



Shri Harpreet Singh Pruthi
Secretary
Central Electricity Regulatory Commission
6th, 7th, & 8th Floors, Tower B, World Trade Centre,
Nauroji Nagar, New Delhi- 110029

October 8, 2024

Subject: Comments on CERC (Appointment of Consultants) (Fifth Amendment) Regulations, 2024.

Dear Shri Pruthi,

This is with reference to the Public Notice No. L-7/1/0S44 (59)-CERC dated 27th August, 2024 for the Comments on the document, **CERC (Appointment of Consultants) (Fifth Amendment) Regulations, 2024**. I have gone through it and recorded some of my comments on the same. Additional suggestions are also provided for consideration of the Commission. We would be pleased to make a presentation before the Commission as well.

I would be pleased to address any clarification, if required.

Thanking you,
Yours sincerely,

DR. ANOOP SINGH

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Comments on
**CERC (Appointment of Consultants) (Fifth Amendment)
Regulations, 2024. [Draft]**

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- 1. Clarification and Mechanism for the Use of Proprietary Technology:** The draft Clause 6B (iii) states “*in situations where execution of assignment may involve the use of proprietary techniques or only a specialized agency/institution/consultant has requisite expertise;*”

There may have been historical situations wherein an appropriate technology may have been utilized. However, the Commission may avoid being locked into a single proprietary technology, which could limit its flexibility. Instead, by actively considering a variety of alternate technologies from time to time, the Commission can broaden its technological horizon, stay at the forefront of innovation, and enhance its ability to adapt to future challenges and opportunities. This approach would also encourage healthy competition among technology providers, ensuring that the Commission continually benefits from the most suitable and advanced solutions available.

- 2. Inclusion of Annual Performance Target for Staff Consultants:** As per clause 8B (1) “The individual consultants engaged under regulation 7 and staff consultants engaged under regulation 8A shall be entitled to performance-related variable pay of up to 40% of the Monthly fee, which will be admissible on achieving the **prespecified annual targets by the Commission for organisation**, division or team and individual and released on a six monthly basis as per the procedure issued by the Commission.” (emphasis added)

The targets are specified for the organisation i.e. CERC, and the variable pay of the staff consultant would be linked to it. Since staff consultants represent only a subset of the human resources, they are not key to influence performance of the ‘organisation’. In corporate context, such a target is generally set for the sub-set of the organisation’s manpower who are able to take decisions for the ‘performance’ of the organisation. The variable pay for the staff consultant should be related to the performance of the individuals (to be set by the Commission), and may partly be related to the performance of the organisation.

- 3. Information about Consulting Staff and Consulting Assignments in Annual Report:** The regulation should provide for publication of information on all staff consultants/consulting assignments issued in its Annual Report for the respective financial year. This should include the name of consultant/consulting organisation appointed, basis of appointment (competitive bid, single bid, proprietary technology etc), title of consulting assignment, date of award, duration of assignment,



awarded cost etc.

The Annual Report should also include information on staff consultant on roll, including their field of expertise, date of joining, duration of appointment, salary details, and performance-linked incentives (PLI) awarded. Publishing performance ratings tied to these incentives would further promote transparency and incentivise high-quality performance from consultants. Such information disclosures would also enable the Commission to evaluate the need for additional human resources from time to time.