

Role and mandate of electricity regulators in South Asia

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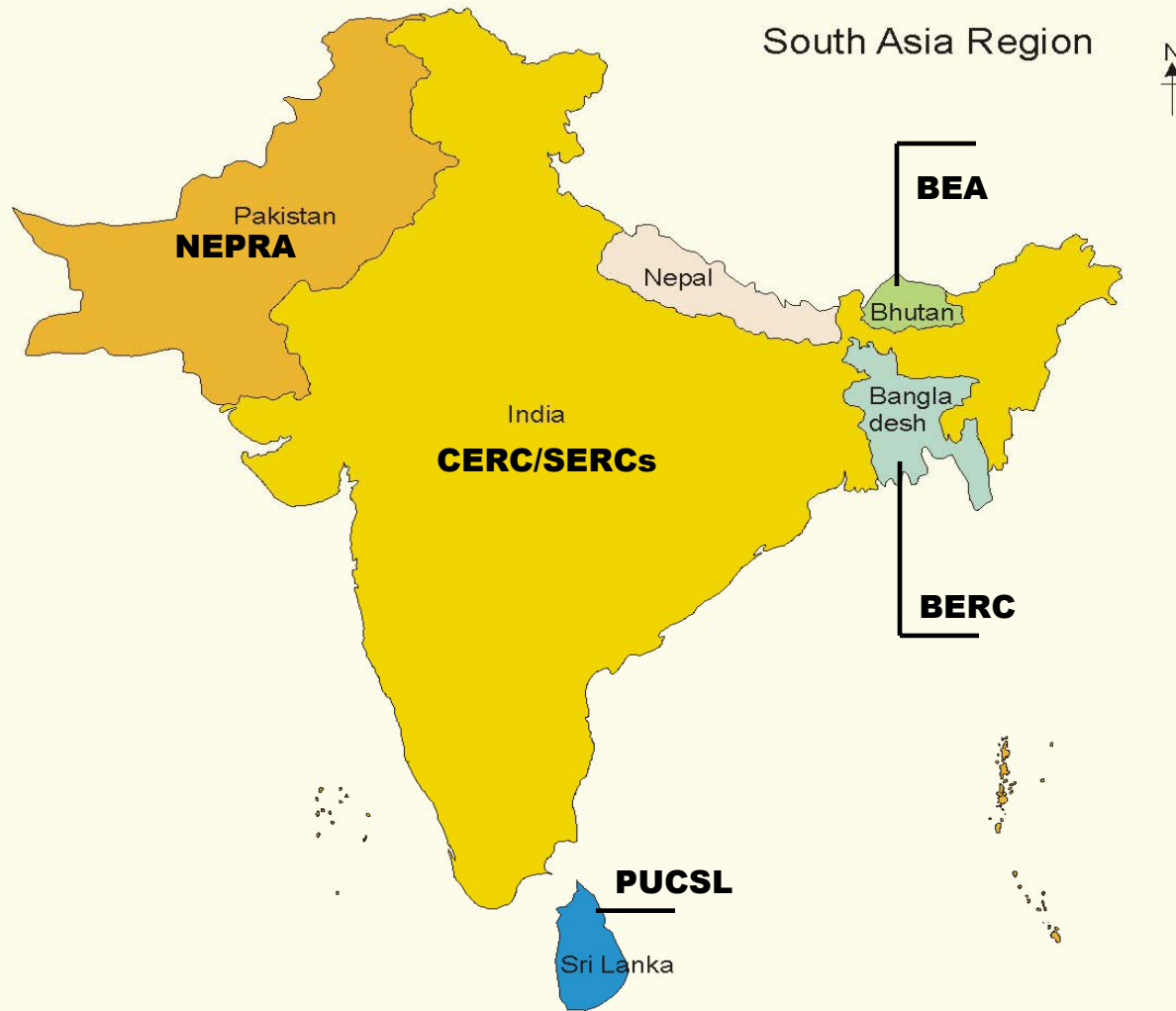
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Outline of the presentation

- 1 Electricity regulators in South Asia**
- 2 Structure and sectoral coverage**
- 3 Role & mandate of electricity regulators in South Asia**
- 4 Regulatory experience in India**

Electricity regulators in South Asia



Map not to scale

States in India covered by electricity regulators



Structure and Sector Coverage in South Asia region

Country	Jurisdiction	Sectors	Regulatory Body
Bangladesh	Federal	Electricity, gas, and petroleum products	BERC
Bhutan	Federal	Electricity	BEA
India	Federal and State	Electricity	CERC/SERCs
Nepal	No independent regulator	NA	NA
Pakistan	Federal	Electricity	NEPRA
Sri Lanka	Federal	Electricity and Water	PUCSL

Main functions

Tariff setting

Power to determine and approve
Power to determine and recommend

India/Bangladesh/Bhutan/Sri Lanka
Pakistan

Licensing

India/Bangladesh/Bhutan/Pakistan

Regulate Power Purchase

India/Bangladesh

Grant subsidy

Bhutan

Specify and enforce standards for quality, continuity and reliability

Bhutan/Bangladesh/India/Pakistan/Sri Lanka

Dispute resolution

Bhutan/Bangladesh/India/Pakistan/Sri Lanka

Power to prepare regulations

India

Indian experience

Functions of ERCs under the 2003 Act

Core Role

Tariff regulation, monitoring quality of service

Adjudicating disputes, enforcing licensing conditions, monitoring compliance, and redressing grievances

Recommendatory role

If approval is not under its jurisdiction

Advisory role

Information and advice to the government on matters of importance to the sector

Key achievements

Indian experience

- Tariff rebalancing in reduction of cross-subsidy
- Focus on consumer interests
- Transparency in assessing performance parameters
- Focus on efficiency improvement
- Increased public participation
- Commercial orientation in the functioning of utilities
- New tariff designs including a move towards MYT

Constraints in functioning

Indian experience

- Poor information base
- Lack of financial and functional autonomy
- Delays in appointment
- Overlapping jurisdictions
- Interface with other energy sectors (coal, oil & gas)
- Problems in enforcing their directions by both public and private entities

Immediate tasks

Indian experience

- Improve information base
- Increase efficiency
- Expedite the introduction of OA
- Promote renewable energy
- Implement capacity building
- Improve conditions for investment in the sector
- Enforce universal service obligations with consistent QoSS
- Establish interface with environment regulators

End note

- Indian regulators in different stages of evolution
- Crucial for the growth of electricity sector & achievement of MDGs
- Regional co-operation in experience sharing important. Same template may not apply.
- Need to evolve a long-term road map. As competition develops, regulation should become more light-handed

Role of TERI and SAFIR in the area of Independent Regulation

- TERI established division of **Regulatory Studies and Governance** in 1999
- Provides capacity building on infrastructure regulation and related topics
- TERI, currently an administrative and professional partner of SAFIR, deals with the implementation of SAFIR agenda

Objectives of SAFIR

- Build regulatory decision-making and response capacity in infrastructure sectors in South Asia
- Provide a platform for experience sharing amongst the regulators in the region and outside

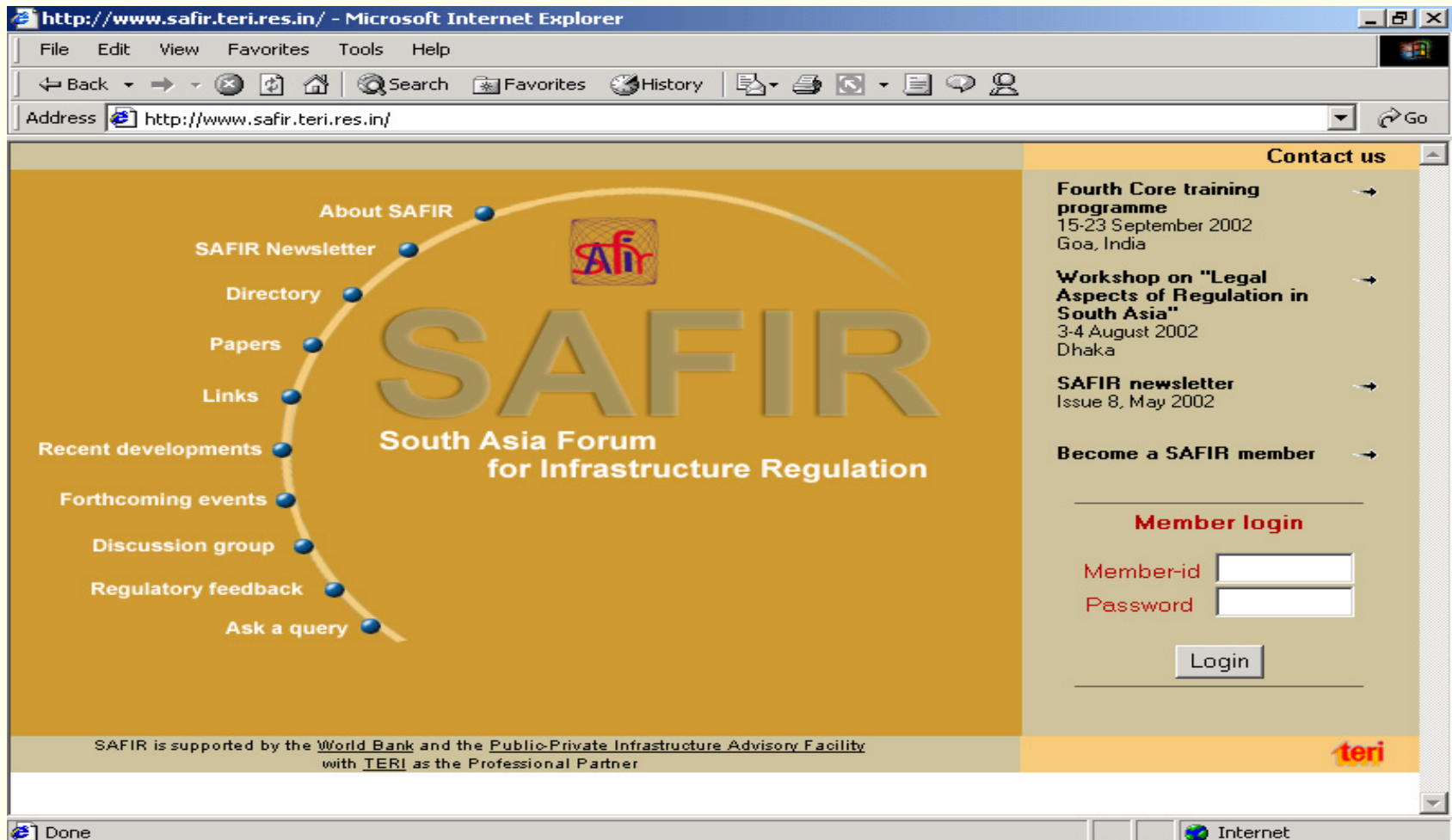


Role of TERI and SAFIR in the area of Independent Regulation

- Facilitate the regulatory process
 - Conduct training programs to serve regulatory agencies and other stakeholders
 - Encourage research on regulatory issues
 - Provide a databank of information relating to regulatory reform processes and experience
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- Core Training Course on *“Infrastructure Regulation and Reform”*, SAFIR flagship activity
 - Other events based on needs assessment



SAFIR Website <http://www.safir.teri.res.in>





Thank You....



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