

EASTERN REGIONAL POWER COMMITTEE

AGENDA FOR THE 13TH MEETING OF EASTERN REGIONAL POWER COMMITTEE

Date: 26.03.2010

Venue : Vedic Village, Kolkata

ITEM NO.1 CONFIRMATION OF THE MINUTES OF THE 12TH ERPC MEETING HELD ON 04.12.2009 AT GANGTOK

The minutes of the 12th ERPC meeting held on 4th December'09 at Gangtok was issued vide letter no. ERPC/ TCC & Committee/2010/2225-81 dated 21.01.2010.

In respect of minutes (TCC Agenda Item No.13 titled “Commercial Agreement For Implementation Of Fibre Optic Network In Lieu of Existing Microwave Network”) POWERGRID has sought following amended minutes.

“ERPC deliberated the issue and based on details and clarification provided by POWERGRID, agreed for making the Fibre Optic Communication Scheme in lieu of existing Microwave Network a part of existing Commercial Agreement of ER-ULDC project.

CMD, WBSETCL stressed that the beneficiaries of the Eastern Region, who are solely financing the implementation of the Fibre Optic Network in lieu of existing Microwave Network, would get relief to the extent of extra revenue earned by POWERGRID from commercial utilisation of the above network, if any.

~~POWERGRID confirmed that the same would be taken care duly.~~

POWERGRID informed that communication equipment proposed under the scheme shall be adequate for meeting ULDC requirement and commercial utilisation of the same is not envisaged. However 24 number of fibres have been considered in the scheme. In case fibres are used for commercial purpose, cost of the same shall be apportioned in line with philosophy of ULDC project.

The Committee accorded approval to the above scheme.”

Members may please discuss.

ITEM NO.2A FOLLOW UP ACTION ON THE DECISIONS IN PREVIOUS ERPC MEETINGS

ITEM NO.2.1 ALLOCATION OF POWER FROM SUBANSIRI HEP IN ARUNACHAL PRADESH

The issue of allocation of power from Subansiri HEP (2000MW) was discussed in the 11th ERPC meeting held on 29th August,2009 wherein constituent member States had expressed their concern regarding allocation of power from the HEP. In the meeting it was decided that Member Secretary,ERPC would forward the above sentiments of the Eastern Region to the MoP, GoI with a copy to CEA for redressal of the grievances of the Eastern Regional Constituents.

2.1.1 As a follow-up, a D.O. dated 10.11.2009 was written by Member Secretary, ERPC addressed to Joint Secretary (Hydro), Ministry of Power enclosing the extracts of the minutes of the meeting. Joint Secretary (Hydro) was requested to kindly consider his intervention to get the allocation of power appropriated in order to maintain the sanctity of the MOUs signed between NHPC & the State Utilities in Eastern Region.

2.1.2 Separately, a D.O. dated 18.11.2009 was also written to Member (GO&D), CEA which was responded by Chief Engineer (IRP), CEA vide its letter no.CEA/PLG/IRP/407/3/2009/2764 dated 10.12.2009 communicated the basis of allocation of power from this HEP.

2.1.3 Also, Member Secretary, ERPC vide his D.O. dated 15.01.2010 addressed to Chief Engineer (IRP), CEA sought information on Techno Economic Clearance (TEC) accorded by CEA, Copy of PIB clearance accorded, copy of note placed before CCEA for its consideration and copy of CCEA clearance accorded.

2.1.4 In response, the following documents have been received from CEA vide letter dated 22.01.2010 :

- a) Copy of TEC letter.
- b) Copy of PIB note.
- c) Copy of minutes of the meeting of PIB.
- d) Copy of CCEA Clearance.

2.1.5 The following are the excerpts from the above documents pertaining to power purchase arrangement :

- **Corrigendum dated 09.07.2003 of CEA on its OM dt..13.01.2003 conveying TEC :**

Quote :

“ Condition 3(vi) : M/s NHPC shall obtain the letters of comfort from prospective buyers of power from the project indicating the quantum of power and furnish the same to CEA within a period of six months from the date of issue of this corrigendum.”

Unquote :

- **Summary record of the PIB meeting dated 14.03.2003 :**

Quote :

“ 3.1. Secretary (Power) explained that this is an export oriented project as eastern / north-eastern regions are surplus in power and the entire power produced by this project will have to be evacuated to either northern or western/southern region.

3.6. Chairman, desired to know about the status of Power purchase Agreements., CMD, NHPC indicated that no Power Purchase Agreement has been signed so far. However, certain States have shown willingness to buy power. CMD, NHPC stated that comfort letters have been obtained from beneficiary States. After detailed deliberations, it was felt that comfort letter is not adequate for putting the project on firm basis and, legally enforceable arrangements must be in place with all the beneficiary States before investment approval is obtained from CCEA.

4. Conclusions :

(ii) MoP will ensure that NHPC enters into legally binding arrangements with all the beneficiary State for purchase of power before the project is brought before CCEA for approval. The beneficiary States must have clear indication of the likely tariff for the power that they would buy from this project. ”

Unquote :

2.1.6 Subsequent to PIB approval on 14.03.2003, NHPC issued a letter to Power Grid on 31.03.2003 on the subject of transmission system for new projects and informing about the beneficiaries and quantum of power likely to be allocated. As per the letter the entire power (2000 MW) of Subansiri HEP was identified for States in Eastern Region.

2.1.7 Subsequently, in the last week of March'03 NHPC entered into MoUs with WBSEB, GRIDCO & BSEB on purchase of power from Subansiri HEP.

2.1.8 Finally, the CCEA approval was communicated to NHPC by MoP vide letter dated 07.09.2003.

2.1.9 In the 12th ERPC meeting held on 04.12.2009 constituent States unanimously decided that a team of their high officials should visit MoP to take up this issue. The visit is yet to take place.

2.1.10 In the meantime Joint Secretary, Ministry of Power has vide its DOs dated 24.02.2010 to the State of WB, BSEB, GRIDCO, WBSEDCL communicated the basis of allocation of power from this HEP.

Members may like to discuss.

ITEM NO.2B FOLLOW UP ACTION DISCUSSED BY TCC ON THE DECISIONS TAKEN IN THE LAST TCC/ERPC MEETINGS

The follow up of the decisions taken in previous ERPC meetings related to operational, commercial and technical aspects were discussed by TCC and are placed as Appendix-B before the Committee for discussion.

ITEM NO. 3 ISSUES REFERRED TO ERPC BY TCC MEMBERS OF THE 12TH TCC MEETING HELD YESTERDAY

The issues referred to ERPC by the TCC are placed as Appendix-C before the Committee for discussion.

ITEM NO. 4

Tata Power Company will continue to be member as a representative of the generating companies having power plants in the region (not covered in (ii) to (iv) of the new resolution) in absence of any new generating company in this category.

GRIDCO, PTC and POWERLINKS shall continue to be Associate Member as per the earlier decision of ERPC.

4.2 The following organisations will be new member of ERPC for the year 2010-11 :

i) **NESCO** : As a distribution company by alphabetical rotation out of the private distribution companies functioning in the region. The private distribution companies functioning in the region are DPSCL in West Bengal, NESCO, SOUTHCO & WESCO in Orissa and JUSCO in Jharkhand. As per earlier resolution SOUTHCO and JUSCO were member of ERPC in 2008-09 as distribution company from Orissa and Jharkhand. Putting the name of the private distribution companies in alphabetical order i.e. DPSCL, JUSCO, NESCO, SOUTHCO & WESCO and in view of the fact that DPSCL, JUSCO and SOUTCO were already member of ERPC, now it will be turn of NESCO (Northern Electric Supply Company of Orissa). **Members may note that NESCO was a member of ERPC in 2007-08, but they have not contributed to the stipulated funds to meet ERPC Secretariat expenditures.**

ii) **JSW Power Trading Company Ltd. (JSW PTC)** : As a member representing electricity traders in the region (as per recommendation of CEA, copy enclosed at Annexure-).

4.3 In the context of membership of private distribution company and electricity trader, it may be noted that DPSC Ltd. and Adani Enterprises Ltd. (AEL) were inducted as member of ERPC for the year 2009-10. In spite of number of reminders both DPSC and AEL have not contributed in “ERPC Establishment Fund”, as required for meeting the ERPC Secretariat expenditures. ERPC in its 11th meeting held on 29th August’09 had resolved that all members of ERPC should contribute equally and at par with other members.

4.4 To avoid non-participation in RPC meeting and non-payment towards RPC Secretariat expenditures, CEA while recommending the name of traders for

membership in RPCs has suggested that RPCs may take undertaking from traders who are nominated for membership for the year 2010-11 that they shall :

- a) endeavour to attend meetings of the RPC of which they are member.
- b) Consult other traders before raising an issue or putting forward their views on any issue and
- c) Contribute to establishment fund of the RPC concerned.

Under the above background, it is proposed to empower the Secretariat to approve the membership of NESCO and JSW PTC for the year 2010-11 subject to filing of their application for membership together with contribution. ERPC Secretariat will suggest them to apply.

Members may please approve the above proposal.

ITEM NO.5 FUNDING OF ERPC SECRETARIAT FOR THE YEAR 2010-11

5A) ERPC-ESTABLISHMENT FUND FOR THE YEAR 2010-11

For the year 2009-10 contribution of Rs.14 lakh per member was approved by ERPC. The contribution for the year 2010-11 is proposed to be kept unchanged at Rs.14 lakh per member.

Members may please approve the proposal.

5B) ERPC FUND FOR THE YEAR 2010-11

For the year 2009-10 contribution of Rs.50000 per member was approved by ERPC. The contribution for the year 2010-11 is proposed to be kept unchanged at Rs.50000 per member. The fund is utilised for holding various meetings, workshops, seminars etc. at ERPC Secretariat.

Members may please approve the proposal.

ITEM NO.6 STATUS OF CONTRIBUTION TO ERPC SECRETARIAT FOR YEAR 2009-10, 2008-09 & 2007-08

6A) ERPC-ESTABLISHMENT FUND

6A.1. FOR THE YEAR 2009-10

In the 10th meeting of ERPC held on 11th April,2009 contribution of Rs.14 lakh per member for the year 2009-10 was approved by ERPC.

So far, contributions are pending from AEL & DPSC.

6A.2 FOR THE YEAR 2008-09

Contribution approved by ERPC : Rs.14 lakh per member of ERPC.

Contributions have been received from all the members except from **BSHPC, JUSCO and SOUTHCO.**

6A.3 FOR THE YEAR 2007-08

Contribution approved by ERPC : Rs.10 lakh per member of ERPC.

Contributions have been received from all the members except from **BSHPC and NESCO.**

6B) CONTRIBUTION TO ERPC FUND

6B.1 CONTRIBUTION TO ERPC FUND FOR THE YEAR 2009-10

In the 10th ERPC meeting held on 11th April,2009 the Committee approved the annual contribution of Rs.50,000 per member to the **ERPC FUND** for the year 2009-10.

So far contribution is pending only from AEL.

6B.2 Status of Contribution to ERPC FUND for the year 2006, 2007 and 2008-09

Contribution approved by ERPC for the year 2006 : Rs.38000 per member.
Contribution not received from : **BSHPC, Tata Steel Ltd.**

Contribution approved by ERPC for the year 2007 : Rs.38000 per member.
Contribution not received from : **BSHPC, NESCO.**

Contribution approved by ERPC for the year 2008-09 : Rs.50000 per member.

Contribution not received from : **BSHPC, JUSCO & SOUTHCO.**

Item No. 6A and 6B taken up together for discussion :

Number of letters has been issued to the defaulting members, but no payment has been received so far. As decided in the 10th ERPC meeting held on 11th April,2009, the matter has been brought to notice of MoP vide letter dated 17th June,2009 for suitable advice. Reply from MoP is still awaited.

AEL vide letter dated 08.07.2009 has declined to be a member of ERPC and make contributions thereof.

DPSC has contributed in 'ERPC Fund' for the year 2009-10, but vide letter dated 24.09.2009 had expressed their difficulty to contribute in 'ERPC Establishment Fund' on the plea of being a small distribution company.

JUSCO vide letter dated 24.09.2009 has expressed they are just in the process of starting their operations as distribution licensee and would be in a position to contribute in ERPC Forum only after reaching a minimum level of business, expected in couple of years time. Thus, **JUSCO** has implicitly declined to contribute.

There has been no response from **SOUTHCO, NESCO.**

Tata Steel Ltd. though contributed in ERPC Establishment Fund for the year of their membership, but did not contribute in ERPC Fund.

BSHPC has sent their contribution for 2009-10. Regarding contribution for previous years, Managing Director, BSHPC vide DO dated 10.11.2009 has informed that they were looking into the matter and would revert on the subject soon. However, BSHPC has not responded since then.

Regarding BSHPC, It is proposed that a letter may be issued to them informing that continuation of their membership in ERPC shall be subject to confirmation on willingness to share ERPC Secretariat expenditures at par with other members of ERPC and contribute accordingly.

Members may also decide on further course action on other defaulting members i.e. AEL, DPSC, JUSCO, SOUTHCO, NESCO and Tata Steel Ltd.

Members may please discuss.

ITEM NO.7 RENOVATION OF ERPC CONFERENCE HALL AND ERPC STAFF QUARTER (RESIDENTIAL COMPLEX)

- a) ERPC is having a Conference Hall. Regular meetings of Operational Co-ordination Sub-Committee, Commercial Sub-Committee, Protection Sub-Committee etc are held in the Conference Hall. Special TCC and Committee meetings are also held. Seminars / Workshops are also organized from time to time for the benefit of the constituents of ERPC. Senior officers from different constituents including dignitaries attend the meetings. The Conference Hall of ERPC is more than 20 years old. It has already outlived its useful life and need thorough renovation including installation and commissioning of modern facilities for conducting such meetings.
- b) ERPC is having a Staff Quarter Complex. There are 58 nos. of quarter of different categories. The Staff Quarter Complex was constructed by CPWD as deposit work of the Government of India and was handed over to ERPC during 1997. The Staff Quarters are allotted to ERLDC, ERPC officials and as well as to the constituents as and when needed, e.g. the quarters have been earlier allotted to JSEB, BSEB, DVC, etc.

ERPC has also plan to convert some of the quarters into full-fledged Guest House for utilisation by the officials of the constituents coming to attend different meetings.

Since the handing over of the quarters by CPWD to ERPC in 1997, no major renovation work has been carried out in ERPC Staff Quarter Complex. As a result, over a period of time the Staff Quarters Building has come to a bad shape. The plastering of the external portion of the building has got severely damaged in several

places. The building needs renovation work like, plastering, painting, area lighting, DG Set repairing, etc. This would bring the Staff Quarters into usable conditions.

ERPC has already obtained an estimate from CPWD for undertaking the renovation of ERPC Conference Hall and Staff Quarters as a whole. The rough estimate of CPWD indicates that an amount of Rs.90 lakhs would be required to undertake the above works.

It is proposed to form a Committee to look into (i) the optimum use of residential quarters and office space, (ii) the expenditure needed for this purpose and revert back to ERPC with its recommendations.

Members may please approve the above proposal.

ITEM NO. 8 STUDY VISIT TO NORWAY BY ERPC DELEGATES

8.1 PTC India Ltd. vide letter dated 11th November'09 had submitted a proposal on study visit to Norway by ERPC delegates, similar to the study visit arranged by them for NERPC delegates in June and October'09. PTC's proposal was discussed in the 12th ERPC meeting held on 4th December'09 at Gangtok wherein Executive Vice President, PTC briefed the members about the study visit to Norway arranged by them for NERPC delegates. ERPC members agreed in principle to the proposal of PTC for similar study visits for ERPC delegates and authorized Member Secretary, ERPC to firm up the matter with PTC.

8.2 Member Secretary, ERPC vide letter dated 15.01.2010 had written to PTC to send a detailed proposal indicating optimal number of participants in each group. Member Secretary vide letter dated 11.02.2010 addressed to members of ERPC also sought nominations from their organisations. Nominations from WBSSEDCL & NLDC have been received. From others, it is still awaited.

8.3 In response, PTC vide letter dated 12.03.2010 has submitted a tentative proposal. The salient features of the proposal are :

- a) The visit will consist of three groups.
- b) Each group will consist of at most sixteen delegates including one coordinator from PTC.
- c) The tentative dates are 24th to 30th May'10, 14th to 20th June'10 and 13th to 19th September'10.
- d) The tentative expenditure per delegate will be approximately Rs.4.50 lakh for direct payments by ERPC and Rs.5.00 lakh in case payments are routed through PTC since Service Charge @ 10.30% shall be applicable.
- e) All expenses to be borne by ERPC shall include one executive of PTC who will accompany with each group.
- f) PTC will forward the final proposal after the same is received from the Norwegian counterpart SWECO.

8.4 ERPC in its 12th meeting held on 4th December'09 has approved in principle the Study Visit to Norway. In view of the above proposal of PTC, members may please discuss and approve the following :

- i) The study visit will comprise of three groups of at most 16 delegates each, out of which one delegate-cum-coordinator shall be from PTC.
- ii) The dates for the Study Visits will be finalised by the Secretariat.
- iii) The expenditure of Rs.5.00 lakh per delegate.
- iv) Approval to the Secretariat for collecting the fees from concerned member organisation and paying directly to the agencies, if feasible, so as to avoid service tax payable to PTC.
- v) PTC to send final proposal / offer before 05.04.2010.
- vi) Expenditure for the delegates from the constituent members shall be borne by their respective organisations while expenditure for the Secretariat personnel shall be met from the ER Reactive Pool Account.

PTC may give their views for supplementing the above proposals.

Member organisations may send their nominations (limited to three) to the Secretariat before 10.04.2010.

Members may please discuss and approve.

ITEM NO. 9A SELECTION OF CHAIRPERSON-ERPC FOR THE YEAR 2010-11

The incumbent Chairperson, ERPC will complete his term of one year on 31.03.2010.

As per GoI Resolution dated 29.11.2005 “ Chairperson of ERPC would represent the States of the region by rotation in alphabetical order. Members of ERPC from the particular State would nominate the Chairperson of ERPC from amongst themselves. Term of Chairperson would be for a period of one year.”

Now it is turn of West Bengal State.

CESC, DPL, WBPDC, WBSSEDCL and WBSETCL may suggest.

ITEM NO. 9B APPOINTMENT OF CHAIRPERSON-TCC FOR THE YEAR 2010-11

The new Chairperson, ERPC may please nominate Chairperson of TCC from the State of West Bengal. (as per Conduct of Business Rules 2006 of ERPC)

ITEM NO.10 FINALISATION OF VENUE AND TENTATIVE DATE OF THE NEXT COMMITTEE MEETING

The roster approved in the first ERPC meeting held in Kolkata on 25.05.2006 is given below :

| Sl. No. | Host Organisation |
|----------------|--------------------------|
| 1. | WEST BENGAL |
| 2. | DVC |
| 3. | NHPC |
| 4. | PGCIL |
| 5. | SIKKIM |
| 6. | MEMBER, IPP |
| 7. | MEMBER, TRADER |
| 8. | ORISSA |
| 9. | JHARKHAND |
| 10. | BIHAR |
| 11. | NTPC |

Now, it is the turn of PGCIL to host the next meeting. Members may decide tentative date and venue for the next meeting.

ITEM NO.11 ANY OTHER ITEM WITH THE PERMISSION OF CHAIR

ITEM NO.12 CONCLUDING REMARKS BY THE CHAIRPERSON, ERPC

ITEM NO.13 VOTE OF THANKS BY DVC

CONSTITUTION OF ERPC FOR THE YEAR 2010-11

| Organisation / State / Category | | Organisation | Member of ERPC |
|---|-----|---------------------------|---|
| Central Electricity Authority | 1. | CEA | Member (Grid Operations) |
| Central Generating Company | 2. | NTPC | Director(Commercial) Alternate Member : Regional Executive Director |
| | 3. | NHPC | Director (Technical) Alternate Member : Executive Director (Commercial)) |
| | 4. | DVC | Chairman |
| CTU | 5. | POWERGRID | Director (Operations) Alternate Member : Regional Executive Director |
| NLDC | 6. | NLDC | Executive Director (SO & NLDC) |
| ERLDC | 7. | ERLDC | General Manager |
| Bihar | 8. | BSEB | Chairman |
| | 9. | BSHPC | Managing Director |
| Jharkhand | 10. | JSEB | Chairman |
| | 11. | TVNL | Managing Director |
| Orissa | 12. | OPGC | Managing Director |
| | 13. | OHPC | Director (Operations) |
| | 14. | OPTCL | Chairman-cum- Managing Director |
| West Bengal | 15. | WBSEDCL | Chairman & Managing Director |
| | 16. | WBSETCL | Chairman & Managing Director |
| | 17. | WBPDC | Managing Director |
| | 18. | DPL | Managing Director |
| Sikkim | 19. | Energy & Power Department | Secretary-cum-Principal Chief Engineer |
| GENCO having installed capacity more than 1000 MW | 20. | CESC Ltd. | Managing Director |
| GENCO having installed capacity 1000 MW and less (by alphabetical rotation) | 21. | Tata Power Company Ltd. | Executive Director |
| One DISCOM out of private DISCOMs in ER (by alphabetical rotation) | 22. | NESCO (New Member) | To be nominated by NESCO |
| One member representing electricity traders | 22. | JSW PTC (New Member) | To be nominated by JSW PTC |
| ERPC Secretariat | 23. | ERPC Secretariat | Member Secretary, ERPC – Convenor |