

Comments from GE Power India Limited on

Approach paper on Terms & Conditions of Tariff regulations for the period of 01/04/2024 to 31/03/2029

Ref.	Clause	Comments/ Suggestions
Annexure-Addendum -2	<p>Compensation methodology for operating coal units below 55% load.</p> <p>Sr. 2 Measures required for achieving lower min. load.</p>	<p>It appears that that the estimation of cost for upgrades (CAPEX- 10/30Cr./unit etc.) are based on considering only major upgrade of the control system mechanism.</p> <p>However please note the control mechanism per say alone will only help at better controls within the control range and shall not impart capability to operate the unit at low load.(i.e. increasing the control range itself)</p> <p>Unless combustion systems including burners, fuel flow, air-flow, flame monitoring &amp; controls etc. are modified, unit can't burn lower quantity of fuel (coal) and thereby safely operate at lower minimum load on regular basis.</p>
Annexure-Addendum -3	<p>Compensation methodology for operating coal units below 55% load.</p> <p>Sr. 3 Proposed compensation mechanism- Fixed cost</p>	<p>It is understood that even though the guidelines for 40% MTL without oil support is existing since 2010, majority of the units after 2010 are still not capable of operating -40% MTL ...(even with oil support)</p> <p>Therefore, assuming only 10Cr./unit would be sufficient for getting these units ready to operate @40% load without oil support would not be right and hence higher CAPEX towards upgrade would necessarily be needed considering the units are not currently capable to operate at even 55% level.</p> <p>Further, per CEA analysis, the load of thermal could go well below even 30% when we are adding 500GW renewables to the grid. IN such case coal units would be required to operate at even lower load than 40% ...say @30% or so (lowest possible load). So it's not clear why we want to implement solutions in phases...</p> <p>e.g.</p> <ol style="list-style-type: none"> <li>1. Initially units were asked to comply to MTL of 55% few years back,</li> <li>2. Now they have been asked to achieve 40% MTL...and</li> <li>3. In the future, say after 2-3 years it may be required to revise this downwards ...to 30% or so.</li> </ol> <p>As a strategy, all modifications for flexible operation for MTL should be undertaken in one go to avoid costs &amp; outage time. Hence</p>

		<p>Genco's to be advised to undertake modifications for lowest possible capability of MTL % in one go.</p> <p>Also, it is mentioned that payback period of 5 years is considered for the CAPEX. However, we do not see explicit revenue streams of benefits for the Genco's for operating the unit at lower MTL %.</p> <p>Request to add benefits (sufficient revenue streams) to the Genco's. for operating at low load.</p>
Annexure-Addendum -3 (B-b)	Cost due to additional oil consumption for additional EFOR	<p>When we say that the unit technical minimum load (MTL) at 40% ...understand that this is for operation without any oil support.</p> <p>Hence when CERC pays for upgrade of the unit to operate at 40% MTL, the unit is not expected to operate with oil support when operating at 40% load.</p> <p>Hence the oil consumption would potentially remain only as a start up fuel. Hence not expected to be high.</p> <p>Further there are technologies to get rid of oil firing completely by adopting combustion systems like plasma ignitors etc.</p> <p>Such adoptions can be considered as part of the upgrade for 40% MTL as part of flexibility and therefore high-cost oil consumption can potentially be completely removed thereby reducing the recurring impact variable tariff.</p> <p>As flexible operation may potentially increase the no. of start/ stops ..so adoption of technology should be done to cater to this future requirement so that recurring costs are kept to the minimum.</p>
Tariff	Capital cost	<ol style="list-style-type: none"> <li>1. For NEW-Benchmarking cost may not be true representation for all the plants and hence actual cost (thru competitive bidding) may be considered</li> <li>2. For acquired assets (stressed assets etc.)- Acquisition cost &amp; not the original historical cost be considered as capital cost.</li> <li>3.</li> </ol>
Tariff	Renovation & Modernization	<p>Incentives for undertaking R&amp;M should not only be continued but also be increased further for mass adoption by the Genco's. Current incentives are not yielding expected results with only few units adopting the same.</p> <p>Please note, R&amp;M of older &amp; inefficient units is must for supporting power generation (ever increasing future demand) &amp; constraints in new build capacity additions.</p>
Tariff	Return on equity for old Genco's	Incentives paisa/kwh or higher ROI to be allowed for old units which are operating at a higher efficiency & PLF.

Tariff	Life of generating station	Special allowance or provision for R&M may be allowed post 25 yrs.
Tariff	Other	Co2 emission norms kg/kwh generation to be given. Strict penalty mechanism to be enforced for non-compliance.