

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**
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Case No. 63 of 2007

**In the matter of
Petition for deciding the methodology for sharing of Clean Development
Mechanism (CDM) benefits between investors and Utility**

**Shri A. Velayutham, Member
Shri S.B.Kulkarni, Member**

ORDER

Dated: November 17, 2008

The Maharashtra Energy Development Association (MEDA) submitted a Petition under affidavit before the Commission on November 22, 2007, inter alia submitting the mechanism for sharing of Clean Development Mechanism (CDM) benefits in the State of Maharashtra.

2. MEDA in its Petition prayed as under:

1. *To come up with a sharing methodology that protects the interest of the investors and that can encourage CDM projects in the state;*
2. *To fix a ratio for the sharing of CDM benefits and transaction cost between investors and the utility so that a major share is retained by the investors.*
3. *To condone any inadvertent omissions/ errors/ short comings and permit the MEDA to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date; and*
4. *To pass such Orders as the Hon'ble Commission may deem fit and proper.*

3. The Commission, vide its Notice dated December 3, 2007, scheduled the hearing in the matter on December 18, 2007 in the presence of consumer representatives authorized on a standing basis under the Electricity Act, 2003 (EA 2003). MEDA was directed to serve a copy of its Petition along with its accompaniments, to The Maharashtra State Electricity Distribution Company Limited (MSEDCL), The Tata Power Company Limited (TPC), Mula Pravara Electric Co.op. Society Ltd. (MPECS), Reliance Energy Limited and BEST Undertaking, and the four authorised consumer representatives.



4. At the hearing held in the matter on December 18, 2007, Shri. Ravi Prakash, Advocate for MSEDCL, sought an adjournment. Shri. Prakash submitted that the reliefs sought by MEDA under the present petition require detailed analysis of complex issues and adequate time was not available for the study as MSEDCL had not received the copy of the Petition on time. The Commission observed that MEDA should be given an opportunity to present its case. MSEDCL and other utilities might submit their written replies accordingly.

5. Shri. D.B. Desai, Additional Director General-MEDA, referred to the averments made under paragraphs 2, 3, 4, 5, 6, 8 in the Petition. Shri. Desai further referred to the averments made under the captions “Section 1”, “Section 2” (internal paragraphs 2.3.2, 2.3.3) in the Petition.

6. On enquiry by the Commission, as to how MEDA has obtained the figures under Table IV (“Section 2” in the Petition), MEDA submitted that the said figures have been estimated hypothetically.

7. The Commission observed that MEDA is required to collect data from different associations all over India, to record normative amounts of CDM benefits and applicable transactional costs for the actual project cases rather than assuming any hypothetical case. Further, such data should be distinctively collected with respect to each kind of renewable energy project. MEDA was directed to submit the modified proposal with regard to the treatment of CDM benefits, based on such data, and concerned utilities and CDM investors might submit their comments on the same.

8. MEDA sought one month’s time for the collection of required data and presentation of a proposal, as directed by the Commission and MSEDCL sought further fifteen (15) days time for submission of a detailed reply/response by MSEDCL, after receipt of a revised petition/ additional data by MEDA, which was granted by the Commission.

9. MEDA, vide its letter dated January 16, 2008, informed the Commission that they were in the process of collecting information on “ CDM transaction cost and CER’s receipts” from various RE projects developers/ consultants and sought extension of four months for submission of data. The Commission acceded to the MEDA’s request, and directed MEDA to submit the desired information within four months and latest by May 18, 2008, to the Commission.

10. Subsequently, MEDA vide its letter dated April 30, 2008 submitted that they were in a process of appointing a consultant for collecting the actual facts and figures about “CDM transaction cost and CER’s receipts” and sought further extension of three months for re-submission of the Petition. The Commission granted the request and advised MEDA to submit the revised Petition with all the supporting data within three months and latest by August 18, 2008.

11. MEDA vide its letter dated August 7, 2008, sought further extension of three months for re-submission of the Petition.



12. The Commission observed that as it was already eight months since the hearing in the matter and further extension of three months would amount to eleven months, and it informed MEDA vide its letter dated September 8, 2008 that further extension as requested has not been granted by the Commission and further directed MEDA to file a fresh Petition before the Commission, in the matter, complete in all respects, with all the supporting data etc.

With the above observations, the Commission disposes of the present petition filed by MEDA in Case No. 63 of 2007 and grants liberty to MEDA to file fresh Petition with all necessary supporting data, as may be necessary.

Sd/-
(S.B. Kulkarni)
Member

Sd/-
(A. Velayutham)
Member



(Prafulla S. Varhade)
Secretary, MERC