

Proceedings of 1st Meeting of Co ordination Forum held on 24.01.05.

The first meeting of the Coordination Forum constituted by Government of Assam in accordance with Section...of the electricity Act, 2003 was held at 11 AM on 24 January 2005 in the office of the Commission, Guwahati. The order constituting the Forum is at Annexure I which also gives the membership. The Chairperson AERC presided over the meeting. The Chairperson welcomed the members which was followed by a brief introduction of the participants. The Agenda (Annexure-II) for the meeting had been circulated among the members earlier. (

1.2. In his opening remarks the Chairperson he provided an overview of the power scenario of the state of Assam, highlighting the emphasis required to be given for improvement of the power supply position in the state. Much is expected of the reform initiative taken by the Government and consumers of electricity are looking forward to the benefits of quality power supply in days to come. (Speech at Annexure-III).

2. Agenda Items-1 & 2.

(MENTION THE IYEM(S) IN BRIEF)

2.1. As the subject matters of agenda items 1 and 2 were similar, they were taken up for discussion together. The CEO, Assam Electricity Generating Corporation(or Company? Also, Limited?), Shri A(full name please) Bora, presented a status of generating stations under the organization and steps initiated for improvement of performance. Brief data on the generating stations in the State sector was circulated among the members (Annexure IV) The performance of these stations is found to be far below the optimum level. One of the reasons stated for underperformance of LTPS is non-availability of adequate gas supply from ONGC. The submission of Mr A Bora is appended in Annexure-3(Is this different from the Data sheet? If not, perhaps there is no need for any submission to be appended?).

2.2. During discussions on this topic, Shri Abhijit Barua(Pl check spelling-does he writes 'Barooah?'), member representing CII, stated that shortage of gas for LTPS appears to have been a chronic problem. The suggestion he made for switching over the gas contract from ONGC-GAIL to OIL-AGCL was found to be valid if reliable gas supply can be assured through such an arrangement. It was agreed that this option should be explored at the appropriate level in co-ordination with Government of Assam at the earliest.

2.3. Regarding revival of BTPS, Principal Secretary, Power GOA, informed that ASEB & GOA have initiated some steps including that of a tie up with NTPC. Shri Barua suggested that it may be appropriate and useful to consider revival of the plant by calling for offers from a wide section of interested parties through open tendering, including public and private sector parties. . He expressed hope that the outcome of such a move shall be beneficial for the state.

2.4. Some preliminary examination of conversion of CTPS into a coal based station as coal is easily available in Assam was initiated. However, such an arrangement was found to be not feasible as the sulphur content in Assam coal is high and coal was found to be inappropriate for the type of machines available at the stations(Only CTPS is being discussed here, and not BTPS also?). Transportation of coal from outside Assam to Chandrapur and space constraints in Chandrapur for storage and handling of coal were also found to be big problems. In view of all these factors, the possibility of running CTPS on coal was not likely to be feasible.

2.5. In regard to adequate gas supply to LTPS station, Chairman, ASEB stated that necessary steps to ensure enhancement of gas supply will be effective within one year. If necessary purchase of gas at market rates, instead of at a concessional rate, might have to be considered as the only option available, due to the fact that gas suppliers often hesitate to contract gas supply at a concessional rate, which is almost half of the market rate at present.

Agenda-3:

(MENTION ITEM HEADING IN BRIEF)

3.1. Shri Bora, CEO, AEGCL mentioned the proposals taken over by the Corporation(or Company?) (from ASEB?) for setting up new generating stations in the state. This is in addition to on going 100 MW KLHEP, work on which is in progress. The details of other proposals are placed in Annexure-4(No. to be changed?).

3.2 The Chairman, ASEB explained the detailed status of Karbi Langpi HE project.

- (a) The construction of Hydraulic Dam is in progress.
- (b) Regarding electro-mechanical machineries supplied by M/S Sumitomo Corporation of Japan, the conditions of these has already been examined by the manufacturer and reported as satisfactory for use.
- (c) Power Finance Company Ltd.(?) has agreed to finance the balance portion of funding on the strength of assured counter guarantee from GOA.
- (d) All contracts under suspension are in the process of revival for which discussions are in progress.
- (e) For evacuation of power from the project, a ...km long 220 KV line was once completed But now it is seen that almost all materials of the line have been stolen. . For reconstruction of the line one consultant has been engaged for preparation of a DPR for seeking finance from Financial Institutions.

3.3. Chairperson, AERC requested the concerned entity to fix a firm committed date for commissioning of the KLHEP and suggested that the Commission be kept informed of the progress of all ongoing projects. He also suggested that since there is scarcity of gas, perhaps setting up of the 120 MW coal based Bargolai project may be explored at an early date.

Agenda-4:

(PL MENTION HEADING IN BRIEF)

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- 4.1. The performance of Central Sector Generating Stations of this region, from which firm allotments are given to the state, was discussed. The power production of hydro stations during the winter months tended to be below design energy of the stations is a matter of concern. Regarding performance of 291 MW AGBPP station under NEEPCO, it is observed that the station is delivering only 230 MW maximum power. This results in greater shortage of power during evening peak hours. It is decided that the matter will be taken up at the appropriate level by ASEB and GOA at the NEREB forum and in the NEEPCO's Board meeting. If necessary the matter may be taken up at the CERC forum by AERC.
- 4.2. The performance of all CSGS's, as reflected in the adherence to declared availability monitored by NERLDC is to be critically watched and shortfalls if any are to be brought to the specific notice of all concerned authorities regularly at frequent intervals, say weekly. Principal Secretary, Power, GOA, and Chairman, ASEB assured for a co coordinated action in this regard.
- 4.3. As no representative from central power agencies were present in the meeting, the matter may be more fully discussed in future meetings of the Forum in their presence.**
- 4.4. It was seen that one factor which led to shortfalls in Hydro-power CSGS's production was that many of them, such as Ranganadi HEP had no storage reservoir, with the result that they were entirely dependant on the flow of the rivers on they were built. This was an inherent shortcoming of ROR hydro stations. On the other hand, the north east is touted as the future storehouse of energy. As gas and similar hydrocarbon resources are dwindling assets, the deleterious impact of which is already seen in the shortage of gas supplies to LTPS, NTPS as well as AGTPP, it is necessary that the immense hydel potential of the region be fully explored. Therefore to overcome this grave shortcoming of hydro stations taken up in this region, it was agreed that construction of storage type hydro stations which is only possible option to mitigate the problem of shortage of power during winter period should invariably be taken up.**

Agenda-5 & 6:

(PL MENTION ITEM HEADING IN BRIEF)

- 5.1. Shri. S Rahman, CEO ASGCL (first time this occurs, please write in full) stated that steps for augmentation of transmission capacity have already been undertaken. The details placed by him in this regard are in Annexure- 5.(?) The present constraints in the transmission network and likely improvements of conditions after completion of the schemes are contained in the brief.

5.2. It was explained that transmission of power from central sector generating stations is done by PGCIL for which they are allowed to charge 35 p/kwh as transmission charge from beneficiary states, which is a part of their fixed cost recoverable against their investment. However, this is not practice adopted in other regions of the country, where PGCIL recovers full cost of investment in the form of Annual Fixed Charge from the beneficiary states. In spite of that the tariff charge of PGCIL is highest in this region. It is also informed that Assam and other states are now arguing for uniform tariff for entire country instead of fixing tariff on regional basis at different fora.

5.3. In this regard Shri Abhijit Barua(spell?), representing CII wanted to know about share of Assam from upcoming mega hydro projects coming up in this region and arrangements for transmission line for evacuation of power. It was informed that all such projects will be connected to the main 400 KV trunk lines of PGCIL and transmission lines for connecting the States will be constructed/augmented from nearest PGCIL sub-stations depending upon the demand and allocated supply. It was also informed that, although NHPC, for instance in the case of Lower Subansiri HEP had written to ascertain the respective demands for power from different stations before project approval,, the final allotment of power will be made by GOI after ultimate approval of the projects. **The Chairperson expressed concern at the apparent delay by ASEB and GOA in staking their claim of share from the 2000 MW Subansiri Hydel Project. It was agreed that it is important to take prompt action in the future by the licensees of the state as there were many power hungry states in the rest of the country who are likely to grab power allocations from CSGS's even if the initial price quoted may appear to be high. Besides, it is well known that the cost of hydro stations goes down after some time as there are no high running charges like in the case of thermal stations.**

Agenda: 7, 8 & 9.

(PL MENTION AGENDA ITEM HEADINGS IN BRIEF)

6.1. Shri Paban Kumar Barthakur, CEO Discoms, stated that steps have been taken to improve quality of supply in different areas of the state under various schemes. Details furnished are placed in Annexure-6(?).

6.2. In this regard progress of the computer billing program undertaken in Guwahati Electrical Circle-II under Lower Assam Distribution Company Limited area was discussed. **Chairperson requested to collect a consumer feed back response to the new scheme. It is also decided that all schemes undertaken as part of APDRP/ADB/NLPRS(?) should be reviewed quarterly and report should be submitted to the Commission.**

6.3. Shri. Abhijit Barua(spell?) wanted to know the status of incomplete projects. **The Chairperson also asked the official members of the Forum to submit a report on these half-done/incomplete projects in the next meeting.**

6.4 All proposals submitted in the meeting shall be reviewed thoroughly in the next meeting likely to be convening in the month of April'05. All responsible authorities were

requested to properly review the schemes at their levels prior to submission of report to the Forum.

Agenda: 10:

(PLEASE MENTION HEADING IN BRIEF)

7.1. The status of Regulations issued by the Commission and sent for due notification by the Government of Assam was placed in the meeting. The list and status of the regulations are placed in Annexure- 7.(?) Chairperson appreciated the steps taken at the instance of Principal Secretary (Power) to expedite the process of notification of regulations which had been pending for long. Shri. S.K.Srivastav, Principal Secretary (Power), assured that steps will be taken to expedite notification of the few regulations still; pending.

NOTHING ABOUT CONSUMERS' SATISFACTION/ GRIEVANCE REDRESSAL/REVENUE REALISATION?

The meeting ended at 14:30 hours with the Chairperson expressing gratitude to all participating members and other officers of concerned departments. Special thanks were given to the non official members Dr Anil Kumar Goswami and Shri Abhijit Barua for attending the meeting inspite of their busy schedule and making valuable contributions to the deliberations.

Annexure 8 – List of participants