Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 87 of 2017

Date: 3 August, 2017

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

Petition of Maharashtra State Electricity Distribution Co. Ltd. for removal of difficulties in implementation of Regulations 12 & 82 of the MERC (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2015.

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

Appearance:

For the Petitioner: : Shri Satish Chavan

For Consumer Representative: : Dr. Ashok Pendse, TBIA

Daily Order

Heard the Petitioner, and Consumer Representative.

1. MSEDCL stated that:

(i) Regulation 12.1 of the RE Tariff Regulation, 2015 provides that all RE Power Projects, except for Biomass-based Power Projects and Co-Generation Project, be treated as 'Must Run' Projects and are not subject to 'Merit Order Despatch' principles.

(ii) In order to achieve Govt. of India's ambitious plan of setting up 175 GW of RE by 2022, States have accelerated the pace of capacity addition of RE installation, particularly Wind and Solar energy, and RE installation will have a higher share in the total generation portfolio.

(iii) For operational efficiency, adequacy of generation flexibility and cost saving, forecasting and scheduling of infirm nature of RE power is essential task. MSEDCL is already in a surplus power position and has to back down Thermal Plants which

results in additional burden of fixed cost affecting the viability and sustainability of its operations.

(iv) Central Electricity Regulatory Commission (CERC), in its Deviation Settlement Mechanism and related matters (Third Amendment) Regulations, 2016, has set the deviation limit in a RE rich States at 250 MW per time block and the limit for overdrawal /underdrawal as not more than 12% or 150 MW, when grid frequency is in the range of 49.70 Hz to 50.10 Hz.

(v) On 3 March, 2017, CERC has issued the Procedure for implementation of the framework on Forecasting, Scheduling and Imbalance Handling for RE Generating Stations, including Power Parks based on Wind and Solar at Inter-State level with a view to strengthen the RE forecasting, scheduling and balancing framework. Also, the Forum of Regulators (FOR) has published a Model Regulation on Forecasting, Scheduling and Deviation Settlement of Wind and Solar Generating Stations at the State Level for intra-state RE deviation settlement covering all the Wind and Solar Generators connected to the State Grid.

2. The Commission asked to what extent the Model Regulations and scheduling of infirm power will really help a in 3-4 hours time span. In reply, MSEDCL stated that the infirm nature of Wind Power and its variation in a given period of time poses a challenge to maintaining grid stability and for power purchase planning. Forecasting and Scheduling helps Grid operators operate Generators more efficiently to accommodate changes in Wind and Solar generation. Depending upon the generation, it can plan in advance its resources so that financial the burden can be reduced.

3. MSEDCL stated that Karnataka Electricity Regulatory Commission has notified its Regulations on Wind/ Solar forecasting and scheduling, and four other States, viz. Tamil Nadu, Jharkhand, Rajasthan and Madhya Pradesh, have come out with draft Regulations in line with FOR's model Regulations. In the proviso to Regulation 12.2 of the RE Tariff

Regulation, 2015, the Commission has provided for application of scheduling of RE projects (other than Biomass based and Co-generation projects) by general or specific Order.

4. The Commission observed that it has already initiated the process of framing Regulations for forecasting and scheduling for Wind and Solar generation.
5. Dr. Ashok Pendse on behalf of Thane Belapur Industries Association (TBIA) (an authorized Consumer Representative) stated that implementation of the forecasting model is a big challenge. Germany is using Scheduling and Forecasting model over the last 16 years but it has not exceeded 3 to 4% of accuracy, that too in a small geographical area considering the environmental impact. Further, California has also achieved up to 12 to 15% accuracy level. Also, availability of the transmission corridor is one of the issues for implementing of a scheduling model.

The Case is reserved for Order.

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