

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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CASE No. 151 of 2017

Dated: 12 June, 2018

**CORAM: Shri Anand B. Kulkarni, Chairperson
Shri Mukesh Khullar, Member**

**In the matter of
Petition of Maharashtra State Power Generation Co. Ltd. for removal of difficulties in
the matter of coal shortage and its adverse impact on its Generating Stations**

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

Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) : Impleaded Respondent

Appearance

Representative of the Petitioner : Shri Bipin Shrimali, MD, MSPGCL
Shri S.B. Soni (Rep.)

Representative of the Respondent : Shri Satish Chavan (Rep.)

Institutional Consumer Representative : Ms Ashwini Chitnis, Prayas Energy Group

Daily Order

Heard the Representatives of the Petitioner, Respondent and Institutional Consumer Representatives.

1. MSPGCL made a presentation wherein it essentially reiterated its issues as made out in its Petition. MSPGCL stated that:
 - i. Since June 2017, coal supply realization has reduced considerably affecting availability of MSPGCL's Generating Units.
 - ii. Follow-up was made with the authorities such as Coal India Ltd., Ministry of Coal, Central Electricity Authority, Railways etc. However, MSPGCL is yet to see its impact on the actual materialization.
 - iii. Similar coal shortage was faced by other Independent Power Producers (IPPs) and by the Generating Companies in other states.

- iv. Such loss of availability of generation units should be treated as deemed availability for the purpose of recovery of Annual Fixed Charges as coal supply by the Coal India Limited was beyond MSPGCL's control.
 - v. There was a provision in the MERC (Multi Year Tariff) Regulations, 2011 whereby the Generating Company could declare different availability during peak and off-peak hours which incentivized the Generating Company to generate more power during the peak hours. This provision was utilized by MSEDCL for Chandrapur Generating Station. There is no such provision in new MERC (Multi Year Tariff) Regulations, 2015. The Commission is requested to reinstate the above provision in MYT Regulations, 2015.
 - vi. Coal India Ltd. with its subsidiaries is the only source for domestic coal and therefore it is a force majeure situation for MSPGCL.
2. Ms. Ashwini Chitnis, on behalf of Prayas Energy Group, an Institutional Consumer Representative stated that:
- i. It opposes the amendment in MYT Regulations as the coal supply scenario has changed.
 - ii. Such amendment would take away accountability of the Generating Companies to ensure adequate coal supply and it would not be in interest of the consumers.
3. To a query of the Commission, MSPGCL stated that it was availing legal remedies against Coal India Limited on account of failure of Coal India Ltd. to supply coal as per the FSA.
4. Representative of MSEDCL stated:-
- i. If such dispensation is allowed, other Generating Companies may also approach the Commission with similar prayer.
 - ii. CERC, in its Order dated 10 November, 2017 has directed that the sole responsibility for maintenance of adequate coal stock lies with the generating stations.
 - iii. As per the FSA, there is compensation clause for shortfall in coal quantity and MSPGCL is entitled for such compensation.
 - iv. Reduction in availability was observed in case of IPPs as well due to coal shortage. However, NTPC was able to generate the power by optimizing its plant availability to arrive at normative availability.

The Case is reserved for Order.

Sd/-
(Mukesh Khullar)
Member

Sd/-
(Anand B. Kulkarni)
Chairperson