Before the
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Case No. 114 of 2020

Petition of Tata Power Company Ltd.- Distribution seeking relaxation/modifications in Regulations 4 and 10 of the MERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2019 and in Regulation 55.1 of the MERC (Multi Year Tariff) Regulations, 2019

Coram

I. M. Bohari, Member
Mukesh Khullar, Member

Tata Power Company Ltd. – Distribution .....Petitioner

V/s

Maharashtra State Load Dispatch Centre (MSLDC) ….. Respondent No. 1
State Transmission Utility (STU) ……Respondent No. 2
Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) ….. Respondent No. 3
Adani Electricity Mumbai Ltd. – Distribution (AEML-D) ……Respondent No. 4
BEST Undertaking (BEST) ...…Respondent No. 5
Indian Railways …...Respondent No. 6
Gigaplex Estate Private Limited (GEPL) ..…Respondent No. 7
Mindspace Business Parks Private Limited (MBPPL) ….Respondent No. 8

Appearance:

For the Petitioner : Shri Prashant Kumar (Rep.)
For MSLDC : Shri Eknath Dhengale (Rep.)
For STU : Shri S. D. Sharma (Rep.)
For MSEDCL : Shri Harinder Toor (Adv.)

For AEML-D : Smt Deepa Chawan (Adv.)

For BEST : Shri N.N. Chaugule (Rep.)

For Indian Railways : Shri Rajnish Goyal (Rep.)

For GEPL and MBPPL : Shri Nitin Chunarkar (Rep.)

ORDER

Dated: 29 November, 2020

1. The Tata Power Company Ltd. (Distribution) (**TPC-D**) filed a Case on 28 May 2020 seeking relaxation/modifications in Regulations 4 and 10 of the MERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2019 (**DSM Regulations**) and in Regulation 55.1 of the MERC (Multi Year Tariff) Regulations, 2019 (**MYT Regulations**).

2. **Petitioner's main prayers are as follows:**

   i. Hear and dispose of the present Petition on an urgent basis as the DSM Regulations, 2019 shall come into force w.e.f. 1st June, 2020;

   ii. Allow Additional Deviation Charges as a pass-through in the ARR of the Distribution Licensee and provide the relief in Regulation 55.1 under Regulation 105 (Power to relax), Regulation 106 (Power to remove difficulty) of MYT Regulations, 2019;

   iii. Direct Partial Open Access consumers, consumers having In-Situ Captive generation and HT consumers having sanctioned / contract load equal or more than the volume limit of the Petitioner (9 MW) / Distribution licensee to submit their daily schedule in the appropriate format to the distribution licensee of its area;

   iv. Allow levy of proportionate Additional Deviation Charges to Partial Open Access consumers, consumers having In-Situ Captive generation and HT consumers having sanctioned / contract load equal or more than the volume limit of the Petitioner (9 MW) / Distribution licensee for the deviation in their respective schedule as described in the petition above.

3. TPC-D, in the present Petition has raised some issues (mainly related to the Additional Deviation Charges) in respect of DSM Regulations notified on 1 March 2019. According to TPC-D, there are many factors beyond the control of the Distribution Licensees on account of which deviation may occur in drawal by the Distribution Licensees. Therefore, the Deviation Charges including Additional Deviation Charges paid by a Distribution Licensee which is essentially a part of its cost of service to the consumers ought to be allowed as a pass-through in the Annual Revenue Requirement (**ARR**) approval. Also, TPC-D has sought directions of the Commission to certain category of HT consumers mandating them to submit their daily power procurement schedule to the Distribution Licensee, both from the Distribution Licensee and any other sources including in-situ captive generating plants. Thus, TPC-D has made the following two prayers:

i. Request for allowing recovery of Additional Deviation Charges through ARR.

ii. Request for direction enabling Distribution Licensees to seek daily schedule from certain types of HT consumers to minimize deviation and levy of Additional Deviation Charges to them for the deviation in their respective schedule.

4. In response to the Petition, the Respondents have filed their respective submissions which have been taken on record by the Commission for deciding the present Petition. These submissions are tabulated below.

Sr. No.	**Party**	**Details of submissions**
1	BEST Undertaking (**BEST**)	8 June 2020
2	Mindspace Business Parks Pvt. Ltd. (**MBPPL**)	11 June 2020
3	Gigaplex Estate Pvt. Ltd. (**GEPL**)	11 June 2020
4	Maharashtra State Load Dispatch Centre (**MSLDC**)	17 July 2020
5	Adani Electricity Mumbai Ltd.- Distribution (**AEML-D**)	11 August 2020
6	Maharashtra State Electricity Distribution Co. Ltd. (**MSEDCL**)	11 August 2020

5. **At the e-hearing held on 13 October 2020:**

5.1. Representative of TPC-D reiterated its submission as made out in the Petition and stated that additional demand charges payable by the consumers on account of exceeding their contract demand are passed through as revenue in ARR approval and hence the Additional Deviation Charges proposed to be levied on the Distribution Licensees under DSM Regulations should also be allowed as legitimate cost in ARR approval under MYT Regulations.

5.2. Representatives of MSLDC, MBPPL, GEPL and BEST stated that they have already filed their respective submissions and same may be considered by the Commission while deciding the Petition.

5.3. Representatives of State Transmission Utility (**STU**) and Indian Railways stated that they have no submissions to make in reply to the Petition.

5.4. Advocates appearing for MSEDCL re-iterated the submissions as made out in MSEDCL's replies.

5.5. Advocates appearing for AEML-D re-iterated the submissions as made out in its replies and further stated that as regards the first issue for allowing the Additional Deviation Charges as a pass through in ARR approval, AEML-D was in support of TPC-D's Petition. AEML-D further stated that as far as second issue is concerned, TPC-D is seeking discrimination for HT/ Open Access (**OA**) consumers which is not permissible. Already, there is a differential treatment for partial OA consumers vis-à-vis the full OA consumers in terms of liability towards notional demand charges, minimum threshold

charges, demand penalty, additional Transmission charges for repetitive STOA, Temporary Tariff for excessive drawal etc. However, if the prayer as sought by TPC-D is to be allowed at all, it should be made applicable to all HT/partial OA consumers irrespective of their respective capacities without any further discrimination.

5.6. Responding to AEML-D's objection, representative of TPC-D stated that as per Section 62(3) of the Electricity Act, 2003 (**EA**), the Commission may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.

6. After taking on record the submissions (both written and oral) made by the Parties, the Commission now deals with the issues as under:

7. **Issue 1:- Request for allowing recovery of Additional Deviation Charges as a pass-through in ARR under MYT Regulations**

TPC-D's submission

7.1. TPC-D is seeking certain relaxation in the provisions of the DSM Regulations as they are likely to have a significant financial impact on the business of TPC-D due to factors which are beyond its control.

7.2. Certain provisions of the DSM Regulations are required to be relaxed and/ or difficulties need to be removed since the same are not in conformity with the settled commercial principles which are mandatory as per Section 61 (b) and 61 (d) of the EA.

7.3. DSM Regulations provide for certain penal provisions in respect of deviation limit, which if not remedied and/ or relaxed, are likely to have an adverse financial impact on the Petitioner. The Commission under Regulation 92 of the MERC (Conduct of Business) Regulations, 2004 has the powers to intervene in terms of the present Petition and it will not be inconsistent with any of the provisions of the Central Electricity Regulatory Commission ((Deviation Settlement Mechanism and related matters) Regulations, 2014 as amended from time to time.

7.4. Deviation volume limit as per the formula specified in DSM Regulations works out to be 9 MW for TPC-D and same is significantly low considering that the demand forecast accuracy itself is primarily dependent on the accuracy of uncontrollable factors such as weather, accuracy limitations of measuring instruments and such other factors.

7.5. The weather forecast data available in India at a 15-minute interval (which is a primary input for demand projection of the Distribution Licensee) has an error of more than 5%. The accuracy in weather forecasting for FY 2018-19 as per India Meteorological Department (**IMD**) is only 92% for heatwaves and 74% for heavy rainfall vide its press release dated 14 January 2020.

7.6. As per the MERC (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018 (**F & S Regulations**), the Wind and Solar energy sources are allowed to undertake revision at every 1.5 hours which effectively means that they will revise their generation availability and the Distribution Licensee will have to absorb

such revised scheduled power. Further, the non-firm generation will be credited at actuals and not scheduled and therefore this may result in deviation for the Distribution Licensee.

7.7. The real time monitoring and grid operation is based on SCADA data which has an inherent error due to accuracy class of Multifunction Energy Meter and the said operating data itself has an error of more than 1%.

7.8. Thus, inherent limitations in demand forecasting described above would make it extremely difficult for TPC-D to adhere to the 1% deviation limit and in order to adhere to the stringent deviation limits and avoid grid indiscipline, TPC-D may have no option but to undertake measures which may result in inconvenience and resentment among the consumers which is not the intent of the Regulations. Hence, TPC-D is seeking relaxations in DSM Regulations and MYT Regulations.

7.9. In order to improve grid discipline, the Commission has introduced the volume limit for the Distribution Licensees in the DSM Regulations and corresponding Additional Deviation Charges. Third proviso of Regulation 55.1 of the MYT Regulations states that Additional Deviation Charges shall not be recoverable from the beneficiaries through Tariff.

7.10. The premise behind this Regulation is that the Distribution Licensees are technically capable of ensuring Zero or near Zero deviation and therefore, Deviation Charges are avoidable cost burden on the consumers. However, it is pertinent to note that the Distribution Licensee can manage deviations only to a certain extent and it is practically not possible to ensure Zero deviation. The deviations on the basis of inherent deviations in the weather forecasts, measurement and monitoring equipment are beyond the control of the Distribution Licensee. In absolute terms, the limit set is so low that the deviations on account of these factors may itself make TPC-D cross the volume limit set for it and would require TPC-D to pay Additional Deviation Charges.

7.11. Further, if the Distribution Licensee overdraws power from the grid, the same is for the consumers and gets consumed by them.

7.12. The consumption pattern of consumers cannot be forecasted so accurately for every time slot of fifteen minutes such that there is near zero deviation. Some consumers connected to TPC-D have a demand more than the volume limit fixed for TPC-D under the DSM Regulations. Hence, a sudden surge in demand and drawl of even one such consumer would result into additional DSM charges payable by TPC-D.

7.13. In order to prevent misuse of DSM, the DSM Regulations have already incorporated a provision for "Gaming" to prevent undue commercial gain through deviation charges. Therefore, as per Section 61 (d) of the EA, Additional Deviation Charge are beyond the control of the Distribution Licensees and the Deviation Charges including Additional Deviation Charges paid by a Distribution Licensee which are part of its electricity cost and/or service to the consumers, ought to be allowed as a pass-through in the ARR.

7.14. The Commission is requested to allow recovery of Additional Deviation Charges through the ARR and accordingly align the same dispensation in Regulation 55 of the MYT Regulations. The DSM Regulations are silent on the recovery/non-recovery of Additional Deviation Charges through Tariff. However, third proviso of Regulation 55.1

of the MYT Regulations stipulates that the Additional Deviation Charges paid or earned by the Distribution Licensees, shall not be recoverable from the beneficiary/ies through Tariff. Therefore, the Commission is requested to suitably amend/modify the MYT Regulations as well, along with the subject DSM Regulations. This would also be in line with Section 61 (d) and (g) of the EA.

MSLDC's submission

7.15. MSLDC has no specific submissions to make in the matter. MSLDC shall act upon and follow the directives given by the Commission in implementation of the DSM Regulations.

BEST's submission

7.16. The consumption pattern of consumers on 15-minute basis is very difficult to predict and ensuring zero deviation by the Distribution Licensees is technically not possible in practice. Further, the DSM Regulations allow only 1% deviation for Distribution Licensee during its peak demand. For BEST also, deviation volume limit is 11 MW, which is too small for its substantial demand base. It is technically not practicable to ensure deviation upto 1% level due to various uncontrollable factors in predicting demand forecast and real-time variations in the system. The accuracy of demand forecast depends on weather forecast accuracy, major breakdown in distribution network, Supervisory Control and Data Acquisition (**SCADA**) System error, infirm nature of RE sources etc. Due to global climatic changes, the weather forecast by weather service providers is found to be erratic, particularly during monsoon period and seasonal transition phase. All these factors are beyond control of any Distribution Licensee. Therefore, inherent limitations in demand forecasting would make it extremely difficult for Distribution Licensees to adhere to 1% deviation limit even at the best case scenario and therefore, Additional Deviation Charges will have to be paid by the Distribution Licensees for crossing specified deviation volume limit. As these additional charges are not allowed as pass-through in ARR of Distribution Licensees, it will result in significant financial impact to Distribution Licensees for the reasons beyond its control.

7.17. Further, MSLDC has proposed to carry out actual DSM commercial settlement based on existing interface meters till new meters are installed alongwith commissioning of the Automatic Meter Reading (**AMR**) system. Since existing interface meters are installed a decade ago, the accuracy of these meters at this stage needs to be ascertained as Distribution Licensees will pay for deviations due to any drift in accuracy of these meters.

7.18. Due to spread of Covid 19 and lock-down thereof, the demand of the Distribution Licensees including BEST is considerably reduced. Demand pattern has significantly undergone changes. This is drastically impacting the revenue of Distribution Licensees including BEST through electricity bill collection. It may likely take considerable period to normalize the demand scenario. Distribution Licensees will likely face difficulties in forecasting demand with accuracy in ensuing period due to evolving demand scenario in their Licence areas arising out of likely policy changes by statutory authorities and picking up of demand based on economic development thereof. Therefore, any additional

financial burden due to Additional Deviation Charges will have further financial impact on the Distribution Licensees, which are already undergoing financial hardship.

7.19. In view of the above, the Commission may grant relaxation as sought by TPC-D by allowing applicable Additional DSM charges paid by Distribution Licensee as pass-through in its ARR.

MBPPL's submission

7.20. MBPPL operates in its limited SEZ area and it has consumer base of IT/ITeS consumers who have specific demand patterns and power requirements. With limited set of consumers, even a smallest of change in HVAC operations schedule, leads to larger deviation in case of small Distribution Licensees.

7.21. Due to global pandemic of Covid-19 and subsequent preventive measures such as phase-wise lockdown and unlock being implemented by the State/Central governments, it has led to high level of uncertainty in terms of power demand by the consumers.

7.22. This situation has caused various new working methodologies in its consumer premises wherein many of the IT/ITeS companies are encouraging Work from Home (WFH) scenarios. This has adversely affected the floor occupancies and has direct impact on power requirements. For many companies, WFH is being implemented on pilot basis for some period. As the Distribution Licensee is not always informed about such matters which are internal to these organizations, change in demand patterns come as a surprise.

7.23. Despite its best efforts, MBPPL is still struggling to cope up with the dynamic situation and working on alternate forecasting methodologies to come up with the schedule with minimal deviations.

7.24. The objective of the DSM Regulations is to bring in stricter norms to further make grid operations disciplined and reliable. However, the implementation timelines of DSM mechanism are not only coinciding with the ongoing lockdown scenarios but also with its aftermaths even after extension of timelines.

7.25. As the entire globe is struggling to cope up with the situation due to pandemic, it is predicted on various forums that it is going to take minimum one or two years in order to get the economic situation back on track. This will lead to policy fluctuations for many companies including the organizations which are operating in SEZ licensee area. Therefore, it is anticipated that power demand in this period is likely to remain highly dynamic.

7.26. MBPPL supports the prayer of the Petitioner that the Additional Deviation Charges be allowed to be pass-through in ARR of the Distribution Licensees.

GEPL's submission

7.27. Identical submission has been made by GEPL as made out by MBPPL.

MSEDCL's submission

7.28. MSEDCL agrees with the Petitioner that Additional Deviation Charges due to uncontrollable factors shall be allowed to be recovered through ARR. MSEDCL, like the

Petitioner, is also facing issues due to weather parameters while forecasting the day ahead demand required for scheduling.

7.29. Accurate demand forecasting is primarily dependent on the accuracy of uncontrollable factors like weather parameters, consumer behaviour, etc. In addition to weather, there are other parameters also, whose assessment of impact on demand forecasting, is a big challenge:

i. **Effect of agitation**:- The industrial, residential as well as other load also, gets affected due to mass agitations. The severity of agitation and its impact on demand cannot be forecasted beforehand. Due to agitation on 9 August 2018, there was a drop in demand by about 950 MW. However, during the agitation held on 27 July 2018 for the same purpose and by the same people, there was not much change in demand.

ii. **Effect of special day on demand:** Some of the special days like Republic Day, Labour Day, Independence Day, Dasara, Diwali have large effect on demand and also, said impact can't be calculated accurately.

iii. **Impact due to Distributed Generation**: Actual generation from solar roof top systems is not known in real time and forecasting of demand of such distributed generation is also vested with Distribution Licensees. Further, OA consumers' deviation using captive RE generation are also to be absorbed by Distribution Licensees. Forecasting of generation from such captive RE plant is also to be done by Distribution Licensees.

7.30. It is necessary that actual demand which is being shown in SCADA system is close to actual demand that will be measured post facto based on reading of interface meters which STU has recently installed but its reading are not made available even to MSLDC.

7.31. As and when AMR will be installed, in order to monitor deviation in real time operations, it would be necessary that suitable provision to fetch real time data of all drawal points shall be provided to compute actual demand.

7.32. Presently, there is no alternative to SCADA for fetching real time data. But currently, SCADA/RTUs are not installed on almost 80% of MSEDCL's drawal points. In absence of this, actual demand/drawal of MSEDCL is not being measured in real time operations and MSEDCL's demand is being derived using SCADA data of state Generation, drawal from central sector grid and drawal of Mumbai DISCOMs. This derived demand of MSEDCL in SCADA has large error mainly on account of intermittent SCADA visibility of RE generation, which is part of state generation being used for deriving MSEDCL demand.

7.33. Further, a large difference is observed between demand derived in SCADA (in real time) and in Daily System Report (**DSR**) report (post facto). Hence MSLDC needs to share meter data with MSEDCL.

7.34. On account of above-mentioned issue, MSEDCL would not be able to manage the deviation correctly and would not be able to take correct decision, as actual demand of MSEDCL would not be available in real time. Hence, there are more probabilities that

MSEDCL will end up paying more DSM penalty under additional DSM charges than payable as per demand computed in real time in SCADA.

7.35. At present, the 15-minute data of actual demand at all drawal interface points pertains to MSEDCL is not available, resulting in the impossibility in forecasting demand taking into consideration effect of weather forecast. For any demand forecasting software, historical data of at least last three years is required. At present, MSEDCL doesn't have such historical data, as STU had not installed meters at MSEDCL interface points. Hence, achieving accuracy in demand forecasting will be a difficult task. As such MSEDCL may be required to pay additional DSM changes for violating DSM volume limit, due to issues which are beyond the control of MSEDCL.

7.36. Even if in real time it maintains deviation within its volume limit as per demand in SCADA, during actual settlement, MSEDCL may be required to pay penalty on account of violating its deviation volume limit as actual demand measured by meter will be certainly different from that derived in real time based on methodology adopted by MSLDC at present.

7.37. MSLDC has issued deviation bills to Wind & Solar generators under RE (F&S) Regulations and it is seen that accuracy of forecast is very poor. In fact, MSLDC, vide its letter dated 23 April 2020 has pointed out that average deviation per block is about 475 MW for all 4 weeks of Feb-2020. In monsoon season, wind generation reaches its peak. Hence, deviation from wind generation will increase further. The deviation is also observed in solar energy, where average deviation per time block is computed as 131 MW. Taking into consideration of these deviations, the impact of deviation of wind and solar will be more on MSEDCL since MSEDCL has most of the contracted capacity in state.

7.38. Hourly difference in forecasted schedule on day ahead basis and actual wind and solar generation is in the range of -37 MW to 1301 MW and -337 MW to -2 MW respectively. Since MSEDCL considers such availability in its day ahead planning from RE generators, such large deviations, ultimately impact overall power planning for next day. Moreover, for real time operations also, such forecasting errors pose problem in managing deviations. Further on post facto basis, such deviation aggravates the DSM violations.

7.39. In view of the above, MSEDCL agrees with the views of the Petitioner and submits that until SCADA is installed at all interface points by STU and higher accuracy level in RE wind & Solar forecasting is achieved, any penalty on account of additional DSM charges shall be allowed to be recovered through ARR.

7.40. The Commission is requested to allow recovery of additional DSM charges through ARR until SCADA is installed at all interface points by STU and more accuracy in RE wind and Solar forecasting is achieved.

AEML-D's submission

7.41. It is practically impossible for any Distribution Licensee to forecast day ahead demand at 15-minute level with the accuracy of ~1% (17 MW for AEML-D) as required under the DSM Regulations to avoid the financial impact.

7.42. In addition to weather, there are certain other uncontrollable factors, impact of which ought to be considered in the DSM Regulations such as breakdowns caused by 33 kV cable faults, along with a simultaneous 11 kV fault, failure of power transformer, frequent revisions by Wind and Solar generators, inherent errors in SCADA data, variation due to changeover consumers drawal (peculiar to AEML-D) etc.

7.43. If the Distribution Licensees overdraw power from the grid, the same gets consumed by the consumers and therefore, not allowing the Deviation Charges as a pass-through in the ARR is unfair and unreasonable and violative of Section 61(d) and (g) of EA.

7.44. As can be seen from the DSM Regulations, the Distribution Licensee is only required to pay the additional DSM charges and there is no scenario / case where Distribution Licensee will receive any amount under the Regulation 10 of DSM Regulations.

7.45. Regulation 10 gives similar treatment to Distribution Licensees and Generators. However, the Generators/Sellers have better control over the deviations and at the same time, Generators are responsible for entire deviation from schedule i.e. net the amounts earned or paid for the base deviations are also with Generators. Hence, on rolling/ average basis there is a possibility for generators to mitigate the risk and same is not the case with the Distribution Licensee. Hence Distribution Licensees need to be granted relief on this issue. Accordingly, AEML-D supports the prayer that the Additional Deviation Charges be allowed to be passed through in ARR of the Distribution Licensees.

Commission's Analysis and Ruling

7.46. As per the DSM Regulations, the Deviation Charges for all the time-blocks are payable for over-drawal by the Buyer and under-injection by the Seller and receivable for under-drawal by the Buyer and overinjection by the Seller, and are to be worked out on the average frequency of a time-block by considering the Price Vector for Deviation Charges as specified in the CERC (Deviation Settlement Mechanism and related matters) Regulations, 2014 and its amendments thereof.

7.47. In addition to the Deviation Charges, Additional Deviation Charges are applicable for over-drawal as well as under-injection of electricity for each time block in excess of the volume limit specified in the Regulations, when average grid frequency of the time block is "49.85 Hz and above" at the rates specified in the Regulations and these Additional Deviation Charges are 20%, 40% and 100% of the Deviation Charges based on the amount of deviation. Similarly, these Additional Deviation Charges are applicable for exceeding the volume limit during under-drawal and over-injection when the frequency is 50.05 and above.

7.48. TPC-D has prayed that these Additional Deviation Charges should be allowed as pass through in the ARR approval. All other Distribution Licensees have also supported this prayer citing various grounds in support of this prayer.

7.49. On this issue, TPC-D is also seeking relaxation/modification in Regulation 55.1 of MYT Regulations, 2019 which reads as under:

" 55.1 Variations between actual net injection and scheduled net injection for the generating stations, and variations between actual net drawal and scheduled net drawal for the Beneficiary/ies shall be treated as their respective deviations, and charges for such deviations shall be governed by the Maharashtra Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2019:

…….Provided further that the Deviation Charges paid or earned by the Distribution Licensees in accordance with Regulation 9 of the Maharashtra Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2019 shall be recoverable/adjusted from the Beneficiary/ies through Tariff:

Provided also that the Additional Charges for Deviation paid or earned by the Distribution Licensees in accordance with Regulation 10 of the Maharashtra Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2019, shall not be recoverable from the Beneficiary/ies through Tariff."

7.50. It is observed that the above Regulation was part of the draft MYT Regulations which were published seeking comments from the stakeholders. TPC-D had raised similar objection on the Additional Deviation Charges as is raised in the present Petition and had suggested that the Additional Deviation Charges should be allowed to be recovered from the beneficiaries. However, the Commission has addressed the objection in the Statement of Reasons (**SOR**) as under:

*" **5.20 Clause 54: Deviation Charges***

5.20.1 Proposed in draft MYT Regulations, 2019

"54.1 Variations between actual net injection and scheduled net injection for the generating….

...Provided also that the Additional Charges for Deviation paid or earned by the Distribution Licensees in accordance with Regulation 10 of the Maharashtra Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2019, shall not be recoverable from the Beneficiary/ies through Tariff."

5.20.2 Comments Received

AEML submitted that controllability of the Distribution Licensee is limited, as low demand period may be lower than the sum of RE and Technical Minimum of thermal stations. Hence, it is not possible to restrict under injection at Distribution Licensee level. SLDC may take appropriate decision like Reserve Shut Down to manage over drawal. Sudden changes in weather/temperature causes drastic changes in demand even with best forecasting techniques. One-degree temperature change in AEML area causes 45 MW variation in demand. AEML does not carry out demand forecast based on weather. Even though there is facility to revise schedules,

it will not be possible to arrange the revised power requirement at the granularity of 15 minutes as currently a minimum of 3 hours is required to arrange any power on Power Exchanges. Hence, considering the high variability in demand, the Commission could fix a limit, say, 3% for MAPE (Mean Average Percentage Error) in forecast, within which the Additional Charges would be borne by beneficiaries.

TPC submitted that actual net drawal by the Distribution Licensee is uncontrollable as the sales has been included under uncontrollable parameter in these Regulations. Additionally, deviations by generators of the captive consumers and/or part Open Access consumers may lead to deviations in the actual drawal by the Licensees beyond the allocated Volume Limits thereby incurring the Additional Deviation Charges liability. Such deviations are beyond the reasonable control of the Licensees. Therefore, additional charges / revenue paid / received by the Distribution Licensees should also be allowed to be recoverable from the beneficiaries and the same provision may be deleted from Regulation 54.1. Even other States like Gujarat and existing MYT Regulations have no provision related to additional deviation charges. Hence, it is proposed to delete the third proviso.

5.20.3 Analysis and Commission's Decision

The Commission is of the view that the submission of the stakeholders as regards to recovery of additional deviation charges from beneficiaries, goes against the intent and spirit of the DSM Regulations, 2019. Hence, no modification is needed in the said Regulation."

7.51. Thus, the Commission did not consider any need to revise the draft Regulation as same would have been against the intent of DSM Regulations. In light of the above, the Commission is of the view that there is no need to take a different view on this Regulation which has been finalized for a balanced dispensation of all the stake holders and which was finalized after following a due public consultation process which includes a considered view on TPC-D's objection on this issue.

7.52. Further, if the Additional Deviation Charges are allowed as pass through in ARR for the Distribution Licensees under the MYT Regulations as sought by the all the Distribution Licensees in view of difficulties in estimating correct schedule and sudden drop/variations of loads for issues beyond their control, the whole purpose of grid discipline to be followed by the Distribution Licensees as envisaged in DSM Regulations will get defeated as there would not be any dis-incentive for Distribution Licensees to breach their respective drawal schedules. As a result of this, the Regulation related to volume limit for the Distribution Licensees specified under the DSM Regulations would become redundant as the volume limits may not be practically maintained by the State Entities in absence of Additional Deviation Charges. These Charges are necessary, to follow the volume limits by Intra-State Entities.

7.53. Volume limit for the Buyers/Sellers is crucial for secured grid operations as in the absence of volume limit under DSM Regulations, the price signal with deviation price vector within the operating frequency range would not be sufficient to address over-drawal/under-injections. Further, without the volume limit, there would be a perverse signal for over-drawal/under-drawal or under-injection/over-injection without any regard to other grid parameters like transfer capability, voltage level, fault levels, etc. Large quantum of unscheduled over-drawal/under-drawal even when the frequency is within the normal band can give rise to transmission constraints and jeopardize grid security. Frequency is not the only consideration in reliable operation as there can be instances where system frequency is within range and large unscheduled power flows on certain elements can result in catastrophic grid failure.

7.54. Thus, the Commission is of the view that while the Distribution Licensees are looking at this issue of applicability of Additional Deviation Charges from a commercial angle, the important aspect of the secured and reliable grid operation cannot be ignored. The objective of the DSM Regulations is to maintain grid discipline and grid security as envisaged under the Grid Code through commercial mechanism for Deviation Settlement through drawal and injection of electricity by the users of the grid and the Additional Deviation Charge is an effective mechanism to ensure the grid security and grid discipline envisaged under the DSM Regulations.

7.55. It is also likely that with only Deviation Charges in place without any Additional Deviation Charges, the DSM mechanism (particularly at better frequencies) may be treated as source of procuring power considering the lower rate of Deviation Charges and considering that the Deviation Charges are allowed as pass through in ARR.

7.56. Further, the deviation of individual State Entities may lead to such a level that State deviation may exceed the stipulated limit of 250 MW. Increased occasions of the State exceeding the stipulated deviation limit of 250 MW may result in State paying the additional charges to regional pool. Thus, the liability of State would go up which would be recoverable from the consumers of various Distribution Licensees resulting into double impact on the consumers if Additional Deviation Charges are allowed as pass through in Tariff as prayed.

7.57. The Commission further notes that a condition has been stipulated in the DSM Regulations according to which, for deviations exceeding its volume limits upto 6 time-block during the day, Additional Deviation Charges shall not be applicable if the deviation at state periphery does not exceed the state volume limit of 250 MW, beyond which, the Additional Deviation Charges shall continue to be applicable, even if deviation at state periphery does not exceed state volume limit. Thus, during initial stages of introduction of the volume limit, the DSM Regulations has already provided a safeguard to the Distribution Licensees to ensure that impact of Additional Deviation Charges is not be too onerous on them.

7.58. On the various arguments made by the Distribution Licensees about their uncontrollability over demand and its variation, the Commission is of the opinion that the Distribution Licensees may have limited controllability over the demand catered by them, however with proper forecasting, the Distribution Licensees can revise their

schedule and/or take steps through appropriate demand side measures including demand response to minimize the deviation in either of the direction.

7.59. The Distribution Licensees have also highlighted the impact of the Wind and Solar generators' deviation on the liability of Distribution Licensees towards Additional Deviation Charges. On this issue, the Commission notes that MERC (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018 have been notified on 20 July 2018 and its commercial implementation has been commenced from January 2020. These Regulations for variable RE generation shall also bring discipline in forecasting of RE generation. The Distribution Licensees may use this data while forecasting their demand and preparing their schedule.

7.60. Further, as per the RE F & S Regulations, deviation impact at state periphery on account of RE deviation shall not be passed on to the Distribution Licensee or other stakeholders. The impact of deviation on account of variable RE (wind and solar) generation on aggregate basis at state periphery shall be passed on to the RE generators responsible for deviation, as per the conditions stipulated under F&S Regulations. Though presently the state periphery charges under F & S Regulations are kept in abeyance and are being analyzed for its correct levy/collections, the Commission is of the view that with these charges, the Distribution Licensees would be protected to that extent.

7.61. TPC-D has contended that the non-firm generation will be credited at actuals and not scheduled and therefore this may result in deviation for the Distribution Licensee. In this context, the Commission notes that, though RE generators are paid on basis of actual generation as per the provision of existing Energy Purchase Agreements (EPAs), these generators are made to pay in both directions (i.e. over-injection as well as under-injection) for their deviation beyond stipulated limit of 15% absolute error, thus there is deterrent provision for RE Generators for violating their schedules. With these Wind and Solar generators gaining experience under RE F & S Regulations, it is expected that their forecasting would improve, and their deviation would go down from the present level.

7.62. MSEDCL has submitted that presently, there is no alternative to SCADA for fetching real time data for monitoring of their actual drawal. But currently, SCADA/RTUs are not installed by MSETCL at their EHV Substations and hence there is no visibility on almost 80% of MSEDCL's drawal points (i.e. mainly at MSETCL 220/33kV or 132/33kV Substations). In absence of this, actual demand/drawal of MSEDCL is not being measured in real time operations and MSEDCL's demand is being derived using SCADA data of State Generation, drawal from Central sector grid and drawal of Mumbai DISCOMs. This derived demand of MSEDCL in SCADA has large error mainly on account of intermittent SCADA visibility of RE generation, which is part of State generation being used for deriving MSEDCL demand. According to MSEDCL, absence of SCADA may result MSEDCL to pay higher deviation charges.

7.63. The Commission acknowledges the fact that the availability of SCADA will provide MSEDCL the visibility of its real time drawal. The Commission notes that MSEDCL has been raising this issue time and again.

7.64. The Commission in its Statement of Reasons (SOR) to DSM Regulations has dealt with the issue of SCADA visibility and preparedness for DSM implementation. Further, Metering

and Communication Coordination Committee to be constituted under the MERC (State Grid Code) Regulations 2020, inter alia, would be required to undertake a periodic review of SCADA visibility of all Drawal and injection points. For establishing connectivity and communication link at T<>D interface for drawal point of Distribution Licensee to ensure visibility to MSLDC is responsibility of STU. Hence, STU should come up with a concrete and cost-effective and timely implementable plan within 3 months in consultation with the Grid Co-ordination Committee for implementation of SCADA to ensure required real time visibility at MSLDC.

7.65. However, absence of SCADA should not come in way of commencement of commercial implementation of the DSM Regulations which is essential to bring grid discipline among the State Entities. The Commission further notes the issues raised by TPC-D and BEST. These Licensees have raised the issue of difference in real time SCADA data and Meter data while requesting the Additional Deviation Charges to be allowed as pass through in ARR. Thus, even if SCADA is in place, there would be further issues related to accuracy of its measured data for DSM purpose. Further, presently, in absence of SCADA, MSEDCL has been taking appropriate decisions on revising its drawal schedule in real time. Same can be continued by MSEDCL till SCADA gets commissioned by STU.

7.66. MBPPL and GEPL have also raised the issue of demand uncertainties due to Covid 19 pandemic and its aftermath. On this issue, the Commission notes that significant industrial and commercial activities have already been commenced due to various unlock orders of the State Government and the demand would get stabilized as the time progresses. It is also pertinent to note that vide its Order dated 28 October 2020, the Commission has already deferred the commercial implementation of DSM Regulations till 28 December 2020. The trial run of DSM Software modules had already been commenced from 24 June 2020 and now a fresh trail run of the updated software has been commenced on 14 October, 2020 wherein all the Parties in the present proceeding are participating.

7.67. In light of the above discussion, the Commission is not inclined to grant the prayer of TPC-D (also supported by rest of the Distribution Licensees) for allowing Additional Deviation Charges as a pass-through in the ARR of the Distribution Licensee and providing a relief in Regulation 55.1 of MYT Regulations.

7.68. On the claims of the Distribution Licensees regarding volume limits being too stringent for them to meet, the Commission notes that it has already been clarified in the SOR for DSM Regulations that the implementation of DSM framework shall be initiated with the proposed volume limits in the DSM Regulations and based on the actual data generated during initial phase of implementation, the Commission may revise the volume limits for Intra-State entities. As mentioned at Para. 7.63 above, the trial run of DSM Software modules had already been commenced from 24 June 2020 and now a fresh trial run of the updated software has commenced on 14 October, 2020. The Commission also understands that the day-ahead as well as Intra-day scheduling is now being undertaken in accordance with the de-centralized scheduling under the DSM Regulations. Hence, it is expected that the trial run results and also the commercial operations thereafter, would indicate the actual impact of volume limit and the Additional Deviations Charges on the

Distribution Licensees, which can be considered (if necessary) for revision in the volume limit for Intra-State Entities in future.

8. **Issue 2:- Request for direction enabling Distribution Licensees to seek daily schedule from certain types of HT consumers to minimize deviation and levy of Additional Deviation Charges to them for the deviation in their respective schedule**

TPC-D's submission

8.1. While the Distribution Licensee carries out detailed study based on past data, weather forecast and other tools to forecast a realistic schedule, there are certain factors which are beyond the control of the Distribution Licensee. One such factor is major changes in actual demand/consumption by consumers specifically those having a high contract demand.

8.2. While full OA consumers are required to give their schedule, the same is not the case with partial OA consumers. These consumers are connected to the distribution network and maintain contract demand with the Distribution Licensee for their entire load requirement. However, these consumers procure a part of their demand from power supply sources other than the Distribution Licensee including power exchange. Every time there is cheaper power available in exchange or from any other sources, these consumers procure maximum quantum of their power requirement from these sources through OA. Similarly, in case the cost of power is higher in the short term or day ahead market as compared to power available from the Distribution Licensee, no power is scheduled from these sources. While the consumer has every right to do so, based on their cost benefit analysis, the Distribution Licensee is not made aware of these procurement decisions thereby either leaving the power procured by the Distribution Licensee on their behalf as surplus to be disposed off at much cheaper rate on a real time basis or procure additional power on real time basis at the marginal costs which may be comparatively costly. Further, they cause demand variations vis-a-vis schedule of the Distribution Licensee.

8.3. Some consumers have large in-situ captive generating capacities. The variations in the in-situ generating capacities are met from the Distribution Licensee. If such generator trips or has an outage, the entire demand is shifted to the Distribution License without prior notice. These in-situ capacities being significant lead to huge demand variations in the actual demand of the Distribution Licensee vis-a-vis schedule.

8.4. The contract demand of certain consumers maintained with the Distribution Licensee is significantly high and there is a likelihood of major deviations by such consumers which would ultimately lead to deviation by Distribution Licensee vis-a-vis schedule.

8.5. Hence, certain discipline is required from consumers specifically who have a capability of causing significant demand variations as the deviations caused by these consumers not only lead to deviation and Additional Deviation Charges but may be a potential threat to the grid stability. Hence, it is imperative, that the Distribution Licensee is aware of the schedules of such consumers.

8.6. In the Multi Year Tariff (**MYT**) Order for TPC-D, the Commission has expressed that in-situ captive consumer may be subjected to charges if their overdrawl caused their Distribution Licensee to pay Deviation Charges as per DSM framework.

8.7. The Commission has also made provision for scheduling and deviation charges on the Wind and Solar generators despite the fact that these sources of energy are not firm in nature. Similarly, HT/Partial OA consumers may be allowed the deviation band higher than the normal band computed for the Distribution Licensee. These consumers should be liable for Additional Deviation Charges only if the Distribution Licensee has to pay the Additional Deviation Charges and if their deviation is more than 15% from the schedule in line with the deviation limit allowed to Wind and Solar generators.

8.8. These large consumers are either industrial, commercial or public utilities, which have well-defined schedule of operation. Therefore, these consumers can forecast their demand and submit their schedules with high degree of accuracy based on their operation schedule and will result into better discipline in grid management.

8.9. The Commission is requested to direct the above-mentioned consumers mandating them to submit their daily power procurement schedule to the Distribution Licensee, both from the Distribution Licensee and any other sources including in-situ captive generating plants. This would enable the Distribution Licensee to carry out better planning of its demand consequently resulting in minimizing the deviations and ultimately reducing cost to the consumers.

MSLDC's submission

8.10. MSLDC has not made specific submission on this issue.

BEST's submission

8.11. BEST has not made specific submission on this issue.

MBPPL's submission

8.12. MBPPL has not made specific submission on this issue.

GEPL's submission

8.13. GEPL has not made specific submission on this issue.

MSEDCL's submission

8.14. On the issue of mandating OA/HT consumers to provide their schedules to the Distribution Licensees and also sharing of Additional Deviation Charges by them, it is submitted that the MERC (Distribution Open Access) Regulations, 2016 as amended (**DOA Regulations**) and MERC (Transmission Open Access) Regulations, 2016 as amended (**TOA Regulations)** already provide for intimation of day ahead schedule to the Distribution Licensee by both partial OA consumer and captive consumers with in-situ Captive Generating Stations having installed capacity of 1 MW and above. However, same is not made mandatory, like in case generator with installed capacity more than 25 MW under Scheduling and Dispatch Code wherein, in case such generator fails to submit its schedule within defined timeline, then availability for next day is based on actual availability for previous day and its deviation will be computed based on such availably

as per provision in DSM Regulations. Hence, in case partial OA consumer or captive consumers with in-situ Captive Generating Stations having installed capacity 1 MW and above fail to submit its schedule within the timeline, then their schedule shall be considered as either "zero" or "schedule submitted for previous day" and based on this, deviation of such consumer shall be computed. This will mandate such consumers to follow timeline given by respective Regulation.

8.15. In case of HT consumer having In-Situ captive generation, there is no provision for settlement of deviation between schedule energy (from MSEDCL) and actual drawal energy whereas the respective provision is only for exceeding contract demand with MSEDCL. Hence, the provisions as governed in DOA (First Amendment) Regulations 2019 shall be amended as per the charges mentioned in DSM Regulations and hence for any deviation by partial OA consumers, consumers having In-Situ Captive generation and HT consumers, overdrawal shall be settled at the higher of the following:

i DSM rate plus additional DSM charges; or,

ii the Energy charge or Variable Charge of Temporary Tariff category, whichever is applicable, as determined by the Commission in respect of the Distribution Licensee.

8.16. MSEDCL agrees with the Petitioner that such provision will enable the Distribution Licensees to carry out better planning of their demand consequently resulting in minimizing of deviations and ultimately reducing the cost to the consumers and further it shall be made mandatory for all partial OA consumers irrespective of contracted capacity of consumers to submit their day ahead schedule to the concerned Distribution licensees.

8.17. The Commission is requested to make it mandatory for all partial OA consumers irrespective of contracted capacity as well as for captive consumers with in-situ captive generation, to submit their day ahead schedules to the concerned Distribution Licensees failing which their schedules shall be considered as zero. The Commission should also allow to settle any overdrawal by partial OA consumers and consumers having In-Situ Captive generation and HT consumers, as mentioned above.

AEML-D's submission

8.18. The MERC (Distribution Open Access) (First Amendment) Regulations, 2019 already capture the issue of non-revision of Contract Demand by OA consumers and provide for sufficient in-built penalty in terms of Notional Demand Charges. Therefore, the OA consumers, are anyway nudged towards reducing their CD to the extent of demand met out of OA. In case of failure of OA source of in-situ captive generation, these consumers will be subject to penal demand charges and energy and wheeling charges as well.

8.19. The present mechanism provides sufficient transfer of risk from Distribution Licensee to such OA consumers and further subjecting these consumers to deviation charges may not be appropriate. However, in order to assist Distribution Licensee in preparing its forecast more accurately, a mechanism may be prescribed where partial OA consumers provide their day-ahead demand and OA schedules to the Distribution Licensee, so that the Licensee can forecast its demand considering the same.

8.20. If the Commission is inclined to specify any mechanism to pass on pro-rated Additional Deviation Charges to partial OA consumers and / or issues any directions to such OA consumers to provide their daily power procurement schedule to the Licensees, the same should apply to all partial OA consumers, regardless of their load, OA requirement or consumer category.

Commission's Analysis and Ruling

8.21. TPC-D has sought directions to partial OA consumers, consumers having In-Situ captive generation and HT consumers having sanctioned / contract load equal or more than TPC-D's volume limit (9 MW) / Distribution Licensee to submit their daily schedule to the Distribution Licensee of its area. TPC-D is also seeking levy of proportionate Additional Deviation Charges to partial OA consumers, consumers having In-Situ captive generation and HT consumers having sanctioned / contract load equal or more than TPC-D's volume limit (9 MW) / Distribution licensee for the deviation in their respective schedules.

8.22. The Commission notes that while submitting comments to the draft of DSM Regulations, TPC-D had suggested that the Distribution Licensees may be allowed to pass on the impact on account of Deviation Charges to the concerned Partial OA consumers. However, the Commission has addressed the objection in the Statement of Reasons (**SOR**) as under:

> *" **30. Other issues contributing to Deviation and leading to consequent financial liability over Discoms***
>
> ***30.1. Comments received***
>
> ……
>
> *b) Failure of embedded OA consumers (Partial OA) to arrange power:*
>
> *AEML submitted that, during contingencies and major tripping market mechanism will be suspended. Based on inputs from DISCOMs /Generators or Grid conditions SLDC shall declare such event. For the partial OA Consumers, Discom represents in the State Pool. If OA Consumer fails to arrange power on day ahead basis or during the day due to tripping or any other issue with its contracted source it will result in overdrawl by the Discom and Discom would have to pay charges, even if there is no variation in Discom's own demand.*
>
> ***Tata Power requested to allow Distribution Utility to pass on the impact on account of Deviation charges to the concerned Partial Open Access consumers.***
>
> ***30.2. Analysis and Commission's Decision***
>
> …
>
> ***The embedded OA consumers shall not be visible to SLDC for scheduling purpose. Hence, their schedule shall be part of Discom schedule****. Besides, the energy accounting and treatment for deviation of embedded OA generation and embedded OA consumer will have to be dealt by host distribution licensee rather*

than through state deviation account. ***The Draft DSM Regulation proposes to continue with treatment to the Deviation Settlement of partial OA consumers under provision of MERC Open Access Regulations and its amendment, from time to time***.*"*

8.23. Thus, acknowledging the fact that the treatment for deviation by partial OA consumers has already been specified under the DOA Regulations and also considering the fact that the embedded OA consumers are not visible to MSLDC, the Commission deemed it appropriate not to consider request of TPC-D to allow Distribution Licensees to pass on the impact on account of deviation charges to the concerned partial OA consumers. Further, the DOA Regulations have factored in provisions of DSM Regulations as vide DOA First Amendment Regulations, it has been specified that the overdrawal of partial OA consumers shall be settled at the higher of the following:

(i) the System Marginal Price plus other incidental charges [Net Unscheduled Interchange ('UI') charges, additional UI charges] or **any other Charges for Deviation as per Deviation settlement mechanism as identified under the mechanism operating in Maharashtra from time to time**

or

(ii) the Energy charge or Variable Charge of Temporary Tariff category, whichever is applicable, as determined by the Commission in respect of the Distribution Licensee:

8.24. The Commission also agrees with the submissions of AEML-D that the present mechanism provides sufficient transfer of risk from Distribution Licensee to such OA consumers and further subjecting these consumers to deviation charges may not be appropriate.

8.25. Apart from the partial OA consumers, TPC-D has sought directions for consumers having In-Situ captive generation and HT consumers for submissions of schedules and for levy of Additional Deviation Charges to these consumers. The Commission notes that as per Regulation 4 of the DSM Regulations, these Regulations are applicable to for all Buyer(s) including Distribution Licensee(s), Deemed Distribution Licensee(s) located in the state and full OA consumers connected to intra-state transmission system. By making aforesaid prayer, TPC-D has sought to bring the consumers having In-Situ Captive generation and HT consumers under the ambit of DSM mechanism. However, the Commission is of the view that at the present stage when implementation of DSM Regulations is at nascent stage, it would not be appropriate to include these consumers under DSM mechanism.

8.26. Further, when the Distribution Licensees (which are already equipped with necessary forecasting /planning tools and other expertise and which were given a period of more than one year for necessary preparedness for implementation of DSM Regulations) are coming up with a set of difficulties in managing their drawal and estimating correct schedule, it would not be fair to assume that the HT consumers/in situ consumers will have no say on their difficulties.

8.27. If the prayer as sought by the Petitioner is to be allowed, it would either require a substantial modification in present DSM Regulations or a separate DSM mechanism for HT and other major consumers would have to be evolved.

8.28. Further, the Commission after due consideration of Model Regulations of Forum of Regulators (FOR) and taking into account all the facts/circumstances/comments, has defined the applicability of the DSM Regulations and at this point in time, the Commission does not find any cause of action for expanding the scope of these Regulations. Accordingly, the Commission is not inclined to allow the prayer of TPC-D regarding sharing of Additional Deviation Charges by partial OA consumers, consumers having In-Situ captive generation and HT consumers having sanctioned / contract load equal or more than TPC-D's volume limit (9 MW) / Distribution Licensee.

8.29. MSEDCL has also stated that the MERC (Distribution Open Access) Regulations, 2016 as amended (**DOA Regulations**) and MERC (Transmission Open Access) Regulations, 2016 as amended (**TOA Regulations)** already provide for intimation of day ahead schedule to the Distribution Licensee by both partial OA consumer and captive consumers with in-situ Captive Generating Stations having installed capacity of 1 MW and above. However, same is not made mandatory, like in case generator with installed capacity more than 25 MW under Scheduling and Dispatch Code. MSEDCL has suggested that identical treatment needs to be given to such consumers and in case such consumers fail to submit its schedule within the timeline, then their schedule shall be considered as either "zero" or "schedule submitted for previous day" and based on this, deviation of such consumer shall be computed. This will mandate such consumers to follow timeline given by respective Regulations.

8.30. In this context the Commission notes that second proviso to Regulation 16.2 of the DOA Regulations reads as under:

> *"Provided further that a Partial Open Access Consumer of a Distribution Licensee and Generating Stations connected to the Distribution System* ***shall submit*** *the schedule to such Distribution Licensee."*

8.31. The word ***shall*** make it amply clear that submission of schedule by the Partial OA consumers to the Distribution Licensees is mandatory in nature. However, there is no specific provision to address the situation when the partial OA consumers do not submit the schedule to the Distribution Licensees.

8.32. The Commission further notes that in case of partial OA consumers, the deviation is computed based on contract demand of these consumers and not the schedule. The relevant extract is given below:

> *" 19.2 Settlement of Energy at Drawal Point in respect of Open Access Consumer, or Trading Licensee on behalf of Open Access Consumer****: Deviations between the Contract Demand and the actual drawal*** *in respect of an Open Access consumer shall be settled as follows:…."*

8.33. Accordingly, although the schedule of partial OA consumers may not be relevant for the deviation computation, such schedule enables the Distribution Licensees to plan its power purchase through day ahead quantum in a better manner. As per submission of MSEDCL, it appears that some of the consumers are not submitting their schedule to the Distribution Licensees. The Commission is of the view that MSEDCL needs to seek compliance of the Regulations and if needed, approach the Commission separately with

the data of such non submission, for necessary/appropriate directions from the Commission.

8.34. TPC-D has also stated that the variations in the in-situ generating capacities are met from the Distribution Licensee. If such generator trips or has an outage, the entire demand is shifted to the Distribution Licensee without prior notice. These in-situ capacities being significant lead to huge demand variations in the actual demand of the Distribution Licensee vis-a-vis schedule.

8.35. The Commission, in preceding part of this Order, has already recorded the reasons for not allowing any sharing of Additional Deviation Charges by the consumers having In-Situ captive generation. On the issue of sudden switching over of these consumers to the Distribution Licensees from their own in situ captive generation in case tripping / outage, the Commission notes that the Regulation 50.2.4 of the MERC (State Grid Code) Regulations, 2020 requires the such consumers to submit the schedule to the Distribution Licensees. The Regulation reads as under:

> *" 50.2.4. Captive Consumers* ***with in-situ Captive Generating Stations having installed capacity 1MW and above shall provide Net Schedule of their consumption to Distribution Licensee(s)*** *to facilitate Distribution Licensees plan their demand forecast and schedule of power requirement accordingly."*

8.36. From bare perusal of the Regulation, it is seen that the above Regulation is binding in nature and hence, the Distribution Licensee should seek compliance of the above Regulation. In absence of specific provision to deal with the situation of non-submission of schedule by such consumers, the Commission directs that the Distribution Licensees shall consider the "schedule submitted for previous day" in case of non-submission of schedule by such consumers. The Commission is of the view that such direction is necessary to ensure compliance and to build up the data and that the same would not prejudice these captive consumers as there would be no adverse impact on them on account of such consideration of previous day schedule by the Distribution Licensees. As regards the issue of tripping /outage of their captive generator and associated impact on the Distribution Licensees is concerned, the Commission is of the view that under such circumstances, these consumers would be required to pay the applicable demand and energy charges to the Distribution Licensees for their added consumption. However, in order to enable the concerned Distribution Licensee to manage its demand and take necessary decision regarding re-scheduling its drawal, the Commission directs that planned outage of the in situ generating station shall be communicated by them to the concerned Distribution Licensee with an 24 hours advance notice alongwith the likely period of outage. Further, in case of tripping, the intimation should be given to the Distribution Licensee immediately with likely period of the forced outage. In case of any implementation issue, the Distribution Licensees may approach the Commission separately with the records of such instances for necessary/appropriate directions from the Commission.

9. In view of the issue-wise discussions in preceding part of the Order, the Commission does not find it necessary to grant the prayers of TPC-D.

10. Hence the following Order:

ORDER

Case No. 114 of 2020 is dismissed.

Sd/-	**Sd/-**
(Mukesh Khullar)	**(I. M. Bohari)**
Member	**Member**

(Abhijit Deshpande)
Secretary