

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.merc.gov.in

Case No. 134 of 2020

Case filed by the Tata Power Company Limited (Distribution) seeking approval for levying "Green Power Tariff" to supply Renewable Energy to consumers opting for 100% green energy for meeting their entire demand.

Coram

I.M.Bohari, Member
Mukesh Khullar, Member

Errata/Corrigendum Order

Date: 1 April, 2021

1. The Commission vide its Order dated 22 March, 2020 in Case No. 134 of 2020 has allowed consumers in Maharashtra an option of sourcing all its power requirement through renewable energy sources by paying 'Green Tariff' of Rs. 0.66/kWh which is over and above regular tariff approved in respective tariff order.
2. In that Order on the issues of accounting such 'Green Tariff' income in Annual Revenue Requirement of Distribution Licensees, the Commission has ruled as follows:

18.4The Commission notes that TPC-D in the present Petition has proposed to provide the RE power firstly from its tied up sources and if required TPC-D has proposed to procure additional power for fulfilling the demand. Therefore TPC-D is using its current power portfolio for scheduling and dispatching the demand for fulfilment of Green Power. And just like other consumers, TPC-D is billing the consumer with the tariff of the respective category with additional green power tariff charges. Thus, TPC-D as a Distribution Licensee is carrying out distribution of energy to its various consumers by procuring power from various sources optimising the cost of supply.

18.5Further TPC-D's contention that it has to maintain separate cost allocation for those consumers can not be termed as primary function of the Distribution Licensee which is to energy supply and distribution. TPC-D is carrying out energy distribution and supply business and not optimizing its assets to other business as defined in the above Regulations. Therefore, revenue from the green tariff shall be part of regular income of supply business ARR, thereby allowing all revenue earned to be used for reduction in ARR of supply

business only. *The amount collected under the scheme shall be separately maintained and the details of the same shall be furnished to the Commission at the time of tariff petition. (emphasis added)*

Thus, the Commission in above paragraphs has clearly ruled that revenue from ‘Green Tariff’ shall be part of regular income of supply business i.e. revenue earned through levy of tariff.

3. However, in final Order, due to typographical error, such revenue earned through Green Tariff has been treated as non-tariff income. Said ruling in final order is reproduced below:

“3. Revenue earned through Green Power Tariff shall be treated as non-tariff income of Supply Business and thereby be fully accounted for reduction in ARR of supply business.”

Above ruling is creating confusion about levying such ‘Green Tariff’ as a tariff component or non-tariff component. The Commission through this Errata is making it clear that ‘Green Tariff’ is a tariff component and any revenue earned through levy of it should be treated as tariff income. Accordingly, para 3 in the final Order is corrected as follows:

“3. Revenue earned through Green Power Tariff shall be treated as tariff income of Supply Business and thereby be fully accounted for reduction in ARR of supply business.”

Sd/-
(Mukesh Khullar)
Member

Sd/-
(I.M. Bohari)
Member

