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**NOTIFICATION (DRAFT)**

ELECTRICITY ACT, 2003

No. MERC/\_\_\_\_/2019/\_\_\_\_. In exercise of the powers conferred under Sections 86(3) and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf, and after previous publication, the Maharashtra Electricity Regulatory Commission makes the following Regulations to amend the Maharashtra Electricity Regulatory Commission (Transmission Open Access) Regulations, 2016 ('the Principal Regulations') namely:

**1. Short title and commencement**

1.1. These Regulations may be called the Maharashtra Electricity Regulatory Commission (Transmission Open Access) (First Amendment) Regulations, 2019.

1.2. These Regulations shall come into force from the date of their publication in the *Official Gazette*.

**2. Amendment to Regulation 2 of the Principal Regulations:**

The following definitions shall be amended in Regulation 2 of the principal Regulations:—

*“(13) “Contract Demand” means the demand in kilovolt ampere ('kVA') or Megavolt ampere ('MVA') as mutually agreed between the Distribution Licensee and the Consumer*

*(i) in the agreement for supply of electricity; or*

*(ii) through other written communication.”*

*“(14) (a) “Gross metering” means a metering arrangement wherein, the entire energy generated by rooftop solar PV system is fed into the electrical grid subject to permissible technical limits as per interconnection standard and the system owner is benefited by way of sale of solar power to the Distribution Licensee at rate approved or adopted by Commission;”*

*“(17) “Long-term Open Access” or “LTOA” means the right to use the Intra-State Transmission System for a period exceeding **seven** years;”*

*“(18) “Medium-term Open Access” or ‘MTOA’ means the right to use the Intra-State Transmission System for a period exceeding three months but not exceeding **five** years;”*

*“(30) “Time Block” means the period of 15-minute or any such shorter duration as may be notified by Central Commission and State Commission, for which Special Energy Meters record specified electrical parameters and quantities, with the first such period starting at 00:00 hours;”*

**3. Amendment in Regulation 3 of the Principal Regulations:**

- A. New provisos shall be added below the existing third proviso to Regulation 3 as under:

*“Provided further that Partial Open Access Consumer shall be permitted to avail Open Access for the capacity not exceeding its existing Contract Demand with the Distribution Licensee on the date of application, whereas, Full Open Access Consumer shall be permitted to avail Open Access for capacity not exceeding its sanctioned load;*

*Provided further that Consumers intending to have Roof-Top Solar Photo Voltaic Systems can simultaneously avail open access under these Regulations subject to condition that in such cases, the credit for solar generation shall be adjusted on gross metering basis for such period for which open access is availed by the Consumer.”*

**4. Amendment in Regulation 6 of the Principal Regulations:**

- A. The existing regulation 6.7 shall be substituted as under with a new proviso:

*“6.7. The charges for testing and tariff of such infirm power from a Generating Station, other than one based on Renewable Energy sources, shall be as specified in the Regulations of the Commission governing Deviation Settlement Mechanism and the same shall be applicable from the Effective Date to be notified as per MERC (Deviation Settlement Mechanism and related matters) Regulations, 2019:*

*Provided that until such notification of Effective Date as per MERC (Deviation Settlement Mechanism and related matters) Regulations, 2019 such charge for testing and tariff for infirm power from a Generating Station, other than one based on Renewable Energy, shall be as specified in the Regulations of the Commission governing Multi-Year Tariff:”*

- B. The existing proviso of Regulation 6.7 shall be amended as under:

*“Provided further that the power injected into the grid on account of such testing from a Generating Station for which tariff has not been determined by the Commission shall be the lower of the following:”*

- C. The existing third proviso of regulation 6.8 shall be amended as under:

*“Provided also that, until the notification of the Effective Date as per MERC (Deviation Settlement Mechanism and related matters) Regulations, 2018, before injecting infirm power, the Generating Station shall enter into an agreement with the Distribution Licensee to supply such power, in the absence of which there shall be no charge for such infirm power injected into the grid, and it shall be credited to the Distribution Licensee to whom the Generating Station is connected under the provisions of the Intra-State Balancing and Settlement Mechanism operating in Maharashtra.”*

- D. A new proviso shall be added governing the MERC (Deviation Settlement Mechanism and related matters) Regulations 2019, below the above proposed amendment to Regulation 6.8:

*“Provided further that, post the Effective Date as per MERC (Deviation Settlement Mechanism and related matters) Regulations, 2019, the conditions for Infirm Power injection and treatment thereof shall be governed as per Regulations governing Deviation Settlement Mechanism for Maharashtra.”*

**5. Amendment in Regulation 7 of the Principal Regulations:**

The existing proviso of Regulation 7.2 shall be amended as under:

*“7.2. The nature and periods for which Open Access of the Intra-State Transmission System may be sought shall be as categorised below:*

| <b><i>Open Access Category</i></b>    | <b><i>Duration</i></b>                                     |
|---------------------------------------|--|
| <b><i>Long-term Open Access</i></b>   | <i>Exceeding seven years</i>                               |
| <b><i>Medium-term Open Access</i></b> | <i>Exceeding three months but not exceeding five years</i> |
| <b><i>Short-term Open Access</i></b>  | <i>Not exceeding one month</i>                             |

*Provided that, for a period between five years and seven years, the Applicant may seek Medium-term Open Access for a maximum period of one year at a time.”*

**6. Amendment in Regulation 8 of the Principal Regulations:**

- A. A new proviso shall be added above the existing first proviso to Regulation 8.1 as under:

*“Provided that nodal agency shall process the application for STOA and MTOA including application fee only through online mode. Necessary web-portal functionalities for online processing with secured payment gateways shall be established by the Nodal Agency with suitable amendment to the procedures within three months. The software shall necessarily include day or time punching of the complete process and the trails of this process or processing shall also be available in the system”*

B. The existing Regulation 8.11 shall be deleted.

~~“8.11. The Nodal Agency shall grant Medium-term or Short-term Open Access if the resultant power flow can be accommodated in the existing Distribution System or the Distribution System under execution.”~~

The existing Regulation 8.12 shall be renumbered as 8.11.

**“8.11.** The Nodal Agency shall provide the facility of on-line submission of Applications for Connectivity and Open Access within ninety days from the notification of these Regulations.”

## **7. Amendment in Regulation 11 of the Principal Regulations:**

A. Two new provisos shall be added to Regulation 11.2 (a) as under:

*“Provided that the application for grant of Day-Ahead Open Access shall be made for continuous period of minimum duration of 8 hours or such other duration of number of time-blocks to be stipulated through separate Order from time to time either on Suo-motu basis or on the basis of application moved by affected party.*

*Provided further that the schedule given against the above day ahead open access sought shall be uniform at least for a period of eight hours and the minimum schedule during the day shall at any time not be less than 75% of the maximum schedule of the day.”*

## **8. Amendment in Regulation 14 of the Principal Regulations:**

New sub-clauses 14.1 (c), (d) and (e) shall be inserted below the existing provisions as follows:

*“(c) In order to discourage repeated roll over of STOA transactions, the applicable STOA charges in case of such repeated STOA transactions of Open Access Consumer(s) shall be increased by a multiplication factor of 1.25, 1.5 and 2.0 respectively for every 2nd, 3rd and 4th STOA transaction during financial year beyond which the charges for STOA shall be fixed at two times of the approved STOA charges.*

*(d) For renewable energy based MTOA and LTOA transactions, the applicable transmission charges shall continue to be on per unit basis, except that the same shall be equivalent to two times the approved STOA charges.*

*(e) Partial Open Access Consumers availing STOA are liable to pay the Transmission Charges irrespective of whether or not the Generator from whom they source power has a BPTA with the STU.”*

## **9. Insertion of a new Regulation 14.9 in the principal Regulations:**

A new Regulation 14.9 shall be inserted as follows:

### ***“14.9 Priority for adjustment for Energy Credits***

*The priority for adjustment of energy drawl by an open access consumer from different sources shall be as per the following sequence of reducing priority and shall be implemented for each time block, upon adjustment of applicable losses.*

- a) Renewable Energy Generators*
- b) Captive Generating Plant*
- c) Banked Energy*
- d) Long term Bilateral purchase*
- e) Medium term open access*
- f) Short term inter-State open access including power exchange transactions*
- g) Short term intra – State Open access*
- h) Distribution Licensee*

*Provided that in case of energy credit from more than one source from the similar category shall be adjusted on pro-rata basis of the contracted generation capacity from such source.”*

## **10. Insertion of a new Regulation 14.10 in the principal Regulations:**

A new Regulation 14.10 shall be inserted as follows:

### ***“14.10. Availability of PF Incentive/ PF Penalty***

*Entitlement to PF incentives or levy of PF penalty, as the case may be, as specified under Tariff Schedule of the Tariff Order issued from time to time shall be applicable only for the net energy supplied by Distribution Licensee to the Open Access consumer and captive user after adjusting the banked energy and actual open access consumption during the month.”*

## **11. Amendment in Regulation 16 of the Principal Regulations:**

The existing proviso of Regulation 16.3 shall be amended as under:

***“16.3. Scheduling of renewable Energy Generating Plant(s) identified as ‘non-firm power’ under the Commission’s Regulations governing Renewable Energy Tariff shall be governed as per provisions of Maharashtra Electricity Regulatory Commission (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018.”***

## **12. Amendment in Regulation 17 of the Principal Regulations:**

A new clause 17.5 shall be inserted as follows:

*“17.5. Generating Stations having multiple generating units wherein one or more units are contracted under captive route, such Generating Company, shall install at their cost, Special Energy Meters, separately for each generating unit, within six months from the notification of these Regulations, in accordance with requirements stipulated by the Nodal Agency and/or MSLDC.*

*Provided that the installed Special Energy Meters shall be available for inspection by the STU or the MSLDC at any time:*

*Provided further that such Generating Stations connected to Transmission Systems shall bear the cost of communication arrangements for its integration into Control Centre as per the technical specifications stipulated by the Nodal Agency and/or MSLDC.”*

## **13. Amendment in Regulation 18 of the Principal Regulations:**

The existing proviso of Regulation 18.2 shall be amended as under:

***“18.2 Intra-State Transmission:***

*Provided that the energy settlement shall be based on the **approved** loss in the Intra-State Transmission System.”*

## **14. Amendment in Regulation 19 of the Principal Regulations:**

A. The existing proviso of Regulation 19.1 shall be amended as under:

*“Provided that, **until the notification of the Effective Date as per MERC (Deviation Settlement Mechanism and related matters) Regulations, 2019**, the provisions regarding energy balancing and settlement contained in the Final Balancing and Settlement Mechanism or any other such mechanism as may be stipulated by the Commission shall be applicable in the case of Open Access Consumers, Generating Stations and Licensees who are participants of the State Pool.”*

B. A new proviso shall be added to Regulation 19.1 below the above proposed amendment as under:

*“Provided further that, **post the Effective Date as per MERC (Deviation Settlement Mechanism and related matters) Regulations, 2019**, the conditions for Deviation Accounting and settlement of deviations thereof shall be governed as per Regulations governing Deviation Settlement Mechanism for Maharashtra.”*

## **15. Amendment in Regulation 19 of the Principal Regulations:**

The existing Regulation 19.2 shall be amended as under:

“19.2. Settlement of Energy at Drawal Point in respect of **Partial** Open Access Consumer: Deviations between the scheduled and the actual injection/drawal in respect of a **Partial** Open Access Consumer shall be treated in accordance with the methodology and charges specified in the Regulations of the Commission governing Distribution Open Access.”

**16. Amendment in Regulation 27 of the Principal Regulations:**

The existing Regulation 27.1.3 shall be amended as under:

“27.1.3. The discount rate for computing the Net Present Value shall be the post-tax Weighted Average Cost of Capital, determined by the STU with the following assumptions:

- a) Debt : Equity ratio of 70:30
- b) Post-tax Return on Equity of 15.5%
- c) Interest rate calculated as **one-year Marginal Cost of Funds-based Lending Rate ('MCLR') + 1.5%**, where the **MCLR** is as on the first day of the respective financial years.”

**17. Amendment in Regulation 35 of the Principal Regulations:**

The existing first and second proviso under Regulation 35.3 shall be amended as under:

“Provided that the provisions of these Regulation, **as amended from time to time** governing Distribution Open Access relating to Banking of power, the definition of Billing Demand, change in injection or drawal point, and revision in Contract Demand **with amendments thereof** shall also be applicable to existing Transmission Open Access Agreements or contracts;

Provided further that a Consumer, Generating Station or Licensee who has applied for Open Access to the Intra-State Transmission System in Maharashtra under the repealed Regulations and whose Application is under process on the date of coming into force of these Regulations **or its amendments**, need not reapply, and such Applications will be processed under the provisions of these Regulations **or under the amended provisions of these Regulations respectively.**”

Date: XX March, 2019

Secretary

Place: Mumbai

Maharashtra Electricity Regulatory Commission