

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 172 of 2017

Dated: 02 January, 2018

CORAM: Shri. Anand B. Kulkarni, Chairperson

In the matter of

Petition of Maharashtra State Power Generation Co. Ltd. for removal of difficulties in the matter of implementation of “Mukhyamantri Solar Agricultural Feeder Scheme” and approval of draft Power Purchase Agreement (PPA) & draft Power Sale Agreement (PSA) being executed by MSPGCL with the developer and Maharashtra State Electricity Distribution Co. Ltd., respectively for Agriculture (AG) Feeder Solar Power Projects in Maharashtra.

Maharashtra State Power Generation Co. Ltd. (MSPGCL) Petitioner

1. Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)
2. Maharashtra Energy Development Agency (MEDA) Impleaded Parties

Appearance

For MSPGCL	: Shri. S. B. Soni, (Rep.)
For MSEDCL	: Shri. Satish Chavan, (Rep.)
For MEDA	: None
For Consumer Representatives	: Dr. Ashok Pendse, TBIA
	: Shri. Shantanu Dixit, Prayas Energy Group

Daily Order

Heard the Representatives of the Petitioner, Respondents and Authorised Consumer Representatives.

1. MSPGCL made a presentation wherein it has essentially reiterated its issues as made out in its Petition. MSPGCL has stated that the proposed modalities for the “Mukhyamantri Solar Agricultural Feeder Scheme” are similar to the modalities adopted by MNRE in case of projects implemented through Solar Energy Corporation of India (SECI). Presently upto 7 paise per unit is allowed to SECI as a trading margin as an intermediary whereas MSPGCL under the present Case has proposed five (5) paise per unit as an Administrative charge. If required, MSPGCL may apply for Trading License before the

Commission for implementation of the scheme. Even after considering the Administrative charges of MSPGCL, the power purchase cost of the power from the proposed scheme works out to Rs. 3.20 per unit which is much lower than the Commission's approved Generic Tariff of Rs. 5.13 per unit for FY 2017-18 and lower than that of the approved Average Power Purchase Cost (APPC) of MSEDCL of Rs. 3.73 per unit for FY2017-18.

2. The Commission observed that MSPGCL under this Case has proposed to enter into a PPA with Solar developer and a PSA with MSEDCL separately. The Administrative charge of Rs. 0.05 per unit proposed by MSPGCL is akin to trading margin on account of sale of electricity to MSEDCL through this trading activity. However, MSPGCL does not hold any Trading License per se u/s 12, 14 of the EA, 2003. The arrangement proposed by MSPGCL in this Case is based on the MoP's 'Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects' notified on 3 August, 2017. These Guidelines have introduced three different terms;
 - (i) Procurer (Distribution Licensee or the Authorized Representative or an Intermediary Procurer),
 - (ii) Authorized Representative of the Procurer,
 - (iii) Intermediary Procurer and End Procurer. (Trader shall be the intermediary procurer)These Guidelines are prepared u/s 63 of the EA, 2003 and envisages competitive procurement of electricity by Distribution Licensees to protect consumers' interest for
3. Dr. Ashok Pendse, on behalf of Thane Belapur Industries Association (TBIA), an authorized Consumer Representative, stated that it supports the present scheme which will be beneficial to the Agriculture consumers. Further a Special Purpose Vehicle may be formed for implementation of the present Scheme. In reply MSPGCL has stated that such a formation of SPV is not possible since there are large nos. of developers involved under this Scheme.
4. Shri. Shantanu Dixit, on behalf of Prayas Energy Group, Pune, an authorized Consumer Representative, stated that it supports the present scheme which will be beneficial to the Agriculture consumers. Prayas further stated that 5th proviso to Section 14 of the EA, 2003 provides that the Government company or the company referred to in sub-section (2) of section 131 of EA, 2003 and the company or companies created in pursuance of the EA,2003 specified in the Schedule, shall be deemed to be a licensee under this Act. The Commission may provide a ceiling rate for such Bidding as carried out by MSPGCL in this Case.

5. The Commission directs MSPGCL to file its written submissions within a week on all the above points as set out at para 2, 3 and 4 as raised by the Commission as well as TBIA and Prayas Energy Group.
6. The Commission also directs MSEDCL to file its written submissions within a week on the specific issue of the modality as proposed by MSPGCL under this Case and the proposed Administrative charge of 5 paise per unit there under.

Case is reserved for Order.

Sd/-
(Anand B. Kulkarni)
Chairperson