

**CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi**

Petition No. 373/MP/2022

- Subject** : Petition under Section 79 of the Electricity Act, 2003 read with Regulations 11 and 29 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 seeking approval of additional expenditure on account of installation of Emission Control System to comply with the Notification dated 7.12.2015 issued by Ministry of Environment and Forest and Climate Change (MoEF&CC).
- Date of Hearing** : 6.3.2024
- Coram** : Shri Jishnu Barua, Chairperson
Shri Arun Goyal, Member
Shri P. K. Singh, Member
- Petitioner** : Udupi Power Corporation Limited (UPCL)
- Respondent** : Power Company of Karnataka Limited (PCKL) & 6 Others
- Parties present** : Shri Basavaprabhu Patil, Senior Advocate, PCKL
Shri Niroop Sukirthy, Advocate, PCKL
Shri Geet Ahuja, Advocate, PCKL
Shri Sougat Mishra, Advocate, PCKL
Shri Shubhranshu Padhi, Advocate, PCKL
Shri Amit Kapur, Advocate, UPCL
Shri Rajesh Jha, Advocate, UPCL
Shri Saunak Rajguru, Advocate, UPCL
Shri Kumar Gaurav, UPCL

Record of Proceedings

The learned counsel for the Petitioner and the learned senior counsel for the Respondent No.1, Power Company of Karnataka Limited (PCKL) argued at length and made exhaustive submissions in the matter.

2. The learned senior counsel for PCKL emphasized that PCKL was not consulted as mandated under the PPA, the bidding process was not transparent and the cost of the proposed WFGD is higher compared to similarly placed NTPC and other projects. Per contra, the learned counsel for the Petitioner submitted that the bidding was conducted in a transparent manner and PCKL was involved at all stages of bidding. Further, the PPA does not envisage the Respondent's approval at every stage. He submitted that the difference in cost is due to the inclusion of the dismantling cost of



the existing Emission Control System and the cost of the desalination plants, which is peculiar to the facts and circumstances with the instant project.

3. In response to the Commission's query whether the present bid should be cancelled and fresh bidding should be conducted, the learned senior counsel for PCKL requested the Commission to conduct a thorough prudence check of the whole process and the cost discovered for the installation of the FGD, since the instant petition is only for "In Principle Approval".

4. The Commission observed that the parties are at liberty to file to submit consolidated Written Submissions emphasizing on the bidding process and the cost discovered through the bidding process by 19.3.2024. The Commission directed the Petitioner to furnish the following information on an affidavit by 19.3.2024, with a copy to the Respondents:

- (a) Cost break-up of proposed ECS, including the cost of dismantling the existing FGD.
- (b) Current status of the Project and the date of completion.
- (c) Per MW cost of the proposed ECS of the present project and Kawai, Mundra and Tiroda TPS.
- (d) Whether (a) the LoA has been issued, (b) whether the work has been started by the contractor, and (c) the payment has been made to the contractors till date.

5. Subject to the above, the Commission reserved the order in the matter.

By order of the Commission

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

