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**Fwd: NPL Comments on Staff Paper CERC Methodology for Deterrent Charges for maintaining lower Coal Stock**

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**From :** Sunil Kumar Jain <sunil\_jain@nic.in> Fri, May 27, 2022 03:54 PM  
**Subject :** Fwd: NPL Comments on Staff Paper CERC Methodology for Deterrent Charges for maintaining lower Coal Stock 📎 3 attachments  
**To :** Suman Shiva <shivvasuman@nic.in>

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**From:** "Harpreet Singh Pruthi" <secy@cercind.gov.in>  
**To:** "Sunil Kumar Jain" <sunil\_jain@nic.in>  
**Cc:** "sushanta chat" <sushanta\_chat@yahoo.com>  
**Sent:** Friday, May 27, 2022 3:23:51 PM  
**Subject:** FW: NPL Comments on Staff Paper CERC Methodology for Deterrent Charges for maintaining lower Coal Stock

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**From:** Amol.Grover@larsentoubro.com <>  
**Sent:** 27 May 2022 14:33  
**To:** Harpreet Singh Pruthi <secy@cercind.gov.in>  
**Cc:** Pinaki.Mukherjee@larsentoubro.com; Chaturanan.Das@larsentoubro.com; Jagmohan.Singh@larsentoubro.com; Prashant.Kachroo@larsentoubro.com  
**Subject:** NPL Comments on Staff Paper CERC Methodology for Deterrent Charges for maintaining lower Coal Stock

Dear Sir,

Please see the attached letter.

Thanks and Regards,

**Amol Grover**

**Assistant Manager,  
Commercial & Regulatory Affairs  
Nabha Power Limited**

(Wholly Owned by L&T)



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**220527\_01-CERC\_Comments on Staff Paper CERC Methodology for Deterrent**

 **Charges for maintaining lower Coal Stock.pdf**

664 KB

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# NABHA POWER LIMITED

**NPL**  
Nabha Power Limited

P.O. Box No -28, Near Nalash, Rajpura-140401, Punjab

Phone: 01762-277252 • Fax: 01762-277251

Email ID: Pinaki.Mukherjee@larsentoubro.com

Letter.No.:NPL/CD/PM/CERC/SCRC/220527/1

27.05.2022

**Secretary – CERC,  
Chandralok Building,  
36, Janpath,  
New Delhi- 110001**

**Sub: Comments on Staff Paper on the Methodology for Computing ‘Deterrent Charges’ for maintaining lower coal stock by coal based thermal generating stations.**

**Ref: Public notice dated 13.05.2022**

Dear Sir,

With reference to your above-mentioned notice, please find enclosed comments on behalf of Nabha Power Limited (NPL), which owns and operates 2 X 700 MW Coal fired Thermal Power Plant at Rajpura, Punjab.

This is for your kind consideration, please.

Thanking you,

**For Nabha Power Limited**

**(Authorized Signatory)**

**Encl: As above**

S. No.	Clause no	Draft Provision as per CERC Staff Paper	NPL Comments/ Remarks
1	I.4.b)	<p><b>a) Power plant designed on domestic coal:</b> In the event, the availability is less by 5% or more from the Normative Availability (as applicable) on quarterly basis, the fixed charge shall be reduced to the extent of shortfall in Normative Availability and in addition, the reduction below the Normative Availability shall be multiplied by a factor of 0.2 (i.e. levy of additional 20% due to reduced availability) to determine the charges payable for non-maintenance of coal stock on quarterly basis.</p> <p><b>b) Power plant designed on imported coal:</b> In the event the availability is less by 5% or more from the Normative Availability (as applicable) on quarterly basis, the fixed charge shall be reduced to the extent of shortfall in Normative Availability and in addition, the reduction below the Normative Availability shall be multiplied by a factor of 0.5 (i.e. levy of additional 50% due to reduced availability) to determine the charges payable for non-maintenance of coal stock on quarterly basis.</p>	The penalty factor for both Domestic and Imported Coal should be on the same lines as the uncontrollable factors in incase of imported coal such as international coal price, sea freight etc are significantly more with lot of choke points
2	I.4.a)	<p><b>a) Power plant designed on domestic coal:</b> In the event, the availability is less by 5% or more from the Normative Availability (as applicable) on quarterly basis, the fixed charge shall be reduced to the extent of shortfall in Normative Availability and in addition, the reduction below the Normative Availability shall be multiplied by a factor of 0.2 (i.e. levy of additional 20% due to reduced availability) to determine the charges payable for non-maintenance of coal stock on quarterly basis.</p>	The computation for deduction of fixed charges should be done by a neutral agency ( like Regulatory commission) to ensure fairness and transparency in the process to avoid any arbitrary deduction by Discom.
3	III.7.a)	<p><b>The Proposed Methodology</b> Therefore, it is proposed that if coal based generating stations fail to maintain coal stock as per the revised coal stocking norms as specified by the CEA, the AFC of such generating stations is reduced.....</p> <p>“42(8) (i) In case, the Plant Availability in any month is short by more than 5 % but up to 25 % of NAPAF and average coal stock availability for the last three months (month for which reduction in capacity charges are computed and two months preceding that month) is lower than the average coal stock norms specified by CEA for the respective three months:</p> <p>a) The reduction in capacity charges for the month for thermal plants designed on domestic coal</p>	The charges payable for low stock should also take into consideration the payment compliance status of Genco. The payable charges should be relaxed for those TPP which have high payment compliance towards CIL and Railways.
4	III.7.a)	<p><b>The Proposed Methodology</b> Therefore, it is proposed that if coal based generating stations fail to maintain coal stock as per the revised coal stocking norms as specified by the CEA, the AFC of such generating stations is reduced.....</p> <p>“42(8) (i) In case, the Plant Availability in any month is short by more than 5 % but up to 25 % of NAPAF and average coal stock availability for the last three months (month for which reduction in capacity charges are computed and two months preceding that month) is lower than the average coal stock norms specified by CEA for the respective three months:</p> <p>a) The reduction in capacity charges for the month for thermal plants designed on domestic coal</p>	The charges payable should also take into consideration the factors for low coal stock. For extraneous factors such as high indent pendency with railways and low stock availability at mine end, the plant availability should be considered equal to normative availability to ensure that Genco is not penalized for external factors not attributable to Genco
5	III.7.a)	<p><b>The Proposed Methodology</b> Therefore, it is proposed that if coal based generating stations fail to maintain coal stock as per the revised coal stocking norms as specified by the CEA, the AFC of such generating stations is reduced.....</p> <p>“42(8) (i) In case, the Plant Availability in any month is short by more than 5 % but up to 25 % of NAPAF and average coal stock availability for the last three months (month for which reduction in capacity charges are computed and two months preceding that month) is lower than the average coal stock norms specified by CEA for the respective three months:</p> <p>a) The reduction in capacity charges for the month for thermal plants designed on domestic coal</p>	Plants with high PLF should have a methodology which takes into account existing PLF and coal supply by CIL & subsidiaries. Incase the plant has regularly requisitioned coal but coal has not been supplied to the plant due to restrictions imposed by Sub-Group committee, CIL, Railways or any other reasons then no penalty should be applicable.