

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
Tel. 022 22163964/65/69 Fax 22163976
Email: mercindia@merc.gov.in
Website: www.mercindia.org.in / www.merc.gov.in

Case No. 114 of 2016

Date: 5 January, 2017

CORAM: Shri. Azeez M. Khan, Member
Shri. Deepak Lad, Member

Petition of Maharashtra State Electricity Distribution Co. Ltd. for providing mechanism for recovery of charges incurred on account of over-drawal of Indian Railways from the Grid.

Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)Petitioner

Maharashtra State Load Despatch Centre (MSLDC)

Maharashtra State Electricity Transmission Co. Ltd. (MSETCL)

The Indian Railways (Central Railway), Govt. of India

.....Impleaded Respondents

Appearance:

For the Petitioner : 1) Shri Ashok Chavan (Rep), MSEDCL
2) Shri Paresh Bhagawat (Rep), MSEDCL

For the Respondents : 1) Shri V.D. Pande (MSLDC)
2) Shri S. B. Petkar (MSETCL)
3) Shri R. K. Goyal (Rep) (Central Railways)
4) Shri R.P.Ojha (Adv) (Central Railway)

Authorised Consumer Representatives : Dr. Ashok Pendse, TBIA

Daily Order

Advocate of Indian Railways requested an adjournment of the hearing as its Reply was not ready for submission. The Commission proceeded with the matter as no request was made earlier. Other Parties were present for the hearing, and any adjournment at this time would inconvenience everyone. Advocate for Indian Railways circulated an unaffirmed Reply.

Heard the Representatives/ Advocate of the Petitioner and Impleaded Respondents.

1. MSEDCL stated that:

- (i) The Ministry of Power (MoP), Government of India, and Central Electricity Regulatory Commission (CERC) have clarified the status of Indian Railways as a “deemed licensee” under the Electricity Act, 2003.
- (ii) MoP has notified a scheme on 27 March, 2015 for utilization of Gas-based Power Generation Capacity for FY 2015-16 and 2016-17. The scheme envisages financial support for utilization of the stranded Gas Power Plants by importing gas under the Power System Development Fund (PSDF).
- (iii) Under the above scheme, Ratnagiri Gas and Power Pvt. Ltd (RGPPL) has tied up for supply of power to the Indian Railways for a quantum of 620 MW. Indian Railways are utilizing RGPPL power for its Traction Substations located in Maharashtra, Gujarat, Madhya Pradesh and Jharkhand.
- (iv) The Commission has notified the MERC (Implementation of Scheme for Utilization of Gas-based Power Generation Capacity) Regulations, 2016 on 20 January, 2016. As per Regulation 3, no Transmission Charges and Losses for the use of Intra- State Transmission System (InSTS) network shall be levied for sourcing power from RGPPL, which is based on e-bid Re-gasified Liquefied Natural Gas (RLNG), for FY 2015-16 and 2016-17.
- (v) There have been instances of tripping of the RGPPL Plant which is supplying power to Indian Railways. Since the Indian Railways have not made any arrangement for stand-by power, this has resulted in over-drawal of power from the grid by Railways. Such events, which are occurring frequently, are affecting the State Grid as well as financially impacting Utilities connected to the State Grid, which includes MSEDCL. Further, more seriously, such over-drawal by Indian Railways may lead to a power deficit situation for the existing consumers of MSEDCL. Hence, the Indian Railways should be directed to arrange for stand-by power for mitigating the over-drawal from the State Grid in case of tripping from their supplier (i.e RGPPL).
- (vi) The Indian Railways are regularly overdrawing power from the State Grid in normal situations as well as during tripping of RGPPL’s Generating Units, and this over-drawal is not accounted for payment of Transmission Charges. All such over-drawals from the State Grid attract Transmission Charges and Losses thereof, for which Indian Railways is liable to pay.

2. MSLDC stated that:

- (i) RGPPL power to Indian Railways in Maharashtra and other States is scheduled by Western Regional Load Despatch Centre (WRLDC) on day-ahead basis depending upon 15 minute drawal requirements submitted by Indian Railways through the respective State Load Despatch Centres (SLDCs). The schedule of Indian Railways from RGPPL is added in Maharashtra Schedule, and Indian Railways are entitled to draw only as per the schedule finalized by WRLDC.

- (ii) In the particular transaction between RGPPL and Indian Railways, there are two types of deviations, (i) Injection Deviations and (ii) Drawal Deviations.
- (iii) Injection deviation is in the control area of WRLDC, and the drawal points of Indian Railways are located in the control area of MSLDC. Hence, drawal deviations are to be settled as per Final Balancing and Settlement Mechanism (FBSM).
- (iv) Since Indian Railways are unable to match their drawal as per the schedule, the deviation over and above the scheduled power of RGPPL attracts both Transmission Charges and Losses.
- (v) The methodology for treatment of Losses in FBSM in case of Indian Railways for e-bid RLNG quantum is as under:
 - (a) The Indian Railways are a deemed Distribution Licensee, and treated at par with State Pool Participants (SPP) in the Intra-State FBSM. The drawal deviation by Indian Railways with reference to the schedule has to be settled in the FBSM mechanism at par with other Distribution Licensees, and their drawal shall be grossed upto the transmission bus, as in the case of other SPPs.
 - (b) After generation of the bill for a particular block, the charges on account of energy equivalent to losses corresponding to actual ex-bus generation of RGPPL shall be credited to the Indian Railways at the rate of the Weighted Average System Marginal Price (WASMP) for the respective time blocks.
 - (c) The above charges as worked out shall be apportioned to all SPPs (except Indian Railways) in the ratio of their loss- adjusted drawal.
 - (d) In this methodology, the initial bill is generated along with application of losses for the entire drawal of Indian Railways and credit is given to them for the energy corresponding to losses on RGPPL actual ex-bus generation. Thus, the losses would be automatically applied to the quantum of over-drawal over and above the injected ex-bus generation.
- (vi) The Transmission Charges for the over-drawal units by the Indian Railways, as prayed by MSEDCL, shall be billed by the State Transmission Utility (STU).
- (vii) Further, MSLDC has issued a letter to the Indian Railways for arrangement of stand-by supply in the event of tripping of RGPPL power, and the response of the Indian Railways is awaited.

The Commission asked MSLDC whether the present mechanism provided by the Commission through its Orders/Regulations addresses the issues raised by MSEDCL in its Petition. MSLDC replied that the present mechanism does address these issues.

3. Indian Railways (though Central Railways) stated that :

- (i) It is ready to pay the Transmission Charges for the over-drawal of power in the event of tripping of RGPPL power. However, the over-drawal quantum as

submitted by MSEDCL does not match with the actual drawal details available with Railways.

- (ii) Indian Railways operate the sourcing of power into their Traction Sub-stations into two areas, one in the Maharashtra area and the second in the Mumbai area (i.e. Thakurli to CST Traction Sub-stations). In addition to RGPPL, Indian Railways have tied up for 100 MW with the Tata Power Company – Distribution (TPC-D) for Mumbai area. Railways proposes to combine the schedule of TPC-D, which supplies in Mumbai area, and the schedule of RGPPL power, which supplies in the Maharashtra area. This will facilitate stand-by in case of tripping of the RGPPL Plant.
 - (iii) The Commission asked MSLDC whether the schedule of sourcing power from TPC-D and RGPPL can be combined. MSLDC replied that the Indian Railways are exempted from paying Transmission Charges and Losses for sourcing power from RGPPL. Whereas, if they source power from TPC-D, they have to pay Transmission Charges and Losses. Hence, combining both the schedules will be unworkable.
 - (iv) Indian Railways further stated that sourcing of power from TPC-D will act a stand-by source to some extent depending on availability of power from RGPPL. On being asked if RGPPL power is totally or to the extent of TPC-D tie up is not available, whether TPC-D will still act as a stand-by, the representative of Indian Railways replied in negative.
4. Dr. Ashok Pendse, TBIA stated that Indian Railways should be restricted from over-drawal of power from the State Grid because, if they continue to overdraw power in the absence of RGPPL, consumers of MSEDCL may have to suffer load shedding in a power deficit scenario.
 5. The Commission directed MSEDCL, MSLDC, Railways and the STU to sit together to resolve the issues of stand-by supply arrangements of Indian Railways, and the calculations and levy of Transmission Charges and Losses for over-drawal of power over and above the injected ex-bus generation on account of tripping of RGPPL or any other reasons. They should also discuss any other connected issue in their meeting.
 6. The Commission directs MSEDCL to submit the outcome of the above discussion within ten days, and the Central Railways, STU and MSLDC to file their Rejoinders within a week thereafter, with a copy to each other.

Next date of hearing shall be communicated by the Secretariat of the Commission.

**Sd/-
(Deepak Lad)
Member**

**Sd/-
(Azeez M. Khan)
Member**