HARYANA ELECTRICITY REGULATORY COMMISSION
BAYS NO. 33-36, SECTOR – 4, PANCHKULA – 134113, HARYANA

Haryana Electricity Regulatory Commission (Demand Side Management) Regulations, 2014.

Notification

The 19th November, 2014

Statement of Objects and Reasons:

The Haryana Electricity Regulatory Commission, in exercise of powers conferred on it by Section 61, Section 86 and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf, decided to frame Haryana Electricity Regulatory Commission (Demand Side Management) Regulations, 2014 for advancement and implementation of cost effective DSM initiatives in the State .

The Demand Side Management (DSM) relates to actions of a Distribution Licensee, beyond the customer's meter, with the objective of altering the end-use 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.

The Commission believes that DSM has various beneficial effects including mitigating electrical system emergencies and exigencies, reducing the number of hours of load shedding and increasing system reliability. Possible benefits can also include reducing dependency on expensive imports of fuel, reducing short term / costly power procurement, and reducing harmful emissions to the environment. DSM can also play a major role in deferring investments in generation, transmission and distribution infrastructure. Hence overall, DSM provides significant economic, reliability and environmental benefits.

Considering several benefits of DSM, the Commission has decided to put in place DSM Regulations incorporating DSM objective which is clear, attainable, feasible and consistent with the Central and State Governments' policies and priorities and also addresses the challenges faced by the power sector in Haryana.

Accordingly, the Commission finalized the proposed draft DSM Regulations, 2014 with inputs from the draft prepared by IDAM under USAID / INDIA (Pace – D Technical Assistance Programme – Draft Demand Side Management Regulations) for Haryana.

The draft DSM Regulations were hosted on the website of the Commission and objections / suggestions were invited from the stakeholders by 26th August, 2014. The public notice intimating the stakeholders / interested regarding the date of hearing was inserted in the following newspapers dated 28th August, having wide circulation in Haryana.

1. Hindustan Times (English) Chandigarh and Haryana Edition.

2. Dainik Bhaskar (Hindi) Chandigarh and Haryana Edition.

In response to the public notice inviting objections / suggestions on the draft DSM Regulations the following persons filed their objections / suggestions.

i) M/s Priya Bhargava, Asstt. General Manager, MP EN Systems Advisory Pvt. Ltd, Mumbai.

ii) Department of Renewable Energy, Haryana & HAREDA.

In the hearing held on 15.09.2014 M/s Priya Bhargava submitted as under:

- lack of financing is the key barrier for DSM implementation by utilities.

- DSM costs recoverable through ARR, but utility needs to spend upfront and recover later dedicated fund provides a large advantage.

- Suggested mechanism for creation of Energy Conservation Fund i.e. Collection of Public Benefits Charge from all consumers at pre-defined fixed price per unit for pre-defined fixed period of time.

- Types of programmes funded: e.g. rebates to residential & small commercial consumers on first cost of efficient equipment, energy audits for large consumers, administrative costs of third party implementer, etc. / pre-defined at outset.

- Types of off take: Grants/ loans/ incentives; set up as a Revolving Fund.

- Fund management & capitalization: Through Fund Manager e.g. commercial banks/ other funding conduits.

- Additional funding: Potential equal funding from State Government.

- ECF set up at State/ utility level.

- Power Utilities may create specific DSM funds by collecting PBC from a variety of consumers and use the fund to implement DSM programmes that benefit the contributing consumer-base. Such a fund may be merged with the existing funds as a revolving fund managed by competent entities.

The representative of HAREDA submitted that they agree in principle with the draft DSM Regulations, 2014 prepared by HERC and has no objection, if HERC takes one representative from HAREDA in the DSM Advisory Committee. Additionally, regarding utilization of the potential assessment for the year 2014-15 to 2016-17 carried out by HAREDA / BEE it was submitted that the potential for saving energy can be utilized provided that the basic information shall be provided by stakeholders departments i.e. Power Utilities, HUDA, Urban Local Bodies, Agriculture Department etc. He suggested that these Departments may also be made members of the DSM Advisory Committee.

Shri Ajmer Singh, Chief Engineer, appearing on behalf of the Distribution licensee in the hearing held on 15.09.2014 submitted that they have appointed consultants for reviewing the draft DSM Regulations and shall file their comments. Accordingly, the Distribution Licensee i.e. UHBVN vide Memo No. Ch-26/GM/RA/N/F-59 dated 5.11.2014 filed their detailed comments / remarks. UHBVN has mostly agreed to the provisions of the draft DSM Regulations. However, on certain clauses of the said regulations they have commented as under:-

a) Under regulation 3.2 there should be National DSM objective / Plans formulated by BEE and State Action Plan on Climate Change, if any.

The Commission finds the above observation in order and shall include State Action Plan on Climate Change in regulation 3.2 (2).

b) Regulation 8 should include one representative from EESL, JV of PSUs of Ministry of Power, and Government of India to assist Central and State Government in implementation of DSM and Energy Efficient Programmes.

The Commission has considered the above suggestions and is of the view that the purpose of DSM Advisory Committee is to assist the Commission to drive the DSM programme implementation and not to assist Central / State Government. The Commission has already included representatives from HAREDA / BEE and Government Departments in the DSM Advisory Committee, hence Government is adequately represented.

c) UHBVN has sought inclusion of carrying cost and depreciation on capital expenditure as well as interest paid for tie up of funds of approved DSM programme in the ARR / Tariff for target group of consumers for whom the DSM is being implemented.

After due deliberations on the above suggestions, the Commission is of the view that regulation 15 (2) already provides for the same hence no additional / separate provision is required in the Regulations.

d) UHBVN suggested that the Commission may develop suitable mechanism to encourage Utility, Consumers and other Stakeholders e.g. incentives like TOD metering, power factor incentive, load management and rebate for energy efficient buildings / appliance and strategy to motivate consumers / other stakeholders to participate in the DSM programme and description of payment & collection mechanism.

The Commission has considered the above submissions of UHBVN and is of the view that the DSM Regulations provide for incentives to the Distribution Licensee for achieving / exceeding the DSM objectives. The other issues i.e. TOD etc. are tariff related matters and UHBVN may submit a detailed proposal while filing ARR / Tariff petitions for the ensuing financial year.

The Commission, after due consideration of the written comments/objections received from the stakeholders and views expressed/various issued raised in the public hearing, have accordingly made the necessary modifications to the draft regulations and have finalized the Regulations i.e. Haryana Electricity Regulatory Commission (Demand Side Management) Regulations, 2014, as follows.

Regulation No. HERC/ 30 / 2014: - In exercise of the powers conferred on it by Section 61, Section 86 and Section 181 of the Electricity Act 2003 (Act 36 of 2003) and all other powers enabling it in this behalf, the Haryana Electricity Regulatory Commission, proposes to frame the following regulations:-

CHAPTER – 1

GENERAL

1. **Short title, commencement, extent of application and interpretation. –** (1) These Regulations may be called the Haryana Electricity Regulatory Commission (Demand Side Management) Regulations, 2014.

(2) These Regulations shall come into force on the date of their publication in the Haryana Government Gazette (extraordinary).

(3) These Regulations shall extend to and applicable to the all the distribution licensees in their respective areas of supply in the State of Haryana.

2. Definitions. - (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 Haryana Electricity Regulatory Commission;

(e) **"Cost Effectiveness Index"** shall have the same meaning as defined in clause (3) of regulation 20 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 permanent cell set up by the Distribution Licensee to facilitate the Distribution Licensee to develop and design and to develop 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.

(2) 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. The other expressions used herein but not specifically defined in these Regulations or in the Act but defined in the Haryana Electricity Reform Act, 1997 (Act 10 of 1998) shall have the meanings assigned to them in the Haryana Electricity Reform Act, 1997 (Act 10 of 1998) or any law passed by the Parliament / Assembly / any other Regulations including CERC, provided that such definitions are not inconsistent with the provisions of the Electricity Act, 2003;

Chapter II

DSM Objectives, Potential Assessment, Targets & Guidelines

3. DSM Objectives. – (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.

(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) 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.

(5) 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. – (1) the distribution licensee in Haryana shall carry out assessment of potential for DSM in the State one year before the start of every MYT Control Period. Notwithstanding above provision, the first assessment of technical potential for DSM shall be carried out within six months of the notification of these Regulations.

(2) Distribution licensee shall be guided by the methodology developed by Bureau while assessing of technical potential for DSM.

5. DSM Targets. – (1) The Commission may prescribe for each distribution licensee in Haryana 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 Control Period.

(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). However, for the MYT Control Period i.e. FY 2014-15 to FY 2016-17, the Commission may utilize the potential assessment carried out by BEE / HAREDA.

(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**. – (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.

(2) Issuance of such guidelines shall not be a pre-requisite for preparation and submission of the first DSM plan by the Distribution Licensee.

Chapter III

DSM Cell & DSM Advisory Committee

7. Constitution of DSM Cell, its Roles & Responsibilities. – (1) every distribution licensee shall constitute DSM Cell and submit the compliance report to the Commission within one 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.

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;

(h) Interaction with DSM Advisory Committee at regular interval;

(i) Any other additional function that may be suggested by the DSM Advisory Committee or as directed by the Commission from time to time;

(2) The DSM Cell so constituted shall be provided with necessary authority and resources by the distribution licensee so as to enable it to execute the functions assigned to it under these regulations.

(3) 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 two years. Any change before the officer / official completes two years shall require prior approval of the Commission.

8. **Constitution of DSM Advisory Committee:**

(1) DSM Advisory Committee set up under these Regulations shall assist the Commission to drive the DSM programme implementation under these Regulations.

(2) DSM Advisory Committee shall comprise of following members:-

(a) One Member of the Commission to act as the Convener;

(b) Director (Tariff) of the Commission to act as the Member Secretary of the DSM Advisory Committee;

(c) One representative from HAREDA having expertise in DSM activities;

(d) One representative of each Distribution Licensee in the State;

(e) One representative from Bureau of Energy Efficiency;

(f) Maximum two representatives to be nominated by the Commission from Industrial / Commercial Associations i.e. PHD Chamber, CII, FICCI etc;

(g) Maximum two independent external members from the Government departments who have special knowledge or experience of power sector to be nominated by the Commission;

(h) Maximum two representatives from electricity consumer representing interests of domestic, commercial and industrial category consumers;

Provided that the Convener of the DSM Advisory Committee may Copt up to two members from the relevant Government Departments i.e. HUDA, Agriculture Department, Local Urban Bodies etc. as and when required.

(3) **Functions of DSM Advisory Committee:**

The Functions of DSM Advisory Committee shall be as under:-

i) Advise the Commission on consumer surveys and load research, end-use technologies, usage patterns, willingness to pay, sensitivity studies, market research etc. to assess DSM potential;

ii) Promote cross-learning and synergy among the Distribution Licensees and other stakeholders to design appropriate DSM programmes and plans;

iii) Advise the Commission on DSM programmes and plans submitted by the Distribution Licensee to the Commission for approval;

iv) Advise the Commission on the development of common programmes across Distribution Licensees (common procurement, common specifications for equipment/technology);

v) Provide support to the Commission for instituting DSM Plan/Programme monitoring, review, measurement and verification (M&V) as and when required;

vi) Advise the Commission in development of various guidelines for facilitation of DSM programme implementation;

vi) Advise the Commission in development of tariff mechanisms for promotion of DSM;

vii) Advise the Commission on the training/capacity building and sharing of experience with respect to the entire DSM implementation in the State;

viii) Advise the Commission in developing and maintaining database and centralized information systems.

Chapter IV

9. Load and Market Research Design and development of baseline data.

(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.

(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.

(3) On the basis of the results of load and market research, the distribution licensee shall develop baseline data for its area of supply.

(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.

Chapter V

DSM Plan and Programmes

10. Formulation of DSM Plan. – (1) Distribution licensee shall formulate and submit to the Commission a perspective DSM Plan covering period of the DSM control period, within six months of the beginning of every control period.

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.

Provided that the first DSM Plan shall be prepared within six months from the date of notification of these regulations and shall be for the period till the end of ongoing MYT Control Period i.e. FY 2014-15 to FY 2016-17.

(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.

(3) The distribution licensee shall submit on rolling basis, an annual plan, not inconsistent with the perspective plan to the Commission by 31st July to be implemented from 1st April of the ensuing financial year.

(4) Selection and prioritization of various DSM programmes in the DSM Plan shall be guided by the following factors:-

i) The Cost effectiveness guidelines issued by 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.

(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.

11. **Review and Approval of DSM plan by the Commission**. – (1) Distribution Licensee shall submit the DSM Plan to the Commission for approval at least six months before the start date of every new MYT Control Period. The Distribution Licensee shall submit the DSM Plan both in hardcopy and softcopy.

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.

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.

(2) The Commission may adopt procedures as specified in the Haryana Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 as amended from time to time for according approval to the DSM Plan.

12. **Preparation of DSM Programme Document**. – (1) Prior to implementation of any DSM Programme the Distribution licensee shall prepare and submit to the Commission a portfolio of DSM programme including but not limited to retrofits, new purchases, new building designs, waster and energy conservation in agriculture, combined heat and power. The Distribution licensee may design DSM programme for end uses including air conditioning & refrigeration, heating, water pumping, motors and motor driven systems, lighting, building, industry specific programmes for its domestic, commercial, agriculture, public water works, street lights, railways and other consumers.

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 rational, 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 .

(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.

13. **Approval of DSM Programme Document**. – (1) Prior to implementing any DSM programme, distribution licensee shall obtain approval of the Commission.

(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.

(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.

14. **Implementation of DSM programme**. – (1) Distribution licensee shall undertake implementation of DSM programme in line with the guidelines issued by the Commission from time to time.

(2) The implementation of the programme shall be undertaken in the manner as approved by the Commission.

(3) Distribution licensee shall undertake implementation of quick gain DSM programmes also.

(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.

15. **Mechanism for Cost Recovery / Funding**. – (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.

(2) Distribution licensee may propose methodology for recovery of incremental costs through ARR / tariff or any other mechanism. Up to 0.5% of the ARR shall be allowed by the Commission as DSM budget every year. Provided that the accounting of the same shall be done separately. The Discoms, with prior approval of the Commission, may create energy conservation fund through levy of public benefit charge on all consumers except AP tube – well category of consumers. The fund so created shall be managed by a professional fund management agency / banks etc.

(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.

(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.

(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.

16. 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.

17. Evaluation, Measurement and Verification of DSM Programme:-

(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.

(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.

(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.

18. DSM Plan and Programme Completion Report: (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.

(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.

(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.

19. Incentive: The Commission may provide incentives to distribution licensee for achieving or exceeding DSM objectives as identified under regulation 3.

20. Criteria for Assessment & Approval of DSM programme:

(1) For each DSM programme included in the DSM Plan, Distribution Licensee shall prepare a detailed programme Document.

(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.

(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.

(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.

(5) The Commission shall issue detailed Cost Effectiveness Assessment Guidelines defining the criteria for assessment of DSM programme.

Chapter VI

Miscellaneous

21. Power to amend: The Commission may, at any time add, vary, alter, modify or amend any provisions of these regulations.

22. 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.

23. 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.

24. 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.

25. 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 Haryana Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 as amended from time to time.

BY ORDER OF THE COMMISSION

Sd/-

Director (Tariff)
Haryana Electricity Regulatory Commission.