

Ref:SEC/REP/DIV/DT-TRF/UK/248

21<sup>st</sup> Aug 2017

*Dear Shri Abhishek,*

**Subject: Regarding Dual Certification of Distribution Transformers by BIS and BEE- contrary to Ease of Doing Business – one of key initiative of Govt. of India.**

**References:**

- A) Gazette Notification issued by Ministry of Power dt.16<sup>th</sup> December 2016 with amendment on the gazette dt. 17<sup>th</sup> February 2017.
- B) Gazette Notification for Quality Control Order of Distribution Transformers dt. 07<sup>th</sup> May 2015 issued by department of Heavy Industries (DHI) with amendments in IS 1180(Part-1):2014

We appreciate the good intention of the Government of India is to save energy losses by implementation of the quality standards on Distribution Transformers throughout the nation. The Electrical Transformer (Quality Control) Order issued by Department of Heavy Industries took almost two years to get streamlined, and we are happy to share that 400+ DT manufacturers across India have obtained the BIS license for various energy efficiency levels. The Electrical Transformer (Quality Control) Order stand effective w.e.f 1<sup>st</sup> of August 2016.

The Gazette notification issued by Ministry of Power dt. 16<sup>th</sup> December 2016 came as a surprise to the industry. Dual regulations on the same product "Distribution Transformers" had already created lot of confusion for the manufacturers, users and related stakeholders. After lot of efforts, manufacturers had got BIS license for Energy Efficiency Level-1, and as per the MoP Gazette the level-1 stands irrelevant. With the MoP Gazette order of 16.12.2016, the range of DT for BEE labelling has also been increased.

We are delighted to share that India now ranks 130<sup>th</sup> out of 189 countries in the ease of doing business, moving up four places from the last year ranking of 134. This has happened because of the initiatives of the govt. of India in the last two years and the government is making constant efforts to bring India in top 100 countries.





The Distribution transformers is the only product in BEE star labelling scheme which is not sold in open market, and is procured by Discoms/ utilities/ EPC contractors/ Projects through an elaborate tendering process which, from issue of NIT to delivery of material, taking 2 to 3 years for full execution.

The utilities, after much efforts and a long drawn consultation process of over 2 years, have now started accepting the mandatory BIS certified transformers as per IS 1180/2014 and have started issuing tenders with energy efficiency level 1 as stipulated in the Indian Standard. Lot of effort, time and resources have been invested by the industry in getting the products type tested for BIS compliance. The industry has already suffered much and had to stop manufacture for almost 8-10 months during 2016, when the issues related to testing and certification were resolved. Discoms also suffered due to unavailability of the transformers.

With this latest notification of BEE, all these transformers type tested and BIS certified for level 1 will be invalid putting the whole tendering process, manufacturing and supply of orders under execution on hold. For small scale manufacturers graduating from Level-1 to level-2 would be gradual process and also require sufficient time and resources. Removal of level-1 of IS 1180 from BEE star labelling scheme will be a huge problem for the small players.

We have also requested DHI to take this matter with MoP. **Star labelling scheme of BEE can be made voluntary, considering that mandatory certification of BIS governed by the Electrical Transformer (Quality Control) Order 2015 issued by Department of Heavy Industries addresses all the quality related issues.**

It is prudent to note that the same equipment i.e. DT is required to be manufactured as per IS: 1180 Part 1/2014, but has to be certified by two agencies i.e. BEE and BIS for the same objective of providing Energy Efficient DTs as per the notifications in vogue.

We also want to emphasize on the matter that **Joint Secretary, MoP has taken a meeting on 29<sup>th</sup> June 2016, where it was decided that Secretary Level meeting may be convened to take a final decision on the issue of dual certification both by BIS and BEE.** We also understand that no meeting on this matter has been convened till date.(Copy of the minutes is enclosed for your reference.)

We therefore request you to look into the matter and consider the applicability of only one of the regulations for mandatory certification of DTs for manufacture and supply of quality energy efficient DTs as per IS:1180 Part 1/2014 which will require the manufacturers to deal with only one agency for doing the business with ease. **The other regulation may be made voluntary/optional.**





In case, you require more details on this critical issue, transformer experts from our members will be glad to present the case, on any date and time convenient to you,

Looking forward to your guidance and support.

*Best Regards*

Yours sincerely,

Sunil Misra

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**Copy to:-**

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- 3) Shri R.K.Verma, Chairperson, Central Electricity Authority, Room No. 201, Sewa Bhawan, R.K.Puram, Sector-1, New Delhi-110066