# Before the MAHARASHTRA ELECTRICITY REGULATORY COMMISSION World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400 005 Tel. No. 022 22163964/65/69 Fax. 022 221639761 E-mail: <u>mercindia@merc.gov.in</u> Website: <u>www.merc.gov.in</u>

#### Case No. 02 of 2019

#### Case of Maharashtra State Electricity Distribution Co. Ltd. for execution of the Commission's Order dated 19 March, 2018 in Case No. 114 of 2016

#### <u>Coram</u>

## I.M. Bohari, Member Mukesh Khullar, Member

| Maharashtra State Electricity Distribution Co. Ltd.       | : Petitioner   |
|---|--|
| Indian Railways<br>Maharashtra State Load Dispatch Centre | <ul><li>Respondent No. 1</li><li>Respondent No. 2</li></ul>                |
| Appearance  |  |
| For the Petitioner  | : Shri Ashish Singh (Adv.)   |
| For the Respondent No. 1                                  | <ul><li>Ms. Deepali Sheth (Adv.)</li><li>Shri R. K. Goyal (Rep.)</li></ul> |
| For the Respondent No. 2                                  | : Shri Vasant Pande (Rep.)   |

#### <u>ORDER</u>

#### Date: 14 June 2019

- Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) has filed this Case dated 2 January, 2019 under Sections 142, 146 of the Electricity Act, 2003 (EA) for execution of the Commission's Order dated 19 March, 2018 restraining the Indian Railways from continuing the over-drawal from the State Grid in absence of any standby supply arrangement and seeking directions to Maharashtra State Load Dispatch Centre (MSLDC) to take immediate action against Indian Railways in case of such overdrawals.
- 2. The main prayers of MSEDCL are as under-

- a. To admit the petition for non-compliance of Hon'ble Commission Order dated 19.03.2018 (in case no. 114 of 2018) as per Section 142 & 146 of EA 2003;
- b. To direct Indian railway to sign Standby Agreement;
- c. To direct Indian Railways to pay standby fixed charges bill alongwith carrying cost (for Mumbai Area).
- d. To direct MSLDC to take immediate action against Indian Railways in case overdrawl by Indian Railways from the State Grid in the absence of standby arrangement.

#### 3. **MSEDCL's Case is as follows**:

- 3.1 On 19 August, 2016, MSEDCL had filed a Petition raising the issues related to overdrawl by Indian Railways from the Grid and the need for an arrangement for stand-by supply.
- 3.2 The Commission in its Daily Order dated 5 January, 2017 directed MSEDCL, MSLDC and Indian Railways to sit together to resolve the issues of stand-by supply arrangements of Indian Railways and work out the Transmission Charges and Losses for over-drawl of power over and above the injected ex-bus generation on account of tripping of Ratnagiri Gas Power Pvt. Ltd (RGPPL) or any other reasons.
- 3.3 Further, in the meeting dated 22 February, 2017 of Western Region Power Committee (WRPC), the stakeholders discussed details of the arrangement of alternate power supply to Indian Railways. It was agreed in the meeting that

"..... <u>The power scheduled by Indian Railways shall be billed by the states</u> to IR as per the temporary tariff as notified by their respective Hon'ble State Electricity Regulatory Commission and IR shall settle the same with the States.

The above arrangement between Indian Railways and the states is being made under temporary tariff and shall be treated as a special case.....

- 3.4 Further, during the hearing dated 9 March, 2017 in Case No. 114 of 2016, Indian Railways informed that, during the WRPC meeting, it had agreed to sign an Agreement with MSEDCL for supply of power in the event of tripping of the Generating Units RGPPL.
- 3.5 Accordingly, a draft Standby Power Supply Agreement was submitted to Indian Railways. However, vide letter dated 27 June, 2017, Indian Railways expressed its

inability to enter into a standby power supply agreement stating that it will attract huge fixed charges liability on it.

3.6 In the 34<sup>th</sup> WRPC meeting held on 28 July 2017, the matter was discussed to resolve the issue and it was recorded that:

"....<u>Maharashtra may explore some other tariff other than the existing Temporary</u> <u>category tariff</u>, which is on a monthly basis, so that the Indian Railways' requirement of four to five hours temporary supply is charged at reasonable rates.....

- 3.7 Accordingly, during a meeting held on 5 August, 2017 at MSEDCL's Head Office, MSEDCL has proposed following options to Indian railways for standby power supply:
  - Temporary Tariff as determined by the Commission and agreed by Indian Railways in the Meeting dated 22 February, 2017 held at WRPC.
  - In line with present standby power support by MSEDCL to Mumbai distribution Utilities.
- 3.8 MSEDCL, vide email dated 14 August, 2017 sent the Minutes of Meeting (MoM) to Indian Railways. However, there was no response from Indian Railways.
- 3.9 Subsequently, the Commission passed its Order dated 19 March, 2018 directing as under:

15.8 "...there is prima facie no reason to discriminate in favour of the Indian Railways in the Demand Charge applicable to Temporary category supply, in terms of Section 62(3) of the EA, 2003.

15.9 <u>Indian Railways is also at liberty to source stand-by power through a</u> separate arrangement with any other Generator or entity which it considers to be more financially beneficial to it, provided that arrangement adequately addresses the circumstances discussed above.

15.10 In the absence of such a stand-by arrangement with MSEDCL or other entity, MSLDC shall take appropriate steps to curtail the drawal of Indian Railways and limit it to the availability of the Generator(s) contracted by it."

## **Base of present Petition:**

- 3.10 Further, vide the Order, the Commission held that Indian Railways, being a part of the State Pool, shall fulfill its obligations towards maintaining Grid stability.
- 3.11 Even after six months of the Commission's Order, Indian Railways has not signed any standby agreement / arrangement till date. Further, during this period, Indian Railways has continued to overdraw from the Grid from time to time, which is not only affecting

grid security but also has financial implications on the other State Pool Participants (SPPs) mainly, MSEDCL.

- 3.12 There are several instances when the contracted generators of Indian Railways tripped but Indian Railways has continued to overdraw of the electricity from the grid.
- 3.13 The Commission, vide its Order dated 19 March, 2018 has also noted that:

In the ordinary course, in pursuance of its obligations under Section 33 of the EA, 2003, <u>MSLDC would have been expected to ask Indian Railways to curtail its load to</u> match the reduced availability of its contracted Generator. However, for reasons best <u>known to it</u>, <u>MSLDC has not done so</u>. Indian Railways cannot be allowed to continue to violate Grid discipline....."

- 3.14 Thus, it is the responsibility of MSLDC to ask Indian Railways to curtail its load to match the reduced availability of its contracted Generators i.e. RGPPL and Bhartiya Rail Bijlee Co. Ltd. (BRBCL).
- 3.15 In various events of failure of RGPPL and BRBCL generating Units, MSEDCL has asked MSLDC to provide necessary instructions to Indian Railways.
- 3.16 In spite of all these correspondences, MSLDC has not taken any concrete action against Indian Railways and has failed to perform its duty by allowing Indian Railways to overdraw the power from the State Grid and has also endangered the Grid stability.
- 3.17 As per the CERC (Deviation Settlement Mechanism and related matters) (Third Amendment) Regulations, 2016, the over drawl quantum for the Renewable Rich State has been specified as 250 MW.
- 3.18 The Commission, vide Order dated 12 September, 2018 in the matter of revision of Intra-State Transmission Tariff (InSTS Order in Case No. 265 of 2018) has defined the Base Transmission Capacity Rights (TCR) for different State Transmission System Users (TSUs). According, to this Order, the Base TCR of Indian Railways is 328.63 MW (i.e. 1.53% of the total Base TCR of the State) for FY 2018-19.
- 3.19 The purpose of the Deviation Settlement Mechanism (DSM) Regulations is to deal with the deviations in real time between scheduled drawl and actual drawl of the Distribution Licensees. Hence, it is expected that the Distribution Licensees shall utilize the deviation limit in proportion to its Base TCR.
- 3.20 It is observed that when RGPPL or BRBCL Units tripped, Indian Railways has continuously over-drawn the power from the Grid to the full contracted capacity of the tripped Generating Unit i.e. about 200 to 300 MW which is more than 100% of its expected allowable limit on the basis of Base TCR (1.53% of 250 MW i.e. 3.82 MW). Hence, it was difficult for the other State Utilities to manage their real time deviations during such period.

3.21 Till date, MSLDC has issued provisional FBSM bills till 16 October, 2016. According to these bills, the over-drawl quantum of Indian Railways for the period between November 2015 to October 2016 is 65.72 MUs and the details are as under:

| FY 2015-16 | Over-drawl<br>(MUs) | FY 2016-17               | Over-drawl<br>(MUs) |
|------------|---------------------|--------------------------|---------------------|
| Nov-15     | -0.870596           | Apr-16                   | -8.136953           |
| Dec-15     | 0.000000            | May-16                   | -10.262469          |
| Jan-16     | -2.705970           | Jun-16                   | -17.129368          |
| Feb-16     | -5.373047           | Jul-16                   | -6.223139           |
| Mar-16     | -9.296266           | Aug-16                   | -4.348937           |
|            |                     | Sep-16                   | -1.375547           |
|            |                     | Oct-16 (till 16.10.2016) | 0.000000            |
| Total      | -18.245879          | Total                    | -47.476412          |

\* In FBSM bills, over-drawl is shown by -ve sign.

3.22 Due to continued over-drawal by Indian Railways, the over-drawl would be much higher than the above quantum.

## Non-payment of Standby Fixed Charges by Indian Railways :

- 3.23 The Commission vide its Order dated 12 September, 2018 in Case No. 195 of 2017 (in the matter of MSEDCL's Mid Term Review Order) has approved standby fixed charges of Rs. 12.38 Cr. payable by Indian Railways (Mumbai Area) for FY 2018-19. Accordingly, MSEDCL has raised the bill for the period from September 2018 to November 2018 amounting to Rs. 3.09 Cr.
- 3.24 These charges have not been paid by Indian Railways till date. Hence, the Commission is requested to direct Indian Railways to pay this amount immediately along with the carrying cost and also pay the monthly standby fixed charges (for Mumbai Area) payable to MSEDCL on regular basis as per the Commission's Order dated 12 September 2018.

## 4. On 20 February, 2019, SLDC filed its reply which stated as follows:

4.1 The Central Electricity Regulatory Commission (CERC) vide its Order dated 5 November, 2015 has granted Deemed Distribution Licensee status to Indian Railways. In its Order, CERC has directed as under:

"(d) All concerned RLDCs, State Transmission Utilities and SLDCs are directed to facilitate long term access and medium term access in terms of Connectivity Regulations from the generating stations or other sources to the facilities and network of Indian Railways."

- 4.2 On behalf of Indian Railways, the Central Railway had applied for Open access of 54 Nos. of TSS (Traction Substation) points in Maharashtra and in accordance with CERC's directives, the State Transmission Utility (STU) granted grid connectivity and Long Term Open Access (LTOA) to Indian Railways at 54 nos. of TSS points.
- 4.3 As per the letter dated 7 June, 2017, from the Ministry of Power (MoP), Government of India, MoP has allocated 540 MW power from RGPPL to Indian Railways and out of 540MW generation of RGPPL, 210MW is allocated to Indian Railways for Maharashtra. Accordingly, Western Region Load Dispatch Center (WRLDC) is scheduling RGPPL power to Central Railways for 54 Nos. railway TSS points in Maharashtra State.
- 4.4 Further, STU has granted LTOA to Central Railway for 9 Nos. of TSS points in Mumbai for availing 120MW power from BRBCL on 19 July, 2017. Accordingly, WRLDC is scheduling BRBCL power to Central and Western Railways for 9 Nos. of Railways TSS points in Mumbai. This transaction started from 2 August, 2017.
- 4.5 The Commission vide its Order dated 19 March, 2018 in Case No 114 of 2016 directed the Indian Railways to make Stand-by power arrangement with any other generator or entity. But till date, Indian Railways has not made any arrangement for an alternate source. In the event of tripping/shut down of RGPPL or BRBCL units, Indian Railways overdraws its entire requirement of power from the grid resulting in over drawl of the State. Indian Railways being the Distribution Licensee and the State Pool Participant of Maharashtra Power Pool needs to be in position to control its load.
- 4.6 MSLDC at the time of approval of Full Open Access status to Indian Railways on 25 November 2015 categorically stated that Indian Railways has not made any standby arrangement to deal with non-availability of RGPPL Units and to manage its load in the absence of such arrangement.
- 4.7 Further, MSLDC vide letter dated 18 November 2015, 20 February 2016, 28 March 2016, and 9 August 2017 has asked Indian Railways for making standby arrangement.
- 4.8 MSLDC had also raised this issue in 482<sup>nd</sup> and 483<sup>rd</sup> WRPC-OCC and 32<sup>nd</sup> WRPC/TCC meetings. Said issue was also discussed in 33<sup>rd</sup> and 34<sup>th</sup> WRPC meetings and Indian Railways agreed to make standby arrangement.
- 4.9 MSLDC has issued notice through STU vide its letter dated 1 April 2016 to Indian Railways for making stand-by power arrangement.
- 4.10 On each and every occasion of tripping of RGPPL or BRBCL Units, MSLDC directed Indian Railways to curtail the load to match the reduced availability of its contracted generators and also to make standby arrangement to maintain the grid discipline and pursued the matter at various forum so as to ensure standby arrangement by Indian Railways.

- 4.11 The Managing Director, MSETCL has also written to The Chairman (Railway Board) for making standby arrangement to maintain grid discipline and to avoid any supply interruptions to Railway in Maharashtra.
- 4.12 The Commission is requested to consider MSLDC's submissions and ask Indian Railway to make standby power arrangement at the earliest to avoid grid instability.

## 5. On 20 May 2019, Indian Railways filed its reply which stated as follows:

- 5.1 The present Petition filed by MSEDCL is not maintainable in law as there is no cause of action for filing this Petition and therefore it is liable to be dismissed with costs.
- 5.2 The clause 6.2.2 of Power Purchase Agreement (PPA) between Indian Railway (through Central Railways) and RGPPL provides that RGPPL will arrange to supply power to Railways from alternative Source(s) if it is not able to supply the power from its own plant.
- 5.3 Therefore, during meeting RGPPL representative requested the States to consider the dire financial situation of RGPPL before formalizing the temporary tariff since the average rate of temporary tariff is in the range of Rs. 7 to 9 per unit which is much higher than the price at which it is selling power to Indian Railways and suggested a mutually agreed bilateral Tariffs between Indian Railways and the States. Thus, it was agreed that the arrangement between Indian Railway and the States would be made under special temporary tariff.
- 5.4 The Indian Railways' acceptance of temporary Tariff was based upon the understanding that the rate will be just and on the same lines as in all three States.
- 5.5 The concept of standby charges at temporary Tariff is based on the fact that the temporary Tariff is usually much higher than normal Tariff and therefore compensates Licensees providing the standby power, towards arranging power when such power is required for very short periods of time and not on a continuous basis. Thus, the Distribution Licensee may charge temporary Tariff for the said time (day or hours) of supply.
- 5.6 Accordingly, agreements have been executed between (i) GUVNL and Western Railway for Gujarat and (ii) MPMCL and West Central Railway for Madhya Pradesh.
- 5.7 However, when Indian Railways received the draft agreement from MSEDCL for supply of standby power to Indian railways in State of Maharashtra, it was suggested that Fixed/Demand charges shall be levied on Indian Railways by MSEDCL on day basis as in the State of Gujarat and Madhya Pradesh instead of monthly basis.
- 5.8 At Para 1.8 of the Petition, MSEDCL has contended that there was no response from Railways to the MSEDCL's Minutes of Meeting dated 14 August 2018 suggesting the option of Temporary Tariff as determined by the Commission or separate Standby

Support Agreement in line with the Mumbai Distribution Licensees. On this contention, it is submitted that, Indian Railways has been ready and willing for the first option (i.e. Temporary Tariff) from the very beginning and never refused to sign the agreement with MSEDCL as per Tariff suggested by Indian Railways in line with agreement executed by Indian Railways in Madhya Pradesh and Gujarat.

- 5.9 With reference to para 1.9, 2.2 and 2.6 of the Petition regarding MSEDCL's contentions of non-signing of the standby agreement by the Indian Railways, it is submitted that the Commission, vide its Order dated 19 March, 2018 did not make it mandatory for the Indian Railways to have an agreement with MSEDCL. The Commission was pleased to observe that Indian Railways is at liberty to source standby power through a separate arrangement with any other Generator or entity which is considered to be more financially beneficial to it. Steps taken by Railways to address the issue are as under:
  - i. Both drawl areas of Indian Railways i.e. Mumbai area (previously fed by TPC-D and now with BRBCL) and rest of the Maharashtra area (fed by RGPPL) have been clubbed together for combined scheduling of power with effect from 17 December 2018. This allows Indian Railways to effectively utilize the power from either of the sources in the event of failure or reduction in generation of other source. This was a long-standing demand of Railways which was not accepted earlier by MSLDC.
  - ii. Also, Central Railway has executed an agreement with M/s NTPC Vidyut Vyapar Nigam (NVVN), on 18 April, 2019 to avail power from power exchange in the event of failure or reduction in generation of either of the sources (RGPPL/BRBCL).
  - iii. Further BRBCL has declared COD of 3<sup>rd</sup> unit on 26 February 2019. However, this power is currently not being utilized in any State, therefore Central Railway can schedule this power in the event of failure or reduction in generation of RGPPL.
- 5.10 Further, MSEDCL's contention with regard to grid stability is vague and without any basis. MSEDCL has failed to produce any evidence to substantiate its claim that the instability, if any, in the State Grid has been due to the acts and omission of Indian Railways. The existence or the lack of an agreement is a commercial settlement issue and has nothing to do with grid stability.
- 5.11 If there are reasons to believe that the system is moving towards instability, MSLDC may take necessary action based upon the parameters defining grid stability and impose penal charges for over drawl as per the applicable Regulations.
- 5.12 In its Order, dated 19 March 2018, the Commission had also given Indian Railways, the option of suggesting to MSEDCL, a Tariff structure on which agreement can be signed. The said proposal was been sent to MSEDCL on 27 June 2017 prior to the Commission's Order and again through another letter dated 8 February 2019.

- 5.13 Indian Railways is an essential part of the public transport infrastructure in India and is the backbone of Indian economy. It is essential for the Indian Railways to get reasonably priced power and if Indian Railways is forced to pay higher charges, it would affect the general public.
- 5.14 At para 2.9 of Petition, MSEDCL has contended that it is expected that the Distribution Licensees shall utilize the deviation limit in proportion to its Base TCR. On this contention, it is submitted that, the limits to be supposedly imposed on deviations is not as per any regulations as specified by the Commission and is based upon misunderstanding of the entire scheme. Secondly, if this is implemented, Indian Railway's limit will be less than a MW, which will be impossible to meet. The balance will shift heavily in favour of big Discoms such as MSEDCL which will be discriminatory and will distort the level playing field against the spirit of the Act.
- 5.15 At para 2.11 of the Petition, MSEDCL has contended that the over-drawl quantum of Indian Railways for the period between November 2015 to October 2016 is 65.72 MUs. On this contention, Indian Railway submits that, the figures specified by MSEDCL are indicating total monthly over-drawl by Railways excluding under drawl instances and it is stated that during all these over-drawl instances there were no tripping of RGPPL. The actual over-drawl due to tripping of RGPPL is as under:

| Month  | Tripping date | Over-drawl ( <u>MU</u> ) |
|--------|---------------|--------------------------|
|        |               |                          |
| Jan-16 | 28-01-2016    | 0.04                     |
| Feb-16 | 18-02-2016    | 0.09                     |
| Mar-16 | 27-03-2016    | 0.77                     |
| May-16 | 07-05-2016    | 0.49                     |
|        | 08-05-2016    |                          |
| Jun-16 | 01-06-2016    | 0.20                     |
|        | 12-06-2016    | 0.26                     |
| Jul-16 | 08-07-2016    | 0.72                     |
|        | 14-07-2016    | 0.37                     |
|        | 15-07-2016    | 0.20                     |
|        | 16-07-2016    | 0.19                     |
|        | 20-07-2016    | 0.21                     |
|        | 24-07-2016    | 0.25                     |
| Aug-16 | 16-08-2016    | 0.24                     |
| Total  |               | 4.03                     |

5.16 Also, these deviations have been appropriately dealt with under the existing FBSM mechanism as framed by the Commission. Indian Railways being a deemed distribution

licensee is entitled to get the same treatment under FBSM mechanism that the other Distribution Licensees get, and no new mechanism is needed specifically in case of Railways.

5.17 At para 3 of the Petition, MSEDCL has contended that the standby fixed charges approved by the Commission vide its Order dated 12 September 2018 in Case No. 195 of 2017 have not been paid by Indian Railways inspite of the bills raised by MSEDCL. On this contention, Indian Railway submits that, Indian Railway through Central Railway has filed an Appeal No.26 of 2019 before the Appellate Tribunal for Electricity (**APTEL**) against the Commission's Order in Case No. 195 of 2017, along with an application for staying the operation of the Order till the disposal of the Appeal.

## 6. At the hearing held on 21 May, 2019:

- 6.1 MSEDCL stated that:
  - i. Indian Railways has not made a standby supply arrangement as required under the Commission's Order dated 19 March 2018 and has continued to overdraw from the grid.
  - ii. MSLDC has allowed such over-drawal by Indian Railways inspite of the Commission's specific directions in the Order.
  - iii. Thus, both the Indian Railways and MSLDC have not complied with the Commission's Order dated 19 March 2018.
- 6.2 MSLDC stated that:
  - i. On several occasions, it had asked Indian Railways to make a standby supply arrangement. MSLDC also raised this issue in the WRPC meetings from time to time.
  - ii. All the tripping instances of RGPPL Units pointed out by MSEDCL had occurred prior to the Commission's Order dated 19 March 2018. There were only two instances of tripping of BRBCL Unit after the Commission's Order. During such instance, Indian Railways arranged for a partial quantum of 25 MW against the Mumbai demand of 66 MW.
  - iii. MSLDC did not curtail the load as in public interest it was not appropriate to cut the supply of Mumbai Suburban Railway.
- 6.3 Indian Railways stated that:
  - i. The Petition is not maintainable as there is no cause of action. The Indian Railways was given liberty to source standby power through a separate arrangement with any other Generator or entity.

- ii. Present FBSM mechanism deals with the under-drawal/over-drawal by the Distribution Licensees. Railways has not availed MSEDCL's Power.
- iii. Indian Railways is a Deemed Distribution Licensee and should not be treated as a consumer of MSEDCL.
- iv. Indian Railways is ready to sign the agreement with MSEDCL in line with the agreements entered into by Indian Railways in Gujarat and Madhya Pradesh.
- v. In accordance with the Commission's Observations in the Order dated 19 March 2018, Indian Railways has already taken necessary steps to address the issue of over-drawal from grid.
- 6.4 MSEDCL stated that MSLDC has made a factually incorrect statement and there are more than two occasions of tripping of RGPPL tripping. Indian Railways should be directed to immediately release the payment towards the bills raised by MSEDCL for the standby fixed charges as per the Commission's Order dated 12 September 2018.

# 7. On 27 May, 2019, Indian Railways filed its additional submission which stated as follows:

- 7.1 Both the Generators supplying power to Railways in the State of Maharashtra (RGPPL and BRBCL) are having multiple units operating in the respective Generating Stations. Therefore, tripping of one unit does not revise Indian Railway's entitlement to zero. It just gets reduced.
- 7.2 Prior to 17 December 2018, traction sub-stations in Mumbai area and rest of Maharashtra were being fed by two different generators, BRBCL and RGPPL respectively. Indian Railways was giving day-ahead schedules for both these areas and was settling DSM separately for both the areas. This was on account of the fact that there was exemption of transmission losses and charges for RGPPL's generation. It was the contention of MSLDC that these areas cannot be merged in absence of the mechanism for separating the generator-wise drawal for calculation of DSM charges. Same was unacceptable to Indian Railways. Since there was no other option available, Indian Railways had to proceed with it. Hence, whenever one unit of RGPPL or BRBCL tripped, MSLDC did not allow power from the other generator to flow to the affected area even when the other generator had surplus power.
- 7.3 After 31 March 2017, exemption of transmission losses and charges for RGPPL's generation no more exists. With effect from 17 December 2018 both Mumbai area and Rest of Maharashtra area have been merged and Indian Railways is now in a position to enhance schedule to the other generator in case a unit of either generator fails, thereby reducing the over drawl. The merger of Mumbai and rest of Maharashtra areas has also

made it possible for scheduling of un-requisitioned surplus ("URS") power from other generator in case one unit of a generator trips.

- 7.4 The third unit of BRBCL of 250 MW has also declared commercial operation and the entire power is available to Indian Railways to be utilized as and when required.
- 7.5 Indian Railways has agreement of 540 MW with RGPPL, but its overall schedule is around 500 MW. Thus, minimum 40 MW is available from RGPPL for scheduling in case of BRBCL tripping.
- 7.6 MSEDCL's another allegation is regarding the issue of over-drawal and non-compliance by MSLDC in case of alleged over-drawal by Indian Railways during tripping of a unit of RGPPPL despite the Commission's directions in Case No. 114 of 2016.
- 7.7 It is submitted that certain procedures have been laid down by the Commission in State Grid Code which are to be followed by MSLDC in case of any eventuality in grid operations. As per this code, MSLDC's directions for curtailing the load or manual demand disconnection is dependent upon system frequency or some other security related exigencies only. Mere over-drawl of a small amount cannot compel MSLDC to curtail the load.
- 7.8 Further, MSEDCL has not produced a single document which supports the existence of threat to grid security where MSLDC was required to curtail Railway's load.
- 7.9 Grid security does not depend only upon the overload, but it depends upon the underdrawl also. For example, suppose one unit of BRBCL trips and Railway's entitlement in Maharashtra is revised downward by 50 MW. Also suppose Railways does not arrange for some other source for 50 MW. In the worst case, suppose as a result of this, Maharashtra State as a whole exceeds its over-drawal limit of 250 MW at State periphery. It is MSEDCL's case that in such a situation, over-drawl of even 50 MW threatens grid security and MSLDC ought to curtail Indian Railway's load and limit within the revised entitlement. But under such circumstances, if the grid frequency is 50 Hz or above, curtailment of this 50 MW will further increase the system frequency and push it towards instability. Any curtailment of load in such a scenario will create a situation where the State will be paying almost nothing on account of over-drawl at state boundary due to very low price of DSM power, but will be charging heavily from Railways and at the same time curtailing power. In other words, over-drawl, in case system frequency is high, will help in system stability rather than threatening it. Similarly, under drawl in case of lower grid frequency will help grid stability. MSEDCL ought to understand that grid security is not threatened by over-drawl only but with under-drawl also.
- 7.10 MSEDCL has claimed that there are instances when RGPPL's Unit was tripped in 2018 and MSLDC resorted to overdrawing from grid thereby putting grid security in jeopardy.

Paragraph No. 2.3 of the Petition refers to Annexure II giving the list of unit tripping incidents. It is an attempt on the part of MSEDCL to sensationalize the issue and mislead the Commission. Such attempt is also clear from the statements made by MSEDCL during the hearing wherein the list was explained by MSEDCL to the Commission and such period was alleged as "over drawl", as listed in the Annexure II. The actual fact is that MSEDCL itself has written in Annexure II, column No. 4, that the unit switch over has taken place, i.e. one unit was taken out and another taken in service. This cannot be termed as unit tripping.

- 7.11 During the hearing, MSEDCL also contended that MSLDC had misled the Commission. However, it was MSEDCL which was not representing the facts correctly. The details of Declared Capacity during the instances quoted by MSEDCL are attached with the additional reply. The number of time blocks in which such supply was affected is not too high. There was no tripping for 40 or 53 days as alleged by MSEDCL during the hearing before the Commission.
- 7.12 As long as the declared capacity is there, it is immaterial from which Generating Unit such power is being supplied. The power which is over-drawn is not of MSEDCL's power alone and in case of over-drawal, Indian Railways has been paying the requisite charges to MSLDC as per the existing FBSM mechanism framed by the Commission.
- 7.13 It is the understanding of Indian Railways that MSLDC's responsibilities can be broadly categorized in two parts (i) Operational safety with optimum utilization of assets and (ii) Commercial settlement. Once operational safety, which is of prime importance, is ensured and the grid is not facing any threat, the only part remains is commercial settlement. In the present Petition, MSEDCL has raised a bogey of threat to system security where no such threat to system exists. Therefore, on this ground alone the Petition is liable to be dismissed.
- 7.14 Indian Railways is a Deemed Distribution Licensee and therefore cannot be treated at par with consumers of MSEDCL in respect of over- drawl or standby power.
- 7.15 Indian Railways is ready to enter into an agreement with MSEDCL for supply of power as already agreed to in the WRPC meeting dated February 22, 2017. However, the agreement could not be entered into due to disagreement on the tariff of such power. MSEDCL insisted that Indian Railways needs to accept Temporary Tariff as determined by the Commission in MYT Order for MSEDCL. Indian Railways is willing to sign agreement if the Temporary Tariff is agreed and levied on per-day basis but not on monthly basis. Accordingly, Indian Railways suggested MSEDCL the Tariff vide its letters dated 26 June 2017 and 8 February 2019 in line with the agreements entered into with the States of Gujarat and Madhya Pradesh on per-day basis.

- 7.16 MSEDCL seems to have misunderstood the Temporary Tariff as well as applicability of MYT Order. The rate, terms and conditions of Temporary Tariff, as per MYT Orders dated 11 November 2016 and 12 September 2018 are for the consumers of MSEDCL only and are not applicable to Indian Railways which is a Deemed Distribution Licensee in the State of Maharashtra. Indian Railways had agreed to Temporary Tariff by way of adoption only on mutually agreed terms, not because it is applicable. If Indian Railways and MSEDCL are to have a standby agreement, it will be a Discom to Discom Sale which is not governed by Tariff Order of the Commission. Therefore, the rate and terms of conditions can be on the basis of mutual agreement only. For the same reasons the State of Gujarat and Madhya Pradesh have signed agreement on daily proportionate Temporary Tariff rates even though the Temporary Tariff in those States is also on monthly basis.
- 7.17 Indian Railways cannot be treated as a consumer and charged Temporary Tariff as per MYT Order as Indian Railways is a Deemed Distribution licensee.
- 7.18 It is established that MSEDCL's Petition is misconceived and not maintainable. Therefore, the Commission is requested to dismiss the Petition with exemplary cost.

## 8. On 4 June, 2019, MSLDC in its additional submission has stated as follows:

- 8.1 MSEDCL during the hearing dated 21 May, 2019 has claimed that, there are instances when RGPPL units tripped in 2018 and Indian Railway resorted to overdrawing from Grid.
- 8.2 The annexure-II of the Petition shows the list of 12 Nos. of events starting from 17 March, 2018 indicating the common reason of "unit change over; less gas availability."
- 8.3 The net schedule summary of RGPPL\_IR\_MS Maharashtra obtained from WRLDC Web based information available in public domain for the dates mentioned in Annexure-II of MSEDCL's Petition is attached with the additional submission. From this data, it is observed that, RTC (Round the Clock) power was scheduled from RGPPL and change over of units have been made and these were no tripping incidences. Therefore, the fact produced by MSEDCL during hearing and in Petition is not correct.

#### **Commission's Analysis and Ruling:**

9. Through present Petition, MSEDCL has stated that both the Indian Railways and MSLDC have not adhered to the Commission's Order dated 19 March, 2018 in Case No. 114 of 2016. It further stated that Indian Railways, instead of following the Commission's direction of making a separate stand-by supply arrangement, has continued to overdraw from the grid affecting the grid security. Such over-drawl also has financial implications on the other State Pool Participants (SPPs) mainly, MSEDCL. It has been further contended by MSEDCL that MSLDC has allowed such over-drawal by

Indian Railways inspite of the Commission's specific directions to take appropriate steps to curtail the drawal of Indian Railways and limit it to the availability of the Generators contracted by it.

- 10. In response, Indian Railways has contended that present Petition is not maintainable as there is no cause of action for filing this Petition. Hence, the issue of maintainability needs to be examined first.
- 11. The Commission notes that in its Oder dated 19 March, 2018, the Commission has held as follows:

" 15.5 ...... In the meantime, Indian Railways has continued to over-draw from the Grid from time to time, which not only affects Grid security but also has financial implications for the other SPPs. In the ordinary course, in pursuance of its obligations under Section 33 of the EA, 2003, MSLDC would have been expected to ask Indian Railways to curtail its load to match the reduced availability of its contracted Generator. However, for reasons best known to it, MSLDC has not done so. Indian Railways cannot be allowed to continue to violate Grid discipline. ....."

- 12. From the submissions made by MSLDC, the Commission notes that after issuance of the Order dated 19 March, 2018, there have been two instances of the tripping of BRBCL Unit, first on 29 July, 2018 and then on 18 September, 2018. On account of tripping of BRBCL Unit on 29 July, 2018, vide its e-mail dated 29 July, 2018, MSLDC asked Indian Railways to arrange power from alternate source to restrict the over-drawal from grid. Further, vide its E-mail dated 31 July, 2018, MSLDC brought to the notice of Indian Railways that the alternate power was arranged by Indian Railways on 30 July and 31 July, 2018 for 30 MW only as against the average demand for Mumbai region of 66 MW. Indian Railways was once again asked by MSLDC to arrange power from alternate source to avoid overdrawal from grid and maintain grid discipline as per IEGC and FBSM mechanism. Again, on account of shut down of BRBCL Unit on 18 September, 2018, MSLDC asked Indian Railways to take necessary action immediately to control over-drawal from the grid. Thus, it is seen from records that in spite of the Commission's directions as mentioned at para, 11 above, Indian Railways has continued to over-draw from the grid and such over-drawal has not been denied by the Indian Railways. Thus, there is a cause of action and hence the Petition is maintainable and needs to be adjudicated based on the submissions made by the Parties.
- 13. The Commission now proceeds with the issue of alleged non-compliance by Indian Railways and MSLDC of the Commission's Order dated 19 March, 2018. To understand the issue, it is imperative to examine the directions given in the Order. The relevant part of the Order is given below:

*"15. ISSUE II: Arrangement for stand-by power by Indian Railways"* 

- 15.5. .....In these circumstances and in the absence of a consensus between MSEDCL and Indian Railways, the Commission has addressed the issue of stand-by supply to Indian Railways as follows.
- 15.6 The Commission notes that the main area of disagreement is regarding the levy of Demand Charge at the Temporary category tariff rate for stand-by supply.
- 15.7 Stand-by is the support provided by a Distribution Licensee to Open Access consumers in circumstances such as the failure of their contracted Generators or other sources. For this purpose, Open Access consumers pay the Demand Charges applicable to their consumer category, Additional Demand Charges for exceeding their Contract Demand, and the Temporary category tariff for that quantum.
- 15.8 <u>The Temporary category and other tariffs are determined and approved by the</u> <u>Commission through Tariff Orders in respect of the Distribution Licensees after</u> <u>a due process of public consultation. The levy of Demand Charges is intended to</u> <u>recover all or part of the fixed costs of the Licensees, and is applicable to all</u> <u>consumers. While these Demand Charges may vary from one consumer category</u> <u>or sub-category to another, there is prima facie no reason to discriminate in</u> <u>favour of the Indian Railways in the Demand Charge applicable to Temporary</u> <u>category, in terms of Section 62(3) of the EA, 2003. However, Indian Railways is</u> <u>free to make its suggestions during the forthcoming Mid-Term Review</u> <u>proceedings in respect of MSEDCL.</u>
- 15.9 Indian Railways is also at liberty to source stand-by power through a separate arrangement with any other Generator or entity which it considers to be more financially beneficial to it, provided that arrangement adequately addresses the circumstances discussed above.
- 15.10 In the absence of such a stand-by arrangement with MSEDCL or other entity, <u>MSLDC shall take appropriate steps to curtail the drawal of Indian Railways and</u> <u>limit it to the availability of the Generator(s) contracted by it.</u>
- 16. ISSUE III: Mechanism for recovery of penalties for over-drawal of power by Indian Railways from the Grid

In view of the foregoing, no separate mechanism is required as sought by MSEDCL. <u>Indian Railways, being a part of the State Pool, shall fulfill its obligations</u> <u>towards maintaining Grid stability.</u>"

14. The above extract of the Order indicates that while stating that the Indian Railways is at liberty to source stand-by power through a separate arrangement with any other Generator or entity which it considers to be more financially beneficial, it was a specific direction of the Commission to MSLDC to take appropriate steps to curtail the drawal of

Indian Railways and limit it to the availability of the generators contracted by it in the absence of such a stand-by arrangement with MSEDCL or other entity. Thus, the Indian Railways was required to make a separate stand-by arrangement else it was to face load curtailment for avoiding over drawl from the Grid. Hence, there is no merit in the contention of Indian Railways that the Commission did not make it mandatory for the Indian Railways to have a standby agreement.

- 15. It is also seen from the Order that contentions of Indian Railways regarding exemption of demand charges in Temporary Tariff for its over-drawal quantum was rejected by the Commission. The Commission did not deem it appropriate to allow any relaxation in the Temporary Tariff as determined by the Commission. Therefore, there is no merit in the contention of Indian Railways that it was ready from the very beginning to sign the agreement with MSEDCL as per Temporary Tariff suggested by Indian Railways in line with agreement executed by Indian Railways in Madhya Pradesh and Gujarat.
- 16. Indian Railways, in its additional submission has contended that in case of over-drawal, Indian Railways has been paying the requisite charges to MSLDC as per the existing FBSM framed by the Commission and these deviations have been appropriately dealt with under this mechanism. Indian Railways being a deemed distribution licensee is entitled to get the same treatment under FBSM mechanism as the other Distribution Licensees get and no new mechanism is needed specifically in case of Railways.
- 17. The Commission notes that the objective of FBSM is to govern the functioning of the State Pool Participants in a manner that grid discipline is maintained with regard to the supply and drawal of energy by the State Pool Participants to ensure that the reliability and integrity of power system is maintained.
- Clause 6.1 of the FBSM Code provides the Roles and Responsibilities of various entities. As per this clause, the Distribution Licensees are required to adhere to the procedure outlined in the Scheduling and Despatch Code of the State Grid Code.
- 19. The Commission notes that the clause 7 of the Scheduling and Dispatch Code applicable for Distribution Licensees provides as follows:

# "(xxiii) In real time utilities have to match their generation and demand and revise the schedule if required."

20. Thus, in case of forced outage /tripping of the RGPPL/BRBCL Generating Unit, Indian Railways as a deemed Distribution Licensee is required to revise its demand / drawl schedule to match the reduced availability from its Generators. There is nothing on record to indicate that Indian Railways has complied with the Scheduling and Dispatch code framed under State Grid Code Regulations of the Commission. Rather, at the hearing dated 21 May, 2019, the representative of MSLDC confirmed that it did not curtail the

load of Indian Railways when BRBCL Unit was tripped.

21. Further, the Clause No. 10 of the Scheduling and Dispatch Code deals with the revision of Schedule and it reads as follows:

*"10. Revision of Schedules*<u>Revision of final generation and dispatch schedule issued by MSLDC may be</u>
<u>necessitated on account of</u>
a) <u>Depletion of Generating capacity in ISGS or InSGS due to tripping of units</u> or derating caused by loss of auxiliaries or due to re-start restrictions of a Thermal unit following a grid disturbance
b) Constraints in ISTS or InSTS
c) Hydro station constraints
d) Transgression of system frequency outside the band of 49.50 Hz to 50.20Hz

<sup>1</sup> In case of forced outage of a unit of ISGS, WRLDC will revise the schedules on the basis of revised declared capability by ISGS. The revised schedule will become effective from the 4th time block, starting the counting from the time block in which the revision is advised by the generator to be the first one. Also, during the first, second and third time blocks of such an event, the scheduled generation of the ISGS shall be deemed to have been revised to be equal to actual generation, and the scheduled drawals of the beneficiaries from such generator shall be deemed to have been revised to make the generator shall be deemed to have been revised to be equal to their actual drawals.

# 10 For any revision of scheduled generation, including post facto deemed revision, there shall be a corresponding revision of scheduled drawals of the beneficiaries."

- 22. Hence, in case of tripping of RGPPL/BRBCL Unit, upon revision of schedule by WRLDC, corresponding revision is necessary in scheduled drawal of Indian Railways after 4<sup>th</sup> time block.
- 23. Further Clause 7.7 (c) of FBSM Code provides as follows:

During real-time operations, in case of shortfall in 'availability', MSLDC shall take into account the available contracted capacity to each Distribution Licensee (or State Pool Participant) before issuing drawal/curtailment instructions for respective Distribution licensee. The load curtailment, as may be necessary, shall be applicable on all distribution licensees uniformly in proportion to their available contracted capacity' and shall be applicable for shortfall beyond their available contracted capacity."

- 24. Thus, as per FBSM Code, it is expected that there should be a load curtailment for the Distribution Licensee for shortfall beyond their available contracted capacity. Hence, in case of tripping of RGPPL/BRBCL Unit, Indian Railways is not expected to rely upon grid overdrawal quantum for meeting its load requirement. Also payment of FBSM charges does not absolve the responsibility of Indian Railways from following the Scheduling and Dispatch Code and also maintaining grid discipline. Hence, there is no merit in the contention of Indian Railways that its overdrawal are appropriately dealt with under the existing FBSM. Also, the argument of Indian Railways about small quantum of overdrawl will not result in grid security issues is not at all tenable. In fact, as a state pool participant, Indian Railways is duty bound to follow the relevant provisions in totality. The Commission expresses it anguish that instead of discharging the duty cast upon them, Indian railways is trying to raise non relevant issues.
- 25. The Commission further notes that other Distribution Licensees in Mumbai are paying stand-by charges to MSEDCL for ensuring uninterrupted supply to their consumers in the event of tripping of their respective generating units/sources. Over and above the charges payable under FBSM, this additional charge is being paid by Mumbai Distribution Licensees. Considering the Indian Railways' own submission that it should be given an identical treatment at par with the other Distribution Licensees, the arrangement of payment of Stand-by charges or separate stand-by supply arrangement or other equivalent arrangement can be provided for Indian Railways to ensure uninterrupted supply to its Traction sub-stations.
- 26. Further, Indian Railways has contended that grid security does not depend only upon the overload and over-drawl, in case of high system frequency, it could help in system stability rather than threatening it. The Commission notes that the balancing and settlement mechanism in the State of Maharashtra is not frequency based. Therefore, there is no merit in the contention of Indian Railways. Also, this contention is against the basic requirement of grid discipline to be followed by the State pool participants as per State Grid Code.
- 27. It is observed that MSLDC, at the time of approval of Open Access to Indian Railways on 25 November, 2015 stated that Indian Railways has not made any arrangement for standby to deal with non-availability of RGPPL Units and it requires to give the commitment of managing its load in the absence of such arrangement. Further, subsequently, though various letters, MSLDC asked Indian Railways to make standby arrangement. On each and every occasion of tripping of RGPPL or BRBCL Units, MSLDC directed it to curtail the load to match the reduced availability/schedule of its contracted generators and also to make standby arrangement to maintain the grid discipline and perused the matter at various forum so as to ensure standby arrangement by Indian Railways.

- 28. It is seen from the documents submitted that the connectivity has been granted by the STU to the Indian Railways subject to fulfillment of any of the following:
  - (i) making an alternate arrangement of power,
  - (ii) taking standby support from MSEDCL and
  - (iii) disconnecting the power supply
- 29. Since, no action was taken by Indian Railways, STU vide its letter dated 1 April, 2016 to Indian Railways issued a Notice for making stand-by power arrangement. The Chairman and Managing Director, MSETCL has also issued letter to the Chairman (Railway Board) for making standby arrangement to maintain grid discipline and avoid any supply interruptions to Railway in Maharashtra.
- 30. Indian Railways has paid no heed to the concerns raised by both the STU and SLDC and has continued to overdraw from the system endangering the grid security and stability.
- 31. The Petition in Case No. 114 of 2016 was decided against the Indian Railways. Indian Railways neither filed any review Petition before the Commission nor did it file an Appeal before the APTEL. The Order dated 19 March, 2018 has therefore attained finality and needs to be complied with.
- 32. It was expected that the Indian Railways would make an arrangement for a standby supply arrangement to meet its requirement during tripping of its contracted generating Units i.e. RGPPL and BRBCL. Instead, the Indian Railways has continued to overdraw from the grid putting the grid stability at risk. Further, as highlighted by MSEDCL, such over-drawal has financial implications on the other Distribution Licensees and also may affect the power deficit situation for the electricity consumers.
- 33. The Commission also notes that the present Petition was filed on 2 January, 2019. On 18 January, 2019, a notice was issued to the Indian Railways by the Office of the Commission communicating that the hearing in the matter would be held on 7 February, 2019 and it was directed to file the replies immediately. However, the Indian Railways has filed its reply to the Petition on 20 May, 2019 i.e. just one day before the date of hearing.
- 34. Indian Railways, in its replies has stated that it has taken necessary steps to address the issue of over-drawal by signing an agreement with M/s NTPC Vidyut Vyapar Nigam (NVVN) on 18 April, 2019 to avail power from power exchange in the event of failure or reduction in generation of either of the sources (RGPPL/BRBCL). It is observed that the said agreement is valid for a period of six months from the date of commencement of power trading. Further, the power is proposed to be procured from the Power Exchange which is subjected to the availability of the power at quoted price and availability of corridor through exchange. Hence, it cannot be termed as a firm arrangement as a standby source. It is also observed that the maximum quantum has been specified as 105 MW

which is much less that the capacity of single Unit of RGPPPL. Hence, the Commission is of the opinion that although Indian Railways has contended that this arrangement has been entered into by it to address the issue of over-drawal, the Commission, prima-facie is not convinced that such ad hoc and insufficient arrangement would be an adequate stand-by supply arrangement for addressing the issue. Indian Railways as a prime mover of the economy and also as one of the custodian of public interest should have been more diligent in complying with the provisions of law and should have maintained the sanctity of the orders passed by the Commission in this regard.

- 35. Indian Railways had further stated that BRBCL has declared COD of 3rd unit on 26 February, 2019. However this power is currently not being utilized in any State, therefore Central Railway can schedule this power in the event of failure or reduction in generation of RGPPL. The Commission is of the view that in absence of firm agreement /arrangement for this Unit, this arrangement cannot be considered as standby supply arrangement as required under the present circumstances.
- 36. Also these purported steps are taken after a substantial delay after passing of the Order by the Commission in March, 2018 and Indian railways is continuing to overdraw from the grid.
- 37. There is no counter submission from MSEDCL and MSLDC on the above steps taken by Indian Railways to address the issue of over-drawal. MSLDC has to assess whether these steps are effective and adequate to address the issue or not and also confirm that the provisions relating to safe and secure grid operations are met without hurting the commercial interests of other pool participants
- 38. As per the documents submitted by MSLDC, it is seen that on each and every occasion of tripping of RGPPL or BRBPCL Units, MSLDC directed Indian Railways to curtail the load to match the reduced availability of its contracted generators and also to make standby arrangement to maintain the grid discipline. As per the Order dated 17 May, 2007 in Case No. 42 of 2006 (**ABT Order**), the State Pool Participants are supposed to arrange for load relief/curtailment, as per the instruction from the MSLDC. However, Indian Railways has not followed the SLDC's instructions.
- 39. MSEDCL has stated that payment of the standby fixed charges as approved by the Commission in its Order dated 12 September, 2018 has not been made by the Indian Railways.
- 40. Thus, the Indian Railways neither made a separate standby arrangement as per the Commission's Order dated 19 March, 2018 in Case No. 114 of 2016 nor did it follow the SLDC's instructions. Also, it chose not to pay the standby fixed charges as approved by the Commission.
- 41. Vide its Order dated 21 December, 2018 in Case No. 149 of 2017, the Commission has

held that Indian Railways is a Deemed Distribution Licensee under the EA giving the inter alia the following directions:

Considering the applicability of aforesaid Regulations for the operation of Indian Railways, the Commission directs Indian Railways to adhere and comply with following Regulations with immediate effect on provisional basis, which could also form part of their Specific Conditions to be specified by the Commission after following due process:

## i. MERC (State Grid Code Regulations) 2006;

ii. MERC (Transmission Open Access) Regulations, 2016;

*iii. MERC (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) Regulations, 2016* 

iv. MERC (Fees and Charges) Regulations, 2017;

# v. <u>Order issued by the Commission in Case No. 42 of 2007 (ABT ) Order and</u> <u>FBSM mechanism;</u>

vi. Transmission Pricing framework as specified under Multi-Year Tariff Regulations (InSTS Order dated 12 September, 2018 passed by the Commission and other relevant Orders/Directions issued by the Commission in respect of Indian Railways);

vi. <u>Commission's Orders/Practice directions/amendments, if any in the</u> <u>Regulations mentioned above in relating to Indian Railways</u>.

The above conditions would be applicable till issuance of Specific Conditions for Indian Railways. "

- 42. Considering the foregoing, the Commission is of the opinion that Indian Railways, being a State pool participant connected to State Grid, is required to ensure that it follows the necessary grid discipline as per State Grid Code. It is required to follow the instructions received from MSLDC and STU. Its action should not be detrimental to the grid and to the other Distribution Licensees and their consumers. In spite of gross non compliances, in view of the recent steps being taken by Indian railways, the Commission, is not inclined to initiate action against Indian Railways under Section 142 of EA at this stage and it will suffice to direct Indian Railways to enter into a suitable and adequate standby supply arrangement within three months from date of the Order. Before entering into such agreement, Indian Railways shall have due consultation with MSLDC to ensure that the said standby Supply arrangement would address the issue raised in the present Petition.
- 43. The Commission also, notes that MSLDC has stated that it did not curtail the load as it was not appropriate in public interest to cut the supply of Mumbai Suburban Railway.

The Commission is not convinced about SLDC's action or (non-action) in "public interest" as it is putting the grid discipline/stability at risk and is affecting the reliability to rest of consumers of the State. Also, MSLDC needs to carry out its operations within its powers. MSLDC is required to effectively deliver as per responsibility entrusted under the EA.

44. With regard to payment of standby fixed charges for Mumbai area raised by MSEDCL as per Commission's Order dated 12 September 2018, Indian Railway has stated that it has filed an Appeal No.26 of 2019 before the APTEL against the said Order along with an application for stay the operation of the Order till the disposal of the Appeal. The Commission notes that the Stay Application in the matter has been listed for hearing before the APTEL on 11 July, 2019. Thus, as on date, there is no Stay to the directions of payment of standby fixed charges. Under such circumstances, the Indian Railways needs to comply with the directions of the Commission. As such, the Commission thinks it fit to direct Indian Railways to release the bills raised by MSEDCL for standby fixed charges for Mumbai area within 15 days of this Order along with delayed payment charges 1.25% per month for the delayed period. Hence, the following Order :

## ORDER

- 1. Case No. 02 of 2019 is partly allowed.
- 2. The Commission directs Indian Railways, to enter into a suitable and adequate standby supply arrangement within three months from date of the Order
- 3. Before entering into such agreement, Indian Railways shall have due consultation with Maharashtra State Load Despatch Centre to ensure that the said standby supply arrangement would address the issues raised in the present Petition.
- 4. Indian Railways also to release the bills raised by Maharashtra State Electricity Distribution Company Ltd. for standby fixed charges for Mumbai area within 15 days of this Order along with delayed payment charges 1.25% per month for the delayed period.
- 5. The Commission directs Maharashtra State Load Despatch Centre to strictly follow the provisions of law to discharge its responsibility of ensuring grid stability at all times.

6. Maharashtra State Load Despatch Centre to file a comprehensive status report immediately after compliance of the directions given above.

Sd/-(Mukesh Khullar) Member Sd/-(I.M. Bohari) Member



(Dr. Rajendra Ambekar) I/c Secretary