- Purchase" by MSEDCL. Once, such energy is considered as "Deemed Purchase" then MSEDCL cannot deny the payment.
- 8.6. The non-compliance of the Regulations regarding purchase of over-injected power leads to unjust enrichment of MSEDCL at the cost of not only one generator but many. MSEDCL has defrauded several generators and made windfall gains. It is therefore imperative that the Commission directs MSEDCL to submit details of all such Generators whose over-injected power has not been paid by MSEDCL till date and has been utilized free of cost by MSEDCL.
- 8.7. MSEDCL has not only failed to purchase over-injected power as per mandate of DOA Regulations, 2016 but has also defaulted in purchasing over-injected power for FY 2021-22 as per mandate of DOA First amendment Regulations, 2019 for purchase of surplus over-injected units.

Commission's Analysis and Rulings:

- 9. The Petitioner is a Wind Generator and has sold its power under Open Access to various consumers for FY 2016-17 to FY 2020-21. As per the provisions of the DOA Regulations 2016 and DOA First Amendment Regulations 2019, MSEDCL is required to purchase the surplus over-injected banked units. However, MSEDCL did not purchase the surplus over-injected banked units. Further, MSEDCL has not determined the APPC rate for FY2016-17 to FY2019-20 for the purchase of the surplus over-injected units under open access. Therefore, the Petitioner has sought determination of such APPC rate and purchase of the surplus over-injected units for FY 2016-17 to FY 2020-21 under open access. The Petitioner also stated that its claim is not barred by the law of limitation as Petition was filed on 8 October 2021 and as per the Hon'ble Supreme Courts Orders on applicability of limitation during COVID-19. Further, the Commission in an identical matter vide its Order dated 11 March 2022 in Case No. 131 of 2021 held that claim for FY 2016-17 to FY 2019-20 is not time barred in terms of the Hon'ble Supreme Court Judgments for extension of limitation period dated 23 March 2020, 23 September 2021 and 10 January 2022 due to COVID -19 pandemic.
- 10. While opposing the prayers of the Petitioner, the main argument of MSEDCL is that the claim of the Petitioner is barred by the law of limitation as present Petition is filed on 29 November 2021. MSEDCL further stated that it has approached the Petitioner for the reconciliation of the data on many occasions. However, the Petitioner has not responded.
- 11. The Commission notes that the period of claim agitated in the Petition is from FY 2016-17 to FY 2020-21. The Petitioner has also submitted the claim of over-injected units for FY 2021-22 through its additional submission post e-hearing in the matter, which is not acceptable and has not been considered for adjudication.
- 12. Based on the above background and considering the submissions of the Parties, arguments at the hearing and provisions of the DOA Regulations as amended from time to time, following issues need to be addressed before concluding the present Case:
 - Issue I: Determination of APPC for FY 2016-17 to FY 2019-20 and applicable Generic Tariff for FY 2021-22 for payment of over injected units under Open Access

Issue No. II: Whether the Petitioner qualifies for exemption of the limitation period as per the Hon'ble Supreme Court Order for extension of limitation period considering the pandemic situation?

Issue No. III: Whether MSEDCL is required to purchase over injected surplus units along with applicable interest for FY 2016-17 to FY 2021-22 as sought by the Petitioner?

Accordingly, the Commission has dealt with the above issues in the following part of the Order.

<u>Issue I: Determination of APPC for FY 2016-17 to FY 2019-20 and applicable Generic Tariff</u> for FY 2020-21 for payment of over injected units under Open Access

- 13. The Commission notes that the Petitioner has sought determination of the APPC rate for the purchase of the surplus over-injected units for FY 2016-17 to FY 2019-20 by the Commission. The Commission further notes that MSEDCL in its reply, as per the prayer of the Petitioner has submitted APPC rate for FY 2016-17 to FY 2019-20. MSEDCL has also provided the justification and methodology adopted to calculate the APPC rates.
- 14. In this regard, it is imperative to note that the DOA Regulations, 2016 defined 'Pooled Cost of Power Purchase' as below:
 - "2(31) Pooled Cost of Power Purchase" means the weighted average pooled price at which the <u>Distribution Licensee has purchased electricity, including the cost of selfgeneration</u>, if any, in the previous year from long-term and short-term energy suppliers, <u>but excluding those based on Renewable Energy sources</u>.
- 15. Further, MERC RE Tariff Regulations, 2015 defines Average Power Purchase Cost (APPC) as below:
 - "(c) 'Average Power Purchase Cost' or 'APPC' means the weighted average price at which the Distribution Licensee has purchased or <u>is expected to purchase electricity</u> (excluding procurement from RE sources), including the cost of self-generation, if any, as approved by the Commission in the relevant Tariff Order or any other general or specific Order."
- 16. Further, the Commission vide Order dated 23 October 2018 in Case No. 110 of 208 (*Mohite Industries VS MSEDCL*) has determined the APPC for FY 2016-17 as Rs 3.35/Unit. Also, the Commission in the said Order has provided for calculation of APPC rate. The relevant ruling of the Commission's Order is as under:
 - "16.However, it is observed that MSEDCL has pointed out that the APPC tariff for FY 2016-17 (Rs. 3.79/kWh as claimed by MIL in its invoice) is higher than the preferential tariff for the Petitioner's SHP of Rs. 3.65/kWh creating an ambiguity & a patent disparity of cost of APPC and preferential Tariff, resulting into financial implications on the Distribution Licensees which ultimately affects all the consumers of Distribution Licensees. In this context, the Commission has worked out the Pooled Cost of Power Purchase of MSEDCL for FY 2016-17, which actually works out to Rs.3.35 /Unit as shown in the following Table. Further while working out such cost, the renewable energy purchase quantum and its associated cost is excluded as per the

DOA Regulations. Besides, since the definition of Pooled Cost of Power Purchase is limited to only cost related to power purchase, any cost towards transmission charges has been excluded, which is also in line with the interpretation of CERC as highlighted in the Order issued for determination of National level APPC dated 11 April, 2018 referred above. Thus, the Pooled Cost of Power Purchase of MSEDCL for FY 2016-17, which works out to 3.35 Rs./ Unit is lower than the applicable preferential tariff of Rs. 3.65/kWh and the argument of MSEDCL in this regard is void of any merit. The following table shows the computation of Pooled Cost of Power Purchase for FY 2016-17.

Table: Pooled Cost of Power Purchase for FY 2016-17

Particulars (FY 2016-17)	Approved Quantum	Approved Cost	Per Unit Cost	
	(MU)	(Rs. Crore)	(Rs/kWh)	
Total Thermal*	91,570	32,116	3.51	
Total Must Run (Including RE)*	23,810	9,497	3.99	
Power Grid (Transmission) Charges*		2,142		
Total Power Purchase approved*	115,380	43,754	3.79	
less: Total RE Purchase*	12692	7,171	5.65	
less: Transmission charges*		2,142		
Pooled Cost of Power Purchase (Excl. RE & Transmission Charges)#	102,688	34,441	3.35	

^{*(}Figures as approved under Case No. 48 of 2016) # (Figure computed in this Order)

- 17. In view of the foregoing and in line with the present provisions of the DOA Regulations, 2016, the Commission directs MSEDCL to ascertain and purchase the unutilized banked energy at the end of the FY 2016-17, limited to 10% of the actual total generation by MIL at its Pooled Cost of Power Purchase as envisaged in the DOA Regulations."--- (Emphasis added)
- 17. The Commission has further vide common Order dated 22 July 2021 in Case No. 42, 43 and 60 of 2021 (*Wind Generators-Lalpur, Bothe Vs MSEDCL*) has provided the methodology for calculation of APPC rate.
- 18. The Commission notes that in line with above provisions of DOA Regulations, RE Tariff Regulations and Commission's Order, MSEDCL has determined APPC rate from FY 2016-17 to FY 2019-20 submitted in its reply as discussed at Para 5.13 of this Order. Further, the Petitioner for the period from FY 2019-20 (from June 2019 to March 2020) to FY 2020-21 sought determination and applicability of generic RE Tariff for payment of over injected units under open access.
- 19. In this regard, Regulation 14(E) of DOA First Amendment Regulations 2019 (notified on 8 June 2019) provides that the purchase of unutilized banked energy shall be at the Generic Tariff as determined by the Commission. The relevant provisions of the DOA First Amendment Regulations 2019 are as under:

...

F. The existing Regulation 20.6 shall be renumbered as 20.5, amended and a new proviso is added above the existing proviso as under:

"20.5. The unutilised banked energy at the end of the month, limited to 10% of the actual total generation by such Renewable Energy generator in such month, shall be considered as deemed purchase by the Distribution Licensee at a rate equivalent to that stipulated under yearly Generic RE Tariff Order applicable for respective technology.

Provided that such deemed purchase shall be counted towards the Renewable Purchase Obligation of the Distribution Licensee."

- 20. The above Regulations provides that the unutilised bank energy (limited to 10%) shall be purchased by the Distribution Licensees at the rate discovered through generic RE Tariff Order. However, in this regard, Regulation 7 of the MERC RE Tariff Regulations 2019 provides that for RE power project, the Commission shall adopt the tariff discovered through the competitive bidding. The relevant provisions of the Regulation 7 are as follows:
 - "7. Competitive Bidding for procurement of power generated by grid connected RE Projects
 - 7.1 <u>The tariff shall invariably be determined through a transparent process of competitive bidding</u> in accordance with the Guidelines issued by the Central Government under Section 63 of the Act, inter-alia for the following types of RE Projects:
 - (a) Wind Energy Power Projects;
 - (b) Solar PV Power Projects;
 - (c) Non-Fossil Fuel-based Co-Generation;
 - (d) Biomass based Projects; (e) Hybrid RE Power Projects.
 - 7.2 <u>The Commission shall adopt the tariff for a RE Power Project where such tariff has been determined through a transparent process of competitive bidding</u> in accordance with the Guidelines issued by the Central Government under Section 63 of the Act.
 - 7.3 The tariff for RE Power Projects below threshold limit of eligibility for participating in Competitive Bidding shall be considered equal to the following cases, in order of priority:
 - a) <u>Latest Tariff discovered through Competitive Bidding by concerned Distribution</u> <u>Licensee for similar RE project and adopted by the appropriate Commission;</u>
 - b) The Tariff discovered through Competitive Bidding for similar RE project by Other Distribution Licensee(s) in the State and adopted by the appropriate Commission;
 - c) The Tariff discovered through Competitive Bidding for similar RE project in the Country and adopted by the appropriate Commission."
- 21. Further the Commission vide Order dated 2 April 2020 in Case No. 77 of 2020 has issued the Generic RE Tariff for FY 2020-21 as per the provisions of the RE Tariff Regulations 2019, wherein it is held that, the Commission will not determine the Generic Tariff and

- will only adopt the tariff discovered through transparent competitive bidding process as has been specified in the RE tariff Regulations, 2019.
- 22. In line with the above provisions of the RE Tariff Regulations and RE Generic Tariff Order, for purchase of over-injected units for FY 2020-21, the tariff discovered through transparent competitive bidding process needs to be considered.
- 23. Accordingly, APPC rate and the applicable generic tariff for payment of over injected units under open access for the FY 2016-17 to FY 2020-21 are given as below:

Table No. 4: APPC Rate for FY 2016-17 to FY 2019-20 and Generic Rate for FY balance year of FY 2019-20 and FY2020-21

Sr. No.	Financial Year	APPC Rate Rs./Unit for Wind Energy
1	FY 2016-17	3.35
2	FY 2017-18	3.54
3	FY 2018-19	3.55
4	FY 2019-20 till 08.06.2019 (i.e., commencement of DOA First Amendment Regulations 2019	3.61
5	08.06.2019 onwards on monthly basis till Mar-2020	2.52 (except for Group I Wind Projects) & 2.25 for Group-I Wind projects
6	FY 2020-21	2.52 (except for Group I Wind Projects) & 2.25 for Group-I Wind Projects.

- 24. The Commission further in its Order dated 4 February 2022 in Case No. 100,101,121 and 122 of 2022 (*Wind Generators VS MSEDCL*) had directed MSEDCL to streamline the process of purchase of over-injected surplus units. In this context, the Commission notes the submission of MSEDCL that it is in the process of issuing standard procedure for processing claims of over-injected energy from wind/solar generators and in this procedure APPC rates for applicable years and the rates as per the Commission sou-motu Generic Tariff Orders from April 2020 onwards will be mentioned so that Generators can claim/raise invoices.
- 25. In view of the above discussion, the Commission finds that MSEDCL has provided the APPC rate for FY 2016-17 to FY 2019-20 and the applicable Generic Tariff Rate for wind project for FY 2020-21 for the purchase of over-injected units under open access as per the prevailing Regulations and the Commission's Order. Hence, the Commission accepts the APPC rates as stipulated at Para 23 above. Accordingly, the issue gets concluded.

<u>Issue No. II: Whether the Petitioner qualifies for exemption of the limitation period as per</u> <u>the Hon'ble Supreme Court Order for extension of limitation period considering the</u> <u>pandemic situation?</u>

- 26. The Petitioner has sought the purchase of surplus over-injected units from FY2016-17 to FY 2020-21 by MSEDCL. To justify that the claim is not barred by the law of limitation, the Petitioner has relied on the Hon'ble Supreme Court Judgements dated 23 March 2020, 23 September 2021 and 10 January 2022 which has allowed the extension of limitation period considering COVID-19 pandemic from 15.03.2022 to 28.2.2022. The Petition has been filed in October 2021 and hence no part of the claim of the Petitioner is barred by the limitation.
- 27. In this regard, it is imperative to note that the Commission in its recent Order dated 11 March 2022 in Case 131 of 2021 (*Godawat Energy Vs MSEDCL*) has analysed the issue relating to limitation period duly considering the Hon'ble SC Judgment for extension of time based on Covid19 Pandemic. Accordingly, the Commission had directed MSEDCL to purchase the surplus over-injected units from FY 2016-17 to FY 2019-20. The relevant ruling of the Commission's Order is as follows:

"43.As per the provisions of the DOA Regulations, the Petitioners were required to approach the Distribution Licensees at the end of each financial years to make their claim. As per limitation Act, the Petitioners were required to file the Petitions within a period of three years from the due date of the claim. Hence, expected date of the filing of the Petition before the Commission for different year would be as follows:

Sr. No	Period of Claim	Expected date of filing the	Actual date of filing the Petition	Whether Hon'ble SC Judgment for extension of limitation period on account of Covid-19 pandemic is
		Petition.		applicable
1	FY 2013-14	April 2017	September, 2021	No
2	FY 2014-15	April 2018	September, 2021	No
3	FY 2015-16	April 2019	September, 2021	No.
4	FY 2016-17	April 2020	September, 2021	<u>Yes</u>
5	FY 2017-18	<u>April 2021</u>	September, 2021	<u>Yes</u>
6	FY 2018-19	<u>April 2022</u>	September, 2021	<u>Yes</u>
7	FY 2019-20	<u>April 2023</u>	September, 2021	<u>Yes</u>

44.The Hon'ble Supreme Court has exempted the limitation period from 15.3.2020 to 28.02.2022. As elaborated in the above Table, the limitation period for the FY 2013-14 to FY 2015-16 expired in April,2019 i.e., before the Hon'ble Supreme Court Order dated 23.3.2020. Hence, the said Order is not applicable to the claim of the Petitioners' for FY 2013-14 to FY 2015-16. Further, the exemption of the limitation period by the Hon'ble SC Order is applicable for the period from FY 2016-17 onwards.

45.In view of the above facts, the Hon'ble Supreme Court Judgment of extension of limitation period due to COVID-19 pandemic is applicable for the claim of the Petitioners from FY 2016-17 onwards and hence the claim from FY 2016-17 to FY 2019-20 is not time barred. MSEDCL has also agreed to purchase the over injected units which are not time barred."

28. The Commission notes that the period of the claim in the aforesaid Case and the Petitioner's Case i.e., from FY2016-17 onwards are same. Hence, the Hon'ble SC Order is applicable in the present case. Further, the Commission note that the instant Case is filed on 8 October

- 2021 and the Hon'ble Supreme Court has exempted the limitation period from 15.3.2020 to 28.02.2022 as elaborated above. The claim of the Petitioner is filed before the expiry of exemption period granted by the Hon'ble Supreme Court i.e., 28.2.2022.
- 29. In view of the above it is clear that the Hon'ble Supreme Court Judgment of extension of limitation period due to COVID-19 pandemic is applicable for the claim of the Petitioner from FY 2016-17 onwards. **He**nce the claim of the Petitioner from FY 2016-17 to FY 2020-21 is not time barred.

<u>Issue No. III: Whether MSEDCL is required to purchase over injected surplus units along</u> with applicable interest for FY 2016-17 to FY 2020-21 as sought by the Petitioner?

- 30. As ruled by the Commission at Para 29 above, the claim of the Petitioner from FY 2016-17 to FY 2020-21 is not time barred. Hence, MSEDCL is required to purchase the surplus over-injected units as per the provisions of DOA Regulations and its amendment.
- 31. The Commission notes that the Petitioner has submitted Annexure -D to the Petition wherein it has shown the calculations as per MSEDCL and Petitioner which is summarised as below:

Table No.4: Annexure -D submitted by the Petitioner (Calculations of surplus over-injected units)

Sr.No.	Financial Year	Capacity as Per NOCs	Units claimed by the Petitioner in the Petition.	Banked units calculated as per MSEDCL	Revised banked units computed by wind world **	Remarks
1	FY 2016-17	6 MW	17,93,743	Nil	10,47,106	MSEDCL has applied the time limitation and not allowed claims
2	FY 2017-18	Nil	NIL	Nil	Nil	Units not banked
3	FY 2018-19	6 MW	11,53,540	8,38,969	8,38,969	No difference in units
4	FY 2019-20	6 MW	9,34,171	7,83,568	7,83,568	No difference in units
5	FY 2020-21	Total 15 MW	18,39,280	9,62,320	18,39,280	Monthly banking has been applied
6	FY 2021-22	9 MW	Nil	nil	8,80,637	Claims submitted on 30.05.2022.
	Total Units		57,20,734/-	25,84,857/-	53,89,560/-	

^{**}Note: The Commission notes that the Petitioner in its additional submission has revised the surplus over injected units.

32. Considering the above table and submissions of the MSEDCL and Petitioner on the claim of the surplus over-injected units, year wise analysis is as follows:

- (i) <u>For FY 2016-17:</u> MSEDCL has not considered surplus over-injected units assuming that the claim is time barred. However, as ruled at para 29 above, the claim for FY 2016-17 is not barred by the limitation. Therefore, MSEDCL is required to purchase the surplus over-injected units for FY 2016-17 after due verification.
- (ii) For FY 2017-18: There are no banked units.
- (iii) For FY 2018-19: The Calculations provided by both parties for the surplus overinjected units have matched.
- (iv) For FY 2019-20: The Calculations provided by both parties for the surplus overinjected units have matched.
- (v) For FY 2020-21,
 - (a) MSEDCL has alleged that the Petitioner seems to have considered 10% of generation from entire 21 MW wind project as a single transaction, whereas the generation for each Open Access transaction after settlement with its consumer is to be considered while calculating the over injection.
 - (b) The Petitioner in reply stated that the allegation of MSEDCL is not true and is erroneous. Further, there is difference in the units claimed by Petitioner and MSEDCL.
 - (c) At the e-hearing held on 31 May 2022, the Commission observed that an approach of the Petitioner has neither filed any reply on the reconciliation of units nor approached the MSEDCL in spite of repeated request from MSEDCL. In reply, Advocate of the Petitioner stated that the Petitioner will file the correct data.
 - (d) On perusal of the Annexure -D submitted by the Petitioner (as shown in the table 4 above. Sr. No.5), it is shown as total generation from 15 MW generator.
 - (e) Hence, it is clear that the contention of MSEDCL that the Petitioner has considered generation of over injected units from 21 MW Generators for the FY 2020-21 is not based on fact.
 - (f) Further, it is a fact that the, Petitioner has not submitted any documentary proof justifying its claim of over injected unit more than the units computed by MSEDCL. Further, the Petitioner did not respond to the request of MSEDCL for reconciliation of the disputed surplus over injected units. Hence, till date the issue of difference of the over injected units of in the claim of units persists.
 - (g) In order to resolve the issues of the difference of the claim of over-injected units, the Petitioner is required to submit the various documents / information such as details of OA permissions availed for FY 2020-21(disputed period), month wise meter consumption report, month wise HT bills/consumption of the OA consumers of the Petitioner etc.

Considering above details, the Petitioner shall submit the details for the year FY 2020-21 and thereafter MSEDCL should reconcile the data/information as mentioned above

within a month from the date of this Order and resolve the issue amicably. MSEDCL shall purchase the surplus over-injected units after reconciliation for FY 2020-21 after verification of units within one month thereafter.

(vi) For FY 2021-22:

- (i) The Commission notes that for FY 2021-22, the Petitioner has not claimed for the purchase of surplus over-injected units in its Petition and the same is not part of the prayers. The Petitioner has raised the claim post hearing through additional submission.
- (ii) MSEDCL also raised its concerns on the claim of FY 2021-22.
- (iii) As the claim for FY 2021-22 is not part of Petition and MSEDCL has also objected, it would not be appropriate to adjudicate on the claim for FY 2021-22 in the instant Case.
- (iv) In any case, the Parties are expected to act as per the provisions of the DOA Regulations and Commission's Orders.
- 33. The Petitioner has also sought the payment of claim with @ 18 % interest per annum for the delayed period. In this context, the Commission notes that :
 - a) The 2nd proviso to Regulation 4.5 of the DOA Regulations,2016 provide that the Distribution Licensee shall pay interest at a rate equivalent to the Bank Rate of the Reserve Bank of India.
 - b) Further, based on the provisions of the DOA Regulations, 2016, the Commission, in the similar matter vide its Order dated 11 March 2022 in Case No. 131 of 2021 (Ghodawat energy Vs MSEDCL) has addressed the issue of interest and directed MSEDCL to pay the applicable interest to the Petitioner therein. The relevant rulings of the Commission's Order are as follows:
 - "63.Further, DOA Regulations 2014 (3rd proviso to Regulation 4.2.6) and DOA Regulations 2016 (2nd Provision to Regulation 4.5) have similar provisions for payment of interest amount. The Commission, in the past vide its Order dated 22 December 2017 in Case No 76 of 2016 (BFL Vs MSEDCL) has allowed the payment towards surplus over-injected units with applicable interest. The relevant para of the Commission's Order is as under:
 - "9.
 - (6)In view of the above, the Commission directs MSEDCL to pay BFL for the surplus energy injected in FY 2015-16, along with applicable interest, within 60 days if it has not already done so.
 - "64. It is settled position of the law that payment of dues that accrued without any fault of the party, need to be effected with the applicable interest. Further, the Commission's applicable DOA Regulations and the aforesaid Order provided for the payment with the applicable interest. In view of the above background MSEDCL is liable for payment of claim of the Petitioners, as ruled in this Order, with applicable interest. Hence, the Commission directs MSEDCL for payment towards the purchase of the surplus overinjected Units

for the period FY 2016-17 to FY 2019-20 along with applicable rate of interest, within three months from the date of this Order."

Hence, the aforesaid directions of the Commission for payment of interest amount are applicable in the present case also.

- 34. In view of the above provisions of the DOA Regulations, the Commission rules that:
 - (i) As ruled above, the claim of the Petitioner from FY 2016-17 to FY 2020-21 (Period of FY 2021-22 is not part of prayers and submitted its claim in additional submission) is not time barred in terms of the Hon'ble Supreme Court Judgment for extension of limitation period dated 23 March 2020, 23 September 2021 and 10 January 2022 due to COVID -19 pandemic.
 - (ii) Accordingly, the Commission directs MSEDCL to purchase and make the payment of the surplus over-injected units from FY 2016-17 to FY 2020-21, with applicable interest after verification based on submission of necessary/ required documents and as per the applicable provisions of DOA Regulations, within the period stipulated above in this Order as mentioned in para. 32 above.
- 35. Hence the following Order:

ORDER

- 1. The Case No. 14 of 2022 is allowed.
- 2. Maharashtra State Electricity Distribution Co. Ltd. to purchase and make the payment of the surplus over-injected units from FY 2016-17 to FY 2020-21, with applicable interest after verification as ruled at Para 32 above, as per the applicable provisions of DOA Regulations, within the period stipulated in this Order.

Sd/(Mukesh Khullar)
Member

Sd/(I. M. Bohari)
Member

Chairperson