the DISCOMs
- (ii) To identify a consumer with his connected network such as DTR, 11 KV Feeder, 33 KV Feeder and so on; thus enabling the DISCOMs to focus on consumers responsible for increase in AT&C loss.

OERC analysed the present scenario in the DISCOMs and found that there is no proper consumer Indexing mechanism leading to improper energy audit. The Commission formed a committee to assess the entire system of consumer indexing and recommend a proper mechanism.

The Committee after many deliberations has framed a protocol on this issue which is briefly discussed:

- DISCOMs shall create a CIN (Consumer Index Number) for all the consumers that uniquely identifies the consumer along with the network through which he/she gets the supply starting from 132/33 KV grid substation, 33 KV feeder, 33/11 KV substation, 11 KV feeder, DTR, circuit and the pole.
- Such consumer indexing will help in energy audit with energy meters installed at different levels.
- Feeder managers can be given responsibility of the networks under their control along with loss reduction targets.
- Additional elements such as feeder lines, primary substations, DTRs, circuits may be included subsequently which may necessitate change in configuration and index number of a consumer. This change needs to be properly incorporated through a suitable programme so that the historical records of the consumer can be linked for the purpose of arrears of accounts, agreement details, contract demand etc.
- For a given consumer, the analysis of the CIN (15 digits) can give the complete network address of the consumer from the Grid Substation to Pole as shown below:-

DISCOM (1 Digit)	GRID SUB- STATION (3 Digits)	33 KV FEEDER (5 Digits)	33/11 KV SUB- STATION (6 Digits)	11 KV FEEDER (7 Digits)	DTR (10 Digits)	CIRCUIT (11 Digits)	POLE (13 Digits)	CONSUMER (15 Digits)
1 (CESU)	101	10101	101011	1010111	1010111001	10101110011	1010111001101	101011100110101

The prevailing practice in consumer indexing in different states may be discussed.

#### **Agenda-9: FORENS Website Link**

It was deliberated earlier that all the relevant information including minutes of meetings, presentations, accounts, discussion papers etc. may be made available in a website. In order to facilitate such mechanism OERC has provided a link “FORENS” in the homepage of OERC website [www.oriarc.org](http://www.oriarc.org). The details of the 8<sup>th</sup> FORENS meeting at Puri such as agenda note etc. are available in the said link for information. The details of the past meeting are being uploaded and would be available shortly.

The members of the FORENS may visit the same link and suggest making it more informative and meaningful. It is proposed that the access to the FORENS Website link may be password protected. The password for all the Chairpersons and Members of the SERCs (FORENS) shall be sent to their e-mail shortly.

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