

**MEMORANDUM OF
UNDERSTANDING**

BETWEEN

**CENTRAL ELECTRICITY
REGULATORY COMMISSION
(INDIA)**

AND

**FEDERAL ENERGY
REGULATORY COMMISSION
(USA)**

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CENTRAL ELECTRICITY REGULATORY
COMMISSION
AND
FEDERAL ENERGY REGULATORY COMMISSION**

1. The Central Electricity Regulatory Commission (CERC) and the Federal Energy Regulatory Commission (FERC) hereby agree to enter into this Memorandum of Understanding (MOU) to share regulatory experiences and practices based on the following set of goals.
2. This MOU is based upon the goal of developing activities aimed at the exchange of information and experiences in areas of mutual interest to both CERC and FERC in the electricity sector. The purpose of this MOU is to illustrate and outline the broad nature of activities proposed to be undertaken and to identify likely areas for the exchange of information and regulatory practices. Any specific activities must be agreed upon in advance by both CERC and FERC and are subject to approval of funding by each entity involved.
3. The activities under this MOU include, but are not limited to, the following:
 - i) Identify energy related issues and develop topics and possible agendas for the exchange of information and regulatory practices in agreed upon areas of interest;
 - ii) Organize visits by Commissioners and/or staff to participate in activities at each others' facilities;
 - iii) Participate in seminars, visits and exchanges;
 - iv) Develop programs of mutual interest and where appropriate, hold these programs locally to enhance participation; and
 - v) When practical and of mutual interest, provide speakers on energy issues and other personnel (management or technical) as agreed upon in advance.

4. The activities under this MOU may include topics related to the following areas:

- i) Development and oversight of power markets;
- ii) Regulatory initiatives for facilitating investment in the power sector;
- iii) Integrating energy from renewable sources into the electricity grid;
- iv) Pricing of transmission services;
- v) Regulatory oversight of grid reliability;
- vi) Technical training in relevant areas;
- vii) Common standards for metering etc. to ensure interoperability with components of distribution systems;
- viii) Development of Smart Grids; and
- ix) Regulatory support to Energy Efficiency.

The above list is not exhaustive and the partners to this MOU may agree to cooperate in other areas of mutual interest.

5. CERC and FERC mutually release each other from liability for damage and/or injury caused by any negligence on the part of their employees, officers, assignees, subsidiaries, agents and/or any other individuals who may, or may purport to, represent FERC or CERC or any of their subsidiaries which may result from participation under this MOU.

6. CERC and FERC also agree that neither party will represent, either directly or through conduct, that it has the authority and/or capacity to represent the other, nor will either party seek contribution, in full or in part, from the other for any liability to third parties which may be incurred as a result of its participation in this MOU.

7. Nothing contained in this Agreement will require either party to take any action which would be inconsistent with any existing or future laws, regulations, and policy directives applicable to it. Should any conflict arise between the terms of this Memorandum or activities undertaken under this MOU and those laws, regulations, and policy directives, the parties agree to consult before any action is taken. FERC's obligations under this Agreement are subordinate to its regular regulatory activities and are

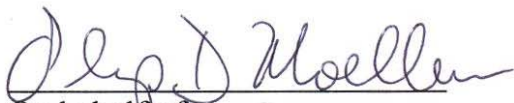
dependent upon the availability of adequate human and financial resources. Similarly CERC's obligations under this Agreement are subordinate to its regular regulatory activities and are dependent upon the availability of adequate human and financial resources.

8. CERC and FERC, unless otherwise agreed to, shall bear their own share of financial costs involved in participation in activities under this MOU.

9. This Agreement will remain in effect up to December 31, 2012, unless terminated prior to that time. Either party may terminate this Agreement at any time for any reason, by giving the other party sixty (60) days written notice, whereupon this Agreement will terminate without further obligation on either party.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be duly executed by their duly authorized representatives.

Philip D. Moeller
Commissioner



On behalf of
Federal Energy Regulatory Commission

Dr. Pramod Deo
Chairperson



On behalf of
Central Electricity Regulatory Commission

13 OCTOBER 2010
Date

28th September, 2010
Date