

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
New Delhi**

**Petition No. 53/MP/2022**

- Subject** : Petition under Section 79 of the Electricity Act, 2003 read with Regulation 29 of the Central Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2019 for approval of Additional Expenditure on installation of various Emission Control Systems at Chandrapura Thermal Power Station Unit-7 & 8 having an installed capacity of 500 MW (2x250 MW) in compliance of Ministry of Environment and Forest and Climate Change, Government of India Notification dated 7.12.2015.
- Petitioner** : Damodar Valley Corporation (DVC)
- Respondents** : Madhya Pradesh Power Management Company Ltd. & Ors.
- Date of Hearing** : 30.6.2022
- Coram** : Shri I. S. Jha, Member  
Shri Arun Goyal, Member  
Shri P. K. Singh, Member
- Parties Present** : Shri Venkatesh, Advocate, DVC  
Shri Ashutosh Kumar Srivastava, Advocate, DVC  
Shri Abhishek Nangia, Advocate, DVC  
Shri Jayant Bajaj, Advocate, DVC  
Shri Samity Mandal, Advocate, DVC  
Shri Anurag Naik, MPPMCL

**Record of Proceedings**

Case was called out for virtual hearing.

2. Learned counsel for the Petitioner submitted that the instant petition has been filed under Regulation 29 of the 2019 Tariff Regulations, inter-alia, seeking approval of additional capital expenditure (ACE) on account of installation of various Emission Control Systems (ECS) at Chandrapura Thermal Power Station for its Unit 7 and 8 (2x250 MW) in compliance with Notification dated 7.12.2015 issued by the Ministry of Environment and Forests and Climate Change, Government of India. He submitted that the Petitioner has proposed to install Wet Lime Based Flue Gas Desulphurisation (WFGD) for reduction in SO<sub>2</sub> and Combustion Modification technology for reduction in NO<sub>2</sub>. He further submitted that the Unit 7 and Unit 8 achieved its commercial operation on 4.11.2009 and 31.3.2010 respectively and substantial useful life is remaining.



3. Learned counsel for the Petitioner submitted that the tendering process for installation of WFD has taken place twice in the last two years however the same could not be finalised as the cost received from the prospective bidders was on a higher side. Therefore, the Petitioner is again taking steps for re-tendering and award of contracts for installation of the FGD system. He prayed that the petition may be admitted and notice may be issued to Respondents so that the pleadings can be completed in the petition. In the meanwhile, the process of tendering, award of contracts and the details of the actual capital cost can be furnished.

4. The Commission observed that there has been considerable delay in completing the tendering and award of contracts and Petitioner may not be able to install the FGD system in time. In response, the learned counsel for the Petitioner submitted that initially the tendering process took place in November, 2020 with the estimated hard cost of ₹394 crore and the cost received from the prospective bidders was 1.5 times of the estimated hard cost. Therefore, the Petitioner cancelled the tendering process. Thereafter, the re-tendering was held in February, 2022 and the same was again cancelled in June, 2022 as the cost was exponentially higher due to the impact of Ukraine-Russia war.

5. The representative of MPPMCL submitted that the reply to the petition was filed yesterday and the Respondent has raised the issue of maintainability of the present petition. He submitted that the Petitioner has failed to comply with the procedural requirements of sharing the proposal under Regulation 29 of the 2019 Tariff Regulations.

6. In response, the learned counsel for the Petitioner referring to its letter dated 24.9.2021 submitted that the proposal has been shared with MPPMCL and MPPMCL was intimated about the initial tendering process along with the initial estimate cost of ₹508.95 crore.

7. After hearing the learned counsel for the Petitioner and the representative of MPPMCL, the Commission ordered as under:

- a. The Petitioner to involve the Respondents in the tendering and award of contracts and keep the Respondents informed of all the developments.
- b. Petitioner to serve copy of the petition on the Respondents, if not served already.

8. The Respondents were directed to file their replies on maintainability as well as merits by 25.7.2022, after serving copy to the Petitioner, who may file its rejoinder, if any, by 10.8.2022. The Commission further directed the parties to comply with the directions with the timeline specified and observed that no extension of time shall be granted.

9. The Commission further directed the Petitioner to provide the following information on affidavit, by 25.7.2022 with an advance copy to the Respondents/beneficiaries:



- a) The actual SO<sub>2</sub> and NO<sub>2</sub> emission values of last five years as submitted to respective State Pollution Control Board.
- b) The details regarding the categorization of subject as per MOEF&CC's gazette dated 31.12.2021.
- c) The details regarding the basis of arriving at cost indicated for proposed emission control measures (i.e. competitive bidding or some other means) and involvement of beneficiaries in such activity.
- d) The status of works of ECS for SO<sub>2</sub> and NO<sub>2</sub> as on 30.6.2022.
- e) The head-wise envisaged capital cost for each of the planned solutions to control the SO<sub>2</sub> and NO<sub>2</sub>:

S. No.	Head	Cost (in ₹)
1	Plant & Machinery	
2	Civil Works	
3	Tax & Duties	
4	IDC	
5	IEDC	
6	Any other head(s)	
7	Total	

- f) Provide the details of the earlier tendering process and the price discovered and the status of the present tendering process for installation of FGD.

10. The Petition shall be listed for further hearing in due course for which a separate notice will be issued.

**By order of the Commission**

sd/-  
(Rajendra Kumar Tiwari)  
Bench Officer

