

**MINUTES OF THE 29th STEERING COMMITTEE MEETING (SCM)
OF SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION
(SAFIR)**

DATE: 18TH SEPTEMBER, 2023

VENUE: NEW DELHI, INDIA

LIST OF PARTICIPANTS : ANNEXURE- I.

The meeting was chaired by Ms. Deki Choden, Chairperson , South Asian Forum of Infrastructure Regulation (SAFIR) and CEO, Electricity Regulatory Authority, Bhutan.

2. Chairperson, CERC/ SAFIR Secretariat in his opening remarks thanked the members for participating in the meeting and emphasized on the importance of SAFIR in providing platform for experience sharing on best practices on infrastructure sectors in South Asian region. He added that SAFIR has been ably assisted by its Joint Working Group which continues to be instrumental in delving deep into critical matters such as Harmonization of Rules and the Common Minimum Grid Code. Additionally, the JWG is also deliberating on Power Market Design to facilitate electricity trade among SAFIR member countries.

3. In his remarks, Chairperson of Electricity Regulatory Commission of Nepal (ERCN), acknowledged that ERCN , being just four years old, is relatively new and has much to learn from other regulators, including CERC. He highlighted SAFIR's significant contributions to cross-border trade and its efforts in developing a common minimum grid code . He added that ERCN has also established a committee comprising representatives from Nepal Electricity Authority, Engineering Colleges, and the Transmission Authority to thoroughly examine the common minimum grid code and subsequently published its draft of the Electricity Grid Code, aligning it with international best practices and the Common Minimum Grid Code of SAFIR.

4. Chairperson , Public Utilities Commission of Sri Lanka (PUCSL) informed the members of the recent economic challenges in Sri Lanka, which resulted in an energy crisis. He also referred to the ongoing bilateral discussions between India and Sri Lanka to facilitate the trading of 1000MW. Furthermore, he mentioned the ongoing restructuring of the Sri Lanka Electricity Board and highlighted the upcoming initiative to formulate an Electricity Grid Code once this restructuring is completed.

5. Chairperson, Bangladesh Energy Regulatory Commission (BERC) expressed gratitude for the opportunity to participate in the meeting. He added that Bangladesh, as a rapidly emerging country in the power sector, has effectively addressed the growing demand for power and energy. Currently, while it is engaged in power imports from India, it is also directing its attention toward importing power from Bhutan. Chairperson highlighted Bangladesh's steadfast commitment to transitioning towards green energy sources, emphasizing the nation's ongoing efforts in this regard.

6. Chairperson, SAFIR and CEO of ERA of Bhutan welcomed all the members of the Steering Committee and thanked SAFIR secretariat for warm hospitality.

Thereafter, the Steering Committee took up the agenda items for consideration.

AGENDA ITEM 1: CONFIRMATION OF THE MINUTES OF THE 28th STEERING COMMITTEE MEETING

Dy Chief (RA), CERC apprised the Forum of the discussion of the 28th Steering committee meeting and action taken points of the said minutes. After deliberations, the Forum approved the minutes of the 28th SCM

AGENDA 2: ACCOUNTS RELATED ITEMS

i) Budget for the F.Y. 2023-2024.

Deputy Chief (RA), CERC apprised the salient features of the SAFIR budget for the F.Y. 2023-2024, including the projected income and expenditure. The Members were apprised that the membership fee for F.Y.2023-2024 has been retained at the same level as last year, due to the availability of accumulated reserves in SAFIR.

Chairperson, CERC & other Members of the Committee suggested that there has to be an increase in the number of activities in SAFIR to which it was informed that apart from the meetings, SAFIR also conducts annual Conference in collaboration with USAID. Further, Indian Institute of Corporate Affairs (IICA), one of the Members of SAFIR has offered to conduct few online training programs during 2023-2024, which the Executive Committee Members (during the 25th ECM of SAFIR held on 12.06.2023) had agreed to try for a year. The SCM was also apprised that SAFIR is supported by a Joint Working Group (JWG) - at

the level of Chairperson / Members of the ECM countries , assisted by USAID & SAREP and World Bank to work on the Common Minimum Grid Code and Power market design respectively . There is also a Working Group of officers of ECM countries which works on Studies and capacity building programs.

The CUTS Institute for Regulation & Competition (CIRC) - one of the Members of SAFIR volunteered to provide inputs for the capacity building programs and studies of both the WGs, which was accepted by SC members .

After discussion , the Members opined that in view of the surplus in the budget, in addition to the existing programs, SAFIR Sectt may explore to conduct one Conference either in India or in one of the Member countries other than India. It was also decided that SAFIR Members in India would take care of their travel expenses and that SAFIR Sectt would take care of the accommodation for the conferences outside New Delhi / India and to revise the budget of SAFIR to the extent of making provision for the same . Accordingly, the budget of SAFIR for the F.Y. 2023-2024 was approved with observations/modification.

ii) Audited Accounts of SAFIR for the F.Y. 2022-2023.

The members were apprised the salient features of the Annual Audited Accounts of SAFIR for the F.Y. 2022-2023 and that the same is not qualified by the Auditor. Thereafter, the SC Members approved the Annual Audited Accounts of SAFIR for the F.Y. 2022-2023.

iii) Appointment of Auditor for Auditing the Accounts of SAFIR for the F.Y. 2022-2023.

The Members were apprised that M/s Vibhor Gupta & Associates, New Delhi has been appointed as the Auditor of SAFIR for the F.Y. 2022-2023, with due approval of the Competent Authority in SAFIR. Further, it was also apprised that the maximum term of the Auditor has been reduced to 3 (three) years, instead of 5 (five) years. The SC Members noted and endorsed the appointment.

iv) Re-appointment of Tax Consultant for filing the Income Tax Return & FCRA Return of SAFIR for the F.Y. 2022-2023 and filing the GST Returns for the F.Y. 2023-2024.

The members were apprised that M/s Sharma Kathuria & Co., Chartered Accountants, New Delhi were appointed as Tax Consultants to file the Income Tax Return, FCRA Return and GST Returns of SAFIR. As they would be completing their maximum tenure of 3 (three) years, after being re-appointed for the aforesaid works to be conducted during the F.Y. 2023-2024, SAFIR Sectt. will call for fresh quotations from Chartered Accountants firms on panel and from new CA Firms, for the aforesaid matters and the firm quoting the lowest fees (L1) will be appointed for a period of 3 (three) years. The SC Members approved the re-appointment.

v) Membership related issues:

a) Expansion of membership of SAFIR.

As a result of the drive to expand membership of SAFIR, the following organizations have expressed their interest to join / rejoin SAFIR

- a) FSR Global – Florence School of Regulation, European University Institute, Florence, Italy & Clean Energy International Incubation Centre, New Delhi, India intimated their interest to join SAFIR, under the category “Academic/Research Institution”.
- b) Maharashtra Electricity Regulatory Commission (MERC) informed its intention to re-join SAFIR.
- c) PGCIL and IEX have also expressed their interest to join SAFIR and that letters were awaited

The Members welcomed and approved the above requests. The Members also suggested that other organizations in India such as PNGRB, TRAI, AERA, ONGC, NEEPCO, SJVNL and OTPCL etc may also be invited to join SAFIR. They also advised SAFIR Sectt to pursue with Maldives and other South Asian countries to join as members.

b) Requests for withdrawal of membership of SAFIR.

The SCM was apprised that though requests were received from Andhra Pradesh Electricity Regulatory Commission (APERC), Telecommunications Regulatory Commission of Sri Lanka (TRCSL), Assam Electricity Regulatory Commission (AERC), Rajasthan Electricity Regulatory Commission (RERC) and Tripura Electricity Regulatory Commission (TERC), for discontinuing their membership in SAFIR, subsequently, post follow up by SAFIR Sectt.

- i) APERC & RERC informed of re-joining SAFIR ;
- ii) AERC is yet to respond to the request

iii)TERC has requested for waiver of their membership fees for the last 7 (seven) years (i.e. for the F.Ys. 2013-2014 to 2022-2023, excluding for 2020-2021 & 2022-2023 which were waived-off for all the Members), amounting to USD 32000, based on which they will decide to continue the membership.

iv) TRCSL, Sri Lanka has decided to discontinue their membership.

After discussions, the Members approved the above proposals of TRCSL.

c) Non-payment of membership fee of SAFIR.

Deputy Chief (RA), CERC apprised that Members of SAFIR, viz. NHPC (India) , OGRA (Pakistan) and NEPRA (Pakistan) have not been paying the membership fee for quite sometime.

NHPC vide their letter communicated that they were discontinuing membership in SAFIR.

Further, during the ECM of SAFIR held on 12.06.2023, observer from NEPRA informed that they have already instructed their bankers for the payment of the outstanding membership fees of SAFIR and requested to send them the invoices, which were duly mailed in July'23. However, till date, there has been no response from them. The same has led to the payment of Goods & Service Tax (GST) (on accrual basis).

The SCM was also apprised that as per the Rules of SAFIR, *“if a Member does not pay the fee for a consecutive term of 2 (two) years, then the membership is deemed to be discontinued”*.

Chairperson, APERC remarked that in view of the rule position, cessation of membership of OGRA , NEPRA, TERC and NHPC is automatic as they were not paying the membership for the last 2 (two) years .

The Members also decided that there has to be consistency and more clarity as regards the aforesaid Rules, viz. cessation of membership , defaulting members , re-joining as members and decided that Members can rejoin SAFIR by paying the membership fees of the last 2 (two) years . To this extent, an enabling provision needs to be made in the Memorandum & Rules of SAFIR. After discussion it was unanimously agreed that as per rules, any member not making payment for two consecutive years will be deemed to have ceased to be a member.

However, if it intends to re-join, it has to pay for two years equivalent membership fee. This will apply uniformly to all members. Suitable provisions to this extent be updated in the rules and bylaws of SAFIR.

d) Request for waiver of fees of SAFIR.

It was agreed that the requests for waiver of fees shall also be dealt with based on the decision taken in regard to cessation and re-joining of members.

e) Request for services in lieu of membership fees of SAFIR.

Deputy Chief (RA), CERC apprised that Indian Institute of Corporate Affairs (IICA), a member of SAFIR, had requested for an adjustment of its membership fee from F.Y. 2023-2024 onwards in lieu of academic-cum-advocacy contributions that they have offered to SAFIR which would include webinars, panel discussions, online talks and SAFIR newsletters on quarterly basis. On this issue, the Executive Committee Members had approved the same to try such services from IICA one (1) year (in kind), and further continuation of the services may be decided after evaluation of the services for the 1st year.

However, the SCM decided that as there is no provision of offering services in lieu of fees in the Rules of SAFIR, IICA needs to pay the membership fee of SAFIR and charge for the services offered. For this purpose, the SAFIR Sectt was directed to make a provision in the budget of SAFIR for the F.Y. 2023-2024 for such programs to be offered by IICA.

AGENDA ITEM 3:STUDY ON “REGULATORY PRACTICES FOR INNOVATION: CROSS LEARNINGS FROM INFRASTRUCTURE SECTORS 2021”

The Steering Committee members were apprised about the study on “Regulatory practices for innovation : Cross learnings from Infrastructure sectors 2021” awarded to IICA and that the study was approved by the Executive Committee . A presentation on the study (**Annexure II**) was made by the representative of IICA

The key findings of the study include :

- i. **Technological Innovation Enhances Regulatory Efficiency:** Technological innovations have allowed regulators to streamline processes, handle data more efficiently, and engage with stakeholders effectively.

- ii. **Positive Impact of Technological Change:** A majority of respondents (more than 92%) acknowledge that technological change has played a pivotal role in promoting regulatory reforms.
- iii. **Harmonization for Market Growth:** Approximately 85% of respondents believe that harmonization of regulations is necessary and can stimulate market growth.
- iv. **Positive Correlation Between Regulation and Innovation:** The study concludes that there is a positive correlation and impact between regulatory practices and technological innovation.
- v. **Notable Process Improvements:** Case studies demonstrate improvements in various aspects, including file processing, stakeholder engagement, case clearance, data analysis, and overall speed enhancement as a result of technological innovation.

After the presentation, the study report was adopted by the Steering Committee.

AGENDA ITEM 4: SAFIR CORE COURSE FOR FY 2023-24- BY SAFIR SECTT.

The Steering Committee members were apprised of the SAFIR core course scheduled for FY 2023-24 which focuses on Infrastructure Regulation and the requirement for inviting proposals from Members to conduct the same.

Following deliberations, the Steering Committee decided to invite proposals from academic institutions in India which includes major IIMs and IICA and from other EC member countries and authorized the Executive Committee to decide on awarding the Core Course.

AGENDA ITEM 5: ACTIVITIES OF THE SAFIR JOINT WORKING GROUP AND WORKING GROUP – STATUS UPDATE BY SAFIR SECRETARIAT

The members were briefed about the SAFIR's two working groups to address key power sector issues.

The Joint Working Group (JWG), comprising members from SAFIR's Executive Committee member countries focuses on power market development in South Asia and the formulation of recommendations for a Common Minimum Grid Code (CMGC) in SAFIR member nations. The World Bank is offering technical support to the JWG in designing the power market and USAID/SAREP is assisting the JWG in developing the Common Minimum Grid Code, with the final draft currently under review by JWG members.

The other Working Group comprises of officials from SAFIR's Executive Committee of India, Sri Lanka, Bhutan, Pakistan, and Bangladesh and this group has been working on studies, newsletters, capacity building programs, compendiums etc with the USAID's South Asia Regional Energy Partnership (SAREP) extending its support to this working group.

The Steering Committee expressed satisfaction on the working of both the Working Groups and stated that SAFIR secretariat may take necessary steps to enhance the visibility of SAFIR's activities. It was also decided that the outcomes of various reports of the Working Groups may be presented in the next meeting of the Steering Committee

AGENDA ITEM 6: ELECTION OF NEXT CHAIRPERSON OF SAFIR

The members were apprised that as per the Rules of SAFIR, there has to be the election of Chairperson of SAFIR every year, however, in 2019 the Members decided that the Chairmanship of SAFIR can be continued for 2 (two) years, so that there is a continuity and considerable time under the leadership of a Member Country.

During the 25thSCM of SAFIR held on 26thApril, 2019, it was decided that the Chairmanship of SAFIR is to be decided during the Annual Conference/SCM of SAFIR and accordingly, the list of the Chairpersons of SAFIR in the previous years was apprised.

In accordance to the list of the countries being eligible for Chairmanship of SAFIR, CEO, Electricity Regulatory Authority of Bhutan proposed Chairperson, CERC, India to be the next Chairperson of SAFIR for the next 2 years and the proposal was seconded by Chairperson of Public Utilities Commission of Sri Lanka . The same was unanimously approved by the Steering Committee.

The Steering Committee congratulated Chairperson, CERC for taking charge as Chairperson, SAFIR with immediate effect.

AGENDA ITEM 7: NEXT MEETING OF SCM

Since the Steering Committee Meetings (SCMs) typically take place on an annual basis, the next meeting is scheduled for the upcoming financial year, FY 2024-25. The Committee decided that the specific venue for the next SCM will be either in India (Puducherry or Lakshadweep to be decided mutually between SAFIR Sectt and JERC, Goa

& UTs) or outside India (Sri Lanka or Chittagong, Bangladesh). The details would be worked out further mutually after 31st March 2024.

VOTE OF THANKS

Delivering the vote of thanks, Secretary, SAFIR/CERC expressed heartfelt appreciation to all SAFIR members for their dynamic and engaging discussions, during which significant decisions were made on a wide range of challenging topics. He emphasized that the diverse knowledge and expertise of the members are invaluable assets for the Committee. He also extended special thanks to the Chairperson of SAFIR/CERC for his positive attitude and dedication to resolving issues, recognizing the pivotal role played by the Chairperson. Furthermore, he conveyed gratitude to the SAFIR secretariat for their diligent efforts in compiling comments and suggestions, as well as providing essential knowledge support to the Committee throughout the proceedings.

The meeting concluded with vote of thanks to the Chair.

LIST OF PARTICIPANTS OF THE 29th STEERING COMMITTEE MEETING OF
“SAFIR” HELD ON 18th SEPTEMBER, 2023

| S.No | NAME | ORGANIZATION |
|-------------|--|---|
| 01. | Ms. Deki Choden, CEO, ERA, & Chairperson , SAFIR | Electricity Regulatory Authority, Bhutan |
| 02. | Mr. Jishnu Barua, Chairperson | Central Electricity Regulatory Commission , India |
| 03. | Mr. Mohammad Nurul Amin, Chairperson | Bangladesh Energy Regulatory Commission, Bangladesh |
| 04. | Mr. Dilli Bahadur Singh, Chairperson | Electricity Regulatory Commission of Nepal |
| 05. | Prof M.A.R.M, Fernando, Chairperson | Public Utilities Commission of Sri Lanka |
| 06 | Justice (Retd.) C.V. Nagarjuna Reddy, Chairperson | Andhra Pradesh Electricity Regulatory Commission (India) |
| 07 | Mr. Hemant Verma, Chairperson | Chhattisgarh State Electricity Regulatory Commission (India) |
| 08 | Mr. D.K. Sharma, Chairperson | Himachal Pradesh Electricity Regulatory Commission (India) |
| 09 | Mr. R.K. Pachnanda, Chairperson | Haryana Electricity Regulatory Commission (India) |
| 10 | Mr. Alok Tandon, Chairperson | Joint Electricity Regulatory Commission Goa and UTs (India) |
| 11 | Mr. P. Ravi Kumar, Chairperson | Karnataka Electricity Regulatory Commission (India) |
| 12. | Mr. B. Pradeep, Member | Kerala State Electricity Regulatory Commission (India) |
| 13 | Mr. Suresh Chandra Mahapatra, Chairperson | Odisha Electricity Regulatory Commission (India) |
| 14 | Mr. Paramjeet Singh, Member | Punjab State Electricity Regulatory Commission (India) |
| 15 | Mr. K.B. Kunwar, Chairperson | Sikkim State Electricity Regulatory Commission (India) |
| 16 | Mr. Arvind Kumar, Chairperson | Uttar Pradesh Electricity Regulatory Commission (India) |
| 17. | Mr. M. Chandrasekhar, Chairperson | Tamil Nadu Electricity Regulatory Commission (India) |

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|----------------------------------|---|--|
| 18. | Mr. T. Sriranga Rao, Chairperson | Telangana State Electricity Regulatory Commission (India) |
| 19. | Mr. D.P. Gairola, Member (Law)/Chairman (I/c) | Uttarakhand Electricity Regulatory Commission (India) |
| 20. | Mr. Navneet Sharma, Director General | CUTS Institute for Regulation & Competition (India) |
| 21. | Mr. Praveen Kumar, Director General | Indian Institute of Corporate Affairs (India) |
| 22. | Mr. Harpreet Singh Pruthi Secretary, SAFIR/CERC | Central Electricity Regulatory Commission (India) |
| 23. | Dr. Sushanta K. Chatterjee, Chief (Regulatory Affairs), CERC | Central Electricity Regulatory Commission (India) |
| SPECIAL INVITEES | | |
| 24. | Mr. Pravas Kumar Singh, Member | CERC |
| GUESTS/ SAFIR SECRETARIAT | | |
| 25. | Dr Navin Sirohi, Director, FOIR Center | IICA |
| 26. | Ms. Rashmi Somasekharan Nair Dy. Chief (RA) | CERC |
| 27. | Mr. Rajiv Kumar, Asst. Secretary(P&A) | CERC |
| 28. | Mr. Nilesh Diwan , Accounts Officer | SAFIR |
| 29. | Mr. Jijnasa Behera, Research Officer | FOR |
| 30. | Ms Ankita Tiwari, Fellow | IICA |
| 31. | Mr. Sushil Kumar Arora , Administrative Officer | SAFIR |

PRESENTATION ON SAFIR STUDY

18 SEPTEMBER 2023 • 5:00 PM
29TH STEERING COMMITTEE MEETING

ANNEXURE - II



FLOW OF PRESENTATION

1. Need for the Study
2. Research Objectives
3. Research Approach
4. Conclusion & Findings

NEED FOR THE STUDY

1. To understand the impact of different regulatory practices on technological innovations in the infrastructure sector
2. Regulatory procedures and reforms may need to consider the consequences of regulation on and due to innovation, as well as the implications of technological inventive advances for regulatory reasoning and design
3. Experiences gained from one sector can serve as learnings for other infrastructure sectors
4. Need to analyze the effect of innovation, whether good or bad and to contribute a body of knowledge for regulatory studies

RESEARCH OBJECTIVES

1. To review literature on the interrelationship between regulation and innovation
2. To analyze the regulatory practices that promote innovations across the infrastructure sectors in South Asia or in India as a case study (*as per availability of open-source material*)
3. To identify key technological innovations introduced in three infrastructure sectors (*Electricity/Energy, Roads/National Highways, and Seaports*) in the last decade
4. To identify the role of regulatory practices in promoting these innovations and to prepare a temporal macro-level view of impacts on innovation
5. To identify and assess the potential of replication of aspects of innovative regulations as a learning to other regulators of the region

RESEARCH APPROACH

1. The research took a three-stage strategy, integrating qualitative and quantitative approaches in a mixed-method approach
2. The three sectors chosen for the study included Electricity/Energy, Roads/National Highways, and Seaports as they are synergistic and interconnected
3. The study concentrated on three Nations, namely India, Bangladesh, and Sri Lanka (I-B-S)
4. Roundtables with the Tariff Authority for Major Ports (TAMP), India, the Central Electricity Regulatory Commission (CERC), India, and the Bangladesh Energy Regulatory Commission (BERC) were conducted during the course of the research

CONCLUSION & FINDINGS

1. Technological innovation has enabled regulators to ease processes, enabling data handling with greater efficiency and reaching out to stakeholders
2. Primary data revealed that more than 92% respondents agree that technological change has played a central role in promoting regulatory reform and less than 8% respondents were neutral about the statement
3. Around 85% of respondents believe that harmonization of regulation is required and will help the markets grow
4. The study concludes from the secondary and primary analysis a positive correlation and impact in-between regulation and technological innovation
5. On analyzing the case study broad aspects noted herein are process improvements in file processing, stakeholder engagements, clearing of files and cases, data analysis, and speed improvement.

THANK YOU

IICA TEAM

