

THE JHARKHAND STATE ELECTRICITY REGULATORY
COMMISSION, RANCHI.

Case No. 25 of 2015.

JHARKHAND BIJLI VITRAN NIGAM LIMITED... .. Petitioner

P R E S E N T

Hon'ble Mr. Justice N.N. Tiwari, Chairperson
Hon'ble Mr. Sunil Verma, Member (Finance)

Dated: 4th November, 2015.

For the Petitioner : M/s. Navin Kumar and Amit Sinha, Advocate.

O R D E R

1. The petitioner-JBVNL has filed this petition seeking approval for implementation of the Domestic Efficient Lighting Programme (DELP) by way of providing LED bulbs at the quoted price to its consumers within the State of Jharkhand.

2. It has been stated that the said programme is being undertaken in the State of Jharkhand through an Energy Service Company (ESCO)-M/s. Energy Efficiency Services Limited (EESL), New Delhi under 24 x 7 power for all scheme. The said Company has submitted a programme for implementation of DELP for distributing LED bulbs to domestic consumers of the State. As per the proposal, the capital investment required for implementation of the programme will be made by ESCO i.e. M/s. Energy Efficiency Services Limited and JBVNL shall make payment to the said Company by recovering the cost from consumers through upfront payment (one time payment) or in ten monthly instalments at the option of the consumers. The Company has further undertaken to provide upto ten LED

bulbs (9 Watt) each to all JBVNL's domestic consumers in its license area. The bulb will be provided at the option either On-Bill Financing (OBF) or on upfront payment basis. LED bulb will be given at an upfront cost of Rs. 10/- each. The balance cost towards actual price of LED bulb shall be discovered through the competitive bidding. Other costs, such as, Awareness Cost, Distribution Cost, Annual Maintenance Charges, Cost of Capital Administration/Operational Cost of JBVNL, applicable taxes or any other cost related to implementation of this Scheme would be recovered by adding the same in the electricity bill, over a period of ten months, at the rate of Rs. 10/- approx for each LED bulb every month. The consumer shall have the option of making upfront payment of the cost, subject to maximum of Rs. 105/- for each LED bulb instead of opting for On-Bill Financing. The benefit of reduced price, if any, between the discovered price through competitive bidding and estimated price will be passed on to the consumers by adjusting the same in the monthly instalments. The option of On-Bill Financing payment will be limited upto three LED bulbs and any consumer opting for more than three LED bulbs shall have to make upfront payment of the rest of the LED bulbs (i.e. in addition to three bulbs). The said price has been worked out on the basis of the cost of the Bulb and Cost Benefit Analysis of the Scheme which has been shown in the table appended to the petition. It has been averred that EESL will follow an open competitive bidding process to procure LED bulb in order to discover the price. The procurement of the bulb shall be on the basis of the technical specification finalized by EESL in order to ensure high quality of bulbs with three years technical warranty at the lowest cost. It has been stated that the prices of

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LED lamps have been reduced by 75% in the last eight months. Benefit of such reduction will be passed on to the consumers. In the petition, the mode of distribution of LED bulbs, awareness and outreach for supporting the programme and disseminating information about the Scheme and comparative advantage of LED lighting etc., an agreement between EESL and the JBVNL regarding mode of payment to the Company as well as mode of payment of the consumer have been also described. The benefits going to be accrued on implementation of the Scheme have been also enumerated.

3. A supplementary affidavit has been filed by the petitioner specifically emphasizing that Jharkhand Bijli Vitran Nigam Limited will not charge from its consumers more than Rs. 105/- per LED bulb which would include Project Cost, VAT and Service Tax etc., and in case of reduction of cost discovered through competitive bidding benefits will be passed on to the consumers. It has been further specifically stated that the Scheme is optional for the consumers of JBVNL and the same is meant for those consumers who would opt for and agree to the terms and conditions of the Scheme.

4. We have considered the facts appearing on record and the submissions made by Mr. Navin Kumar, learned counsel appearing on behalf of the petitioner. Learned counsel has submitted that the Scheme is intended to provide energy efficient economical bulbs to the Domestic Consumers of the JBVNL in order to reduce energy consumption and cost as well as demand and supply gap. It would also help to reduce load shedding during peak hours and meet the demands of other cross-

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subsidized consumers like commercial and industrial establishment which would lead to generate additional revenue through sale of the saved energy to cross-subsidized consumers which in turn would help to bridge the gap between the average cost of supply and the cross-subsidized tariff rates.

5. Learned counsel submitted that M/s. EESL has assured that LED bulbs used in this Project would comply with the standard technical specification of a high quality with three years technical warranty and benefit of cost reduction in due course shall be passed on to the consumers.

Commission's View:

6. Having heard and considered the said submissions, as also the facts and materials on record, the Commission is of the view that the Scheme is energy-efficient. It would reduce energy consumption and costs to the consumers. The energy saved thereby would go to help in minimizing the load shedding during peak hours and would help the utility in reducing the demand and supply gap. It would also help to meet the requirements of other cross-subsidized consumers like commercial and industrial establishments. Additional revenue generated through sale of deemed energy saving to cross-subsidized consumers would help in bridging the gap between the average cost of supply and cross-subsidized tariff rates.

Commission's Order:

7. For the reasons aforesaid, this petition is allowed and the Scheme of Domestic Efficient Lighting Programme for distributing LED bulbs to the consumers is approved strictly with the price cap quoted in the petition as well as in the supplementary affidavit of the petitioner-JBVNL. It is made

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clear that no cost over and above the maximum of Rs. 105/- per LED bulb shall be recovered from the consumers-in any event and the Scheme shall not be imposed, unless opted for by the consumer in the terms as disclosed in the petition. The petitioner-JBVNL is permitted to realise the price of the bulb in instalments from the consumers opting therefor, by including the same as an item in the electricity bill and, in case of default, to recover the same as a part of the bill in the manner prescribed in the Regulation (s) framed by the Commission. The petitioner shall ensure that the consumers are provided high quality lamp by the EESL with three years technical warranty and, in case of cost reduction, proportionate benefit shall pass on to the consumers. The petitioner shall further ensure that sufficient numbers of bulbs are provided within the stipulated period.

The petition stands disposed of in the above terms.

Sd/-
(Sunil Verma)
Member (F)

Sd/-
(N.N.Tiwari, J.)
Chairperson