

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 19/MP/2021

Subject : Petition 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 for approval of additional expenditure on account of installation of various Emission Control Systems at Vallur Thermal Power Station (3X500 MW) in compliance with the Ministry of Environment and Forests and Climate Change, Government of India notification dated 7.12.2015.

Date of Hearing : 1.6.2021

Coram : Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Pravas Kumar Singh, Member

Petitioner : NTPC Tamil Nadu Energy Company Ltd. (NTECL)

Respondents : Tamil Nadu Generation And Distribution Corporation (TANGEDCO) & 12 Others

Parties present : Shri Venkatesh, Advocate, NTPCTEL
Shri Anant Singh, Advocate, NTPCTEL
Shri Abhishek Nangia, Advocate, NTPCTEL
Shri B. Vinodh Kanna, Advocate, TANGEDCO
Shri Patanjali Dixit, NTPCTEL
Ms. R. Ramalakshmi, TANGEDCO
Ms. Er. R. Alamelu, TANGEDCO

Record of Proceedings

Case was called out for virtual hearing.

2. The learned counsel for the Petitioner submitted that the instant petition is filed for approval of additional expenditure on account of installation of various Emission Control Systems at Vallur Thermal Power Station (3X500 MW) in compliance with the Ministry of Environment and Forests and Climate Change, Government of India notification dated 7.12.2015. The instant project is a joint venture of NTPC and TNEB. The Board of Directors of the Petitioner Company approved the award of contract for installation of FGD in its meeting to Tata Projects Ltd. on 2.6.2020, i.e. after the notification of the 2019 Tariff Regulations and the indicative hard cost of the Project is Rs.58 lakh/MW (excluding IDC and GST) and it is marginally higher than the CEA benchmark cost. The Petitioner has shared the proposal with the



beneficiaries vide letter dated 20.12.2020. Bidding details will be filed in due course of time.

3. After hearing the learned counsel for the Petitioner, the Commission admitted the petition and directed to issue notice to the Respondents. The Commission also directed the Petitioner to comply with the provisions of the 2019 Tariff Regulations.

4. The Commission directed the Petitioner to provide the following information on affidavit, by 18.6.2021 with an advance copy to the Respondents/ beneficiaries:

(i) Copy of the decision by NTECL with resolution and date to issue NIT to procure FGD installation and Fuel modification system.

(ii) Copy of NIT along with bid opening/ closing dates.

(iii) Copy of the recommendations of the Bid Evaluation Committee and approval of the competent authority to award the work.

(iv) Certificate from the competent authority that bidding and award of the work has been carried out in a fair and transparent manner as per the applicable GOI/NTECL guidelines.

(v) A note on the process of bidding for award of different packages of ECS, with names of the bidders who participated in the bid and name of the successful bidder, with a copy of the Letter of Award/ Letter of Intent issued to the successful bidder.

(vi) The present status of implementation of FGD. If commissioned, the date of commissioning.

(vii) Studies, if any, conducted to show that the adopted FGD technology would meet the evaluation criteria indicated by CEA in its advisory dated 7.2.2020 and is the best suited cost-effective technology.

(viii) Station-wise/unit-wise break-up of the capital cost claimed for FGD as per the following table:

| Unit No | Capacity (MW) | CEA's indicative hard cost (₹ lakh per MW) | Hard cost claimed (₹ lakh per MW) | Total IDC claimed (₹ lakh) | Total IEDC claimed (₹ lakh) | Total FERV claimed (₹ lakh) | Total taxes & duties claimed (₹ lakh) | Total of Other costs claimed (₹ lakh) | Total cost claimed (₹ lakh) |
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(ix) Reasons for deviation from CEA's indicative hard cost, if applicable.

(x) If any contract for NOx reduction at the generating station has also been awarded, the cost of the same is to be segregated and the capital cost for FGD is to be provided separately and distinctly.

(xi) Any other information considered appropriate by the Petitioner.

5. The learned counsel for TANGEDCO submitted that they will file reply after the Petitioner submits the details regarding the Project.

6. The Commission directed the beneficiaries/ Respondents, to file their reply by 5.7.2021 and the Petitioner to file their rejoinder thereto by 16.7.2021. The Commission further directed the parties to comply with the directions with the timeline specified and observed that no extension of time shall be granted.

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

By order of the Commission

sd/-
(V. Sreenivas)
Deputy Chief (Law)

