



FICCI's Representation on Draft Order on 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 stations

Submitted to:

Central Electricity Regulatory Commission

Recommendations on Draft Order on 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 stations

- A) A Draft Order on '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 stations' was published by Central Electricity Regulatory Commission on 12.04.2021 and had invited comments/suggestions from the stakeholders by 31.05.2021.
- B) In this regard, FICCI's comments/suggestions are the following:

Sl. No.	Paragraph Number in order 04/SM/2021	Comments
1	<p>Depreciation (DEPe)</p> <p>31. The staff paper had suggested as under: <i>"4.9. Based on the above, life of 25 years has been considered for ECS. Accordingly, 90% (considering salvage value of 10%) of additional capital expenditure on account of installation of ECS is proposed to be recovered by the generating company in 25 years as depreciation {straight line method @3.6% (90%/25) per year} starting from ODe of ECS."</i></p> <p>34. We are of the view that the useful life of the generating station is to be considered 40 years in line with the Companies Act, 2013. The Commission has considered the useful life of the generating station based on life cycle of major equipment of thermal generating station. The life of emission control system has been considered as 25 years in line with the other major equipment of generating station. The Commission observes that as on today, there are no generation projects with competitively bid tariff which have completed more than 15 years of life.</p>	<p>Consideration of 25 years of life for emission control system irrespective of balance useful life of power plant would result in severe under recovery of cost for the generators. The justification provided for considering 25-year life of emission control system in the draft Order is based on assumption that the useful life of a power plant in which the emission control system is installed would be 40 years which is based on:</p> <ol style="list-style-type: none"> 1. Life of generating station as considered in the Companies Act, 2013 as 40 years 2. Comments received in support of useful life of 40 years <p>It is submitted that Hon'ble Commission has notified "Terms and Conditions of Tariff Regulations 2019" on 7th March 2019. When these Regulation were framed the Companies Act, 2013 has been applicable and was in force. These Regulations are applicable for power plants where tariff is determined by Hon'ble commission under Section 62 which is mainly central generating stations. Under these Regulations, useful life of 'Coal/lignite based thermal power plant' has still been considered as 25 years. The Annexure to the Tariff Regulations, 2019 specified depreciation rate for plant and machinery of power plant as 5.28% considering the life of plant as 25 years. We would like to submit that life of a power plant does not depend on method of tariff determination and hence same approach needs to adopted when it comes to technical parameters like useful life of a power plant.</p> <p>The fact cannot be ignored that not all plants will be able to operate for 40 years, and there is huge risk of under recovery if the actual plant life remains less than the proposed 40 years. This would also be</p>

<p>Therefore, based on 40 years of life of generating stations, in all cases 25 years of life of emission control system would be available for recovery of depreciation. Thus, the proposed approach for recovery of depreciation in 25 years balances the interest of the generating companies and procurers.</p> <p>35. Accordingly, in all cases irrespective of balance useful life of the generating plant, 90% of additional capital expenditure on account of installation of ECS (considering salvage value of 10%) shall be recovered by the generating company in 25 years as depreciation (straight line method @3.6% per year). The depreciation shall be computed from 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. The value base for the purpose of depreciation shall be the additional capital expenditure of the emission control system as admitted by the Commission. In case of gradual installation of emission control system for different emission standards or for multiple units, weighted average life shall be considered to work out depreciation. The computation of depreciation during each year of the contract period shall be worked out by the parties directly based on admitted capital cost and the depreciation rate as follows: $DEPe = (0.036) \times ACEe$</p>	<p>against the principles of restitution which has been emphasized by the Hon'ble Commission. Further as loan repayment is around 12 years (amounting 7.5% = 90/12) considering depreciation of 3.6% on SLM basis even for the loan repayment period is also against principle of Restitution which would not result in same NPV for the plant as if such change-in-law would not have occurred.</p> <p>It is submitted that Ministry of Environment, Forests and Climate Change (MoEFCC) had notified Environment Protection Rules on 31st March 2021. As per these amended Rules, the implementation schedule for emission control systems has been extended till 2022-2024. As a result, the emission control systems would be implemented in 2024 and assuming 25 years of life after that works to total useful life for power plants more than 43 years on average.</p> <p>As many projects have PPA tenures less or equal to remaining useful life of 25 years and going by the current scenario when there is reluctance on part of procurers to sign a long term PPAs, it is very uncertain that after the useful life of 25 years the generator would be able to secure any new PPA. The financing institutions would consider this as a huge risk if the depreciation of emission control system is considered beyond useful life / remaining PPA tenure. It is suggested that Hon'ble Commission may seek an independent view from financing institutions if their financing norms allow financing with such uncertainty on cost recovery after current PPA tenure is over.</p> <p>It is further submitted that apart from the financial and technical difficulties for extension of useful life of power plant as has been assumed in the draft Order, such a move is completely against overall policy of retiring old power plants and gives a wrong signal.</p> <p>Further, the depreciation rate has been suggested as SLM over useful life. In practice the debt repayment itself is much higher than depreciation leading to revenue loss to the generator.</p> <p>Thus, it is suggested that a balanced approach needs to be taken for period over which depreciation is to be computed. Our suggestion is</p> <ol style="list-style-type: none"> 1. to consider a period of 15 years or balance useful life of power plant, considering 25 years as a useful life, whichever is higher on the date on which emission control system is commissioned. 2. depreciation for the initial 12 years of operation may be considered at higher rate of 7.5% to service the debt repayment and the remaining depreciation to be determined on SLM basis on the remaining period.
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<p>2</p>	<p>Cost of Additional Capital Expenditure (COCe)</p> <p>39. We have considered the suggestions of the stakeholders. The Commission notes that the approach of net fixed assets and cost of capital employed suggested in the staff paper satisfies the principle of economic restitution. The Commission is aware of the concerns and financial position of the generating companies. However, any compensation for change in law cannot be a mechanism to improve their financial position. Accordingly, we hold that the suggested approach of servicing investment through cost of capital employed approach is appropriate, being consistent with the principle of economic restitution.</p> <p>40. The servicing of capital employed during each year of the contract period shall be worked out based on net fixed asset (derived by adjusting cumulative depreciation of emission control system) and interest rate of fund. The interest rate will be weighted average rate of interest on loans of the generating station including ECS or at the rate of Marginal Cost of Lending Rate of State Bank of India (for one year tenor) as on 1st April of the year under consideration plus 350 basis points, whichever is lower. The generating companies shall workout the applicable interest rate for the cost of capital employed towards emission control system for the year under consideration. The cost of capital employed during the year shall be worked out as follows: $COCe(n) = NFA(n) \times WROI(n) / 100$ Where $NFA(n) = ACEe - [(n-1) \times (DEPe)]$</p>	<p>The proposed serving of capital employed does not meet the principle of economic restitution for the generators on two counts.</p> <ol style="list-style-type: none"> 1. Recovery on net fixed asset basis: this leads to lower returns on equity employed 2. Return on equity same as cost of debt capped at SBI MCLR +350. In practise cost of equity is always and substantially higher than cost of debt. Thus, providing return on equity at the rate of cost of debt and too capped actually results into erosion of equity and thus does not place generator in the same economic position as in absence of installation of FGD. <p>While it is correct, as mentioned by the Hon'ble Commission, that compensation under change in law cannot be a mechanism to improve financial position of generators. However, at the same time compensation under change-in-law should not put additional stress on finances of generators. Such proposal would make it difficult for equity investment and hence impact achieving emission standards or operation of plant.</p> <p>It is also submitted that Hon'ble Commission has notified "Terms and Conditions of Tariff) (First Amendment) Regulations, 2020" on 25th August 2020. Under these Amendment Regulations Hon'ble Commission has provided methodology for recovery of additional cost of emission control system for power plants where the tariff is determined by Hon'ble Commission under section 62 of the Electricity Act 2003. In these Regulations the treatment of cost of debt and return on equity for such plants is proposed as follows:</p> <p><i>"(3) The return on equity in respect of additional capitalization on account of emission control system shall be computed at the base rate of one year marginal cost of lending rate (MCLR) of the State Bank of India as on 1st April of the year in which the date of operation (ODe) occurs plus 350 basis point, subject to ceiling of 14%;"</i></p> <p><i>"(5a) The rate of interest on loan for installation of emission control system shall be the weighted average rate of interest of actual loan portfolio of the emission control system or in the absence of actual loan portfolio, the weighted average rate of interest of the generating company as a whole shall be considered."</i></p>

	<p>Where, COCe is Servicing cost of Additional Capital Expenditure in Rupees per annum; NFA(n) is the net fixed asset of the of the year “n”; WAROI (n) is the weighted average rate of interest (in %) worked out based on weighted average rate of interest on loans of the generating station including ECS or at the rate of MCLR of SBI (for one year tenor) as on 1st April of the year plus 350 basis points, whichever is lower; “n” represents the year starting from the date of operation of emission control system.</p>	<p>As per above provisions, for plants where tariff is determined under Section 62, Debt Equity ratio of 70:30 has been considered. Return on equity is calculated on gross asset basis (30% of capital cost) and not on net fixed asset basis. The cost of Debt is considered at actual interest rates of the loan portfolio. It is submitted that the financial principles for additional cost recovery for emission control system cannot be applied differently depending upon the tariff determination methodology (u/s 62 or 63) for the plants.</p> <p>It is thus submitted that by proposing servicing of capital employed on net fixed asset basis at the rate of cost of debt with a cap of or SBI MCLR + 350 points, does not put the generators at the same economic position as prior to installation of emission control system. Also, the proposed return on capital employed for a plant u/s 63 would be significantly lower than a plant u/s 62. A reasonable return on equity needs to be provided to put the generator in same financial position as to prior to change-in-law. A brief comparison is attached in annexure with following scenarios explaining the impact of provisions of draft Order shows that there is considerable difference.</p> <p>It is thus submitted that</p> <ol style="list-style-type: none"> 1. Servicing of capital employed should be estimated considering 70:30 debt equity ratio on gross capital. 2. A reasonable return on equity equal to 15.5% (pre-tax which works out to be about 10.5% post tax) should be provided
<p>3</p>	<p>Additional Operation & Maintenance Expenses (O&Me)</p> <p>44. Accordingly, we propose that the additional revenue expenses for operation and maintenance (O&Me) for the first two years of operation (including part financial year), shall be based on 2% of the additional capital expenditure (ACEe) for installation of ECS (excluding IDC and FERV) as admitted by the Commission, to be escalated at the rate of 3.5% per annum for the second year. The O&M expenses from the third year onward shall be as per norms and escalation rate determined separately by the Commission. The additional O&M expenses (O&Me) shall be worked out as follows: First Year: 2% of ACEe excluding IDC and FERV Second Year: 2% of ACEe escalated at the rate of 3.5%.</p>	<p>We agree with the suggestion provided by the Hon’ble commission to determine the norms for O&M expenses based on sufficient data available post 2 years of operation of ECS.</p> <p>It is suggested that:</p> <ol style="list-style-type: none"> 1. for the coastal plants which use seawater, there is an additional cost towards desalination, thus an additional 0.5% of ACEe may be allowed for O&M expenses. 2. also, such additional desalination cost may also be allowed while finalising the norms for O&M expenses

	Third Year onward: As per norms to be specified by the Commission.	
4	<p>Additional Interest on Working Capital (IWCE)</p> <p>47. The Working Capital (WCE) shall include following components:</p> <p>(i) Cost of lime stone or reagent for stock of 20 days corresponding to the normative annual plant availability factor;</p> <p>(ii) Advance payment for 30 days towards cost of lime stone or reagent for generation corresponding to the normative annual plant availability factor;</p> <p>(iii) Operation and maintenance expenses in respect of emission control system for one month;</p> <p>(iv) Maintenance spares @20% of operation and maintenance expenses in respect of emission control system; and</p> <p>(v) Receivables equivalent to 45 days of supplementary capacity charge and supplementary energy charge for sale of electricity calculated on the normative annual plant availability factor.</p> <p>48.</p> <p>WCIR(n) is Working Capital Interest rate (in %) which is Marginal Cost of Lending Rate of State Bank of India (for one year tenor) plus 350 basis points as on 1st April of the year for which compensation is to be determined.</p>	<ul style="list-style-type: none"> Currently, there is uncertainty about the availability, quality and location (international / domestic) of limestone. The lead time for reagents sourced internationally will be substantially higher. Further, there are also constraints in transportation/ logistics since the limestone is essentially transported by road within the country. Therefore, for all plants in general and remotely located plants in particular, in order to meet the availability commitments, the generator will have to keep stock of limestone/reagent to last at least for a month considering the higher lead time of transportation and to protect against supply disruptions, quality issues etc. It is therefore suggested to include the cost of limestone or reagent for 30 days generation instead of proposed 20 days which has considered same as coal corresponding to the normative annual plant availability factor.
5	<p>53. Additional auxiliary consumption due to ECS</p> <p>Draft Order proposes to considered the additional Auxiliary consumption (AUXe) due to emission control System as specified by the Central Electricity Authority and admitted by the Commission from time to time</p>	<ul style="list-style-type: none"> It may be noted that the norms proposed by CEA would be on benchmark basis and does not consider plant specific requirements. In case of coastal plants there would be additional auxiliary power consumption to operate desalination plant for water to be supplied to ECS. It is thus suggested that an additional 0.2% auxiliary consumption over and above proposed by CEA should be allowed in case of coastal plants.
6	<p>58. Expenses towards consumption of reagents (CRe)</p> <p>Draft Order proposes to consider expense towards consumption of reagents as follows:</p>	<ul style="list-style-type: none"> The proposed norms for Lime-stone consumption as specified by CEA does not consider the fact that in addition to Sulphur in the flue gas, hydrogen fluorides and chlorides are also present which also react with limestone. This would result in higher limestone consumption in case of Limestone based FGD is being used.

	<p>$CORe (Rs/KWh) = (SRCe) \times (LPre) / (1000)$</p> <p>Where, CORe is expenses towards consumption of reagents in Rs/KWh</p> <p>SRCe is the specific reagent consumption on account of emission control system (in grams/KWh) for a unit generated at generator terminal. This shall be normative number recommended by CEA for different variants of the ECS;</p> <p>LPre is the weighted average landed price of reagents for ECS (in Rs/Kg) during the month.</p>	<p>Further, restricting the limestone purity at 85% may not be in control of the developer and would depend on its availability in the market, especially when there will be sudden increase in demand with significant FGD installations.</p> <p>Thus, until the sufficient data is available i.e. 5 years of operation of ECS it is suggested that</p> <ul style="list-style-type: none"> • an additional 3-5% consumption may be added over and above the proposed formula to compensate for consumption of limestone by hydrogen chlorides and fluorides. • condition of minimum purity of 85% of limestone may be removed. At least in the initial years till the limestone market and norms are established.
7	<p>Recovery of Compensation</p> <p>70. Accordingly, per unit supplementary capacity charges shall be worked out as under: SFC(m) = AFEe + ACCe (in Rupees per KWh) By applying the above value of the Supplementary Capacity Charge rate (Rs/KWh), the generating company shall recover the supplementary capacity charges on monthly basis under each PPA depending upon the cumulative availability achieved till the end of each month. No supplementary incentive shall be allowed to the generating company for declaring the availability beyond the normative availability. The availability and payment of supplementary capacity charges shall be reconciled on annual basis. Irrespective of the availability declaration by the generating station, if the generating company has operated the generating station without operation of the ECS for any period of time, the supplementary capacity charges shall be payable corresponding to the availability achieved by ECS only. If the contract period as per PPA is less than the useful life of the emission control system, the obligation of the procurer shall be limited to its contract period and contracted capacity.</p>	<ul style="list-style-type: none"> • With depreciation being spread over 25 years and no obligation on the existing procurers to extend their PPA tenure, it will send wrong signal to the lenders/bankers who will refuse to fund such huge capital investment without assurance of entire debt servicing from the existing procurers

<p>8</p>	<p>Shutdown Period</p> <p>75. We have examined the suggestions. As regards the normative availability factors in annual shutdown period, the parties to the PPAs shall coordinate and plan the interconnection of emission control system with main plant by synchronizing it with the annual overhaul. The Commission is of the view that if the period of shut down exceeds beyond annual shutdown period factored in the normative availability under PPA, either on account of delay in timely completion of activities for interconnecting emission control system or lack of coordination, the consequential cost for the same cannot not be passed on to the consumers.</p>	<p>There is not much experience of installation of ECS in the country, there may be many factors which may not allow the generator to synchronise ECS with the main plant within time frame of Annual overhaul. Further, it is well settled principle that only the controllable factors resulting in delay should not be passed on to the consumers, whereas the uncontrollable factors resulting in delay are to be passed on the consumer.</p> <p>Following such settled principle, it is suggested to prudently check the factors resulting in delay if any on case-to-case basis and then decide upon passing on the cost to the consumer or to be borne by generator. The cost associated with such delay would include but not limited to following:</p> <ul style="list-style-type: none"> • Fixed capacity charges. • Waiver /reimbursement of penalty payable under PPA if any for lower plant availability
<p>9</p>	<p>Open Capacity</p> <p>76. A suggestion has been received for consideration of compensation mechanism for open capacity to provide all the generating stations, with and without emission control systems a level playing field. We are of the view that the risk associated with open capacity needs to be addressed by the concerned market player and therefore, we do not find need for any regulatory intervention for open capacity at this stage</p>	<p>The risk associated with open capacity is</p> <ol style="list-style-type: none"> a. by way of implementation of emission standards post commissioning of the project and not a business call taken by the generator like in case of location of plant and hence transportation cost b. The impact of the compliance of emission standards would come at a different time for different plants depending upon the implementation schedule drawn. Thus, till all the open capacity is compliant, the plants which have ECS will face cost disadvantage especially on exchanges and in bidding process. <p>Hon'ble commission being a market regulator should consider such factor affecting level playing filed and propose a mechanism. Such a mechanism would be needed only till all the plants have implemented ECS. It is thus requested that additional cost recovery mechanism may be developed for selling power on exchange or on DEEP portal.</p>
<p>10</p>	<p>Timelines for tariff determination</p>	<ul style="list-style-type: none"> • It is submitted that the Hon'ble Commission should declare the Provisional Tariff for ECS prior to the Commercial Operation Date which the developers can start to recover immediately upon COD and subject to actual / final trued up tariff in order for them to be able to service the debt and so also prevent Late Payment Surcharge / Carrying Cost burden on the Beneficiaries / Discoms and end consumers.
<p>11</p>	<p>Capex for environment protection equipment in cases of Augmentation</p>	<ul style="list-style-type: none"> • Existing tariff principles do not allow recovery of capacity charge basis the entire capex spent in cases of augmentation. For example, on installation of higher capacity ECS to comply with MoEF & CC notification, its Capex will not be allowed in full and it will be reduced by decapitalizing the approved

		<p>Capex of existing ECS. This is unfair to the developer because the requirement is pursuant to change in law and the replacement of the ECS system is happening much before completion of useful life. Accordingly, the Hon'ble Commission needs to address this anomaly in a pragmatic way to ensure that the developers are not penalized unnecessarily. It is necessary for the Hon'ble Commission to ensure that the relief granted pursuant to change in law follows the restitution principle in its true spirit.</p>
12	No Provision with respect to compensation on account of Gypsum (by-product of ECS) disposal	<ul style="list-style-type: none"> • Simultaneous commissioning of similar limestone based ECS by a majority of the generating projects in the years 2022-2024 would pose a challenge for disposal of Gypsum (ECS by-product). As it is, Gypsum has a quite a low demand in the market and with high availability of Gypsum post commissioning of a sizeable ECS capacity from the year 2022 onwards, Gypsum demand would further shrink, making Gypsum disposal a challenging proposition. As such, this environmentally hazardous Gypsum would necessitate adoption of safe measures for its storage and disposal thereby entailing significant expenses by generating projects towards the same. • However, the Draft Order does not address this concern. It may kindly be appreciated that since safe storage and disposal of Gypsum (ECS by-product), shall have a significant cost implication on account of ECS installation, hence it becomes imperative that this Hon'ble Commission duly addresses this important aspect. As such, is it earnestly requested that a normative handling, storage and disposal charges of Gypsum (say Rs 150/tonne) be allowed to the generating companies, while finalizing the Draft Order.
13	No Provision with respect to grant of provisional and/or adhoc and/or projected Compensation	<p>The Draft Order provides for determination of Compensation (in terms of Supplementary Tariff) only after installation of ECS and no enabling provision has been kept for grant of provisional and/or adhoc and/or projected Compensation for the period between Date of Operation ("ODe") of the ECS till the date of determination of Compensation thereof by the Hon'ble Commission.</p> <p>It may kindly be appreciated that such Compensation determination, being an exhaustive process, may span across 6-12 months after ODe of the ECS. Hence, in absence of any provisional and/or adhoc and/or projected Compensation, the generating companies would not be able to secure any revenue during such intervening period of 6-12 months. However, the debt servicing obligations of the generation companies to their lenders would start immediately after ODe of the ECS. In absence of any provisional and/or adhoc and/or projected Compensation, it would be extremely difficult for any generating company to discharge its debt-servicing obligations during such intervening period, which would severely affect its cash flows.</p> <p>Further, in the current challenging scenario, with a view to secure debt-servicing by a generating company, the lenders are increasingly insisting for a mechanism in terms of provisional and/or adhoc</p>

		<p>and/or projected Compensation as a pre-requisite for lending, in absence of which, it would be extremely difficult for any generating company to achieve timely financial closure. Such a delay in achieving financial closure, would eventually lead to breach of permissible timelines prescribed by MoEF&CC, GoI for installation of ECS, for absolutely no fault of generating companies.</p> <p>Hence it is earnestly requested that based on the estimated/ projected CAPEX to be incurred towards installation of ECS, the Hon'ble Commission may kindly grant a provisional and/or adhoc and/or projected Compensation (@ say 90% of the estimated Compensation) 2-3 months before ODe of the ECS which may subsequently be trued up on the basis of actual ECS CAPEX. This will be a win-win proposition for the all stakeholders viz. the lending institutions, generating companies, Discoms etc. as:</p> <ul style="list-style-type: none"> • This would enable the generating companies to secure the return on investment made by them towards ECS, right from the first day of its operation, thereby facilitating them to honor their debt-servicing obligations in a timely basis. • Further, this will also prevent accumulation of substantial arrears Discoms/ Beneficiaries in terms of Supplementary Tariff and Carrying Cost thereof during such intervening period of 6-12 months, which may otherwise impair their cash-flows on account of a substantial accrued liability.
<p>14</p>	<p>No Provision with respect to Degradation of Gross Station Heat Rate due to installation of ECS</p>	<ul style="list-style-type: none"> • The Draft Order does not address an important aspect related to degradation of Gross Station Heat Rate ("GSHR") of a generating project due to installation of De-NOx System, which is an essential component of ECS. • As per the discussions held by the industry with various technical experts and OEMs, due to installation of De-NOx System, the combustion pattern of Boiler will change which will invariably result in increase in combustibles in the fly ash as well as bottom ash. Such an increase in unburnt combustibles shall consequently reduce the Boiler Efficiency thereby increasing the existing GSHR of the thermal generation projects by more than 1%. • As such, not allowing any normative increase in GSHR due to installation of De-NOx System shall lead to substantial under recovery by the generating companies. Accordingly, it is sincerely requested that 1% increase in the existing normative GSHR on account of installation of De-NOx System be allowed while finalizing the Draft Order.

Annexure: FGD Commissioning – Future cash flows of Interest cost & cost of equity

As per CERC norms for Section 62 projects:

Capital cost (INR Mn)	9,595
WACC	12.00%
COE	15.5%
Debt	70%
Debt amount (INR Mn)	6,716
Debt tenor (Years)	15
Debt rate	SBI MCLR + 3.5%
Debt rate	10.50%
Equity	30%
Equity amount (INR Mn)	2,878
Residual life (Years)	17.00
Date of commissioning	30-06-2025
NPV of future cash flows (INR Mn)	6,385

As per parameters proposed in the draft order without reducing equity component on net fixed asset value basis:

Capital cost (INR Mn)	9,595
WACC	10.5%
COE	10.5%
Debt	70%
Debt amount (INR Mn)	6,716
Debt tenor (Years)	15
Debt rate	SBI MCLR + 3.5%
Debt rate	10.5%
Equity	30%
Equity amount (INR Mn)	2,878
Residual life (Years)	17.00
Date of commissioning	30-06-2025
NPV of future cash flows (INR Mn)	5,757

As per parameters proposed in the draft order with reducing equity component on net fixed asset value basis:

Capital cost (INR Mn)	9,595
WACC	10.50%
COE	10.50%
Debt	70%
Debt amount (INR Mn)	6,716
Debt tenor (Years)	15
Debt rate	SBI MCLR + 3.5%
Debt rate	10.50%
Equity	30%
Equity amount (INR Mn)	2,878
Residual life (Years)	17.00
Date of commissioning	30-06-2025
NPV of future cash flows (INR Mn)	5,006