

POWER PURCHASE**» MERC Case of Transport Corporation of India seeking Late Payment Surcharges:**

» MERC vide order dtd. 6th Oct. 2022, directed MSEDCL to pay LPS for period of March 15, 2017 to March 2020 in favour of petitioner: "Transport Corporation of India (TCL)"

» Background

- » Petitioner TCL, prayed payment of Rs 1.65 Crs towards LPS and release of interest on interest of Rs 60.50 lakhs, and also to pay costs of present petition.
- » Petitioner owns 6.5 MW projects in Sangli district.
- » MSEDCL argued that petitioner's claim were barred by law of limitation.
- » Also, Petitioner in present case did not plead a case under provision of law of Limitation Act.
- » MSEDCL was having financial impact due to MoP restrictions of RECs working capital loans
- » MSEDCL informed it released Rs. 911.26 Cr in FY 20-21 and Rs. 2970.74 in FY 21-22 to gencos.
- » Petitioner in its rejoinder dtd. 19th July 2022 stated that its claim was within limitation.

» Commission's Analysis:

- » MERC ordered MSEDCL to make LPS payment from March 2017 to March 2020
- » On failure to pay per timeline, penal interest to accrue at 1.25% per month on outstanding LPS.
- » Commission noted that as per Law of Limitation, claim before 3 years from petition filing date was barred by limitation. However, SC excluded period between March 15, 2020 and Feb, 2022.

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 **RENEWABLES**

Phase-II Residential Rooftop Solar Program Extended by MNRE till 31st March 2026.

MNRE Scheme Guidelines for Production Linked Incentive Scheme (Tranche II)

 **POLICY AND REGULATORY**

Supreme Court Order in matter of "M/S Jindal Steel and Power Ltd." Vs "Chhattisgarh State Electricity Regulatory Commission and Ors".

Forum of Regulators (FOR) Comments on Draft Electricity (Amendment) Bill 2022

**RENEWABLES****» Phase-II Residential Rooftop Solar Program Extended by MNRE till 31st March 2026:**

- Target Under Phase II of the program 40 GW rooftop solar capacity of which only 8GW installed
- Addl. Cap. Addn. to be made with savings in CFA for res. segment or incentives to the DISCOMs.
- Program extended without additional expenditures to the original outlay of Rs. 11,814 Cr for both – the res. segment (Comp. A) and DISCOMs (Component B), as approved.
- The Guidelines for program were issued in Aug 2019, and amended in 2021 by MNRE.
- Implementing agency to assign 10% of total allocated quantity to lowest bidder.

» MNRE Scheme Guidelines for Production Linked Incentive Scheme (Tranche II):**» Eligible bidders for PLI:**

- Single company or JV/Consortium (tie up allowed with other partner for one bid only).
- Units under SIPS/M-SIPS/SPECS schemes for MEITY not eligible for benefits under scheme.
- Units under MNRE tender for solar PPA linked to solar manufacturing not eligible.

» Implementing Agency:

- SECI: Receipt, appraisal of applications, issuing LOI, examination of beneficiary claims for PLI
- Submit progress to MNRE with details of disbursement claims for PLI. Eligible for 0.50% of PLI amount disbursed as administrative charge annually

» Greenfield and Brownfield Projects:

- LOI issued for Tranche-I, capacity added to be Greenfield
- Brownfield units to involve expansion of existing units with addition of new production lines
- PLI for brownfield projects to be 50% of PLI receivable for Greenfield projects.

» PLI Disbursement:

- Units eligible for five years from commissioning or five years from SCOD, whichever earlier. For Delay, PLI Period to be reduced to from five years to delay period.

**POLICY AND REGULATORY:****» Supreme Court Order in matter of “M/S Jindal Steel and Power Ltd.” Vs “Chhattisgarh State Electricity Regulatory Commission and Ors”.**

- SC set aside the APTEL order cancelling DISCOM license granted to Jindal Steel Power Ltd.
- Bench observed: under the EA 2003, the Commission may grant licence to two or more persons for the distribution of electricity through their own distribution system within the same area.
- Hon’ble SC held that ‘area of supply’ would mean the area within which the distribution licensee is authorized by his licence to supply electricity and must fall ‘within’ a Municipal Council
- Hon’ble Court noted that, “Since, the ‘area of supply’ authorised in the licence granted to the appellant-JSPL in the instant case is the ‘minimum area of supply’, the said appellant is bound to supply electricity in the said area of supply. License cannot resile from the condition of supplying electricity as per the authorisation of the area of supply indicated in the license.”
- Thus, the Court held that the Appellant Tribunal was not right in canceling/setting aside the licence granted to the Appellant and allowed the appeals.

» Forum of Regulators(FOR) Comments on Draft Electricity(Amendment) Bill 2022**» General Comments:**

- Amendments may shift balance between responsibilities of State and Central Government.
- Central Govt. intervention on regulatory matters may create confusion.
- Rate paying electricity consumers should not be subjected to adverse impact of subsidies.

**POLICY AND REGULATORY:****» Clause Wise Comments:****» Section 1. (Short title, extent and commencement):**

It would be desirable to bring into effect all related provisions simultaneously to ensure the desired reforms are rolled out uniformly.

» Section 2. (Definitions):

The objective of the Act is to distance Governments from regulation. Accordingly, the following modification is suggested in clause 60(a) - **security of payment** means such security of payment as may be prescribed specified by **Appropriate Commission;**

» Section 14. (Grant of licence):

Proposed insertion - "as a distribution licence in an area of supply in accordance with such criteria as may be prescribed by the Central Govt." in clause (b) of section 12 appears redundant and therefore should be deleted.

» Section 15. (Procedure for grant of licence): Modification suggested:

- "Provided further that if the Appropriate Commission fails to grant the licence or reject the application, as the case may be, within the period of 90 days or such other period as may be considered necessary by the appropriate Commission, not exceeding 120 days, the applicant shall be deemed to have been granted the licence."

» Section 26. (National Load Despatch Centre):

Proviso to 4(b) may be deleted.

» Section 28. (Functions of Regional Load Despatch Centre):

The system operator should be responsible primarily for scheduling and despatch and not with contractual arrangement between two parties.