



Name:

Enrolment No:

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2022

Course: Regulatory Framework in Power Sector

Program: MBA PM

Course Code: PIPM7006

Instructions:

Semester: IInd

Time : 03 hrs.

Max. Marks: 100

SECTION A
10Qx2M=20Marks

S. No.		Marks	CO
Q 1	Complete the Abbreviations a. POSOCO b. APTEL	2	CO1
Q2.	What is target for reduction in CO2 and other emission by India in 2030 as per INDC	2	CO1
Q3	The Electricity Act 2003 is not applicable in -----	2	CO1
Q4	Name five RLDCs with their Headquarters.	2	CO1
Q5	What is the full form of RDSS and RPC?	2	CO1
Q6	What is installed capacity of Electricity in India fuel-wise? How much electricity was produced in 2021?	2	CO1
Q7	How much is Installed Renewable Energy Generation capacity in India at present? What is target for 2030?	2	CO1
Q8	Transmission Utilities are not allowed to do power trading? (True/False)	2	CO1
Q9	Define Power Trading and GCV.	2	CO1
Q10	Regulatory Assets - explain.	2	CO1

SECTION B
4Qx5M= 20 Marks

Q 11	Name four major prescription of World Bank Model for Power Reforms in Developing countries.	5	CO2
Q 12	Differentiate between Regulated Power as per Section 62 and Power Purchased as per Section 63.	5	CO2
Q 13	Give salient features of the Draft National Energy Policy or National Electricity Policy.	5	CO2

Q 14	What are charges for Open Access? Explain after defining Open Access.	5	CO2
SECTION-C 3Qx10M=30 Marks			
Q 15	Critically evaluate The Electricity Act 2003 with proposed amendments.	10	CO3
Q 16	Calculate Tariff for a Hydro-Power Plant with 500MW capacity in Uttarakhand assuming all norms as per UERC and assuming data accordingly.	10	CO3
Q 17	Critically evaluate National Tariff Policy 2006 and 2016 with proposed amendments.	10	CO3
SECTION-D 2Qx15M= 30 Marks			
<p>Case Study: CERC moots compensatory tariff for Mundra UMPP</p> <p>The Central Electricity Regulatory Commission (CERC) in its path-breaking order has asked Tata Power promoted Coastal Gujarat Power Limited (CGPL) and procurers to set down a consultative process to find out an acceptable solution in the form of compensatory tariff over and above the tariff decided under the power purchase agreement (PPA) to the Mundra ultra mega power project (UMPP).</p> <p>This is to mitigate the hardship arising out of the need to import coal at benchmark price on account of Indonesian Regulations.</p> <p>CERC delivered order on Tata Power's petition filed under sections 61, 63 and 79 of the Electricity Act, 2003 for establishing an appropriate mechanism to offset in tariff the adverse impact of the unforeseen, uncontrollable and unprecedented escalation in the imported coal price due to enactment of new coal pricing Regulation by Indonesian Government and other factors in the matter of Mundra UMPP.</p> <p>The respondents include Gujarat Urja Vikas Nigam Limited, Maharashtra State Electricity Distribution Company Limited (MSEDCL), Ajmer Vidyut Vitaran Nigam Limited, Jaipur Vidyut Vitaran Nigam Limited, Jodhpur Vidyut Vitaran Nigam Limited, Punjab State Power Corporation Limited, Haryana Power Generation Corporation Limited and the Ministry of Power.</p> <p>Tata Power had argued that in view of Indonesian Regulations and escalation in international coal prices, it was supplying power to the procurers by purchasing coal at a higher price than what was agreed in the Coal Supply Agreements without any adjustment of tariff and is consequently stated to suffer a loss of</p>			

	<p>Rs 1873 crores per annum and Rs 47,500 crores over a period of 25 years.</p> <p>CERC in its order asked Tata Power and respondents to constitute a committee within one week from the date of order consisting of the representatives of the Principal Secretary (power/managing directors of the distribution companies) of the procurer states.</p> <p>Besides, the committee would also comprise of the Tata Power chairman or his nominee, an independent financial analyst of repute and an eminent banker dealing and conversant with infrastructure sector. The nominees of financial analysts and banker be selected on mutual consent basis.</p> <p>CERC said the committee would go into the impact of the price escalation of the Indonesian coal on the project viability and obtain all the actual data required with due authentication from independent auditors to ascertain the cost of import of coal from Indonesia and suggest a package for compensatory tariff which can be allowed to the Tata Power over and above the tariff in the PPAs.</p> <p>The committee while recommending the compensatory tariff would consider the net profit less government taxes and cess earned by the petitioner's company from the coal mines in Indonesia on account of the benchmark price due to Indonesian Regulation corresponding to the quantity of the coal being supplied to the Mundra UMPP be factored in full to pass on the same to the beneficiaries in the compensatory tariff. Moreover, the possibility of sharing the revenue due to sale of power beyond the target availability of Mundra UMPP to the third parties may be explored.</p>		
Q18	Critically analyse the above case and state the reasons for which Tata needs to hike its tariff?	15	CO4
Q19	Your suggestions for solving these problems.	15	CO4