



**MAHARASHTRA ELECTRICITY REGULATORY
COMMISSION**

EXPLANATORY MEMORENDUM

ON

**DRAFT MAHARASHTRA ELECTRICITY
REGULATORY COMMISSION (DISTRIBUTION OPEN
ACCESS) (FIRST AMENDMENT)**

REGULATIONS, 2019

and

**DRAFT MAHARASHTRA ELECTRICITY
REGULATORY COMMISSION (TRANSMISSION
OPEN ACCESS) (FIRST AMENDMENT)**

REGULATIONS, 2019

March 2019

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1. BACKGROUND

- 1.1.1. In pursuance of the Electricity Act, 2003, the Maharashtra Electricity Regulatory Commission ('MERC' or 'the Commission') published its Distribution and Transmission Open Access Regulations in 2004, which were followed by new Regulations in 2005. Subsequently MERC (Distribution Open Access (DOA)) Regulations, 2014 and MERC (Transmission Open Access (TOA)) Regulations, 2014 was issued in June 2014 and later notified MERC (Distribution Open Access (DOA)) Regulations, 2016 and the MERC (Transmission Open Access (TOA)) Regulations, 2016 in March 2016 repealing the earlier Regulations in the matter.
- 1.1.2. Subsequent to the notification of the DOA and TOA Regulations 2016, various regulatory and market developments have taken place at national level as well as state level, which have necessitated review of certain provisions of extant DOA/TOA Regulations for suitable amendment to these Regulations. At central level, CERC has finalised the CERC (Grant of Connectivity, Long-term access, Medium term open access and related matters) Regulations 2017, which has stipulated a different tenure for medium term and long term open access than the one operating presently at state level. In order to align the state level provisions to that of the central level provisions of CERC, certain amendments have been proposed in the prevailing DOA & TOA Regulations, 2016. Similarly, in order to address various issues highlighted under the Consultation paper related to Open Access published by Ministry of Power (MoP) certain changes are required in the present open access Regulations.
- 1.1.3. In addition to the above, the Commission received several representations and petitions related to the design aspects and implementation aspects of the open access Regulations. Considering the issues, the said Petitions also requested for review of some of the provisions of the principal OA Regulations. Accordingly, certain amendments have been proposed to address the highlighted issues in the present draft first amendment of DOA/TOA Regulations.
- 1.1.4. There has been significant fall in the prices of renewable energy as well as increase in the penetration of variable RE generation into the Grid over the recent couple of years. Several RE rich States have revised the regulatory framework applicable to RE in terms of banking provisions, scheduling and forecasting of RE, etc. The Commission has already notified Forecasting and Scheduling Regulations for Wind and Solar. Further, the Commission has initiated regulatory process for notification of MERC (Deviation Settlement Mechanism and related matters) Regulations, 2019 which is bringing about significant revision in energy scheduling, metering, deviation accounting and its settlement. In order to take cognisance of the above developments, certain amendments have been proposed to the MERC DOA and TOA Regulations, 2016. This Explanatory Memorandum accompanies the proposed draft amendments to both the Regulations which have been published for public comment.

2. CONTINUED ROLL OVER OF STOA TRANSACTIONS

2.1. Description of the Issue:

2.1.1. Certain Open Access (OA) consumers, despite having a Medium Term/Long term requirement, do repeated Short Term Open Access (STOA) transactions for availing the benefit of lower STOA charges denominated in per unit energy terms. Presently there is no provision to check and discourage such consumers taking undue advantage of the provision of the Regulations. Upon perusal of data obtained from various Distribution Utilities in the State on this issue, it is noticed that there are many such transactions, and most STOA transactions were getting extended for a period of more than one year.

2.1.2. Concerning the issue of continued roll over of STOA transactions, attention is drawn to the observations of the Commission in its Order No. 8 of 2017 and Case No. 98 of 2017:

“Considering the intent and purpose of the provisions for different OA durations, the Commission believes that it would be worth revisiting them in terms of introducing some limitations, or for transition of STOA to MTOA after some consecutive periods. The Commission may separately undertake an exercise to examine the issues involved and the alternatives, keeping in view all these considerations.”

2.1.3. The prevailing provisions for the Open Access consumers availing the Short Term transactions should not be used for taking any undue advantage, particularly when avenues for medium term/long term open access are available. Hence, to allay the purposeful use of repetitive STOA by the open access consumers, who are intending to avoid MTOA/LTOA charges, the Commission has proposed to amend Regulation 14.1 of the Principal DOA & TOA Regulations, 2016 as below:

2.2. Proposed Amendment

2.2.1. An additional proviso is proposed under Regulation 14.1 of the Principal DOA Regulations, 2016:

“14.1. (v) Transmission Charges:

...

Provided that 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;”

Similar amendment proposed also in Regulation 14.1 of the Principal TOA Regulations, 2016.

3. TRANSMISSION CHARGES FOR RENEWABLE OA

3.1. Description of the Issue:

3.1.1. Transmission charge for renewable energy OA transactions (LTOA/MTOA/STOA) are presently on per unit basis even for MTOA & LTOA, which is not the case for conventional OA, for which these charges are on *per MW* or *per KW* basis. The concession provided to RE OA transactions is based on its lower capacity utilisation factor compared to the Conventional sources, even though the network corridor capacity for such RE OA transactions from injection point to drawal point is reserved in terms of capacity (MW). In case capacity based charges is made applicable to RE OA, such transaction may not be viable. However, with the changed market scenario RE penetration in the market has increased and so is the significant reduction in RE generation cost. Of late, the tariff discovered in RE competitive bidding was Rs. 2.44 per Unit. In the past, concessional OA charges in the form of lower transmission charges were crucial in terms of making a RE based OA transaction viable. However, today when cost of generation of RE itself has gone down significantly from the earlier pricing regime of above 5 Rs per unit, to present sub 3 Rs per unit, the concessional OA charges for use of network needs to be reassessed. Thus, it is proposed to increase the transmission charges of MTOA and LTOA for RE OA transactions. However, it is recognised that while network corridor is reserved for RE based open access transactions on capacity basis, its utilisation varies significantly influenced by natural factors resulting in diurnal variation and seasonal variation. Thus, the lower utilisation factor of network and lower CUF for RE still needs consideration and thus the transmission charges have been proposed to continue on per unit basis. In view of the same, following increase in transmission charges for RE based MTOA and LTOA transactions.

3.2. Proposed Amendment

3.2.1. An additional proviso is proposed under Regulation 14.1 of the Principal DOA Regulations, 2016:

““14.1. (v) *Transmission Charges:*

...

Provided further that 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.

Similar amendment is also proposed in Regulation 14.1 of the Principal TOA Regulations, 2016.

4. REVISION IN CONTRACT DEMAND

4.1. Description of the Issue:

- 4.1.1. As per the existing framework, the open access consumers, whether LTOA, MTOA or STOA, are eligible to revise the contract demand and the choice of the same is left to such OA consumers. In several instances, the distribution licensees have raised their concerns before the Commission regarding the partial open access users not revising their contract demand and leading to a scenario where the distribution licensee, having to fulfil its universal service obligation, has to contract for the full contract demand and in-turn are obliged to pay the fixed charges. The practice of not revising the contract demand has a bearing on the financial conditions of the distribution licensees, which in turn burdens the rest of the consumers of the distribution licensees.
- 4.1.2. The choice of revision of Contract Demand ultimately has to have balance of fair play between Licensee and Consumer. In case, consumer wishes to avail Open Access, it has fairly evaluated options for securing its supply sources. On the other hand retaining this choice with consumer on whether to revise Contract Demand or not, has bearing on Licensee to arrange/contract for Equivalent Capacity on long term/medium term basis, which may result in stranded capacity and its implications on other Consumers.
- 4.1.3. Thus, in view of aforesaid issues, it is now proposed that, the licensees should be allowed to reassess and reinstate reduction in contract demand, which would help them to evaluate the right kind of demand which it has to plan for providing the supply to its consumers. Accordingly, the licensees could surrender the surplus power tie-ups under its long-term arrangements and thus reduce the power purchased cost to its remaining consumers.
- 4.1.4. In addition to the above, the Commission also has come across issues wherein OA consumers were liable to pay Demand charge penalty for exceeding contract demand due to non-reinstatement of contract demand once the open access period is over. Such instances of undue burden on such OA consumer is also not desired. Such issues is more common in case of STOA transactions.
- 4.1.5. In view of the foregoing facts it is proposed to modify its Principal Regulation 4.2 to enable automatic contract demand reduction for STOA/MTOA/LTOA transaction and automatic reinstatement of contract demand to Original level in case of STOA once the open access period is over.

4.2. Proposed Amendment

- 4.2.1. The existing Regulation 4.2 of the Principal DOA Regulations, 2016 is proposed be substituted with the following:

4.2. Revision of Contract Demand

The Contract Demand of a consumer availing LTOA or MTOA shall be governed by the provisions of the Electricity Supply Code and the Regulations of the Commission governing Standards of Performance subject to condition that where a consumer eligible under Regulation 3.1, applies for Long-term or Medium-term or Short-term Open Access to the Distribution Licensee so as to obtain supply from a Generating Company or a Licensee or through Power Exchange, the Distribution Licensee (on whose Distribution System the access is being sought) shall reduce the contract demand of the consumer to the extent of quantum of electricity sought to be transferred through Open Access.:

Provided that a Contract Demand in case of Consumer availing STOA shall be restored to its original Contract Demand as prevalent at the time of applying for Open Access upon completion of the tenure of the STOA unless the consumer applies within the specified timelines for extension.”

5. TREATMENT OF BANKED ENERGY FOR VARIABLE RENEWABLE ENERGY (VRE)

5.1. Description of the Issue:

The Present Regulations provide Banking facility to variable RE generator (Wind and Solar) based OA transactions. In the past, a number of petitions have been filed before the Commission relating to the issues of treatment of Banked Energy for Variable Renewable Energy (VRE) such as wind and solar viz., Case No. 8 of 2017, 85 of 2017 and 147 of 2018. The Commission’s ruling on the Review of banking of RE generation and Review of Order (Case No. 85 of 2017) in Case No. 8 of 2017 and 147 of 2018 respectively; are reproduced below:

“Case 147 of 2018- Review of Order dated 27 March 2018 in Case No. 85 of 2017:

The Commission notes that the concerns raised by the MSEDCL cannot be overlooked due to changing RE scenario and having financial implications on the Distribution Licensees, which ultimately affects all the consumers of Distribution Licensees. The Commission directs its secretariat to take immediate steps to consider afresh the banking related regulations after duly considering the various issues raised by MSEDCL in the amended draft proposal.”

Following different aspects of the Banking facility are proposed to be reviewed in the draft Regulations:

- a) Banking Period,
- b) Banking Charges,
- c) Provision of buy back of Surplus Power and rate
- d) Treatment of surplus power towards RPO

5.2. Analysis:

Data was obtained from various distribution companies to assess the claim of loss of revenue due to banking facility to Distribution Licensee. Based on the furnished data, it was broadly estimated by Distribution Licensees that they were losing to the tune of Rs. 25 Crore to Rs. 35 Crore per annum in terms of revenue loss (Loss worked out on ABR) due to Banking of power. Further, upon analysis of the data for FY 2016-17 and FY 2017-18, it was noticed that banking of power mostly happens during the month of August to September and Utilisation of the banked power happens during December to March. Thus, Distribution licenses have to meet the power demand of both its consumers and the OA consumers during the months of December to March. It is also noted that during the months of December to March, the purchase price of power is generally high and such price during the peak-time of the day would be even higher.

The annual banking facility for the variable RE projects, has continued in the State over last so many years as a promotional measure. One of the main reasons for promoting the renewable sources of energy was their high cost of generation, compared to the cost of generation from conventional power plants, which discouraged the Distribution Licensees to purchase power from the RE sources. The RE sector over the past few years has undergone substantial change. Advancement of technology and rapid capacity additions, economies of scale, resulting in substantial reduction in Capital Cost, coupled with competition, as well as, easy and low cost financing, have resulted in huge reduction in levelised cost of variable RE sources. The price discovered through bids from the wind and solar projects developers in the country today is below Rs 3.00 per unit. The same is considerably lower than the cost of generation from the new conventional power plants. Thus, today the RE sources, especially, wind and solar, are in a position to compete with the conventional power plants in terms of tariff. Besides, there are significant changes in the framework for scheduling, metering, energy accounting and deviation accounting that are taking place along with improvement in deployment of advanced technology and tools for forecasting, metering, AMR facilities and communication infrastructure in the power system operations and in distribution systems. In view of the same, continuance of the promotional measures and other concessions, which are finally passed on to the consumers, is not justified. In this context, several State Commissions have already rolled back the concessional measures and limited Banking facility available to RE generators. The following table shows a comparison of the Banking related provision across RE rich States.

	Tamil Nadu	Rajasthan	Gujarat	Karnataka	Andhra Pradesh	Madhya Pradesh
Banking Charge (% of input Energy)	14%	Allowed only for CPP 2% only for CPP	2%	2%	2% of energy delivered at the point of drawl	2%

	Tamil Nadu	Rajasthan	Gujarat	Karnataka	Andhra Pradesh	Madhya Pradesh
Banking Period	1 Year	1 month (only CPP)	1 Month for CPP (non REC) not available for 3rd Party	6 month for non REC, and 85% of RE tariff for non REC projects	1 year (no drawl in Apr-June, Feb-Mar and in peak hours)	1 year (drawl has several seasonal constraints)

As can be observed most of the States have restricted banking facility to captive RE Transaction in Rajasthan and Gujarat. Also the banking facility has been limited to 6 months to 1 months in many States.

Based on the foregoing it is proposed that Banking Period be limited to 1 month from the present annual banking.

Regarding Banking charges no changes are proposed as of now and it shall continue to be at 2% in kind.

As regards surplus unutilised banked power, the present framework specify a buy back rate of pooled cost of power purchase for energy limited to 10% of actual total generation. Considering the present competitive market scenario, the buy-back rate for surplus at the end of settlement period (i.e. month) subject to cap of 10%, is proposed to be at the rate discovered under the latest bid process for any RE technology carried out in the State or the Average Power Purchase Cost, whichever is lower.

The unutilised energy after banking is entirely injected in to the grid of the respective Distribution Company in whose area the RE generator is located. In view of the same, the unutilised injected RE is proposed to be considered towards RPO compliance of the respective Distribution Licensee.

Besides, through the present Amendment, it is also proposed to bring clarity that banking as a facility has to be available to only such RE technology which is infirm/variable in nature and thus is allowed only for Wind and Solar project. To this extent clarity is provided in the present amendment proposed.

5.3. Proposed Amendment

Therefore, the Commission has proposed the amendments to Regulation 20 of the Principal DOA Regulations, 2016 as shown below:

“20.1.Regulation 19.3 shall not be applicable in case an Open Access Consumer obtains supply from a Renewable Energy Generating Station identified as ‘non-firm power’ (viz.

Wind, Solar and Hybrid RE comprising Wind and Solar) by the Commission in its Regulations governing the Tariff for Renewable Energy.

*20.2. The surplus energy from a 'non-firm' Renewable Energy Generating Station after set-off shall be banked with the Distribution Licensee **subject to conditions stipulated under subsequent paragraphs.***

~~*20.3. The banking year shall be the financial year from April to March.[DELETED]*~~

*20.3. Banking of energy shall be permitted **only on monthly basis:***

*Provided that the credit for banked energy shall not be permitted **to be carried forward to subsequent months** and the credit for energy banked **during the month** shall be **adjusted during the same month** as per the energy injected in the respective Time of Day ('TOD') slots determined by the Commission in its Orders determining the Tariffs of the Distribution Licensees;*

*20.5. The unutilized banked energy at the end of the **month**, limited to 10% of the actual total generation by such Renewable Energy generator in such **month**, shall be considered as deemed purchase by the Distribution Licensee **at a rate equivalent to the minimum of Tariff Rate discovered under bidding process for procurement of renewable energy based on respective RE technology, carried out in the State in previous year.***

Provided that in case no bidding has been carried out in last one year for procurement of energy based on respective RE technology, the rate discovered under the latest bid process for any RE technology carried out in the State in the past shall be considered:

*Provided that such deemed purchase shall be counted towards the Renewable Purchase Obligation of the Distribution Licensee, and the Generating Station would **not** be entitled to Renewable Energy Certificates to that extent."*

6. ELIGIBILITY TO SEEK OPEN ACCESS

6.1. Description of the Issue

6.1.1. Post applicability of the Distribution Open Access Regulations, 2016 and its Practice Directions issued by the Commission from time to time basis, following are the major observations made by the Commission in the existing framework for the eligibility to seek Open Access:

- a) Unit of measurement of eligible Contract Demand
- b) Linking eligible Open Access capacity to Contract Demand
- c) Ensuring minimum threshold demand
- d) Open Access for consumers using solar roof-top plants

6.2. Unit of measurement of eligible Contract Demand

6.2.1. In the present Regulations, a consumer having a Contract Demand of 1 'MW' is eligible for obtaining Open Access. Further, under the definition of 'Contract

Demand’ under Regulation 2.1 (17), it is specified that Contract Demand means demand in ‘KVA’ or ‘MVA’ and so as to convert MVA/KVA to MW/KW, a unity power factor shall be considered. It is observed that in the recent MYT Petition filed by Distribution Licensees, suggestions were made to move from kWh based billing to kVAh based billing. Accordingly, while passing orders in the said Petition, benefits of kVAh based billing has been recognised and specific directions have been given to Distribution Licensees to take all necessary steps to ensure that all the consumers are billed by kVAh method from the next MYT i.e. from 1st April 2020. In this context, specifying contract demand in MW and the conversion formula would become infructuous going forward. Accordingly suitable amendments are proposed in the Principal DOA & TOA Regulations, 2016.

6.3. Proposed Amendments (Issue a):

6.3.1. Regulation 2.1 (17) and 3.2 is proposed to be amended as following:

“(17) “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:

~~Provided that the unity power factor shall be considered for the purpose of unit conversion from MVA/kVA to MW/kW. [DELETED]~~

3.2. Subject to the provisions of these Regulations, a Consumer having Contract Demand of 1 MW–MVA and above with a Distribution Licensee shall be eligible for Open Access for obtaining supply of electricity from one or more

a) ...

Similar amendment is proposed to Regulation 2.1 (13) of the Principal TOA Regulations, 2016.

6.4. Linking eligible Open Access capacity to Contract Demand (Issue b):

6.4.1. Various instances have been observed where the Open Access consumer seeks Open Access capacity much higher than the contracted capacity leading to curtailment of OA capacity by Utilities to avoid issue of Resultant power flow. Several disputes have come to the Commission regarding this matter.

6.4.2. The Commission in its Practice Directions dated 19 October 2016 stated that:

“The Regulations also provide that the Distribution Licensee verify the availability of necessary infrastructure and capacity of the distribution system, and grant MT or STOA only if the resultant power flow can be accommodated in the existing distribution system. If the existing distribution and metering

system requires any augmentation or upgradation before Open Access to the extent applied for can be provided, it shall intimate the Applicant accordingly, in writing and in the stipulated time, and follow the procedure specified in the Electricity Supply Code and Standards of Performance Regulations.”

6.4.3. Further, in the petitions filed before the Commission relating to the said issue of Resultant Power Flow viz., Case No.76 of 2017 and 119 of 2018, the Commission has directed the Distribution Licensees for the grant of MTOA or STOA, if the resultant power flow can be accommodated in the existing distribution system. The distribution licensee shall further intimate the applicant for any further upgradation/augmentation of the distribution system, as per the system requirements. As a matter of abundant caution, OA applicants may be advised to further clarify, wherever necessary, about their OA power requirement vis-à-vis their Contract Demand (CD). The Distribution Licensee may also take an undertaking from such applicants in this regard to have a better understanding of the effective load requirement.

6.5. Analysis and Observations

6.5.1. In order to understand the actual trends of OA utilisation vis-à-vis the maximum recorded demand and the CD with the respective DISCOMs of the OA consumers, the Commission has sought the said transactions from all the distribution licensees. Upon analysis of the submitted data, there are plenty of cases of resultant power flow cases observed with all the distribution licensees.

6.5.2. Hence, in view of the foregoing facts and analysis, the revision is necessary to address the technical difficulties arising in several cases (particularly, for Renewable Energy Open Access wheeling transactions) that came before the Commission in recent past. Capacity for OA will have to be guided by transmission/distribution network capacity from Injection Point to Drawl Point.

6.5.3. Further, Capacity at Injection Point, if more than the capacity at Drawl Point it reflects that, the network capacity will have to be augmented in order to accommodate such flows. In no case, Consumer can draw more than its Contract Demand such that it is detrimental to safe grid/distribution system operations. This flexibility of higher capacity at Injection End (& hence Open Access capacity) leads to banking of surplus power into grid for utilization at drawl end in future. This poses additional risk/complexities for Load Generation Balance/Power procurement planning by DISCOM. The regulation does not intend that an excessive capacity should be built by consumer over and above its contract demand so as to use banking facility to adjust over generation due to over-sized generation plant against the total contract demand with the Distribution Licensee. Hence, the Commission has decided to make suitable revisions in the existing provisions under the Distribution OA Regulations.

6.6. Proposed Amendments (Issue b):

6.6.1. A new proviso to be added below the existing first proviso to Regulation 3.2 of the Principal DOA Regulations, 2016, is 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;”

Similar amendment is proposed to Regulation 3 of the Principal TOA Regulations, 2016

6.6.2. Regulation 8.10 is proposed to be deleted as it is envisaged that when OA capacity is limited to Contact Demand, the issue of resultant power flow is not being examined and thus Nodal Agency could grant MTOA or STOA irrespective of checking for resultant power flow. Accordingly, the present Regulation 8.11 is proposed to be renumbered as 8.10.

~~*“8.10. 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. [DELETED]*~~

~~*8.11. 8.10. The Distribution Licenses shall provide the facility of on-line submission of Applications for Connectivity and Open Access Applications within ninety days from the notification of these Regulations.”*~~

6.7. Minimum threshold demand (Issue c):

6.7.1. In Regulation 3.2 of the principal Regulations, the 5th and 6th proviso provides penal action against an Open Access consumer who defaults in achieving its Maximum Demand equal to or more than 70% of the threshold limit at which he becomes eligible for Open Access. Further, in the existing framework, there exists a penal framework to check default of the above condition. However the present condition is important from the point that only really eligible consumers avail Open Access.

6.7.2. The Commission has examined the data sought from the DISCOMs for the OA consumers having maximum demand less than 700 kVA for three consecutive times. It was, observed that, there were no large number of such instances. However as a matter of principle only truly eligible Consumers should be availing open access and any attempt of gaming should be avoided. In view of the same, it is proposed that the present provisions should be made more stringent.

6.8. Proposed Amendments (Issue c):

6.8.1. The amendment to the existing fifth proviso of Regulation 3.2 of the Principal DOA Regulations, 2016 shall be substituted as under:

“Provided also that, if the Consumer fails to achieve the Maximum Demand in any month, the Distribution Licensee shall be entitled to a penalty equal to two times the wheeling charges for the financial year or part thereof for which he the Consumer failed to achieve such Maximum Demand;”

6.9. Open Access for Net-metered consumers (Issue d):

6.9.1. Eligibility of consumers to avail simultaneously solar rooftop facility and open access was an issue brought to the attention of the Commission through various Petitions. While the roof top facility of the consumer may be under net metering or any other arrangement permitted, the Commission does not intend to restrict such consumers from availing Open Access. However, it is also required that while allowing so, there should be fair play between the consumers availing such benefits and rest of the consumers of the Distribution Licensee. This is particularly in the context that cost of generation from solar plant is way too cheaper compared to earlier days, when it could be equated to consumer tariffs and would have had lesser impact on the distribution licensee and its rest of the consumers. However, the scenario is changed as of now. In this context, it is proposed to give solar generation credit on a gross metering basis to such consumers who want to simultaneously avail Open Access. Further, so as to ensure that various consumers who have already set up solar roof top PV under net-metering arrangement as per the MERC (Net Metering for Roof-top Solar Photo Voltaic Systems) Regulations, 2015 continue under existing arrangement. However, it is proposed that the proposed amendment shall be applicable on prospective basis for new consumers intending to set up rooftop facilities and also wish to simultaneously avail power through Open Access arrangements.

6.10. Proposed Amendments (Issue d):

6.10.1. A new proviso to be added below sixth proviso to Regulation 3.2 of the Principal DOA Regulations as under:

“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.”

Similar amendment is proposed to Regulation 3 of the Principal TOA Regulations, 2016

6.10.2. A new definition to be added under Regulation 2.1 as 20 (a) of the Principal DOA Regulations as under:

“(20) (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;”

Similar amendment is proposed under Regulation 2.1 of the Principal TOA Regulations, 2016

7. OPEN ACCESS SOURCING FROM MULTIPLE GENERATORS

7.1. Description of the Issue:

- 7.1.1. The Commission in its past OA Regulations (i.e. from 2004, 2005, 2014 and 2016) has allowed the sourcing of Open Access from multiple generators, distribution licensees and consumers. Further, several challenges were confronted by the distribution licensees, who are maintaining generator-wise over injection records (for banking) in billing system, also facing the difficulty to ascertain as to which generator units banked energy shall be adjusted first and settlement of surplus energy at end of financial year which has led to billing disputes.
- 7.1.2. Further, based on the said issues there are several instances where the stakeholders have raised their billing disputes before the Commission, wherein if an OA consumers is sourcing power from multiple generators, at the time of monthly settlement, respective DISCOMs are adopting their own mechanism of giving priority to a particular type of generating source. The Commission while revisiting its existing and previous Regulations notes that, there were no explicit provisions in the Regulations providing mechanism of settling of OA Transactions sourced from multiple generators. The Commission has given its rulings on the said issues on case-to-case basis, but at the same time, a proper mechanism has to be put in place.
- 7.1.3. The Commission has gone through OA Regulations of several States, to understand the implementation mechanism for settling of OA Transactions from multiple generating sources. Rajasthan State has successfully provided and are implementing such mechanism in its OA Regulations, 2014.
- 7.1.4. Further, the Commission in order to reckon the recurrence of the said issue has examined the data submitted by the respective DISCOMs for the number of transactions involving multiple open access sources. Based on the analysis of these transactions, it is considered prudent to first adjust the energy credit from Renewable energy based generation, since RE is an environment friendly, must run generation and has also been brought under scheduled and forecasting regime besides the fact that the banking of RE has now been revised on monthly basis as per the present draft amendments, followed by Captive Generating Stations and so on.

7.2.Proposed Amendments:

7.2.1. A new Regulation 14.10 after the existing Regulation 14.9 of the Principal DOA Regulations, 2016 is as under:

“14.10. Priority for Adjustment of Energy Credit:

The priority for adjustment of energy drawl by an open access consumer from different sources shall be as per the following sequence of 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.”

Similar amendment is also proposed in Regulation 14.9 of the Principal TOA Regulations, 2016.

8. INSTALLATION OF GENERATION UNIT-WISE SPECIAL ENERGY METERS

8.1.Description of the Issue:

8.1.1. Regulation 17.1 of DOA Regulations mandates that in addition to all Open Access Consumers, all Generating Stations shall install Special Energy Meters (SEM). However it is observed that present mandate is only on installing generating station-wise SEM. In such cases, if generating stations has multiple generating units, wherein some units having offtake arrangement under IPP route or some under captive route or some under open access and some under other offtake route, distinguishing and establishing generation from each respective units becomes difficult particularly when Electricity Rules provide for unit wise determination of generation for captive use. In this context, it is proposed that Unit-wise SEMs should be installed by all generating stations off-taking power under open access.

8.2.Proposed Amendment:

8.2.1. A new Regulation 17.9 is proposed to be inserted below the existing Regulation 17.8 of the Principal DOA Regulations, 2016 as under:

“17.9. 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 Distribution Licensee or the MSLDC at any time:

Provided further that such Generating Stations connected to Transmission or Distribution System, as the case may be, shall bear the cost of communication arrangements, for its integration into Control Centre as per the technical specifications stipulated by the Distribution Licensee and/or MSLDC.”

Similar amendment proposed also in Regulation 17.5 of the Principal TOA Regulations, 2016.

9. CHARGE FOR INFIRM POWER INJECTION IN SPECIFIC CASE

9.1.Description of the Issue:

9.1.1. As per the current provisions of Regulation 5.10.5 of the Principal DOA Regulations, 2016, in case the Generating Station does not have an Agreement for sale of power with any Licensee, there shall be no charge for such infirm power injected into the grid. However, it is proposed that some charges may be specified for such infirm injection into the grid of the Distribution Licensees so as to compensate for such infirm generation. Hence, it is proposed that a charge equivalent to the the approved lowest variable cost of thermal generating station for relevant yearly period as per approved power procurement plan under Tariff Order for concerned distribution licensee , should be considered for such infirm injection.

9.2.Proposed Amendments:

9.2.1. The first proviso of Regulation 5.10.5 of the Principal DOA Regulations, 2016 is proposed to be amended as under:

“Provided that, in case the Generating Station does not have an Agreement for sale of power with any Licensee, such infirm power injected into the grid, shall be settled by the Licensee at a rate equivalent to the lowest variable cost of thermal generating station as per Merit Order stack of the concerned distribution licensee for relevant monthly period and the injected power shall be credited to the Distribution Licensee to whom the Generating Station is connected.”

10. TREATMENT FOR UNDERUTILIZATION OF STOA AND MANDATE MINIMUM SCHEDULING

10.1. Description of the Issue:

10.1.1. As per the present Regulations, there is no requirement for scheduling minimum power by an STOA consumer. Besides, there is also no framework to consider deviations between Contract Demand and actual drawl by the STOA consumers sourcing power through Power Exchanges. In this context, the demand by STOA consumers fluctuate significantly and affects the power purchase planning of the Distribution Licensee. The Commission is of the view that certain discipline needs to be brought in so that there is serious scheduling of Open Access transactions, the power purchase cost of other Players/Distribution Licensees are least affected resulting in cost saving of the consumers at large.

10.1.2. Considering the abovementioned, the Commission examined the issues involved and the alternatives, and proposes that grant of Day-Ahead Open Access should be for continuous period of minimum duration of 8 hours. Such an arrangement would address the concern of DISCOMs for Day Ahead planning with reduced variation in Load Forecast/ Load Generation Balance by DISCOMs in case of Partial Open Access.

10.1.3. In the Consultation Paper on issues related to Open Access issued by Ministry of Power (MoP) in August 2017, a few options were proposed to address the disputes such as

- a. Mandatory scheduling for entire 24 hrs (RTC)
- b. Uniform energy drawl for minimum 8 hours
- c. Restriction in variation of drawl to 25% of maximum schedule.

10.1.4. However mandating scheduling power on RTC basis pose undue restriction and is not appropriate from electricity market perspective as availability of generator source, industries functioning on three shifts in a day. Commission deems it just and fair to propose the Open Access uniformly for at least a minimum duration of 8 hours and minimum schedule being limited to 75% of maximum schedule for the day.

10.2. Proposed Amendments:

10.2.1. The new proviso to be added to the Regulation 11.3 of the Principal DOA Regulations is as shown under:

“11.3. Day-Ahead Open Access

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 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.”

Similar amendment is proposed in Regulation 11.2 (a) of the Principal TOA Regulations, 2016

11. APPLICABILITY OF WHEELING CHARGES AND LOSSES

11.1. Description of the Issue:

11.1.1. Several Petitions have come up before the Commission in the recent past regarding the applicability of wheeling charges and wheeling losses to the OA Consumers and specifically in case of consumers/generators having dedicated network.

11.1.2. The present Regulations specifies that wheeling charges shall be applicable for use of Distribution system. It further specifies that in case consumer is connected directly to the transmission system or using dedicated transmission line directly, such wheeling charges shall not be applicable. It is proposed to clarify further through this amendment that such exemption in wheeling charges shall be applicable in case there is point to point dedicated transmission or distribution network without any interconnection/usage of the distribution network of Distribution Licensees. In all other cases, the Wheeling charges should apply. Accordingly amendment is proposed now.

11.1.3. It was further observed that, the prevailing provisions related to the applicability of respective network charges needs additional clarity for the OA users owning a Dedicated Network.

11.2. Proposed Amendments:

11.2.1. The amendment to the Regulation 14.6 (b) of the Principal DOA Regulation as under:

14.6. Wheeling Charge

a. An Open Access Consumer, Generating Station or Licensee, as the case may be, using a Distribution System shall pay to the Distribution Licensee such Wheeling Charges, on the basis of actual energy drawal at the consumption end, as may be determined under the Regulations of the Commission governing Multi-Year Tariff;

b. Wheeling Charges shall not be applicable in case a Consumer or Generating Station is connected to the Transmission System directly or using dedicated lines owned by the Consumer or Generating Station only if such dedicated lines are used for point to point transmission or wheeling of power from Generating station to load centre without any interconnection with distribution system.

11.2.2. In addition, the Commission has also proposed to introduce a new clause 14.6 (A), to bring in further clarity on the applicability of Open Access transaction from the injection point to Drawl Point. The said clause along with the Table illustrations is as shown below:

“14.6 (A) Applicability of Transmission Charges and Wheeling Charges and Transmission Loss and Wheeling Losses for various combination of Open Access Transactions shall be as shown in the following table.

Applicable Wheeling Charges* for Intra-State Open Access Wheeling Transaction:

(in Rs/kWh)

Table for Applicable Wheeling Charge		Rs/kWh	InSTS	M _(wc) 33	M _(wc) 22	M _(wc) 11	T _(wc) HT	A _(wc) HT
		Injection	I ₍₁₎	I ₍₂₎	I ₍₃₎	I ₍₄₎	I ₍₅₎	I ₍₆₎
Rs/kWh	Drawal		InSTS_Above 33 kV	MSEDCL_33kV	MSEDCL_22kV	MSEDCL_11kV	TPC_HT	AEL_HT
In _(wc)	D ₍₁₎	InSTS_Above 33 kV	Nil WC	M _(wc) 33	M _(wc) 22	M _(wc) 11	T _(wc) HT	A _(wc) HT
M _(wc) 33	D ₍₂₎	MSEDCL_33kV	M _(wc) 33	M _(wc) 33	M _(wc) 22	M _(wc) 11	T _(wc) HT+ M _(wc) 33	A _(wc) HT+ M _(wc) 33
M _(wc) 22	D ₍₃₎	MSEDCL_22kV	M _(wc) 22	M _(wc) 22	M _(wc) 22	M _(wc) 11	T _(wc) HT+ M _(wc) 22	A _(wc) HT+ M _(wc) 22
M _(wc) 11	D ₍₄₎	MSEDCL_11kV	M _(wc) 11	M _(wc) 11	M _(wc) 11	M _(wc) 11	T _(wc) HT+ M _(wc) 11	A _(wc) HT+ M _(wc) 11
T _(wc) HT	D ₍₅₎	TPC_HT	T _(wc) HT	M _(wc) 33+ T _(wc) HT	M _(wc) 22+ T _(wc) HT	M _(wc) 11+ T _(wc) HT	T _(wc) HT	A _(wc) HT+ T _(wc) HT
A _(wc) HT	D ₍₆₎	AEL_HT	A _(wc) HT	M _(wc) 33+ A _(wc) HT	M _(wc) 22+ A _(wc) HT	M _(wc) 11+ A _(wc) HT	T _(wc) HT+ A _(wc) HT	A _(wc) HT

Where,

Nomenclature	Approved Wheeling Charge (wc) (Rs/unit)
MSEDCL_33kV	M _(wc) 33
MSEDCL_22kV	M _(wc) 22
MSEDCL_11kV	M _(wc) 11
TPC_HT	T _(wc) HT
AEL_HT	A _(wc) HT

Note : In addition, to above wheeling charges, Transmission Charges shall be applicable on OA Wheeling transaction if intra-state transmission system is used for the purpose of wheeling of power.

Illustration of above table:

Table for Wheeling Charges		Rs/kWh	InSTS	M _(wc) 33	M _(wc) 22	M _(wc) 11	T _(wc) HT	A _(wc) HT
Rs/kWh	Drawal	Injection	I ₍₁₎	I ₍₂₎	I ₍₃₎	I ₍₄₎	I ₍₅₎	I ₍₆₎
			InSTS_Above 33 kV	MSEDCL_33k V	MSEDCL_22k V	MSEDCL_11k V	TPC_H T	AEL_H T
In _(wc)	D ₍₁₎	InSTS_Above 33 kV	-	0.15	0.38	0.78	1.46	0.78
M _(wc) 33	D ₍₂₎	MSEDCL_33k V	0.15	0.15	0.38	0.78	1.61	0.93
M _(wc) 22	D ₍₃₎	MSEDCL_22k V	0.38	0.38	0.38	0.78	1.84	1.16
M _(wc) 11	D ₍₄₎	MSEDCL_11k V	0.78	0.78	0.78	0.78	2.24	1.56
T _(wc) HT	D ₍₅₎	TPC_HT	1.46	1.61	1.84	2.24	1.46	2.24
A _(wc) HT	D ₍₆₎	AEL_HT	0.78	0.93	1.16	1.56	2.24	0.78

Charges*	Approved Wheeling Charge (wc) (Rs/kWh)
MSEDCL_33kV	0.15
MSEDCL_22kV	0.38
MSEDCL_11kV	0.78
TPC_HT (33kV/11kV)	1.46
AEL_HT (33kV)	0.78

Approved Charges as per MTR Orders for FY 2018-19 for illustration purpose

Note : In addition, to above wheeling charges, Transmission Charges shall be applicable on OA Wheeling transaction if intra-state transmission system is used for the purpose of wheeling of power.

Applicable Wheeling Losses (in %)

Table for Wheeling Loss		% Loss	InSTS	M _{(wl)33}	M _{(wl)22}	M _{(wl)11}	T _{(wl)HT}	A _{(wl)HT}
		Injection	I ₍₁₎	I ₍₂₎	I ₍₃₎	I ₍₄₎	I ₍₅₎	I ₍₆₎
% Loss	Drawal		InSTS_Above 33 kV	MSEDCL_33kV	MSEDCL_22kV	MSEDCL_11kV	TPC_HT	AEL_HT
In _(wl)	D ₍₁₎	InSTS_Above 33kV	-	M _{(wl)33}	M _{(wl)22}	M _{(wl)11}	T _{(wl)HT}	A _{(wl)HT}
M _{(wl)33}	D ₍₂₎	MSEDCL_33kV	M _{(wl)33}	M _{(wl)33}	M _{(wl)22}	M _{(wl)11}	T _{(wl)HT} + M _{(wl)33}	A _{(wl)HT} + M _{(wl)33}
M _{(wl)22}	D ₍₃₎	MSEDCL_22kV	M _{(wl)22}	M _{(wl)22}	M _{(wl)22}	M _{(wl)11}	T _{(wl)HT} + M _{(wl)22}	A _{(wl)HT} + M _{(wl)22}
M _{(wl)11}	D ₍₄₎	MSEDCL_11kV	M _{(wl)11}	M _{(wl)11}	M _{(wl)11}	M _{(wl)11}	T _{(wl)HT} + M _{(wl)11}	A _{(wl)HT} + M _{(wl)11}
T _{(wl)HT}	D ₍₅₎	TPC_HT	T _{(wl)HT}	M _{(wl)33} + T _{(wl)HT}	M _{(wl)22} + T _{(wl)HT}	M _{(wl)11} + T _{(wl)HT}	T _{(wl)HT}	A _{(wl)HT} + T _{(wl)HT}
A _{(wl)HT}	D ₍₆₎	AEL_HT	A _{(wl)HT}	M _{(wl)33} + A _{(wl)HT}	M _{(wl)22} + A _{(wl)HT}	M _{(wl)11} + A _{(wl)HT}	T _{(wl)HT} + A _{(wl)HT}	A _{(wl)HT}

Where,

Nomenclature	Approved Wheeling Loss (wl) (%)
MSEDCL_33kV	M _{(wl)33}
MSEDCL_22kV	M _{(wl)22}
MSEDCL_11kV	M _{(wl)11}
TPC_HT	T _{(wl)HT}
AEL_HT	A _{(wl)HT}

Note : In addition, to above wheeling loss, Transmission Loss shall be applicable on OA Wheeling transaction if intra-state transmission system is used for the purpose of wheeling of power.

Illustration of above table:

Table for Wheeling Loss		% Loss	InSTS	M _{(wl)33}	M _{(wl)22}	M _{(wl)11}	T _{(wl)HT}	A _{(wl)HT}
		Injection	I ₍₁₎	I ₍₂₎	I ₍₃₎	I ₍₄₎	I ₍₅₎	I ₍₆₎
% Loss	Drawal		InSTS_Above 33 kV	MSEDCL_33kV	MSEDCL_22kV	MSEDCL_11kV	TPC_HT	AEL_HT
In _(wl)	D ₍₁₎	InSTS_Above 33 kV	-	6.00%	7.50%	9.00%	0.90%	0.52%
M _{(wl)33}	D ₍₂₎	MSEDCL_33kV	6.00%	6.00%	7.50%	9.00%	6.90%	6.52%
M _{(wl)22}	D ₍₃₎	MSEDCL_22kV	7.50%	7.50%	7.50%	9.00%	8.40%	8.02%
M _{(wl)11}	D ₍₄₎	MSEDCL_11kV	9.00%	9.00%	9.00%	9.00%	9.90%	9.52%
T _{(wl)HT}	D ₍₅₎	TPC_HT	0.90%	6.90%	8.40%	9.90%	0.90%	1.42%
A _{(wl)HT}	D ₍₆₎	AEL_HT	0.52%	6.52%	8.02%	9.52%	1.42%	0.52%

Where,

Nomenclature*	Approved Wheeling Loss (wl) (%)
MSEDCL_33kV	6.00%
MSEDCL_22kV	7.50%
MSEDCL_11kV	9.00%
TPC_HT (33kV/11kV)	0.90%
AEL_HT (33kV)	0.52%

Approved Loss level as per MTR Orders for FY 2018-19 for illustration purpose

Note : In addition, to above wheeling loss, Transmission Loss shall be applicable on OA Wheeling transaction if intra-state transmission system is used for the purpose of wheeling of power.

12. APPLICABILITY OF PF INCENTIVE/PF PENALTY FOR OA CONSUMPTION

12.1. Description of the Issue:

12.1.1. Extent of applicability of PF incentive/Penalty for Open Access consumers and captive users is another issue highlighted in several petitions filed before the Commission. Though the present Regulations have provision for reactive energy charges, there is no explicit provisions regarding applicability of PF Incentive / Penalty. The Open Access consumers are also mandated by CEA regulations to maintain power factor at the consumption end within the stipulated limits. However, for the energy consumed from open access source, the Distribution Licensee is neither responsible nor liable for any power factor deviation. To this extent distribution Licensee should neither charge penalty nor is it liable to pay incentive for the power factor improvement or deterioration brought about by the open access consumer. Accordingly, it is proposed that PF Penalty/Incentive would not be applicable on energy sourced from open access.

12.2. Proposed Amendment:

12.2.1. The Proposed addition of new Regulation 14.11 to the Principal DOA Regulations, 2016 is as under:

“14.11. Availability of Incentive/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.”

Similar amendment is also proposed in Regulation 14.10 of the Principal TOA Regulations, 2016.

13. PASSING ON SHORT TERM TRANSMISSION CHARGES COLLECTED BY DISTRIBUTION LICENSEE AND APPLICABILITY OF TRANSMISSION CHARGES IRRESPECTIVE OF BPTA BY SOURCE GENERATOR

13.1. Description of the Issue:

13.1.1. Regulations 14.5 specifies that Distribution Licensee shall pay the Transmission Licensee, MSLDC and any other entity all the charges collected on their behalf from OA consumer/Generator/Licensees within a stipulated time. There are contentions that Short term transmission charges collected from embedded STOA consumers should be allowed to be retained by Distribution Licensees as they are anyways paying the long term transmission charges based on the entire demand which also includes demand of the embedded OA consumers. However, the counter argument to it is that any such payment received by Distribution Licensee does not belong to service offered by it and if retained will add to the income tax burden of the Distribution

Licensee which is ultimately borne by the entire consumers of the Distribution Licensee. Such transmission charges however should be returned to and so accounted for by the STU at the State level and should be socialized such that the same are used to reduce the charges for long term transmission users including the Distribution Licensees at the State level.

13.1.2. In addition, there is the issue of applicability of STOA charges by the distribution licensee to a Partial Open Access consumer availing STOA from the source generator having signed their BPTA with STU. However, even though the said source generators have signed their BPTA for Long Term Access with STU, the applicable transmission charges are completely based on the blocked capacity by the said generator, which is a completely different scenario, if the Open Access transaction are on Short Term basis. For such STOA transactions, the said transmission charges are based on the energy wheeled on time-to-time basis in Rs/kWh. Thus, irrespective of applicability of bulk transmission charges, additional STOA charges shall be paid to the STU, if the said transaction is STOA through MSLDC. Further, the said transmission charges collected by the respective DISCOMs on behalf of STU shall be passed on to the STU, which would be considered as the Non-Tariff Income under the respective years of ARR, which would ultimately help in reducing TTSC charges.

13.2. Proposed Amendment:

13.2.1. The amendment to the existing proviso to Regulation 14.1(v) of the Principal DOA Regulations, 2016 and further addition of new proviso to the same is as under:

“14.1. (v) Transmission Charges:

Provided that a Partial Open Access Consumer, Generating Station or Licensee, as the case may be, shall pay the Transmission Charges to the Distribution Licensee instead of the Transmission Licensee for using a transmission network which shall be passed on to the STU within the stipulated time period as specified under Regulation 14.5;

Provided that...

Provided further that...

Provided further that a Partial Open Access Consumer 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.”

Similar amendment is also proposed in Regulation 14.1 of the Principal TOA Regulations, 2016.

14. OPEN ACCESS APPLICATION PROCEDURE AND FEE TO BE MADE ONLINE

14.1. Description of the Issue:

14.1.1. Online processing of open access application has been mandated through various recent Orders of the Commission. Based on such directives, the nodal agencies are already operating or is in the process of accepting online application for open access. It is also necessary that all payment transactions to the extent of application fee should be made through online portal of the respective nodal agencies and no off-line processing should be permitted. This would avoid the complexities and issues arising out of manual processing and consequent disputes between applicants and nodal agencies observed in the past. The need for shifting to digital processing of open access application has been stipulated through Practice Directions dated 8 March, 2017 where it was stated that, in today's technology led generations such facilities have become a basic prerequisite to run any transactions related to banking, trading or Open Access transactions so to say if we talk about Power Sector. It is even certain that, all the Utilities in the Maharashtra State have the necessary infrastructure in place to run such transactions online.

14.1.2. In view of the above, certain specific provisions are proposed in the present amendment for enabling and ensuring complete digital processing of open access application.

14.2. Proposed Amendment:

14.2.1. The addition of a new proviso to the existing Regulation 8.1 of the Principal DOA Regulations, 2016 is as shown 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.”

Similar amendment is also proposed in Regulation 8 of the Principal TOA Regulations, 2016

15. TRANSMISSION LOSS

15.1. Description of the Issue:

15.1.1. Regulation 18.1.2 specifies that energy settlement shall be based on the normative loss in the Intra-State Transmission System. SLDC has been publishing monthly data of loss in the Intra-State Transmission System. Thus it is possible to consider this monthly loss data for energy settlement. However, it is observed that the loss figure arrived at by SLDC is based partly on actual meter reading (in case of Mumbai Demand) and partly on derived basis (in case of MSEDCL demand). In view of the

same, using such losses for monthly settlement may not be proper. However, till such time the actual transmission losses are determined based on actual metered data, the present practice of considering the normative loss should continue. For ample clarity, it is proposed that ‘approved’ transmission loss as per TTSC Order should be considered.

15.2. Proposed Amendment

15.2.1. The amendment to existing proviso of Regulation 18.1.2 of the Principal DOA Regulations, 2016 is as under:

“18.1.2. Intra-State transmission losses:

...

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

Similar amendment is also proposed in Regulation 18.2 of the Principal TOA Regulations, 2016.

16. OPEN ACCESS MONITORING & REVIEW COMMITTEE

16.1. Description of the Issue:

16.1.1. As regards the Open Access Monitoring and Review Committee, the Commission proposes to further extend the scope of the existing provision, wherein the Commission intends to revise the representation on the said Committee, which will monitor the implementation of the OA regulations in the State and also reviews various OA related issues and report to the Commission along with its recommendations in the form of Half-yearly Report.

16.2. Proposed Amendment:

16.2.1. The proposed amendment to the Regulation 31.1 of the Principal DOA Regulations, 2016 is as under:

“31.1. The STU shall constitute and be the Convener of an Open Access Monitoring and Review Committee comprising following members:

- a) one member from the STU*
- b) one member from the MSLDC*
- c) one member from the State-owned Distribution Licensee*
- d) one member from the Privately-owned Distribution Licensee*
- e) a person nominated by the Commission from among its officers and*

Provided that the Committee shall monitor the progress of Open Access and shall meet at least once in 6 months and shall submit half-yearly report of its proceedings;

Provided further that the Committee shall be responsible for assessing and recommending remedial measures for issues that may arise during the course of implementation of provisions of these Regulations and the rules and procedures developed under the provisions of these Regulations;

Provided that the Committee constituted under the previous Regulations shall continue until such times as the Committee under these Regulations is constituted.”

17. APPLICABLE ROE AND INTEREST RATE

17.1. Description of the Issue:

17.1.1. MERC (Multi-Year Tariff) Regulations, 2015, as amended time to time, provides the rate of Return on Equity as 15.5% post tax. Further, as regards the Interest Rate for the new loans it is calculated based on the One Year Marginal Cost of Funds-based Lending Rate (MCLR), which is as per the Reserve Bank of India (RBI) Guidelines, dated 3 March, 2016 (updated on 29 March, 2016), new loans are sanctioned only on the basis of MCLR. The relevant extract of the said Guidelines is as under:

“All rupee loans sanctioned and credit limits renewed w.e.f. April 1, 2016 shall be priced with reference to the Marginal Cost of Funds based Lending Rate (MCLR) which will be the internal benchmark for such purposes.”

17.1.2. Thus, in order to bring in the alignment with the MYT Regulations, 2015, the Commission has decided to modify the Regulation 27.1.3 of the Transmission Open Access Regulations, 2016 (TOA, Regulations, 2016).

17.2. Proposed Amendment:

17.2.1. The amendment to the existing Regulation 27.1.3 of the Principal TOA Regulations, 2016 is 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.

18. REFERENCE TO DSM AND F&S REGULATIONS

18.1.1. Appropriate reference to the MERC (Deviation Settlement Mechanism and related matters) Regulations, 2019 and the MERC (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018, have been brought in at various places of the DOA and TOA Regulations, 2016 subsequent to notification of the above final Regulations. Amendment to the extent of various provisions made to the various Regulations under Regulations of Distribution Open Access Regulations, 2016 and Transmission Open Access Regulations, 2016, respectively. The same can be referred in the respective Draft Notifications.

19. ALIGNING PROVISIONS WITH CERC CONNECTIVITY REGULATIONS

19.1. Issue Description:

19.1.1. In order to align with the CERC (Grant of Connectivity, Long-term access, Medium term open access and related matters) Regulations 2017, relevant changes are proposed in the definition of MTOA and LTOA transactions. Besides, the definition of Time Block is also proposed to be amended to accommodate changes in the future considering that there are discussion to move towards to 5 minute based settlement in the future. Accordingly, definition in the Principal DOA and TOA Regulations are proposed to be amended.

19.2. Proposed Amendment:

19.2.1. The amendment to the existing Regulation 2.1 (22), (24) & (39) of the Principal DOA Regulations, 2016 is as under:

(22) "Long-term Open Access or "LTOA" means the right to use the Distribution System for a period exceeding seven years;

(24) "Medium-term Open Access" or 'MTOA' means the right to use the Distribution System for a period exceeding three months but not exceeding five years;

(39) "Time Block" means a period of fifteen minutes 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;

Similar amendment is proposed to Regulations 2.1 (17), (18) and (30) of the Principal TOA Regulations, 2016.

20. REPEAL & SAVINGS

20.1.1. In line with the proposed amendments to the relevant Principle Regulations of the Distribution Open Access Regulations, 2016 and Transmission Open Access Regulations, 2016, the Commission has proposed to amend the Principal Regulation 38.3 and 35.3 of the DOA and TOA Regulations, 2016 respectively, so as to clarify its applicability to the existing and the prospective aspects of the Open Access Framework.