

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 371/MP/2022**

Subject : Petition for approval of additional expenditure on Renovation and Modernization of ESP at Mejia Thermal Power Station Unit-1,2 & 3 having an installed capacity of 630 MW in compliance of Ministry of Environment and Forest and Climate Change, Government of India Notification dated 7.12.2015.

Petitioner : Damodar Valley Corporation

Respondents : WBSSEDCL and 2 others

Date of Hearing: **14.7.2023**

Coram : Shri Jishnu Barua, Chairperson  
Shri I.S. Jha, Member  
Shri Arun Goyal, Member  
Shri Pravas Kumar Singh, Member

Parties Present: Shri Venkatesh, Advocate, DVC  
Shri Ashutosh K. Srivastava, Advocate, DVC  
Shri Aashwyn Singh, Advocate, DVC  
Shri Rajiv Yadav, Advocate, DVPCA

**Record of Proceedings**

During the hearing, the learned counsel for the Petitioner referred to his preliminary submissions on last hearing dated 11.4.2023 and continued his verbal submissions, summarized as under:

- (a) Major capital works have been carried out involving substantial capital and operational expenditure in compliance with the MOEF&CC notification dated 7.12.2015;
- (b) West Bengal Pollution Control Board (WBPCB) has directed the Petitioner to submit environmental compensation of Rs 20 lakh and a Bank guarantee of Rs. 50 lakh for violating the Pollution control norms.
- (c) WBPCB has further directed the Petitioner to comply with the particulate emission standards on a regular basis. Units 1 to 3 of the generating station have to comply with the MoEF&CC notification dated 5.9.2022, by 31.12.2024, These units will have to meet the environmental norms in compliance to both, MoEF&CC notification dated 7.12.2015 as well as the WBPCB direction dated 7.12.2021.



- (d) The assessment of PM emissions has been carried out by WBPCB and the tested results of SPM levels for Units 1 to 3, at different times, have been furnished in the rejoinder.
2. The learned counsel for the Respondent, DVPCA, mainly submitted as under:
- (a) Special Allowance has been granted to the Petitioner in terms of the 2014 Tariff Regulations and the 2019 Tariff Regulations in lieu of R&M. Therefore, the Petitioner's claim for R&M is not admissible in terms of said Regulations for these periods.
- (b) The Petitioner has not indicated the future plans with respect to the number of years it intends to keep the generating station operational. Further, the R&M expenses of Rs. 307.69 crore for ESP of Units 1 to 3, without specifying the viable duration of such expenses is not justified.
- (c) A cost benefit analysis considering the vintage of the plant may be carried out by the Commission in accordance with Regulations.
3. The Commission, after hearing the parties, directed the Petitioner to furnish the following additional information, on or before **14.8.2023**, after serving copy to the Respondents:
- (a) *The basis of arriving at the cost for the proposed works, the present status of these works, envisaged balance life of plant, cost benefit analysis etc.*
- (b) *The status of issuance of NIT, bid opening date, bid closing date, list of bidders participated, price quoted, successful bidder, award of the contract, awarded cost etc., along with copy of NIT, Letter of Intent and Letter of Award.*
- (c) *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 guidelines of GoI / DVC.*
- (d) *Compliance with Regulation 29 (1) and (2) of 2019 Tariff Regulations i.e. consultations made with Respondents regarding the proposed additional capital expenditure prior to floating / finalizing the bid;*
- (e) *In view of the submissions made in the rejoinder dated 06.07.2023 that the scheme is for augmentation of ESP but not R & M of ESP, the unit wise revised scope of works and cost thereof along with component wise break-up of cost to bring down the SPM from designed norm of 150 mg/Nm<sup>3</sup> to 100 mg/Nm<sup>3</sup>.*
- (f) *The unit-wise actual and envisaged ESP SPM emissions at designed flue gas flow (m<sup>3</sup> / sec) and temperature (°C) prior to and post implementation of proposed works.*
4. The Respondents shall file their reply, on or before **28.8.2023**, after serving copy on the Petitioner, who may, file its rejoinder, if any, by **7.9.2023**. The parties shall complete pleadings within the due dates mentioned.



5. Subject to the above, the order in the matter was reserved.

**By order of the Commission**

**Sd/-**  
(B. Sreekumar)  
Joint Chief (Law)

