



महाराष्ट्र विद्युत नियामक आयोग Maharashtra Electricity Regulatory Commission



Date: 12 September, 2023

NOTIFICATION

Working Group for review of Transmission Planning /Underutilization aspect and pricing framework.

1. Currently, 8 transmission licensees are operating in the State. As per the existing Transmission Pricing framework, the Annual Review Requirement (ARR) of all the transmission licensees is pooled together to compute Total Transmission System Cost (TTSC).
2. As per the present transmission pricing framework, the cost of transmission network is shared by all the TSUs in proportionate of their utilisation. The Transmission charges recovered from TSUs is passed on to the end consumers through the retail tariff of the distribution licensees.
3. The Commission has issued an Intra State Transmission Tariff Order (InSTS) dated 30 March 2020 in Case No. 327 of 2020. In the said Petition the consumers and the Distribution Licensees had raised the objections regarding under utilisation of the Maharashtra transmission network, higher transmission charges and higher transmission losses.
4. Taking cognizance of the issues raised by the TSU/Discoms, the Commission in its MYT Tariff Order dated 30 March 2020 for InSTS charges, observed that the trend of capitalisation of Transmission Licensees at higher rate than growth rate of peak demand of Discoms resulting in higher per unit cost of transmission. Accordingly, the Commission in its Order has ruled that Transmission and the Distribution Licensees to critically review their planning and designing processes for new schemes in closer coordination with the beneficiaries to improve overall utilisation of integrated transmission infrastructure.
5. Further, the Commission in the MERC Grid Code Regulations 2020, has clearly mandated that the Transmission planning shall be based on the technical as well as the financial criteria to ensure the efficient development of transmission system as a whole.
6. In accordance with Regulation 33(b)(i) of the MERC (Transaction of Business and Fees and Charges) Regulations, 2022 the Commission may, at any time, direct the Secretary

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or any one or more Officers or any other person as the Commission considers appropriate to study, investigate or furnish information with respect to any matter within the jurisdiction of the Commission under the Act.

7. In view of the above, the Commission suo-moto has initiated the activity of Study of Maharashtra Transmission system for optimum use and study pricing framework to evaluate the alternatives.
8. In view of the above , the Commission hereby constitutes a Working Group comprising the following members:
 - a. Dr. Prafulla Varhade , Director (Electrical Engineering) MERC, Chairman and Convenor of the Committee;
 - b. The Director Project , MSETCL, Member of the Committee;
 - c. The Chief Engineer(STU) , Member of the Committee;
 - d. The Chief Engineer(MSLDC) , Member of the Committee;
 - e. The Chief Engineer(O&M) , Member of the Committee;
 - f. The Expert Consulting Firm ; (Director M/s Deloitte Touche Tohmatsu India LLP)

Note: As the assignment is for entire Maharashtra, the Representatives of AEML-T, TPC-T and other Transmission Licensees (Senior Level Officer) shall be the special invitees as and when required by the Committee.

9. The broad Terms of Reference for the Working Group shall be as under:

- a) Study of the existing capacity of entire InSTS network in Maharashtra vis a vis its utilization. Voltage level wise categorisation of utilisation of InSTS network like <10%, 10 to 25%, 25 to 50%, and >50%. Root cause analysis of the underutilisation /idling of the assets. Identification of critical assets being underutilised.
- b) To devise Data Templates to obtain the required information from the Transmission Licensees , STU , SLDC etc. for analysis.
- c) Study of transmission planning and pricing framework being implemented in other major states and national level in India. Comparison of network utilisation of Maharashtra with selected neighboring states and benchmarking of optimum utilisation of InSTS network including GNA implementation as per CERC. Study of the applicability of the GNA for Maharashtra and its pros and cons.
- d) Review of existing transmission pricing framework in the state including recovery of PGCIL/ Inter State Transmission Charges and propose revisions in the existing pricing framework considering the factors such as voltage, distance, direction and quantum of flow based on the methodology specified by the CERC, as may deem appropriate.


- e) To propose the implementation roadmap for revision in the transmission planning and pricing framework.
- f) To propose the credible framework for monitoring the utilisation of InSTS network.
- g) To submit the monthly progress report to the Commission. The working group shall also suggest potential intervention measures required by the Commission.
- h) To submit the final report to the Commission with recommendations. The working group may suggest amendment to the existing Regulations based on the study carried out.
10. The Working Group shall be authorized, to discuss with representatives of the concerned utilities, call them for meetings, seek utility/stakeholders to furnish requisite data/information as per data template for reporting from time to time and visit their premise(s)/offices, if necessary, for collection of information.
11. Working Group shall submit its report within 3 months from the date of its Notification, which may be extended if deemed it necessary.

Sd/-
(Surendra J. Biyani)
Member

Sd/-
(Anand M. Limaye)
Member

Sd/-
(Sanjay Kumar)
Chairperson




SECRETARY
MAHARASHTRA ELECTRICITY
REGULATORY COMMISSION, MUMBAI