



CENTRAL ELECTRICITY REGULATORY COMMISSION

**3rd & 4th Floor, Chanderlok Building, 36, Janpath,
New Delhi - 110 001, Telephone: 23353503, FAX: 23753920**

No. 30/1(11)/2010/Adm /CERC

Dated: 24th May, 2011

**Notice inviting Quotations for “Engagement of an Individual Consultant
in the area of Energy Economics.”**

Central Electricity Regulatory Commission(CERC), a statutory organization constituted under an Act of Parliament, proposes to engage one individual consultant as an expert in the field of Energy Economics. The required qualifications, experience, scope of work and other detailed terms and conditions are contained in **Annexure I**.

2. Sealed quotations in the format prescribed in **Annexure II** and **Annexure III** are invited from the reputed individual Consultants for the aforesaid purposes. Two separate sealed bids clearly marked as “Technical” and “Financial” are required to be submitted which may be placed in one outer envelope clearly mentioning in bold letters on top of the envelope **“QUOTATION FOR ENGAGEMENT OF INDIVIDUAL CONSULTANT BY CERC IN THE AREA OF ENERGY ECONOMICS”**.

3. The bids may be addressed to Assistant Secretary(P&A), CERC so as to reach by **3.00 PM of 27th June, 2011**. “Technical” bids will be opened by the Tender Opening Committee of CERC on the same day at 4.00 PM. Bidders or their authorized representatives may remain present during opening of bids. Secretary, CERC reserves the right to modify/change the date and time of the receiving/opening of bids.

Sd/-

(Ramanuj Dey)
Assistant Secretary (F&A)

Encls : Annexure I, II & III



Annexure I

Terms of Reference (TOR)
“Engagement of Individual Consultant by CERC in the area of Energy Economics”

1. Background

1.1 Since the enactment of Electricity Act 2003 the power sector has undergone major structural changes. The Act is based on the philosophy that consumers benefit from growth of competitive markets. The Act has de-licensed generation, encouraged captive power by allowing them to sell almost half of the generation without any license requirements. Multiple players are required for competitive markets. This is done by allowing multiple licensees in the same area and also allowing 'Open Access' to all consumers needing more than one megawatt power and to all generators and also to licensees. The trading platform of Exchanges has already started.

1.2 Following are the statutory functions of CERC:

- (a) to regulate the tariff of generating companies owned or controlled by the Central Government;
- (b) to regulate the tariff of generating companies other than those owned or controlled by the Central Government specified in clause (a), if such generating companies enter into or otherwise have a composite scheme for generation and sale of electricity in more than one State;
- (c) to regulate the inter-State transmission of electricity ;
- (d) to determine tariff for inter-State transmission of electricity;
- (e) to issue licenses to persons to function as transmission Licensee and electricity trader with respect to their inter-State operations;



- (f) to adjudicate upon disputes involving generating companies or transmission licensee in regard to matters connected with clauses (a) to (d) above and to refer any dispute for arbitration;
- (g) to levy fees for the purposes of this Act;
- (h) to specify Grid Code having regard to Grid Standards;
- (i) to specify and enforce the standards with respect to quality, continuity and reliability of service by licensees;
- (j) to fix the trading margin in the inter-State trading of electricity, if considered, necessary;
- (k) to discharge such other functions as may be assigned under this Act.

1.3 Under section 66 of the Electricity Act, CERC has been mandated to take steps for promoting the development of a market (including trading) in power taking into account the National Electricity Policy. Under section 60 of the Act, CERC has also powers to deal with situations of market domination. It can issue appropriate directions to a licensee or a generating company if such an entity enters into any agreement or abuses its dominant position or enters into a combination which is likely to cause or causes an adverse effect on competition in electricity industry.

1.4 The Act has also given advisory role to CERC. It has been mandated to advise the Central Government on the matters relating to formulation of National Electricity Policy and Tariff Policy, promotion of competition, efficiency and economy in activities of the electricity industry, and promotion of investment in electricity industry.



1.5 Power sector is evolving in India and the present policy approach mainly aims at moving from cost plus tariff to competitive bidding based tariff, appropriate regulatory framework for mobilizing investments, and developing electricity markets. However, the cost plus tariff will continue to be important as the assets covered by this regime are of large value.

2. Scope of work proposed for the Individual Consultant

CERC proposes to engage an Individual Consultant to assist it in discharge of its functions relating to:

- i) encouraging competition, efficiency, economical use of resources, good performance and optimum investment through appropriate tariff interventions;
- ii) structuring economically efficient power markets, monitoring of power markets and dealing with issues of market domination;
- iii) advising the government for promoting competition, efficiency and promoting investment in electricity industry.

3. Duties and responsibilities of the Individual Consultant

- i) Assessing the impact of present tariff structure on economic efficiency.
- ii) Assessing the economic efficiency of various regulatory interventions such as trading margin, transmission charges for short term open access etc.
- iii) Studying and suggesting necessary measures for promoting competition, efficiency and economy in activities being regulated by CERC.



- iv) Designing and determining various escalation indices for tariff based competitive bidding.
- v) Suggesting efficient ways for Congestion Management.
- vi) In-depth analysis of data being compiled in Market Monitoring Cell and suggesting measures to deal with the issues emerging out of the analysis.
- vii) Focused research on subjects such as: energy policy, economics of various renewable energy technologies, energy conservation.
- viii) Devise the methodologies and guidelines for ensuring competitive price discovery for procurement of power and transmission services.
- ix) Devise pricing strategies to ensure optimal utilization of the transmission grid and strategies to promote open access.

4. Required Qualifications

4.1 Essential:

Master Degree in Economics or Finance or Management. Preference will be given to Doctoral level qualification in Management/Economics/Finance with a Bachelor Degree in Engineering

4.2 Desirable

- a. Having published papers to his credit in the area of economic and financial analysis, energy strategies, global energy issues, energy systems, applied economics.
- b. Specialization in energy sector.

5. Required Experience

A minimum of 10 years of working experience in utility/ industry/ regulatory body/ international organizations out of which a minimum of 3 years in energy economics, energy modeling or energy policy



6. The candidate should have knowledge of the following:

- i) The regulatory framework in the electricity sector of India.
- ii) Relevant legislations of India.
- iii) The policy regime including National Electricity Policy and Tariff Policy of India.
- iv) Knowledge of International Electricity Markets.

7. Duration of contract

The contract will be for two years and which may be extended for one more year depending on the performance of the Consultant and needs of the Commission. The Commission and the Consultant would both have option to terminate the contract by giving a notice of three months or the equivalent remuneration in lieu thereof.

8. Criteria of Evaluation

The candidate will be required to submit a technical proposal and a financial proposal as per clause 9. The technical proposal will include the bio-data and comprehensive resume of the experience of the candidate. The financial bid will be in the form of lumpsum monthly remuneration to be paid to the candidate, if selected. However the bidder may indicate a component of upto Rs 35000 per month as House Rent Allowance within the total bid. The remuneration will be inclusive of all direct taxes. Remuneration will have an element of escalation of 10% p.a. The Commission would provide the office support (and not conveyance for coming to office and back, or accommodation for residence) to the Consultant and also reimburse the expenses for journeys undertaken for official work in business class of air travel. The shortlisted candidates will be required to appear for interview before the Consultant



Evaluation Committee in the Commission. Based on the assessment of the Committee, a panel would be prepared out of which Consultant will be appointed with the approval of the Chairperson, CERC.

9. Application and Evaluation Criteria:

9.1 The Consultant will be engaged as per CERC (Appointment of Consultants) Regulation, 2010.

9.2 The format of application is at **Annexure-I** and **Annexure-II**.

9.3 The Consultant is required to submit **four (4) copies** of bids for **Technical** offer (each of which will be treated as original) and **one copy** of **Financial** offer, duly sealed in separate envelopes.

9.4 The eligible bidders as per clause 4, 5 and 6 will be called for interaction with the Consultancy Evaluation Committee (CEC) and their performance will be evaluated based on the following criteria:

S.No.	Technical Parameters	Weights
1.	The Consultants Academic background	0.30
2.	The Consultants relevant experience for the assignment	0.50
3.	Knowledge of the working environment such as language, culture, administrative system, and other relevant factors	0.20

9.5 Based on the evaluation as above, CEC shall propose a panel of three candidates (the top three scorers in the technical evaluation). As per Regulation 7(6) of CERC (Appointment of Consultants) Regulation,



2008, the candidate (from the panel prepared by the CEC) as approved by the Chairperson shall be engaged as individual consultant. The financial bid of only the candidate approved by Chairperson, CERC, will be opened.

- 9.6 Only the successful bidder would be communicated the award of consultancy assignment.
- 9.7 The Commission reserves the right to reject or accept any bid without assigning any reason.



TECHNICAL PROPOSAL

I. GENERAL INFORMATION /BIO-DATA:

- 01. Name of the Candidate :
- 02. Date of Birth :
- 03. Father's Name :
- 04. Permanent Address :
- 05. Contact address :
- 06. Tel No. :
Mobile No. :
email id :

II. DETAILED RESUME:

01. Previous experience of the candidate in this or related field in following format:

- a. Name of the Project/Assignment :
- b. Duration :
- c. Brief about the Project/Assignment :

02. Education and Experience

(a) Academic Qualifications

Degree	University	Institute	Field/Specialization	Year of Passing

(b) Experience

Institution	Area of Responsibility	Period

(c) Field of major interest

03. Additional information (if any)

Signature of the Consultant



/ ANNEXURE – III /

FINANCIAL PROPOSAL

01. Name of the Candidate :
02. Permanent Address :
03. Contact address :
04. Tel No. :
Mobile No. :
email id :
Fax No. (if any) :
05. Amount of consultancy fee (per month) proposed for :
(Inclusive of all direct taxes)

(RUPEES _____)

(_____)

Signature of the Consultant