



(A Govt. of Maharashtra Undertaking)
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**MAHARASHTRA STATE ELECTRICITY
DISTRIBUTION COMPANY LIMITED**

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Ref: CE/PP/RPL/ **No 1 4 9 4 4**

Date: **0 5 MAY 2026**

To,
The Secretary,
Central Electricity Regulatory Commission,
World Trade Centre, 7th, Tower –B,
Nauroji Nagar, New Delhi-110029.
Email: secy@cerecind.gov.in.

Subject: Submission of comments/ suggestions pursuant to CERC directives in Suo-Moto
Petition No. 05/SM/2026


Reference: 1. CERC order dated. 15.04.2026 in Suo-Moto Petition No.5/SM/2026.
2. Public Hearing Notice dated. 01.05.2026

Respected Sir,

This is pursuant to Hon'ble Commission directives vide its public notice dated 01.05.2026 in Suo-Moto Petition No. 05/SM/2026 regarding the "Procedure for levying compensation charges for permitting additional time to achieve milestones under the Central Electricity Regulatory Commission(Connectivity and General Network Access to the Interstate Transmission System) Regulations, 2022."

MSEDCL's comments are enclosed herewith. It is respectfully requested that these comments/suggestions be duly considered while finalizing the procedure.

Yours Faithfully,


Chief Engineer (Power Purchase)

Copy s.w.rs. to:

1. The Director (Commercial), MSEDCL, Prakashgad, Mumbai-51.
2. The Executive Director (Commercial), MSEDCL, Prakashgad, Mumbai-51

MSEDCL Comments on CERC Draft Procedure for Levying Compensation Charges for Permitting Additional Time under GNA Regulations, 2022

Background

The draft framework on levy of compensation charges for permitting additional time to achieve milestones under the GNA Regulations, 2022 has been issued by CERC vide order dated 15.04.2026 (copy enclosed) for stakeholder consultation. The objective is to introduce a structured mechanism for granting extensions while ensuring accountability of developers and optimal utilization of scarce transmission resources.

Comments/ Responses

MSEDCL's Comments on **Draft Procedure for Levying Compensation Charges for Permitting Additional Time under GNA Regulations, 2022** are as follows

Sr. No.	Order Para Reference	Issue/Observation	MSEDCL's Comments / Suggestions	Rationale
1	7	The draft allows additional time to developers for achieving milestones, raising concerns regarding additional potential costs of Change in Law pertaining to the extended period.	Change in Law benefits should not be allowed pertaining to the extended period, as such extension is sought by the developer.	Prevents undue risks to offtakers for delays attributable to developers and ensures contractual discipline.
2	8	Compensation charges are proposed for delays; however, treatment of such charges vis-à-vis affected stakeholders is not clearly specified.	Compensation charges should be passed on to the off-takers (DISCOMs), as delays impact their procurement planning and may lead to additional power purchase costs.	Ensures that affected entities are compensated and financial impact of delays is appropriately addressed.
3	8	Lack of provision for involvement of DISCOMs in extension approvals, where Discoms are losing benefits like waiver of transmission charges.	Mandatory prior consent from DISCOMs is required. DISCOMs must retain the right to exit the PPA	Protects DISCOMs if extensions lead to the loss of ISTS transmission charge waivers, increasing energy costs

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4	10 (1) (b)	Very low compensation of 5% per month for delay in land-related requirements compared to other milestones.	Compensation structure should be more stringent across all milestones, including land-related delays. It should be at least 15% per month.	Discourages delays at early stages of project development and prevents non-serious developers blocking the connectivity.
5	Annexure-1 1 (iii)	Eligibility for consideration of additional time to meet the compliance of Regulation 24.6, to achieve the CoD of the project:	First Time extension of 6 months should only be given if atleast 50% progress has been achieved and second time extension of 6 months may only be given if atleast 75% progress has been achieved. After lapse of the second time extension, developer has to apply a fresh for connectivity and his name should be considered at the bottom of the existing seniority list.	Time extension should only be given to developers who are serious towards completion of work.
6	Annexure-1 B(3)	Milestone Extension Charges (MEC) towards allowing additional time for achieving the CoD of the project	1)No CIL or FM extensions should be allowed during the developer-sought extension; 2)In cases where a developer seeks an extension that might lead to the loss of ISTS (inter-State Transmission System) transmission charge waivers, MSEDCL demands that the developer obtain prior consent from the DISCOM before approaching the Nodal Agency (CTUIL)	Helps in verifying the authenticity of delays and prevents abuse of the extension process

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7	Annexure-1 9	The amount received from the submission of compensation charges shall be credited in the Deviation and Ancillary Services Pool Account by the Nodal Agency.	MSEDCL strongly suggests that these charges should instead be passed on to the affected DISCOMs/off-takers or same shall be used to reduce ISTS Transmission charges	By increasing timeline , projects will get delayed which have direct financial impact to Discom whereas Deviation & Ancillary pool Account's purpose is different and has no nexus with additional time period granted to Connectivity to REGS.