

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2018

Course: Economics of power	Semester: V
Programme: BA-LLB Energy Law	Max. Marks: 100
Time: 03 hrs.	
Instructions:	

SECTION A (Definitions)

Q. No.	Write short notes on the following	Marks	CO
1	What are the key elements of Capital Budget Accounting in Economics ?	2	CO1
2	Define energy demand forecasting method common in Indian Power sector .	2	CO1
3	Define the concept of Depreciation Accounting in Economics..	2	CO4
4	Define the key concepts behind of ADB Intl. Bidding/Tendering Processes.	2	CO4
5.	Define the concept of IRR.	2	CO3

SECTION B (short answer question)


Q	Answer any 4 of the following five questions .	Marks	CO
6	Explain & Analyse the current Patterns of Power Production in India. Discuss the key Value loops of Power Sector & their Economics.	5	CO4
7	Explain & Analyse the concepts behind Power Tarrif determination tecniques in India.	5	CO3
8.	Briefly Explain the concepts of Clean Energy Development .	5	
9.	Write short Note on the overall organization of Indian Power Sector in centre& states.	5	CO2
10.	Write short note on the concept of Power subsidies in India and way forward .	5	

SECTION-C (descriptive/analytical question)

Q	Answer any two of the following three questions ..	Marks	CO
11	Critically Analyse the Regulatory frame work of Power sector under CERC in India .	10	CO2

12	Discuss & elaborate the concepts & evolution of of Macroeconomics and their usages.	10	CO4
13	Discuss & Analyse the broad features of Renewable Energy Rules , 2015 and the underlying policy framework for raising the efficiencies in the renewables Industry.	10	CO3
SECTION- D (Case Studies/Application based questions)			
Q	Read the case passage and answer the underlying five questions. Attempt all questions.		
14	<p>Case Study : Niti Aayog’s Recommendations for Power Sector Reforms :</p> <p>Niti Aayog has pitched for letting power utilities realize full market price from all consumers by doing away with cross-subsidy provided to poor consumers. The draft policy unveiled recently also projected that India’s power demand will go up more than four-fold by 2040 on account of strong economic growth contributed by many fold rural consumption increase . At present, the power demand is about 1.1 trillion units. “Any fear of a rise in price to vulnerable customers should be addressed by subsidy on power use through Direct Benefit Transfer (DBT). Distribution companies should pay full market-determined price to generation companies and receive the same from customers with the latter compensated through DBT,” Niti Aayog said. At present, industrial consumers cross-subsidise residential users and farmers. The eventual goal should be to bring down the cross-subsidy from industry, placing the burden directly on the budget. This would contribute to making electricity-intensive businesses more competitive, said the draft policy. The projected robust growth in demand comes at a time when many power generation projects that came up in the last few years are in distress due to weak financial health of distribution companies which are in the midst of a turnaround effort. Power distributors are not able to fully realise the cost of power supply to consumers due to tight tariff regulation. Current turnaround efforts are focused on making these firms more efficient.</p> <p>Para Questions :</p> <p>A. Elaborate the role of Niti Ayog in the Power sector of India ?</p>	30	CO1

	<p>B. Explain in detail the rationale of 4 fold power demand by 2040</p> <p>C. Why should the Power Utilities realize full market Price from all consumers ?</p> <p>D. Explain the process of Direct benefit Transfer (DBT) to the Poor Consumers.</p> <p>E. The Eventual Goal should be to bring down the Cross subsidy from the Power Sector. Justify the statement.</p>		
15	Discuss and Analyse the New Concepts enshrined in Power/Electricity Acts 2003 and their usefulness in making a Vibrant Electricity Market For India. Enumerate with one example on cross subsidies .	10	CO2
16	Describe & evaluate the various concepts and underlying types of Capital Budgeting in Economics with one Case example.	10	C4

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SECTION A (Definitions)			
Q. No.	Write short notes on the following.	Marks	CO

1	What are main value loops of Power Generation & Transmission including the role of Economics.	2	CO1
2	Define the term NPV in Economics .	2	CO2
3	Explain the principles of Depreciation Accounting in Economics.	2	CO4
4.	Define the ADB International Bidding & Tendering Management process.	2	
5.	Define the FIPB Role in building the future Power sector .	2	CO1

SECTION B (short answer question)

Q	Attempt two of the following three questions.		
4	Explain the current Patterns of Energy/Power Production in India. Analyse the ADB International Bidding & Tendering Systems.	5	CO4
5	Explain & Analyse the concepts behind Power Tarrif determination techniques in India.	5	CO2
6.	Write short note Capital Budgeting Methodologies .	5	
7.	Write short note on the concept of Power subsidies in India and way forward .		
8.	Explain the concept of Clean Energy Development in Power sector .	5	CO3

SECTION-C(descriptive /analytics questions)

Q	Attempt any two of the following three questions.		
9	Critically Analyse the Regulatory frame work of Power sector under CERC in India . Elaborate the role of Apellate Tribunal in CERC.	10	CO2/3
10	Describe & evaluate the various concepts and underlying types of Depreciation Accounting in Economics with one Case example.	10	CO4
11	Discuss & Analyse the broad features of Renewable Energy Rules , 2015 and the underlying policy framework for raising the efficiencies in the renewables Industry.		
SECTION-D (Case studies /application based questions)			
Q.	Both the Questions carry 25 marks each. All the underlying sub questions carry 5 marks each		
12	<p>Case Study 1: Power Sector Reforms under Electricity act 2003 & Amendments</p> <p>The Need for enactment of Electricity Act 2003, was felt by the Central Government in the backdrop of the on going Economic Reforms in the country coupled with power sector reforms in various States. Poor performance of SEBs which were formed and operating under IE Act 1910 and Electricity Supply Act 1948 forced the Government to bring out an uniform and unified law to take care of the current needs of power sector in the areas of Generation, Transmission, Trading and Distribution of Electricity . Electricity Act 2003 is a single legislation which addresses all the key areas of Electricity in the country and provides a road map for over all and uniform development of electricity sector in the country.</p> <p>Para Questions :</p> <p>A. In how many parts & sections the Electricity Act 2003 was enacted . Does it extend in entire India ?</p> <p>B. Describe the key elements of section under electricity act 2003 , dealing with National Electricity Policy & Tarrif Policy.</p> <p>C. Explain the various elements of Introduction of Open Access⁴ system under the aforesaid act.</p> <p>D. Describe the concept of Multi Year Tarrif (MYT) under section 61 (f) of the act.</p> <p>E. Describe the key elements of Separation of Trading under the Act .</p>	25	CO4
13	<p>Case Study 2: Niti Aayog's Recommendations for Power Sector efficiencies :</p> <p>Niti Aayog has pitched for letting power utilities realize full market price from all consumers by doing away with cross-subsidy provided to poor consumers. The draft</p>	25	C/4/3

policy unveiled recently also projected that India's power demand will go up more than four-fold by 2040 on account of strong economic growth contributed by many fold rural consumption increase . At present, the power demand is about 1.1 trillion units. "Any fear of a rise in price to vulnerable customers should be addressed by subsidy on power use through Direct Benefit Transfer (DBT). Distribution companies should pay full market-determined price to generation companies and receive the same from customers with the latter compensated through DBT," Niti Aayog said. At present, industrial consumers cross-subsidise residential users and farmers. The eventual goal should be to bring down the cross-subsidy from industry, placing the burden directly on the budget. This would contribute to making electricity-intensive businesses more competitive, said the draft policy. The projected robust growth in demand comes at a time when many power generation projects that came up in the last few years are in distress due to weak financial health of distribution companies which are in the midst of a turnaround effort. Power distributors are not able to fully realise the cost of power supply to consumers due to tight tariff regulation. Current turnaround efforts are focused on making these firms more efficient.

Para Questions :

- F. Elaborate the role of Niti Ayog in the Power sector of India ?
- G. Explain in detail the rationale of 4 fold power demand by 2040
- H. Why should the Power Utilities realize full market Price from all consumers ?
- I. Explain the process of Direct benefit Transfer (DBT) to the Poor Consumers.
- J. The Eventual Goal should be to bring down the Cross subsidy from the Power Sector. Justify the statement.

