

**CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi**

Petition No. 200/MP/2020

- 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 capital expenditure on account of implementation of Flue Gas De-Sulphurization (FGD) System at NLC Tamil Nadu Power Limited (NTPL), 2 x 500 MW Thermal Power Station in compliance with the Ministry of Environment, Forests and Climate Change, Government of India Notification dated 7.12.2015.
- Date of Hearing** : 11.8.2023
- Coram** : Shri Jishnu Barua, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member
- Petitioner** : NLC Tamil Nadu Power Limited (NTPL)
- Respondents** : Tamil Nadu Generation and Distribution Corporation (TANGEDCO) & 12 Others
- Parties Present** : Ms. Anushree Bardhan, Advocate, NTPL
Ms. Surbhi Kapoor, Advocate, NTPL
Shri S. Vallinayagam, Advocate, TANGEDCO
Shri J. Subbiah, NTPL

Record of Proceedings

The learned counsel for the Petitioner submitted that the instant petition has been filed for in-principle approval of the additional capital expenditure on account of the implementation of Wet Limestone based Flue Gas De-Sulphurization (FGD) for SO₂ control along with one RCC Chimney with Bi-Flue can with Borosilicate lining and 8.5 MLD De-Salination Plant for FGD process in NTPL Thermal Power Plant (2x500 MW), to comply with the revised emission standards notified by the Ministry of Environment, Forest and Climate Change (MoEF&CC), Government of India vide Environment (Protection) Amendment Rules, 2015 dated 7.12.2015. The LoAs for the implementation of FGD and the construction of an additional chimney were issued to M/s BHEL and LOA for construction of an additional de-salination plant was issued to M/s Tecton. The contract price for FGD implementation as amended by pruning down the price of mandatory spares is ₹621.90 crore (including taxes and duties), the contract price for additional Chimney with Borosilicate for FGD Plant is ₹85.00 crore (including taxes and duties), and the contract price of additional de-salination plant is ₹106.85 crore (including taxes and duties).



2. The learned counsel appearing for TANGEDCO submitted that there is a substantial delay in calling for bids and placing of LoAs and this has led to increase in the cost of the implementation of the emission control systems (ECS). The cost of the ECS may be restricted to the norms specified by CEA. The notifications pertaining to permissible emission standards by MoEF&CC are not new and were issued in 2009 and accordingly, the Petitioner must have included FGD in the original scope of work. He submitted that the Petitioner has not filed the proper justification for the construction of the additional chimney when there are already two existing chimneys and further whether the existing chimneys would be decapitalised.
3. In response, the learned counsel for the Petitioner submitted that the existing chimneys will neither be dismantled nor decapitalised and all three chimneys are required.
4. The Commission directed the parties to file their written submissions with an advance copy to other by 15.9.2023.
5. Subject to the above, the Commission reserved its order in the matter.

By order of the Commission

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

