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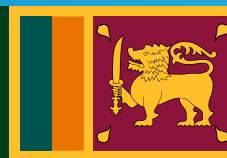
**SARI/EI**




Integrated Research and  
IRADe Action for Development

APRIL – JUNE 2020    Volume 1, No. 1

# SAFIR REGULATORY NEWSLETTER





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# Inside this issue

Message from SAFIR Chairperson	2
From the Editorial Desk	3
By Invitation	4
From the Regulator's Desk	5
Key Regulatory Events in South Asia	7
Update from Bangladesh	9
Update from Nepal	10
Update from India	11
Update from Pakistan	22
Cross Border Transactions in the BBIN Regional Grid	24



# Message from SAFIR Chairperson



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## Message

I am highly pleased to know that the South Asia Forum for Infrastructure Regulation (SAFIR) has come up with the first issue of the “quarterly regulatory newsletter” for the South Asian Power Sector under the aegis of SAFIR Working Group on “Regulatory Cooperation to Facilitate Knowledge sharing, addressing Cross-cutting Energy/Electricity Regulatory Issues and Capacity Building in South Asia”. I believe that the newsletter will act as a window through which the complete scenario of SAFIR activities, achievements, reform initiatives, regulatory framework development and progress made during the stipulated period can be viewed and channeled.

SAFIR is devoted to creating a congenial environment for nurturing best practices, creativity and excellence in the region. It aims to develop a model regulatory framework in the region through mutual understanding and co-operation. By sharing high quality technical and managerial experiences, coupled with appropriate training and exposure SAFIR wants to face the challenges of cross border electricity co-operation and grid codes confidently. It is my belief that this quarterly newsletter will be successful for providing information, creative ideas, best practices and sharing views and experiences among the member countries. The publication of this newsletter will be helpful for not only channeling of information of the collective wisdom in respect of creating an atmosphere of co-operation but also in facing the challenges and implementing the programs in this regard.

Thanks and gratitude to USAID for supporting SAFIR Working Group under the flagship of South Asia Regional Initiative for Energy Integration (SARI/EI) and Integrated Research and Action for Development (IRADe).

Best wishes for the success and bright future of “SAFIR Regulatory Newsletter”.

*Md. Abdul Jalil*  
24.09.2020

**Md. Abdul Jalil**  
Chairman, BERC  
and  
Chairman, SAFIR



# From the Editorial Desk

*It is our pleasure to introduce the first issue of the SAFIR Regulatory Newsletter, to our esteemed South Asian regulator friends and other power sector stakeholders.*

*The South Asia Forum for Infrastructure Regulation (SAFIR), since its formation in 1999, has been working with the aim of providing a platform for experience-sharing amongst the regulators of the region, building regulatory decision-making and response capacity, facilitating the regulatory process, conducting training programmes, spurring research on regulatory issues, and acting as a databank of information relating to regulatory reform processes and experiences in the South Asia region.*

The SAFIR Working Group on “Regulatory Cooperation to Facilitate Knowledge Sharing, addressing Cross-cutting Energy/Electricity Regulatory Issues and Capacity Building in South Asia” was constituted on 1<sup>st</sup> February, 2018, under the aegis of SAFIR, to enhance regulatory cooperation and knowledge-sharing, facilitate transparent regulatory framework, and promoting investment in the South Asia region. Currently, the SAFIR Working Group comprises representatives from the energy/electricity regulatory commission/authorities of Bhutan, Bangladesh, India, Pakistan and Sri Lanka and is assisted by the team of South Asia Regional Initiative for Energy Integration (SARI/EI) Secretariat at Integrated Research and Action for Development (IRADe) as a technical partner, under the USAID’s flagship SARI/EI program.

The SAFIR Working Group identified the need for a common information-sharing platform, in the form of a regulatory newsletter. The idea and concept were discussed and finalized in the first and second meetings of the SAFIR Working Group, held on 15<sup>th</sup> May 2018 and 4<sup>th</sup> December 2019, respectively. This was also presented in the 16<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> meeting of ECM, and in the 24<sup>th</sup>, 26<sup>th</sup> SCM meetings of SAFIR. This quarterly regulatory newsletter was envisaged to keep all the energy regulators and other stakeholders abreast of the latest developments in regulatory matters in the fast-changing power sector scenario in the region, in line with its scope of work.

The SAFIR Regulatory Newsletter (SRN) is yet another endeavour by SAFIR, in addition to various other activities, to enhance information dissemination and provide a credible platform for experience-sharing amongst the regulators of the region.

To take this forward, the team of SARI/EI Secretariat at Integrated Research and Action for Development (IRADe) has put together this quarterly newsletter, under the overall guidance of SAFIR Secretariat.

This newsletter is envisaged to provide a platform for dissemination of news, updates and experience sharing,

amongst the energy regulators of South Asia. It will cover the latest updates in regulations and other developments on regulatory subjects across South Asia, as well as have energy sector experts from across the globe, share their experiences and opinions.

The introductory issue of SRN covers a compilation of electricity regulation updates from April to June 2020, a detailed update on the launch of Real Time Market (RTM) in Indian Electricity Grid, an organized market platform to enable the buyers and sellers across the country to meet their energy requirement closer to real time operation, and data on the cross-border transactions in the BBIN Regional Grid during this period. SAFIR Chairman and Chairman, BERC, Mr. Md. Abdul Jalil, shares his introductory message. We have Mr. P.K. Pujari, Chairperson of the Indian national electricity Regulator, the CERC, giving the developments in the regulatory atmosphere in South Asia, and the key regulations that would shape the Cross-Border Electricity Trade in South Asia, in the column “From the Regulator’s Desk”. Karen Klimowski, Deputy Mission Director at USAID/India, shares her message for the South Asian stakeholders. She talks about strengthening collaboration with the SAFIR Working Group, in the shared objective of enhancing cross border electricity trade in South Asia and ushering in energy security in the Region.

This year, from March 2020, the Covid-19 pandemic has posed a challenge to all nations, including their respective power sectors. There could be a few lessons to be learnt for putting in place appropriate policies and regulations, to mitigate the hardships faced by the sector.

Hope you find the newsletter interesting, and useful to suit your requirements. Please feel free to write back to us with your valuable feedback and suggestions.

Be safe.

Regards,  
Editorial Team,  
SAFIR Regulatory Newsletter

# By Invitation



*At the outset, I would like to congratulate the SAFIR Working Group for coming out with the first edition of the quarterly SAFIR Regulatory Newsletter. It is a commendable attempt towards presenting a comprehensive coverage on the latest regulatory updates in South Asia's energy transition.*

The U.S. Agency for International Development (USAID) has been working to enhance regional energy cooperation in South Asia since 2000 through its South Asia Regional Initiative for Energy (SARI/E) program. The first three phases of the program focused on building trust, raising awareness and assessing potential transmission interconnections. The current and fourth phase of the program, called South Asia Regional Initiative for Energy Integration (SARI/EI), which was launched in 2012, focuses on promoting regional energy integration through cross-border power trade. This is being implemented by the Integrated Research and Action for Development (IRADe).

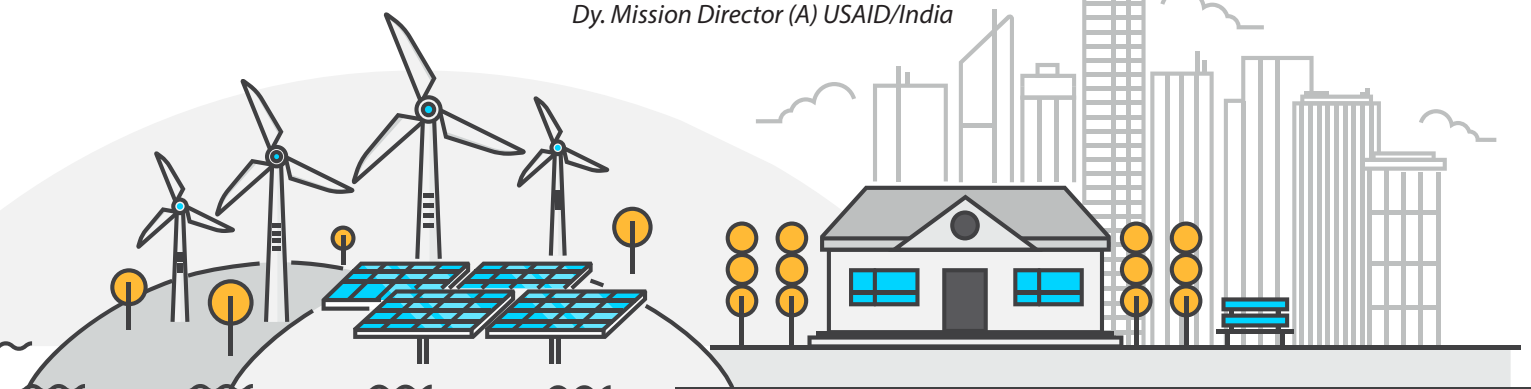
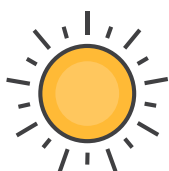
The fourth phase of the program also focuses on engaging regional institutions such as SAFIR (South Asia Forum of Infrastructure Regulations), that brings together regulators from South Asia on a common platform to share information and knowledge such as through this newsletter.

Through this newsletter, USAID is pleased to further strengthen its collaboration with the SAFIR Working Group, towards our shared objective of enhancing cross border electricity trade in the region and ushering in an energy secure South Asia. I am grateful to the SAFIR Working Group members for giving us the opportunity to create another knowledge-sharing platform to facilitate regulatory cooperation in the region.

Given the evolving energy scenario in a rapidly growing region, the need for an enabling and coordinated regulatory and policy framework for South Asian countries has been acknowledged by many stakeholders. I believe this quarterly regulatory newsletter will fulfil that need and prove to be a knowledge product for keeping power sector stakeholders updated on regulatory and policy briefs from each of the countries in the region.

I once again congratulate the SAFIR Working Group and the SARI/EI secretariat at IRADe for compiling this useful information. I wish all the best and hope that the newsletter serves as a ready reckoner for the latest developments on the regulatory subjects and other related issues in South Asia.

Regards,  
**Karen Klimowski,**  
Indo Pacific Coordinator and  
Dy. Mission Director (A) USAID/India



# From the Regulator's Desk



**Mr. P.K. Pujari,**  
Chairperson, CERC

*It is my pleasure to be communicating with regulator friends across South Asia. The South Asia Forum for Infrastructure Regulation (SAFIR) is an institution that provides a platform for experience sharing amongst the infrastructure regulators of the region, for building regulatory decision-making and response capacity in the regulatory institutions in South Asia and for facilitating research on regulatory issues. It also provides a databank of information relating to regulatory reform processes and experiences. The objective of the quarterly Newsletter is to further this process.*

Energy is critical for the development of a nation and, therefore, energy sufficiency is one of the key parameters used to assess the progress of a nation. Electricity being a public good, the need for efficiency and affordability has been well recognised. From being Government controlled to bringing in private investment through competition, the scenario in the electricity sector has changed over the years. Government control has given way to Regulation and hence, creation of new entities of Regulatory Commissions, which are to operate at arm's length from the Government. The Regulatory Commission in India was formed in 1999, in Bhutan in 2001, in Sri Lanka in 2002, in Bangladesh in 2003 and in Nepal in 2019.

In India, the Central Electricity Regulatory Commission (CERC), the national electricity regulator, has notified a number of Regulations to bring about efficiency, through performance-based tariff regulations and advocating competition in procurement of generation and transmission service. The Grid Code has brought about discipline in grid operation and management. The Connectivity to the Grid Regulations has provided a level playing field for Government and private generators alike. Standards of performance of inter-State transmission licensees has ensured that the transmission system availability is kept at a very high level. The power market regulation has ensured optimal utilization of assets by being able to buy or sell power for each time block of 15 minutes, as well as providing a level playing field between public and private players. The real time market Regulations notified recently by CERC, have ensured further optimal utilization of power generation resources, taking into account the intermittenencies of renewable generation, as generation from these sources can be predicted more accurately as one comes closer to real time.



South Asian Country Governments have recognised the adverse impact of the climate change and are taking steps to significantly decarbonise the power sector. India, having the highest renewable energy potential in the Region, is leading in this area and has come up with ambitious renewable energy targets. India aims to add 175 GW of Renewable Energy (excluding large hydro) by 2022 and 450 GW by 2030. Because of the scale of implementation and transparent competitive bidding, the discovered tariff of renewables has fallen substantially. This provides an opportunity to other countries of South Asia to buy this cheap renewable power to fulfil their Nationally Determined Contributions. As more and more renewable energy is added to the grid, the role of balancing sources, such as hydro power become important. In this regard, Cross Border Electricity trade can play an important role in managing the intermittency, as countries such as Nepal and Bhutan have significant hydropower potential. This will not only help in promoting renewable energy sources in the region, but also act as a catalyst to harness the hydro potential in the region. This would, however, call for greater regional cooperation and grid integration.

There have been promising developments in this area as well. From the signing of the Framework of SAARC Framework Agreement on Energy Cooperation (Electricity) in November 2014, the energy trade in South Asia, of which electricity is a major part, has grown from 2000 MW to 3700 MW in 2020.

I am sure sharing of the latest regulations of all the countries of South Asia and columns from experts, would give the required impetus to regulatory development in the region, facilitating quicker harmonization of regulatory framework of the countries of the region, leading to increased cross border trade of electricity. This would ensure affordable and more reliable availability of electricity to one and all consumers in the South Asia Region.

I would like to commend the Joint Editorial team for bringing out this first issue of the Newsletter and extend my best wishes for the future issues.

Regards

**P.K. Pujari**

*Chairman*

*Central Electricity Regulatory Commission*

*New Delhi, India*





# Key Regulatory Events in South Asia

## 1. Launch of Real Time Market (RTM) in Indian Power Sector

In line with the notification from Central Electricity Regulatory Commission (CERC) dated 20<sup>th</sup> March 2020, the operation of Real Time Market (RTM) in the Indian Electricity Grid commenced with effect from 1<sup>st</sup> June 2020.

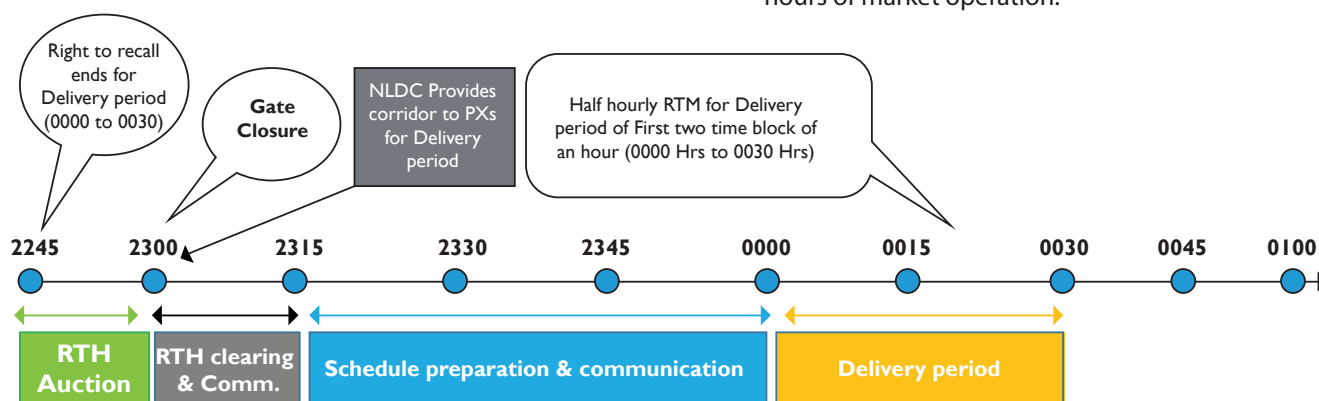
RTM is an organized market platform to enable buyers and sellers of electricity to correct their positions closer to real-time operation. A market at national level, RTM helps in managing diversity in the demand pattern in the country; shall provide an opportunity to the generators to sell their un-requisitioned surpluses, and shall provide an alternate mechanism for distribution companies (Discoms) to access larger markets at competitive prices. It is also expected to act as a tool to address/ mitigate challenges to grid management due to the intermittent and variable nature of renewable energy generation and to help in integrating higher quantum of renewable energy resources into the grid.

As a precursor to the introduction of RTM in India, CERC on 25<sup>th</sup> July 2018 came out with a Discussion Paper<sup>[1]</sup> on the 'Real Time Electricity Markets in India'. The main objective of the discussion paper was to provide an alternative solution to mitigate real time 'energy' imbalances which were

primarily managed through rescheduling of the demand and supply; and by relying on 'Deviation Settlement Mechanism (DSM)', which at time poses a challenge to the grid security. Accordingly, the discussion paper proposed a clear demarcation between 'energy trade' and 'system imbalance' management, by creating the framework of real time energy market. The intent was to provide the market players an organized platform for energy trade as closer as possible to real time.

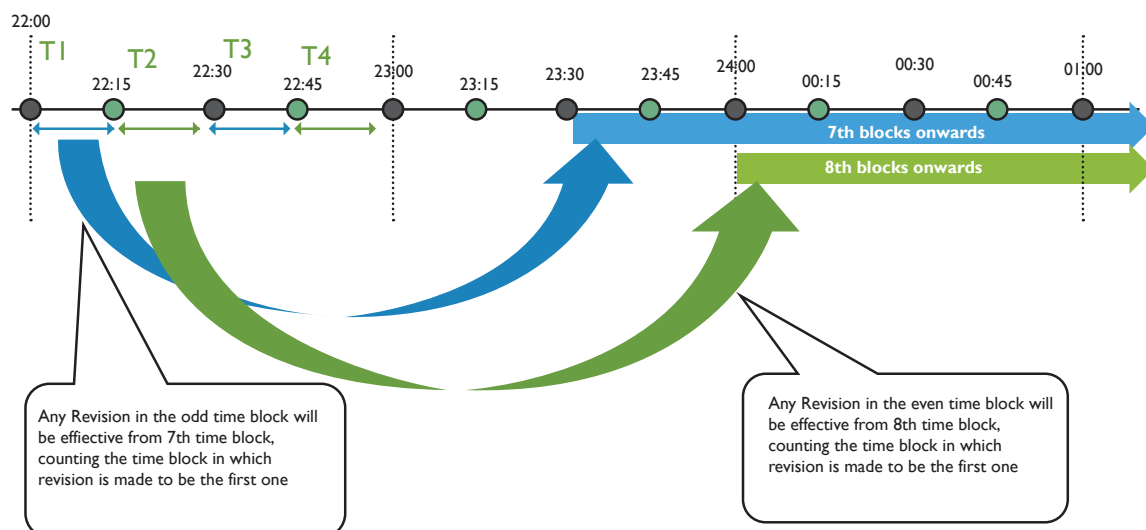
The Commission, after due consideration of the proposals made in the discussion paper and the comments received from different stakeholders on the discussion paper, came out with the Framework<sup>[2]</sup> of the RTM, vide its notifications dated 12<sup>th</sup> December 2019. The framework has the following salient features:

- i) The RTM will be a half hourly market and the price discovery mechanism will be double sided closed auction with uniform clearing price.
- ii) The concept of 'gate closure' has been introduced for bringing in the desired firmness in schedules during the hours of market operation.



[1] [http://www.cercind.gov.in/2018/draft\\_reg/RTM.pdf](http://www.cercind.gov.in/2018/draft_reg/RTM.pdf)

[2] [http://www.cercind.gov.in/2019/regulation/1.%20Statement%20of%20Reasons\\_RT\\_M\\_12\\_12\\_2019.pdf](http://www.cercind.gov.in/2019/regulation/1.%20Statement%20of%20Reasons_RT_M_12_12_2019.pdf)



iii) There will be 48 auction sessions during the day with delivery of power within one hour of closure of the bid session

iv) The buyers or sellers shall have the option of placing buy or sell bids for each 15-minute time block.

v) The Nodal Agency shall indicate to the Power Exchange(s), the available margin on each of the transmission corridors before the gate closure, i.e., before the window for trade closes for specified duration.

vi) The window for trade in real-time market for day (T) shall remain open from 22.45hrs to 23.00hrs of (T-1) for the delivery of power for the first two time-blocks of 1<sup>st</sup> hour of the day (T) i.e., 00.00 hrs to 00:15 hrs and 00:15 to 00.30 hrs, and will be repeated every half an hour thereafter.

To enable Real Time Market to proceed further, the CERC also initiated a number of other steps, which includes the following:

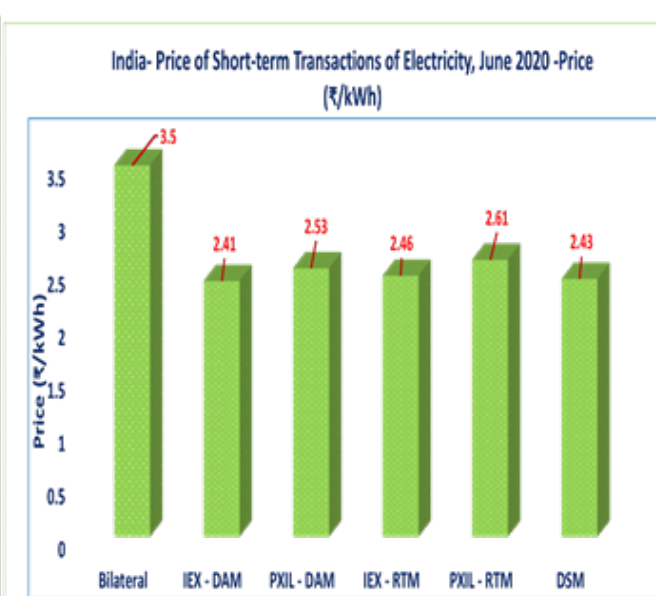
i) CERC (Indian Electricity Grid Code) (Sixth Amendment) Regulations, 2010<sup>[3]</sup>, CERC (Open Access in inter-State Transmission) (Sixth Amendment) Regulations, 2008<sup>[4]</sup> and CERC (Power Market) (Second Amendment) Regulations, 2010<sup>[5]</sup>;

ii) CERC, under CERC (Power Market) Regulations, 2010 and vide Order dated 29<sup>th</sup> May 2020<sup>[6]</sup>, gave approval towards introduction of RTM Contracts at Power Exchanges and vide suo-moto orders dated 28<sup>th</sup> May 2020 and 14<sup>th</sup> June, 2020<sup>[7]</sup>, stipulated methodology of allocation of transmission corridor to the power exchanges.

Some key statistics related to volume of energy traded in the RTM and other Short Term Transactions of Electricity and the corresponding average price of the energy for these transactions during the month of June, 2020 is given below:

VOLUME OF SHORT-TERM TRANSACTIONS OF ELECTRICITY IN INDIA, JUNE 2020				
Sl.No	Short-term transactions	Volume (MUs)	% to Volume of short-term transactions	% to Total Generation
1	Bilateral	4573.48	40.26	4.60
	(i) Through Traders and PXs	3351.18	29.50	3.37
	(ii) Direct	1222.30	10.76	1.23
2	Through Power Exchanges	4706.70	41.43	4.73
	(i) IEX			
	(a) DAM	4174.34	36.75	4.20
	(b) RTM	515.46	4.54	0.52
	(ii) PXIL			
	(a) DAM	15.03	0.13	0.02
	(b) RTM	1.86	0.02	0.002
3	Through DSM	2079.78	18.31	2.09
	Total	11359.97	-	11.42
	Total Generation	99499.76		
	Total RTM	517.32	4.6	0.5

Source: CERC's Monthly Report on Short-term Transactions of Electricity in India June, 2020, [http://www.cercind.gov.in/2020/market\\_monitoring/MMC%20Report%20June%202020.pdf](http://www.cercind.gov.in/2020/market_monitoring/MMC%20Report%20June%202020.pdf)



Source: CERC's Monthly Report on Short-term Transactions of Electricity in India June, 2020, [http://www.cercind.gov.in/2020/market\\_monitoring/MMC%20Report%20June%202020.pdf](http://www.cercind.gov.in/2020/market_monitoring/MMC%20Report%20June%202020.pdf)

[3] [http://www.cercind.gov.in/2019/regulation/2.%20IEGC-6th-Amemnt-12\\_12\\_2019.pdf](http://www.cercind.gov.in/2019/regulation/2.%20IEGC-6th-Amemnt-12_12_2019.pdf)

[4] [http://www.cercind.gov.in/2019/regulation/3.%20Open\\_Access\\_6th-Amemnt-12\\_12\\_2019.pdf](http://www.cercind.gov.in/2019/regulation/3.%20Open_Access_6th-Amemnt-12_12_2019.pdf)

[5] [http://www.cercind.gov.in/2019/regulation/4.%20PMR\\_2nd\\_Amenmt-12\\_12\\_2019.pdf](http://www.cercind.gov.in/2019/regulation/4.%20PMR_2nd_Amenmt-12_12_2019.pdf)

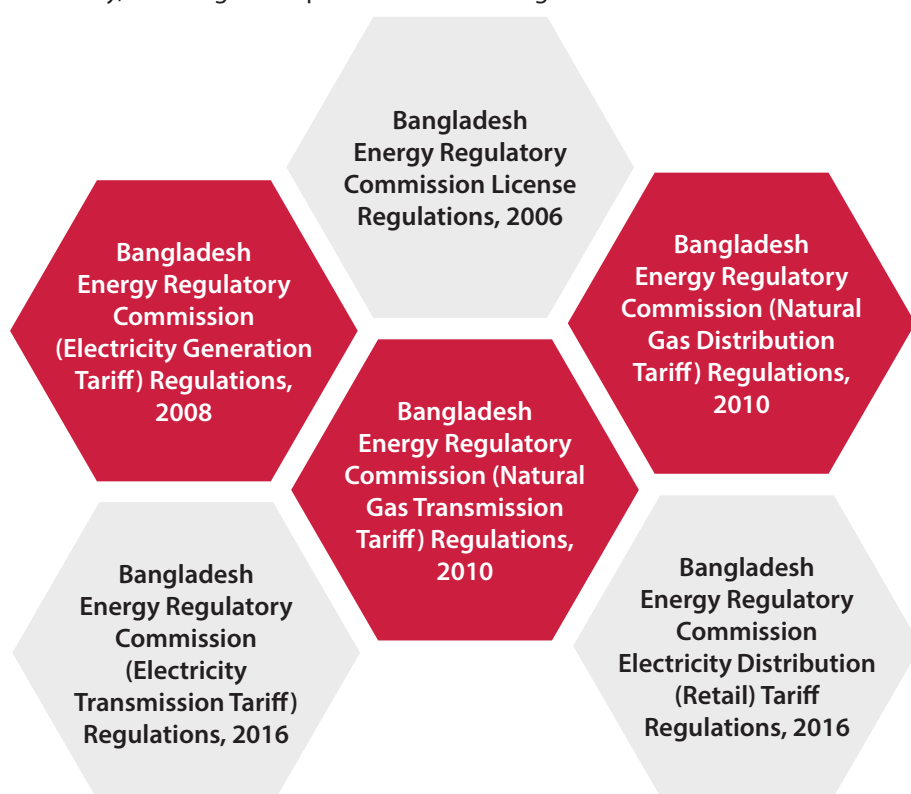


# Update from Bangladesh



## Regulations issued by Bangladesh Energy Regulatory Commission in the areas of Electricity, Natural Gas and Petroleum sectors

Since its inception in 2004, the Bangladesh Energy Regulatory Commission has enacted a total of ten regulations. Out of ten electricity, natural gas and petroleum related regulations are as follows:



All types of licenses are issued by BERC in electricity, gas and petroleum sectors. BERC also issues license waiver certificates in favour of renewable energy based power generating entities up to 5 MW.

Commission also settles disputes relating to electricity, gas and petroleum sector between the licensees or between the licensees and consumers under Bangladesh Energy Regulatory Commission Act, 2003.



# Update from Nepal

## Regulations finalized by Electricity Regulatory Commission, Nepal

The timeline subsequent to April, 2020 is especially remarkable to the Electricity Regulatory Commission, Nepal (ERC-N), primarily since the Commission successfully completed its first year of operation on 7<sup>th</sup> of May. This also marked the transition into the 'Stand-up' phase from the 'Roll-Out' phase, a target set internally by the Commission upon the completion of first fifteen months of operation.

In spite of the persisting threat of the COVID-19 global pandemic in the quarter ensuing from April to June, 2020, the Commission was determined to not let its operations be barricaded. The Commission made a significant effort in determining the consumer tariff for Nepal Electricity Authority (NEA), the vertically integrated utility which is distributing electricity solely nationwide, by issuing the first ever tariff order in the capacity of an independent regulator. NEA had applied for the tariff review for the FY 2019/20 back in November, 2019, and had made a reapplication on 31<sup>st</sup> January, 2020 with a revision in the tariff structure proposed earlier. Throughout the quarter, the Commission was involved in prudency check of the information submitted in the reapplication, fulfilling the statutory obligation of conducting a public hearing through e-participation in the wake of COVID-19, and developing a robust financial model for effective forecasting of NEA's annual revenue requirement and the tariff for different consumer groups. Eventually, the tariff order was issued on the 15<sup>th</sup> of June, 2020.

In the regulatory instrument front, the Commission has made a significant progress in the development of transitional regulatory instruments in its first year of operation. Despite the nationwide lockdown enforced by the Government of Nepal, the Commission has released the draft "Directives on Merger, Amalgamation, Purchase of Shares, Purchase, Sale or Transfer of Plant, Acquisition or Takeover of Licensees, 2020" for public consultation in first week of June, 2020. The said Directives is an important regulatory instrument to oversee the merger, amalgamation, takeover, purchase of shares, sale of plant etc. where a licensee is involved.

The Commission, with the momentum to rank itself as a competent regulatory body continued its regulatory duties and responsibilities, where groundwork was completed for the development of a regulatory instrument to oversee generation tariff and power purchase agreement for Brownfield hydropower projects. Furthermore, the Commission is fulfilling its other regulatory duties such as approval of change in capital structure, approval for transfer of ownership of licensees etc. amidst the unprecedented pandemic.







## Regulatory Updates from Central Electricity Regulatory Commission, India

Regulations	Link	Date of Issue:
CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2020.	<a href="http://www.cercind.gov.in/2020/regulation/159_reg.pdf">http://www.cercind.gov.in/2020/regulation/159_reg.pdf</a>	23/06/2020

1. The CERC issued the “CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2020” that provides the general principles, financial principles, and parameters for the determination of tariff for generation of electricity from different type of renewable energy sources. The regulation came into force on 1<sup>st</sup> July 2020.

The regulation prescribes that the principals of tariff determination shall be generic for projects such as, small hydro, biomass power with rankine cycle technology, non-fossil fuel based co-generation, biomass gasifier based power generation and biogas based power generation, while project specific tariff shall be fixed for Solar PV power, floating solar and solar thermal, wind power (both on-shore and off-shore), biomass gasifier based power generation and biogas based power projects (if a project developer opts for project specific tariff), municipal solid waste based power generation and refuse derived fuel based, renewable hybrid energy projects, renewable energy with storage projects; and any other project based on new renewable energy sources or technologies approved by MNRE.). The regulations further details the tariff structure which consists of various components such as return on equity, interest on loan, depreciation, interest on working capital, O&M expenses, cost of management of foreign exchange risk and operating norms component which shall be determined on year of operation basis in the Tariff Order to be issued by the Commission.

Regulations	Link	Date of Issue:
CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020	<a href="http://www.cercind.gov.in/2020/regulation/158-Reg.pdf">http://www.cercind.gov.in/2020/regulation/158-Reg.pdf</a>	05/05/2020

2. The CERC issued the Sharing of Inter-State Transmission Charges and Losses Regulation 2020, on 4<sup>th</sup> May 2020. The Regulations shall be effective from 1<sup>st</sup> Nov 2020.

The details prescribed under this regulation will apply to all the Designated Inter-State Customers (DICs<sup>1</sup>), Inter-State Transmission Licensees (ISTL), National Load Dispatch Centres (NLDC), Regional Load Dispatch Centres (RLDCs), State Load Dispatch Centres (SLDC) and Regional Power Committees (RPC). The Regulations that came into force on 1<sup>st</sup> November, 2020 shall repeal the previous regulations i.e. CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 which was first notified in June 2010 and came into force on 1<sup>st</sup> July 2011.

The regulations prescribe the principles of sharing of Inter – State Transmission System (ISTS), Transmission Charges (TCs), sharing of ISTS losses; accounting, billing and collection of TCs; and also lays down the information and procedures to be followed and other aspects. As per the regulations, TCs shall be shared every month amongst the DICs based on the Yearly Transmission Charges (YTCs) such that:-

- (a.) The YTCs are fully recovered and
- (b.) Any adjustment on account of revision of the YTCs are recovered.

Sharing of TCs for DICs shall be based on the technical and commercial information provided to the implementing agency by the DICs, ISTL, NLDC, RLDCs, SLDCs and CTU. TCs for DICs will consist of components such as National Component (NC), Regional Component (RC), Transformer Component and AC System Component (ACC). ISTS losses shall be considered on the basis of All India average loss and no ISTS losses shall be charged to injecting entities.



<sup>1</sup> Designated ISTS Customer' or 'DIC' means the user of any transmission element(s) of the Inter-State Transmission System (ISTS) and shall include generating station, State Transmission Utility (STU), distribution licensee including State Electricity Board or its successor company, Electricity Department of State and any other entity directly connected to the ISTS and shall include an intra-State entity or a trading licensee that has obtained Medium Term Open Access or Long Term Access to ISTS.

# Regulatory Updates from Indian State Electricity Regulatory Commissions (SERCs)

## Andhra Pradesh Electricity Regulatory Commission (APERC)

Regulations	Links	Date of Issue:
APERC (Electricity Supply Code) Regulation, 2020	<a href="http://aperc.gov.in/admin/upload/Reg5of2004date29062020.pdf">http://aperc.gov.in/admin/upload/Reg5of2004date29062020.pdf</a>	26/06/2020

1. The APERC approved regulation, with its latest amendment, delves on the subject of Security Deposit, licensee bank guarantee and consumer interest charges payable by licensee.

The principal regulation APERC (Electricity Supply Code) Regulation, 2004 was published by APERC on 17<sup>th</sup> March 2004. The third amendment<sup>2</sup> to the principal regulation, which was published by APERC on 16<sup>th</sup> February 2019, was the latest amendment which impacted changes in the following clauses of the regulations:

- (a.) clause 4.2 (n) (12) which deals with security deposit,
- (b.) clause 4.6.1 which deals with obtaining bank guarantee by licensee and
- (c.) clause 4.7.3 which deals with interest charges (at 18% per annum) to be paid by the licensees to the consumers on the excess amount outstanding on account of wrong billing.

Regulations	Links	Date of Issue:
APERC (Security Deposit) Regulation, 2020	<a href="http://aperc.gov.in/admin/upload/SDReg6of2004Updated30062020.pdf">http://aperc.gov.in/admin/upload/SDReg6of2004Updated30062020.pdf</a>	30/06/2020

2. The APERC through the latest amendment approved changes in the clauses of the principle regulation dealing with security deposit to be provided by the Consumer and matters incidental and ancillary to it.

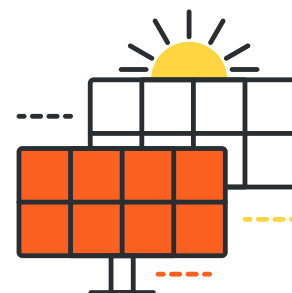
The principal regulation APERC (Security Deposit) Regulation, 2004 was published on 17<sup>th</sup> May 2004<sup>3</sup>. The latest amendment to the principal regulation was the second amendment and was published<sup>4</sup> by APERC on 16<sup>th</sup> February 2019 with modifications in

- (a.) clause 5 that details about initial security deposit, review of security deposits, granting installment towards security deposits and
- (b.) clause 6 which details about review of the adequacy of the amount of security deposit in case of HT consumers<sup>5</sup>.

Regulations	Links	Date of Issue:
APERC (Terms and Conditions for Determination of Transmission Tariff) Regulation, 2020	<a href="http://aperc.gov.in/admin/upload/RegNo5of2005updated30062020.pdf">http://aperc.gov.in/admin/upload/RegNo5of2005updated30062020.pdf</a>	30/06/2020

3. The APERC approved amendments to its existing regulation related to the terms and conditions for determination of Transmission tariff.

The principal regulation APERC (Terms and Conditions for Determination of Tariff for Transmission of Electricity) Regulation, 2020 was published<sup>6</sup> on 30<sup>th</sup> November 2005. The latest amendment to the principal regulation was the first amendment to the principal regulation and was published by APERC on 16<sup>th</sup> February 2019<sup>7</sup> with modifications to clause 2.i.(t) (a) that speaks about the total transmission capacity and to sub clause 20.1 of clause 20 which details about the determination of transmission tariff payable by users of transmission system. The updated version<sup>8</sup> of the APERC (Terms and Conditions for Determination of Transmission Tariff Regulation, 2020) was published on 30<sup>th</sup> June 2020 on the APERC website.



<sup>2</sup> <http://aperc.gov.in/admin/upload/Supplycode.pdf>  
<sup>3</sup> <http://aperc.gov.in/admin/upload/151557712320459029115a55df2338426.pdf>  
<sup>4</sup> <http://aperc.gov.in/admin/upload/SecurityDepositgaz.pdf>  
<sup>5</sup> <http://aperc.gov.in/admin/upload/SecurityDepositgaz.pdf>  
<sup>6</sup> <http://aperc.gov.in/admin/upload/Reg5of2005gaz.pdf>  
<sup>7</sup> <http://aperc.gov.in/admin/upload/Reg.No.5of2005.pdf>  
<sup>8</sup> <http://aperc.gov.in/admin/upload/RegNo5of2005updated30062020.pdf>



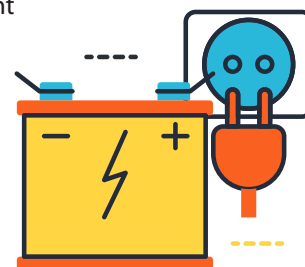
## Bihar Electricity Regulatory Commission (BERC)

Regulations	Links	Date of Issue:
BERC(Intra-state Availability Based Tariff and Deviation Settlement Mechanism) Regulations, 2020	<a href="https://berc.co.in/rules-regulations/regulations/individual-regulation/2282-berc-intra-state-availability-based-tariff-and-deviation-settlement-mechanism-regulation-2020">https://berc.co.in/rules-regulations/regulations/individual-regulation/2282-berc-intra-state-availability-based-tariff-and-deviation-settlement-mechanism-regulation-2020</a>	03/06/2020

1. The BERC came forward with its new regulation on Availability Based Tariff and Deviation Settlement Mechanism applicable within the geographical area of the State of Bihar and applicable to all Intra-State Entities in Bihar in a manner as specified in these Regulations.

The BERC (Intra-state Availability Based Tariff and Deviation Settlement Mechanism) Regulations, 2020 was published<sup>9</sup> by the BERC on 3<sup>rd</sup> June 2020. This regulation emphasizes on three part tariff structure namely capacity charge, energy charge and deviation settlement charge as under the ABT regime; applicability of intra-state DSM on generating stations including conventional fuel-based (including Captive plants) power plants & renewable energy power plants; applicability of intra-state DSM on generation of electricity through open access; issuance of weekly state DSM account (SDSMA) billing cycle; provision of meter reading by concerned metering divisions of STUs/DISCOMs and disclosure of implemented schedule to licenses. The formation of this regulation is also in line with the vision of The National Electricity Policy (NEP) of India which envisages implementation of the Availability Based Tariff (ABT) at State level to establish a credible settlement mechanism for Intra-day power transfers among Intra-State Entities. In accordance with the NEP direction, CERC has also notified CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2014. In view of the aforesaid, the BERC (Intra-state Availability Based Tariff and Deviation Settlement) Regulations, 2020 was notified.

The Regulation aims to govern the functioning of the various State Entities in such a way that discipline is maintained with regards to the injection and drawal of energy by such State Entities, thereby the reliability and integrity of power system is maintained.



## Chhattisgarh State Electricity Regulatory Commission (CSERC)

Regulations	Links	Date of Issue:
CSERC (Standards of Performance in Distribution of Electricity) Regulations, 2020	<a href="http://www.cserc.gov.in/upload/upload_regulation/11-06-2020_15918710631.pdf">http://www.cserc.gov.in/upload/upload_regulation/11-06-2020_15918710631.pdf</a>	15/05/2020

1. The CSERC came forward with its approved regulation on Standards of Performance in Distribution of electricity which is applicable to all the distribution licensees and deemed licensees engaged in the distribution of electricity in the State of Chhattisgarh.

The CSERC (Standards of Performance in Distribution of Electricity) Regulations, 2020 was published<sup>10</sup> on 15<sup>th</sup> May 2020. The Regulations details the minimum standards of services and overall standard of performance in Distribution of electricity.

These standards aim to lay down standards of performance; to measure performance against the standards for the licensee in providing service; to ensure that the distribution network performance meets a minimum standard which is essential for the consumers' installation to function properly; to enable consumers to design their systems and equipment to suit the electrical environment that they operate in; and to enhance the quality of the services to meet acceptable customer service standards in the short term and gradually move towards improved customer service standards in the long term. The Regulations also emphasises that the standard of performance may be different across the area of a distribution licensee and across the distribution licensees based on the concentration of population, local environment and conditions. The categorization specified in the Regulations shall be applicable to Class A cities, Urban Areas and Rural Areas.

Under the Regulation the Commission has differentiated and specified the minimum standards of service that a distribution licensee shall achieve and maintain and also the overall standards of performance, which the licensee shall seek to achieve in discharge of his obligations as a licensee.

If the licensee fails to meet the guaranteed standards of performance the Regulation declares that the Licensees shall be liable to pay to the affected consumer(s), monetary compensation at rates as indicated



<sup>9</sup> <https://berc.co.in/rules-regulations/regulations/individual-regulation/2282-berc-intra-state-availability-based-tariff-and-deviation-settlement-mechanism-regulation-2020>

<sup>10</sup> [http://www.cserc.gov.in/upload/upload\\_regulation/11-06-2020\\_15918710631.pdf](http://www.cserc.gov.in/upload/upload_regulation/11-06-2020_15918710631.pdf)



against each of the guaranteed standards of performance. Further, the Regulations provided that in serious cases of non-compliance with the standards of performance or default in compliance, the Commission may enhance the amount of compensation either *suo moto* or on a complaint by consumer(s). The regulation also specifies that the compensation paid to the consumer shall be recovered from the concerned responsible employees/ officers of the licensee. The licensee shall develop appropriate mechanism to fix the responsibility for lack of service and such compensation shall not be claimed in ARR by the distribution licensee.

## Gujarat Electricity Regulatory Commission (GERC)

Regulations	Links	Date of Issue:
GERC (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) (Second Amendment) Regulations, 2020	<a href="https://www.gercin.org/wp-content/uploads/2020/07/GERC-Licensees-Power-to-Recover-Exp.-Incurred-in-Providing-Supply-Oth.-Misc.-Charges-2nd-Amendment-Regulations-2020-Gazette.pdf">https://www.gercin.org/wp-content/uploads/2020/07/GERC-Licensees-Power-to-Recover-Exp.-Incurred-in-Providing-Supply-Oth.-Misc.-Charges-2nd-Amendment-Regulations-2020-Gazette.pdf</a>	26/06/2020

1. The GERC introduced second amendment to the principle regulation and enabled distribution Licensees to recover the charges for release of new connection/ extension of load of existing connections based on Rs per KVA/ KW basis and to dispense with the preparation of detailed individual estimated depending upon technical and other constraints and parameters.

The principal regulation GERC (Licensee's Power to Recover Expenditure Incurred in Providing Supply and Other Miscellaneous Charges)<sup>11</sup> was published by the GERC on 31<sup>st</sup> March 2005. The second amendment to the principal regulation was issued on 26<sup>th</sup> June, 2020<sup>12</sup>. Through the second amendment changes has been incorporated in chapter V of the principal regulation with addition of Clause 5 (iii) and (iv). Clause 5 (iii) details on recovering charges for seeking new demand/load extension by distribution licensees and clause 5 (iv) details that the methodology to be adopted by the distribution licensee needs to be approved by the commission.

## Haryana Electricity Regulatory Commission (HERC)

Regulations	Links	Date of Issue:
HERC (Standards of Performance of Distribution Licensees and Determination of Compensation) Regulations, 2020	<a href="https://herc.gov.in/WriteReadData/Pdf/R20200424.pdf">https://herc.gov.in/WriteReadData/Pdf/R20200424.pdf</a>	24/04/2020

1. The Honorable HERC has made a bold step by notifying the HERC (Standards of Performance of Distribution Licensees and Determination of Compensation) Regulations, 2020 which specifies the minimum acceptable standard of service with reference to quality, continuity and reliability of services that a Licensee shall achieve and maintain in discharge of his obligations as a Distribution Licensee.

The HERC (Standards of Performance of Distribution Licensees and Determination of Compensation) Regulations, 2020 was published<sup>13</sup> by the Commission on 24<sup>th</sup> April 2020. The regulation is applicable to all Distribution and Retail Supply Licensee(s), including Deemed Licensee(s), and consumer(s) of electricity in the State of Haryana.

The Regulation lays the minimum acceptable standard of service with reference to quality, continuity and reliability of services that a Licensee shall achieve and maintain in discharge of his obligations as a Distribution Licensee. Regulation prescribes on Standard of services such as Power Quality, Monitoring and reporting of power quality, Compliance of the Power Quality and Reliability Standards, Reliability Indices, Restoration of Power Supply, Metering and Complaints about Consumer's Bills etc.

If the licensee fails to meet the guaranteed standards of performance the Regulation makes the Licensees liable to pay monetary compensation to an affected person claiming such compensation. The concerned officer who fails to comply with the timelines for rendering services as mandated under this regulation, shall be liable to pay a fine of Rs 1000 per day for each day of delay subject to Rs 10,000 maximum, in each case and such fine shall be payable by both SDO and Executive Engineer (in charge of the sub division concerned) in equal proportion.

<sup>11</sup> <https://gercin.org/wp-content/uploads/2019/08/Licensees-Power-to-Recover-Exp.-Incurred-in-Providing-Supply-Oth.-Misc.-Charges-2005-Gazette.pdf>

<sup>12</sup> <https://www.gercin.org/wp-content/uploads/2020/07/GERC-Licensees-Power-to-Recover-Exp.-Incurred-in-Providing-Supply-Oth.-Misc.-Charges-2nd-Amendment-Regulations-2020-Gazette.pdf>

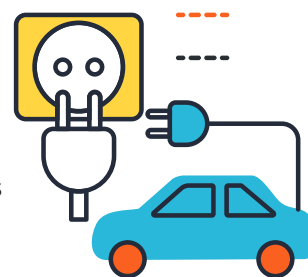
<sup>13</sup> <https://herc.gov.in/WriteReadData/Pdf/R20200424.pdf>

The Regulation also specifies the overall standards of performance which the Licensee shall seek to achieve in discharge of its obligations. However, no claim shall be admissible for the violation of any such overall/general standards.

Regulations	Links	Date of Issue:
HERC (Single Point Supply to Employers' Colonies Group Housing Societies and Residential or Residential cum Commercial/Commercial Complexes of Developers and Industrial Estates/IT Parks/SEZ) Regulations, 2020	<a href="https://herc.gov.in/WriteReadData/Pdf/R20200422.pdf">https://herc.gov.in/WriteReadData/Pdf/R20200422.pdf</a>	22/04/2020

2. The HERC has notified the Regulations for laying down the provisions/procedures for supply of electricity at a Single Point to the Employers Colonies, Group Housing Societies and Residential or Residential cum Commercial/ Commercial Complexes of Developers and Industrial Estates/IT parks/ SEZ which are bounded with walls/fence or having restricted entry, for further supply of electricity to the members/employees and other services/establishments inside their premises by the GHS/Employer/Developer/Industrial Estate/ IT parks /SEZ.

The principal regulation HERC (Single Point Supply to Employers' Colonies Group Housing Societies and Residential or Residential cum Commercial/Commercial Complexes of Developers and Industrial Estates/IT Parks/SEZ) Regulations,2020 was published<sup>14</sup> by the HERC on 22<sup>nd</sup> April 2020. The present Regulation was framed due to the petitions filed by the GHS/ RWAs involving developers and Distribution licensees. Through the scrutiny of the petition submitted, the Commission noticed that there are few issues faced by the residents in aforesaid colonies/ Housing societies/ Residential complexes etc. regarding metering, billing and inadequacy in the supply position as well as inadequate electrical infrastructure installed by the Developers. The commission based on the verbal and written feedback received from the residents of such societies, developed questions to be dowelled up and came up with directions as answers to mitigate the hardships identified through the questions formulated. However, when the Dakshin Haryana Bijli Vitran Nigam Ltd filed a petition in 2017 with the Commission seeking amendment to the existing HERC (Single Point Supply to Employer's Colonies, Group Housing Societies and Residential or Commercial cum Residential Complexes of Developers) Regulations, 2013, the Commission devised to review the applicable Regulation of 2013 in totality and to come up with a new Regulation to replace the existing Regulation.



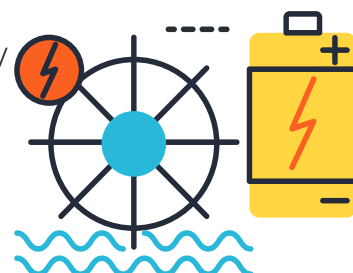
## Joint Electricity Regulatory Commission (for the State of Goa and Union Territories) (JERC)

Regulations	Links	Date of Issue:
Suo-Moto Order to mitigate the hardships of Electricity Consumers and DISCOMs/EDs in view of the nationwide lockdown due to COVID-19.	<a href="https://www.goaelectricity.gov.in/Regulations/Relief%20Order%2010th%20April.pdf">https://www.goaelectricity.gov.in/Regulations/Relief%20Order%2010th%20April.pdf</a>	10/04/2020

1. The Commission on its own motion issued Order on 10<sup>th</sup> April 2020 to mitigate the hardships of Electricity Consumers and DISCOMs/Electricity Departments in view of the nationwide lockdown due to COVID-19.

To give respite to the consumer facing hardships due to pandemic, the Commission decided to provide flexibility w.r.t. the method of raising bills (direct reading, and provisional bills) and allowed serving bills to consumers through electronic means. The Commission also provided extension in due date for payment of bills by two weeks (if the due date for submission of bills falls between 24<sup>th</sup> March, 2020 and 30<sup>th</sup> June, 2020) without levy of Late Payment Surcharge (LPSC). Further, the Commission temporarily reduced the monthly LPSC rate from 2% to 1%, provided the date when the levy of LPSC becomes due falls between 24<sup>th</sup> March, 2020 and 30<sup>th</sup> June, 2020. The Commission also provided a moratorium on payment of Fixed Charges to all industrial and commercial consumers for the bills raised during the aforesaid duration.

The Commission also felt that the extension of the reliefs may require the Licensees to borrow/ avail additional working capital (over and above those specified in the Regulations) attracting additional working capital interest. The Commission assured to consider the additional expenses that are likely to be incurred by the Licensees on this front while finalising the Tariff Order for FY 2021-22.



<sup>14</sup> <https://herc.gov.in/WriteReadData/Pdf/R20200422.pdf>

The other aspects on which the Commission has given his order includes:

**2. Tariff orders applicable for the FY 2020-21:**

The order is applicable to all the territories under the jurisdiction of JERC namely 7 Distribution Utilities, 1 Transmission Tariff and 1 Generation Company for the State of Goa and Union. The order was issued on 18<sup>th</sup> May 2020 and 19<sup>th</sup> May 2020.

**3. Generic Tariff order for Renewable Energy Sources for FY 2020-21:**

The order is applicable for the generation plants/ systems which approaches the Discoms for the sales of energy. The order was issued on 26<sup>th</sup> May 2020.

## Kerala State Electricity Regulatory Commission (KSERC)

Regulations	Links	Date of Issue:
KSERC (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2020	<a href="http://www.erckerala.org/regulations/kgSearchfiledownloadpdf.pdf">http://www.erckerala.org/regulations/kgSearchfiledownloadpdf.pdf</a>	11/05/2020

1. The KSERC approved regulation moved ahead with its amendment related to Terms and Condition for Determination of Tariff.

The principal regulation Terms and Conditions for Determination of Tariff Regulations, 2018<sup>15</sup> was published on 5<sup>th</sup> October 2018. The Regulation specified the terms and conditions for determination of Tariff. The first amendment, issued on 13<sup>th</sup> May, 2020<sup>16</sup>, modifies the clause C of Annexure IV of the Principal Regulation and makes it mandatory for the Licensee to obtain in principal approval of the Commission on capital expenditure related to a scheme, provided the capital expenditure under the scheme exceeds ₹ 10 crore in case of Kerala State Electricity Board Limited (KSEB); ₹ 25 Lakh in case of Kanan Devan Hill Plantations Company (P) Limited (KDHPCL), Infopark and Thrissur Corporation (TCED) and Cochin Port Trust (CPT); and ₹ 15 lakh for other distribution licenses.

Regulations	Links	Date of Issue:
Kerala Electricity Supply (Amendment) Code, 2020	<a href="http://www.erckerala.org/regulations/eogfiledownload%20(2)%20(1).pdf">http://www.erckerala.org/regulations/eogfiledownload%20(2)%20(1).pdf</a>	19/06/2020

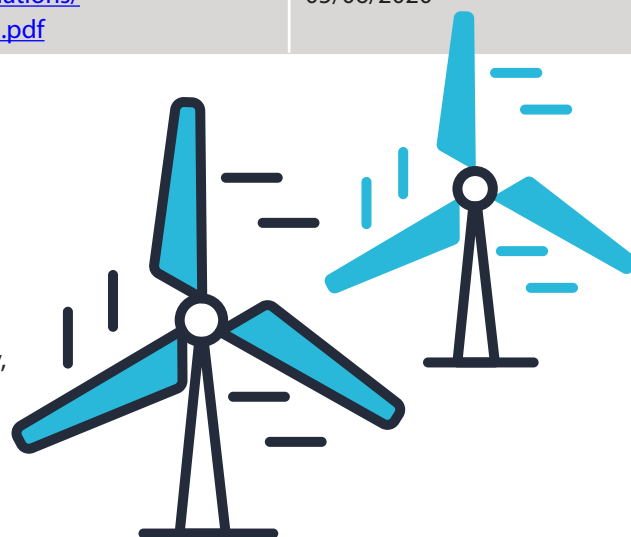
2. The KSERC approved regulation moved forward with its amendments to the Kerala Electricity Supply Code, 2014. The amendment imbeds changes in various clauses of the Supply code. .

The principal regulation Kerala Electricity Supply Code, 2014 <sup>17</sup>was published on 13<sup>th</sup> February 2014. The present amendment was published on 19<sup>th</sup> June 2020, and makes various amendments and additions in the principle regulation.

Regulations	Links	Date of Issue:
KSERC (Renewable Energy and Net Metering) Regulations, 2020	<a href="http://www.erckerala.org/regulations/eogfiledownload%20(2)%20(1).pdf">http://www.erckerala.org/regulations/eogfiledownload%20(2)%20(1).pdf</a>	05/06/2020

3. The KSERC moved ahead with its approved regulation related to Renewable Energy and Net Metering.

The Renewable Energy and Net Metering Regulations 2020<sup>18</sup> was published on 5<sup>th</sup> June 2020. These Regulations apply to all the existing and new, Grid Interactive Renewable Energy Systems, consumers, prosumers, captive consumers, captive generating plants, generating companies, distribution licensees and obligated entities, in the matter of Determination of Tariff of Renewable Energy, Renewable Purchase Obligation, Net Metering, Banking, Generation Based Incentives and related matters.



<sup>15</sup> <https://erckerala.org/regulations/Tariff%20regulations%202018%20web.pdf>

<sup>16</sup> <http://www.erckerala.org/regulations/eogfiledownload.pdf>

<sup>17</sup> <https://erckerala.org/regulations/KESC%20for%20website%2031.01.2014.pdf>

<sup>18</sup> <https://erckerala.org/regulations/eogfiledownload.pdf>

Regulations	Links	Date of Issue:
KSERC (Consumer Grievance Redressal Forum and Electricity Ombudsman) Amendment Regulations, 2020	<a href="https://erckerala.org/regulations/eogfiledownload%20(1).pdf">https://erckerala.org/regulations/eogfiledownload%20(1).pdf</a>	19/06/2020

4. The KSERC has approved amendments to KSERC (Consumer Grievance Redressal Forum and Electricity Ombudsman) Regulation 2005 which was published on 14<sup>th</sup> October 2005.

The commission has brought forth the amendment in sub-regulation (b) of regulation 3 to ensure the appointment period of the nominated member as three years. Further the amendment also specifies that the member shall hold a degree in law with minimum of three years of experience in practicing in any of subordinate court in Kerala. In addition, the Commission shall validate the appointments of member's nominated in the forum for redressal of grievances of the consumers of certain licensees as they are continuing in their offices beyond the actual period of one year. The amended regulation<sup>19</sup> was published on 19<sup>th</sup> June 2020 by the KSERC.

## Madhya Pradesh Electricity Regulatory Commission(MPERC)

Regulations	Links	Date of Issue:
Madhya Pradesh Electricity Balancing and Settlement Code, 2015(First Amendment) [No. ARG -34(I)(i) of 2020]	<a href="http://www.mperc.in/2020-06-12%20B-5%20Code%201st%20Amendment.pdf">http://www.mperc.in/2020-06-12%20B-5%20Code%201st%20Amendment.pdf</a>	12/06/2020

1. The MPERC introduced first amendment to the Madhya Pradesh Electricity Balancing and Settlement Code 2015 and made changes in the procedure for Imbalance Settlement of Deviation charges.

The principal regulation (Madhya Pradesh Electricity Balancing and Settlement Code, 2015)<sup>20</sup> was published on 25<sup>th</sup> September 2015. The present Amendment is the first Amendment to the principal Regulation. The current amendment i.e. Madhya Pradesh Electricity Balancing and Settlement Code, 2015 (First Amendment) [No. ARG-34(I)(i) of 2020], amends the clause No. 8 of the principal regulation and details the three steps for undertaking pool balancing of the deviation charges.

## Odisha Electricity Regulatory Commission (OERC)

Regulations	Links	Date of Issue:
OERC (Compensation to Victims of Electrical Accidents) Regulation, 2020	<a href="http://www.orierc.org/Compensation%20to%20Victims%20of%20Electrical%20Accident.pdf">http://www.orierc.org/Compensation%20to%20Victims%20of%20Electrical%20Accident.pdf</a>	30/05/2020

1. The OERC has notified Regulation, which shall be applicable to all generating companies as well as transmission and distribution licensees of the state of Odisha, to comply with all mandatory safety standards and to take all necessary safety measures to protect human beings, animals and birds from injury by the reason of contact with or the reason of proximity of or the reason of defective or dangerous condition of any appliances or apparatus used in the generation, transmission and distribution, supply or usage of energy and to grant compensation to the victims of Electrical Accidents.

The OERC (Compensation to Victims of Electrical Accidents) Regulation, 2020 was published on 30<sup>th</sup> May 2020<sup>21</sup>. The Regulation mandates that the works of licensees shall be so, installed, constructed, maintained or operated or used as to protect the public (including the persons engaged in the generation, transmission or distribution), animals and birds from dangers of electric shock arising out of the generation, transmission or distribution of electricity. The regulation also defines safety standards, liability compensations, quantum of compensation, procedure, enquiry reports and residuary provisions related to grant of compensation to the victims of electricity accidents if such accidents happens.

<sup>19</sup> [https://erckerala.org/regulations/eogfiledownload%20\(1\).pdf](https://erckerala.org/regulations/eogfiledownload%20(1).pdf)

<sup>20</sup> <http://www.mperc.in/280915-BSC-2015-English.pdf>

<sup>21</sup> <http://www.orierc.org/Compensation%20to%20Victims%20of%20Electrical%20Accident.pdf>

## Rajasthan Electricity Regulatory Commission (RERC)

Regulations	Links	Date of Issue:
RERC (Service) (Sixth Amendment) Regulations, 2020	<a href="https://rerc.rajasthan.gov.in/rerc-user-files/regulations">https://rerc.rajasthan.gov.in/rerc-user-files/regulations</a>	10/06/2020

1. The RERC has approved the sixth amendment to RERC (Service) Regulations, 2005.

The principal regulation i.e RERC (Service) Regulations, 2005 was published on 21<sup>st</sup> March 2005<sup>22</sup>.

Through the sixth amendment of the principal regulation, published on 11<sup>th</sup> May, 2020, the Commission incorporated changes in clause 14(1) and 14(2) of the regulation that deals with the absorption of persons of power sector companies of the State and IT Department of Government of Rajasthan, including RAJCOM, working on deputation in the commission for a duration of more than three years in the commission and other related service conditions.

## Tamil Nadu Electricity Regulatory Commission (TNERC)

Regulations	Links	Date of Issue:
Amendments to the Tamil Nadu Electricity Distribution Code	<a href="http://www.tnerc.gov.in/regulation/D%20Code/DC-8-26.pdf">http://www.tnerc.gov.in/regulation/D%20Code/DC-8-26.pdf</a>	09/06/2020

1. The TNERC has approved amendment to various regulations of Electricity Distribution Code applicable for the state.

The principal regulation Tamil Nadu Electricity Distribution Code, 2004, was published on 21<sup>st</sup> July 2004<sup>23</sup>. The current amendments to the Electricity Distribution Code 2004 introduced changes in clause (a) and clause (b) of sub-regulation (1) of regulation 26 of the principle regulation. These clauses deals with the categories of supply of electricity to consumers; space for erection of distribution transformer; installation of distribution transformers; cost of the installation works of distribution transformers & its bearing; and fixed/demand charges of electricity The amendments were introduced through notification dated 9<sup>th</sup> June, 2020.

Regulations	Links	Date of Issue:
Amendment to Tamil Nadu Electricity Supply Code	<a href="http://www.tnerc.gov.in/regulation/S%20Code/SC-7-41.pdf">http://www.tnerc.gov.in/regulation/S%20Code/SC-7-41.pdf</a>	09/06/2020

2. The TNERC has approved amendments to regulation on Electricity Supply Code applicable for the state.

The principal regulation i.e. the Tamil Nadu Electricity Supply Code, 2004 was published<sup>24</sup> by the Tamil Nadu Electricity Regulatory Commission on 21<sup>st</sup> July 2004.

According to the implemented amendments changes have been made to the Sub-regulation (1) of regulation 3, and clause (ii) (c) of sub-regulation (2) of regulation 5 of principle Regulation. The amendments deal with subjects like space for erection of distribution transformers, installation of distribution transformers, the cost of installation works, the fixed/demand charge of electricity for various sanctioned demand etc. The present amendment to the Tamil Nadu Electricity Supply Code was notified on 09<sup>th</sup> June, 2020.

Regulations	Links	Date of Issue:
Amendment to the Tamil Nadu Electricity Supply code, 2004	<a href="http://www.tnerc.gov.in/regulation/S%20Code/SC-7-42.pdf">http://www.tnerc.gov.in/regulation/S%20Code/SC-7-42.pdf</a>	27/06/2020

3. The TNERC approved amendment to the Tamil Nadu Electricity Supply Code.

The principal regulation Tamil Nadu Electricity Supply Code 2004, was published<sup>25</sup> by the Tamil Nadu Electricity Regulatory Commission on 21<sup>st</sup> July 2004. Through the present Amendment the Commission introduced Regulation 14A into the

<sup>22</sup> <https://rerc.rajasthan.gov.in/rerc-user-files/regulations>

<sup>23</sup> <http://www.tnerc.gov.in/regulation/D%20Code/TNERC%20-%20Distribution%20Code.pdf>

<sup>24</sup> <http://www.tnerc.gov.in/regulation/S%20Code/TNERC%20SupplyCode.pdf>

<sup>25</sup> <http://www.tnerc.gov.in/regulation/S%20Code/TNERC%20SupplyCode.pdf>



principal Regulation. The insertion/ amendment deals with the issue of notice detailing the Electricity consumption, electricity charges for consumers, due date of payment, etc. through email, or SMS, or mobile app, or any other electronic mode adopted by TANGEDCO when the Licensee implemented automated meter reading system through Automated Meter Reading (AMR) technologies/ Automated Meter Infrastructure (AMI) technologies using smart meter/ any other technologies using smart meters. The present amendment to the principal Regulation was notified by the Commission on 27<sup>th</sup> June, 2020.

## Uttar Pradesh Electricity Regulatory Commission (UPERC)

Regulations	Links	Date of Issue:
UPERC (Fees & Charges of State Load Despatch Centre and other related matters) Regulation, 2020	<a href="https://www.uperc.org/App_File/NotifiedFeesandchargesSLDC2020-pdf813202014011PM.pdf">https://www.uperc.org/App_File/NotifiedFeesandchargesSLDC2020-pdf813202014011PM.pdf</a>	14/05/2020

1. The UPERC has introduced Regulations related to Fees and Charges of State Load Despatch Centre (SLDC) applicable for the SLDC of the state.

The UPERC (Fees & Charges of State Load Despatch Centre and other related matters) Regulation, 2020 was notified by the Commission on 14<sup>th</sup> May 2020. This Regulation lays the methodology for the determination of fees and charges to be collected by the SLDC from its consumers. The Regulation shall be applicable for the period from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2025, unless reviewed earlier or extended by the Commission. Regulation deals with subjects/ petitions to be filed by the SLDC during the Control Period including Business Plan petitions, Annual Revenue Requirement (ARR) Petition, Annual Performance Review (APR) petition, True Up petition, and methodology for the determination of tariff which includes treatment of various cost parameters for the determination of tariff/ fees including Capital Cost, Operation and Maintenance Expenses, Employee Cost, Depreciation, Interest on Loan Capital, Interest on Working Capital, Return on Equity, Non-Tariff Income, Application Fee, Fee and Charges payable to State Load Despatch Centre and billing etc. The new Regulation supersedes the UPERC (Procedure, Terms & Conditions for payment of Fee and Charges to State Load Despatch Centre and other related provisions) Regulations, 2004.

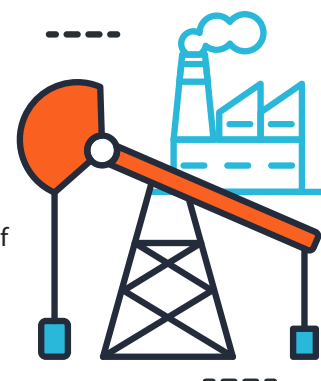


## West Bengal Electricity Regulatory Commission (WBERC)

Regulations	Links	Date of Issue:
WBERC (Guidelines for Establishment of Forum for Redressal of Grievances of Consumers and Time and Manner of Dealing with such Grievances by the Ombudsman) (First Amendment), Regulations, 2020.	<a href="https://wbrc.gov.in/sites/default/files/WBERC_REGU_68.pdf">https://wbrc.gov.in/sites/default/files/WBERC_REGU_68.pdf</a>	19/05/2020

1. The WBERC approved regulation came up with its amendment on Guidelines for Redressal of Grievances by the ombudsman.

The principal Regulation Guidelines for Establishment of Forum for Redressal of Grievances of Consumers and Time and Manner of Dealing with such Grievances by the Ombudsman was published on 26<sup>th</sup> August 2013. The new regulation Guidelines for Establishment of Forum for Redressal of Grievances of Consumers and Time and Manner of Dealing with such Grievances by the Ombudsman (First Amendment) Regulations<sup>26</sup>, 2020 on 19<sup>th</sup> May, 2020 has specified details of required qualifications, terms of appointment and service conditions of Ombudsman.



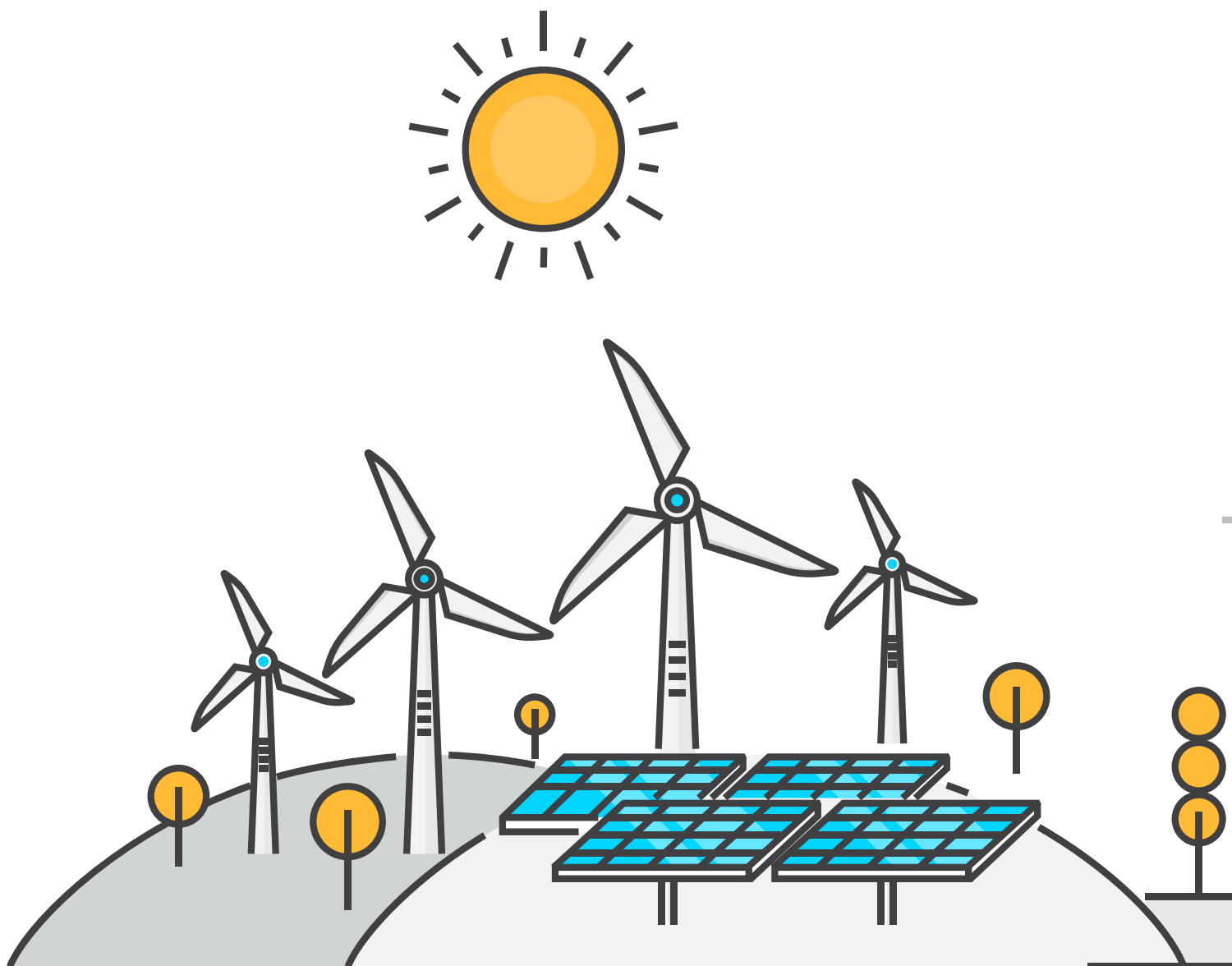
<sup>26</sup> [https://wbrc.gov.in/sites/default/files/WBERC\\_REGU\\_68.pdf](https://wbrc.gov.in/sites/default/files/WBERC_REGU_68.pdf)



The Ombudsman have been empowered to entertain representation from consumers after expiry of timeline if Ombudsman is satisfied with the reason of delay of filing. Ombudsman have to submit monthly/quarterly report of grievance redressal to the Commission in specified format.

Regulations	Links	Date of Issue:
WBERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (First Amendment) Regulations, 2020	<a href="https://wberc.gov.in/sites/default/files/WBERC%28Cogeneration%20and%20Generation%20of%20Electricity%20from%20Renewable%20Sources%20of%20Energy%29%28First%20Amendment%29%20Regulations%2C%202020.pdf">https://wberc.gov.in/sites/default/files/WBERC%28Cogeneration%20and%20Generation%20of%20Electricity%20from%20Renewable%20Sources%20of%20Energy%29%28First%20Amendment%29%20Regulations%2C%202020.pdf</a>	11/06/2020

2. The WBERC approved regulation moved up on its amendment related to Cogeneration and Generation of Electricity from Renewable Sources of Energy . The principal Regulation Cogeneration and Generation of Electricity from Renewable Sources of Energy was published on 22<sup>nd</sup> March 2013. WBERC has published Draft Cogeneration and Generation of Electricity from Renewable Sources of Energy (First Amendment) Regulations<sup>27</sup>, 2020 on 11<sup>th</sup> June, 2020. The principal Regulations was published on 22<sup>nd</sup> March 2013. Now under this draft amendment, WBERC has proposed Renewable Purchase Obligation targets for the FY2020-21, 2021-22, 2022-23; introduced RPO to Open access consumers and persons using power from captive plants of 1 MW and above; allowed all category of consumers to install roof top solar PV of 1 KW and above upto its sanctioned load; allowed Net-metering to domestic consumers upto 6 KW and agricultural consumers and for rest of the consumers, net-billing is proposed; proposed detailed energy accounting and settlement Principles for net-metering and net-billing; mandate for distribution licensees to prepare detailed procedure for processing



<sup>27</sup> <https://wberc.gov.in/sites/default/files/WBERC%28Cogeneration%20and%20Generation%20of%20Electricity%20from%20Renewable%20Sources%20of%20Energy%29%28First%20Amendment%29%20Regulations%2C%202020.pdf>

The Quarter April-June 2020 coincided with the pandemic of Covid-19 whereby professional activities were affected to a great extent. However, with the untiring efforts of NEPRA Authority as well as professionals, NEPRA's operations and functions were made effective and convenient through ZOOM online meetings and hearings which enabled easy public participation. During the pandemic, 163 Regulatory Meetings of the Authority, 16 Hearings and a number of presentations on different subjects were conducted. Consequently, 7 Generation Licenses and 688 Net Metering licenses were issued. Regarding generation tariff 15 decisions pertaining to Solar, 4 to Wind, 1 to Bagasse and 5 to Thermal and Nuclear were issued during this period. Two decisions pertaining to Transmission tariff were also issued. In addition, 198 tariff adjustments were finalized.

### **Competitive Trading Bilateral Contract Model (CTBCM)**

CTBCM is a stride towards market orientation of the power sector. With its implementation, power sector is expected to see increased demand creation, transparency and expansion of the transmission network. In addition to opening the possibility of electricity export, the reform will also aid in depoliticization of the power sector while giving private oriented strategic guidance.

CTBCM rules carry appropriate mechanisms for timely expansion of the transmission network. Under the current regime, low recoveries often translate into underinvestment in the Transmission system. With CTBCM this bottleneck will be obviated. However, benefits can only be realized once CTBCM implementation road map can address potential challenges.

Transparency will help in de-risking of the power sector via provision of information to current and future potential entrants into the market. Efficiency of industry leaders such as HUBCO is expected to spill over into performance benchmarks of other IPPs.

Similarly, complete implementation of Competitive Trading Bilateral Contract Model (CTBCM) will the Government's role in the power sector, and ensure a level playing field, which will help bolster investor confidence, translating into lower risk premium in the long run.



A number of meetings were held in connection with the implementation procedures of the approved CTBCM.

### **Indicative Generation Capacity Expansion Plan (IGCEP) 2047**

IGCEP is a 28-year Generation Expansion Plan with objective to increasing local indigenization and reducing cost and will be updated annually. Major share is of the local coal and hydro power. Before approving Indicative Generation Capacity Expansion Plan 2047 (IGCEP), submitted by NTDC, NEPRA sought comments from all stakeholders, interested/affected parties and general public and also conducted various consultative sessions. NEPRA also plans to conduct a public hearing of all stakeholders.

### **Renewable Energy**

World market prices for renewable energy technologies has seen a sharp downward trend, making these technologies cost-effective for power generation. Lower tariffs will result in reduction of the overall basket price. Developments in the sector are paving the way to address intermittency issues of these technologies. Transparency will be ensured by introduction of competitive bidding regime. The proposed Solar and Wind power projects would result in optimum utilization of untapped renewable energy.

### **Ease of doing Business**

The Chairman, on request of BOI, was pleased to apprise in the media of the measures NEPRA had taken for Ease of Doing Business. The Chairman highlighted that connection time had been reduced from 73 days to 58 days and reduction in various procedures from 6 to 4. Further, it has been made easier to get an industrial electricity connection as well as demand notices can be served online.

### **Monitoring and Enforcement**

Initial report on comprehensive audit regarding commercial viability of public sector GENCOs for the period from FY 2014-15 to FY 2018-19 was presented based on analysis of unit wise data pertaining to technical and financial parameters. Review petitions filed by GENCO-I and II against decisions of imposing a fine of Rs. 1 Million each on account of excess auxiliary consumption and availing higher outages during FY 2014-15 and FY 2015-16 were decided upon with fine being maintained. NTDC/NPCC was imposed a fine of Rs. 1 Million on account of issuing unfair instructions to GENCO-I and III for putting their units/machines on standby mode for an alarming longer duration during FY 2014-15 and FY 2015-16.

Review petition filed by K-Electric against decision of imposing a fine of Rs. 50 Million on account of fatal accidents in Karachi and claim of Force Majeure was rejected. Also, the Review motion filed by K-Electric against decision of imposing fine of Rs. 3 Million on account of non-utilization of alternate fuel when primary fuel was not available to cope up with emergency situation, underutilization of BQPS-I and carrying out unannounced load shedding was also rejected.

Actions were taken against concerned DISCOMs who failed to draw full allocated quota of power against demand due to system constraints.

Hearing regarding issues of power evacuation and frequent load curtailment as raised by various Wind Power Plants was held on 24 June, 2020.

### **Input on Audited Report of IPPs**

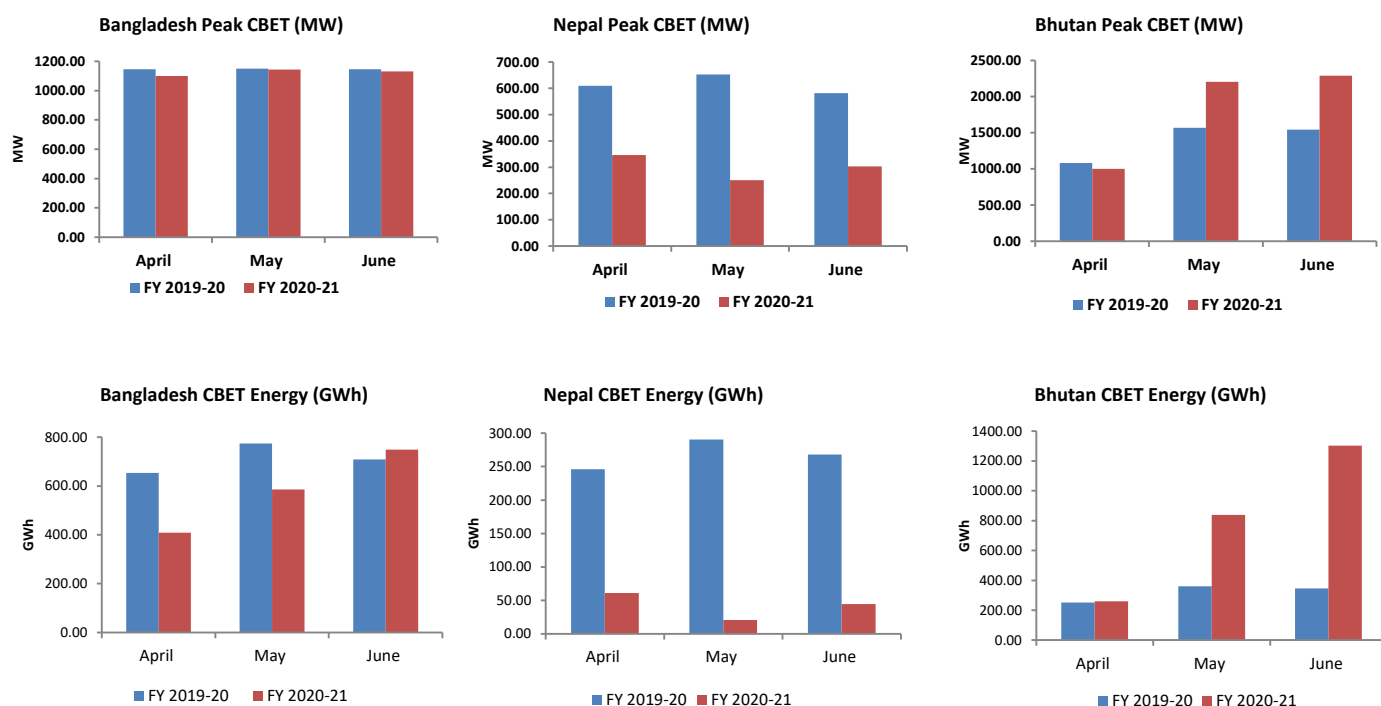
NEPRA provided Techno-Commercial and Legal support to facilitate the process regarding audit of IPPs to ensure that consumers' as well as investor's interest was not compromised.

# Cross Border Transactions in the BBIN Regional Grid



## Quarterly Comparison between April - June, 2020 - 2019

Peak (MW)/Energy (GWh)	Months	India-Bangladesh		India-Nepal		Bhutan-India	
		FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21
Peak MW	April	1145	1100	610	346	1080	1000
	May	1151	1144	653	250	1568	2203
	June	1146	1132	581	303	1545	2290
Monthly Energy (GWh)	April	653.05	408.56	245.98	61.15	251.97	260.07
	May	773.73	585.83	290.40	20.95	359.06	838.57
	June	708.18	748.92	268.05	44.41	344.77	1302.09



#### Notes:

**a) India - Bangladesh :** The imports by Bangladesh from India during the months April-June 2020 were almost of the same level as during the previous year, except decline during the month of April 2020, presumably due to reduction in demand in Bangladesh due to lockdown under COVID 19.

**b) India – Nepal:** The imports by Nepal from India during the months April-June 2020 were reduced substantially compared to previous year. These were mainly due to reduction in demand in Nepal due to lockdown under COVID 19 and a good level of hydro generation during this period.

**C) Bhutan - India :** The exports from Bhutan to India during the months April-June 2020 were enhanced substantially compared to previous year, mainly due to commissioning of the units at Mangdecchu Hydro Electric Plant (4\*180 MW) of Bhutan.

Please feel to write to us with your valuable suggestions and feedback, or any contribution to the newsletter content. Please send you email to [rajivratnapanda@irade.org](mailto:rajivratnapanda@irade.org) & [rbardhan@irade.org](mailto:rbardhan@irade.org)

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