

Maharashtra seeks to ease power open-access rules

Purchase of power in day-ahead market on exchanges likely; MERC seeks views from stakeholders on draft rules

Sanjay Jog | Mumbai October 09, 2015 Last Updated at 00:39 IST



Electricity consumers in Maharashtra might be able to buy power from sources other than distribution companies once the draft Distribution Open Access Regulations 2015 released by the Maharashtra Electricity Regulatory Commission (MERC) are notified.

The MERC has sought suggestions from stakeholders on the draft rules.

The proposals allow open access to consumers with contract demand of at least 500 KW against the current 1 MW threshold. They also permit sourcing power from multiple sources, which is restricted at present.

Consumers can buy power from the day-ahead market on power exchanges, which the current regulations do not allow.

The MERC's Distribution Open Access Regulations 2014 have been contested in the Bombay High Court by various organisations.

The draft rules propose to remove other restrictions hampering open access like mandatory reduction in contract demand for one month and procurement of power round the clock.

The state-run MahaVitaran supplies power to over 22.5 million consumers in Maharashtra, while Tata Power, Reliance Infrastructure and BrihanMumbai Electric Supply and Transport are distributors in Greater Mumbai.

“The draft regulations address various constraints to open access. Enabling industries and commercial establishments to participate in the day-ahead market and allowing consumers up to 500 KW open access are key changes,” Rajesh K Mediratta, director, business development, Indian Energy Exchange, told Business Standard.

MG Raoot, managing director and chief executive officer of Power Exchange India, said the day-ahead access provided a big opportunity to consumers to source cheap power. The choice to procure power from multiple sources would help in promoting the intra-state market, he added.

Jayant Deo, former MERC member, said there was no way a distribution licensee could deny open access. “The MERC has proposed a schedule for processing applications and has ensured all information is available on its website. Banking is permitted in renewable power,” he pointed out.