

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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CASE No. 52 of 2017

Dated: 6 July, 2017

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

Petition of Mahati Hydro Power Projects Pvt. Ltd. for directing Maharashtra State Electricity Transmission Co. Ltd. and Maharashtra Electricity Development Agency to pay balance payment incurred towards evacuation arrangement beyond the inter-connection point.

Mahati Hydro Power Projects Pvt. Ltd. (MHPPPL) : Petitioner

V/s

Maharashtra State Electricity Transmission Co. Ltd. (MSETCL) : Respondent No.1

Maharashtra Electricity Development Agency (MEDA) : Respondent No. 2

Appearance

For the Petitioner : Ms. Dipali Seth (Adv.)

For the Respondent No. 1 : Shri Abhijeet Joshi (Adv.)

For the Respondent No. 2 : None

Authorized Consumer Representative : Dr. Ashok Pendse, TBIA

Daily Order

Heard the Advocates/ Representatives of the Petitioner, Respondent No.1 and Authorized Consumer Representative.

1. Advocate of the MHPPPL stated that :

- (i) MHPPPL has developed a 4.8 MW Small Hydro Power (SHP) Plant at Veer, Tehsil: Purandhar, District: Pune commissioned on 20 May, 2012.
- (ii) The Commission vide its Order dated 9 November, 2005 in Case No. 25 of 2004 for determination of tariff for SHP Projects in the Maharashtra, has held that

State Transmission Utility (STU) will bear the cost of evacuation lines and associated facilities beyond the point of energy metering for the evacuation of power. The Commission further held that STU shall refund this interest free advance to the holder(s) in five equal installments, spread over a period of 5 years, commencing from one year after the date of commissioning of the project. The generated electricity can be sold to Distribution Licensee or any consumers located in Maharashtra State.

- (iii) Government of Maharashtra's (GoM) Policy dated 14 October, 2008 (GoM Policy, 2008) mentioned that if the Promoters / Developers / Investors wish to avail the benefits of the Policy in respect of refund of power evacuation cost, it is obligatory for them to sell 50% of the electricity generated from the Projects to Maharashtra State Distribution Company Ltd. (MSEDCL) at the rate fixed by MERC under a long term Power Purchase Agreement (PPA). It shall be obligatory to sell the remaining 50% electricity within the State of Maharashtra only. The Policy further provided that after the evacuation arrangement is transferred to MSEDCL/MSETCL, MEDA will refund 50% of the approved expenses on the evacuation arrangement to the Developer from Green Energy Fund(GEF) as a subsidy.
- (iv) GoM's Policy 2008 was amended vide GoM, Industries, Energy & Labour (IE&L) Department's Resolution dated 3 August, 2009 (GoM Policy 2009). As per Section 1.1 of the amended Policy, the Generator has to sell 100% electricity generated through non-conventional energy sources to Licensee or client in Maharashtra State to avail its benefits.
- (v) GoM Policy issued on 14 July, 2010 for erection of non-conventional power projects (GoM's Procedures 14 July, 2010) provides that 50% cost of power evacuation arrangement is to be refunded by MEDA from GEF and balance cost is to be refunded by MSETCL in five equal annual installments starting from May 2013, i.e. one year after commissioning of the Power Plant.
- (vi) The Commission vide its Order dated 27 October, 2014 in Case No. 73 of 2014 has removed the cap on reimbursement of evacuation arrangement costs by MSETCL irrespective of Government Policies.
- (vii) Clause 4 of the Memorandum of Understanding (MOU) dated 8 October, 2013, provides that the amount to be refunded for the evacuation arrangement would be the actual expenditure or MSETCL's estimated cost, whichever is lower. The details of estimated cost, actual expenditure incurred for creation of evacuation infrastructure are as below:
 - MSETCL Estimated cost- Rs. 199.25 lakh
 - Actual expenditure incurred- Rs. 224.00 lakh
- (viii) MEDA has refunded Rs.55 lakh towards evacuation cost through GEF on 8 October, 2013 and balance is awaited from MSETCL.

- (ix) MHPPPL has submitted the certification issued by Maharashtra State Load Despatch Center (MSLDC) on 11 March, 2014 and 3 December, 2016 stating that 100 % energy was sold in the Maharashtra. Despite this, MSETCL has not refunded the balance amount incurred towards power evacuation.
- (x) MSETCL, vide its letter dated 4 June, 2014, stated that MHPPPL is not eligible for the refund of evacuation cost as power is sold to private consumer through Open Access and it does not have long term EPA with a Distribution Licensee.
- (xi) MHPPPL has submitted the power evacuation certificates. It has sold the entire power in Maharashtra State. As per GoM's Policy, the power can be sold to any consumers in Maharashtra and there is no need of long term EPA. Hence, MHPPPL is entitled to refund of power evacuation cost.
2. Advocate of MSTECL stated that:
- (i) MSETCL has not refunded the cost of power evacuation as MHPPPL has not supplied power to Distribution Licensee through long term EPA.
- (ii) The actual cost as per MBR is Rs. 175.82 lakhs. Hence, MHPPPL is entitled to refund of Rs. 175.82 lakhs only instead of Rs. 199.25 lakhs as claimed. Further, the actual cost of Rs. 175.82 includes cost of metering portion of Rs. 30.38 lakh which is not part of the evacuation arrangement and is not required to be refunded. MSETCL will refund the balance amount.
3. To a query of the Commission regarding long term EPA, MSETCL stated that all other SHPs have EPA with Distribution Licensee except MHPPPL.
4. On the issue of subsidy by MEDA and GoM's Policies, the Commission observed that to promote the non-conventional power and considering its nature, it has been held long back that it is the duty of concerned Transmission/Distribution Licensee to make evacuation arrangements. Hence, the Commission vide Order dated 27 October, 2014 in Case No. 73 of 2014 has not agreed with the cap on reimbursement on evacuation arrangement cost.
5. It is up to MHPPPL and MSETCL to decide the scope of work of power evacuation for reimbursement purpose.

The Case is reserved for Order.

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

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