

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case Nos.172 of 2019, 173 of 2019, 176 to 181 of 2019, 185 to 194 of 2019,200 to 224 of 2019 and MA No. 32 of 2019 and 33 of 2019.

Coram

**Anand B. Kulkarni, Chairperson
I. M. Bohari, Member
Mukesh Khullar, Member**

43 Cases of Renewable Energy Generators for removal of difficulties in giving effect to the provisions of the MERC (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018 and implementation thereof.

And

Miscellaneous Application of MSEDCL in the Cases of 43 RE Generators

And

Miscellaneous Application of MSPGCL in the Cases of 43 RE Generators

Bajaj Finserv Pvt. Ltd. & 42 othersPetitioners

V/s

1. Maharashtra State Load Dispatch Centre (MSLDC)
2. Manikaran Analytics Limited

..... Respondents

Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)Intervenor No.1

Maharashtra State Power Generation Co. Ltd. (MSPGCL)Intervenor No.2

Appearance:

For Petitioner for Case No. 172 of 2019 : Shri Jitesh Kokate (Rep.)

For Petitioner for Case No. 173 of 2019 : Shri Lalji Dwivedi(Rep.)

For the Petitioners for other 41 Cases :Shri Sandeep Sambhushete
(Rep.)

For the Respondent No. 1 : Shri Anil Kolap (Rep.)
For the Respondent No.2 : Shri Yash Dubey (Rep.)
For Intervenor No.1 : Shri Ashish Singh (Adv.)
Smt. Kavita Gharat (Rep.)
For Intervenor No.2 : Shri V.P. Rathod (Rep.)

List of 43 Petitioners

Sr No.	Case No.	Petitioner
1	172 of 2019	Bajaj Finserv Limited
2	173 of 2019	AMJ Land Holding Limited
3	176 of 2019	S. K. Parik
4	177 of 2019	Shivashri Techno Homes Private Limited
5	178 of 2019	Sun Irrigation System Private Limited
6	179 of 2019	Sheela Shivaraj
7	180 of 2019	S K Shivaraj
8	181 of 2019	Shri Gajlaxmi Industries HUF
9	185 of 2019	B. G. Raibage
10	186 of 2019	Sai Services Private Limited
11	187 of 2019	Shree Tejas Sizers
12	188 of 2019	Raysons Marketing Pvt. Ltd.
13	189 of 2019	Jathar Textile Pvt. Ltd.
14	190 of 2019	Balkrishna Sizing Industries
15	191 of 2019	M/s Vaanya Resources
16	192 of 2019	Harshita Sales Corporation
17	193 of 2019	Jathar Textile Pvt Ltd
18	194 of 2019	Balkrishna Sizing Industries
19	200 of 2019	B. C. Umapathy
20	201 of 2019	B. C. Chandrashekar
21	202 of 2019	BSC Textiles
22	203 of 2019	B.C. Shivakumar
23	204 of 2019	Pragati Agencies
24	205 of 2019	Umang Textiles
25	206 of 2019	Ankur Textiles
26	207 of 2019	Vandana Textiles
27	208 of 2019	Pragati Agencies
28	209 of 2019	Vandana Textiles, (Satara)
29	210 of 2019	B.S. Channabasappa& Sons (Satara)
30	211 of 2019	B.S. Channabasappa& Sons (Sangli)
31	212 of 2019	Shri. Charbhuj Sales Corporation

Sr No.	Case No.	Petitioner
32	213 of 2019	S.K. Veerabhadrappa& Co
33	214 of 2019	Ushahkal Nursing home
34	215 of 2019	Shri Laxmi Industries
35	216 of 2019	Shri Amareshwara Industries (Satara)
36	217 of 2019	Shri Charbhuj Sales Corporation (Sangli)
37	218 of 2019	B.C. And Sons (Satara)
38	219 of 2019	SreeVeerbhadrashwara Rice & Flour Mill
39	220 of 2019	Vanke Bihari Construction Pvt Ltd.
40	221 of 2019	M/s Rama Handicrafts
41	222 of 2019	Gajanan Towers Pvt Ltd
42	223 of 2019	Sridevi Trading Company (Sangli)
43	224 of 2019	Sridevi Trading Company (Satara)

COMMON ORDER

Dated: 30 September 2019

1. Petitioners as listed above have approached the Commission under Regulation 19 for removal of difficulties in giving effect to the provisions of the MERC (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018 (MERC F & S Regulations, 2018) and implementation thereof.
2. **The issues in all these cases being similar in nature, the Commission has heard them together on 22 August, 2019. Hence this Common Order.**
3. **The issue-wise main Prayers of these 43 Petitioners are as under:**
 - (a) Admit the Petition for removing practical difficulties faced by the Petitioner in implementation of MERC (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018 as provided under the provisions of regulation 19 of the said Forecasting Regulations 2018.
 - (b) Provide a trial/grace period of 6 months w.e.f. 01st July 2019 to assess the challenges faced in compliance with the provisions of MERC F&S Regulations, 2018 relating to scheduling and forecasting and penalty be levied for any deviation thereafter instead of penalty being imposed for any deviation from the date of coming effect of the said Forecasting Regulation 2018 i.e. 01st July 2019.
 - (c) Provide necessary clarification and issue necessary direction/instruction relating to appointment of Qualified Co-ordinating Agency (QCA) for Malharpeth Pooling Sub-Station (PSS) (in Case No. 172,178,193,194,200 to 207, 217,219 and 223 of 2019), Sadawaghapur PSS (Case No. 173 of 2019), Ghatnandre PSS (Case No. 177 and 214 of 2019), Chavneshev PSS and Nigade PSS (Case No. 214 of 2019) where currently

no entity is in a position to achieve specified 51% majority_i.e. the eligibility criteria prescribed under the provisions of Forecasting Regulation 2018 for appointment as QCA.

- (d) Issue necessary clarification and direction/instruction to MSLDC to remove practical difficulties at various above-mentioned PSS for appointment of QCA and till such time QCA is not appointed, not to levy DSM penalty on Petitioner's wind generation unit connected at the said PSS.
 - (e) Issue necessary clarification and direction/instruction to MSLDC to remove discrepancy in connected windmills capacity mentioned in approval letter of Respondent No.2 as QCA for various PSS issued by MSLDC at 220kV Vankuswade (Case No. 172,176,181,186 to 192, 208 to 213, 215,216,218,222 and 224 of 2019) and Sadawaghapur PSS (Case No. 185 of 2019).
 - (f) During the pendency of these Petitions and till such time practical difficulties faced by the Petitioner at PSS, in implementation of MERC (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018 is not removed, no penalty may be imposed on the Petitioners for any violation of the said Regulations.
 - (g) Issue necessary clarification and direction/instruction to MSLDC to remove discrepancy to consider clubbing of low capacity Shirshi substation with nearby higher capacity substation e.g. Nigade Substation for better Forecasting and Scheduling (Case No. 220 and 221 of 2019).
 - (h) Provide such other relief/reliefs which the Petitioner may be entitled to in the facts and circumstances of this case for removing practical difficulties faced by the Petitioner in implementation of MERC (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018.
4. **The facts as stated in one of the Petition (i.e. Case No. 173 of 2019) are as given below:**
- 4.1 AMJ Land Holdings Limited (**Petitioner**) is having 4.6 MW wind power project connected at EHV PSS Mendhegiri Dist: Sangli, and Sadawaghapur, Dist: Satara.
 - 4.2 MSLDC approved M/s RE Connect Energy Solutions (P) Limited (RESPL/ RE Connect) as QCA for Mendhegiri PSS. RE Connect qualified mandatory eligibility criteria of minimum 51% authorization from wind/solar generation (MW) connected to PSS for appointment as QCA, as prescribed under F&S Regulation 2018. Accordingly, Petitioner has entered into an Agreement with RE Connect for availing their services as QCA for its wind power project.
 - 4.3 Petitioner mainly raised following three issues/ difficulties for implementation of MERC Forecasting & Scheduling Regulations, 2018:

- i. Issue 1: Six (6) months trial/ grace period to assess the challenges faced in implementation of MERC F & S Regulations, 2018:

MERC F & S Regulations 2018 does not contain any provision for any trial/grace period to assess the challenges faced in forecasting and prescribes penalty for any deviation from the date of coming into force of the said Regulation. Certain other States have made suitable provisions for providing trial/grace period, on expiry of grace period penalty is leviable for deviation.

- ii. Issue 2: Appointment of QCA for PSS where currently no entity is in a position to achieve specified 51% majority

(a) RE connect or any other entity failed to achieve 51% of authorization at Sadawaghapur PSS, which is one of the eligibility criteria prescribed under the F & S Regulation 2018 for being appointed as QCA. In absence of requisite authorization resulting in non-appointment of QCA for Sadawaghapur PSS till date, Petitioner is not in a position to enter into an agreement with any QCA for availing the services.

(b) The non-appointment of QCA for Sadawaghapur PSS has resulted in a situation wherein entities like the Petitioner are in non-compliance of MERC F&S Regulations 2018 for no fault on their part. Petitioner has consented for appointment of M/s. Manikaran Analytics Limited as QCA for Sadawaghapur PSS.

(c) Petitioner vide email dated 1 July, 2019 to MSLDC has informed to remove practical difficulties. No response has been received from MSLDC in this regard.

- iii. Issue 3: To remove discrepancy in connected windmills capacity mentioned in approval letter.

Vide letter dated 20 July, 2019, the Petitioner brought to the notice of MSLDC the fact that there is a discrepancy in connected windmill capacity mentioned in approved letter of Manikaran Analytics Ltd. as QCA for 220 kV Vankuswade Sub-stations issued by MSLDC wherein the connected windmill capacity is mentioned as 186.4 MW which is incorrect. It was brought to the notice of MSLDC that as per data taken from windmill sub-division, MSEDCL Satara the total connected windmill capacity is 202.89 MW.

- 4.4 Regulation 19 of MERC F&S Regulations, 2018 confers powers on the Commission to pass general or specific Order to remove difficulties arising in giving effect to the provisions of the Regulation as may appear necessary and hence the Commission has jurisdiction to try, entertain and dispose of the Petition.

5. **All other 42 Petitioners re-iterated similar submissions in their respective Petitions as mentioned in Para. 4 above. However, some Petitioners have raised only 2 issues out of the above referred 3 issues. All these issues have been dealt through this Common Order.**
6. **In its common Reply to 43 Cases dated 21 August, 2019, MSLDC has stated as under:**
- i. MERC F&S Regulations, 2018 has been effectively implemented from 1 July, 2019 from 00:00 Hrs. Further, PSS where QCA is not appointed, the onus of complying with the relevant provisions of Regulations shall remain with the concerned Generators as per Regulation 5.5 of MERC F&S Regulations, 2018.
 - ii. Petitioners have stated difficulty of non-appointment of QCA for the PSS i.e. Malharpeth, Sadawaghapur, Ghatnandre, Chavaneshwar and Nigade PSS, where currently no entity is in a position to achieve specified 51% majority i.e. the eligibility criteria as prescribed under the provisions of Regulation 6.2 of MERC F & S Regulations, 2018.
 - iii. As per Regulations 5.14 of MERC F&S Regulations 2018, no Wind or Solar energy generation shall be considered for despatch by the MSLDC if it is not scheduled by the QCA on behalf of the Generators. Accordingly, MSLDC is not scheduling Wind & Solar Generators w.e.f. 01 July, 2019 from 00:00Hrs, who have not appointed QCAs/not registered with MSLDC. The scheduling of PSS which has been registered at MSLDC post 1 July, 2019 has been started from the date of the registration of their QCA.
 - iv. DSM Penalty should be levied as per the Regulation on Petitioner's wind generation unit connected at such PSS where QCA is not appointed and for any violation of the MERC F &S Regulations, 2018.
 - v. For discrepancy in connected wind mill capacity at Vankuswade PSS, MSLDC shall verify data with grid connectivity records, from MEDA and with the PPAs submitted to MSLDC. For Sadawaghapur, Chavneshver and Nigade PSS, MSLDC has registered M/s Manikaran Analytics Ltd as QCA vide letters dated 29 July,2019, 15 June,2019, and 14 June,2019 respectively after fulfilment of QCA appointment criteria.
 - vi. Regulation 2.1 of MERC F&S Regulations, 2018 provides definition of PSS. In view of this provision of clubbing PSS is not provided in MERC F&S Regulations 2018, hence the relief sought by Petitioners in Case No. 220 and 221 of 2019 regarding clubbing of low capacity PSS with higher capacity PSS is not in the purview of the MSLDC.
7. **MSEDCL filed Miscellaneous Application in all 43 Cases and stated as under:**

- i. MSEDCL may be allowed to intervene in the captioned matters and stated that MERC F&S Regulations, 2018 intends to bring in “Grid Discipline” and other stipulations amongst Renewable Generators which will have a positive impact on MSEDCL in terms of its “Power Purchase Planning” and “Load Forecasting” amongst other benefits.
 - ii. Any decision for “Removal of Difficulties” in the MERC F&S Regulations, 2018 has to be through a “Public Consultation Process”. However the present petitions for “Removal of Difficulties” can only be entertained and floated for “Public Consultation Process” only if the same satisfies the Commission that it is maintainable and filed on issues which have not been dealt with by the Commission during the “Public Consultation Process”.
8. **At the hearing held on 22 August, 2019, Petitioners and Respondent MSLDC reiterated their submissions. MSEDCL has filed the Miscellaneous Application in all 43 Cases requesting that it be allowed to intervene in these matters and sought a week’s time to file its Reply. The Petitioners also sought some time to file their Rejoinders to reply of MSLDC. Accordingly, the Commission granted MSEDCL to file its Reply within a week and Petitioners to file their Rejoinders within a week thereafter. Further, MSPGCL sought to file its Intervention Application in the matter within a week, which was granted by the Commission.**
9. **In its Rejoinder to MSLDC’s Reply dated 3 September 2019, Petitioners in 40 Cases (except in Case No. 194, 218 and 219 of 2019) has stated as under:**
 - i. MSLDC in its response has relied on Regulation 5.5 of MERC F&S Regulations, 2018 to indicate that the onus of complying with the relevant provisions remains with the concerned generators. It is stated that the contention of MSLDC is misconceived, as the onus of the generators, under Regulation 5.5 continues even after appointment of QCA. Regulation 5.5 does not do away with requirement of appointment of QCA.
 - ii. Regulation 5.2 contains the word “shall” which makes it apparent that appointment of QCA is mandatory and compulsory for all Wind and Solar Energy Generators.
 - iii. In such circumstances, appointment of QCA is vital and mandatory for proper implementation of MERC F&S Regulations, 2018.
 - iv. Regulation 5.5 does not relate to PSS where QCA is not appointed as contended by MSLDC. On the contrary Regulation 5.5 is applicable for those PSS where QCA is appointed as it only fastens the responsibility of the concerned Generators despite appointment of QCA.
 - v. MSLDC in its response has relied on Regulation 6.1 to indicate that the Generators at a PSS have an option to appoint one amongst themselves or any other entity as QCA and has accordingly contended that non-appointment of QCA is not a difficulty in implementation of Regulations. However, appointment of QCA, be it

one amongst the Generators or any other entity, still remains mandatory and compulsory and further requires the approval of at least 51% of the Generators at a PSS in terms of their combined installed capacity.

- vi. The difficulty which has been highlighted in the instant Petitions (in Case No. 172,178,193,194,200 to 207, 217,219 and 223 of 2019) is that for Malharpeth etc. PSS neither any entity nor any Generator is in a position to obtain consent of at least 51% of the Generators at the respective PSS in terms of their combined installed capacity and hence the QCA could not be appointed. No provision has been made in the Regulation for dealing effectively with such a situation relating to practical difficulties arising due to non-approval of at least 51% of the Generators at a PSS in terms of their combined installed capacity for appointment of QCA. In such circumstances, Petitioners in Case No. 172,178,193,194,200 to 207, 217,219 and 223 of 2019 have been put to a precarious position as the energy produced by it at Malharpeth is liable to be not considered for despatch by MSLDC and that too for no fault on the part of Petitioner as it has already given its consent for appointment of QCA.
- vii. In light of the practical difficulties faced in appointment of QCA, where neither any Generator nor any other entity is in a position to obtain consent of at least 51% of the Generators at the respective PSS in terms of their combined installed capacity for appointment of QCA, although appointment of QCA is compulsory and mandatory. The Commission may issue necessary clarification/direction/instruction issued to MSLDC to remove practical difficulties in implementation of Regulation and intervene in appointment of QCA and till such time not to levy DSM penalty on Petitioner's wind generation unit connected with concerned PSS and the energy produced by it should continue to be considered for despatch by MSLDC.

10. MSPGCL has filed Miscellaneous Application dated 29 August, 2019 in all 43 Cases with following prayers (registered as MA No. 33 of 2019) :

- (a) Forecasting and Scheduling being newly implemented in the State of Maharashtra with the coming into force of Forecasting Regulation 2018 w.e.f. 01st July 2019, in view of the time required for development and installing of tools capable of forecasting to the level of 90% accuracy, it is desirable to implement the regulation with some trial/grace period and post resolution of such issues, the same may be implemented. Meanwhile, mock exercises can be done on Forecasting, Scheduling and Deviation Settlement.*
- (b) Provide such other relief/reliefs which the Generator be entitled to in view of facts and circumstances of this case for removing practical difficulties faced in implementation of MERC (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018.*
- (c) Accordingly, MSPGCL request the Hon'ble Commission to consider this intervention application while issuing the final order.*

11. MSPGCL in its MA No. 33 of 2019 stated as under:

- i. The Commission during the hearing dated 22 August, 2019 directed MSPGCL to submit intervention application before 29th August 2019. Accordingly, MSPGCL has submitted an intervening application highlighting various practical and technical difficulties faced on implementing the referred Regulations and request for deferment of implementation of the Regulations at least by 6 months.
- ii. Practical Difficulties faced by MSPGCL: It has highlighted some of the issues pertaining to implementation of F&S Regulations 2018.

(a) Status of SCADA commissioning of Chandrapur Solar Power Plant:

MSEDCL through its Chief Engineer (Renewable Energy) requested vide email dated 04.07.2019 to provide uninterrupted real time visibility of 1MW Solar Power Plant at Chandrapur. Upon checking the status of SCADA commissioning and installation work, the site in-charge of Chandrapur Solar Power Plant conveyed that the work may take another 90 days for completion which results in difficulty of gathering and analyzing the real time data to SLDC and may have a resultant financial impact on MSPGCL due to deviation.

(b) Penalty on State Periphery for deviation in schedule:

Clarity is required regarding State periphery penalties which is presently applicable for conventional generation. However due to uncertain nature of RE generation, it is requested to waive off the state periphery penalty for RE Generators.

(c) Issues related to Technical Constraint from MSETCL / MSLDC

At present it is difficult to carry out the weekly DSM settlement as various agencies like MSLDC, MSEDCL, QCAs and various Generators amongst each PSS are involved in this process.

Following were the observations resulting in technical issues for implementation:

- (i) Only five numbers of Availability Based Tariff (**ABT**) Meters are provided to feeder panels of MSETCL (Solar Feeders of MSPGCL);
- (ii) CTs and PTs used for this ABT meters are not of required metering class which causes issue of accuracy;
- (iii) Aux. Supply provided to this meter is only AC which causes metering problem during AC failure;

- (iv) (MRI) Instrument & Software required to fetch / download the data is not available at Sakri Office – Purchase proposal is in process by STU - MSETCL;
- (v) Another four number of ABT meters are provided to LV's of 33 kV/220 kV transformers (2 nos. of transformers – 33/220 kV), but two feeders export the power to MSEDCL before transformer LV; sometimes during high wind seasons, import the power from wind mills;
- (vi) Metering details of 220 kV Shivajinagar substation are not available in the list of various SEM provided by MSETCL;

STU/MSLDC/Transmission Licensee/Distribution Licensee, shall co-ordinate, facilitate and provide necessary supports to Generators/QCA for installation of Meters and AMR facilities. Being the coordinated activity among the various agencies such as MSPGCL, QCA, STU, MSEDCL &, SLDC therefore it may take some procedural time to complete the interface for full-fledged implementation of the same in the system.

Every stakeholder would need time to study the pattern and assess the deviations/ penalty in view of the challenges faced to comply with the provisions of Forecasting Regulations 2018. Hence it is requested to settle the deviations quarterly in place of weekly settlement till the resolution of the said technical issues.

Also, any framework must be operationalized after the operations are fully functional and generators also should be given considerable time to build the necessary infrastructure for transmission of real time information regarding generation, outage, site information etc. Therefore, the same may be allowed to be run on mock basis for six months trial period.

- iii. MSPGCL is facing difficulties in implementation of the said referred Regulations despite being willing to and complying with the provisions of the said regulations. In fact, the practical and technical issues as raised, the Commission is requested to pass general or specific order to remove difficulties arising in giving effect to the provisions of this Regulations as may appear necessary under Clause 19 of the referred Regulations.

12. In its common Reply to 43 Cases dated 30 August 2019, Respondent No.2 Manikaran Analytics Ltd. Stated as under:

- i. Manikaran does not have objection to any of the relief sought by the Petitioners and it supports the contention of the Petitioners for providing the grace/trial period for further six months in the interest and betterment of implementation of MERC F&S Regulations, 2018.

- ii. Manikaran sought intervention of the Commission to remove the practical difficulty as Manikaran had put all reasonable efforts to reach 51% majority mark, however, few generators are reluctant to appoint QCA and as a result no entity is in a position to achieve 51% majority mark.
- iii. The Commission may decide whether penalty would be levied for such period or not and accordingly it is willing to comply with the decision of the Commission.

13. In its common Reply to 43 Cases dated 6 September 2019, MSEDCL has stated as under:

- i. The issue of trial run/grace period to be given to Generators is nothing but merely an afterthought and conjecture to somehow delay the implementation of the Regulations. Hence it is quite evident that ample time has been given to the generators for taking necessary action for implementing the Regulations. Moreover, by way of one method or the other, the Generators in a concerted effort are trying to raise new issues every now and then in an attempt to somehow delay the implementation of the Regulations.
- ii. MSEDCL has ascertained the connected capacity based on the PPAs signed and open access quantum. As per MSEDCL total Capacity of Vankuswade sub-station is 206.39 MW. MSEDCL has provided the data to MSLDC & will extend all necessary cooperation to settle the discrepancies in data mismatch, in case required or directed by the Commission.
- iii. The non-appointment of a QCA for any pooling sub-station would be the sole authority and responsibility of Generators connected on such pooling sub-stations and non-compliance with the mandate of appointment of QCA as per the MERC F&S Regulations, 2018 would not entitle any payments to such generators on account of any injection of power into the grid without scheduling and without following the mandate of the MERC F&S Regulations, 2018.

Commission's Analysis and Ruling:

14. The Commission observes that these 43 Petitioners have raised issues faced by them in the course of implementation of MERC F&S Regulations, 2018 as outlined below:

- i. Requirement of trial/grace period of six months w.e.f. 01st July 2019.
- ii. Difficulty in appointment of QCA at some of the PSS, where currently no QCA is in a position to achieve 51% majority as specified under the MERC F&S Regulations, 2018 and hence QCA appointment at such PSS is pending.
- iii. Discrepancy in connected windmills capacity mentioned in the approval letter for QCA by MSLDC.

15. MSPGCL, being intervener in these cases, has raised the practical difficulties faced by it such as difficulty in providing uninterrupted real time visibility for 1MW Solar Power Plant at Chandrapur, issue of penalty on State Periphery for deviation in schedule, issues related to Technical Constraint of MSETCL/MSLDC for SEM Metering arrangement, Non availability of MRI, metering data collection etc. MSPGCL has sought relief under removal of difficulties in giving effect to the provisions of the MERC F&S Regulations, 2018.
16. The Commission observes that, the appointment of QCA at all the PSS, adequate provision of SEM metering arrangement at all the PSS, availability of meter data of all the PSS at MSLDC are the pre-requisite for computation of Deviation charges as specified in the MERC F&S Regulations, 2018.
17. The Commission also notes the submission of MSEDCL wherein it has mentioned that grid discipline is the main objective of MERC F&S Regulations, 2018 and the Petitioners have been given ample time to resolve their issues. The Commission has taken note of the concerns raised by MSEDCL regarding operationalization of the F&S Regulations at the earliest. However, the Commission opines that the concerns/ practical difficulties raised by the Generators /QCAs also cannot be overlooked. These difficulties need to be addressed to ensure a long term stable and robust mechanism for proper implementation of the F&S Regulations.
18. As regards the contentions of MSEDCL that any decision for “Removal of Difficulties” in the MERC F&S Regulations, 2018 has to be through a public consultation process, the Commission observes that the power to remove difficulties have been specified under the MERC F&S Regulations, which have been formulated upon following due regulatory consultation process. The Commission is empowered to issue general or specific orders in order to address the same; Relevant extract of the Regulation 19 of MERC F&S Regulations, 2018 is as under:

19. Power to remove difficulties

If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.

19. Upon reviewing the difficulties raised by the Petitioners, MSPGCL and QCAs, the Commission is of the view that, issues raised in these Petitions need to be addressed to give effect to the implementation of MERC F&S Regulations, 2018. Some of the issues are procedural in nature, which can be dealt by incorporating suitable amendments to relevant clauses of F&S Procedure formulated under MERC F&S Regulations, 2018.
20. Meanwhile the Commission also notes that, 5 Writ Petitions were filed by the Petitioners (viz. MSPL Ltd., Ratnagiri Wind Power, National Solar Federation of India, Clean Wind India and CLP wind Farms Pvt. Ltd.) before Hon’ble the Bombay High Court challenging

the MERC F &S Regulations, 2018. Hon'ble the Bombay High Court in its Judgment dated 21 August, 2019 held as under:

“1. After these Petitions were argued for some time and at this stage we were not inclined to interfere in our writ jurisdiction, each of the counsel appearing for the Petitioners in these Petitions, on the instructions from the Petitioners, seeks leave to withdraw the Writ Petition with liberty to approach the Regulatory Commission.

2. The Writ Petitions are dismissed as withdrawn with liberty as prayed.

3. Needless to clarify that should the law enact provisions enabling the commission to revisit the regulations or modify them or defer their implementation, then, such reliefs can always be claimed when the party approaches the Commission.

[Emphasis Added]

21. The Commission notes that, as per the Order dated 18 March 2019 of the Commission, MSLDC has initiated the commercial implementation of the MERC F&S Regulations, 2018 from 1 July, 2019.
22. The Commission vide letter dated 6 August,2019 sought the status of implementation of MERC F&S Regulations,2018 from MSLDC. MSLDC vide its letter dated 27 August, 2019 submitted the status of implementation of MERC F&S Regulations as below:

Status of QCA Registration as on 27 August,2019

Particulars	Wind		Solar		Total	
	No	MW	Nos.	MW	Nos.	MW
Total Nos. of Pooling Sub-stations	71	4743	31	1346	102	6089
Total Applications Received	47	4044	23	1223	70	5267
Compliance pending	2	107	1	10	3	117
Application Approved	45	3937	22	1213	67	5150
Applications to be received from QCAs	24	699	8	123	32	822

23. From the above status, the Commission observes that, out of 102 PSS only 67 PSS are registered with the MSLDC. The Commission also observed that about 32 nos. of PSS have not yet appointed/registered their QCA with MSLDC.
24. Noting the difficulties in registration of QCAs with MSLDC and difficulties raised by the RE Generators, MSPGCL and QCAs, the Commission directed the Working Group constituted by the Commission for implementation of DSM Regulations to look into the matter and discuss with the MSLDC, QCAs and other Stakeholders, for proposing remedial measures in addressing difficulties faced by MSLDC and QCA i.e. issues under consideration.

25. Accordingly, the Working Group held the meetings with MSLDC and representatives of the QCAs and other Stakeholders. The Working Group also invited the representative of the MSEDCL in the meetings. The Working Group while discussing with MSLDC and representatives of the QCAs, STU, MSEDCL and other stakeholders, identified additional issues (over and above the issues raised by the petitioners) which related to the implementation of MERC F&S Regulations and deliberated the options to remedy the same in the Working Group. The list of implementation issues identified by Working Group including the three issues raised in these Petitions are outlined as under:

- i. Registration of the QCA and appointment of QCAs of PSS where currently no entity is in position to achieve specified 51% majority
- ii. Discrepancy in connected windmills capacity mentioned in approval letter of MSLDC
- iii. Metered data arrangement and its communication to MSLDC
- iv. Accessibility to SCADA data
- v. Mode of payment of corpus amount
- vi. Applicability of State Periphery impact for computation of DSM charges
- vii. Submission of schedule by QCA in case of hybrid PSS
- viii. Extension of trial period for pilot runs

26. Based on the discussions, the Working Group apprised the Commission about difficulties in implementation of some of the provisions of MERC F&S Regulations, 2018 and also submitted its suggestions for removal of difficulties in implementation of MERC F&S Regulations, 2018.

27. In view of the above, the Commission notes that, there are certain difficulties in the implementation of the MERC F&S Regulations as raised by the Petitioners, QCAs and MSPGCL which need to be addressed as RE Generators/QCAs have crucial role in implementation of the F&S Regulations. Regulation 19 of MERC F&S Regulations, 2018 empowers the Commission to issue any general or specific Order to remove difficulties arising in giving effect to the provisions of the Regulations. Accordingly, the Commission has considered following eight (8) issues to be addressed in this Order;

Issue-1: Registration of the QCA and appointment of QCAs of PSS where currently no entity is in position to achieve specified 51% majority;

Issue-2: Discrepancy in connected windmills capacity mentioned in approval letter of MSLDC;

Issue-3: Metered data arrangement and its communication to MSLDC;

Issue-4: Accessibility to SCADA data;

Issue-5: Mode of payment of corpus amount to MSLDC by QCAs;

Issue-6: Applicability of State Periphery impact for computation of DSM charges;

Issue-7: Submission of schedule by QCAs in case of hybrid PSS;

Issue-8: A trial/grace period of six months w.e.f. 1st July 2019.

28. Issue 1: Registration of QCAs and appointment of QCAs for PSS where currently no entity is in a position to achieve specified 51% majority

i. Issue 1 (a): Generators not registered with QCAs

(a) The Working Group during its discussion with MSLDC and QCAs, observed that out of 112 Nos. of PSS (status updated by MSLDC based on the input from Discoms), only 67 Nos. of PSS are registered through 8 Nos. of QCAs. 45 Nos. of PSS have not yet appointed QCA. Further, 67 PSS having 5284 MW installed capacity of RE Generators have been registered out of total 6197 MW of total installed capacity of RE in the State as on date.

(b) Regulation 5.2 of MERC F&S Regulations, 2018 provides that the RE Generators are responsible for initiating the appointment of QCA. The relevant para. of the Regulations are reproduced as under:

5.2 The Wind and Solar Energy Generators at each Pooling Sub-Station shall appoint a QCA:

Provided that an individual Generator not connected to a Pooling Sub-Station may opt to be its own or to appoint a separate entity as its QCA.

.....

5.5 Notwithstanding the appointment of a QCA, the onus of complying with the relevant provisions of these Regulations shall remain that of the concerned Generators, and the commercial and other arrangements between them and their QCA shall be governed by their inter-se agreements or terms of engagement.

(c) Above Regulations clearly specify that the responsibility for the appointment of QCAs lies with the RE Generators and the onus of complying with the relevant provisions of the Regulations also lies with the concerned RE Generators and hence the Commission is of the view that RE Generators cannot shy away from its responsibility of appointing QCA as one amongst themselves or through third party and ensuring its registration with MSLDC.

- (d) The Commission further notes that MSLDC and DISCOMs have identified the details of Generators within PSS who have not initiated the process of appointment of QCA and there should be Protocol for information sharing between MSLDC and DISCOMs/ MSETCL which needs to be agreed between the concerned parties.
- (e) **In view of the above, the Commission thinks it fit to direct MSLDC to maintain and update the Registry of all RE generators based on connectivity and synchronization permissions granted by DISCOMs/MSETCL. The Commission further thinks it fit to direct MSLDC/ Distribution Licensee to issue Notices to those RE Generators who have not appointed QCA (as one among themselves or through third party) and not registered its QCA with MSLDC to seek compliance of the provisions of F&S Regulations within one month from date of issuance of this Order and submit report of pending compliances (if any) to the Commission .**

ii. **Issue 1 (b): Difficulties in operationalizing 51% Majority principle**

- (a) The Commission observes that at some of the PSS connected to InSTS, the QCA is not able to achieve 51% majority which is one of the eligibility criteria for being appointed as QCA as specified in the MERC F&S Regulations. The non-appointment of QCA has resulted in non-compliance of MERC F&S Regulations 2018 by the RE Generators.
- (b) MSLDC in its reply to the Petitions stated the difficulty in non-appointment of QCA for five PSS viz Malharpeth, Sadawaghapur, Ghatnandre, Chavaneshwar and Nigade PSS, where currently no entity is in a position to achieve specified 51% majority. It also stated that MSLDC has registered M/s Manikiran as QCA for Sadawaghapur, Chavaneshwar and Nigade PSS.
- (c) Regulation 6.2 of MERC F&S Regulations, 2018 specifies the criteria of 51% to select the QCA on majority principle. The relevant para of the MERC F&S Regulations is reproduced as under:

“6.2. The QCA shall be appointed with the approval of at least 51% of the Generators at a Pooling Sub-Station, in terms of their combined installed capacity.”

- (d) The MERC F&S Regulations envisaged the PSS as a basic building block for Scheduling, as metering point is common for PSS and F&S Regulations envisage one QCA for each PSS for seamless co-ordination with MSLDC.
- (e) However, in view of various difficulties highlighted by some of Petitioners and QCAs in terms of adhering to the majority principle (51%) for appointment of QCA at few PSS, the Working Group has studied and analyzed various alternatives as discussed below:

- **Alternative 1A:** specifying minimum threshold limit (say, 20 MW) to be allowed for generators within PSS
 - **Alternative 1B:** Feeder-wise (33kV or 11kV as the case may be) QCA to be appointed provided that, there is consensus amongst generators for QCA at Feeder level.
 - **Alternative 2:** MSLDC to nominate QCA for PSS (preferably, QCA of PSS within proximity)
 - **Alternative 3:** Appoint QCA with mandate for largest aggregate capacity within the PSS.
- (f) In case of **Alternative-1A and 1B**, if there is no consensus among 51% of the generators within PSS, the possibility of consensus within certain threshold MW capacity, say 20 MW may be explored or as an alternative, consensus at feeder level within PSS may be considered. In either of the alternative, there will be more than one QCA within the PSS. Such group of generators and QCA will be responsible to segregate the metering and communication arrangement for themselves within the PSS (preferably for sub-feeder). Further, there will be possibility that, Generators on different feeders may nominate the common QCA, but QCA will not be able to segregate the generators to submit the common schedule to MSLDC.
- (g) It is important to note that PSS is considered as basic building block as part of F&S Regulations for the purpose of forecasting, scheduling, co-ordination/communication of the schedules/data/ information exchange with MSLDC, metering, energy accounting and de-pooling of applicable deviation charges at PSS. Accordingly, F&S Regulations envisage one QCA for each PSS for smooth co-ordination of PSS with MSLDC.
- (h) However, operationalization of Alternative -1A or 1B would be more complex and raise the further practical difficulties in operation of F&S framework for such PSS.
- (i) In Case of **Alternative-2**, the MSLDC may ask the QCA of the nearby PSS to undertake the responsibility of the PSS where the 51% criteria of majority principle has not been achieved by either of the QCAs, as interim arrangement until RE Generators at such PSS reach an agreement to appoint QCA on their own. The QCA of nearby PSS would be in a better position to undertake this responsibility. However, it is expected that, the QCA undertaking responsibility of other PSS where there is no 51% mandate, should not take undue advantage of the situation and levies higher service charges to RE Generators connected through such PSS. The service charges offered by QCA to the PSS where there is no 51% mandate shall be at par with the service charges offered where it is already in operation. MSLDC

needs to confirm the same and seek undertaking from the QCA prior to its nomination to act as QCA for the PSS that has not appointed QCA as yet. Further, this will be an interim arrangement for a period of at least six months which can be further extended, until RE Generators at such PSS reach an agreement to appoint QCA on their own. RE Generators within such PSS need to ensure appointment of their own QCA based on the principles specified by the Commission through MERC F&S Regulations and the Procedure thereunder.

- (j) In case of **Alternative 3**, the PSS where there is no 51% mandate to either of the QCA, the MSLDC may accept the registration of QCA who has highest mandate in terms of installed capacity (MW) within the PSS. However, it may not be appropriate to appoint the QCA which has no majority mandate within the PSS.
- (k) Upon reviewing the pros and cons of the alternatives discussed above, the Working Group recommended **Alternative-2** for the PSS connected to InSTS and where there are difficulties in operationalizing 51% Majority principle.
- (l) Considering the recommendation of the Working Group as discussed above, the Commission deems it fit to consider **Alternative -2 as appropriate measure to address the difficulties in operationalizing 51% majority principle for appointment of QCAs for PSS connected to InSTS. Accordingly, the Commission directs MSLDC to amend its procedure to appoint the QCAs in line with the following principles:**
 - a. In case of PSS where there is no mandate of 51% majority to either of the QCAs within PSS, the MSLDC shall ask the QCA of the nearby PSS to undertake the responsibility for such PSS. The nearby PSS will be decided by MSLDC, preferably, electrically connected at same voltage level or higher.
 - b. MSLDC while appointing the QCA in such cases, shall seek undertaking to the effect that, the QCA appointed by MSLDC for undertaking responsibility of other PSS where there is no 51% mandate, shall levy same service charges to that of PSS where it is already in operation.
 - c. Such appointment of QCA by MSLDC shall be an interim arrangement for period of at least six months which can be further extended, until RE Generators at such PSS reach an agreement to appoint QCA on their own.
 - d. RE Generators within such PSS will be at liberty to appoint their own QCA based on the principles specified by the Commission through MERC F&S Regulations and the Procedure thereunder.
 - e. Forecasting, Scheduling, Metering, Energy Accounting, Deviation Accounting and De-pooling and all other associated conditions for such

PSS shall be undertaken by nominated QCA in compliance of F&S Regulations and energy/deviation accounting information, financial accounting information shall be maintained separately by nominated QCA for such PSS.

iii. **Issue 1 (c): PSS connected to DISCOM network having installed Cap > 5MW but aggregate S/S capacity is < 20 MW**

(a) During the discussion with QCAs and MSLDC, it is observed that some of PSS connected to DISCOM network having installed Capacity of more than 5MW are not able to appoint the QCA for their PSS. It is understood that, being a small size installed capacity of PSS, per MW cost of QCA services towards Forecasting and Scheduling become higher, hence Generators within such PSS are not willing to appoint QCA for their PSS. The Working Group analyzed the data of the total PSS connected to Discom Network. The Working Group observed that, the majority of PSS connected to Discom Network are below 20 MW of installed capacity.

(b) The Working Group also reviewed the definition of PSS specified in the MERC F&S Regulations. Regulations 2.1 of MERC F & S Regulations, 2018 provides that:

“2.1 (O) Pooling Sub-Station” means a Sub-Station consisting of a step-up transformer and associated switchgear to the Low Voltage (LV) side of which several Wind or Solar Energy Generators are connected:

Provided that, where a Generating Unit is connected through a common or an individual feeder terminating at a Sub-Station of a Distribution Licensee, the State Transmission Utility or the Central Transmission Utility, such Sub-Station shall be treated as the Pooling Sub-Station for such Wind or Solar Energy Generator for the purposes of these Regulations;

(c) To address the difficulties raised by the stakeholders, the Working Group suggested that, the PSS connected to the Distribution Licensee’s network having installed capacity upto 20 MW may be allowed to join with nearest EHV PSS already having QCA to which said PSS is connected, either directly or through different 33 kV PSS for availing services of QCA for purpose of complying with requirements as per F&S Regulations. However, the Working Group suggested that, Scheduling, Energy Accounting and Deviation Accounting calculations shall be carried out for the PSS on aggregate basis and De-pooling shall be carried out by the QCA on pro-rata basis of actual generation for respective PSS separately.

(d) Considering the recommendation of the Working Group as discussed above, the Commission deems it fit to consider, **the suggestion of Working Group**

for limited aggregation of PSS having installed capacity upto 20MW and connected to Discom Network (upto 33 kV) for the purpose of compliance with F&S Regulations. This provision shall be applicable to PSS connected to Discom Network upto 33 kV network only. Further, if the installed capacity of PSS is increased to more than 20 MW or the voltage level is changed above 33kV, this provision shall not be applicable to such PSS. MSLDC shall take into account this dispensation while maintaining the registry of PSS wise RE Generators in the State.

29. Issue-2: Discrepancy in connected windmills capacity mentioned in approval letter of MSLDC

- i. Some of the Petitioners contended before the Commission that, they have brought to the notice of MSLDC the fact that there is a discrepancy in connected windmill capacity mentioned in approved letter of QCA for Vankusawade PSS and sadawaghapur PSS issued by MSLDC wherein the connected windmill capacity is mentioned as 186.4 MW which is incorrect as compared with data taken from windmill sub-division, MSEDCL Satara where the total connected windmill capacity is shown as 202.89 MW.
- ii. In its reply MSLDC stated that, it shall verify the data with regard to grid connectivity record from MEDA and PPA details of MSEDCL. MSEDCL in its reply has also stated that, based on the PPA and Open Access quantum, the total Installed Capacity at Vankusawade PSS is 206.39 MW.
- iii. The Working Group apprised the Commission that MSLDC has since confirmed that, it has verified the data from the records and rectified the discrepancy. The MSLDC has also informed the concerned Petitioners and QCAs about the rectification in the letter of the approval the installed capacity of the PSS.
- iv. **Accordingly, the Commission notes that, issue of discrepancy in the connected windmill capacity mentioned in approved letter of QCA for PSS issued by MSLDC and the actual installed capacity is resolved.**

30. Issue 3: Meter Data arrangement and communication to MSLDC

- i. During the meeting of Working Group with MSLDC and QCAs, QCAs submitted that, as per MERC F&S Regulations, QCA is responsible for providing weekly interface meter data. However, QCAs are not equipped with Meter Reading Instruments (MRI) and some of the meters are not Special Energy Meters (SEMs) capable of measuring the meter data on 15-minute time block basis. Further, QCAs are also not having access to the Metering Console/equipment, which are sealed by MSEDCL/STU, installed at the Sub-station.

- ii. QCAs further submitted that, at present, Automatic Meter Reading (AMR) facility is not in place for PSS. So QCAs will be required to arrange the MRI instruments at their own cost and also incur the cost of travelling to each PSS with MRI to collect the Metering reading on weekly basis. Hence, QCAs requested to revise the meter data frequency to monthly basis instead of weekly basis.
- iii. MSPGCL in its intervention application stated the technical constraints from MSETCL for ABT metering and unavailability of MRI and hence requested to settle the Deviation quarterly in place of weekly settlement till the resolution of technical constraints.
- iv. Regulation 10.1 of MERC F&S Regulations, 2018 stipulates that

“10.1 QCA shall furnish weekly meter readings to the SLDC by 00.00 hours on the Thursday of the previous week, in addition to the data provided to the Supervisory Data and Control Acquisition (SCADA) Centre, for the purpose of energy accounting under these Regulations.”
- v. The F&S Regulations envisage AMR facility for receiving meter data at MSLDC on which STU has recently taken steps to upgrade the metering infrastructure from MRI to AMR. In absence of AMR facility at present, use of MRI instruments will be required to be used to download Meter data and provide the same to SLDC on weekly basis. However, the QCAs have submitted that, that they do not have access to meter cubicle of PSS as it is sealed by STU/DISCOM.
- vi. In this regard, the Working Group recommended that, the STU is required to prioritize the AMR installation of interface points for PSS and till that time, STU and concerned Distribution/Transmission Licensee is require to facilitate availability of MRI instruments to QCAs. MSLDC should coordinate establishment of a protocol for joint meter reading at interface points among QCA, STU and Discom officials. Metered data may be submitted to MSLDC on monthly basis (i.e. Weekly bills for the month to be issued monthly). Till that time MSLDC may be allowed to issue the monthly DSM bill (i.e. 4 Weekly bills to be issued at end of a month on receipt of metered data) in the initial phase of implementation of F&S framework until meter reading through AMR arrangement at PSS is put in place.
- vii. In view of the above recommendations of the Working Group, the Commission is of the view that, metering arrangement with AMR facility for all interface points including PSS is expected to put in place by STU as part of implementation of DSM framework in the State and accordingly, **the Commission thinks it fit to direct as under;**
 - a) **STU to prioritize AMR installation for interface points of PSS.**

- b) **Discoms/STU/Transmission Licensees shall install SEMs at various PSS which are not having SEMs within one month from date of issuance of this Order.**
- c) **MSLDC to coordinate with QCA, STU/ Transmission Licensees and concerned Discom to establish protocol for joint meter reading of interface points of PSS and provide meter data (15-min) to SLDC on monthly basis (i.e. 4-weekly) for previous month on or before 15th of every month. STU and concerned Transmission Licensees to facilitate the availability of MRI instruments to QCAs.**
- d) **MSLDC to issue monthly (4-weekly) bills in the initial phase of F&S implementation till operationalizing AMR or any alternate arrangement for collecting the meter data on weekly basis. However, the Deviation Accounting, Computation of DSM charges and Settlement thereof shall be undertaken on time block wise for each week. Further, QCA and RE generators within PSS shall be responsible for ensuring meter reading, recording, maintaining data and energy account of individual RE generators, for De-Pooling purpose.**
- e) **This arrangement shall be continued in the absence of AMR facility.**

31. **Issue 4: Accessibility to SCADA data**

- i. During the discussions of Working Group with MSLDC and QCAs, the QCAs requested for accessibility to SCADA RTU installed at MSETCL Substation as old WTGs (250kW etc.) do not have SCADA facility and hence real time visibility for those generators become difficult.
- ii. The Working Group observed that, the old Wind Turbines do not have facility of SCADA for real time monitoring of generation. As per Regulation 5.19 of F&S Regulations, QCAs may revise their schedule based on actual data and forecasting as it approaches the actual time block and maximum 16 revisions during the day are permissible. For decision of revision in schedule, QCA would need visibility of actual RE Generation for its PSS. Regulation 11 of F&S Regulations, outlines protocol for communication and information exchange between QCA and SLDC.
- iii. The clause no. 8 of approved detailed Procedure under RE F&S Regulations, provides for the outline of the requirement of communication protocol for information and responsibility for sharing real time data exchange. The Working Group suggested that RE Generators/QCAs should establish necessary hardware (incl. RTUs) to gain real time visibility for its generation in its own interest to improve upon accuracy of forecasts and to undertake revision of schedules. The SCADA system at nearest EHV S/S of MSETCL is only for the purpose of monitoring/control of Wind/Solar Generators and operations at local level and

does not cover scope for visibility of real time data at MSLDC Kalwa/Ambazari. However, Working Group suggested that, MSETCL/MSLDC may explore feasibility of sharing RTU data at its EHV S/S wherein QCA have cited difficulties in light of old WTGs (e.g. 250 kW) only to facilitate implementation of RE F&S framework.

- iv. **In view of the above suggestion of Working Group, the Commission thinks it fit to direct that, QCA, MSLDC and STU shall clearly identify the specific PSS where old WTGs are operating and QCA are facing difficulty in arranging RTUs/SCADA data. The Commission thinks it fit to direct MSLDC to amend the F&S Procedure incorporating the suitable provision regarding sharing SCADA data in such cases to QCAs by STU.**

32. Issue 5: Mode of Payment of Corpus amount to MSLDC by QCAs

- i. QCAs during meeting with Working Group, submitted that **some of the RE Generators are not ready to deposit the Corpus with QCA** but were ready to deposit the same with MSLDC directly. Further, majority of Generators are requesting to accept the corpus in the form of Bank Guarantee (BG) or Letter of Credit (LC) instead of the said deposit in cash as the cost of depositing corpus amount is very high and they will lose interest on such high amount.
- ii. The Approved F&S Procedure mandates deposit of interest free corpus amount of Rs. 25000 per MW for Solar and Rs. 50000 per MW for Wind towards payment security mechanism. The amount is required to be paid by QCA at the time of registration.
- iii. Regulation 5.21 (a) of F&S Regulations specifies that the payment security arrangement between QCA and SLDC to be stipulated through detailed procedure and Regulation 6.4(d) specifies terms of engagement between QCA and RE generator to cover suitable payment security mechanism. Corpus requirement towards payment security is specified under Clause 6.11, Clause 13.7 & Annexure of Detailed procedure.
- iv. The Working Group reviewed the similar provisions for deposit of Corpus amount in other States where implementation of F&S framework is under operation. It is observed that, States like Rajasthan and Andhra Pradesh have provided for payment security mechanism through BG whereas Tamil Nadu has LC for payment towards payment security. The Working Group discussed the difficulty of RE Generator/QCA wherein State owned Public Sector Undertakings (PSUs) or RE Generators whose cases are currently pending before National Company Law Tribunal (NCLT), would have difficulty in paying corpus amount towards payment security through third party QCA. In this situation, it would be preferred that such cases may be allowed to provide corpus/payment security to MSLDC directly. MSLDC further highlighted the difficulties in operationalizing payment security through multiple BGs in case

direct interactions with multiple RE Generators is allowed instead of through QCA at PSS and preferred that payment security should be insisted upon through electronic LC (e-LC). Hence, the Working Group suggested, that upon gaining experience of F&S regime and RE DSM pool operation at the State level, the Commission may review the proposed payment security arrangement and may allow QCAs to deposit the corpus in the form of LC or BG. In case, if RE Generator/QCA fails to deposit Corpus Amount or provides payment security in the form of e-LC within stipulated time, such generators/QCA shall not be considered for Despatch.

- v. **The Commission observes that in order to clearly demarcate the responsibilities of interactions, energy accounting, settlement of RE DSM charges and payments thereof; amongst SLDC, QCA and RE Generators, it is necessary that terms of engagement and payment security arrangements are established distinctly between SLDC and QCA and that between QCA and RE Generators. Accordingly, as per detailed procedures, payment security arrangement between QCA and SLDC shall be specified as per Regulation 5.21(a) of F&S Regulations whereas Regulation 6.4(d) of F&S Regulations specifies terms of engagement including payment security arrangement between QCA and RE Generators. However, in view of the above suggestions of the Working Group and the difficulty raised by some of the QCAs, the Commission thinks it fit to direct MSLDC to incorporate suitable amendments in the payment security arrangement under Procedure of F&S Regulation to allow QCAs to deposit Corpus amount or to provide e-LC in favour of MSLDC in such cases of RE Generators which are State owned PSUs or for RE Generators whose cases are currently pending before NCLT. The Commission also allows that, the QCA may enter into suitable back-to-back arrangements to avail payment security from RE Generators that they are representing. Further, in case of default of QCA in timely payment of Deviation Bill and if MSLDC finds any difficulty in liquidating the e-LC of QCA within stipulated time period, such PSS shall not be considered for Despatch. The MSLDC may approach the Commission for review of provisions of corpus, in case it faces the difficulties in liquidating the e-LC of the QCAs.**

33. Issue 6: Applicability of State Periphery impact for computation of DSM charges

- i. MSPGCL, vide its MA No. 33 of 2019 in 43 Cases filed by the Wind Generators requested to waive off the State periphery penalty for RE Generators considering its uncertainty. Further, the QCAs during discussion with Working Group, requested to defer the applicability of Regulations 12.1 (d) of F&S Regulations which specifies recovery of shortfall in DSM Charges at State Periphery from QCA for a period of six months or one year till all the QCAs are registered with MSLDC.
- ii. Regulation 12.1 of MERC F & S Regulations, 2018 specifies that:

12. Deviation Accounting

12.1 The methodology for deviation settlement for the State shall be as follows:

- a) The Deviation Charge payable or receivable for the State as a whole at the State periphery shall be determined by the SLDC.
- b) The SLDC shall compute the impact of the deviation of the Solar and Wind Energy Generation and its contribution to the Deviation Charge at the State periphery.
- c) The SLDC shall compute the Absolute Error, i.e. the difference between the scheduled and the actual energy injected, in respect of each Pooling Sub-Station and each Generator feeding energy directly to another Sub-Station, and shall accordingly determine the amounts payable on account of the Deviation Charge in accordance with Regulations 7 and 8.
- d) Any shortfall in the aggregate amount of Deviation Charge payable by Solar and Wind Energy Generators at the State periphery and the amount receivable from them by the Pool Account shall be paid by the respective QCAs in proportion to their deviation reflected at the State periphery.

iii. The Working Group noted that, the Commission has clarified this issue in detail in its Statement of Reasons (**SoR**) to the F&S Regulations as below:

35.3. As mentioned in the Objectives, this Regulation is to facilitate Large scale RE grid integration. Regulation 12.1(d) provides for treatment for deviation accounting and virtual pool operation. The virtual pool discussed in the approach paper is for the computation of Deviation and not Scheduling purpose submitted by the Stakeholders.

While computing Deviation on account of RE generators at State periphery, SLDC shall consider, impact of Deviation on account of RE generators under Virtual Pool and its contribution to the Deviation Charge at the State Periphery. Further, SLDC shall compute the Deviation Error for each Pooling Substation and accordingly determine the amounts payable on account of Deviation Charge as specified in the Regulation 7 and 8 of these Regulations.

FOR Model Regulations has suggested support through PSDF/NCEF funds for meeting shortfall in deviation charges collected from Wind/Solar generators vis-à-vis impact of its deviation at state periphery. However, no such notification is in place till date. Hence, in the Draft F&S Regulations, mechanism for treatment for such shortfall and its recovery has been proposed.

Further, the State DSM Pool account shall be prepared for Settlement Period, wherein the Deviation Charges (either Positive or Negative) for RE shall be accounted for and allocated to the Pooling Station in proportion to its impact at State Periphery.

With regards to addition of provision of sharing Deviation Charges among the SPPs, the Commission is of the view that, the methodology specified in the Draft F&S Regulations for treatment to the Deviation Charges collected by RE generators is appropriate to take care the concerns raised by Distribution Licensees.

Further, as per Regulation 5.21 of this Regulations, SLDC shall prepare detailed procedure for Deviation accounting with illustrative example for more clarifications.”

- iv. **The Working Group is of the view that, after removing the difficulties on registration of QCAs, meter data arrangement and Communication to MSLDC and facility of e-LC for Corpus it is expected that, all the QCAs are expected to be registered with MSLDC and MSLDC will be able to compute the deviation impact of RE Generators at State Periphery.**
- v. **Further, Working Group observed that, MSLDC in its detailed procedure has already provided illustrations of computation of State Periphery impact and its apportionment to the PSS responsible for it. If required, the MSLDC may further provide additional illustrations for clarification of RE Generators/QCAs. Under such circumstances, the Working Group suggested that, the Commission may not defer the applicability of Regulation 12.1 of F&S Regulations instead, MSLDC should provide more clarity through various illustrations in its detailed procedure.**
- vi. In view of the above suggestion of the Working Group, the Commission is of the view that, the burden of Deviation on account of RE generation beyond the permissible limits as provided under F&S Regulations should not be passed on to the other Stakeholders or to common consumers which has already been explained in the SoR to RE F&S Regulations. The Commission expects that, vide this Order, Commission is removing difficulties in registration of QCAs, hence, all the QCAs are expected to be registered with MSLDC and the requirement meter data and settlement of RE deviations is also being changed from weekly basis to monthly basis (4-weekly basis) which will also address the difficulties raised by QCAs. Further, the review of F&S regulations on the applicability of State Periphery impact of RE Deviation is outside the purview of present proceedings initiated to address the implementation difficulties.
- vii. **In view of the above, the Commission expects that the MSLDC, would be in a position to compute the impact of RE deviation at State periphery and apportion on the QCAs as specified in the Regulation 12.1 of MERC F&S**

Regulations. The Commission also notes that, MSLDC has already provided illustrations of computation of State Periphery impact and its apportionment to the PSS responsible for it. If required, the MSLDC may further provide additional illustrations for clarification of RE Generators/QCAs.

- viii. **In view of the above the Commission is not inclined to defer the applicability of Regulation 12.1 of F&S Regulations.**

34. Issue 7: Submission of schedule by QCAs in case of Hybrid PSS

- i. The QCAs during discussions with Working Group and MSLDC, requested for clarification on the submission of Schedule in case of PSS where both Solar and Wind Generators are connected in the PSS.
- ii. The Working Group clarified that, the F&S Regulations specifies uniform treatment to both Wind and Solar generation i.e. DSM charges are same for both type of RE sources. As per the approved F&S procedure, Hybrid PSS are required to submit their availability separately for Wind and Solar generation. This is necessary to ensure that declared available capacity of Solar generation will be “nil” during night hours. If Hybrid PSS considers combined availability of both Wind and Solar for all time blocks, the Deviation Error will not be computed in proper manner (as for Deviation Error formula, denominator only covers Declared Available Capacity of RE Generators at PSS). This will provide undue benefit to PSS.
- iii. **In view of the above the Commission clarifies that, MSLDC through F&S Procedure is rightly asking QCA to submit separate schedule for Wind and solar within PSS to ensure that, QCA is not considering availability of solar during night time. However, it is clarified that, while computing the Absolute Error, MSLDC shall consider the combined generation and total availability of PSS including Wind and solar for each time block.**

35. Issue 8: A trial/grace period of six months w.e.f. 01st July 2019

- i. 43 No. of RE Generators and QCAs under their Petitions and MSPGCL as per its intervention Application have requested a trial/grace period of six months w.e.f. 01st July 2019 to ameliorate the challenges faced in compliance with the provisions of Forecasting and Scheduling Regulation, 2018. Petitioners further stated that penalty may be levied for any deviation thereafter instead of penalty being imposed for any deviation from the date of coming into effect of said Forecasting Regulation 2018 i.e. 01st July 2019.
- ii. The QCAs during their meeting with Working Group and MSLDC raised the issue of requirement of trial period for commercial implementation of MERC F&S Regulations.

- iii. The Working Group suggested that, in view of activities to be undertaken in removal of difficulties regarding registration of QCAs for all PSS, availability of metering infrastructure and data to MSLDC and modification of detailed procedure of MSLDC, it would be appropriate to grant trial period of six months from the 1st July,2019.
- iv. In view of the above suggestion of the Working Group, the Commission notes following:
 - a) The Commission's F&S Regulations were notified on 20th July, 2018. MSLDC prepared the F&S Procedure upon stakeholder consultation, which was approved by the Commission on 7 December, 2018. The commercial implementation of MERC F&S Regulations was scheduled from 1 April 2019, however based on request of Stakeholders date of implementation was deferred and rescheduled to 1st July, 2019.
 - b) MSLDC conducted the workshop of Wind and Solar generators and QCA on 26.02.2019 to review the preparedness of Stakeholders for implementation of Regulations. MSLDC also initiated the process of PSS wise QCA registration from 1April, 2019. However, the applications were received from 3rd week of May'2019.
 - c) The Working Group was directed to review the issues raised by QCAs and RE Generators and MSPGCL through Petitions. The issues raised by the QCAs and RE generators were discussed within the Working Group and with representatives of QCAs and MSEDCL.
 - d) Upon reviewing, the recommendations of the Working Group, the Commission is considering the difficulties raised by the QCAs and RE Generators and MSPGCL. Accordingly, the Commission is passing this Order for removing the difficulties raised by RE Generators, MSPGCL and QCAs and also taking into consideration recommendations of the Working Group on the additional issues raised during its deliberations with the concerned stakeholders.
 - e) For implementation of the directions of the Commission, MSLDC shall require to amend RE F&S Procedure. As per the provisions of the MERC F&S Regulations, the F&S procedure was finalized after Stakeholders consultation. Similarly, MSLDC shall require to take note of the points raised during stakeholder's consultation while amending the F&S Procedure.
 - f) The time required for amending the F&S Procedure including stakeholder consultation will be about 2 months. Upon finalization of Amendment to the RE F&S Procedure, all PSS are expected to appoint QCAs and initiate the submission of Schedule to the MSLDC as per the RE F&S Procedure.

- g) Further, some of the PSS also require installation of SEMs. MSETCL will require to take trial run of meter data collection of all PSS and make the data available at MSLDC for the purpose of energy accounting, deviation accounting and preparation of bills for RE DSM.
- v. **In view of the above, the Commission finds it appropriate to grant the additional period of six months from the 1st July,2019 including for extended trial operation to complete the above activities. The Commission clarifies that, during the extended trial period, the PSS which are already registered, shall continue submission of Schedule to MSLDC and collection of meter data as per existing practices. During this period, MSLDC shall continue with implementation of all the activities such as scheduling of RE generation, computation of Absolute Error, RE Deviation and RE Deviation Charges, preparation of mock RE DSM Bills. MSLDC should publish the RE Schedule, Energy Accounting Statement and RE DSM Statement (incl. mock DSM bills) on its website for each QCA and every PSS, separately. These bills shall be issued to QCAs, however, QCAs shall not be required to pay the DSM charges against these DSM Bills during trial period of six months from 1st July,2019 i.e. upto 31st December, 2019. Further, QCAs shall also undertake de-pooling of the RE DSM charges amongst RE Generators for their respective PSS, but no commercial transaction shall be done. With this, the commercial implementation of the RE F&S Regulation shall commence with effect from 1st January 2020.**

36. Hence the following Order:

COMMON ORDER

1. **The Case Nos.172 of 2019, 173 of 2019, 176 to 181 of 2019, 185 to 194 of 2019,200 to 224 of 2019 are partly allowed and MA No. 32 and 33 of 2019 disposed off accordingly in terms of the Para 27 to Para 35 above.**
2. **Maharashtra State Load Despatch Centre is directed to amend the procedure in line with the rulings and principles stipulated by the Commission in this Order (as mentioned at Para 27 to Para 35) within a period of two weeks and undertake Stakeholders consultation on the draft amendment to the RE F&S Procedure. The Maharashtra State Load Despatch Centre shall submit the amended procedure after considering the stakeholders comments for approval within 45 days from the date of this Order.**
3. **State Transmission Utility (STU) / Maharashtra State Electricity Transmission Co. Ltd. / Distribution Licensees are directed to undertake all the activities related to metering arrangement for all RE Pooling Sub-Stations (PSS) with immediate effect to ensure that, before finalization of amendment to the RE F&S Procedure, Qualified Co-ordinating Agency (QCA), STU and Distribution Licensees jointly shall be able to collect the meter data of all PSS and make**

available to MSLDC during extended trial period allowed by the Commission in this Order.

4. The Commission finds it appropriate to grant the additional period of six months from 1st July,2019 for extended trial operation to complete the above activities.
5. The Commission clarifies that, during the extended trial period, the PSS which are already registered, shall continue submission of Schedule to Maharashtra State Load Despatch Centre and collection of meter data as per existing practices. During this period, Maharashtra State Load Despatch Centre shall continue with implementation of all the activities such as scheduling of RE generation, computation of Absolute Error, RE Deviation and RE Deviation Charges, preparation of RE DSM Bills.
6. During the extended trial period, Maharashtra State Load Despatch Centre shall publish the RE Schedule, Energy Accounting Statement and RE DSM Statement (incl. DSM bills) on its website for each QCA and every PSS, separately. These bills shall be issued to QCAs, however, QCAs shall not be required to pay the DSM charges against these DSM Bills during trial period of six months from 1st July,2019 i.e. upto 31st December, 2019. Further, QCAs shall also undertake De-pooling of the RE DSM charges amongst RE Generators for their respective PSS, but no commercial transaction shall be done. With this, the commercial implementation of the RE F&S Regulation shall commence with effect from 1st January, 2020.
7. The Commission records its appreciation of the good work done by the working group and directs it to continue its monitoring on the implementation of the F&S framework in the State and apprise the Commission from time to time to ensure the smooth commercial implementation of F&S Framework in the State by 1st January, 2020.

Sd/-
(Mukesh Khullar)
Member

Sd/-
(I. M. Bohari)
Member

Sd/-
(Anand B. Kulkarni)
Chairperson


(Abhijit Deshpande)
Secretary

