

TRIPURA  **GAZETTE**
Published by Authority
EXTRAORDINARY ISSUE

Agartala, Friday, July 15, 2011 A. D., Asadha 24, 1933 S. E.

**PART--I-- Orders and Notifications by the Government of Tripura,
The High Court, Government Treasury etc.**

TRIPURA ELECTRICITY REGULATORY COMMISSION

No. F.25/TERC/2009/25

Dated, Agartala, the 4th July, 2010.

NOTIFICATION

Regulation in respect of Demand Side Management, Regulations 2010

In exercise of the powers conferred on it by Sub-section (1) and clause (zp) of sub-section (2) of Section 181 of the Electricity Act 2003 (36 of 2003) the Electricity Regulatory Commission hereby makes the following regulations namely Tripura Electricity Regulatory Commission (Demand Side Management) Regulations 2010.

Chapter I: General

1. Short title, extent and commencement:

1.1. These Regulations may be called the Tripura Electricity Regulatory Commission **(Demand Side Management) Regulations 2010.**

1.2 These Regulations shall be applicable to the Distribution Licensee in Tripura in their respective areas of supply.

1.3. These Regulations shall come into force from the date of the notification in the Official Gazette.

2. Definitions:

2.1 In these Regulations unless the context otherwise requires –

(i) “Act” means the Electricity Act 2003 (36 of 2003).

(ii) .“Baseline data” means the initial base level consumption and / or demand for electricity before a DSM programme begins to provide a starting point for comparison for assessing programme impact.

Regulations on DSM

- (iii) **“Bureau”** means the Bureau of Energy efficiency established under sub-section (1) of Section 2 of the Electricity Conservation Act 2001.
- (iv) **“Commission”** means the Tripura Electricity Regulatory Commission constituted under sub-section (1) of Section 82 of the Act
- (v) **“Cost Effectiveness Index”** means an indicator of the attractiveness of any investment in DSM programme or when compared to the cost of energy produced and delivered in the absence of such an investment.
- (vi) **“Demand Side Management”** means the actions of a Distribution Licensee beyond the customer’s meter, with the objective of altering the end-use of electricity – whether it is to increase demand decrease it, shift it between high and low peak periods or manage it when there are intermittent load demands in the overall interests of reducing Distribution Licensee costs.
- (vii) **“DSM Resource Acquisition”** means a mechanism to implement DSM projects through customers, Energy Service Companies, Non-Government Organizations, manufacturers/suppliers, or other private sector organizations with payment made to them by the Distribution Licensee for the resultant energy and load reductions.
- (viii) **“Energy Service Company”** means a company which is in the business of providing energy efficient and load management equipment and/or services to end-user customers and is approved by Bureau.
- (ix) **“Evaluation, Measurement and Verification”** means activities which evaluate measure and verify performance or other aspects of DSM/ energy efficiency programs or their market environment.
- (x) **“Monitoring and reporting”** means activities which monitor and evaluate the progress of DSM/energy efficiency programs of the Distribution Licensee.

Chapter II: DSM Objectives, targets and guidelines.

3. DSM Objectives

- 3.1 The Commission in consultation with Bureau shall formulate DSM objectives that shall be considered in the advancement and implementation of cost effective DSM initiatives in the State.

Regulations on DSM

Examples of the objectives may include power shortage mitigation, seasonal peak reduction, cost effective energy savings, lowering the cost of electricity, reduction in emissions of greenhouse gases etc.

- 3.2 The DSM objectives shall be consistent with the DSM objectives set out by Bureau as a part of Energy Conservation Plan for the country.

4. Assessment of technical potential for DSM

- 4.1 The Distribution Licensee in Tripura shall carry out assessment of potential for DSM in the State one year before the start of every MYT Control Period.

Notwithstanding above provision, the first assessment of technical potential for DSM shall be carried out within six months of the notification of these Regulations.

- 4.2 Distribution Licensee shall be guided by methodology developed by Bureau while assessing of technical potential for DSM.

5. DSM Targets

- 5.1 The Commission shall establish DSM targets for the Licensee in Tripura.
- 5.2 While setting DSM target for the Distribution Licensee, the Commission will give due consideration to factors such as consumer mix load profile etc.
- 5.3 Examples of DSM targets may include the following:
- Percentage reductions in load growth.
 - Savings in KW, KWh.
 - Savings as a percent of total resources to meet load.
- 5.4 While establishing the targets, the Commission shall be guided by technical potential in Tripura as assessed by the Distribution Licensee.

6. Guidelines on DSM Process

- 6.1 The Commission shall issue guidelines to guide the Distribution Licensee in execution of the following activities:
- i. Load and market research.
 - ii. Implementation of DSM programmes.

Regulations on DSM

- iii. Cost Effectiveness Assessment of DSM programmes.
 - iv. Monitoring and Reporting of DSM Plans and Programmes.
 - v. Eligibility criteria for DSM programmes.
 - vi. Methodology for setting DSM targets and funding levels.
 - vii. Database development framework.
- 6.2 The Commission shall issue guidelines on these matters from time to time.
- 6.3 Issuance of such guidelines shall not be a pre-requisite and submission of the first DSM plan by the Distribution Licensee.

Chapter III: DSM Cell

7. Constitution of DSM Cell, its roles & responsibilities

- 7.1 Every Distribution Licensee shall constitute DSM Cell within one month of adoption of these Regulations.
- 7.2 The DSM Cell so constituted shall be provided with necessary authority and resources so as to execute the functions assigned to it under these Regulations.
- 7.3 The DSM Cell shall be responsible for :
- (i) Load research and development of baseline data.
 - (ii) Formulation of DSM Plan.
 - (iii) Design and development of DSM projects including cost benefit analysis, plans for implementation, monitoring & reporting and for measurement & verification.
 - (iv) Seeking necessary approvals to DSM Plan and individual programmes.
 - (v) Implementation of DSM programmes.
 - (vi) Any other additional function that may be assigned by the Commission from time to time.

Chapter IV: DSM Process

8. Load and market research and development of baseline data.

Regulations on DSM

- 8.1 Distribution Licensee shall undertake load research to identify the target consumer segment/ s and end uses for DSM programmes to build the necessary database.
- 8.2 Distribution Licensee shall undertake market research to estimate market potential for specific energy efficiency technologies and applications, establish key performance indicators and determine existing baseline market conditions.
- 8.3 On the basis of the results of load and market research, the Distribution Licensee shall develop baseline data for its area of supply.
- 8.4 Distribution Licensee shall design, develop and implement the initial few DSM programmes on the basis of available data and studies completed by BEE till the complete baseline data is available for its area of supply and establishment of baseline data shall not be a, pre-requisite for design of such initial DSM programmes by the Distribution Licensee.

9. Formulation of DSM Plan

9.1 Distribution Licensee shall formulate and submit to the Commission a prospective DSM Plan covering period of the control period within one year of notification of these regulations. The plan shall include,

- a) An overall goal for DSM Plan
- b) Description of DSM programmes to form a part of DSM Plan
- c) Implementation process and schedule of each programme in the plan as a whole.
- d) Plan for Monitoring and Reporting.
- e) Indicative cost effectiveness assessment of programmes

Notwithstanding above, the first DSM Plan shall be prepared within one year of the date of these Regulations and shall be for the period till the end of ongoing MYT Control Period.

9.2 The Distribution Licensee shall submit on rolling basis an annual Plan not inconsistent with the perspective plan for upcoming year along with the Annual Performance Review.

Regulations on DSM

9.3 Selection and prioritization of various DSM programmes in the DSM Plan shall be guided by the following factors;

- (i) The Cost effectiveness guidelines issued by the Commission.
- (ii) DSM Objectives identified in Regulation
- (iii) Whether the proposed programmes supplement National level efforts adopted by the Bureau.
- (iv) Programmes with high visibility and therefore potential for creation of awareness within Consumers.

9.4 Distribution Licensee shall implement all DSM programmes developed by Bureau.

Notwithstanding above, if the Distribution Licensee is of the opinion that any programme developed by the Bureau is not appropriate for the consumers in its area of supply, the Distribution Licensee shall seek specific exemption from the Commission for implementation of such programme.

10. Commission review and approval of DSM plan

10.1 Distribution Licensee shall submit the DSM Plan to the Commission for approval at least six months before the start date of the next MYT period.

10.2 The Commission may adopt procedures as specified in the Conduct of Business Regulations for according approval to the DSM Plan.

11. Preparation of DSM Programme Document

11.1 For each DSM programme included in the DSM Plan, a detailed description shall be provided in a separate Programme Document. The description shall include general information, technology, schedule for deployment, budget, cost effectiveness assessment, detailed implementation plan, estimation of savings etc

11.2 For each DSM programme cost benefit analysis shall be carried out as per guidelines issued by the Commission on Cost effectiveness from time to time.

Regulations on DSM

12. Approval of DSM Programme Document

- 12.1 Prior to implementing any DSM Programme, Distribution Licensee must obtain approval of the Commission.
- 12.2 Each Programme Document shall include the following:
- (i) Description of the programme.
 - (ii) Objectives and rationale for the programme.
 - (iii) Consumer segment at which the programme is aimed.
 - (iv) Estimated level of programme participation.
 - (v) Estimate of baseline.
 - (vi) Assessment of programme in line with Cost Effectiveness Guidelines issued by the Commission.
 - (vii) Mechanism for recovery of cost.
 - (viii) Marketing and delivery strategy.
 - (ix) Distribution Licensee costs and budget.
 - (x) Implementation schedule.
 - (xi) Implementation mechanism e.g. Energy Service Companies, DSM Bidding, DSM Resource Acquisition etc.
 - (xii) Monitoring and evaluation plan.
 - (xiii) Proposed performance incentives.
 - (xiv) Plan for Training/Seminar/Workshop to increase consumer awareness.
- 12.3 The Commission shall approve a DSM programme if it is in line with the Objectives set out in Section 3 of the Regulations. The Commission may direct modifications to proposed or on-going programmes to ensure consistency with the DSM Objectives,. However, the Commission shall allow Distribution Licensee adequate time to notify consumers of programme modification.

13. Implementation of DSM programmes .

- 13.1 Distribution Licensee shall undertake implementation of DSM programmes in line with the guidelines issued by the Commission from time to time.

Regulations on DSM

- 13.2 The implementation of the programme shall be undertaken in the manner as approved by the Commission.
- 13.3 Distribution Licensee shall undertake implementation of quick gain DSM programmes.
- 13.4 Distribution Licensee shall carry out implementation of activities assigned to it either by itself or through engagement of appropriate independent entity.

While doing so, the Distribution Licensee shall ensure that continuity and consistency is maintained and interest of the consumers is not compromised.

14. Mechanism for Cost Recovery

- 14.1 Distribution Licensee shall identify the net incremental costs, if any, associated with planning, design and implementation of programmes.
- 14.2 Distribution Licensee may propose methodology for recovery of net incremental costs through tariff or any other mechanism.
- 14.3 In order to qualify for cost recovery, each program must be
 - i. Approved prior to implementation.
 - ii. Implemented in accordance with the approved program plan and
 - iii. Implemented cost effectively.
- 14.4 Distribution Licensee shall provide all necessary assistance to the Commission, or third party assigned by the Commission to undertaking Evaluation Measurement and Verification of DSM programmes implemented by it.
- 14.5 The Commission may direct the Distribution Licensee to undertake DSM programmes that may not be cost effective but is highly beneficial to the society. The Commission will make available resources for such project.

15. Monitoring and reporting of DSM programmes.

Regulations on DSM

15.1 Distribution Licensee shall prepare plan and undertake monitoring and reporting of DSM programmes as per Guidelines on Monitoring and Reporting issued by Commission from time to time or as approved by the Commission while approving the DSM programme.

16. Evaluation, Measurement and Verification of DSM Programme.

16.1 Distribution Licensee shall prepare plan for evaluation, measurement and verification of savings from DSM programmes as per Guidelines on Evaluation, Measurement and Verification issued by the Commission from time to time.

16.2 Third party Evaluation Measurement and Verification of DSM programmes shall be undertaken by the Commission or third party assigned by Commission.

While engaging the agency, the Commission shall ensure that the Agency is not undertaking any other engagement which could conflict with the interests of the consumers in the State.

16.3 Distribution Licensee shall make available necessary information/data to the Commission or third party assigned by the Commission to measure and verify the savings from DSM programmes.

Chapter V: DSM Plan and Programme Completion Report

17. Six-monthly Reports on progress of DSM Plan and six monthly Reports on expenses incurred on implementation of DSM Plan shall be submitted by the Distribution Licensee

18. The Distribution Licensee will prepare and submit a detailed Program Completion Report and submit the same to the Commission within one month of completion of such programme.

19. The Report shall cover the programme expenses, achievements, outcomes and outputs, constraints and difficulties faced conclusions, recommendations, lessons learned and way forward.

Regulations on DSM

Chapter VI: Incentives

20. The Commission may provide incentives to Distribution Utilities for achieving or exceeding DSM Objectives as identified in Section 3 of the Regulations.

Chapter VII: Miscellaneous

21. The Commission may at any time add, vary, alter, modify or amend any provisions of these regulations.
22. If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may by general or specific order make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.
23. The Commission may from time to time issue orders and practice directions in regard to the implementation of the regulations and procedures to be followed.
24. All disputes arising under these regulations shall be decided by the Commission based on an application made by the person aggrieved.

BY Order of the Commission
DH
Secretary 23/2
2011
TERC