The List of Members present, Members absent (with Notice/leave of absence) and Members absent (without notice) is enclosed vide Annex.

The Chairman welcomed all the Members of the Advisory Committee to the meeting. He introduced the new Members of the Commission namely Sri. Vishwanath Hiremath and Sri. K.Srinivasa Rao to the Advisory Committee. The new Member to the Advisory Committee namely, Sri. L.Ravi, President Karnataka Electricity Board Engineers Association was also introduced to the Committee.

23.1 Confirmation of the minutes of the previous meeting:
The proceedings of the previous meeting were confirmed.

23.2 Discussion on Demand side Management, Energy Conservation and Loss Reduction:

a. Demand Side Management (DSM):

Director Technical KERC informed that the subject was discussed in the previous meeting and all the ESCOMs were requested to furnish a report on the measures taken to implement Demand Side Management on the lines of the initiatives taken by BESCOM. Sri B.G. Rudrappa Member suggested that according to a CEA study, by replacement of incandescent lamps by CFL lamps, the country could save 6000 Mws capacity that would cost about 24000 to 26000 Crs, whereas, the cost of replacement of incandescent lamps would be only about Rs. 2000 Crs. If there were a well drawn out programme by ESCOMs, such
exercise would result in substantial energy savings. However, he added that the effect of harmonics on distribution transformers by use of CFLs has to be examined through R & D studies. As regards IP sets, he stated that the existing 1.7 million IP sets have an energy efficiency of about 50 to 60% only and these motors could be replaced by more efficient motors, which would result in savings of few hundred MWs. The task of replacement of existing motors could be organised through Public-Private Participation (PPP) model, as GoK/ESCOMs alone cannot handle this effectively. He suggested that the task of replacement of IP set motors by energy efficient motors could be entrusted to ESCOs who would meet the initial cost and thereafter Energy Service Companies (ESCOs) and ESCOMs could share the benefits of savings thereon.

Sri Chandrashekhar, Member suggested to provide incentives to the consumers who use solar energy for lighting as such measures would result in energy savings. M.G. Prabhakar observed that the Society in general would be benefited by implementation of DSM measures.

The Chairman desired to know from the members as to what motivation was available for ESCOMs to implement the DSM measures. He opined that since ESCOMs are not in a position to finance the cost of DSM, they are not in a position to take up DSM measures. Even if ESCOMs were to take up DSM, the benefit of savings would be a pass through to the consumers. Hence there is no incentive for ESCOMs to adopt DSM measures. Since the consumers are the beneficiaries of DSM measures, ESCOMs could educate/encourage the consumers to adopt DSM measures in their own interest. As regards IP sets, the Chairman stated that there is a need to have suitable DSM measures in respect of IP sets for which energy bills are being paid by the Government in the form of subsidy. The energy savings in respect of IP would therefore directly benefit the Government. Hence he suggested that GoK needs to be advised to initiate suitable DSM measures in respect of IP sets. It was therefore decided that a
group consisting of Sri B.G. Rudrappa Sri Chandrashekhar, Sri L. Ravi Members of the Advisory Committee and Sri M. Nagaraj Director Technical KERC would suggest suitable measure for implementation of DSM for advising the Government. It was also decided that the Group will submit suitable draft advise to be sent to the Government.

b. Loss Reduction:
Sri B.G. Rudrappa stated that, the total installed capacity of the distribution transformers in BMAZ area, which was about 7000 MVA, is more than four times the peak load requirement. He observed that such large addition of distribution transformers would result in higher ‘No Load Losses’ in the system. According to him considering a peak load of 1500 Mw for Bangalore, the transformer loss would be around 50 MWs. MD BESCOM was requested to examine this aspect.

c. Pre-paid Metering:
Sri M.G. Prabhakar appreciated the initiatives taken by BESCOM and MESCOM in providing prepaid meters to consumers who had opted for the same. He further informed that ESCOMs shall take steps to provide Pre-paid metering to those of the HT consumers who opt for the same. He requested the Commission to formulate necessary regulations in this regard. The Chairman observed that pre-paid metering is to be provided by ESCOMs only in cases where the consumers opt for the same and cannot be made compulsory and hence there is no need to formulate any regulation/ guideline in this behalf.

23.3 Interim Report of the Sub-group on creation of a fund:
Sri Y.G. Muralidharan Consumer advocate, informed that report of the sub-group on creation of a fund, has been finalised and circulated among the members of the sub-group for their views before submission to the Commission. Sri B.G.
Rudrappa, Chairman of the Sub-group agreed that the final report would be placed before the next Advisory Committee meeting.

23.4 Displaying Gist of KERC Regulations:
Sri Venkatagiri Rao, Member informed the Committee that ESCOMs were expected to display gist of the three regulations relating to protection of consumers' interest, on the notice boards in the subdivisions. It was decided that ESCOMs would exhibit the gist of these regulations on the notice boards of all the subdivisions so as to create awareness among the consumers. The ESCOMs were also requested to post these details on their websites.

23.5 Any Other subject:

1. Sri. M.G.Prabhakar, Member observed that ESCOMs were not paying interest on Meter Security Deposits. He further suggested that, at the end of each financial year, ESCOMs may indicate the details of the deposits held by them and any short claims to be raised from the concerned consumers in their energy bills. Such a system would update the consumers about their deposits on a regular basis. He also requested to continue the concessions available to IT/BT installations without any cut off date. The Chairman requested the ESCOMs to examine this.

2. Sri Venkatagiri Rao Member observed that ESCOMs and KPTCL were not providing information even when the same was sought under RTI Act. Chairman suggested that, KPTCL/ESCOMs were requested to take the matter seriously and provide required information without any delay.

3. Sri B.G.Rudrappa stated that the merchant plants could sell the power generated by them to a trader at exorbitant rates thereby defeating the very objective of making the power available at a reasonable rate. The Chairman clarified that the selling of power by the merchant plant to a trader at
competitive rates cannot be curtailed since generation is a delicenced activity under the new Electricity Act 2003..

4. Sri Sathyanarayana Udupa suggested to provide incentive to the consumers of solar energy for the savings arising due to non-purchase of high cost energy during peak hours. The Chairman clarified that any savings would be reflected in the ARR and get passed on to consumers ultimately. Sri Udupa also suggested that the cases relating to accidents should be brought under the purview of Ombudsman. It was clarified that this is not envisaged in the Electricity Act. Sri Udupa also suggested to establish more no. of CGRFs in a ESCOM and conduct the proceedings nearer the places of the consumers. It was clarified that the Electricity Act 2003 does not envisage constitution of more than one Forum, however, the Ombudsman/CGRF could conduct the proceedings at different places convenient to the consumers.

5. In view of completion of the tenure as Members of the Advisory Committee Sri Prabhakar and Sri Venkatagiri Rao, thanked to the Commission and the Members of the Advisory Committee for all the support and co-operation extended to them.

The Chairman thanked all the Members and the participants and concluded the meeting.

Sd/-

Chairman
No. J/02/1/  

Date 2nd January 2009

Copy to: All the Members of the Advisory Committee

Copy to:
PS to Chairman/Member-1/ Member (Tech),
Secretary/ Director (Tech)/Director (Tariff),
Consultant CA/TAC/Consultant, (Tech)-1&3/
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Secretary
KERC