



KERALA STATE ELECTRICITY BOARD LIMITED

Incorporated under the Companies Act, 1956

Corporate identity Number: U40100KL201 ISGC0272424

Regd Office: VydyuthiBhavanam, Pattom, Thiruvananthapuram – 695004

Office of the Deputy Chief Engineer, Tariff and Regulatory Affairs Cell

IX Floor, Phone (O) +91 471 2514617, 2514317, 2514650

E-mail: trac@kseb.in, web: www.kseb.in

KSEB/TRAC/CG/Draft Regulations/CERC Regulations/2020-21/ **743**

29-4-2020

To

The Bench Officer,

Central Electricity Regulatory Commission,

Chanderlok Building, Janpath Marg,

New Delhi.

Sir,

Sub: Draft Central Electricity Regulatory Commission(Terms and Conditions of Tariff) (First Amendment) Regulations, 2020 - Comments –reg:

Ref: No.L-1/236/2018/CERC Dated: 1-1-2020 of CERC.

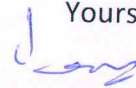
Kind attention of the Hon'ble Commission is invited to the draft Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2020. KSEBL comments on the same are submitted below for kind consideration. It is requested that the comments may kindly be considered while issuing final regulation.

Sl.No.	Provisions in the draft regulation	Remarks/Modifications suggested
1	“(15a) „ Date of Operation ’ or ‘ ODe ’ in respect of an emission control system means the date of putting the emission control system into use after meeting all applicable technical and environmental standards, certified through the Management Certificate duly signed by an authorised person, not below the level of Director of the generating company;”	In addition to the certification of the management of the Company, the certification of CEA/an Independent agency on achieving the emission standards may also be made a criteria for declaring date of operation
2	“(20a) “ emission control system ” means a set of equipment or devices required to be implemented in the coal or lignite based thermal generating station to meet the revised emission standards;”	May be modified as follows: “(20a) “ emission control system ” means a set of equipment or devices required to be

		implemented in the coal or lignite based thermal generating station to meet the revised emission standards as notified by CEA; "
3	29. "(5) Un-discharged liability, if any, on account of emission control system shall be allowed as additional capitalization during the year it is discharged, subject to prudence check."	Undischarged liabilities may be allowed to be capitalized only within a period of 1 year of Date of operation.
4	33. Depriciation	CAPEX for implementing revised emission standards in old thermal stations that are in the fag end of their useful life will increase the tariff of these stations considerably. Therefore it is requested that a provision may be incorporated in respect of old stations which have completed a major portion of its useful life to allow such generators and its beneficiaries to reach a consensus on additional investment for FGD. Investment under regulatory framework may be allowed on reaching such consensus. In the absence of consensus, the beneficiaries shall be bound to bear the balance depreciable existing capital of the station upfront and exit the PPA and generator will be free to decide to make investment on FGD and sell the power in the market.
5	49. Norms for operation	Transit and handling loss for reagent may be specified. Ceiling values for specific reagent consumption may be specified. Also the ceiling percentage values of sulphur content and lime stone

6	<p>41. Landed cost of reagent: (1) Where specific reagents such as Limestone, Sodium Bi-Carbonate, Urea or Anhydrous Ammonia are used during operation of emission control system for meeting revised emission standards, the landed cost of such reagents shall be determined based on normative consumption and purchase price of the reagent through competitive bidding, applicable statutory charges and transportation cost</p>	<p>purity may be specified.</p> <p>To regulate the purchase price of reagent it is requested that Hon'ble Commission may specify the base price of the reagent in the tariff orders of the generating stations. The regulation 43(3) may be modified by stipulating the percentage allowable increase for the reagent price over the base reagent price approved in the tariff order. In case where prices are likely to exceed such percentage, the generator shall seek concurrence of beneficiaries. This will help in regulating the reagent price.</p>
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Yours faithfully,



Deputy Chief Engineer (Commercial & Planning)
With full powers of Chief Engineer