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GOVERNMENT OF INDIA
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CENTRAL ELECTRICITY AUTHORITY
विद्युत मंत्रालय
MINISTRY OF POWER
सेवा भवन, रामकृष्ण पुरम्
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PUBLIC NOTICE

Subject : Comments invited for Review of National Electricity Policy (NEP)

The Ministry of Power, Government of India, has constituted a Committee to review the National Electricity Policy (NEP). A copy of the Order constituting the same is attached at **Annexure-I**.

It is proposed to seek comments from all stakeholders. The Committee has listed out certain issues for wider stakeholder consultation, which are appended below. In addition, stakeholders may also suggest other issues/focus areas which could be considered by the Committee to be included in the amendment to the National Electricity Policy.

It is, therefore, requested to submit your comments on the issues appended as well as any other issues, which could be considered for incorporation in the NEP. The link for the existing NEP is provided below for ready reference.

http://powermin.nic.in/upload/pdf/power_compendium.pdf

I would appreciate if you could mail the comments to me at the below mentioned e-mail addresses by 8.12.2015.

pan_batra@hotmail.com

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P. Batra 23/11/2015

(Pankaj Batra)
Chief Engineer (F&CA)
& Member Convener of the Committee

APPENDIX

Issues for which wider stakeholder consultation is sought for review of National Electricity Policy

1. Integration of intermittent type of renewable energy sources to the grid

The Government of India has set a target of 1,75,000 MW of renewable energy by the year 2022. This includes 1,00,000 MW of solar power and 60,000 MW of wind power, both of which are intermittent sources of energy. The integration of these sources to the grid cannot be tackled, without affecting grid stability, unless mitigating measures are taken. This requires balancing generation like storage/pondage hydro power stations, open cycling gas power plants/ gas engines, new forms of energy storage like MW scale batteries, compressed air energy storage, flywheel technology, heat pumps etc. This also requires demand response, differential tariff for essential and interruptible supply as facilitating measures, flexible AC Transmission System (FACTS) devices, Distribution SCADA and smart meters. Standards are also required to be made by CEA for connectivity at the distribution level for distributed generation like roof top solar PV plants (which would contribute 40,000 MW of solar power).

2. Financial viability of distribution companies

Most of the state distribution companies are running into losses. The entire power sector is dependent on the revenues earned from the distribution companies. Accountability of state distribution companies needs to be improved. Tools like Distribution SCADA with energy audit functions and smart meters need to be provided on emergent basis to the state distribution company to prevent theft of power.

3. Setting up of Peaking and Reserve Power Plants

It is established that there are variations of demand during the day. The difference between peak demand and off-peak demand is substantial in many regions, of the order of 20-40%. Therefore, for optimum utilization of base load plants, capacity should also be procured by distribution companies from peaking power plants like hydropower plants, open cycle gas power plants/ gas engines, which can start and stop quickly as well as ramp up and ramp down generation quickly. Peaking plants can be encouraged by having differential tariff for peak and off-peak periods during the day. This tariff should be prescribed both for consumer and generator. Further, in order to take care of tripping of power plants, weather related fluctuation of load, variability of renewable generation, the country must also have reserve power plants which can supply power immediately as well as over a period of time. These are called primary,

secondary and tertiary reserves. The method of sharing of charges for reserve power plants also needs to be decided.

4. Scaling up of energy efficiency

The National Action Plan on Climate Change (NAPCC) envisages reduction of emissions. One of the eight missions of the NAPCC is the national Mission on Energy Efficiency. Energy efficiency needs to be incentivized by the Central and the State government, Central and State Electricity Regulatory Commissions and power utilities. PAT scheme already exists for thermal power plants w.r.t. carbon emissions. PAT scheme can also be implemented for distribution companies with respect to AT&C losses.

5. Improving reliability and quality of power supply

With increasing information technology being used, the power system is beset with poor quality supply like harmonics, flicker, voltage dip etc. Also, people's expectations w.r.t. reliable supply have increased. Reliable and good quality supply also benefits the industries. Measures for the same need to be put in the amended NEP, using best practices and smart grid.

6. Training

Adequate training needs to be provided to all power sector personnel to increase their awareness and operate the power system in a more efficient way. Adequate funds need to be provided for the same.

7. Competition

Competition needs to be increased in generation and transmission and distribution and trading to avail power at the cheapest rates. This is in line with the objective of the Electricity Act, 2003.