

MINISTRY OF POWER
Government of India
Minutes of the Conference of Power and NRE Minister's of States/UTs
held on 26th – 27th February, 2019 at Gurugram, Haryana

1. The Ninth Conference of Power and Renewable Energy Ministers of States & Union Territories was held on 26th – 27th February, 2019 at Gurugram, Haryana. Following is the gist of discussions held and decisions taken.
2. Secretary (P) in his welcome address stated that the electricity sector is one of the fastest growing sectors in the country. Electrification of all villages has been achieved. The target of 100% Household electrification has been achieved except for few households in two States.
3. We have enough generation and transmission capacities. Energy shortage have come down to less than 1%. Some of the challenges faced by the power sector include, strengthening of DISCOMs, implementation of New Environmental Norms by 2022 and reducing our carbon foot print.
4. With the increased use of electricity, the carbon foot print is going to increase. Star rating program/building codes need to be implemented. Carbon foot print is to be reduced in terms of GDP. For Electric Vehicles, charging infrastructure guidelines have been issued. States to identify nodal agencies for the same
5. Hon'ble Minister of State Power & NRE (I/C) stated that during the last 4 ½ years power sector in India has been transformed. We have electrified all remaining villages and now we have moved in a direction of electrifying all households. In electrifying all households we achieved the targets in all States except a few households in Chhattisgarh and Rajasthan.
6. In last 4 ½ years India has transformed itself from power deficit country to exporter of power country by adding 1 Lakh MW of generation capacity. We have added more than one lakh circuit Km of transmission and now the whole country is on one grid at one frequency seamlessly transmitting power from one place to other place. The highest transmission line in the world is Ladakh and Kargil has recently been dedicated by the Hon'ble Prime Minister to the Nation. We have strengthened our distribution system and are now in a position to achieve our target of 24X7 power supply to all households.

7. Govt. of India is supporting schemes for strengthening distribution system necessary for providing 24X7 power supply to all households. Under the UDAY scheme of Govt. of India the burden of debt on DISCOMs has come down. Combined losses of DISCOMs have come down from Rs. 54,000 crores to Rs. 17,000 crores in last two years.
8. To achieve the target of 24X7 power to all households we have successfully run biggest programme in the world under SAUBHAGYA by electrifying 25 Million households in a shortest timeframe of 15-18 months.
9. The challenges before us are:-
 - I. Providing 24X7 power supply to all: All States have signed MoU for 24X7 Power to All. From April, 2019 States need to ensure providing 24X7 power supply to all consumers except Agriculture consumers. For Agriculture consumers, supply duration can be 8-10 hours a day, to conserve ground water.
 - II. Challenge of meeting increased electricity demand.
 - III. After successfully electrifying all villages and also more than 25 Million households under 'SAUBHAGYA' the demand for electricity is bound to increase. This will further increases during summer months.
 - IV. The sector can be sustained only if DISCOMs remain viable. Reduction of losses by DISCOM, improving collection efficiency, shifting towards pre-paid metering and accounting for each unit of electricity supplied are the measures necessary for sustainability of the sector.
 - V. Standards of service: Service standards to be laid down by all DISCOMs for providing reliable quality power supply to all consumers.
 - VI. Implementing New Environment Norms: In view of the Hon'ble Supreme Court order, New Environment norms are to be implemented in all generating plants by the year 2022 in a phased manner.
 - VII. The country has pledged to have 40% of installed capacity by Non-Conventional sources by the year 2030. We have also set a target of 175 GW of RE capacity by year 2022. Even with high RE Capacity, Coal power is going to be there to provide reliable supply of power, which is our first priority.

VIII. HMoSP emphasized on the need of fulfillment of commitment made by the country to the United Nations Framework Convention on Climate Change on Intended Nationally Determined Contribution (INDC). He pointed out that there is urgent need to go for renewable sources to leave behind a healthier Earth for our future generations.

10. Distribution

Presentations were made by JS(Distribution), covering following broad issues:-

- I. Prevailing AT&C losses, unsustainable borrowings by DISCOMs, huge increase in Regulatory assets, high cost of power purchase, Government over dues, very high cross subsidization making the industrial sector unviable were some of the concerns raised by Ministry of Power.
- II. States raised the issue that Government of India should provide some support/subsidy through PSDF/Clean Coal Cess fund to meet the expenses towards installing Pollution Control Equipment (PCE) in compliance with the New Environmental norms. (Action: JS(Thermal)/CE(OM))
- III. The issue of cross subsidy in Tariff to be looked into broader perspective. If industrial tariff is on higher side, the industry may not come in that State, which will affect employment.
- IV. CERC and SERCs to be invited in the next Power Ministers' Conference.
- V. Smart Meters in pre-paid mode and use of ABC cable shall resolve the issues of meter reading, billing, payments and theft etc.
- VI. Dedicated police stations may be identified / set up for dealing with electricity theft. Strong execution and governance structure is required to implement smart meters project. (Action: All States)
- VII. Under-Ground Cabling projects in distribution and supply of electricity – Commercial financing may be provided by PFC/REC as these projects have very low payback period.
- VIII. UP raised issue of disposal of old meters in view of installation of Smart Meters. It was informed that business models do exist which can be examined.

- IX. The two schemes for Smart Metering and ‘Scheme for ABC Cabling’ were shared. State demanded to include underground cabling also to ACB cabling scheme, which was agreed upon.
- X. Regarding ensuring 24X7 power supply, a suitable objective monitoring system is required. Telangana shared their monitoring system. States to put 24X7 supply monitoring system by December, 2019. (Action: All States)
- XI. Uttarakhand raised the issue of possibility of negotiating/reviewing legacy Gas Power PPP and promotion of Hydro Plants. Action JS(Hydro/Thermal).

11. Thermal

- I. During the Power Minister Conference, the issues related to power sector such as preparedness of power plant for new emission norms, stress in the power sector, coal supply situation, outstanding payments and remedies to the prevailing issues were discussed in detail with the participants.
- II. The States were advised to increase the Plant Load Factor (PLF) from the present levels in respect of the power stations located in their States and were informed about the proactive actions taken by the Ministry to mitigate the anticipated coal supply issues, installation of emission control equipment.
- III. The States were informed that in view of the expected increase in power demand in the next few months till monsoons, Ministry of power has issued advisory (placed on website of Ministry) to the power plants, CEA and other stake holders on 07.02.2019:
 - a. All pit head generation and coal and rake supply should be maximized immediately. All pit head plants to be given priority in coal and rake allotment for full PLF irrespective of their ACQ/FSA, in this period,
 - b. Central and State Government plants should be given more responsibility and must be encouraged and facilitated to gear up their generation to provide uninterrupted power at appropriate price to consumers in this period,
 - c. All power plants to be advised to be watchful and to maintain plant availability and adequate coal stocks as per norms, in this period and,
 - d. Imported coal based plants to have adequate stocks to meet demand.

- IV. The States of Karnataka, Maharashtra, Punjab, Andhra Pradesh, West Bengal, Uttar Pradesh and Tamil Nadu informed that the coal supply constraints is one of the major reasons for low PLF of the power plants located in their States.
- V. The States were advised to expeditiously place order for the emission control equipment, failing which they may be forced to close down their power plants. The power plants were also advised to take necessary steps to maintain adequate coal stocks during the upcoming months to maintain uninterrupted power supply.
- VI. The States while referring to the cost of installation of emission control equipment brought out that the incremental cost due to this equipment is making the power costlier and would require funds in the form of grant from PSDF / National Clean Energy & Environment Fund (NCEEF).
- VII. The participants were informed that some projects out of the stressed projects are now performing and the enabling support (like PPAs, release of outstanding dues, etc) of States was required for the projects to come out of the stress. The States were also informed about the problem faced by the power plants in the land issues related to power project, mines, coal transportation and the support of the States was solicited.
- VIII. UP raised the issue of burden of transportation cost of fly ash paid by the power plants to the ash users, as required under the MOEF&CC notification. It was informed to the participants that this matter will be examined by Ministry of Power to alleviate the burden of transportation cost on the power plants.
- IX. Punjab raised the issue of non-supply of washed coal to them as per UDAY MoU from October, 2018 and less supply of coal than contracted ACQ.
- X. Haryana raised the issue of Third Party Sampling of coal being not carried out at the receiving end. Ministry noted this and assured to take up with CIMFR for facilitation.
- XI. The States were advised to honour the Power Purchase Agreements (PPAs) signed by them.

12. Transmission:

Presentation was made by CE(OM).

- I. The expansion of transmission system in the country was highlighted. TBCB mode was successfully used for expansion of Inter State Transmission Systems (ISTS). States were advised to adopt TBCB mode for Intra – State Transmission projects. (Action: All States)

II. International Practices on Sale / Purchase of Power:

A detailed presentation was made by CE (R&R, OM and Trans), MoP on the status of present power purchase by the Discoms and the road map ahead to optimize the power purchase cost by the Discoms. Emphasis was given to increase the share of power purchase from market from the present level of 3 % to a higher level as is being experienced in other countries. States were requested to increase sell and purchase of power from market/ exchange particularly the URS power. States must release their URS power, if not required, in exchange so that they do not carry the liability of paying the entire charges to the generators. Further, it was also explained that efforts are being made to enable the long term/ medium term power purchases under capacity or energy markets.

MoSP(I/C) directed to study systems in detail regarding capacity contract agreements of USA, UK, etc. for understanding and further discussions.

States/ Discoms may also like to orient themselves to optimize the power purchase.

III. Inter-state & Intra state transmission system status and International practices in transmission:

A detailed presentation was made on the transmission system by CE (Trans), MoP. States were requested to build more transmission lines adopting the N-1 or N-1-1 planning criteria so that the 24x7 power is made available to all its consumers. States may also like to adopt the Tariff Based Competitive Bidding Route for implementation of the transmission system in the state.

On a query regarding dual PoC Transmission Charges levied for the energy being traded by the DISCOMS, It was clarified that a committee has already been formed and is looking into the PoC mechanism. The proposal having one single transmission

access charge for all beneficiaries was made. States may like to send their response in this regard.

MNRE pointed out that conventional thermal generation used to take 3-4 years in installation and in the meantime transmission system also used to be established. However, in case of renewables, generation comes in 18 months time and transmission, even with best efforts takes around two and a half years, so there is mismatch. In renewable resource rich areas we should plan transmission system for next four years, so that when RE developer is ready with generation, the transmission is available.

MoSP mooted the idea of de-linking Generation and Transmission development keeping in view of the quantum and pace of RE Generation. MoSP also stated that in the manner High Capacity Power Transmission Corridors (HCPTC) have been established through high capacity AC and HVDC transmission systems in the past, now in order to facilitate renewables development in the Country we may plan similar kind of transmission system in advance.

13. Less Carbon Intensive Economy (Energy Efficiency):

Presentation was made by DG, BEE.

- I. In the presentation, decoupling of energy intensity with GDP was highlighted as it is happening in the developed countries. India achieved electricity savings of about 86.1 Billion units in 2017-18, which is equivalent to savings of Rs 41799 crore. There is additional thermal savings of 9.41 mtoe which is equivalent to Rs 11,828 crore. Total energy savings of 16.62 mtoe was achieved which is equivalent to Rs. 53,628 crores and resulting in CO₂ emission reduction of 108 million tonnes.
- II. Various programmes of Energy Efficiency were highlighted like Perform, Achieve and Trade (PAT) scheme, Standard & Labeling (S&L), Energy Conservation Building Code (ECBC), Unnat Jyoti Affordable Lighting for All (UJALA) and Street Lighting National Programme (SLNP)
- III. Uttar Pradesh suggested deployment of professional staffs having domain expertise in State Designated Agencies (SDAs). MoP/BEE to ensure deployment of expert manpower in SDAs. (Action: EA/ DG, BEE)

- IV. BEE was advised to consider reduction in the usage of coil heaters and incandescent bulbs, to promote efficient use of energy and its conservation. (Action: DG BEE)
- V. NTPC suggested that after the successful implementation of first PAT cycle, BEE may consider benchmarking of energy intensive Thermal Power Plants based on stipulated energy performance.
- VI. Madhya Pradesh raised concern for replacement of LED bulbs. Hon'ble MOSP (IC) directed EESL to do analysis of manufacturer-wise failure of LED bulbs and blacklist manufacturers whose failure rate is very high. There should also be replacement of LED bulbs promptly in such cases. (Action: MD EESL)

14. Renewable Energy Sources: less carbon intensive economy

Additional Secretary, MNRE made a brief presentation where the present status of progress in renewable energy sector made so far was presented along with detailed information on newly approved schemes of the Ministry such as Kisan Urja Suraksha Evam Utthaan Mahabhiyan (KUSUM), Solar rooftop phase II, etc was given. This was followed with a short movie on success of solar PV based cooking system distributed in village of Madhya Pradesh.

After detailed discussion with States/UTs on various issues related to Renewable Energy Sector, following directions were given to States for implementation:-

- I. Energy efficient pumps (4 star rated or more) must be encouraged in the recently approved KUSUM scheme and other schemes being implemented by the States/UTs.
- II. Possibility of integrating drip irrigation techniques with solar pumps in the recently approved KUSUM scheme may be explored in order to conserve ground water.
- III. States/UTs were requested to work with Technical Assistance agencies such as World Bank, ADB, GIZ & EU for developing single window clearance portal and demand aggregation for better implementation of newly approved solar rooftop program phase II.
- IV. States/UTs may also promote solar rooftop plants in non-subsided sector keeping in view the huge benefits in terms of power tariff to these consumers.

- V. States/UTs are requested to identify barren land available for developing RE parks in the state which will lead to additional income for farmers from leasing of land for these projects.
- VI. Gujarat Government may resolve the pending issues immediately for wind power projects auctioned in SECI III, IV and V bids.
- VII. States/UTs must ensure Renewable Purchase Obligation (RPO) compliance and penalty may be invoked for non-compliance of the same.
- VIII. States/UTs may bid out solar and wind energy projects on their own in order to meet 175 GW target by 2022.
- IX. States may start preparation for implementation of new scheme like KUSUM, SHRISHTI, etc.
- X. States may take step for identification of lands and fixing of land rates for new RE parks to be set up for 50 GW.
- XI. States may use their good office with Member of Parliaments from their states to get proposals under AJAY Phase-II scheme.
- XII. Implementation under GEC phase-I needs to be expedited. CEA may expedite proposals under GEC phase-II.

15. Suggestions/issues raised by State/UT Governments

- I. Odisha: Possibility of using solar PV based cooking system for cooking mid-day meals in schools or SC/ST hostels in the State may be explored. (Action: MD, EESL)
- II. Telangana: State Government informed that single portal for rooftop solar plants in the State is already operational and CII is promoting the rooftop program in the State. Technical assistance must be provided to implementing agencies in the State for better implementation of solar rooftop program.
- III. Kerala: State Government enquired about the role of DISCOMs as implementing agencies in solar rooftop program and associated benefits to DISCOMs for implementation of the program in the State.
- IV. Uttar Pradesh: State Government informed that single portal for rooftop solar plants in the state are already operational. Provision of aggregation of land for small scale solar plants under KUSUM scheme may be kept in guidelines being finalized.

- V. Maharashtra: State Government informed that single portal for rooftop solar plants in the state are already operational. A tender for 1 lakh solar pumps based on MNRE specifications has been opened recently.
- VI. Gujarat: There is huge demand of solar rooftop in the State. State Government informed that single portal for rooftop solar plants in the State is already operational. State Government also informed that land policy for renewable energy projects is at final stages of approval. A similar scheme for promoting solar pumps in the state is being implemented. State Government suggested that size of solar panels should be minimum 1.5 times the capacity of pump. Also increase permissible limit for pump capacity form 7.5 HP to 10 HP. Commissioning schedule of the Green Energy Corridor (GEC) for the state will be adhered to.
- VII. Tamil Nadu: State Government suggested that size of solar panels should be minimum 2.4 times the capacity of pump. A similar scheme for promoting solar pumps in the state is being implemented. Issues pending in implementation of Green Energy Corridor (GEC) project in the state are being resolved at the highest level. One LIDAR system for offshore wind measurement has been installed in the state with 2 more systems being installed. New solar policy being finalized to fulfil RPO targets. States with huge renewable energy generation may be compensated for backing down conventional power. Issue of penal provisions in Deviation Settlement Mechanism (DSM) for renewable energy rich states may be resolved at the earliest.
- VIII. Haryana: Guidelines for implementation of KUSUM program may be notified at the earliest.
- IX. Jammu & Kashmir: Issues related to small hydro power projects under Prime Minister Development Package (PMDP) may be resolved at the earliest.

The session ended with the vote of thanks to the Chair.