



केन्द्रीय विद्युत विनियामक आयोग
CENTRAL ELECTRICITY REGULATORY COMMISSION



Dr. Pramod Deo
Chairperson

D.O. No. Chmn/CERC-2009/
Dated the 5th February 2009

Dear *Shri Sampath,*

Time-bound implementation of open access particularly on state level transmission and distribution networks is one of the key thrust areas of power sector reforms. I am writing to you highlighting a very disturbing development which is disrupting implementation of open access due to certain steps taken by one State Government.

The Forum of Regulators (FOR) had constituted a Working Group on Open Access to evolve a consensus on implementation strategy. The report of the Working Group was adopted by the Forum in its meeting held in Chennai on 30th January, 2009.

During the deliberations on open access, two recent orders passed by the Government of Karnataka under section 11 of the Electricity Act mandating the generating stations and co-generators in the state not only to maximize the generation but also to put the electricity into State Grid were deliberated upon by the Forum. Through these orders, the State Government has attempted to prohibit the export of power to other States, on the ground of prevailing shortages of power in the State. The SLDC of Karnataka is denying its concurrence to inter-state open access on the basis of these orders of the State Government. There was unanimous view in the Forum that this approach of the State Government would make implementation of open access impossible.

The approach taken by the Karnataka Government has the potential of prompting other State Governments to raise similar barriers to export of electricity even though covered under existing contracts and agreements from their states thereby destroying a nascent electricity market. I would also like to point out that the approach of Karnataka Government is at complete variance

with the Resolution of the Chief Ministers Conference on Power held in May 2007 in which the states committed themselves to operationalize open access recognizing that this would improve the supply position, help lower the tariffs and attract much needed investment in capacity addition. The Resolution also contains the commitment of the Centre and the States to unshackle generation, transmission and distribution to enhance the availability of electricity and its unhindered movement to consumers.

Noting the fact that CERC has passed appropriate orders in the cases of denial of open access by SLDC in Karnataka and that the Government of Karnataka has moved the High Court and obtained a stay to those orders, the Forum resolved that, though the legality of the orders passed by the State Government would be tested in course of time, the Ministry of Power may be requested to take up this issue with all the State Governments including Karnataka for reiterating and reaffirming the resolve of the Central Government and the State Governments to operationalize open access in transmission and distribution expressed in above referred Resolution.

I would, therefore, as Chairperson of the Forum of Regulators, request the Ministry of Power to take up this matter with the State Governments urgently.

Best regards.

Yours sincerely,

Pramod Deo
(Dr. Pramod Deo)

Shri V.S. Sampath
Secretary (Power)
Ministry of Power
Government of India
Shram Shakti Bhawan,
Rafi Marg, New Delhi - 110 001