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. 152 of 2017

Dated: 3 January, 2018

CORAM: Shri Anand B. Kulkarni, Chairperson

In the matter of

Petition of Prayas (Energy Group) seeking analysis and examination of the reasons leading to sudden fall in availability of MSEDCL's contracted generating capacity during September 2017

For the Respondent No. 1

For the Respondent No. 2

Daily Order

Shri S.B.Soni (Rep.)

Shri Paresh Bhagwat (Rep.)

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Heard the representatives of the Petitioner and Respondents.

- 1. Representatives of the Petitioner made a presentation re-iterating its submissions in the Petition and stated that:
 - i. The Petition is filed seeking an examination of the coal procurement planning and practices followed by MSPGCL and issues pertaining to lack of availability of generation capacity contracted by MSEDCL.

- ii. In the MYT Order dated 3 November, 2016 in Case No. 48 of 2016, it was observed that a large quantum of surplus power is expected in the control period from FY 2016-17 to FY 2019-20. However, recently, MSEDCL had to resort to the load shedding on multiple occasions due to sudden loss of availability of its contracted Generating Units. Also, MSEDCL had to approach the Commission seeking in-principle approval for short-term power purchase at a higher rate than the ceiling rate.
- iii. The sudden loss of availability of MSEDCL's contracted Generating Units is claimed to be on account of shortage of coal.
- iv. The monthly production reports of the subsidiaries of the Coal India Ltd. which supply most of the coal to MSPGCL, show that the coal production was largely been as per the target.
- v. The Ministry of Coal stated that failure on part of the Generating Companies in procuring adequate coal during monsoon was the main reason for coal shortage faced by them during September, 2017.
- vi. If severe coal shortage was faced in September, 2017, it is not clear what actions were taken by MSPGCL since July, 2017 to avert it.
- vii. The matter necessitates urgent analysis by the Commission in terms of lapses, if any, on part of MSPGCL in managing its coal procurement.
- viii. Therefore, to make such analysis possible, the Commission should direct MSPGCL to submit certain data in respect of coal indents issued, actual coal realized, daily stock position etc. and other details as mentioned in the Petition.
- ix. Similarly, MSEDCL should be directed to submit the data regarding daily dispatch schedules, actual daily dispatch etc. as mentioned in the Petition.
- x. Based on the analysis of the above data and details, the Commission may establish the reasons for the purported coal shortage and pass the appropriate directions to MSPGCL and MSEDCL to avoid recurrence of such events in future.
- 2. The Commission directed MSPGCL and MSEDCL to file their respective submissions along with the data as mentioned in the Petition within two weeks with copies served on the parties. Rejoinder, if any, may be filed by the Petitioner within a week thereafter.

The Case is reserved for Order.

Sd-(Anand B. Kulkarni) Chairperson