

**CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi**

Petition No. 362/MP/2023

Subject : Petition under Sections 62 and 79(1)(a) of the Electricity Act, 2003 read with Regulation 29 of the Central Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2019 for determination of tariff for installation of various Emission Control Systems in KTPS Units 1 & 2 (2 x 500 MW) of Damodar Valley Corporation (DVC) in compliance of Revised Emission Standards.

Date of Hearing : 13.3.2024

Coram : Shri Jishnu Barua, Chairperson
Shri P. K. Singh, Member

Petitioner : Damodar Valley Corporation (DVC)

Respondent : Jharkhand Bijli Vitran Nigam Limited (JBVNL) and Others

Parties present : Shri Kazi Md. Hanif, DVC

Record of Proceedings

The instant petition is filed by Damodar Valley Corporation (DVC) under Sections 62 and 79(1)(a) of the Electricity Act, 2003, read with Regulation 29 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for determination of tariff for installation of various Emission Control Systems (ECS) in KTPS Units 1 & 2 (2 x 500 MW) of DVC in compliance with the Revised Emission Standards of the Ministry of Environment, Forest and Climate Change (MoEF&CC), vide notification dated 7.12.2015.

2. The representative of the Petitioner submitted that the Commission vide order dated 20.9.2021 in Petition No. 460/MP/2019 has already granted in-principle approval for Additional Capital Expenditure (ACE) under Regulation 11 of the 2019 Tariff Regulations and approved the hard cost towards installation of WFGD systems to control SO₂ emissions and installation of Combustion Modification System to control NO_x emission. The Commission in its said order dated 20.9.2021, further directed the Petitioner to file a separate petition under Regulation 29(4) of the 2019 Tariff Regulations for determination of tariff after implementation of the revised ECS. He further submitted that ECS and FGD were installed in KTPS Unit -1, their trial operations were commenced on 29.2.2024 and the same will be declared under commercial operation in March 2024.



3. After hearing the representative of the Petitioner, the Commission directed as follows:

- a) Admit the instant petition.
- b) Petitioner to implead all the beneficiaries as parties to the present petition and serve upon them a copy of the petition as well as file amended memo of parties by 31.3.2024.
- c) Issue notice to the Respondents.

4. The Commission further directed the Petitioner to submit the following information on an affidavit by 31.3.2024, with advance copies to the Respondents:

- a) The details of capacity tied up with each beneficiary and untied capacity considered for pooled power.
- b) Completion status of works for each of the major heads along with percentage and expenditure incurred thereon associated with WFGD with respect to Unit 1 as on 14.10.2021, 30.11.2023 and 29.2.2024, and that of Unit 2 as on 14.1.2022 and 29.2.2024.
- c) In view of the revised timelines for implementation of ECS, the revision, if any, in the proposed 'Date of Operationalization' of these ECS systems. Further, the actions proposed to be taken to minimize the impact of these ECS systems on consumers during the period from 'Date of Operation' to the above timelines, particularly regarding utilization/service of these ECS systems.
- d) The original cost approved by the Board, along with supporting documents, for WFGD with respect to instant station out of the Rs. 2410.0 crore approved in February 2019 for various stations of DVC. Furnish a detailed break up of the original cost estimate in terms of Form B of the 2019 Tariff Regulations and reasons for variation in actual cost with respect to original estimated cost.
- e) The original cost approved by the Board along with supporting documents, for CMS with respect to instant station out of Rs.124.55 crore approved in February, 2019 for various stations of DVC.
- f) The approval of the Board from the original cost estimation made for WFGD in February, 2019 to Revised Cost Estimate of Rs. 634.21 crore made in October, 2019 and Revised Cost Estimate of Rs. 676.21 crore made in May, 2023 along with reasons and supporting documents thereof.
- g) Clear and legible copy of L1 schedule agreed between the Petitioner and Contractor in September, 2019, i.e. Annexure-III to the report on delay in execution of WFGD.
- h) The actual timelines (from date and to date) achieved, along with the PERT chart, for each of the activities listed in the L1 schedule for WFGD, along with the delay attributable to Petitioner, Contractor and both with respect to each such activity.



- i) The penalty levied on Contractor on account of delay in execution of works, in terms of award of contract and money recovered therefrom with respect to WFGD and CMS of each Unit.
- j) The detailed break up of IEDC in terms of 'Form P' of the 2019 Tariff Regulations as on installation of CMS for Unit 1, CMS for Unit 2, WFGD for unit 1 and WFGD for Unit 2, along with reasons for claiming IEDC over and above the normative O & M allowed to the generating station under relevant regulations.

5. The Commission directed the Respondents to file their replies on an affidavit by 24.4.2024, with an advance copy to the Petitioner and the Petitioner to file its rejoinder, if any, on an affidavit by 13.5.2024. The Commission also directed the parties to strictly comply with the above timelines and observed that no extension of time will be entertained.

6. The matter will be listed for further hearing on 6.6.2024.

By order of the Commission

sd/-
(V. Sreenivas)
Joint Chief (Law)

