

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th floor, Cuffe Parade, Mumbai 400 005.

CASE Nos. 20 of 2002

In the matter of

Application dated 29th August 2002 filed by Indian Wind Energy Association (InWEA) seeking “approval for extending applicability of the Interim Order dated 3rd June 2002 to such wind farm developers not having valid NOCs and drawing interim relief”.

**Shri P. Subrahmanyam, Chairman
Shri Jayant Deo, Member
Dr Pramod Deo, Member**

INTERIM ORDER

Dated: October 18, 2002

In the background of the admissibility hearing held on 24th May 2002 in the matter of applications filed before the Commission by (i) Shri Pratap G. Hogade, (ii) Renewable Energy Developers Association of Maharashtra (REDAM) and (iii) Indian Wind energy Association (InWEA), the Commission issued an Interim Order dated 3rd June 2002 in Case Nos. 3, 4 & 5 of 2002.

2. After issuance of the Interim Order dated 3rd June 2002, the Maharashtra State Electricity Board (MSEB) referred a letter No. Co-Ord.Cell/MERC/24325 dated 17th June 2002 vide which the Board had sought clarification about the applicability of the interim order to “*the NOCs issued subject to the specific condition that the wind farm developers have to obtain approval of MERC for the rate at which they will sale wind power to MSEB and payment to wind farm developers shall be made as per and after approval of MERC. Whether in such cases also 70% payment of billed amount is to be made or otherwise.*” Necessary clarification was issued vide Commission’s letter No. 0708 dated July 19, 2002: “*so far as this particular category of developers is concerned, the Commission’s Interim Order dated 3rd June 2002 does not apply to them. In this context, it will not be out of place to mention that your application dated 16.5.2002 vide which you have sought the Commission’s approval to energy purchase agreement and*

energy wheeling agreement, is likely to be taken up in-very near future for further processing and final order. Meanwhile, such developers, if they so desire, may approach the Commission for interim relief.”

3. Subsequent to the Commission’s letter dated 19th July 2002, InWEA filed an application dated 29th August 2002 before the Commission seeking “approval of the Honourable Commission for extending applicability of its Interim Order dated 3rd June 2002 to such wind farm developers not having valid NOCs and drawing interim relief”. Along with the application-dated 19.7.2002, the Petitioner also submitted [Annexure-I] a list of 44 such developers.

4. During the admissibility hearing of the petition of InWEA held on 13th September 2002, the Petitioner submitted that though the order is very clear, yet the Board has failed to make payments to the enlisted developers in the current petition citing that such parties do not have valid NOCs. During this hearing, the representative of Renewable Energy Developers Association of Maharashtra (REDAM) submitted that they would also like to submit a list of such wind farm developers and accordingly they have submitted their affidavit on 24th September 2002 containing a list of 39 cases.

5. During the earlier hearing held on 24th May 2002, Prayas, u/s 26 consumer representative, stated that the wind generators / developers are first getting into the PPA/EPA with the MSEB and then approaching the MERC for a post facto approval.

6. During the course of hearing held on 13.9.2002, the Commission queried with the Board, in view of the stand taken by the Board vide its letter No. Co-ord. Cell/MERC/Wind/32040 dated 29th August, 2002, whether the Board had made payments to any of such developers? The MSEB admitted the fact that out of such category of developers, the Board has made payments to 14 developers. Subsequently, the Board had submitted vide its letter No. Co-ord. Cell/MERC/Wind/36582 dated 10th October, 2002, a list of 26 cases, out of which in 14 cases where valid NOCs that have been given after identification of third party and 70% payments on adhoc basis have been released and in the remaining 12 cases, 70% payments have been effected, though valid NOCs were not issued in absence of third party identification.

7. During the hearing, the Commission observed that, the MSEB failed to bring the fact of developers not having valid NOCs were also paid, before the Commission, which otherwise, could have prevented subsequent communications and wastage of time of both the Commission and the developers.

8. The Commission took a strong view of this serious lapse on the part of the MSEB. With a view to bring about uniformity during the interim period, the Commission directs the MSEB to extend the same facility to the remaining developers (i) as per the list attached to the application of InWEA dated 29.28.2002 and (ii) as per the list of 39 cases mentioned in the application dated 24th September 2002.

9. During the hearing held on 24th May 2002, on the Commission's observation regarding break-up and impact of NOCs issued, the MSEB stated that the Board has issued, in all, NOC for 499.035 MW capacities for wind generators, out of which 394.564 MW have already been commissioned as on 31st March 2002. The Board is purchasing power from these sources only because of the obligations under GoI/GoM guidelines/directives. In respect of implications on load factor and revenue side, considering the entire system, as a whole, it is very negligible and meagre, say not even 0.1%.

10. This interim relief shall be in operation for a period of three months only from the date of this order, or approval of the Energy Purchase Agreement wind/solar power plant for (i) sale to MSEB and/or wheeling for self use, and (2) wheeling for self use and/or sale to third party, whichever is earlier.

Sd/-
(Jayant Deo)
Member

Sd/-
(Pramod Deo)
Member

Sd/-
(P. Subrahmanyam)
Chairman, MERC

Sd/-
(Sanjay Kumar)
Secretary, MERC

Dated 18th October 2002