



Cabinet approves MoU between Forum of Regulators and the National Association of Regulatory Utility Commissioners

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its approval for signing of a Memorandum of Understanding (MoU) between Forum of Regulators (FOR) and the National Association of Regulatory Utility Commissioners (NARUC) in the area of large-scale Grid Integration of Renewable Energy.

The MoU provides the following broad areas for cooperation in the area of large scale integration of renewable energy:

- i. Design of frameworks for Renewable Energy procurement-international Experience.
- ii. Regulatory interventions for renewables development, such as state and national Renewable Purchase Obligations (RPOs), Renewable Energy Certificate (REC) framework.
- iii. Load forecasting techniques and processes.
- iv. Contracting/Power Purchase Agreements.
- v. Renewables forecasting methods and how Renewable Energy forecasts are used by operators.
- vi. Renewable Energy integration - regulations and balancing using gas, storage, and demand-side approaches; energy imbalance markets.
- vii. Regulatory framework for ensuring grid discipline by generators including deterrents in the form of penalty for breach of discipline.
- viii. Ancillary services including physical mechanisms, regulations and markets.
- ix. Data analysis and cost-benefit analysis for regulatory decision-making.

The MoU envisages to promote information exchanges in the areas of Renewable Energy integration regulations and balancing using gas, storage, and demand-side approaches, energy imbalance markets. It will enhance the efforts of India's power system for better management of large-scale integration of Renewable Energy into the power grid.

Background

The Forum of Regulators was constituted by the Ministry of Power vide notification dated 16th February, 2005 under provisions of section 166(2) of the Electricity Act, 2003 with the primary objective of harmonization of regulations in the power sector framed by the Central Electricity Regulatory Commission (CERC), State Electricity Regulatory Commissions (SERCs) and Joint Electricity Regulatory Commissions (JERCs).

In the past, in order to work on areas such as Demand Side Management and Energy Efficiency, Forum of Regulators had signed an MoU with The California Energy Commission, The California Public Utilities Commission and the University of California (as Management and Operating Contractor for Lawrence Berkley National Laboratory) on Electricity Demand and Supply Efficiency Improvement to explore potential future collaboration in the field of energy sector planning.

NARUC is the National Association in United States representing the State Public Service Commissioners who regulate essential utilities. The proposed MoU is under the larger bilateral agreement on Energy Efficiency Commercialization and Innovation agreement signed between United States and India. It is being pursued as

a component of 'Greening the Grid' project, launched under U.S-India 'Partnership to Advance Clean Energy Deployment' (PACE-D).

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