

UNIT 12

COORDINATION BETWEEN VARIOUS ENTITIES IN THE ELECTRICITY MARKET

12.1 Background

For efficient functioning of the Indian Electricity Market and successful implementation of the vision within the Electricity Act 2003, it is necessary that all stakeholders are involved in the decision making. The Electricity Act therefore provides for Advisory Committee at the Central as well as the State level. The act also clearly mentions that CERC shall strive for Coordinated Development of the Electricity industry at the national level.

The Act also envisages coordination institutions as the Central, State and District level. These provisions are a must in a democratic country like ours. This leads to more transparency in the Electricity institutions and provides a forum to various stakeholders to articulate their difficulties.

12.2 Central Advisory Committee (Section 80)

12.2.1 Establishment of Central Advisory Committee

The CERC may, by notification, establish with effect from such date as it may specify in such notification, a committee to be known as the Central Advisory Committee.

12.2.2 Members of Central Advisory Committee(CAC)

CAC can have maximum of thirty-one members. The CAC shall represent the interest of-

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- commerce,
- industry,
- transport,
- agriculture,
- labor,
- consumers,
- non-governmental organization and
- academic and research bodies in the electricity sector.

12.2.3 Ex-officio Members of CAC

The Chairperson of the Central Commission shall be the ex officio Chairperson of the Central Advisory Committee and the Members of that Commission and Secretary to the Government of India in charge of the Ministry or Department of the Central government dealing with Consumer Affairs and Public Distribution system shall be the ex officio Members of the committee.

12.2.3 Objects of Central Advisory Committee

Section 81 provides that the objects of the CAC shall be to advise the CERC on issues involving :-

- major questions of policy;
- matters relating to quality, continuity and extent of service provided by the licensees;
- compliance by the licensees with the conditions and requirements of their license;
- protection of consumer interest;
- electricity supply and overall standards of performance by utilities.

12.3 State Advisory Committee (Section 87)

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12.3.1 Establishment of State Advisory Committee (SAC)

The SERC may, by notification, establish with effect from such date as it may specify in such notification, a Committee to be known as the State Advisory Committee.

12.3.2 Members of State Advisory Committee(SAC)

The SAC can consist of not more than twenty-one members to represent the interests of electricity sector in the following areas –

- commerce,
- industry,
- transport,
- agriculture,
- labor,
- consumers,
- non-governmental organizations and
- academic and research bodies in the electricity sector.

12.3.3 Ex-officio Members of SAC

The Chairperson of the State Commission shall be the ex officio Chairperson of the State Advisory Committee. Following shall be ex-officio members of the SAC-

- Members of the State Commission and
- Secretary, Department of Consumer Affairs (State Government)
- Secretary, Department Public Distribution System (State Government)

12.3.4 Objects of State Advisory Committee

Section 88 describes that the objects of the State Advisory Committee shall be to advise the SERC on:-

- major questions of policy

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- matters relating to quality, continuity and extent of service provided by the licensees;
- compliance by licensees with the conditions and requirements of their licensees;
- protection of consumer interest; and
- electricity supply and overall standards of performance by utilities.

12.4 Coordination Forum [Section 166(1)]

:- (1) The Central Government shall constitute a coordination forum consisting of the Chairperson of the Central Commission and Members thereof, the Chairperson of the Authority, representatives of generating companies and transmission licensees engaged in inter-State transmission of electricity for smooth and coordinated development of the power system in the country.

12.5 Forum of Indian Regulators [Section 166(2)]

The Central Government has also constituted a forum of regulators consisting of the Chairperson of the Central Commission and Chairpersons of the State Commissions. The Chairperson of the Central Commission is the Chairperson of the Forum of regulators.

12.6 State coordination Forum[Section 166(4)]

The state Government shall constitute a coordination forum consisting of the Chairperson of the State Commission and Members thereof representatives of the generating companies, transmission licensee and distribution licensees engaged in generation, transmission and distribution of electricity in that State for smooth and coordinated development of the power system in the State.

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12.7 District coordination Committee(DCC)[Section 166(5)]

There shall be a committee in each district to be constituted by the Appropriate Government :-

- (a) to coordinate and review the extension of electrification in each district;
- (b) to review the quality of power supply and consumer satisfaction;
- (c) to promote energy efficiency and its conservation.

12.8 Regional Power Committee (RPP)

12.8.1 Constitution of Regional Power Committee

By virtue of Section 2(55) of the Electricity Act 2003 "Regional Power Committee" shall be established by resolution of the Central Government. The main function of the regional Power Committee shall be to facilitate the integrated operation of the power systems in the specified region.

12.8.2 Coordination on technical matter

The Central transmission Utility and the State transmission Utility may involve and coordinate with the regional Power Committee in case of planning and co-ordination relating to inter-state and intra-State transmission system respectively.

Section 29(4) provides that the Regional Power Committee in the region may, from time to time, agree on matters concerning the stability and smooth operation of the integrated grid and economy and efficiency in the operation of the power system in that region.

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12.9 Conclusion

Proactive role of the various coordinating agency can play an important role in guiding the central and state commission. The disputes between various stakeholders can be minimized through continuous interaction between the various coordinating agencies.