

**PROCEDURE
FOR GRANT OF
DISTRIBUTION OPEN ACCESS PERMISSION
AS PER
MERC (DISTRIBUTION OPEN ACCESS) REGULATIONS, 2014**

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1.0 PREAMBLE:

- 1.1 Maharashtra Electricity Regulatory Commission (MERC) has notified the MERC (Distribution Open Access) Regulations, 2014 on 25th June, 2014. Accordingly, the procedure to seek open access, information required from open access applicant, application form and the processing fees / charges payable are given below.
- 1.2 This Procedure is in accordance with various Provisions of MERC (Distribution Open Access) Regulations, 2014.
- 1.3 MSEDCL may review / revise / modify / amend the terms and conditions of this procedure as and when considered necessary subject to prior approval of the Commission.
- 1.4 All correspondence in respect of Open Access shall be addressed to the following officer of MSEDCL.

Chief Engineer (Commercial), MSEDCL Corporate Office, Prakashgad, Plot No G-9, Prof. A. K. Marg, Bandra (E), Mumbai 400 051, (Phone No: 022 - 26474753 / 26474211/ 26472131, Fax 022 - 26472366 Email id: cecomm@mahadiscom.in).

2.0 DURATION OF OPEN ACCESS:

- 2.1 **Long term Open access:** Long term open access (LTOA) means use of Distribution system for a period exceeding 12 years but not exceeding 25 years.
- 2.2 **Medium-term Open access:** Medium term open access (MTOA) means the use of Distribution system for a period exceeding 3 months but not exceeding 3 years.
- 2.3 **Short-term Open Access:** Short term open access (STOA) means the use of Distribution system for a period not exceeding one (1) month at a time.
- 2.4 **Day-ahead Open Access:**

Day-ahead Open Access of Distribution system shall be permitted, except Open Access on Day Ahead basis through Power Exchanges, in case there is availability of surplus capacity in the MSEDCL's system, which has been expressly surrendered wholly or partly, or not in use for more than three days in past.

3.0 ELIGIBILITY CRITERION FOR SEEKING OPEN ACCESS:

- 3.1 The open access of Distribution System may be sought for obtaining supply of electricity from a Generating Company (including Renewable Energy Generators) or Captive Power Plant or from a Licensee

- (including Trading Licensee) other than such Distribution Licensee or through the Power Exchange.
- 3.2 The consumer shall have contract demand of 1 MW and above and the minimum power to be made available for Open Access at any time shall be 1 MW and above.
 - 3.3 The consumers sourcing Non-firm RE power are exempted from the minimum power drawal requirement i.e. they can source power less than 1 MW at any time.
 - 3.4 Open Access Consumers may avail Open Access from Multiple Generating Companies only to extent so as to meet their Renewable Purchase Obligations (RPO) as specified in the MERC (Renewable Purchase Obligation, its compliance and Implementation of REC Framework) Regulations, 2010 and as amended from time to time. Otherwise, Open Access for obtaining supply from multiple generating companies is not permitted.
 - 3.5 The Open Access quantum shall be limited to the Original Contract Demand with MSEDCL before seeking Open Access for availing supply from Generating Stations other than Renewable Energy generating plant identified as 'Non firm power'.
 - 3.6 The Maximum Demand (MD) of consumer in each financial year subsequent to his being granted Open Access shall be equal to or greater than 700 kVA. If the consumer fails in achieving MD equal to or greater than 700 kVA, in three consecutive months, a penalty equal to the two times wheeling charges will be levied for the financial year or part thereof for which he had failed to achieve such MD. Also, in such case, MSEDCL will initiate the process of re-assessment and reduction of contract demand.
 - 3.7 Power procurement through Power Exchange will be permissible only on week-ahead basis or higher denomination of days and not on Day-Ahead basis.
 - 3.8 Individual eligible consumers in Distribution Franchisee Area may apply for Open Access subject to compliance of requirements of metering and other infrastructure. However, Distribution Franchisee shall not be eligible for seeking Open Access.
 - 3.9 The grant of open access to an eligible open access customer will be subject to:
 - Settlement of all dues of MSEDCL.

- In case of dispute between MSEDCL and an eligible Open Access consumer relating to any charge for electricity or sum other than a charge for electricity claimed by the MSEDCL from such consumer, then such consumer shall be allowed Open Access, pending disposal of such dispute, only upon deposit of the disputed amount with MSEDCL, in accordance with Section 56 of the Electricity Act, 2003.
 - MSEDCL shall pay interest to the Open Access Consumer at a rate equivalent to the rate at which MSEDCL pays interest on security deposit of a retail consumer for the portion of deposit that is returned to the consumer on resolution of the dispute.
 - Also where any dues are existing for more than two billing cycles of the consumer, then such consumer shall be allowed Open Access only upon deposit of the dues with the Distribution Licensee in accordance with Section 56 of the Act.
- 3.10 Open Access permission will not be granted to the consumers availing single point supply and sub-distributing it further to multiple consumers. E.g. Commercial Malls, IT parks, commercial complexes, software technology parks etc. Such consumers are required to apply for Distribution Franchisee through MoU route or take separate individual connections as per relevant Regulations & Orders of MERC.
- 3.11 The mix load consumers i.e. having two or more different categories of load recorded with a common meter and where the bills are issued with help of sub-meter, will be eligible for open access only after sanction & release of separate electricity connection to individual consumer and fulfillment of eligibility criterion.
- 3.12 For the purpose of unit conversion from MVA/kVA to MW/kW, the unity power factor shall be considered.
- 3.13 The Provisions of MERC (Distribution Open Access) Regulations, 2014 will be applicable for rooftop solar projects till the time the Commission specifies the terms and conditions for Open Access through general or specific Order.
- 4.0 APPLICATION / PROCEDURE FOR OPEN ACCESS:**
- 4.1 An application of open access in the prescribed format shall be submitted to the office of the nodal officer, Chief Engineer (Commercial), MSEDCL, along-with Demand Draft for Processing Fee and the enclosures as specified in Chapter V.
- a. Form of application for Open Access: Attached as Annexure I

- b. Format for short term open access (including Power Exchange): Attached as Annexure III
- c. Format for medium/long term open access: Attached as Annexure IV
- 4.2 An acknowledgement receipt indicating time and date of acknowledgement will be issued by the office of Chief Engineer (Commercial), MSEDCL, Mumbai to the applications. However, the applicant shall submit additional documents/information as enlisted in clause 5 of this Procedure, MSEDCL shall verify the applications at the time of submission for completeness and consistency with MERC (Distribution Open Access) Regulations, 2014 and inform the applicant about the acceptance of application in all respects or rejection of incomplete application at the time of application only.. The applications complete in all respect only shall be considered by MSEDCL.
- 4.3 The open access consumer shall deposit the processing fee (non-refundable) as specified below in the form of Demand Draft to Chief Engineer (Commercial), MSEDCL, Mumbai. After receipt of the processing fee, the concerned O & M Circle of MSEDCL will issue the techno-commercial report to the said consumer within a period of seven working days. The techno-commercial report will be valid for a period of one year in general from the date of issuance.

Processing fees:

Load Requisitioned Under Open Access	Processing Fee per Application
For Load upto 1 MW	Rs. 10,000/-
For load more than 1 MW and upto 5 MW	Rs. 15,000/-
For load more than 5 MW and upto 20 MW	Rs. 30,000/-
For load more than 20 MW	Rs. 50,000/-

Note: The Processing fee shall be revised as per relevant MERC orders issued from time to time.

The application shall be accompanied by a bank guarantee of Rs 10,000/- (Rupees Ten thousand) per MW of the total power to be transmitted, in case of long term open access. The bank guarantee shall be in favour of the MSEDCL.

Provided that in case of Renewable energy based transaction the bank guarantee shall be at the rate of Rs. 5000/- (Rupees five thousand) per MW of the total power to be transmitted in case of long term open access. The other terms and condition regarding bank guarantee shall be as per MERC (Distribution Open Access Regulations, 2014).

The Open access applicant would also be required to furnish security deposit in accordance with the provision of Regulation 20 of MERC (Distribution Open Access) Regulations, 2014.

- 4.4 The installation of Special Energy Meter (SEM) at generation end as well as consumer end shall be the prerequisite for commencement of open access.
- 4.5 Application to seek open access shall be submitted by open access consumer and Generator/licensed traders authorized on behalf of their clients in accordance with Regulation 9.2 Proviso 2, Proviso 5 & Proviso 6 of MERC (Distribution Open Access Regulations, 2014). Application will be submitted to the Chief Engineer (Commercial), MSEDCL irrespective of the voltage at which the open access consumer is connected to the Distribution system.
- 4.6 Application of open access generator can be considered only in such case when the applicant open access generator is situated in MSEDCL area and the open access consumer is situated in other Distribution Licensee area. The NOC from the concerned Distribution Licensee shall be submitted along with the application.
- 4.7 Application shall be submitted in advance as below:

Short Term Open Access (including Power Exchange): At least 20 days before start of open access.

Medium Term Open Access: At least 5 months before start of open access.

The start date of the Medium-term Open Access shall not be earlier than 5 months and not later than 1 year from the last day of the month in which application has been made.

Note: For example, application for grant of Open Access commencing for Jan 1st shall be received up to 31st day of July of the previous year. Similarly, the application for grant of Medium Term Open Access if submitted on 31st day of July of the previous year shall not be for a period commencing 1st August of the subsequent year.

Long Term Open Access: 2 years before as mentioned in Regulation 10.2 of MERC (Distribution Open Access) Regulations, 2014.

In case where augmentation of Distribution system is required for granting Open Access, if the quantum of power has not been firmed up in respect of the person to whom electricity is to be supplied or the source from which electricity is to be procured, the applicant shall indicate the quantum of power it proposes to be interchanged using the Distribution system;

Where augmentation of the distribution system is required, the open access consumer shall confirm and notify the exact source of supply or destination of off-take, as the case may be to MSEDCL at least two (2) years prior or for such time period estimated by MSEDCL for augmentation of the distribution system, whichever is lesser, to facilitate such augmentation.

In cases where there is any material change in location of the applicant or change by more than 10 percent in the quantum of power to be interchanged using the distribution system, a fresh application shall be made.

5.0 ENCLOSURES:

The following documents are required to be submitted along with the Open Access Application in standard prescribed format as per MERC (Distribution Open Access) Regulation 2014:

1. Original receipt issued by the Chief Engineer (Commercial), MSEDCL, Mumbai for payment of processing fee.
2. MoU / MoA /LoA/PPA /Consent from source Generator.
3. In case of open access through Trader, copy of valid Trading Licence, the copy of Power Purchase Agreement (PPA) between Open Access Consumer and Trader and PPA/LoA between Trader and generator.
4. No Objection Certificate / Open Access Permission from the concerned Distribution Licensee in case Open Access Consumer is located in other Licensee area in accordance with Regulation 9.2 Proviso 2, Proviso 5 & Proviso 6 of MERC (Distribution Open Access) Regulations, 2014.
5. In case of Captive Generating Plant,
 - Memorandum of Association and Articles of Association
 - Chartered Accountant's certificate for 100% ownership or equity shareholding as per Electricity Rules, 2005
 - Undertaking for not less than 51% self consumption on annual basis as per Electricity Rules, 2005

6. Solvency certificate.
7. In case of purchase of power from Power Exchange:
 - Registration/ Membership details,
 - Member – Client Agreement.
 - Undertaking of consumer for scheduling of power on week ahead basis and for keeping the quantum of scheduled power uniform on RTC basis.
8. Confirmation / Letter from MSEDCL Testing Department for installation of SEM & CT/PT with required specifications.
9. Latest HT Connection Monthly Energy bill (last 3 months) of open access consumer.
10. Latest 3 Monthly Generation Credit Notes (GCN) in case applicant is generator.
11. Copy of prevailing and previous Open Access permission, if any.
12. MSEDCL will provide minimum notice of 48 hours for staggering day to the Open Access Consumers, if applicable.

6.0 PROCESSING TIME:

Inter-se location of drawal and injection point.	STOA	MTOA	LTOA
MSEDCL area	<ul style="list-style-type: none"> • Ten working days for first time. • Five working days on subsequent applications. 	30 Days	30 Days
Both within the state but in areas of different distribution licensee.	<ul style="list-style-type: none"> • Ten working days for first time. • Five working days on subsequent 	60 Days	<ul style="list-style-type: none"> • 120 days where augmentation of distribution system is not

	applications.		required. •180 days where augmentation of distribution system is required.
Injection point in the intra-state transmission system within state.	<ul style="list-style-type: none"> • Ten working days for first time. • Five working days on subsequent applications. 	60 Days	<ul style="list-style-type: none"> •120 days where augmentation of distribution system is not required. •180 days where augmentation of distribution system is required.
In different state	As per Central Commissions Regulations.	As per Central Commissions Regulations.	As per Central Commissions Regulations.
Consumer opting to avail power supply from power exchange.	<ul style="list-style-type: none"> • Ten working days for first time. • Five working days on subsequent applications. 	Not Eligible	Not Eligible

7.0 CONNECTION AND USE OF DISTRIBUTION SYSTEM AGREEMENT.

The consumer, if found eligible for grant of Open Access, shall execute Tri-Partite Agreement for Connection & Use of Distribution System as per Annexure II. The tripartite agreement shall be executed among:

- i. Open Access Consumer
- ii. MSEDCL
- iii. Generator/ Member of Power Exchange/ Licensee.

A notice will be given by MSEDCL for signing of the 'Connection and Use of Distribution System Agreement ---

- (a) Confirming completion of all works and fulfillment of all requirements under the Act and the Regulations for grant of Open Access.
- (b) Intimating the date and time of the final meter reading of the consumer's premises, if applicable; and
- (c) Intimating the date and time of termination of the agreement of supply, if applicable, and commencement of the Connection and Use of Distribution System Agreement:

The Open Access Customer shall initiate the process of signing of Connection and Use of Distribution system within 30 days of grant of Open Access, failing which Open Access permission will be liable for termination.

8.0 COMMENCEMENT OF OPEN ACCESS:

The open access will be deemed to have been commenced from the open access period mentioned in the open access permission and all the terms and conditions of the open access permission including installation and commissioning of SEM & its allied equipments as has been specified in the MERC Regulations will be applicable there from.

The SE (O&M), MSEDCL shall implement the open access permission issued by the nodal officer Chief Engineer (Commercial), MSEDCL Mumbai.

9.0 ENERGY ACCOUNTING:

Open Access Energy Accounting will be carried out on 15 min time slot basis as has been specified by the MERC (Distribution Open Access) Regulations, 2014.

10.0 ENERGY PURCHASE AGREEMENT IN CASE OF NON FIRM RE OPEN ACCESS:

In case of open access transactions regarding non firm renewable energy the surplus energy in any 15 minute time block will be purchased by MSEDCL at average power purchase cost (APPC) approved by MERC.

Accordingly a tripartite agreement between the RE generator, open access consumer and MSEDCL shall be executed within a period of one month from the date of issue of open access permission.

The payment towards purchase of surplus energy will be made to the RE generator only.

11.0 APPLICABLE CHARGES:

11.1 The bill will be raised on the Open Access Generator / Open Access consumer whosoever is located in the MSEDCL's area of supply.

The bill will include the following charges as per the MERC (Distribution Open Access) Regulations, 2014:

- i) Wheeling Charges / Transmission Charges, as may be applicable;
- ii) Cross Subsidy Surcharge, as may be applicable;
- iii) Additional Surcharge on the Charges of Wheeling, as may be applicable;
- iv) Standby Charges, as may be applicable;
- v) Dedicated Distribution Facility (DDF) Charge, as may be applicable;
- vi) Imbalance & Reactive Energy Charges, as may be applicable;
- vii) Voltage Surcharge, as may be applicable;
- viii) Operating Charges, as may be applicable;
- ix) Scheduling charges, as may be applicable;
- x) Cost of communication for real time communication between the Open Access consumer and the Distribution Licensee and/or SLDC, as may be applicable;
- xi) Any other charge or other sum recoverable as approved by the Commission.

All the above charges will be applicable as per relevant MERC Orders issued from time to time.

In case of partial open access, the energy used from MSEDCL will be billed as per relevant MERC tariff order issued from time to time and provisions in the MERC (Distribution Open Access) Regulations, 2014.

12.0 REDUCTION IN CONTRACT DEMAND:

For consumers availing Open Access in the state of Maharashtra, MSEDCL for the purpose of reduction in Contract Demand (CD) will

exercise its power drawn from Regulation 4.2 of the MERC (Distribution Open Access) Regulations, 2014.

When an eligible consumer applies for Long-term or Medium-term or Short-term Open Access to the distribution system of MSEDCL so as to obtain supply from a Generating Company or a Licensee or through Power Exchange, MSEDCL shall reduce the contract demand / sanctioned load of the consumer to the extent of quantum of electricity sought to be transferred through Open Access as follows.

- **Firm Power Open Access:** Revised CD = Original CD – Open Access capacity approved
- **Non Firm Power:** Revised CD = Original CD – (Generation capacity contracted x CUF x Loss Factor)

Where, CUF: Capacity Utilization Factor as approved for type of non-firm RE generation by MERC in its most recent RE Tariff Order

Loss Factor: $(1 - \% \text{Transmission loss}) \times (1 - \% \text{Wheeling Loss})$: Based on the Normative Transmission & Wheeling loss approved by MERC