

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

NOTIFICATION (DRAFT)

ELECTRICITY ACT, 2003.

No. MERC/Tech/Regulation/____.- In exercise of the powers conferred under Section 61 and Section 86(3) read with Section 181 of the Electricity Act, 2003 (36 of 2003) and in pursuance to Clause 5.3 of the Tariff Policy, 2016 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 (Multi Year Tariff) Regulations, 2019 (**‘the Principal Regulations’**), namely :

1. Preamble:

The State Electricity Regulatory Commission has been vested with the responsibility to determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State under Section 86 of the Electricity Act.2003. The tariff for intra State Transmission System can be decided under Section 62 or Section 63 of the Electricity Act, 2003. The Section 63 provides for adoption of the tariff determined through transparent process of bidding. Clause 5.3 of the Tariff Policy, 2016 as regards development of intra-State Transmission System stipulates that the same shall be executed through competitive bidding route provided for projects costing above a Threshold Limit, which shall be decided by the State Electricity Regulatory Commission.

The Maharashtra Electricity Regulatory Commission (Multi Year Tariff) (First Amendment) Regulations, 2022 specifies such threshold limit and other conditions for intra-State Transmission Projects to be developed through the Tariff Based Competitive Bidding.

2. Short title and commencement:-

- 1.1. These Regulations may be called the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) (First Amendment) Regulations, 2022.
- 1.2. These Regulations shall come into force from the date of their publication in the Official Gazette.

3. Amendment to Regulation 56 of the Principal Regulations:-

Regulation 56.3 is added to the Principal Regulations:

*“56.3 All the new intra-State transmission systems costing above a Threshold Limit and meeting other conditions as laid out in **Annexure-IV**, shall be developed through Tariff Based Competitive Bidding in accordance with the guidelines issued by the Central Government under Section 63 of the Act.”*

4. Annexure IV to Principal Regulations:-

Annexure IV is added to Principal Regulations as follows:

Annexure IV: Threshold Limit for Intra-State Transmission System to be developed through Tariff Based Competitive Bidding

- 1. The Commission hereby determines the Threshold Limit of Rupees Two Hundred (200) Crore.*
- 2. All new Intra-State Transmission Systems costing Rupees Two Hundred (200) Crore or more shall be implemented by STU through Tariff Based Competitive Bidding in accordance with the competitive bidding guidelines notified by the Central Government from time to time.*
- 3. This Threshold Limit shall be applicable for all new Intra-State Transmission Systems (Projects) for which approval is yet to be accorded by the Commission (excluding the projects for which application for in-principle approval is already submitted to the Commission and the same is under consideration by the Commission) or Commission's approval is not valid or approval cancelled by the Commission as the case may be.*
- 4. The entire Intra-State independent transmission systems including any upstream/downstream project shall be designed as single project for inviting bids for development of project through Tariff Based Competitive Bidding.*
- 5. In case the STU intends to implement any Intra-State Transmission System above the Threshold Limit through cost-plus approach under Section 62 of the Act, due to some specific reasons such as project is of critical nature (e.g., Transmission System being developed for Defence, Railways, Airport, etc.) or the Project may lead to ownership or interface issues, i.e., the ownership of new Intra-State Transmission System cannot be delineated from the assets of existing transmission assets, the STU shall obtain prior approval of the Commission for the same. Further, in case the STU intends to implement any Intra-State Transmission System below the Threshold Limit through Tariff Based Competitive Bidding, due to some specific reasons, STU can decide to implement such projects through Tariff Based Competitive Bidding with valid reasons to do so and with prior approval of the Commission.*

Mumbai

Dated: 19 August, 2022

(Abhijit Deshpande)

Secretary,

Maharashtra Electricity Regulatory Commission