

Summary Record of Discussions in the Expert Group Meeting on “Network Capacity Impact on Competitive Market Operation”.

Date of Meeting: - 19-02-2010

Venue: - Indian Habitat Centre, New Delhi

Agenda note: - Copy enclosed

List of participant: - List enclosed

Sh. C.V.J.Varma, President, Council of Power utilities, welcomed all the participants of various utilities. and he indicated that network management tools help automate, simplify, and integrate network to reduce operational costs and improve productivity. Also ensures the effective delivery of applications and services in complex IT environments.

President, CPU mentioned that there is regular funding in generation, environmental improvements but there is no funding for R&D and also discussed about the variable tariff during peak and off-peak period.

At this point , Shri Arup Ghosh, Chief Operating Officer(COO), NDPL mentioned that regulator should allow the investment on R&D, standardization of various equipment as capital expenditure to develop the infrastructure and accordingly a competitive market.

Shri Vivek, Infosys Consulting stated that the regulating agencies should allow funding in Transmission system as capital expenditure based on demand side management system. This help to develop the healthy competition. The investment in development of infrastructure will directly effect the tariff.

President, CPU then invited the participants to share their experiences on the subject.

1. Shri A. Kamesh Divisional Engineer, APCPDCL, Hyderabad made a presentation covering all aspects of Network Capacity Impact on Competitive Market Operation. He further submitted that APCPDCL provide the free power for agriculture sector during off-peak hours but in scattered manner. He further submitted that there are some private generating stations ,and supplying power to bulk consumers, so in the open market access system there should be a dedicated transmission line for the private users/utilities . A copy of the presentation is enclosed
2. Shri Arup Ghosh, COO, NDPL submitted that Transmission infrastructure should be developed before the open market access system and a dedicated line for supply to bulk consumer.
3. Shri Ajay I Kumar, Addl. Vice President,, BSES Rajdhani Power Ltd., Delhi mentioned that regulatory agencies should provide the performance guidelines for transmission companies including incentives/ disincentives depending upon the performance. Transmission companies must have a long term PPA with the generating companies based on the demand side management studies. An assured return, as part of Tariff on the investment made for the development of transmission infrastructure will encourage the private developers and financial institute for investment/funding.

4. Shri Sajjad S.Rizvi, Vice President, BSES Yamuna Power Ltd. submitted that transmission companies should maintain the transmission network according to peak demand, in the competitive market .Generally the transmission lines are design for 1.5 times the load carrying capacity, transmission companies should develop the transmission network accordingly.

Some members suggested transmission corridor should be identified by the central/state governments. This will help private developers involvement in Transmission infrastructure, also Performance incentives/disincentives/for transmission companies, to develop healthy competitive market.

Sh. C.V.J.Varma, President, Council of Power utilities, concluded the discussions with observation that there is need for development of Transmission infrastructure, Performance based incentive/disincentives for transmission companies, fixed return on investment in infrastructure , dedicated transmission line for bulk consumers.

He requested the participants to give their views on the agenda note and send to CPU even after the participant return to their place of work.

The meeting ended with a vote of Thanks to the participants