

**CENTRAL ELECTRICITY REGULATORY COMMISSION**  
**3<sup>rd</sup> & 4<sup>th</sup> Floor, Chanderlok Building, 36, Janpath,**  
**New Delhi - 110 001, Telephone: 23353503, FAX: 23753920**

No. 2/2(9)/2011/Estt/CERC

Dated: 13<sup>th</sup> January, 2012

Subject: **"Engagement of Individual Consultants in the area of Economics and Power Markets through the process of techno-financial bidding"**

Central Electricity Regulatory Commission proposes to engage two Individual Consultants in the capacity of Senior Advisor(Economics) and Advisor(Power Market) through the process of techno-financial bidding. The detailed Terms of Reference containing the essential qualifications/ experience, duties & responsibilities, remuneration package and process of selection are given below:-

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. **Individual Consultant at the level of Advisor(Power Market):-**

2.1 **Essential qualification:** Bachelor in Engineering with MBA/ PGDBM in Finance/Energy Management from reputed institution or Chartered Accountant with MBA / PGDBM in Finance or Post Graduate Degree in Economics.

2.2. **Experience:** Around 5 to 7 years in the field of power sector equity analysis or power sector consultancy or power companies/utilities or power trading with electricity traders or power exchange /commodity exchange.

2.3. **Competencies:** Excellent written and communication skills. Person who has published papers / articles in reputed journals/ magazines will be given preference. Strong analytical skills and ability to strategise, plan and execute studies on market behavior analysis, market surveillance, etc. Adept in working on computers including MS Office.

2.4. **Duties and Responsibilities:** Working under the overall guidance of Senior Advisor (Markets) on issues such as:-

- (i) Power Market Design - Modification of market design, introduction of new market / products (capacity markets, ancillary markets, over the counter/exchange based products.
- (ii) Compliance Monitoring –Power Market Regulations, Trading License Regulations, Trading Margin Regulations, Orders (related to Trading Licensees, Power exchanges, short term power market)
- (iii) Due diligence of requests for new trading licensees, preparation of orders etc.

2.5. **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.

3. **Individual Consultant at the level of Senior Advisor(Economics):-**

3.1 **Essential qualification:** Masters Degree in Economics/Energy Economics or similar discipline from highly reputed institutions or Post Graduate Qualification in Management from highly reputed institutions like Indian Institutes of Management with specialization in Finance / Economics / Energy/Quantitative techniques.

3.2. **Desirable qualification:** Doctoral level qualification in Economics / Energy Economics/ Management (Finance/Economics/Public Systems/Energy/Power) from highly reputed institutions will be preferred

3.3. **Experience:** About 8 to 10 years experience at the national/international level in the policy analysis/strategic planning/macro-economic advisory space in the power/energy sectors.

3.4. **Competencies:** Strong analytical skill coupled with excellent written and oral communication abilities; thorough knowledge of Acts, Regulations and policies in the power and energy sector, including understanding of the power markets and their functioning. Comprehensive understanding of the contemporary and emerging challenges in the power/energy sectors, including challenges in the electricity markets, resource allocation, competition, open access, transmission pricing etc. Evidence of competence through publication of papers and reports. Good knowledge of working with relevant software packages in related areas

3.5. **Duties and Responsibilities:** Working under the overall guidance of Chief Advisor (Economics) on issues such as:-

- (i) Studying and suggesting necessary measures for promoting competition, efficiency and economy in activities being regulated by CERC.
- (ii) Designing and determining various escalation indices for tariff based competitive bidding.
- (iii) Regulatory impact assessment.
- (iv) In-depth analysis of data being compiled in Market Monitoring Cell and suggesting measures to deal with the issues emerging out of the analysis.
- (v) Devise pricing strategies to ensure optimal utilization of the transmission grid and strategies to promote open access.

- (vi) Focused research-economic analysis of policy/regulatory issues such as: competitive bidding, escalation rate methodologies, peaking tariffs, resource allocation, discounting rates in competitive bidding, cost of service, distributed generation, open access, franchisee model, energy policy, DSM & energy efficiency, renewable energy based generation, demand response

3.6. **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.

4. **General terms & conditions:** The Commission would provide the office support (and not conveyance for coming to office and back, or accommodation for residence) to the Consultant. Expenses incurred by them for journeys undertaken for official work would be borne by CERC subject to the entitlement ceiling admissible to an officer of CERC at the level of Joint Chief. Only short-listed candidates shall be called for an interaction with the Consultancy Evaluation Committee (CEC).

5. **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.

6. **Manner of submission of Bids:** Candidates are required to submit their bids in the form of a technical proposal and a financial proposal. The Candidate is required to submit four (4) copies of Technical bids (each of which will be treated as original) and one copy of Financial bids, duly sealed in separate envelopes.

6.1. **Technical proposal:** The technical proposal shall include the bio-data and comprehensive resume of the experience of the candidates in the prescribed format given in **Annexure I**.

6.2. **Financial proposal:** The candidate should submit his financial proposal in the prescribed format given in **Annexure II** indicating the consolidated monthly fee expected by the candidate. However, the candidate can indicate a component of House Rent Allowance upto Rs 35,000/- per month within the financial quote. The amount quoted as fee in the financial proposal shall be inclusive of all direct taxes and service tax. An enhancement of 10% of the initial approved fees can be considered on completion of one year of service.

6.3. The bids may be addressed to Assistant Secretary(P&A), CERC so as to reach by **3.00 PM of 13<sup>th</sup> February, 2012.**

6.4. **Opening of Bids:** Technical bids will be opened by the Tender Opening Committee of CERC at 4.00 PM of the last date of receipt of bids as mentioned at para 6.3. Bidding candidates 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 opening of bids.

6.5. Application to be submitted in prescribed format only otherwise the applications not in prescribed format are liable to be rejected. Incomplete applications or those received after due date will not be entertained and will be summarily rejected without any communication. The candidature of such candidates who are subsequently found ineligible according to the terms and conditions laid down in this tender notice will be cancelled. The decision of the Consultancy Evaluation Committee regarding eligibility of the candidate shall be final.

7. **Evaluation Criteria:-**

7.1 The Consultants will be engaged in accordance with the terms & conditions laid down in CERC (Appointment of Consultants) Regulation, 2008 and its amendment viz. CERC (Appointment of Consultant) Regulation, 2010 (copy available in CERC's website [www.cercind.gov.in](http://www.cercind.gov.in)).

7.2 The eligible bids will be considered by a Consultancy Evaluation Committee (CEC) to be set up by CERC and their performance will be evaluated based on the following criteria:

S.No.	Technical Parameters	Weights
1.	The Consultant's Academic background	0.40
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	0.10

7.3 Based on the evaluation as above, the Consultancy Evaluation Committee shall prepare a panel of three candidates (the top three scorers in the technical evaluation). The chairperson, CERC shall select one candidate out of the panel. The financial bid of the candidate approved by the Chairperson will be opened. This candidate shall be selected as Individual Consultant on the final approval of Chairperson, CERC.

7.4 Only the successful bidder would be communicated about the award of consultancy assignment.

7.5 The Commission reserves the right to reject or accept any bid without assigning any reason.

Sd/- xxxxxxxxx

(Ramanuj Dey)  
Assistant Secretary (P&A)

**Encls : Annexure I & II**

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 Candidate**



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 and service tax)

(RUPEES \_\_\_\_\_)

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**Signature of the Candidate**