

## Regional workshop on PAT scheme, Procedure for Registration, ESCerts Trading and Pat Rules

### For PAT-2 and PAT-3 Designated Consumers held on 7th September.

Venue : Crown Plaza Shapath, Ahmedabad  
Date : 7<sup>th</sup> Sept-2017  
Time : 10:00AM-5:30PM  
Workshop Convener : GEDA in association with BEE



The workshop was organized for the orientation of new DCs and to disseminate trading related information among old DCs. The workshop marked an end to the series of four regional workshops for PAT cycle-III. It was organized by the Gujarat Energy Development Agency (GEDA) in association with BEE. The workshop witnessed an overwhelming participation of around 105 plant personnel from various sectors under the PAT scheme. The workshop was divided in two sessions. The 1<sup>st</sup> session aimed at the orientation of new DCs under PAT-III, whereas the session in 2<sup>nd</sup> half focused on trading aspects for the old DCs under PAT-I. The speakers from BEE, POSOCO, IEX and IGEN were successful in delivering the content which the workshop intended. The sessions were followed by interactive discussions which turned very fruitful for all the participants.

The agenda of the workshop is as follows:

9:30-10:00	Registration
10:00-10:05	Welcome Address by Sh. S.B.Patil, Deputy Director GEDA
10:05 -10:10	Opening Remarks by Dr. Ashok Kumar, Energy Economist, BEE
10:10-10:15	Remarks by Smt. Rita Acharya, PAT Coordinator, IGEN, GIZ
10:15- 10:20	Vote of Thanks by Sh. Ajitesh Upadhyay, Sector Expert
10:20-10:30	Tea Break
Technical Session 1 (Orientation for PAT Cycle –III) – Chaired by Smt. Rita Acharya, PAT Coordinator	
10:30-10:50	Presentation 1: Overview of PAT Scheme Dr. Ashok Kumar, Energy Economist, BEE
10:50- 11:20	Presentation 2: PAT Rules and Target Setting Methodology Sh. Piyush Sharma, Project Coordinator, IGEN, GIZ

11:20- 12:00	<p>Presentation 3: Innovation Introduced to achieve the Targets Birla Cellulose Kosamba (Textile) Sh.Hitendra Parma, Energy Manager</p> <p>Presentation 4: Innovation Introduced to achieve the Targets DCM SHRIRAM Jagatai(Chlor-Alkali) Shailendra Tiwari, DGM Process</p>
12:00 – 13:00	Open House Discussion
13:00 – 14:15	Lunch Break
Technical session 2(ESCerts Trading) – Chaired by Dr. Ashok Kumar, EE, BEE	
14:15 – 14:45	<p>Presentation 1 : ESCerts Trading Procedures and Registration process Sh. Shailendra Verma, Manager, POSOCO</p>
14:45 – 15:15	<p>Presentation 2: Power Exchanges (IEX) Sh. Nitin Sabhiki, Head REC and Open Access</p>
15:15 – 16:00	Open House discussion
16:00 – 16:30	High Tea

## 1. Inaugural Session



### 1.1. Sh. S.B.Patil, Deputy Director GEDA



Shri Patil started the workshop with his welcome address, greeting the guests of honor positioned on the Dias and all the dignitaries from the plant, and other organizations.

He gave his views on the PAT Scheme, mentioning the need of such scheme for the future and also as a part of making profits for the company. He stated that the scheme is well adopted by the industries for their betterment at least in the state of Gujarat.

He thanked BEE for giving the SDA of Gujarat the opportunity for organizing the regional workshop at Ahmedabad and promised to continue their support in every possible manner in future too.

### 1.2. Dr. Ashok Kumar, Energy Economist, BEE



Dr. Kumar welcomed all the dignitaries on the dais and also welcomed DCs from various sectors of the PAT Scheme present in the workshop. He thanked the SDA of Gujarat for organizing the regional workshop at Ahmedabad.

He outlined the need of the PAT scheme in current scenario of climate change, but restrained himself on the details citing that he would be describing them in his presentation. He explained the importance of the workshop to all the designated consumers and requested them to utilize the information that will be dispersed during the presentations for clarification of the various concepts under PAT.

### 1.3. Smt. Rita Acharya, PAT Coordinator, IGEN



Smt. Acharya welcomed everyone to this workshop and congratulated all the DCs of PAT Cycle –I for their achievements.

She talked about the issues of global warming citing examples on consequences of climate change. She also mentioned that India has made a commitment in its NDC to reduce the emission intensity of the GDP by 33-35 % by 2030 from 2005 levels.

She gave a brief description about the PAT Scheme, mentioning the achievements made in PAT Cycle-I followed by notification of PAT Cycle-II and PAT Cycle-III.

Smt. Acharya, explained the participants format of the workshop and requested all to participate in it with utmost zeal.

#### **1.4. Sh. Ajitesh Upadhyay, Sector Expert, EESL**



Sh. Upadhyay proposed the vote of thanks expressing his gratitude to GEDA for organising this workshop. He also thanked Dr. Kumar, and Smt. Acharya for their constant support and guidance. He mentioned his gratefulness to the participants for making this workshop successful, and last but not the least he mentioned his appreciation to the DCs who are the key stakeholders of this scheme.

## **2. Technical Session-1**

The first technical session was on Orientation to PAT Scheme for the new DCs notified under PAT Cycle-III. This session was chaired by Smt. Rita Acharya, PAT Coordinator, IGEN.

#### **2.1. Presentation on Overview of PAT Scheme by Dr. Ashok Kumar, Energy Economist, BEE**

Dr. Kumar narrated the current scenario on climate change with relevant examples on its effect. He mentioned the commitment of India under UNFCCC, and very nicely related it to the PAT scheme. He explained the concept of PAT and also highlighted the outcome and impact of this scheme.

#### **2.2. Presentation on PAT Rules and Target Setting Methodology by Sh. Piyush Sharma, Project Coordinator-Technical, IGEN, GIZ**



Sh. Sharma started the presentation with the framework under the EC Act which gives powers to the PAT rules. He further explained the rules and regulations governing the scheme with the amendments as well. He successfully explained the roles, responsibilities and timelines for each activity under the scheme. He also discussed about the factors considered

during target setting methodology. Apart from PAT scheme, the provision for mandatory energy audit under EC act was also explained.



### **2.3. Best Practices in Energy Management System by Sh.Hitendra Parmar, Energy Manager, Birla Cellulose,Kosamba (PAT Cycle-I DC), Textile sector**



Sh. Parmar started the presentation by an introduction to the plant and its basic layout. He further depicted the regenerated cellulose base Viscose yarn manufacturing process and highlighted the energy consumption trends along with energy benchmarking.

He highlighted the methodology that has been adopted by Birla Cellulose on Energy Management and the various initiatives that have been undertaken by them for reduction their energy consumption. This was accompanied by the investment details, saving accrued and payback period which was a good learning for all the DCs under textile sector.

### **2.4. Best Practices in Energy Management System by Sh. Shailendra Tiwari, DGM-Process, DCM SHRIRAM,Jhagadia, (PAT-I DC), Chlor Alkali sector.**



Sr. Tiwari started the presentation by giving a brief history of the plant along with the installed capacity and a description of the products being manufactured by them. He further discussed the approach and strategies adopted by his plant to achieve the target for PAT cycle-I. He mentioned in detail the on-going activities focusing on reduction on energy consumption in the plant. He not only presented new measures, but also showed how small

changes in the practices can make the big difference. The measures presented by him were substantiated with investment figures, saving accrued and payback period. He also shared the energy efficiency activities aligned for future for further saving in energy consumption in his plant.

### **2.5. Open House Discussion Session**

The queries raised by the participants, were addressed by the PAT team. Such queries along with the answers are mentioned below:

- Whether the Normalization methodology will change or remain same in next PAT cycles?
- It will remain same until the need for any refinement arises in future. If such need be, the methodology shall be discussed with the committee and then finalised.
  
- Can the DC go for Check verification?
- ✓ As per said rules the check verification can be done by BEE by Suo moto or as per received complaints. The same can be done after submission of Form D until one year.
  
- The electricity exported to grid was considered with heat rate of 2717 kcal/kWh earlier, but now it has been considered on net heat rate of the plant for target calculation.
- ✓ Earlier national CPP average heat rate was taken for all the DCs in their respective sectors since the data was not available, but now the data for net heat rate of plant is available and hence is considered accordingly. It would not affect the SEC as the actual shall be considered for both the year.
  
- The plant had given coal GCV on ARB basis and on that basis their baseline SEC is made and target given so what procedure should adopt in assessment year to assess their performance.
- ✓ Coal GCV should be on as fired basis only. However, if any plant has given it on as received basis and has got the target accordingly, it will be assessed on as received basis in assessment year. But, the plant is required to maintain GCVs on both ARB and AFB in the assessment year. The new target in next PAT cycle will be given to the plant on AFB.
  
- Is there any appellate tribunal for EC Act?
- ✓ Yes, the Appellate tribunal established under the electricity Act is the “aptel” for EC Act as well.
  
- Please share the methodology for target setting for the DCs.
- The DCs were grouped in sectors and sub-sectors depending upon their plant machinery and type. The DCs were then arranged based on their specific energy consumption. The targets were then assigned to them keeping in view the policy objective.
  
- As per Rule-6 for Coal sampler provision is for Assessment year only or for entire cycle.
- ✓ The coal sampler is mandatory for all designated consumer using coal as a fuel to check their GCV on AFB basis. However, the above provision is mandatory for upcoming assessment year only not for an entire cycle. But once installed, it will subsequently become valid for entire cycle from next PAT cycles.
  
- It is requested to consider the effect of ambient condition and Ageing factor on the performance of combine cycle power plant in normalization Factor.
- ✓ As of now, it has been discussed in technical committee meetings, but was not agreed to be considered. However, BEE will once again place it on the table during the next technical committee meeting.

- It is requested to put the combine cycle power plant in separate group and not compare to other thermal power plant.
- ✓ It has already been taken care off. The normalization process for gas plant differs from that of a coal based plant. Also, in Thermal power sector, any plant is compared with its own design and not with others.
  
- There is any coal sampler specified or having any specification for it?
- ✓ These is no specification for the coal sampler except that it should meet the IS norms of collecting homogeneous samples. Plants are free to purchase any coal sampler that take care of this requirement
  
- Who has to submit FORM D?
- ✓ As per PAT rule it is mandatory for all the Dc have to submit compliance report, i.e., FORM D within the specified timeline. Achievers and overachievers shall specify in the form that they have complied, whereas the underachievers shall purchase certificates and then show that they have complied.

### **3. Technical Session-2**

The second technical focussed on the trading part under PAT cycle. The target audience was the designated consumers from PAT Cycle-I. Speakers from POSOCO and IEX detailed out every aspect of the trading. The session was chaired by Smt. Rita Acharya.

#### **3.1. ESCerts Trading Procedures and Registration by Sh. Shailendra Verma, Manager, POSOCO**

Sh. Verma started with the procedure for registry and also explained the regulations put in place by the CERC. He described the roles and responsibilities of each stakeholder in this process. He talked about the documentations required for registration and he also mentioned that the registration fee is waived off till 31<sup>st</sup> dec-2017. He mentioned the chronological milestones and also emphasised on the date on compliance.

He described each step with suitable examples. He describes on the concept of most competitive price in the market. He also gave some idea on how to value your ESCerts. He very clearly explained how the price of ESCerts will be determined in the market. The session was concluded with the business policy and pricing of IEX.

#### **3.2. Presentation on Power Exchange (IEX) by Sh. Nitin Sabhiki, Head REC and Open Access**

Sh. Sharma started the presentation with the framework under the EC Act which gives powers to the PAT rules. He further explained the rules and regulations governing the scheme with the amendments as well. He successfully explained the roles, responsibilities and timelines for each activity under the scheme. He also discussed about the factors

considered during target setting methodology. Apart from PAT scheme, the provision for mandatory energy audit under EC act was also explained.

### **3.3. Open House Discussion Session**

The queries raised by the participants, were addressed by the speakers. Such queries along with the answers are mentioned below:

- When will the trading start?  
✓ It will start in the last week of Sept-2017
  
- When is the last date of submission of compliance document?  
✓ As per current CERC notification, it is from 1<sup>st</sup> Dec to 31<sup>st</sup> Dec-2017
  
- What is authorization letter? Please give its format  
✓ It is a letter which includes the details of the authorized signatory who will be signing/certifying all the relevant documents of a DC to be submitted under PAT Scheme. There is no format for this letter.
  
- If the ESCerts of PAT Cycle –I are forwarded to PAT Cycle-II, in that case does the DC have to register again with the Power exchange?  
✓ Yes, the registration with the power exchange will be separate for all the PAT cycles. DC will have to register separately for each PAT cycle (as per the inclusion of a DC in a particular PAT cycle).
  
- If a DC is member with of the Power Exchange for the REC's, is there any relaxation to the DCs for registration in case of ESCerts?  
✓ If a DC is a member of the power exchange (IEX) for RECs, then there is no membership fee for that DC in case of ESCerts.
  
- Is there any floor price of ESCerts?  
✓ There is no floor price for trading of ESCerts.
  
- Is the transaction fee applicable on the quoted volume?  
✓ No, the transaction is only applicable on the cleared volume.

The workshop ended with vote of thanks and best wishes to the DCs for the trading session ahead.