

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 200/MP/2020

Subject : Petition under Section 79 of the Electricity Act, 2003 read with Regulation 29 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for approval of additional capital expenditure on account of implementation of Flue Gas De-Sulphurization (FGD) System at NLC Tamil Nadu Power Limited (NTPL), 2x500 MW Thermal Power Station in compliance with the Ministry of Environment, Forest and Climate Change, Government of India Notification dated 7.12.2015.

Petitioner : NLC Tamil Nadu Power Limited (NLC)

Respondents : Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and Ors.

Date of Hearing : 21.7.2020

Coram : Shri I. S. Jha, Member
Shri Arun Goyal, Member

Parties present : Ms. Anushree Bardhan, Advocate, NLC
Shri Anil Jumar Sahni, NLC
Shri S Vallinayagam, Advocate, TANGEDCO
Ms. R. Ramalakshmi, TANGEDCO
Dr. R. Alamelu, TANGEDCO

Record of Proceedings

The matter was heard through video conferencing.

2. Learned counsel for the Petitioner submitted that the instant Petition has been filed under Section 79 of the Electricity Act, 2003 read with Regulation 29 of the Central Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2019 (in short '2019 Tariff Regulations'), *inter-alia*, seeking approval for additional capital expenditure on account of implementation of Flue Gas De-Sulphurization (FGD) to comply with revised emission standards as notified by Ministry of Environment, Forest and Climate Change (MoEF&CC), Government of India vide Environment (Protection) Amendment Rules, 2015 (in short 'MoEF&CC Notification'). Learned counsel submitted that in order to comply with the revised emission standards, the Petitioner is implementing the Wet Lime based FGD for SO₂ control along with one RCC Chimney with Bi-Flue can with Borosilicate lining and 5 MLD De-Salination Plant for FGD process. The estimated capital cost for implementation of FGD system (Rs. 668.5 crore with GST) along with new Stack with Borosilicate lining and additional De-Salination Plant (Rs. 149 crore including



GST) is approximately Rs. 818.36 crore. The Petitioner, in the month of April, 2020, has awarded the Letter of Intent to BHEL for implementation of the FGD system.

3. Learned counsel for the Respondent, TANGEDCO objected to the maintainability of the Petition and submitted that in terms of Environment Clearance granted to the Petitioner's generating station in 2013, the Petitioner was required to install FGD/emission control system. However, the Petitioner not only failed to install the FGD system at the relevant point of time but also did not take any remedial measures in this regard from the issuance of MoEF&CC Notification till 2020. Therefore, the Petitioner's claim for the additional capital expenditure towards installation of FGD system, citing MoEF&CC Notification as a 'Change in Law', is not correct. Learned counsel sought liberty to file reply on the maintainability of the Petition.

4. In response, learned counsel for the Petitioner submitted that the Petitioner's generating station achieved commercial operation on 29.8.2015 i.e. prior to the MoEF&CC Notification dated 7.12.2015. Accordingly, there was no requirement to comply with the revised emission standards at the time of commissioning of the generating station.

5. After hearing the learned counsel for the Petitioner and the learned counsel for the Respondent, TANGEDCO, the Commission directed TANGEDCO to file its reply on 'maintainability', by 7.8.2020 with advance copy to the Petitioner, who may file its rejoinder, if any, by 14.8.2020.

6. The due date of filing of reply, rejoinder and information/details should be strictly complied with.

7. The Petition shall be listed for hearing in due course for which notice will be issued separately.

By order of the Commission

**Sd/-
(T.D. Pant)
Deputy Chief (Law)**

