

Subject: - DRAFT NOTIFICATION OF “DSM OBJECTIVES”-OBTAINING OF COMMENTS/SUGGESTIONS OF THE STAKEHOLDERS.

Background

1. JKSERC, in exercise of Power conferred by clause (zk) of sub-section (2) of Section 138 of J&K Electricity Act, 2010, has notified JKSERC (Demand Side Management) Regulations, 2011 vide notification No.: JKSERC/16 dated 30.08.2011.
2. Regulation 3 of the said Regulations captioned as “DSM Objectives” reads as under:-

“3. DSM Objectives:

- 3.1. The Commission shall formulate DSM objectives that shall be considered in the advancement and implementation of cost effective DSM initiatives in the State. The objectives may include power shortage mitigation, seasonal peak reduction, cost effective energy savings, lowering the cost of electricity, reduction in emissions of greenhouse gases etc.*
 - 3.2. While formulating the DSM Objectives, the Commission may take into consideration the National DSM Objectives/ Plans formulated by BEE, if any.*
 - 3.3. The DSM objectives may be consistent with the DSM objectives set out by Bureau as a part of Energy Conservation Plan for the State.”*
3. Now in pursuance to Regulation 3 of J&K State Electricity Regulatory Commission (Demand Side Management) Regulations, 2011, read with Regulation 21 of the said Regulations, the Commission has formulated the following DSM Objectives and DSM Guiding Principles for seeking suggestions/comments from the Stakeholders including the Distribution Licensee, before these are notified:-

1. DSM Objectives

Every Distribution Licensee shall undertake/implement DSM related policy/activity/programmes with an objective to lower the overall cost of electricity to the consumers of the Distribution Licensee as well as the Distribution Licensee, by economical and efficient use of resources, which shall include the measures/principles to:

- (i) control, reduce and influence electricity demand;*
- (ii) encourage consumers to amend their electricity consumption pattern both with respect to timing and level of electricity demand for efficient use of energy;*
- (iii) complement supply side strategies to help the utilities to avoid or reduce or postpone
 - a) costly capacity additions in generation, transmission & distribution network*
 - b) costly power purchases**
- (iv) reduce the environmental damage by reducing the emission of green house gases;*
- (v) supplement National/State level efforts for implementation of various DSM programmes set out by the Central/State Bureaus;*
- (vi) make strategic efforts to induce lasting structural or behavioral changes in the market that shall result in increased adoption of energy-efficient technologies, services, and practices;*
- (vii) protect the interest of the consumers and shall result in overall reduction in tariff for all the consumers.*

2. DSM Guiding Principles:

The Distribution Licensee shall:

2.1. Design, develop and implement DSM programmes that supplement National/State Level efforts, specially those promoted by the Bureau.

- 2.2. *Propose and implement such DSM programmes which shall:*
- (i) be quick acting that provides long-term savings;*
 - (ii) be cost effective ;*
 - (iii) help to reduce peak demand, and associated costly power purchase, specifically in the urban centers;*
 - (iv) include Demand Response initiatives persuading consumers to modulate their load shapes so as to flatten their load curve;*
 - (v) bring in energy-efficiency in the consumer's premises;*
 - (vi) directly or indirectly benefit the consumers in all segments from the programmes; and*
 - (vii) not put undue burden on consumers, both non-participants (those who do not participate in the DSM programmes) and participants (those who participate in the DSM programmes);*
- 2.3 *Formulate DSM programmes that shall provide sustainable benefits (market transformation), and shall enhance:*
- (i) consumer's interest and inclination in adopting load management measures and energy efficient technology;*
 - (ii) interest and the willingness of the intermediaries such as the banks to lend for energy efficiency measures, and*
 - (iii) emergence or development of sustainable energy delivery entities;*

4. A copy of the draft notification is enclosed as Annexure-I.
5. The comments/suggestions may be sent to the Secretary, J&K State Electricity Regulatory Commission, Ambedkar (Panama) Chowk, Railway Road, Jammu-180006 (J&K) by or before 11.01.2016.

Sd/-

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