

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 77/MP/2016

Subject: Petition under Article 13 of the Power Purchase Agreement dated 22.4.2007 read with Clause 4.7 of the competitive Bidding Guidelines and Section 79 of the Electricity Act, 2003.

Date of Hearing: 9.8.2016

Coram: Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member

Petitioner: Coastal Gujarat Power Limited

Respondents: Gujarat Urja Vikas Nigam Limited & Others

Parties Present: Shri Amit Kapur, Advocate, CGPL
Ms. Approva Misra, Advocate, CGPL
Shri Kunal Kaul, Advocate, CGPL
Shri Bijay Kumar Mohanty, CGPL
Shri Puneet Munjal, CGPL
Shri M.G. Ramachandran, Advocate, GUVNL
Ms. Anushree Bardhan, Advocate, GUVNL
Shri Anand K. Ganesan, Advocate, PSPCL

Record of Proceedings

Learned counsel for the petitioner submitted that the present petition has been filed by Coastal Gujarat Power Limited (CGPL) under Article 13 of the PPA for seeking a declaration that MoEFCC Notification dated 7.12.2015, which has been issued after the cut-off date i.e. 30.11.2006, amounts to Change in Law. He further submitted that through the said Notification, MoEFCC has revised the emission norms and all generating companies, including the generating companies which have already commissioned its power projects, are required to comply with the provisions of the said notification within a period of 2 years from the date of the notification.

2. Learned counsel for the petitioner submitted that as per preliminary assessment carried out by CGPL, it will have to incur a capital expenditure of more than Rs. 11,000 crore and a recurring operational expenditure of approximately Rs. 1000 crore every year. Therefore, CGPL is also seeking regulatory certainty qua the treatment of the said expenditure which would be incurred by it. This would enable CGPL to produce

loan from the financial institution, which would be required to fund part of capital expenditure required to comply with the revised norms prescribed by MoEFCC.

3. The Commission observed that a view regarding the implementation of the revised environmental norms would be taken in consultation with CEA.

4. Learned counsel for the petitioner submitted that views of public sector banks may be ascertained as the funding of the capital expenditure for implementation of revised environmental norms would be made by them.

5. Learned counsel for GUVNL submitted that all the stakeholders are impacted by the present MoEFCC Notification and representations have been made to the Government of India from seeking exemptions from complying with the said norms. He further submitted that the Commission may consider framing a mechanism to be applicable to all generating companies.

6. After hearing the learned counsels for the parties, the Commission directed to list the petition for hearing on 10.11.2016.

By order of the Commission

**Sd/-
(T. Rout)
Chief (Law)**