

# CENTRAL ELECTRICITY REGULATORY COMMISSION

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☎: 011-23353503/ 23753918

No. EN-(01)/8/2020-CERC

Date: 5<sup>th</sup> September' 2020

## PUBLIC NOTICE

**Subject: Mechanism for Compensation on account of change in law for compliance with Revised Emission Standards notified by MoEF&CC in respect of Competitively Bid Thermal generating – Staff Paper thereof.**

Ministry of Environment, Forest and Climate Change, Government of India ("MoEF&CC") has notified the Environment (Protection) Amendment Rules, 2015 on 7<sup>th</sup> December, 2015 (in short, "the 2015 Rules") specifying revised emission standards and water consumption limit for coal and lignite based thermal generating stations.

2. The Commission has acknowledged the 2015 Rules as a change in law event in respect of some of the power purchase agreements (PPAs) whose tariff is determined under Section 63 of the Electricity Act, 2003 ("the Act"). Several power purchase agreements require the Commission to devise a methodology of compensation on account of Change in Law during operation period. A number of petitions have been filed before the Commission for declaration of the 2015 Rules as Change in Law event, adjudication of dispute, approval of provisional cost and grant of provisional tariff on account of installation of Emission Control Systems.

3. The Commission directed the staff to float a staff paper on the issue of compensation mechanism and tariff implications on account of the 2015 Rules in case of those thermal power plants where the PPA does not have explicit provision for compensation mechanism during the operation period and the PPA requires the Commission to devise such mechanism, inviting comments from all the stakeholders. The enclosed Staff Paper is in compliance of the directions of the Commission.

4. Accordingly, comments/ suggestions are invited from members of the public, various players in the electricity industry and other stakeholders, on the staff paper. The comments/ suggestions would be taken into account while deciding the principles and the methodologies to be adopted for compensation on account of emission control system in various cases. The stakeholders may also submit comments/ suggestions on any other factors or approaches not covered in the staff paper.

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5. The comments and suggestions on the staff paper may be sent by email at [secy@cercind.gov.in](mailto:secy@cercind.gov.in) and [mmchaudhari@cercind.gov.in](mailto:mmchaudhari@cercind.gov.in). Last date of submission of comments and suggestion is 04.10.2020.

Encl: As Above

Yours faithfully,

**Sd/-  
(Sanoj Kumar Jha)  
Secretary, CERC**

Note: The comments/ suggestions shall also be uploaded through the SAUDAMINI Portal for registered users after login and clicking: e-Regulation link on the e-filing Home Page. For more details or technical queries, e-Court Helpdesk at 011-23353503 extn. 260 or 7042604928 may be contacted.