

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

DRAFT

Maharashtra Electricity Regulatory Commission (Specific Conditions of Distribution Licence applicable to Indian Railways for its Distribution Operations in Maharashtra) Regulations, 2019

ELECTRICITY ACT, 2003

No. **MERC/TEC/ Licence Conditions/ Railways/2019/ _____**: In exercise of powers under clause (d) of sub-section (2) of Section 181 read with Section 16 and clause (b) of Section 14 of the Electricity Act, 2003, the Maharashtra Electricity Regulatory Commission hereby makes the following Regulations, namely:-

1. Short Title, Extent and Commencement

- 1.1. These Regulations may be called the **Maharashtra Electricity Regulatory Commission (Specific Conditions of Distribution Licence applicable to Indian Railways for its Distribution Operations in Maharashtra) Regulations, 2019**.
- 1.2. These Regulations shall extend to the Area of Supply of Indian Railways in the State of Maharashtra under jurisdiction and operational control of Central Zone, Western Zone, South Central Zone and South East Central Zone of Indian Railways.
- 1.3. These Regulations shall come into force from the date of their publication in the Official Gazette.

2. Definitions:

2.1 In these Regulations, unless the context otherwise requires:-

- (a) “**Act**” means the Electricity Act, 2003 (36 of 2003);
- (b) “**General Conditions**” means the General Conditions as specified in the Maharashtra Electricity Regulatory Commission (General Conditions of Distribution Licence) Regulations, 2006, as in force from time to time.
- (c) “**Incumbent Licensee**” under these Regulations, Incumbent Licensee means the Distribution Licensee from whom Indian Railways was availing supply of electricity in the capacity of a consumer prior to availing the Open Access.

(d) **“Indian Railways”** means the Department of the Government of India, Ministry of Railways with Headquarters at Rail Bhawan, Raisina Road, New Delhi – 110001 which is operating the rail system in the State of Maharashtra as per the provisions of the Railways Act, 1989 through its Central Zone, Western Zone, South Central Zone and South East Central Zone.

(e) **“Railways Act”** means the Railways Act, 1989;

2.2 Words and expressions used in these Regulations and not defined shall have the meanings assigned to them in the Electricity Act, 2003 or Rules and Regulations made thereunder.

2.3 Reference to any statute, rule or regulation shall mean as in force from time to time.

3. **Applicability**

These Specific Conditions with respect to Indian Railways shall be deemed to be the conditions of Licence of Indian Railways and shall govern its operations of distribution of electricity in the area specified herein.

4. **“Area of Distribution”**

4.1. The Area of Distribution within which Indian Railways is authorized to undertake distribution of electricity shall be the area in the State of Maharashtra under jurisdiction and operational control of Central Zone, Western Zone, South Central Zone and South East Central Zone of Indian Railway.

4.2. The said area is more particularly delineated upon the map of the area of supply and deposited by Indian Railways with the Commission. The map is annexed at Schedule I.

4.3. Indian Railways is authorized to distribute electricity for its self-use in accordance with the provisions of the Act. However, it shall not undertake trading of electricity or supply to other entities under Open Access arrangement.

5. **Term of Licence**

Subject to the provisions of the Act, Indian Railways shall be deemed to be a licensee for a period of twenty-five (25) years with effect from 5 November, 2015 (i.e., the date of Order passed by the Central Electricity Regulatory Commission in Petition No. 197/MP/2015 pursuant to which Indian Railways has operationalized its Deemed Distribution Licensee status and has started drawing power from the grid in the capacity of Distribution Licensee under Open Access) or until such Licence is revoked, whichever is earlier.

6. **Inspection of Specific Conditions and Licence**

The Deemed Distribution Licensee shall make provision for public inspection of these Specific Conditions and its Licence, clearances or approvals, immediately after the date of notification of these Regulations.

7. **Amendment of Specific Licence Conditions**

7.1. The Specific Conditions applicable to Indian Railways may be amended under an application filed by Indian Railways under sub-section (1) of Section 18 of the Act to effect the modifications / alterations in the Licence Conditions applicable to Indian Railways.

7.2. Whenever such Application is made by Indian Railways, it shall the publish a notice of such application in not less than two (2) daily English language newspapers and two (2) daily Marathi language newspapers having wide circulation in the State of Maharashtra.

7.3. The notice as aforesaid shall be published within a period of seven (7) days from the date of submission of application for alteration or modifications and shall contain the following particulars: -

- (a) Name of the Distribution Licensee, and address of registered office and/or principal place of business;
- (b) Description of alteration or modifications for which application has been made to the Commission along with rationale and justifications for the same for such alteration or modifications of license;
- (c) Summary details of persons likely to be affected thereby;
- (d) Contact details of the person(s) from whom the application for alteration or modifications and other documents mentioned therein may be obtained for inspection or purchased (in person or by post) at charges not exceeding photocopying charges. Particulars thereof shall be uploaded on Indian Railways' internet website, from where the application for alteration or modifications and other documents mentioned therein may be downloaded free of cost;
- (e) A notice of application for alteration or modifications shall contain a statement that any person having any objection with reference to the application as aforesaid may submit such objections to the Commission by a written intimation (six copies) addressed to the Secretary within thirty (30) days from the date of publication as aforesaid.

Provided that the Commission may require such additional particulars to be included in the notice, as it may deem appropriate.

- 7.4. Where any alterations or modifications in a Licence are proposed to be made otherwise than on the application of the licensee, the Commission shall publish the proposed alterations or modifications with the following particulars: -
- (a) Name of the Distribution Licensee and address of registered office and / or principal place of business;
 - (b) Description of alteration or modifications along with rationale and justifications for the same for such proposed alteration or modifications of license;
 - (c) Summary details of persons likely to be affected thereby.
- 7.5. Any person having any objection with reference to such alteration or modifications referred to in Regulation 7.4 above, may submit such objections to the Commission by a written intimation (six copies) addressed to the Secretary within thirty (30) days from the date of publication as aforesaid.
- 7.6. The MERC (Conduct of Business) Regulations, 2004 shall govern the proceedings with respect to processing of applications under this Regulation.

8. Compliance with Laws, Rules And Regulations

- 8.1. Indian Railways shall comply with the provisions of the Act, Rules, Regulations, Orders and Directions issued by the Commission from time to time and the provisions of all other applicable laws.
- 8.2. Indian Railways shall duly comply with the Regulations, Orders and Directions of the Central and State Transmission Utilities, National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre, Central Electricity Authority and other statutory authorities under the Act.
- 8.3. Indian Railways shall not transfer or assign the Licence to any other person without the prior approval of the Commission.

9. Provision of information to the Commission

- 9.1. Indian Railways shall furnish to the Commission such information, documents and details related to its Licensed Business or its any Other Business, as the Commission may require from time to time for its own purposes or for the purposes of providing to the Government of India, State Government, the Central Electricity Regulatory Commission, the Central Electricity Authority, the Central and the State Transmission Utilities and National, Regional and State Load Dispatch Centres.
- 9.2. It shall be the duty of Indian Railways to maintain the information as the Commission may direct it to maintain which will include inter alia the minimum information to be maintained

by the Licensee in its books, the manner in which such information shall be maintained, the checks to be adopted by the Licensee in that connection and all other matters incidental thereto.

9.3. Indian Railways shall notify the Commission the occurrence of any Major Incident affecting any part of its Distribution System and

(a) report the incident to the police and intimate the Commission of the occurrence of the incident, at the earliest and in any event not later than 48 hours;

(b) by not later than one month from the date of such occurrence submit a report to the Commission giving full details of the facts within its knowledge regarding the incident and its cause;

(c) in the event the report under sub-clause (b) is likely to take more than one month from the date of such incident, Indian Railways shall within one month from such date of the incident submit a preliminary report with such details regarding the incident and its cause which Indian Railways can reasonably furnish and state reasons as to why Indian Railways requires more than one month for submitting a full report of such incident; and

(d) give copies of the report to the State Government, Central and State Transmission Utilities, Central Electricity Authority and to such other Persons as the Commission may direct.

9.4. The decision of the Commission as to what constitutes a Major Incident shall be final.

9.5. The Commission at its own discretion may require the submission of a report on the major incident to be prepared by an independent person.

Provided that the expenses for preparation of such report shall be borne by Indian Railways.

9.6. Indian Railways shall also undertake such studies as the Commission may direct from time to time for the improvement of its Distribution System and any other matter concerning the Distribution Business that the Commission considers necessary in the public interest to avoid the occurrence of any major incident.

9.7. Indian Railways shall duly inform the Commission about any incident restricting it from meeting its Specific Conditions of the Distribution Licence including any act of omission or commission by others and steps taken by Indian Railways to mitigate the effect of such incident.

9.8. Indian Railways shall ensure that its Distribution System is constructed, operated and maintained in an efficient, safe, coordinated and economical manner duly complying the applicable Regulations notified by the Central Electricity Authority.

10. **Payment of Licence Fees**

- 10.1. During the period that the Licence is in force, Indian Railways shall, by the 10th of April of every year, or such further period as the Commission may allow, pay to the Commission such Licence fees as specified in MERC (Fees and Charges) Regulations, 2017.
- 10.2. Where Indian Railways fails to pay fees to the Commission, by 10th of April of every year, or any longer period which the Commission may have granted there for:
 - (a) without prejudice to other obligations, in case of delay in the payment of the Licence Fee, Indian Railways shall be liable to pay interest on the outstanding amount at a simple interest rate of 1.25 per cent per month as a delayed payment charge; and
 - (b) the Commission may revoke the Distribution Licence in accordance with the provisions of the Act.

11. **Revocation of Licence**

- 11.1. Subject to the provisions of Section 19 of the Act, where in its opinion the public interest so requires, the Commission may, for reasons to be recorded in writing, revoke the Licence of Indian Railways as to the whole or any part of its area of Distribution upon such terms and conditions, as it thinks fit.
- 11.2. Before revoking a Distribution Licence the Commission shall, if in its opinion considers necessary, refer the matter to the State Government and decide on the arrangement to be made for discharging the duties of the Distribution Licensee.
- 11.3. The MERC (Conduct of Business) Regulations, 2004 shall govern such proceedings with respect to revocation of Licence.

12. **Compliance with the State Grid Code**

- 12.1. Indian Railways shall comply with the provisions of the State Grid Code in so far as it is applicable to the operation of the Distribution System or otherwise to any of the activities of the Distribution Licensee.
- 12.2. The Commission may, in consultation with any affected Generating Companies, the Transmission Licensees, the Distribution Licensees in the State, the State Transmission Utility, the State Load Despatch Centre and Electricity Traders, issue directions relieving Indian Railways of its obligations under Regulation in respect of such parts of the State Grid Code and to such extent as may be directed by the Commission.

13. Standby Arrangement

- i. Indian Railways shall enter into a suitable and adequate standby supply arrangement/agreement within three months of the Notification of these Regulations in the official gazette.
- ii. Standby capacity of such standby supply arrangement/agreement shall be equivalent to the largest Unit size of the Generating Unit contracted by Indian Railways on long term basis.
- iii. Before entering into such arrangement/agreement, Indian Railways shall have due consultation with Maharashtra State Load Dispatch Centre and seek its written consent about the arrangement.

14. Power procurement plan

Indian Railways is required to submit its Power Procurement Plan along with proposed location of Traction Substations to State Transmission Utility of Maharashtra and Maharashtra State Load Dispatch Centre. The Power Procurement Plan shall be submitted within one month of the Notification of these Regulations in the official gazette. Also, in case of any change in the plan in future, the revised plan shall also be submitted by the Indian Railways.

15. Payment of Open Access Charges

- 15.1. Indian Railways shall pay Cross Subsidy Surcharge (CSS) and such other charges as may be applicable under the Open Access Regulations to the incumbent Licensee.
- 15.2. Such Open Access Charges shall be payable immediately upon notification of these Regulations in official Gazette.

16. Applicability of various Regulations notified by the Commission

Indian Railways shall adhere to the following Regulations and the amendments thereof and Rules/Procedures/Guidelines made thereunder:

- i. MERC (State Grid Code Regulations) 2006;
- ii. MERC (Transmission Open Access) Regulations, 2016;
- iii. MERC (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) Regulations, 2016
- iv. MERC (Fees and Charges) Regulations, 2017;
- v. MERC (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018 ;

- vi. MERC (Net Metering for Roof-top Solar Photo Voltaic Systems) Regulations, 2015 ;
- vii. MERC (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2015 ;
- viii. MERC Guidelines for operation of merit order despatch under availability based Tariff Order ;
- ix. MERC (Deviation Settlement Mechanism & related matters) Regulations, 2019 ;
- x. Order issued by the Commission in Case No. 42 of 2007 (ABT) Order and FBSM mechanism;
- xi. Transmission Pricing framework as specified under Multi-Year Tariff Regulations (InSTS Order dated 12 September, 2018 passed by the Commission and other relevant Orders/Directions issued by the Commission in respect of Indian Railways);
- xii. Commission's Orders/Practice directions/amendments, if any in the Regulations mentioned above in relating to Indian Railways.

17. Power to amend

- 17.1. The Commission may, at any time, vary, alter, modify or amend any provisions of these Regulations.

18. Power to remove difficulties

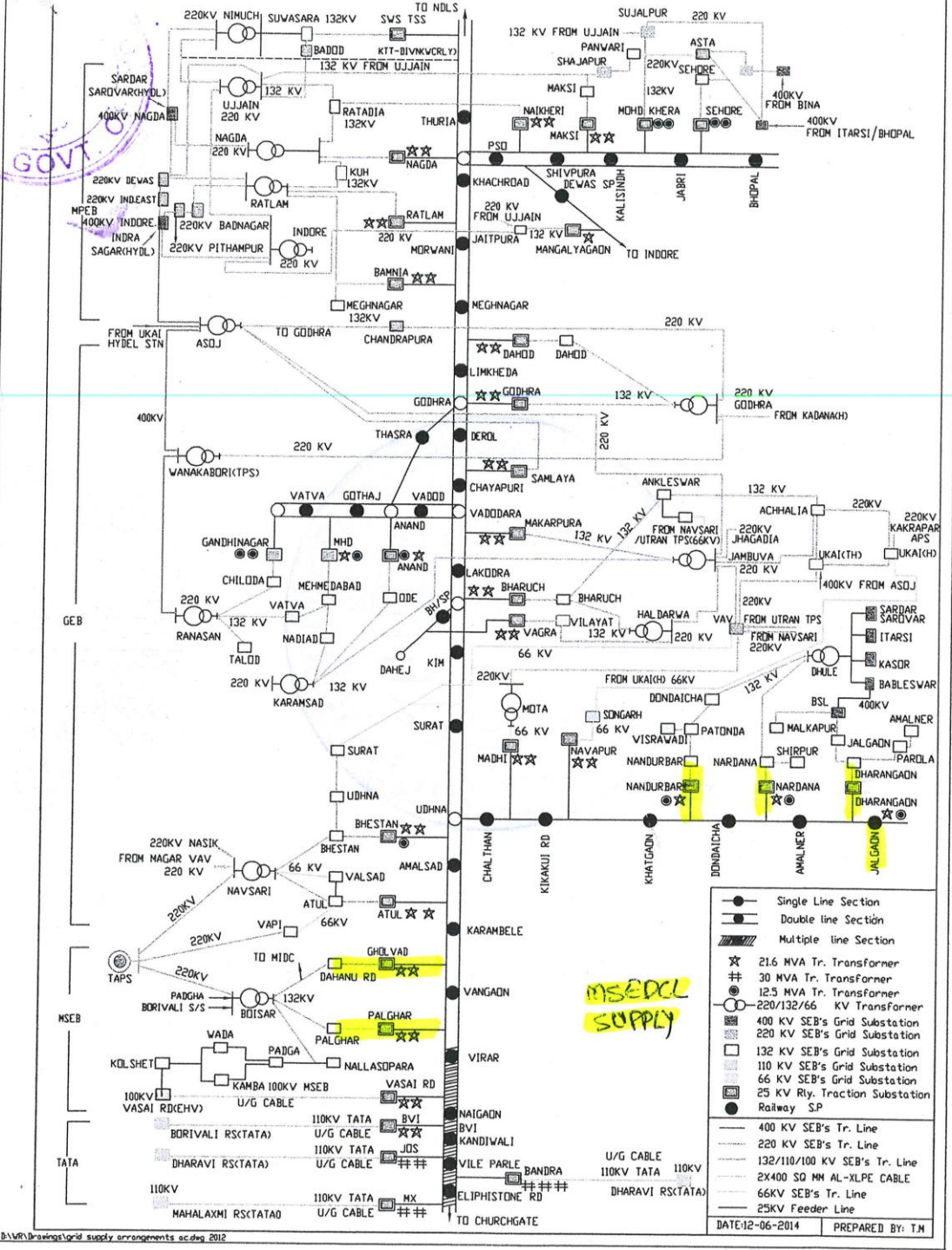
If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific Order, make such provisions not inconsistent with the provisions of the Act as may appear to be necessary for removing the difficulty.

Mumbai,
Dated: - 9 December, 2019

ABHIJIT DESHPANDE
Secretary,
Maharashtra Electricity Regulatory Commission

Schedule I

GRID SUPPLY ARRANGEMENTS FROM SEB's TO WESTERN RAILWAY TSS

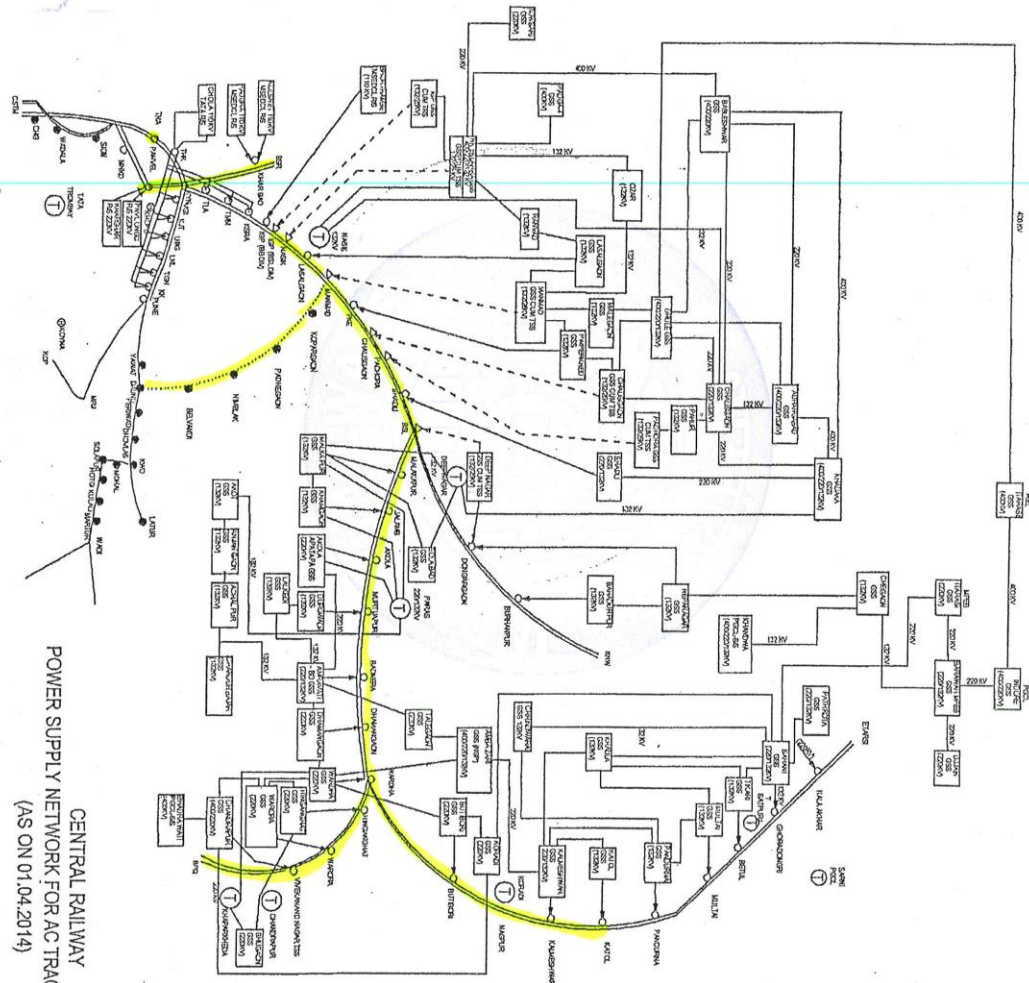


CENTRAL RAILWAY

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Symbol	Description
—	Existing line for Non-Broadband track
—	40/220/132V/132V/6.6kV
—	220/110/40/25V/11kV
—	Proposed 25kV TSS
—	25 kV FEEDING POINT
—	1500 Volt DC TSS
—	40/220/132V/132V/6.6kV
—	25kV AC line to TP
—	Terminal Power Point
—	Hydro Power station

MSEB SUPPLY



CENTRAL RAILWAY
POWER SUPPLY NETWORK FOR AC TRACTION TSS
(AS ON 01.04.2014)

CENTRAL RAILWAY

मध्य रेल