

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 33 of 2007

In the matter of
Petition filed by Maharashtra State Electricity Distribution Company Limited
seeking directives in respect of issues connected with procurement of wind energy
from Group-II Category wind energy projects post the expiry of eight years from
the date of commissioning of the said projects.

Dr. Pramod Deo, Chairman
Shri A. Velayutham, Member
Shri S. B. Kulkarni, Member

ORDER

Dated: November 20, 2007

Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) submitted a Petition under affidavit, before the Commission on July 23, 2007, seeking directives or order in respect of tariff, tenure and other commercial terms and conditions for the purchase of wind energy and/or wheeling of energy from Wind Energy Projects under Group II Category after expiry of validity period.

2. MSEDCL, vide its Petition, submitted the following proposal to the Commission for policy consideration under Group II projects whose Energy Purchase Agreement (EPA) has expired as on 31st March 2007:

- a) **Sale of power to MSEDCL under Group II project:** MSEDCL would purchase wind power at the rate of 90% of lowest HT Industrial Energy Tariff, i.e., at the fixed rate of Rs. 1.17 per kWh, with no variation. The Group II wind generators would be required to supply the energy compulsorily to MSEDCL. The rate of Rs. 1.17 per kWh is the highest proposed rate for purchase of energy and the Commission should suitably fix a lower tariff considering the fact that the cost is fully recovered by the wind generators and henceforth, only the Operation and Maintenance and incidental costs are to be recovered by Group II wind generators.
- b) **Self-use and sale to third-party under Group II projects:** The energy supplied by generating facility to the MSEDCL would be the units offered for wheeling for self use or wheeling for sale to third party. The energy wheeled would be the



actual generation quantum less 2% and 5% towards Wheeling and T&D loss adjustment, respectively. The units for credit would be equivalent to the net quantum of energy upon adjusting for wheeling charge and transmission loss. MSEDCL proposed to give Credit Adjustment for Net units in money terms, which would be charged at 90% of lowest HT Industrial Energy Tariff, i.e., Rs. 1.17 per kWh fixed rate with no variation or at the lower tariff that would be fixed by the Commission. The Net units in money terms would be adjusted against the HT Industrial energy bills (in money terms) of Self User and/or Third Party purchases. In case of Self Use and/or Third Party sale, the credit to be given by MSEDCL would be purely in money terms on the Net Unit Adjusted. The credit in money terms would be at the rate, which would be decided by the Commission. In case of any other arrangement between Wind Generator/ Developer and user (third party purchaser), MSEDCL would give credit in money terms at the rate decided by the Commission and any other transaction on sale and/or purchase of wind energy would be entered into directly by generator/owner and Third Party purchaser.

3. MSEDCL, vide its Petition, made following prayers to the Commission:

1. *“the Commission to approve the proposal put forward by the Petitioners and issue directions/order accordingly;*
2. *the Commission may be pleased to issue a direction that the order passed by the Commission in this petition shall operate retrospective with effect from 1st April 2007 i.e. the period on which the agreement period for Wind Power Group II has started expiring;*
3. *Pending the hearing and final disposal of this Petition, the Commission may issue the following interim directions:*
 - (i) *Suitably fix a tariff lower than Rs. 1.17 per KWH for sale of power to MSEDCL.*
 - (ii) *The Petitioner to be allowed to continue the present methodology of giving credit on units to the Self User and or Third Party Sale Cases on temporary basis subject to retrospective implementation of the order that may be passed in this case, from 1st April 2007.*
 - (iii) *Group II Wind Generators be directed to supply energy compulsorily to the Petitioner at the rate of Rs. 1.17 per KWH fixed rate with no variation or at lower tariff as may be fixed by MERC, as requested by MSEDCL, with adjustments to be allowed based on the final orders passed in this Petition*
 - (iv) *Permit payment of the wind energy only after signing of EPA / EWA and compliance of other mandatory requirements.*
 - (v) *Permit MSEDCL to give Credit Adjustment in money terms as proposed in the petition.”*



4. The Commission, vide its Notice dated July 30, 2007, scheduled the hearing in the matter on August 21, 2007 and directed MSEDCL to serve a copy of its Petition to Renewable Energy Developers Association of Maharashtra (REDAM), M/s Indian Wind Energy Association (InWEA) and four authorized consumer representatives, and the respondents were directed to submit their reply to the Commission by August 13, 2007.

5. Subsequently, InWEA and REDAM filed their counter affidavits dated August 13, 2007 to oppose MSEDCL's Petition and submitted as under:

- a) Even if the Commission's Order dated November 24, 2003 is no more subsisting qua the projects under Group II Category as the tenure of PPA has expired, the wind developers (Group II) cannot certainly be forced to sell power only to MSEDCL. The wind developers should have a choice as to whom to sell the power to. Therefore, either the wind developers would desire (a) to supply power to that licensee who undertakes competitive bidding process or (b) to sell power to eligible persons under transmission and distribution open access procedure.
- b) The Commission should specify various charges payable by consumer and supplier, viz., (a) transmission tariff and transmission loss, (b) distribution tariff and distribution loss, (c) cross subsidy surcharge, (d) additional surcharge, if any. Such an Order of the Commission may be made applicable from April 1, 2007 in respect of those developers under Group II whose agreements with MSEDCL have expired as on March 31, 2007. Further, the Commission may consider issuing directions to MSEDCL/MSETCL to allow eligible persons to seek open access for wind power.

6. M/s Bajaj Auto Ltd. (BAL), vide its affidavit dated August 11, 2007, submitted that it has established wind power projects at Vankuswade (45.2 MW) and at Supa (20 MW) for 100% captive use and raised its objections as under:

- (i) *"MSEDCL's proposal is against tariff structure regulated by MERC Order dated November 24, 2003, which has inter alia decided upon Wheeling charges, Transmission loss, Reactive energy rate and its applicability, Banking policy, ToD unit adjustment, etc., applicable to Third Party sale/Captive consumption, which can not be changed subsequently.*
- (ii) *MSEDCL has not submitted sufficient information regarding impact on its ARR or average cost of energy due to Captive use/Third Party sale and in absence of such information, MSEDCL's request for tariff structure revision is without any basis.*
- (iii) *MSEDCL is seeking permission to adjust wind power credit to Self use / Third Party sale in terms of cash amount calculated @ Rs. 1.17 per unit wheeled units, which is against the wind power tariff Order dated November 24, 2003 wherein no cash transaction is allowed for the same. Further, proposed rate of Rs. 1.17 per unit is hypothetical and not affordable to BAL. MSEDCL should follow competitive bidding process for the same.*
- (iv) *MSEDCL is insisting license to wind power generator for Third Party sale, which is against EA 2003."*



7. BAL vide its said affidavit, further prayed as follows:

- (i) *“Wind power generator for ‘Self-user / Third Party sale’ should not be compelled to sale to MSEDCL.*
- (ii) *Electricity generator for ‘Self-user / Third Party sale’ may be permitted to wheel their power without restricting tenure of EWA within the same grid.*
- (iii) *MERC’s wind power tariff structure for Wheeling charges, Transmission loss charges, Reactive power rate, Banking etc. may be continued further till the 20 years of project life.*
- (iv) *License should not be required to the Wind power generators for ‘Third Party sale’ within the same grid because this activity doesn’t come under ‘trading of power’ and profit making business like conventional IPPs and CPPs.*
- (v) *Wind energy utilization options should be kept open for wind power generators as per GoM’s policy.*
- (vi) *Utilities should adjust wind energy units on financial year basis i.e. 1st April to 31st March.*
- (vii) *In case of delay in issuing credit notes, Utility must be allowed to revise previous bills of the same financial year to adjust wind units received late.*
- (viii) *Monthly generation may be allowed to adjust in same, subsequent or in previous month of the same financial year to avoid lapsing of 10% excess wind energy.*
- (ix) *GoM’s / MNES wind energy tariff may be continued for MSEDCL with same wheeling charges.*
- (x) *Wind power generation stabilizes grid voltage. Hence, the developer may be allowed to draw 43% reactive power from grid without compensation like HT consumer and in-excess of 43%, may be charged at Rs. 0.25 with flat rate to all without escalation.*
- (xi) *After ToD unit adjustment carried out buy MSEDCL, if surplus units remain unadjusted, then MSEDCL may be permitted to adjust monthly surplus higher cost units to nearest lower ToD slabs and remaining units may be banked.”*

8. At the hearing held in the matter on August 21, 2007, Smt. Deepa Chawan, Counsel for MSEDCL, submitted that in terms of the Order dated November 24, 2003 in Case Nos 17(3), 3, 4, & 5 of 2002 (in the matter of applications filed by the Maharashtra State Electricity Board, Shri. Pratap G. Hogade, REDAM and InWEA for procurement of wind energy and wheeling for third-party sale and/or self-use), the tenure of the Energy Purchase Agreements (EPA) and the Energy Wheeling Agreements (EWA) executed by MSEDCL with wind farm projects under Group-II Category has expired as on March 31, 2007. Counsel further submitted that in the present scenario, wind farm developers have certain issues that need to be resolved before a new mechanism may be adopted.



9. During the hearing, the Commission observed that the Electricity Act, 2003 (EA 2003) envisages generation as a de-licensed activity. The Order dated November 24, 2003 had put in place a support price for MSEDCL for procuring power from wind energy developers. The Commission opined that on the termination of eight years from the date of commissioning of the wind farm projects (under Group-II Category), the wind energy developers would have the right to sell energy as per their choice, and in accordance with law. Post the efflux of term in the EPAs and EWAs that MSEDCL have executed with wind farm projects (under Group-II Category), the said wind energy developers may sell power to any other utility apart from MSEDCL. The Commission enquired of Counsel whether MSEDCL was seeking approval of a future power purchase agreement with the said wind energy developers, under the present proceedings.

10. Smt. Deepa Chawan submitted that under the said proceedings, MSEDCL has not sought approval for any future power purchase agreement with the said wind energy developers. It was submitted that the Petition has been filed with the Commission to address and resolve the 'grey issues' that have resulted due to expiry of the said eight-year period, and the termination of the various EPAs and EWAs that MSEDCL have executed with wind farm projects (under Group-II Category). Smt. Chawan submitted that the issues concerning open access consumption further need to be addressed by the Commission.

11. The Commission observed that so far as the operation of the Order dated November 24, 2003 is concerned, there should not be any ambiguity as to freedom a wind energy developer (under Group-II Category) is supposed to enjoy post the expiry of eight years from the date of commissioning. Such generators may modify their earlier operations and function in line with merchant plant owners. The Commission observed that an issue would undoubtedly arise, as regards procurement tariff, if any wind energy developer (under Group-II Category) would agree to sell energy to MSEDCL, post the termination of the stipulated eight-year period and was of the further view that the said issue needs to be addressed under separate proceedings, on an appropriate proposal that would be filed either by MSEDCL or a wind energy developer. So far as open access is concerned, the regulations stipulated under the Maharashtra Electricity Regulatory Commission (Distribution Open Access) Regulations, 2005 should be followed.

12. Smt. Deepa Chawan prayed for the issuance of a Clarificatory Order in the present proceedings, as to the date on which the tariff and other related issues connected with energy procurement from wind farm projects (under Group-II Category), as determined in terms of the said Order dated November 24, 2003, would be deemed not to be in operation.

13. Shri. Makhija, Counsel for REDAM, submitted that under the Order dated August 16, 2006 in Case No. 6 of 2006 (in the matter of long term development of renewable energy sources and associated regulatory RPS framework), the period of operation for wind energy projects has been extended from March 31, 2007 to March 31, 2010. The



Commission observed that the said Order dated August 16, 2006 revised the period of operation of only those wind farm projects, which were under Group-III Category. The case of wind farm projects under Group-II Category was not addressed under the said Order.

14. Shri. G.N. Kamath, Secretary, REDAM, submitted that wind energy developers under Group-II Category may sell energy, post the termination of the stipulated eight-year period from the date of commissioning of respective projects, to three categories of consumers, viz., (i) distribution licensees, (ii) open access consumers with an obligation to meet renewable purchase obligation, and (iii) captive consumers or third-party purchasers with an obligation to meet renewable purchase obligation. It was submitted that the Maharashtra Electricity Regulatory Commission (Distribution Open Access) Regulations, 2005 and the Maharashtra Electricity Regulatory Commission (Transmission Open Access) Regulations, 2005, do not have adequate clarity on the quantum of transmission loss charges that may be applicable to the category of consumers mentioned under (ii) and (iii). Smt. Chawan submitted that REDAM would be required to initiate appropriate proceedings for seeking clarification on the said issues, which cannot be resolved under the proceedings initiated by MSEDCL.

15. The Commission observed that illustrative guidelines shall be made available on its official website www.mercindia.org.in on the issue of applicable transmission and wheeling charges for open access wheeling transactions.

16. Smt. Deepa Chawan sought liberty to approach the Commission in due course, for approval of a Power Purchase Agreement (PPA) between MSEDCL and any wind energy developer under the Group-II Category. The Commission observed that the EA 2003 grants MSEDCL the right to approach the Commission for seeking approval of a power purchase agreement, and any special dispensation for the same need not be provided in the present proceedings.

17. Shri. S.P. Shinde, DGM, M/s Bajaj Auto Limited, referred to the ruling of the Commission on the applicability of tariff for procurement of renewable energy under Renewable Purchase Specification (RPS) regime, as provided under the Order dated August 16, 2006, and enquired as to whether there would be any revision in the applicable transmission and wheeling charges and reactive energy charges, post the operation of the Order dated November 24, 2003 on the sale of energy from wind energy projects under Group-II Category. The Commission observed that the Orders that have already been passed on the issue of transmission and wheeling charges and reactive energy charges shall remain in force.



18. Having heard the parties and after considering the material placed on record, the Commission is of the view as under:

A] Power Purchase by MSEDCL/licensees under Group-II Category

19. As regards power purchase from wind energy projects under Group-II category, the Commission observes that under the present proceedings, MSEDCL has not sought any approval for long term power procurement from such wind energy projects pursuant to expiry of stipulated eight year period of EPA for Group-II projects. However, MSEDCL desires to seek clarity for applicability of tariff rate for procurement of wind energy which has flown into the grid in respect of such projects in the interim. The Commission notes that MSEDCL or wind energy developer would be free to initiate separate proceedings in this respect, if necessary.

20. In this context, the Commission observes that it had categorised Group-II projects as wind energy projects commissioned after December 27, 1999 but before March 31, 2003. Further, EPA tenure in respect of such projects has been stipulated as eight years from the date of commissioning of the project. Accordingly, EPA tenure of any wind energy project classified as Group-II shall vary from December 27, 2007 to March 31, 2011 depending on its date of commissioning. Thus, the Commission observes that EPA tenure for any Group-II project should still be valid during FY 2007-08, in contrast to MSEDCL's claim that EPA tenure for Group-II projects have expired as on March 31, 2007. Thus, tariff in respect of Group-II projects to be applicable for FY 2007-08, as already determined, shall continue to be applicable and there is no need to determine tariff or approve any 'interim arrangement' as prayed for by MSEDCL.

21. As per Table-5 (page 103 of 176) of the Commission's Wind Tariff Order dated November 24, 2003, only around 3.04 MW of wind power projects under Group-II category were commissioned during FY 1999-00 with power sale arrangement with MSEB, whose EPA shall be due for expiry during FY 2007-08 (i.e. from December 27, 2007 to March 31, 2008 depending on date of commissioning during FY 1999-00). Further, during FY 2000-01, around 26.7 MW of wind energy projects were commissioned with power sale arrangement with MSEB, whose EPA shall be due for expiry during FY 2008-09. During FY 2009-10, EPA of around 97.36 MW of wind power projects belonging to Group-II category shall be due for expiry as the same were commissioned during FY 2001-02. The relevant extract of the said Order (Table-5) is given below:



Following table §§ gives the details of financial year wise installed capacity of wind power projects (for MSEB purchase) in the state of Maharashtra till the year 2002-03.

Table 5
Year wise installed capacity of wind power projects (for MSEB purchase) in the State.

Sr. No.	Financial Year	Location	Installed Capacity (MW)	Cumulative Total (MW)
01	1994-95	-	-	
02	1995-96	-	-	
03	1996-97	Chalkewadi- Satara.	2.77	
				2.77
04	1997-98	Sindhudurg	1.5	
				4.27
05	1998-99	-	-	
06	1999-2000	A) Chalkewadi-Satara	0.45	
		B)Gudepanchgani-Sangli	1.84	
		C) Vankusawade-Satara	0.75	
				7.31
07	2000-01	A) Thoseghar-Satara	1.35	
		B) Vankusawade-Satara	21.7	
		C) Chalkewadi-Satara	0.5	
		D)Kovdyadongar-Ahmednagar	2.0	
		E) Gudepanchgani- Sangli	1.15	
				34.01
08	2001-02	A) Thoseghar- Satara	0.9	
		B) Vankusawade-Satara	53.585	
		C) Chalkewadi- Satara	8.475	
		D)Kovdyadongar-Ahmednagar	26.00	
		E) Dhalgaon – Sangli	8.40	
				131.37
09	2002-03	Brahmanwel-Dhule	3.60	
				134.97

22. Thus, the Commission observes that this issue needs to be addressed in respect of all Group-II projects in each subsequent year, as expiry of EPA for Group-II is linked to eight years from date of commissioning of such projects commissioned after December 27, 1999 but on or before March 31, 2003.

23. While the Commission reiterates that wind energy generators have freedom to sell to any party other than MSEDCL pursuant to expiry of the existing EPA, in case wind energy developer wishes to sell to MSEDCL (or any other distribution licensee), the licensees and such wind energy developers need to explore alternate commercial arrangements pursuant to expiry of existing EPA sufficiently in advance so that need for seeking approval for interim arrangement does not arise at all.



24. Further, the Commission notes that under the circumstances where distribution licensees have expressed difficulties in meeting the minimum purchase requirements under the RPS in view of resource availability constraints of RE sources, the generation from such Group-II wind energy projects offers itself as one option amongst the 'eligible RE sources' for said purposes. The licensees and such RE developers should be encouraged to establish commercial arrangements for procurement at the earliest.

25. It is envisaged that the licensees and RE developers belonging to Group-II categories whose EPAs are likely to expire may mutually devise suitable commercial arrangements for procurement of power during this fiscal year, if not devised until now. As highlighted earlier, the need for approval of interim arrangement does not arise for the time being. Such need would arise only in respect of 3.06 MW of wind energy projects belonging to Group-II category that were commissioned during 1999-2000, (subsequent to 27th December 1999) and whose PPA are due to expire during FY 2007-08. Further, as elaborated earlier, the licensees or wind energy developers are free to initiate separate proceedings for approval of long term commercial arrangement for power procurement from such Group-II projects pursuant to expiry of their existing EPAs, if necessary.

B] Self use and third party wheeling under Group-II category

26. In this context, the Commission clarifies that it has determined applicability of wheeling charge, wheeling loss, transmission charge and transmission loss for Open Access wheeling transactions, through various MYT Orders for each licensee separately. However, depending on nature of open access wheeling transactions, the injection point(s) and drawal point(s) for the open access wheeling transactions could lead to use of distribution assets of multiple distribution licensees and/or use of intra-State transmission system. Even in case of particular distribution licensee, the wheeling charges applicable for a particular open access transaction shall depend on voltage level at injection point(s) and drawal point(s), as wheeling charges are determined in accordance with voltage level. Accordingly, transmission charges, transmission losses, wheeling charges and wheeling losses applicable for a particular transaction have to be ascertained on the basis of extent of use of assets of the concerned licensee and extent of use at a particular voltage level.

27. A summary of applicable transmission charge, transmission loss, wheeling charge and wheeling loss for various cases of open access wheeling transactions is presented below in tabular form for ease of understanding. Summary of transmission tariff and wheeling charges is given in the Tables below:



Table 1.1: Consolidated table for Transmission Tariff and Wheeling charges

Transmission Charge & Transmission Loss		Transmission charge	Transmission Loss	
InSTS Transmission Tariff (Long term)	Rs/kW/month	126.86	4.85%	Ref. MERC Tx Tariff Order (FY07-08), (Case 86 of 2006) Cl. 11 Pg 5
InSTS Transmission Tariff (Short term)	Rs/kW/month	31.72	4.85%	
Wheeling Charges & Wheeling Losses				
MSEDCL		Wheeling charge	Wheeling loss	
- 132 kV	Rs/kW/month	0	0%	Ref. MERC MYT Order for MSEDCL (FY07-08), (Case 65 of 2006) Cl. 6.5 & 6.6 Pg 183/184
- 33 kV	Rs/kW/month	38	6%	
- 22 kV / 11 kV	Rs/kW/month	245	9%	
TPC-D				Ref. MERC MYT Order for TPC-D (FY07-08), (Case 70 of 2006) Cl. 6.4 Pg 65/66/67
- 33 kV / 22 kV / 11 kV (HT)	Rs/kW/month	111	2.93%	
REL				Ref. MERC MYT Order for REL-D (FY07-08), (Case 75 of 2006) Table 42/43 Pg 75/76
- 33 kV / 22 kV / 11 kV (HT)	Rs/kVA/month	118.4	2.40%	

28. Nomenclature used for wheeling charge and wheeling losses of various distribution licensees at various voltage levels is given in following Table 1.2, for ease of reference:

Table 1.2: Nomenclature adopted for wheeling charges and wheeling losses of different Distribution licensees

Nomenclature	Wheeling charge (wc)	Wheeling loss (wl)
MSEDCL_132 kV	M_{wc132}	M_{wl132}
MSEDCL_33 kV	M_{wc33}	M_{wl33}
MSEDCL_11kV	M_{wc11}	M_{wl11}
TPC_HT	T_{wcht}	T_{wlht}
REL_HT	R_{wcht}	R_{wlht}

Table 1.3 Applicable Wheeling Charge for OA wheeling transaction with different Injection Point(s) and Drawal point(s)

Table for Wheeling Cost		Rs/kW/mth	M_{wc132}	M_{wc33}	M_{wc11}	T_{wcht}	R_{wcht}
Rs/kW/mth	Drawal	Injection	I1	I2	I3	I4	I5
			MSE_132kV	MSE_33kV	MSE_11kV	TPC_HT	REL_HT
M_{wc132}	D1	MSE_132kV	0	M_{wc33}	M_{wc11}	T_{wcht}	R_{wcht}
M_{wc33}	D2	MSE_33kV	M_{wc33}	M_{wc33}	M_{wc11}	$M_{wc33}+T_{wc_ht}$	$M_{wc33}+R_{wc_ht}$
M_{wc11}	D3	MSE_11kV	M_{wc11}	M_{wc11}	M_{wc11}	$M_{wc11}+T_{wc_ht}$	$M_{wc11}+R_{wc_ht}$
T_{wcht}	D4	TPC_HT	T_{wcht}	$M_{wc33}+T_{wc_ht}$	$M_{wc11}+T_{wc_ht}$	T_{wcht}	$T_{wc_ht}+R_{wc_ht}$
R_{wcht}	D5	REL_HT	R_{wcht}	$M_{wc33}+R_{wc_ht}$	$M_{wc11}+R_{wc_ht}$	$T_{wc_ht}+R_{wc_ht}$	R_{wcht}



Table for Wheeling Cost		Rs/kW/mth	<u>0</u>	<u>38</u>	<u>245</u>	<u>111</u>	<u>118.4</u>
		Injection	I1	I2	I3	I4	I5
Rs/kW/mth	Drawal		MSE_132kV	MSE_33kV	MSE_11kV	TPC_HT	REL_HT
<u>0</u>	D1	MSE_132kV	0	38	245	111	118.4
<u>38</u>	D2	MSE_33kV	38	38	245	149	156.4
<u>245</u>	D3	MSE_11kV	245	245	245	356	363.4
<u>111</u>	D4	TPC_HT	111	149	356	111	229.4
<u>118.4</u>	D5	REL_HT	118.4	156.4	363.4	229.4	118.4

In addition to above wheeling charge, transmission charges (long-term or short-term), as the case may be, shall be applicable, in case Intra-State Transmission system (InSTS) is being used for the purpose of open access wheeling transaction.

Table 1.4 Applicable Wheeling Loss for OA wheeling transaction with different Injection Point(s) and Drawal point(s)

Table for Wheeling loss		%	M _{wi} 132	M _{wi} 33	M _{wi} 11	T _{wiht}	R _{wiht}
		Injection	I1	I2	I3	I4	I5
%	Drawal		MSE_132kV	MSE_33kV	MSE_11kV	TPC_HT	REL_HT
M _{wi} 132	D1	MSE_132kV	0	M _{wi} 33	M _{wi} 11	T _{wiht}	R _{wiht}
M _{wi} 33	D2	MSE_33kV	M _{wi} 33	M _{wi} 33	M _{wi} 11	M _{wi} 33+T _{wiht}	M _{wi} 33+R _{wiht}
M _{wi} 11	D3	MSE_11kV	M _{wi} 11	M _{wi} 11	M _{wi} 11	M _{wi} 11+T _{wiht}	M _{wi} 11+R _{wiht}
T _{wiht}	D4	TPC_HT	T _{wiht}	M _{wi} 33+T _{wiht}	M _{wi} 11+T _{wiht}	T _{wiht}	T _{wiht} +R _{wiht}
R _{wiht}	D5	REL_HT	R _{wiht}	M _{wi} 33+R _{wiht}	M _{wi} 11+R _{wiht}	T _{wiht} +R _{wiht}	R _{wiht}

Table for Wheeling Loss		%	<u>0%</u>	<u>6%</u>	<u>9%</u>	<u>2.93%</u>	<u>2.40%</u>
		Injection	I1	I2	I3	I4	I5
%	Drawal		MSE_132kV	MSE_33kV	MSE_11kV	TPC_HT	REL_HT
<u>0%</u>	D1	MSE_132kV	0.00%	6.00%	9.00%	2.93%	2.40%
<u>6%</u>	D2	MSE_33kV	6.00%	6.00%	9.00%	8.93%	8.40%
<u>9%</u>	D3	MSE_11kV	9.00%	9.00%	9.00%	11.93%	11.40%
<u>2.93%</u>	D4	TPC_HT	2.93%	8.93%	11.93%	2.93%	5.33%
<u>2.40%</u>	D5	REL_HT	2.40%	8.40%	11.40%	5.33%	2.40%

In addition to above wheeling loss, Transmission Loss shall be applicable, in case Intra-State Transmission system (InSTS) is being used for the purpose of open access wheeling transaction.

29. In view of above, a sample illustration covering applicability of various charges for Open Access wheeling transaction for short term Open Access wheeling under various scenarios, such as applicable transmission tariff, transmission loss, wheeling charge and wheeling loss, along with the explanatory note, has been made available on the Commission's website www.mercindia.org.in for ease of understanding of stakeholders.



30. The Commission clarifies that it has not distinguished in respect of applicability of wheeling charges and wheeling loss in respect of open access transactions whether belonging to Group-II wind energy projects or any other renewable energy source or any other fossil fuel based open access wheeling. The wheeling charges, wheeling loss and transmission charge, transmission loss as determined by the Commission under its various Orders from time to time shall continue to be applicable in respect of open access wheeling transactions as already ruled under various Orders of the Commission.

31. The Commission observes that in respect of captive wheeling transactions, as per sub-section (2) of Section 9 of EA 2003, every person who has constructed captive generating plant has right to open access for the purpose of carrying electricity from his captive generating plant to destination of its use subject to availability of transmission capacity. Thus, not providing credit for energy wheeled by such captive generating plant would tantamount to denial of statutory right granted under EA 2003. Hence, the Commission hereby directs MSEDCL to continue to provide credit upon adjustment of applicable wheeling charges and wheeling losses in respect of such captive wheeling transactions.

32. As regards third party wheeling transactions, the Commission observes that such wind energy wheeling transactions and the Energy Wheeling Agreement (EWA) thereof shall be governed by MERC (Transmission Open Access) Regulations, 2005 or MERC (Distribution Open Access) Regulations, 2005, as the case may be. The licensees will have to continue to provide energy credit in respect of such wheeling transactions upon adjustment of applicable wheeling charges and wheeling losses in respect of such open access wheeling transactions.

33. In view of the above, the Commission rules that MSEDCL should continue to provide energy credit in case of open access wheeling (whether captive or third party) transactions upon adjusting for applicable wheeling charge and wheeling loss. There is no scope for adjustment in money terms as claimed by MSEDCL and the Commission rejects the proposal of MSEDCL in this respect.

34. In view of above observations, the Commission rules as under:

- a) The EPA tenure of any wind energy project classified as Group-II shall vary from December 27, 2007 to March 31, 2011 depending on its date of commissioning. Thus, EPA tenure for any Group-II project should still be valid during FY 2007-08, in contrast to MSEDCL's claim that EPA tenure for Group-II projects have expired as on March 31, 2007. Thus, tariff in respect of Group-II projects to be applicable for FY 2007-08, as already determined, shall continue to be applicable and there is no need to determine tariff or approve any 'interim arrangement' as prayed for by MSEDCL.
- b) In respect of existing wheeling transactions, MSEDCL should continue to provide energy credit in case of open access wheeling (whether captive or



