

**UNIVERSITY OF PETROLEUM  
AND ENERGY STUDIES**



**End Semester Examination, October 2017**

**Program: Integrated B.A.L.L.B Energy Law (Hons)**

**Subject (Course): Regulatory Framework of Power Energy Sector**

**Course Code: LLBD505**

**No. of page/s: 3**

**Semester: IX**

**Max. Marks: 100**

**Duration: 3 Hrs**

**Section A-Objective type (Answer All) 5 x 2 = 10 marks**

- 1) What is an Open Access?
- 2) What are the different types of open access that one can procure under the existing law?
- 3) What are the different ways in which tariff can be determined under law?
- 4) What is Un-scheduled inter-connection charges?
- 5) What is Renewable Purchase Obligation?

**Section B -Short answer type Conceptual (Answer All) 5 x 4 = 20 marks**

- 1) What is Renewable Regulatory Fund? Why was it introduced, and what is it used for?
- 2) Who can issue Renewable Energy Certificate (REC) and to whom can RECs be issued? What is the value of each REC?
- 3) What are the main functions of load despatch centers? Why is it so important?
- 4) Which entities can and cannot trade in power, and why?
- 5) What all power commodities can be traded in Power Exchange? What cannot be traded in power exchange?

**Section C-Analytical questions (Answer All) 4 x 5 = 20 marks**

- 1) The reform introduced in the power sector in the late 90s and early 20s was intended to attract private investment. Critically analyse the policies and the incentives introduced by the Government to attract private investors.
- 2) What is Cross-Subsidy? Why is Cross-subsidy charged in case of open access? And why is it a concern?

- 3) What is trading margin? What are the issues with respect to trading margin? Discuss the case law which closed this issue with respect to trading in power?
- 4) How does the tariff policy promote projects under Clean Development Mechanism (CDM)? How are the proceeds of carbon credit from approved (CDM) projects shared?

**Section D-Application based Case study (Answer All) 2 x 25 = 50 marks**

- 1) A, a captive generator seeks to use the interstate transmission line to sell some of the power generated from its captive power plant to B. A seeks your advice on the following:
  - a) What is the maximum percentage of power that A can sale from its power plant? What is the minimum shareholding A needs to hold in the captive power plant and why?
  - b) What benefits can A seek under the existing Government Policies as a captive power generator? Elaborate.
  - c) Who is the relevant authority to whom the captive power plant should apply for open access on inter-state transmission network? Who all can apply for open access on inter-state transmission network?
  - d) What are the objectives of connection code and operating code provided under the Grid Code? What is the scope of their applicability and how do they work? Will A as a captive power plant need to comply with such codes?
  - e) What are the objectives of Scheduling and Despatch Code provided under the Grid Code? What is the scope of their applicability and how do they work? Will A as a captive power plant need to comply with such codes?
- 2) X wishes to generate power using solar and wind energy at his farm land situated in Jaisalmer, which receives plenty of wind and sun. X has approached you to advise him on the following:
  - a) What are the benefits that X can take under the existing policies to make the most of his Renewable Energy (RE) power plant?
  - b) X wishes to also procure RECs for the power generated. What RECs can X apply for under the existing policy for the energy generated from its RE farm? Explain. Where can RECs be traded?
  - c) What conditions must be satisfied and the procedure to be followed for X to procure RECs?
  - d) Typically, which all entities are required to comply with RPO? What are the different ways in which one can satisfy its RPO obligation?

- e) How do the Government ensure that the obligated entities have complied with their RPO obligation? What action can the Government take to ensure that RPO obligations are satisfied?

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**End Semester Examination, December 2017**

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**Section A-Objective type (Answer All) 5 x 2 = 10 marks**

- 1) What is Captive Power Plant?
- 2) What is Renewable Purchase Obligation?
- 3) Who all can apply for open access on inter-state transmission network?
- 4) What are Variable Charges? Provide examples.
- 5) What is Un-scheduled inter-connection charges?

**Section B -Short answer type Conceptual (Answer All) 5 x 4 = 20 marks**

- 1) What is Renewable Energy Certificate (REC) and what can they be used for?
- 2) What are the objectives of Scheduling and Despatch Code provided under the Grid Code?
- 3) What are the relevant functions of CTU and STUs?
- 4) Which is the agency responsible for issuance of RECs and what is the value of each REC?
- 5) What are the objectives of Connection Code and Operating Code provided under the Grid Code?

**Section C-Analytical questions (Answer All) 4 x 5 = 20 marks**

- 1) The Electricity Act 2003 proposed to introduce free market and competition in the power sector. Critically analyse if the existing legal framework allows such freedom in generation, transmission, distribution and trading of power in the country?

- 2) One of the main objectives of the National Electricity Policy and National Tariff Policy is to promote Renewable Energy? Discuss the incentives and instruments introduced by the Government in this regard.
- 3) What was the main issue in the case filed of Power Trading Corporation with respect to trading in power? Critically analyse the case.
- 4) What is the relevance of Cross-Subsidy Surcharge? Has such surcharge helped the Government to achieve its purpose?

**Section D-Application based Case study (Answer All) 2 x 25 = 50 marks**

- 1) O and K have together decided to generate power using tide and wind energy off the coast in Pondicherry, which has enough of the resources (Project). They have approached you to advice on the following:
  - a) Under the existing law and policy what all benefits can the project claim?
  - b) Can the Project be viable for claiming RECs? If so, discuss the conditions required to be satisfied for claiming any REC?
  - c) What are the different kind of RECs that can be claimed for the power generated from the project? Explain.
  - d) Who determines the RPO, and which all entities are typically required to comply with RPO? What are the different ways in which one can satisfy its RPO?
  - e) Can the Government take action to ensure that RPO is satisfied by the obligated entities? How and what action can be taken where an entity fails to comply?
- 2) Z wishes to set up a RE power plant in the state of Uttarakhand, and sell part of the power within and outside the state. Z has approached you for the following advice:
  - a) What connections and permits would Z require to procure, from which relevant authorities, to transmit and sale power within and outside the state?
  - b) What are the different types of open access that Z can procure under the existing law? Explain the length of time and its relevance.
  - c) What are the typical charges that an open access user has to pay?
  - d) What are the different ways in which Z can sale power in the market?
  - e) Can Z sell its power at the Power Exchange? If so, what kind of contracts would you suggest Z to trade in the power exchange, and why?