

## **30<sup>th</sup> Meeting of State Advisory Committee**

### **Minutes**

**12 October 2022 at 10.30 am**

1. The 30<sup>th</sup> meeting of the State Advisory Committee Meeting was held on 12 October 2022 at 10:30 Hrs at Centrum Hall, 1<sup>st</sup> floor, Centre 1, World Trade Centre, Mumbai.
2. List of participants is annexed.
3. While welcoming all attendees, Shri. Sanjay Kumar, Chairperson, MERC stated that prime objective of State Advisory Committee (SAC) meeting is to deliberate on issues relating to consumer interest, performance of the Licensees, implementation of various Central/State Government Policies and coordination wherever needed.
4. Thereafter, the issues were taken up for discussion as per Agenda.
- 4.1. Item No.1: Consumer Satisfaction Report by Distribution Licensees

Dr. Rajendra Ambekar, Executive Director, MERC made a brief presentation on new consumer oriented provisions included in Consumer Grievances Redressal Forum (CGRF) Regulations 2020. One of the new provisions of the regulations mandates the Distribution Licensees to carry out the consumer satisfaction survey once every two year on the parameters such as power quality, service billing and payment, complaint handling and sharing of relevant information with consumers. In compliance, the major Distribution Licensees barring BEST carried out first such survey. However, the Distribution Licensees have prepared the consumer satisfaction reports by selectively using some performance parameters. He pointed out the need to develop uniform comparable parameters and the methodology for conducting the survey for a more credible report to the stakeholders.

Sh. Sanjay Kumar, Chairman enquired whether the surveys were carried out through an independent and competent third party and what would be the periodicity of such survey. Shri. Vijay Singhal, CMD, MSEDCL suggested that the performance should be benchmarked for each licensee and assessment should be compared both vertically over time and horizontal across other licences to gauge improvement in services. Shri. Praveer Sinha, MD, TPC-D informed that TPC-D had carried out individual category wise survey through renowned third-party agency which do it by applying scientific methodology and statistical tools. TPC-D assured to share the model with the Commission.

It was decided the Consumer Advocacy Cell of the MERC Secretariat should check with other ERCs and DLs and develop a common survey template and uniform methodology within three months.

4.2. Item No. 2: Capacity of the grid at the State Periphery to absorb Renewable Energy sourced by Obligated Entities from other States in compliance with MERC Renewable Purchase Obligations Regulations 2019

Shri. Sanjeev Bhole, Chief Engineer STU shared the information about the energy carried by the intra-state transmission system during previous years and the additional energy that is planned to be carried in the upcoming years. He also shared the information about the ongoing and upcoming projects to address the issue of transmission constraints. He pointed out that to augment the capacity connectivity applications are required from the Licensees. STU could take up with CTU to take up more ISTS projects.

Shri. Vijay Singhal, CMD, MSEDCL stated that they are tying up RE power and most of the projects are planned to be commissioned in December-2023. But as the inter-state transmission capacity is limited, developers are facing the connectivity issue. If intra-state project is opted for, it comes with some higher cost as compared to inter-state projects.

Shri. Dinesh Waghmare, CMD, MSETCL stated that most of the RE projects are interstate as the land cost in Maharashtra is very high as compared to other states. Further, most of the solar projects are being commissioned in Rajasthan due to higher radiation index and exemption in inter state transmission charges up to December-2025. He informed that the projects taken in hand by STU will make 3000 MW corridor available for interstate RE developers till December-2023. Further, transmission infrastructure is 35-40 years old and considering the intermittent nature of RE power, setting ambitious targets for grid connected Renewable Energy would challenge the grid stability.

Shri. Kandrap Patel, CEO, AEML stated that as there is exemption in inter-state transmission charges, good solar radiation and cheaper availability of land, most of the developers are preferring to build the projects in Rajasthan. But the situation could change after exemption from interstate transmission charges lapsed in December-2025. Based on economic feasibility, it might be convenient for project developers to opt for setting up projects in Maharashtra.

Shri. Praveer Sinha, MD, TPC stated that Distribution Licensees are floating tenders for meeting RPO compliance, said process requires 2-3-year time span. It is important that transmission infrastructure gets ready by that time. Therefore, considering the RPO obligations of all Distribution Licensees, load balance study should be initiated which may consider various aspects such as peak, off peak load variation, seasonal requirements, demand

response considering the possibilities of increasing number of prosumers, Electric Vehicle (EV) charging demand. Further, microgrid options also need to be considered. He suggested that study group may be formed for this purpose.

Shri. Sanjay Kumar, Chairman, summing up the discussion opined that grid connected renewable energy and distributed energy resources like energy storage devices are going to become more omnipresent as the technologies are improving and becoming more efficient. They pose challenges as pointed out by MSETCL as well as opportunities as pointed out by TPC, for stable grid operations. New business models would need to be considered to address the challenges and harnessing the opportunities.

It was decided that considering the time required for commissioning the transmission projects, STU in liaison with CTU should undertake advance planning to strengthen inter-state and intra-state transmission network to integrate renewable energy as per RPO targets. Distribution Licensees should convey to STU their tentative plans for sourcing the renewable energy from other states. He further directed Secretariat of the Commission to constitute a study group to look into the options for addressing the issues relating to grid stability due to increasing quantum of Renewable Energy.

#### 4.3. Item No. 3: - Distribution Opportunities in Maharashtra

Shri. Sanjay Banga of TPC shared the experience of TPC in power distribution business at Delhi and Orissa. Shri. Praveer Sinha, TPC informed that in Orissa CAPEX commitment for improving the distribution network and reliability of supply was one of the bid conditions. Further, for improving billing efficiency TPC launched massive drive for replacement/installation of meters. TPC advocated that similar such opportunities existed in Maharashtra as per preliminary study undertaken by TPC wherein combination of rural-urban areas within a circle jurisdiction of MSEDCL could be farmed out to private distribution companies as has been done in Orissa.

It was decided that TPC-D should share their presentation on the subject with the government appointed Committee looking into options to improve the financial and operational performance of MSEDCL.

#### 4.4. Item No. 4: - Smart Meters and demand response aggregation opportunities for peak load management

Shri Kandrap Patel stated that there was delay in the execution of smart meter project due to semiconductor shortage but now AEML-D was fully geared up to implement the scheme.

Shri. Abaji Naralkar from AEML-D in his presentation highlighted the utility of smart meter beyond remote operations of disconnecting the supply. The stakeholders including the network operators and consumers were the part of the value-added chain and would benefit from the smart meters. With the help of smart meters and time of day tariff kept flexible as per operational requirement of the licensee, it would become more convenient to accommodate the Distributed generation from the prosumers, in the system load curve as per the requirement.

Further, with the use of smart meters, the commercial issues related to peak load management could be resolved with the larger consumer participation of all categories with some kind of financial incentives for the consumers to respond with voluntary curtailment of part of their load during peak hours. Therefore, earlier methods of peak load management such as load levelling, load control and fixed tariff incentives/ penalties would need to be modified to some extent as per the system requirement and the tariff structure.

TPC stated that it has implemented the voluntary participation of the consumers in demand response scheme above 10 kW load with some incentive to consumers in Delhi. Envisaged commercial benefits ensure that the Payback period of smart meters is less than 5 years as compared to its normal service life of 10 years.

AEML informed that it has engaged a consultant to look at the avoided cost of peak power procurement and regulating EV charging through pricing regime. It would share in due course the findings of the study with the State Advisory Council.

Shri. Sanjay Kumar, Chairman, MERC directed the Distribution Licensees to look beyond the policy mandate of installation of smart meters and convenience of issuing correct bills even during lock down period of pandemics like Covid but to commercial avail the opportunities available for demand response aggregation. He asked the licensees to submit the road map for installation of smart meter to the Commission.

5. Shri. Sanjay Kumar, Chairman, MERC thanked the participants for their inputs and impressed upon them to productively use the Committee meetings to improve the power sector deliverables.

**List of Members and Special Invitees participated in SAC Meeting held on 12 October 2022:**

1. Shri. Sanjay Kumar, Chairperson, MERC
2. Shri. Mukesh Khullar, Member, MERC
3. Shri. I. M. Bohari, Member, MERC
4. Shri. Abhijit Deshpande, Secretary, MERC
5. Shri. Dinesh Waghmare, IAS, Principle Secretary (Energy) Industries, Energy and Labour Department and CMD MSETCL
6. Shri. Vijay Singhal, IAS CMD, MSEDCL
7. Shri. Dr. P. Anbalagan, IAS, CMD, MSPGCL
8. Shri. Ravindra Jagtap, IAS, DG, MEDA
9. Smt. Vandana Krishna , Retd. IAS, Electricity Ombudsman
10. Shri. Suresh Jadhav, Commissioner of Labour, GoM
11. Shri. J.B.Patil, Additional Transport Commissioner
12. Dr. Sanjay Dambhare, HoD, Electrical Dept, College of Engineering, Pune
13. Shri. Praveer Sinha, MD TPCL
14. Shri. Kandrap Patel, CEO, AEML
15. Shri. Sanjay Banga, Head Mumbai, TPC
16. Shri. Dhaval P Antapurkar, Director Boilers GoM
17. Shri. Dineshchandra R Saboo, Special Executive Officer, MIDC, GoM
18. Shri. Sanjeev Bhole CE STU
19. Shri Kapil Sharma, AEML
20. Shri Kshitij Dhingra, IEX
21. Shri. Abaji Naralkar, AEML
22. Shri. N. N. Chougule, BEST Undertaking
23. Shri. Nilesh Kane, TPC