



13<sup>th</sup> January, 2020

To,

**Shri Saurabhbhai Patel**  
Hon'ble Minister of Energy and Petrochemicals  
Swarnim Sankul-1, 1st Floor, Sachivalay,  
Sector-10  
Gandhinagar-382010

**Sub: Submission of pending issues related to Energy**

Respected Sir,

Warm greetings from Gujarat Chamber of Commerce and Industry (GCCI).

Sir, at the outset we would like to thank you on behalf of members of the GCCI and Office Bearers for accepting our invitation and attending the Interactive Session on Renewable Energy on 9<sup>th</sup> January, 2020.

Sir, as per your direction we have compiled the issues/suggestions and responses. Which are attached herewith.

We look forward to your kind attention to these issues and resolving the same as early as possible.

With regards,

Sincerely,

**Durgesh Buch**  
President

**Durgesh V. Buch**  
President

**Natubhai Patel**  
Sr. Vice President

**Bhargav Thakkar**  
Vice President

**Sanjeev Chhajer**  
Secretary

**Dilip M. Padhya**  
Secretary (R)

**Pathik S. Patwari**  
Treasurer

Sr. No.	Issue	Suggestion	Reply from Hon'ble Minister
1.	<p>The Government of Gujarat (GoG) has declared Solar Power Projects – 2019 policy for development of 0.5 MW to 4.00 MW grid connected solar power plants which supply the power to DISCOMs for 25 years. As per policy such small solar projects would be paid 20 Paise more than price discovered through competitive bidding for large solar power plants during the effective period.</p> <p>Though the GoG recognise the Capex and Opex cost difference between the large capacity solar power plants and small capacity solar power plant and compensated the higher cost by giving Rs. 0.20 per KWh, the same is not adequate to mitigate the cost differential. Due to economies of scale, the unit cost tends to reduce</p>	<p>Consider giving Rs. 0.65 to Rs. 0.75 per KWh extra, over and above the price discovered through competitive bidding for large solar power plants during the effective period.</p>	<p>Rate of 0.20/unit above competitive bid is determined by GERC. Therefore, only GERC can revise it.</p>

	for large capacity solar power plants compared to small capacity solar power plants. As per estimate, the difference in per MW cost of small & large power plant is in tune of 20% to 25%.		
2.	Large Industries are restricted to install Solar Projects equivalent to 50% of their contract demand. Further DISCOMs allow such Installation at 0.9 Power factor and hence it is effectively restricted to 45 % of their contract demand.	Allow large industries to install solar projects beyond 50 % of their contract demand	Cap of 50% of contract demand is removed for MSME industries. Further action may be considered based on the experience to be gained.
3.	Clause no. 9.1.1 of Gujarat Solar Power policy 2015 mandates that <b>Eligible entity must own the roof top solar PV system.</b>  Nowadays, many industrial entities intend to install solar PV system without actually owning them. But	Mandatory ownership clause is to be removed	It was favourably responded to examine and take suitable actions

	<p>this clause prevents them to do so.</p> <p>There are many players available in the market who are ready to invest in roof top solar PV system at client premises and power generated can be used by Roof Owner.</p>		
<p>4.</p>	<p>All Solar Photovoltaic projects above 1 MW have been mandated to forecast and schedule their power for SLDC. Of course, this is done to improve grid discipline.</p> <p>However, the ground reality is that almost all Solar Project Developers have outsourced the task of scheduling to a few service providers in the market. As a result, project developers relieve themselves by paying penalty for unscheduled energy. Such scheduling of solar energy may not be really helpful to maintain Grid discipline except</p>	<p>Exempt renewable energy consumers from Forecasting and Scheduling.</p>	<p>Captive use Solar consumers may be exempted from Forecasting and Scheduling. For this regulator may be contacted.</p>

	generating some revenue for State Load Despatch Centre (SLDC).		
5.	Cluster development of Solar panel	In GIDC solar plant may be allowed by more than one consumer and Energy set-off may be allowed accordingly.	Group captive in solar plant is not allowed at present. May be considered later on
6.	<p>Government of Gujarat has issued GR No: <b>SLR-2015/2442/B1</b> dated <b>26.09.2019</b>.</p> <p>As per this GR it is not financially viable for solar plants beyond 50% of its contract demand.</p> <p>It was represented as below:</p> <p>i. Availability-Based Tariff (ABT) Meter required to be installed for 15 minutes set-off. Set-off is proposed in 15 min time block. MSME units have recess hours, weekly off, public holidays power interruptions from concerned DISCOMs etc. then they are not able to consume power</p>	<p>i. 15 min set-off may be removed and monthly banking may be allowed.</p>	<p>i. Hon'ble Minister of Energy has explained that motive of said policy is to allow consumption of solar energy by concerned consumer. It is not to generate solar power in day time and to consume it in night hours. In future power price would be more in night hours than day</p>

			<p>time. To achieve this motive, it is necessary to set-off Energy in 15 mins time block</p> <p>- <b>Further GCCI suggests,</b> to allow monthly banking against power consumed by consumers during 7 AM to 7 PM only in relevant month. This will result in set-off of solar energy which is generated in day time and simultaneously will solve genuine difficulties of consumers mentioned in issue.</p> <p>It is therefore requested to allow monthly banking as stated above</p>
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<ul style="list-style-type: none"> <li>ii. Cost of ABT meter is 7 lakh which is very high and not viable for small solar plants and in some cases, cost is more than the cost of solar project itself.</li> <li>iii. MSME policy is valid upto 31st March, 2020 only and it is practically not possible to commission solar plants by 31st March, 2020.</li> <li>iv. For surplus power issue only Rs. 1.75/unit is to be paid by DISCOMs.</li> <li>v. Electricity Duty, Cross Subsidy Surcharge and Additional charge are not affordable to MSME consumers.</li> </ul>	<ul style="list-style-type: none"> <li>ii. MSME industries may be exempted from installing ABT meter in all cases i.e. within 50% of Contract Demand or more than 50% of Contract demand</li> <li>iii. Time limit may be extended for further five years.</li> <li>iv. It is very less, so it is requested to revise to 2.25/unit</li> <li>v. Remove application of Electricity Duty, Cross Subsidy Surcharge and Additional charge to MSME consumers</li> </ul>	<ul style="list-style-type: none"> <li>ii. This is genuine issue and Hon'ble Minister of Energy has instructed concerned officers to process this issue before him to resolve it.</li> <li>iii. Hon'ble Minister of Energy instructed concerned officers to process for extension</li> <li>iv. Said policy is to consume solar power by consumer and not to generate income by generating excess solar energy and to sell to DISCOMs to earn income</li> <li>v. Even with these charges solar energy is viable to consumers</li> </ul>
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7.	Reduce the Electricity Duty of cold storage units	To charge the electricity duty to the cold storage industry at 10 % (LT) and 15% (HT) as per the rules and regulations of the Gujarat Electricity Duty Act – 1986.	For those industrial sectors where electricity cost is more than 10% of the recurring cost of production, this may be examined favourably, if full details are provided without hiding any material facts.
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**Below stated issues were not discussed during the Interactive Session due to paucity of time**

Sr. No.	Issue	Suggestion
8.	<p>While giving the credit of WF units, UGVCL is adding banking charges of 2% in transmission losses and then derives net WF units. As per GERC's Order No. 02 of 2016 dated 30/08/2016 about WF tariff, banking charges are applicable as under in verbatim;</p> <p><i>"Therefore, the commission decides to levy banking charges in kind. Banking charges shall be adjusted in kind at <b>2% of energy banked.</b>"</i></p> <p>Therefore 2% banking charges are applicable on banked energy i.e. wind energy received net-off transmission losses. Whereas UGVCL is calculating 2% banking charges on total wind energy generated. TPL and DGVCL are applying 2% banking charges on banked energy i.e. wind energy received net-off transmission losses</p>	<p>UGVCL (and other GUVNL DISCOMs, if applicable) shall apply 2% banking charges on banked energy i.e. wind energy received net-off transmission losses.</p>
9.	<p>Till Feb-19 UGVCL was giving Power Factor (PF) and Extra High Voltage (EHV) rebate on the amount received by deducting NH rebate from energy charge.</p> <p>W.e.f. Mar-19, UGVCL has started to give PF and EHV rebate on energy charge, which is as per GERC tariff order.</p>	<p>UGVCL (and other GUVNL DISCOMs, if applicable) shall refund differential amount of PF and EHV rebate for the period for which such wrong implementation was done.</p>

<p><b>10.</b></p>	<p>Ombudsman has already ordered that two years agreement period is valid for additional load only and load for which two years agreement period is completed can be reduced. In spite of clear order by Ombudsman, DISCOMs are mentioning two years' time period for total load i.e. including original load and additional load. This is clear violation of Ombudsman order. It may please be noted that no stay is granted by any higher court / forum against Ombudsman order.</p>	<p>In case of additional load agreement shall be executed for 2 years for additional load only. Original load may be allowed to reduce after one year and 2 year by 10% or any quantum as per GERC rules</p>
<p><b>11.</b></p>	<p>In the 26<sup>th</sup> State Advisory Committee (SAC) meeting held by GERC on 17/09/2019, GCCI has submitted as under;</p> <p><i>“CGRF / Ombudsman are established to reduce legal complications to consumers. But it is observed that DISCOMs are not adhering to order of CGRF / Ombudsman and in some cases of GERC / APTEL also and moves matter to Hon’ble High Court or Hon’ble Supreme Court.</i></p> <p><i>It is legal right of DISCOMs to avail the legal remedial options. But when there is no stay by Hon’ble High Court (or higher court), DISCOMs should first follow order of CGRF / Ombudsman / GERC / APTEL subject to final decision of legal proceeding.</i></p>	<p>DISCOMs should implement orders of CGRF / Ombudsman / GERC / APTEL / High Court etc., if there is no stay by higher court subject to final outcome of legal proceeding</p>

	<p><i>At present it seems that DISCOMs are trying to get consumer tired by way of prolong legal proceedings consuming time and money of consumers."</i></p> <p>GERC has directed for timely implementation of orders, but till DISCOMs are not implementing orders of CGRF / Ombudsman / GERC / APTEL / High Court etc. on pretext that appeal is pending before higher court.</p>	
<b>12.</b>	<p>Often difference of opinion has been observed in implementation and interpretation of rules and regulations of GERC. It ultimately leads to legal proceedings and inconvenience to consumers.</p> <p>About 2 years back, GCCI represented to GERC for formation of special cell headed by GERC, wherein issues can be discussed, interpreted and then implemented in right spirit. In State Advisory Committee meeting, GERC agreed for same but till date it has not been implemented by GERC.</p>	<p>To pursue GERC for formation of such special cell at the earliest possible OR Energy Dept. shall form one cell of DISCOM officers as well as representative of consumer associations</p>
<b>13.</b>	<p>GUVNL / DISCOMs are often circulating circulars related to consumers.</p>	<p>To send copy of all such circulars, issued since April – 2005 and to be issued henceforth, to GCCI in hardcopy as well as by E-mail on mail id <a href="mailto:gcci@gujaratchamber.org">gcci@gujaratchamber.org</a></p>

<b>14.</b>	The documents required for New Connection / Additional Load / Reduction in Load/ Change of Name etc. are not uniform across all DISCOMs and also in different offices of same DISCOMs. It is therefore requested to declare list of documents for each process uniformly for all DISCOMs	To minimise documents required in all cases i.e. for New Connection / Additional Load / Reduction in Load/ Change of Name etc. and it should be uniform for all Discoms.
<b>15.</b>	At present, Electricity Duty is specified in terms of percentage and levied on ad valorem basis. Rates are also very high i.e. 15% for Industry and 25% for Commercial.	Fix the Electricity Duty in Paisa per unit i.e. as specified for Captive Consumers in the State of Gujarat
<b>16.</b>	<p>Energy &amp; Petrochemical Dept has issued Govt Resolution dated 17th June, 2015. At Condition No. 8 of the GR, it is clarified that the Municipal Corporation/ Nagar Palikas shall not recover any rent/ lease, etc. from the electricity distribution companies on the assets like electric poles, lines, transformers, feeders, etc. installed within their jurisdiction for providing essential services like electricity to the public.</p> <p>This exemption is being granted to the distribution utilities in lieu of their supports to the Municipal Corporations / Palikas in terms of undergrounding of Overhead network and/ or shifting of overhead network upto 11/22 kV. In case of Ahmedabad/ Gandhinagar and Surat, Torrent has laid underground network, which facilitates the Municipal Corporations for providing civic facilities and safety.</p>	Extend the applicability of this GR to the Torrent License area such that consumers of TPL area have not to pay property tax for distribution sub-station.



	<p>Additionally, cost of such underground network is being borne by the consumers in terms of tariff. Despite this background, the consumers are being required to pay property tax for distribution substation on the ground that this GR does not refer to the Torrent License area.</p>	
<b>17.</b>	<p>Salt Industry are spread across the large area and as per prevailing rules and regulations released multiple power connections to the different locations in same premises. However, recently DISCOMs are insisting merging of all such connections within premises into one connection. This is practically difficult to achieve as salt industry is spread across in large area and require huge capital cost on the part of users</p>	<p>Industry spread on the large area should be exempted from the merger</p>