

# MB POWER (MADHYA PRADESH) LIMITED

Corporate Office: 239, Okhla Industrial Estate, Phase-III, New Delhi- 110020  
Tel: +91 11 47624100 Fax: +91 11 47624229

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MBPMPL/ANP-I/CERC/20-21/89

11<sup>th</sup> August 2020

**The Secretary,**

Central Electricity Regulatory Commission (CERC)

3<sup>rd</sup> & 4<sup>th</sup> Floor, Chanderlok Building,

36, Janpath, New Delhi-110001.

**Sub: *Comments/ Concerns of MB Power (Madhya Pradesh) Limited on the Draft CERC (Regulation of Power Supply) (First Amendment) Regulations, 2020.***

**Dear Sir,**

We hereby furnish our comments/ concerns/ suggestions on Draft CERC (Regulation of Power Supply) (First Amendment) Regulations, 2020. (enclosed herewith as *Annexure-I*), for the kind consideration of the Hon'ble Commission.

We hope this Hon'ble Commission would acknowledge a genuine merit in our comments/ concerns/ suggestions and would consider the same favourably while finalising the (Regulation of Power Supply) (First Amendment) Regulations, 2020.

**Thanking You**

**Yours Faithfully,**



**Abhishek Gupta**

**General Manager (Regulatory & Commercial)**

**MB Power (Madhya Pradesh) Limited**

**Enclosure: As above**

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## Annexure-1:

### **MB Power (Madhya Pradesh) Limited's comments/ concerns/ suggestions on the draft CERC (Regulation of Power Supply) (First Amendment) Regulations, 2020**

As rightly mentioned in the Explanatory Memorandum to the draft CERC (Regulation of Power Supply) (First Amendment) Regulations, 2020 (“**RPS First Amendment Regulations, 2020**”) amendments/ repeal/ enactments in the various associated Regulations notified by this Hon'ble Commission has necessitated aligning the provision of the 2010 Power Supply Regulations with such amendments/ repeals/ enactments. One of the significant Regulations that has undergone a phenomenal transformation is CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 recently notified in May 2020 (“**Sharing Regulations 2020**”).

As such, it would be prudent and in the overall interest of the sector to align and make RPS First Amendment Regulations 2020 responsive to the Sharing Regulations 2020. While most of the provisions of Sharing Regulations 2020 have been duly aligned with the draft RPS First Amendment Regulations 2020, however, it is requested that the following issues arising out of Regulations 13(2) and 19(7) of the Sharing Regulations, 2020 may get duly addressed while finalising RPS First Amendment Regulations, 2020 as explained below:

Regulation 13(2) of the Sharing Regulations, 2020 mandates billing of Transmission Charges under LTA/ MTOA directly on the end Buyers/ Beneficiaries under the PPAs, even if such LTA/ MTOA has been granted to the Generators/ Sellers (i.e. LTA/ MTOA Applicants). Thus, under Sharing Regulations 2020, the end Buyers/ Beneficiaries (and not Generators/ Sellers, who are the original LTA/ MTOA Applicants) are incumbent to ensure timely payments of Transmission Charges. As such, it is to be appreciated that any Event of Default arising out of Buyers'/ Beneficiaries' failure in making such timely payments and/or maintaining adequate Payment Security Mechanism (Letter of Credit) is beyond any control of the original LTA/ MTOA Applicants.

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As a natural corollary to the above, in case of any Event of Default by such end Buyers/ Beneficiaries, “Notice for Regulation of Power Supply ” in terms of Regulation 13(2) of the Sharing Regulations, 2020, is invariably required to be issued to such end Buyers/ Beneficiaries and NOT to Generators/ Sellers, who are the original LTA/ MTOA Applicants. It is also observed that the CTU, while regulating power supply under LTA/ MTOA, also curtails the Short Term Open Access (STOA) of the defaulting entity in terms of Para 59(c) this Hon’ble Commission’s Order dated 02.09.2015 in the Petition No. 142/MP/2012. As such, it is imperative that any STOA curtailment due to regulation of power supply is essentially done for such end Buyers/ Beneficiaries only and there is NO impact of such STOA curtailment on the STOA granted to Generators/ Sellers, who are the original LTA/ MTOA Applicants i.e. such Generators/ Sellers (original LTA/ MTOA Applicant) shall continue to interchange power without any regulation of power/ restrictions/ curtailments.

Accordingly, it is requested that while finalising CERC (Regulation of Power Supply) (First Amendment) Regulations, 2020, the above issue may be adequately addressed and the same may be expressly and unequivocally mentioned in these Regulations to eliminate any ambiguity and unwarranted litigations in the future.