



Petition No 1005 of 2015

BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Date of Order: 18.03.2015

PRESENT:

1. Hon'ble Sri Desh Deepak Verma, Chairman
2. Hon'ble Smt Meenakshi Singh, Member
3. Hon'ble Sri Indu Bhushan Pandey, Member

IN THE MATTER OF: Approval of implementation of DSM based Efficient Lighting Program (DELP) for LED bulbs

IN THE MATTER OF

Energy Efficiency Services Ltd. (EESL),
4th Floor, IWAI Building, A-13, Sector- 1,
Noida – 201301 (U.P.)

-----**Petitioner**

1. The Managing Director, Purvanchal Vidyut Vitran Nigam Limited Purvanchal Vidyut Bhawan, Vidyut Nagar Hydrel Colony, Bhikharipur PO. DLW, Varanasi
2. The Managing Director, UP Power Corporation Limited, 7th Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow.
3. The Chief Engineer (Planning), State Designated Agency, 3rd Floor, Shakti Bhawan Extension, 14, Ashok Marg, Lucknow.
4. The Managing Director, Madhyanchal Vidyut Vitran Nigam Limited, 4A - Gokhale Marg, Lucknow
5. The Managing Director, Paschimanchal Vidyut Vitran Nigam Limited, Victoria Park, Meerut
6. The Managing Director ,Dakchinanchal Vidyut Vitran Nigam Ltd., Urja Bhawan 220, K.V. Up-Sansthan Bypass Road Agra – 282007
7. The Managing Director, Kanpur Electricity Supply Company/71, Civil Lines, KESA House, Kanpur
8. The Managing Director & CEO, Noida Power Company Limited, Commercial Complex, H-Block, Alpha Sector II, Greater Noida-201 308

-----**Respondent**



The following were present:

1. Sri Deepak Garg, DGM (F), EESL
2. Sri Nitin Wadhwa, EESL
3. Smt Varalika Dubey, UPPCL
4. Sri A.B. Sharma, PuVVNL
5. Sri Ajay Mishra, MVVNL
6. Sri S.K. Pathak, MVVNL
7. Sri Ajai Kumar Singh, MVVNL
8. Sri A.K. Singh, MVVNL
9. Sri A.K. Arora, Resident Manager, Noida

Order

(Date of Hearing 10.03.2015)

1. The petition is filed by Energy Efficiency Services Ltd. (EESL) for seeking approval of implementation of DSM based Efficient Lighting Program (DELP) for LED bulbs in 6 divisions of Varanasi district of Purvanchal Vidyut Vitaran Nigam Ltd. (PuVVNL) through contractual agreement.

The outlines of proposal under petition are as follows:

- i. The expected cost of each LED, with three year technical warranty, is Rs. 104. However, the price of LED shall be discovered through open competitive bidding process and it is expected to go down by the time bidding is conducted and the cost benefit accrued thus shall be passed on to the consumers. The tentative additional cost on each LED would be Rs. 20 towards transportation, insurance etc. and Rs. 27 as other expenditure and taxes.
- ii. Total 13.03 Lacs LEDs are proposed to be distributed under this scheme with each LED supposed to save about 41 Units energy annually, resulting in total annual savings of about 87 MU. Thus this not only provides for energy security through energy savings and helps in protecting the environment but also helps DISCOM by reducing burden of additional purchase of power.
- iii. For availing the scheme, only domestic consumer having no arrear shall be eligible and shall be required to register either online or through SMS or through written application in prescribed format . The EESL and PuVVNL together to finalize modalities in this regard.



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- iv. The consumer having contracted load up to 2 KW shall be eligible to get maximum up to 5 LEDs while above 2 KW consumers shall be eligible to get maximum up to 10 LEDs.
 - v. For each LED upfront payment of Rs. 10 is to be made at the time of delivery and remaining cost of LEDs is required to be recovered by PuVVNL in 12 months through the bill of consumer. However, payment to EESL by PuVVNL shall be done irrespective of recovery done in this regard.
 - vi. To implement the program the awareness and outreach of program, distribution of LEDs and Monitoring & Verification (M&V) shall be undertaken by EESL in agreement with PuVVNL.
2. With above , EESL has further prayed in its petition following:
 - i. To allow PuVVNL to implement DELP as part of DSM measure
 - ii. To allow PuVVNL to recover cost of LED in 12 equal monthly installment through electricity bill of consumer, and bring necessary modification in bills for the same
 - iii. To authorize PuVVNL to treat default in payment of installments by consumers as “ default of payment” under sec. 56 of Electricity Act, 2003
 - iv. To allow PuVVNL to enter into Energy Service agreement with EESL and approve the same.
 - v. To allow PuVVNL to make payment to EESL in agreed time bound manner irrespective of cost of LEDs recovered from consumers.
 3. The Commission takes cognizance of all above and appreciates the effort undertaken by EESL and PuVVNL to promote energy economy. The Commission also appreciates the proactive approach of MVVNL in this regard.
 4. The Commission, however, recognizes that DELP must be implemented simultaneously across all DISCOMs of the state to get the benefit of economy of scale.
 5. The Commission also reckons that demand-supply gap can be partially reduced through proactive DSM initiatives like DELP. Wide coverage of
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program shall create win-win situation for both consumers as well as DISCOMs owing to reduction in consumption and demand of electricity. Therefore, the Commission directs EESL to take up similar initiatives as in Varanasi in all DISCOMs and in the districts as given below:

Sl. No.	Name of Licensee/DISCOM	Districts to be covered
1.	Purvanchal Vidyut Vitaran Nigam Ltd. (PuVVNL)	1. Varanasi 2. Allahabad 3. Gorakhpur 4. Mirzapur 5. Azamgarh 6. Basti
2.	Madhyanchal Vidyut Vitaran Nigam Ltd. (MVVNL)	7. Lucknow 8. Faizabad 9. Bareilly 10. Raebareli
3.	KESCO	11. Kanpur
4.	Dakshinanchal Vidyut Vitaran Nigam Ltd. (DVVNL)	12. Agra 13. Jhansi 14. Aligarh 15. Orai 16. Etawah 17. Kannauj
5.	Paschimanchal Vidyut Vitaran Nigam Ltd. (PVVNL)	18. Ghazibad 19. Moradabad 20. Meerut 21. Noida
6.	Noida Power Company Ltd. (NPCL)	22. Greater Noida

6. The Commission directs EESL to initiate DELP immediately in PuVVNL as per the petition and also simultaneously initiate DELP in all the districts of other DISCOMs as given above. The DISCOMs may at their option, could also take up additional districts/ areas for implementation of the program as the objective of the program is to promote energy efficiency across the state. However, considering the issues involved in implementation of DELP, EESL may choose to implement the program in phased manner.
7. The Commission directs all DISCOMs to implement DELP as part of DSM measure and recover cost of LED in 12 equal monthly installments through electricity bill of consumer making it a separate line item, and bring necessary modification in bills for the same but this shall not be part of collection efficiency to form part of AT&C loss computation. Also, it is directed by the



Commission that consumer must also be provided with the option of making full upfront payment at the time of delivery of LED instead of paying in monthly installments.

8. The Commission authorizes all DISCOMs to treat default in payment of installments by consumers as “default of payment” under sec. 56 of Electricity Act, 2003.
9. The Energy Service Agreement including payment mechanism for implementation of DELP is solely between DISCOM and EESL. However, to provide for payment security the Commission allows DISCOMs to make payment to EESL irrespective of actual recovery of cost of LEDs from the consumers. Any cost, if incurred by DISCOM, only during implementation phase of program, shall be pass through in the ARR.
10. The Commission expressed its displeasure over the absence of representation of DVVNL, PVVNL and KESCO and directed Secretary, UPERC to issue show cause notice to them asking why contempt proceedings should not be initiated against them. The Secretary UPERC issued letters on 11th March, 2015 to MD DVVNL Shri P.N. Singh, MD PVVNL Shri Vijay Vishwas Pant and MD KESCO Ms. Shelva Kumari J with copy to Chairman UPPCL asking why action under section 142 of Electricity Act, 2003 should not be initiated against them.
11. The Commission expressed extreme displeasure over absenteeism and representation through low ranked / non conversant officials by DISCOMs on various issues was conveyed to the Chairman UPPCL by the Secretary UPERC vide letter no. UPERC/Secy/DISCOM/2015-2086 dated March 11, 2015 with request that strict instructions be issued to MD PVVNL, MD DVVNL and MD KESCO to ensure no such lapse takes place in future.
12. The petition is disposed of with directions as contained in this order.

(Indu Bhushan Pandey)
Member

(Meenakshi Singh)
Member

(Desh Deepak Verma)
Chairman

Place: Lucknow
Dated: 18.03.2015