

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

- Petition No.** : 64/MP/2020
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 installation of various Emission Control Systems at **Simhadri Super Thermal Power Station Stage-I (2X500 MW)** in compliance of Ministry of Environment and Forests and Climate Change, Government of India notification dated 7.12.2015.
- Petition No.** : 467/MP/2019
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 installation of various Emission Control Systems at **Simhadri Super Thermal Power Station Stage-II (2x500 MW)** in compliance of Ministry of Environment and Forests and Climate Change, Government of India notification dated 7.12.2015.
- Petition No.** : 730/MP/2020
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 installation of various Emission Control Systems at **Ramagundam Super Thermal Power Station Stage-I & II (3X200+ 3X500 MW)** in compliance of Ministry of Environment and Forests and Climate Change, Government of India notification dated 7.12.2015.
- Petition No.** : 612/MP/2020
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 **Ramagundam Super Thermal Power Station Stage-III (1X500 MW)** in compliance with the Ministry of Environment and Forests and Climate Change, Government of India notification dated 7.12.2015.



Petition No. : 613/MP/2020
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 **Kudgi Super Thermal Power Station Stage-I (3X800 MW)** in compliance with the Ministry of Environment and Forests and Climate Change, Government of India notification dated 7.12.2015.

Petition No. : 520/MP/2020
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 installation of various Emission Control Systems at **Talcher Super Thermal Power Station Stage-II (4X500 MW)** in compliance of Ministry of Environment and Forests and Climate Change, Government of India notification dated 7.12.2015.

Date of Hearing : 29.4.2021

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

Petitioner : NTPC Ltd.

Respondents : AP Eastern Power Distribution Company Ltd. (APEPDCL) and others

Parties present : Shri Venkatesh, Advocate, NTPC
Shri Ashutosh K. Srivastava, Advocate, NTPC
Shri Aditya Ajay, Advocate, NTPC
Shri Abhiprav Singh, Advocate, NTPC
Shri Abhishek Nangia, Advocate, NTPC
Shri Neil Chatterjee, Advocate, NTPC
Shri Siddharth Joshi, Advocate, NTPC
Shri Sidhant Kumar, Advocate, APEPDCL, APSPDCL
Shri B. Vinodh Kanna, Advocate, TANGEDCO
R.K. Mehta, Advocate, Respondent, TANGEDCO
Ms. Himanshi Andley, Advocate, GRIDCO
Shri A.S. Pandey, NTPC
Shri V. K. Garg, NTPC
Shri Ishpaul Uppal, NTPC
Shri R. Alamelu, TANGEDCO



Ms. R. Ramalakshmi, TANGEDCO
Shri Madhusudan Sahoo, GRIDCO

Record of Proceedings

The matters were called out for virtual hearing. All the six petitions were heard together as a common question of law and facts is to be decided by the Commission, between a common Petitioner and different Respondents.

2. The learned counsel for the Petitioner made the following submissions:
 - a. The information sought by the Commission vide Record of Proceeding (RoP) dated 12.3.2021 has been submitted by the Petitioner vide affidavit dated 24.3.2021 and the same was also served on the beneficiaries.
 - b. While examining the mandate for the Petitioner under Regulation 29 of the 2019 Tariff Regulations, the Commission should take into consideration the circumstances under which the Petitioner proceeded to award the contracts for installation ECS and the fact that the implementation of ECS was being monitored by Hon'ble Supreme Court of India, which had prescribed a strict timeline for implementation of revised emission norms.
 - c. Neither the MOEFCC Notification nor the 2014 and 2019 Tariff Regulations specify a particular type of technology for a power plant. CEA also does not prescribe selection of any particular type of technology for power plants. Regulation 29 of the 2019 Tariff Regulations does not mandate consulting CEA for selection of technology for installation of ECS.
 - d. The Petitioner has invited bids for installation of ECS in lots instead of plant/station wise to avail the benefits of economies of scale and discover the lowest possible price through domestic competitive bidding.
 - e. Dry Sorbent Technology was selected for Tanda Thermal Power Station due to the space constraints.
 - f. The Board of Directors approved the proposal to award the contracts for the FGD package. The investment approval for each of the project has also been accorded by the Board of Directors.
 - g. The Petitioner has now shared all the possible information in compliance of Regulation 29 of the 2019 Tariff Regulations with respect to installation of ECS at various stations/plants of the Petitioner. Accordingly, the obligation of the Petitioner under Regulation 29 of the 2019 Tariff Regulations stands discharged.

3. The learned counsel appearing on behalf of APEPDCL and APSPDCL in Petition



Nos. 64/MP/2020, 467/MP/2019, 730/MP/2020, 612/MP/2020 and 613/MP/2020 made the following submissions:

a. The revised emission norms are not mandatory for old or retiring thermal power plants. The MOEFCC by way of the Environment (Protection) Amendment Rules, 2021 notified on 31.3.2021 had directed that a task force shall be constituted by the Central Pollution Control Board to categorize thermal power plants into three categories on the basis of their location to comply with the emission norms within the time limit as specified. The Notification of 31.3.2021 has further exempted the thermal power plants due to retire during 31.12.2022 and 31.12.2025 from meeting the revised emission norms specified by MOEFCC in notification dated 7.12.2015.

b. CEA advisory dated 7.2.2020 also provides that balance plant life has to be considered before selecting a technology and incurring expenditure towards of installation of ECS.

c. Regulation 29(1) and 29(2) of the 2019 Tariff Regulations are not only a procedural provision but also confer valuable rights to the beneficiaries. It casts an obligation on the Petitioner to provide all the information to the beneficiaries before filing the petition for approval of installation of ECS.

d. The Petitioner's plea for considering the shutdown period for installation of FGD and its interconnection be considered as 'deemed generation plant' is completely vague and a blanket prayer and a time for such inter-connection of the FGD with the plant may be fixed by the Commission.

e. The Petitioner has not given the reasons for higher cost of ECS when compared to the CEA benchmark cost. The Petitioner has merely stated the deviation is due to efflux of time and uncontrollable factors. In the absence of such information, there cannot be any transparency in the instant proceedings and accordingly, the Petitioner may be directed to provide the said information.

f. The byproducts having economic value should be taken into consideration while determining indicative tariff and final tariff.

4. Learned counsel appearing on behalf of TANGEDCO in Petition No. 467/MP/2020, 612/MP/2020, 613/MP/2020 and 730/MP/2020 submitted that the reply has been filed in the above petitions and same may be considered and taken on record. He submitted that the Petitioner may be directed to furnish the retirement plan of the plants so as to avoid huge expenditure at the fag end of the life of the plant towards FGD.

5. Learned counsel appearing on behalf of GRIDCO in Petition No 517/MP/2020 and 520/MP/2020 submitted that it is adopting the arguments/submission made in Petition No. 520/MP/2020 and made the following submissions:

a. The Petitioner was directed vide RoP dated 21.8.2020 to submit the cost benefit analysis. However, the Petitioner has not submitted the same. It is



mandatory under Regulation 29(3) of the 2019 Tariff Regulations to carry out the cost benefit analysis before seeking the approval for incurring expenditure on installation of ECS.

b. In response to the direction of the Commission regarding cost benefit analysis, the Petitioner merely submitted that the implementation of FGD is to comply with revised emission norms of MOEFCC. The CEA guidelines dated 7.2.2020 also provide for conducting cost benefit analysis and to consider balance plant life before selecting particular type of technology. The Petitioner should have carried out the cost benefit analysis before approaching for in-principle approval for incurring capital expenditure for installation of ECS.

c. The Petitioner has not provided any information/ study to show that the adopted FGD technology would meet the evaluation criteria indicated by CEA in its advisory dated 7.2.2020 and is best cost effective technology.

d. The Petitioner may be directed to furnish the present emission level of SO₂ of its Thermal Power Units certified by competent Authority so as to ascertain the requirement of FGD for the same.

e. The submissions with regard to variation in cost, process of bidding and tender etc. made in its reply may also be considered.

6. The Commission directed the Petitioner to clarify the issues raised by the beneficiaries/ Respondents by 24.5.2021 and the beneficiaries/ Respondents to file their comments, if any, by 11.6.2021. The Commission further permitted the parties to file their Written Submissions. The Commission also 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)

