

“बिजनेस पोस्ट के अन्तर्गत डाक शुल्क के नगद भुगतान (बिना डाक टिकट) के प्रेषण हेतु अनुमत. क्रमांक जी.2-22-छत्तीसगढ़ गजट / 38 सि. से. भिलाई, दिनांक 30-05-2001.”



पंजीयन क्रमांक
“छत्तीसगढ़/दुर्ग/09/2013-2015.”

छत्तीसगढ़ राजपत्र

(असाधारण)

प्राधिकार से प्रकाशित

क्रमांक 336]

रायपुर, शुक्रवार, दिनांक 2 सितम्बर 2016— भाद्रपद 11, शक 1938

छत्तीसगढ़ राज्य विद्युत नियामक आयोग
विद्युत नियामक भवन, सिंचाई कालोनी, शांति नगर, रायपुर

रायपुर, दिनांक 1 सितम्बर 2016

छत्तीसगढ़ राज्य विद्युत नियामक आयोग (मांग पक्ष प्रबंधन) विनियम, 2016

क्रमांक 66/छ.ग.रा.वि.नि.आ./2016. — विद्युत अधिनियम, 2003 (2003 की धारा 36) की धारा 61, 86 और धारा 181 के अधीन प्रदत्त शक्तियों तथा इस हेतु आयोग को समर्थ बनाने वाली अन्य समस्त शक्तियों का प्रयोग करते हुए छत्तीसगढ़ राज्य विद्युत नियामक आयोग एतद्वारा निम्नलिखित विनियम बनाता है :-

अध्याय—1 सामान्य

1. संक्षिप्त नाम, प्रारंभ, प्रयोज्यता की सीमा तथा परिभाषाएं —
 - 1.1 ये विनियम “छत्तीसगढ़ राज्य विद्युत नियामक आयोग (मांग पक्ष प्रबंधन) विनियम, 2016” कहलाएंगे।
 - 1.2 ये विनियम, छत्तीसगढ़ राजपत्र (असाधारण) में उनके प्रकाशन की तारीख से प्रभावशील होंगे।
 - 1.3 इन विनियमों का विस्तार और प्रयोज्यता छत्तीसगढ़ राज्य के समस्त वितरण अनुज्ञप्तिधारियों पर और उनके संबंधित प्रदाय क्षेत्रों में होगा।
2. परिभाषाएं —
 - 2.1 इन विनियमों में, जब तक संदर्भ से अन्यथा आशयित न हो —
 - (क) “अधिनियम” से अभिप्रेत है, विद्युत अधिनियम, 2003 (क्रमांक—36, सन् 2003);
 - (ख) “आधारभूत डाटा” से अभिप्रेत है, कार्यक्रम प्रभाव का मूल्यांकन करने हेतु मांग पक्ष प्रबंधन कार्यक्रम प्रारंभ करने से पूर्व तुलना के लिए संदर्भ बिन्दु उपलब्ध कराने हेतु विद्युत की प्रारंभिक आधार स्तरीय खपत और/अथवा मांग;

Raipur, the 1st September 2016

Chhattisgarh State Electricity Regulatory Commission (Demand Side Management) Regulations, 2016

No. 66/CSERC/2016. — The Chhattisgarh State Electricity Regulatory Commission, in exercise of powers conferred on it by Section 61, Section 86 and 181 of the Electricity Act, 2003 (Act 36 of 2003) and all other powers enabling it in this behalf, proposes to frame the following regulations:-

Chapter – 1
General

1. Short title, commencement, extent of application and definitions –

- 1.1. These Regulations may be called the Chhattisgarh State Electricity Regulatory Commission (Demand Side Management) Regulations, 2016.
- 1.2. These Regulations shall come into force on the date of their publication in the Chhattisgarh Gazette (extraordinary).
- 1.3. These Regulations shall extend to and applicable to the all the distribution licensees in their respective areas of supply in the Chhattisgarh State.

2. Definitions. -

- 2.1. in these Regulations, unless the context otherwise requires:

- (a) “**Act**” means the Electricity Act, 2003 (36 of 2003);
- (b) “**Baseline data**” means the initial base level consumption and/or demand for Electricity before a DSM programme begins to provide a reference point for Comparison for assessing programme impact;
- (c) “**Bureau**” means the Bureau of Energy Efficiency established under subsection (1) of Section 2 of The Energy Conservation Act, 2001;
- (d) “**Commission**” means the Chhattisgarh State Electricity Regulatory Commission;
- (e) “**Cost Effectiveness Index**” shall have the same meaning as defined in Regulation 19.3 of these Regulations;
- (f) “**Demand Side Management or DSM**” means the actions of a Distribution Licensee, beyond the consumer's meter, with the objective of improving the end-use efficiency 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;
- (g) “**DSM Cell**” means a cell set up by the Distribution Licensee to facilitate the Distribution Licensee to develop and design DSM programmes for submission to the Commission as provided under regulations 7 of these Regulations;
- (h) “**DSM Measure**” means individual energy efficiency and / or energy conservation installed in the residence or facility of the consumer;
- (i) “**DSM Resource Acquisition**” means a mechanism to implement DSM programmes through customers, Energy Service Companies, Non-Government Organizations, manufacturers/suppliers, or other private sector organizations, with payment made to them by the Distribution Licensee normally out of the actual / expected savings from the resultant energy and load reductions except the programmes under 14 (5) of these Regulations for which the resources may be provided through the ARR or other sources;
- (j) “**Energy Services Company or ESCO**” means a company which is in the business of providing energy efficient and load management equipment, processes and/or services to end use customers and is approved by Bureau;
- (k) “**Gross Saving**” means the changes in energy consumption or demand resulting from consumers participation in the DSM project;

- (l) **“Evaluation, Measurement and Verification”** means activities undertaken to evaluate, monitor, measure and verify the progress, performance or other aspects of DSM/energy efficiency programmes or their market environment;
- (m) **“Monitoring and Reporting”** means activities undertaken to monitor and evaluate the progress of DSM/energy efficiency programmes of the Distribution Licensee.

All other expressions used herein and not specifically defined in these Regulations but defined in the Act shall have the meaning assigned to them in the Act.

Chapter-2

DSM Objectives, Potential Assessment, Targets & Guidelines

3. DSM Objectives. –

- 3.1 The DSM objectives, for advancement and implementation of cost effective DSM initiatives in the State are sought to be achieved through , but not limited, to the following:-
- (a) To make DSM an integral part of the day to day operations of the Distribution Licensee with the objective of improving end use efficiency of electricity, environmental conservation and cost reduction.
 - (b) To promote and implement Load Shifting, Power Shortage Mitigation, seasonal peak reduction, cost effective energy savings, lowering the cost of electricity, reduction in emissions of greenhouse gases and pricing initiative i.e. Time of Use / Seasonal etc.
 - (c) To complement supply side strategies in order to avoid, reduce or postpone investments in generation, transmission and distribution infrastructure.
 - (d) To reduce transmission and distribution losses through implementation of end use energy efficiency programmes in areas reporting high AT&C losses.
- 3.2 While formulating the DSM objectives, the Commission shall take into consideration the National DSM objectives/ Plans formulated by BEE, State Action Plan on Climate Change, if any.
- 3.3 The DSM objectives shall be consistent, as far feasible, with the DSM objectives set out by Bureau as a part of Energy Conservation Plan for the country.
- 3.4 The Commission shall ensure that the DSM targets, programmes / plans approved under these regulations are consistent with the State Government policies framed under the Energy Conservation Act, 2001 from time to time.

4. Assessment of technical potential for DSM. –

- 4.1. The distribution licensee in Chhattisgarh State shall carry out assessment of potential for DSM in the State within twelve months of the notification of these Regulations.
- 4.2. Distribution licensee shall be guided by the methodology developed by Bureau while assessing of technical potential for DSM.

5. DSM Targets. –

- 5.1. The Commission may prescribe for each distribution licensee in Chhattisgarh State DSM targets including percentage reductions in peak load in different seasons, reduction in overall load and reduction in energy consumption and improvement in power factor for every MYT Control Period.
- 5.2. While setting DSM targets for the distribution licensee, the Commission shall consider technical potential in the State as assessed by the Distribution Licensee(s)/State Govt./Bureau or its authorized agency in the State.
- 5.3. While setting DSM targets for the Distribution Licensee(s), the Commission shall give due consideration to factors such as consumer mix, load profile, load factor / demand factor etc.

6. Guidelines on DSM process. –

- 6.1 The Commission may issue guidelines from time to time to the distribution licensee in execution of the following activities:
- (i) Load and market research;
 - (ii) Implementation of DSM programmes;
 - (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 Issuance of such guidelines shall not be a pre-requisite for preparation and submission of the DSM plan by the Distribution Licensee.

Chapter-3 DSM Cell

7. Constitution of DSM Cell, its Roles & Responsibilities.

- 7.1 Every distribution licensee shall constitute DSM Cell and submit the compliance report to the Commission within two month from the date of notification of these Regulations. The DSM cell shall be the nodal agency to assist the Distribution Licensee to drive the DSM implementation under these Regulations and will be responsible for communication with the Commission.
- 7.2 DSM Cell comprise the staff as under
- a. One officer not below the rank of Superintending Engineer
 - b. Two Officers not below the rank of Executive Engineer
 - c. Three Officers not below the rank of Assistant Engineer
 - d. Five officers not below the rank of Junior Engineer.
 - e. Five Nos. of clerical staff
- 7.3 DSM cell will have reporting to the Managing Director/head of the distribution licensee.
- 7.4 The DSM Cell so constituted shall be provided with necessary authority by the distribution licensee so as to enable it to execute the functions assigned to it under these regulations.
- 7.5 The officers / officials posted in the DSM Cell shall not be assigned any other duties by the Licensee to ensure their dedication to DSM. They shall have a minimum tenure of three years. Any change before the officer / official completes three years shall require prior approval of the Commission.
- 7.6 The DSM Cell shall be responsible for:-
- (a) Load research, market research and development of baseline data, to seek information on end use technologies, usage pattern, willingness to bear the consumer's share of cost, sensitivity analysis relating to the response of benefits to incremental costs;
 - (b) Formulation of DSM Plan;
 - (c) Design and development of DSM projects including cost benefit analysis, plans for implementation, monitoring & reporting and for measurement & verification;
 - (d) Development of database and centralized information systems of new DSM technologies, innovations and new energy savings products being introduced in the market and updating the same at regular interval;
 - (e) Seeking necessary approvals to DSM plan and individual programmes from the Commission;
 - (f) Monitor and facilitate Implementation of DSM programmes;
 - (g) Development of training and capacity building programmes and sharing of experience with respect to the entire DSM implementation within the Distribution Licensee;
 - (i) Any other additional function as directed by the Commission from time to time;

Chapter-4
DSM Process

8. **Load and Market Research Design and development of baseline data.—**
- 8.1 Distribution licensee shall undertake load research to identify the target consumer segment(s) and end uses for DSM programme to build the necessary baseline data.
- 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 programme on the basis of available data and studies completed by BEE till the complete baseline data is available for its area of supply. Establishment of base line data shall not be a pre-requisite for design of such initial DSM programme by the distribution licensee.
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Chapter-5 DSM Plan and Programmes

9. Formulation of DSM Plan. –

- 9.1 Distribution licensee shall formulate and submit to the Commission a perspective DSM Plan covering period of the MYT control period, within one year of notification of these regulations.

The Plan shall include:-

- (i) An overall goal for DSM Plan;
- (ii) Description of DSM programmes to form a part of DSM Plan;
- (iii) Implementation process and schedule of each programme in the plan as a whole;
- (iv) Plan for Monitoring and Reporting;
- (v) Indicative cost effectiveness assessment of programmes.

Notwithstanding the 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 include all relevant DSM programmes (including multi-state programmes) developed by Bureau in its perspective plan as and when such programmes are announced by Bureau.
- 9.3 The Distribution Licensee shall submit on rolling basis, an annual plan, not inconsistent with the perspective plan, for upcoming year, along with the Annual Tariff Petitions.
- 9.4 Selection and prioritization of various DSM programmes in the DSM Plan shall be guided by the following factors:-
- (i) The Cost effectiveness after discussion with the Commission;
 - (ii) DSM Objectives identified in regulation 3.1 above;
 - (iii) Whether the proposed programmes supplement National level efforts adopted by the Bureau;
 - (iv) High visibility of programmes and therefore potential for creation of awareness within consumers.
- 9.5 Distribution licensee may engage consultants for design, development and execution of DSM Plan and DSM programmes. Services of such consultants may be taken from the Government of India approved consultancy firms engaged in providing energy efficiency services.

10. Review and Approval of DSM plan by the Commission. –

- 10.1 Distribution Licensee shall submit the DSM Plan to the Commission for approval within 6 months of technical potential available for the first time, and afterwards alongwith the filing of MYT Petition.
- 10.2 The Distribution Licensee shall submit the DSM Plan both in hardcopy and softcopy.
- 10.3 The Commission shall scrutinize the DSM Plan submitted by the Distribution Licensee. Any specific observations and suggested revisions shall be conveyed to the Distribution Licensee. Distribution Licensee after addressing all the comments shall re-submit the revised DSM Plan to the Commission within stipulated timeframe. The Commission shall evaluate revised DSM Plan submitted by the Distribution Licensee and convey the same to the Distribution Licensee with such modifications as may be considered necessary.
- 10.4 The Commission may seek clarifications from the Distribution Licensee and accord approval to the DSM Plan after taking into consideration clarifications / additional information provided by the distribution licensee.
- 10.5 The Commission may adopt procedures as specified in the Chhattisgarh State Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 as amended from time to time 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 including objectives and rationale, technology, schedule for deployment, budget, cost effectiveness assessment, detailed implementation plan including consumers segment and estimated level of participation as well as implementation mechanism i.e. Energy Service Companies, DSM Bidding, DSM Resource Acquisition, estimation of baseline and savings, mechanism for recovery of cost and performance incentive, monitoring and evaluation plan.
- 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.

12. Approval of DSM Programme Document. –

- 12.1 Prior to implementing any DSM programme, distribution licensee shall 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 segments and estimated level of 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 and performance incentives;
 - (viii) Marketing, delivery strategy and Implementation schedule;
 - (ix) Implementation mechanism e.g. Energy Service Companies, DSM Bidding, DSM Resource Acquisition, etc;
 - (x) Monitoring and evaluation plan;
 - (xi) Plan for Training/Seminars/Workshops to increase consumer awareness.
- 12.3 The Commission shall approve a DSM programme if it is in line with the objectives set out under Regulations 3 of these Regulations. The Commission may direct modifications to proposed or on-going programme 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 programme. –

- 13.1 Distribution licensee shall undertake implementation of DSM programme in line with the guidelines issued by the Commission from time to time.
- 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 also.
- 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 / Funding. –

- 14.1 Distribution licensee shall identify the net incremental costs, if any, associated with planning, design and implementation of programmes. Such costs should include the rebates / incentives that may be offered to the consumers as well as administration costs for implementing the programme.
- 14.2 Distribution licensee may propose methodology for recovery of incremental costs through ARR /tariff or any other mechanism. Normally 0.5% of the ARR may be allowed by the Commission as DSM

budget every year, which may be reviewed by the Commission upward or downward. Provided that the accounting of the same shall be done separately.

- 14.3 In order to qualify for cost recovery, each programme must be:-
 - (i) Got approved from the Commission prior to implementation;
 - (ii) Implemented in accordance with the approved programme 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 in undertaking Evaluation Measurement and Verification of DSM programme implemented by it.
- 14.5 The Commission may direct the Distribution licensee to undertake such DSM programmes also that may not be cost effective in terms of economic cost and benefit but are highly beneficial to the society in terms of social and environmental benefits. The Commission will make available resources for such project.
15. **Monitoring and reporting of DSM programme:** - Distribution licensee shall prepare plan and undertake monitoring and reporting of DSM programmes as per Guidelines on Monitoring and reporting issued by the 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 may be undertaken by the Commission or through 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.
17. **DSM Plan and Programme Completion Report:**
 - 17.1 Periodical reports on progress of DSM plan and expenses incurred on implementation of DSM plan shall be submitted by the distribution licensee every six months.
 - 17.2 The distribution licensee shall prepare and submit a detailed programme completion report and submit the same to the Commission within one month of completion of such programme.
 - 17.3 The Completion report shall cover the plan / programme expenses, achievements, outcomes and outputs, constraints and difficulties faced conclusions, recommendations, lessons learned and way forward.
18. **Incentive:**
 - 18.1 The Commission may provide incentives to distribution licensee for achieving or exceeding DSM objectives as identified under regulation 3.
19. **Criteria for Assessment & Approval of DSM programme:**
 - 19.1 For each DSM programme included in the DSM Plan, Distribution Licensee shall prepare a detailed programme Document.
 - 19.2 Programme Document shall also include Cost Effectiveness Assessment of each DSM programme from Distribution Licensee perspective and participating Consumers investing in the DSM programme perspective.
 - 19.3 "Cost Effectiveness Index (CEI)" shall be used to assess the viability of the DSM programme from the perspective of Distribution Licensee. CEI shall be based on financial evaluation technique 'Benefit/Cost ratio' (B/C ratio), which is sum of the present value of the benefits of DSM programme

divided by the sum of the present value of the costs associated with the DSM programme. The CEI greater than one means that the full cost of an investment will be recovered through the benefits.

- 19.4 "Cost of Conserved Energy (CCE)" shall be used to assess the cost effectiveness of DSM programme from the point of view of the Participating Consumers investing in the programme. CCE shall be the annualized incremental cost of investment in efficient option divided by annual energy saved due to adoption of efficient option. If Average Tariff of the target consumer category is greater than CCE, DSM programme is viable from the point of the participating consumers who are also investing in the programme. Average Tariff shall be the average cost of supply of the target consumer category in the year of implementation of the DSM programme.
- 19.5 The Commission shall issue detailed Cost Effectiveness Assessment Guidelines defining the criteria for assessment of DSM programme.
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Chapter-6
Miscellaneous

20. **Power to amend:** The Commission may, at any time add, vary, alter, modify or amend any provisions of these regulations after following due regulatory process.
21. **Removal of difficulties:** 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.
22. **Powers to give directions:** The Commission may, from time to time, issue orders and directions in regard to the implementation of the regulations and procedures to be followed.
23. **Powers to relax:** The Commission may, from time to time, issue orders and directions as considered appropriate to ensure implementation of the regulations and procedures to be followed.
24. **Dispute resolution:** All disputes arising under these regulations shall be decided by the Commission based on an application made by the person aggrieved in accordance with the Chhattisgarh State Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 as amended from time to time.

By order of the Commission,

Sd/-

(P.N. SINGH)
Secretary.