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Case Update



MERC Holds MSEDCL Cannot Levy Wheeling Charges and Losses on Energy Sourced Through Open Access if MSEDCL's Distribution System is Not Used for Transmission

DATED: 20/03/2025



The Maharashtra Electricity Regulatory Commission ("MERC") has issued its final order in Case No. 100 of 2024, adjudicating the dispute between the petitioners—TP Solapur Saurya Ltd., TP Arya Saurya Ltd., and TP Ekadash Ltd. ("Petitioners") and the Maharashtra State Electricity Distribution Co. Ltd. ("MSEDCL") regarding the levy of 'wheeling charges' and losses on energy sourced through Open Access. By its order, MERC granted relief and ruled in favour of the Petitioners, who are SPVs of Tata Power Renewable Energy Limited ("TPREL"), while directing MSEDCL to cease levying these charges and to refund the amounts already collected.

Petitioners, being solar power plant operators, argued that MSEDCL had incorrectly levied wheeling charges and wheeling losses as they were not using MSEDCL's distribution system. It was contended that their power was directly injected into the transmission system, owned by State Transmission Utility, which is outside the purview of MSEDCL's distribution network.

After considering the submissions, MERC held that the Petitioner's power plants were directly connected to the transmission system and did not utilize MSEDCL's distribution infrastructure. Accordingly, it was held that MSEDCL could not have levied wheeling charges. It reaffirmed the settled principle that wheeling charges apply only when the distribution system is being used. The MERC referenced its earlier decisions in similar cases, particularly its Order dated December 27, 2023, where it had held that wheeling charges are not applicable if the generating station is not connected to the distribution system.

Thus, MERC directed MSEDCL to refund the wheeling charges collected from the Petitioners, along with applicable interest. MSEDCL was also instructed to adjust the units deducted towards wheeling losses in the next billing cycle of the petitioners' Open Access consumers. MSEDCL was required to adjust the units deducted towards wheeling losses in the next billing cycle. Additionally, MERC also directed MSEDCL not to levy wheeling charges and wheeling losses on power sourced through Open Access where the energy is directly injected into the transmission system.

MERC's decision provides certainty for renewable energy developers and

Open Access consumers in State of Maharashtra as levy of wheeling charges and wheeling losses despite earlier rulings on the issue was entirely unjustified

Click [here](#) to read MERC's Order

TP Solapur Saurya Ltd., TP Arya Saurya Ltd., and TP Ekadash Ltd. were Represented before the Maharashtra Electricity Regulatory Commission by Shri Venkatesh (Founding Partner), Ashutosh K. Srivastava (Counsel), Siddharth Nigotia (Senior Associate) and Harsh Vardhan (Associate) of the SKV Law Offices.