

OPEN ACCESS USERS ASSOCIATION(OAUA)

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Extract of the meeting dated 25.04.2014 at 4.00 PM

PRESIDED BY:

MR. JAYANT DEO – PRESIDENT – OAUA

MR. AMIT AILAWADI – SECRETARY - OAUA

MR. PRAVIN ABRAHAM – DIRECTOR – MPL

ATTENDED BY:

MR. CHETAN DAAVE – D.G.M. – MPL

MR. RAKESH BHALERAO – ASST. MANAGER- MPL AND

49 REPRESENTATIVES FROM 38 INDUSTRIES IN GUJARAT

Meeting of Open Access Users' Association was held on 25th April 2014 at 04.00 p.m. at Hotel Express Towers, R.C.Datta Road, Baroda.

After formal welcome note and introduction of the dignitaries and attendees present, Mr. Pravin Abraham proceeded to give a presentation on the issues faced in open access in Gujarat. The main points highlighted were:

1. DISCOMs' decision relating to minimum drawl of 1 MW by the open access consumer
2. Withdrawal of open access permission to consumers in DGVCL and MGVCL quoting the reason of transmission constraint in upstream due to rise in system load demand
3. Increase in STU charges from Rs. 743 / MW/day to Rs.2970 / MW/day, since April 2014 and charging of the same on the quantum of NOC issued instead of cleared quantum on the Exchange platform. Consumers have received invoice from the SLDC for the non-trading days.
4. DISCOMs have issued a warning on under drawl of more than 12% of the scheduled power. if during any time-block, actual power drawn is below 12% of the scheduled power, open access shall be withdrawn with immediate effect.

After highlighting the above 4 issues and the expenses involved in addressing them at the various statutory authorities, comments were sought from the audience. The points raised by the industries were:

1. DISCOMs have not specified the penalty on under-drawl below 12 %.
2. For cement / steel industries, maintaining the constant load throughout, is not possible and monitoring 12% under drawl is not feasible at all.
3. When a consumer is not under open access, he is allowed to draw any quantum from his DISCOM; then why this restriction of 12% under open access
4. Federation of Industries have also filed a Petition in GERC against the above points. Few of the industries present here have since been a part of the above Federation and hence the Petition. Other 3 Petitions are also filed.
5. Is there a need to file new Petition for the same issues or if OUA will support the 4 Petitions already filed before GERC ?
6. What will be the approximate expenses involved in filing Petition before the Supreme Court?

To the questions and queries raised by the industries, Mr. Jayant Deo was requested to address the audience and present his views. He addressed the issues and threw light on the various provisions of the CERC guideline and provisions of Electricity act, 2003. Mr. Deo explained that as per CERC, the State is not allowed to draw collectively at state periphery below 12% of the schedule or 150 MW whichever is less for any time block. There is a provision of penalties for any deviations. But, this is on the state as a whole and not on individual consumer. He read out the relevant portion of the CERC guidelines. Gujarat is interpreting the said provision in its own way and imposing restrictions on individual consumer industries. He also stressed that maintaining the health of the grid is also a simultaneous responsibility of the consumers. Mr. Deo agreed that monitoring of load for 12% deviation is not possible for certain type of industries ; but suggested that all industries as a collective cluster can do so, where some industries may under draw whereas the same is compensated by 100% drawl by other industries. During the discussion, Mr. Deo suggested to file a Petition with the Supreme Court directly, rather than the GERC, APTEL etc. In such a case, the Supreme Court may be requested to clarify the true and exact meaning of the opinion of the M/o Law & Justice on operationalization of open access in Power sector and issue appropriate orders to all the State Electricity Regulatory Commissions, State Electricity Boards / SLDCs and DISCOMs. This will serve as a whip to prevent the SLDC/DISCOMs in misinterpreting the regulations and the Act.

MR. Amit Ailawadi also elaborated on the need to go to the Supreme Court for clarification. He added that the expenses involved may be huge but it may be shared by members pan India, since the Apex Court's directions will be universally applicable across India. He asked the industries for their views on this. Some of the representatives were of the opinion that Gujarat's present issues may be addressed first by way of either Petition to GERC by OUA or supporting the present Petitions filed. Details if such Petitions will be tabled. Unanimously, all the presents agreed for the need to go to the Supreme Court and OUA was requested to assess and communicate the extent of expenses involved. To this, Mr. Amit Ailawadi suggested that it always does not mean that the contribution may be in the form of money. Some among the industries may sponsor a particular activity needed to be done, i.e. independent system study by external auditor or granting a place to OUA within its premises for local-level office.

On the point of GERC Petition, Mr. Amit Ailawadi suggested that OUA may suggest the GERC , if all members agree, to adopt a policy whereby the larger industries may volunteer to accept – say 10% reduction in their open access demand, thereby reducing the load on the grid. This was welcomed by all.

By the end of the meeting, Mr. Pravin Abraham again urged to the industries who have not yet signed the Corporate Membership forms to expedite the same. He further added that the issues raised by the industries and their views may be mailed to the id of marketresearch@openaccessforum.org for the record purpose.

Mr. Amit Ailawadi thanked Mr. Jayant Deo for his expert guidance and the representatives of the industries who took out time to attend this meeting and shared their views and concern.

The meeting concluded with a positive note from the participants.