

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 107/MP/2024

- Subject** : Petition under Section 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 on installation of various Emission Control Systems in DSTPS Units 1&2 (2x500 MW) of Damodar Valley Corporation (DVC) in compliance of Revised Emission Standards.
- Date of Hearing** : 19.4.2024
- Coram** : Shri Jishnu Barua, Chairperson
Shri Arun Goyal, Member
Shri P. K. Singh, Member
- Petitioner** : Damodar Valley Corporation (DVC)
- Respondent** : Punjab State Power Corporation Limited (PSPCL) and 3 Others
- Parties present** : Shri Venkatesh, Advocate, DVC
Shri Siddharth Nigotia, Advocate, DVC
Shri Mohit Gupta, Advocate, DVC
Ms. Priya Dhankhar, Advocate, DVC
Shri Kazi Md. Hanif, DVC
Shri M. S. Chakraborty, DVC

Record of Proceedings

The learned counsel for the Petitioner submitted that the instant petition has been filed for determination of tariff of Emission Control Systems (ECS) in DSTPS Unit-1 and Unit-2 (2x500 MW) of DVC installed in compliance with Revised Emission Standards. He further submitted as follows:

- (i) Unit-1 has been put into commercial operation on 1.4.2024 and Unit-2 is anticipated to be commissioned in the month of July, 2024.



- (ii) Requested for leave of the Commission to amend the petition after July, 2024, after the commissioning of Unit-2.
- (iii) The Commission has approved the hard cost of ₹43.60 lakh/MW for the FGD system of the instant project. The actual cost incurred after execution of the FGD system is approximately ₹56 lakh/MW including the IDC, IEDC and the price variation.
- (iv) The FGD installed in Unit-1 is operational from 1.4.2024 and an amount of around ₹600 crore has been incurred towards the same. Therefore, interim tariff may be allowed for Unit-1 under Regulation 10(3) of the 2024 Tariff Regulations.

2. Upon hearing the learned counsel for the Petitioner, the Commission directed as follows:

- a) Admit.
- b) Issue notice to the Respondents.
- c) Respondents to file their reply on an affidavit by 10.6.2024, with an advance copy to the Petitioner, who may file its rejoinder, if any, on an affidavit by 28.6.2024.

3. The Commission further directed the Petitioner to submit the following information by 20.5.2024 with an advance copy to the Respondents

- a) Detailed Project Report (DPR) / Feasibility Report (FR) prepared for the implementation of ECS, i.e., WFGD and Combustion Modification (CM).
- b) Completion status of works for each of the Major Heads, along with percentage and expenditure incurred thereon, associated with WFGD of each unit as on SCOD (14.10.2021: Unit 1, 14.02.2022: Unit 2) , 31.03.2022, 31.03.2023 and 31.3.2024.
- c) In the sanction order dated 25.10.20219 for WFG a reference has been made to board resolution no. 8556 of 638th meeting of Corporation held on 2.6.2018; however, the same was not furnished. The petitioner shall furnish subject resolution and all associated documents, including head-wise detailed cost estimates made etc., and further Revised Cost Estimate (RCE), if any.
- d) As regards FGD works, claims of ₹18663.78 lakh, ₹1116.02 lakh, ₹7166.19 lakh' has been made under head 'Others', 'Other enabling works inclusive of roads / drains', 'pre-commissioning' respectively with no detailing. The petitioner shall furnish details of works under these heads.



- e) The original cost of Rs 124.55 Cr approved by the Board in February 2019, is the combined cost for DTSP, Mejia, RTPS, KTPS and BTPS. The petitioner shall furnish the cost of CMS for DTSP along with supporting documents.
- f) The reasons for claiming the SCOD for CMS of unit 1 as December 2021, in contrast to the scheduled date of 16.10.2020, mentioned in the Notice of Award.
- g) As regards CM System, the scope of works/ items envisaged under 'Plant & Machinery' where an amount of ₹1121.07 lakh has been claimed.
- h) The detailed break-up of IEDC claimed in terms of 'Form P' of the 2019 Tariff Regulations as on installation of CMS as well as WFGD, along with reasons for claiming IEDC over and above the normative O & M Expenses envisaged for the generating station under relevant regulations.
- i) The list of spares supplied by the vendor under the contract package awarded for the implementation of ECS.
- j) The list of items and their costs, that were replaced or taken out of service from each unit upon implementation of the subject ECS System.
- k) The details of actual timelines achieved, i.e., duration (start date and end date) in execution of each of the works listed in L1 Schedule in respect of WFGD of each unit, delay attributable to Petitioner, delay attributable to the Contractor, delay beyond the control of petitioner as well as contractor, etc., in the following format along with bar chart.

Task	As per L1 schedule			As per actual			Reasons for delay, if any, and indicate the controllable / uncontrollable
	Duration (Days)	Start Date	End Date	Duration (Days)	Start date	End date	
Design engineering Unit # 1 & 2 and Common facilities	244	15.7.2019	14.03.2020				
Installation of Equipment for Unit 1 and Common facilities	285	3.8.2020	14.5.2021				
Completion of facilities of Unit 1 and Common facilities	92	15.7.2021	14.10.2021				
Installation of Equipment for Unit 2	299	20.10.2020	14.8.2021				
Completion of facilities of Unit 2	92	15.10.2021	14.1.2022				



- l) The details of the L1 schedule and actual timelines achieved, i.e., duration (start date and end date) in the execution of each of the works w.r.t. CMS of each unit, delay attributable to Petitioner, delay attributable to Contractor, delay beyond the control of petitioner as well as contractor etc.
 - m) The details of the penalty levied on the Contractor for delay in execution of works in terms of the Award of Contract and the amount recovered thereof from vendors in respect of WFGD and CMS.
4. The Commission further directed the parties to comply with the above directions within the specified timeline and observed that no extension of time would be granted.
 5. The matter will be listed for hearing on 20.6.2024.

By order of the Commission

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(V. Sreenivas)
Joint Chief (Law)

