

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 56/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 Muzzafarpur Thermal Power Station, Stage - II (2 X 195 MW) in compliance with the Ministry of Environment and Forests and Climate Change, Government of India notification dated 07.12.2015.
Date of Hearing	:	1.6.2021
Coram	:	Shri P. K. Pujari, Chairperson Shri I. S. Jha, Member Shri Pravas Kumar Singh, Member
Petitioner	:	Kanti Bijlee Utpadan Nigam Ltd. (KBUNL)
Respondents	:	West Bengal State Electricity Distribution Company Ltd. (WBSEDCL) & 7 Others
Parties present	:	Shri Venkatesh, Advocate, KBUNL Shri Anant Singh, Advocate, KBUNL Shri Abhishek Nangia, Advocate, KBUNL Shri Uma Shankar Mohanty, KBUNL

Record of Proceedings

Case was called out for virtual hearing.

2. The learned counsel for the Petitioner submitted that the instant petition is filed by Kanti Bijlee Utpadan Nigam Ltd. (KBUNL), a wholly owned subsidiary of NTPC for approval of additional capital expenditure on account of installation of Emission Control Systems at Muzaffarpur Thermal Power Station, Stage-II (2 X 195 MW) in compliance with the Ministry of Environment and Forests and Climate Change, Government of India notification dated 7.12.2015. He submitted that the instant units are old and they were re-commissioned in 2017. The award for installation of FGD is yet to be placed. The estimated per MW hard cost of FGD is about Rs.85 lakh and it is higher than the cost specified by CEA as the unit size is small.

3. In response to a query of the Commission on whether the instant generating station falls in the category of the stations which are being identified by the government for phasing out, the learned counsel for the Petitioner replied in



negative. He also submitted that age of the station cannot be the basis of phasing out of the generating stations and that efficiency of the generating stations should be considered for extending the life of the generating station.

4. 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 regarding sharing the information with the Respondents.

5. The Commission directed the Petitioner to provide the following information on affidavit, by 21.6.2021, with a copy to the Respondents and the Respondents to file their reply by 12.7.2021 and the Petitioner to file its rejoinder, if any, by 23.7.2021.

(a) Certificate from the competent authority to the effect that the ECS technology selected is as per the recommendations made by CEA and is the best suited cost-effective technology in terms of CEA's advisory dated 7.2.2020, that would meet the ECS norms as specified in the MoEFCC Notification.

(b) Copy of the decision by Petitioner company with resolution and date to issue NIT to procure FGD installation.

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

(d) Copy of the recommendations of the Bid Evaluation Committee, if any and approval of the competent authority to award the work.

(e) 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/ Petitioner company guidelines.

(f) 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.

(g) 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)
1.									
2.									
3.									
4.									
5.									
6.									



(h) Reasons for deviation from CEA's indicative hard cost, if applicable.

(i) 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.

(j) Present status of implementation of FGD.

6. 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)

