

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 174/MP/2025

Coram:

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member**

Date of Order: 21st March, 2025

In the matter of:

Petition under Section 79(1)(a) of the Electricity Act, 2003 read with Chapter V, Regulation 96 and 102 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for extension of the date 30.11.2024, which has been prescribed for filing the truing up petition for the period 2019-24, in respect of Chandrapura Thermal Power Station, Unit-III (130 MW).

And

In the matter of:

Damodar Valley Corporation
DVC Towers, VIP Road, Kolkata-54

...Petitioner

Vs

1. West Bengal State Electricity Distribution Company Limited
Block 'DJ' Sector-11, Salt Lake City
Kolkata – 700 091.
2. Jharkhand Bijli Vitran Nigam Limited
Engineering Building, HEC, Dhurwa,
Ranchi-834004

...Respondents

Parties Present:

Ms. Shivani Verma, Advocate, DVC

ORDER

Petition No. 174/MP/2025 has been filed by the Petitioner, DVC, under Section 79(1)(a) of the Electricity Act, 2003, seeking the following reliefs:

- (a) *Extend the date of 30.11.2024 which has been prescribed for filing the truing up petition for the period 2019-24 in respect of Chandrapura Thermal Power Station, Unit III till 30.8.2025.*



- (b) Give liberty to DVC to file the true up petition once all details are available to enable this Hon'ble Commission to make an informed decision.
- (c) Pass such orders as deemed fit and necessary in the facts and circumstances of the present case.

2. Chandrapura TPS ('CTPS') of the Petitioner is a non-pit head station with an installed capacity of 390 MW, comprising three units of 130 MW each. While Unit-I achieved COD during October 1964, Unit-II and Unit-III achieved COD during May 1965 and July 1968, respectively. Units-I and II have already retired with effect from 13.1.2017 and 30.7.2017, respectively. However, Unit-III was retired on 1.4.2020.

Background

3. The Petitioner has submitted that older coal-fired plants need more coal to generate power when compared with the newer stations of 500/600 MW, which is mainly because of the different efficiency levels and technologies being used in both kinds of stations. Consequently, under merit order dispatch, the 130 MW units were often either scaled back or shut down entirely at various times. It has stated that the newer stations of higher efficiency require less coal for producing electricity, as compared to the older stations, and further, there are several advanced features which are provided in the said stations due to the latest technologies, such as the improved turbine design being used, which in turn helps in reducing tariff. All these advancements, in turn, protect the consumer interest and also help in conserving valuable natural resources like coal. The Petitioner has stated that in addition to the above, in the case of very old stations, it is not possible to comply with the stringent pollution norms since huge additional capital expenditure is required. Moreover, the stations/units have become techno-commercially unviable due to the added cost.

Submissions of the Petitioner

4. In the above background, the Petitioner has submitted the following in respect of CTPS Unit-III:



(a) This unit was commissioned almost 50 years back and was suffering from frequent outages and higher O&M costs. While the frequent outages called for huge investment in renovation, refurbishment, and also for compliance with environmental norms. There was space constraint for the upgradation of ESP and for the installation of FGD in order to be compliant with the new environmental norms.

(b) The unit was also very low in the merit order due to inefficient operation by the vintage system and subsystem, which needs huge financial investment through R&M, which might not be viable.

(c) Instead of spending money to maintain the systems, which are very old and result in very high tariffs for the consumers, it was decided to retire the unit, owing to such techno-economic reasons.

(d) By a communication dated 19.3.2020, the Petitioner communicated the retirement of the unit to CEA. By a communication dated 19.3.2020, the CEA, while noting the CPCB directions to the Petitioner dated 6.4.2018 and 26.2.2020, deleted the capacity of this unit from the data based on all India installed capacity.

(e) While filing the tariff petition for the period 2019-24, the unit was still in operation, and the tariff was also determined by this Commission vide order dated 27.4.2023 in Petition No. 565/GT/2020. However, as mentioned above, even prior to the above, Units-I and II of the CTPS had retired with effect from 13.1.2017 and 30.7.2017 respectively.

(f) The identification, valuation & auction process is being undergone for Store materials /inventory along with left-out parts of plants, which required at least 9 months to complete. In view of the above developments, the unit was retired during the tariff period 2019-24. The Petitioner is unable to finalize the true-up petition since the decommissioning activities on the site are still ongoing, and several costs arising in conducting the decommissioning activities are yet to reach finality and are not available at this stage.

5. According to the Petitioner, it is entitled to all the expenses incurred by it in operating the CTPS Unit-III till the date of retirement /de-commissioning from the beneficiaries. Based on this, the Petitioner has submitted that the Commission has the power under Regulation 102 of the 2024 Tariff Regulations to grant an extension of time for filing the truing-up petitions for CTPS Unit-III, by a period of 9 months (from 30.11.2024) i.e. till 30.8.2025.



Hearing dated 11.3.2025

6. During the hearing, the learned counsel for the Petitioner made an oral submission for grant of the relief, as in para 1 above. Accordingly, the Commission reserved its order in the matter.

Decision

7. We have examined the matter. Regulations 9(2) and Regulation 102 of the 2024 Tariff Regulations, which provide as under:

“9. Application for determination of tariff

(1) xxx

*(2) In case of an existing generating station or unit thereof, or transmission system or element thereof, the application shall be made by the generating company or the transmission licensee, as the case may be, **by 30.11.2024**, based on admitted capital cost including additional capital expenditure already admitted and incurred up to 31.3.2024 (either based on actual or projected additional capital expenditure) and estimated additional capital expenditure for the respective years of the tariff period 2024-29 along with the true up petition for the period 2019-24 in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2019.”*

“102. Power to Relax: The Commission, for reasons to be recorded in writing, may relax any of the provisions of these regulations on its own motion or on an application made before it by an interested person.”

8. It is evident that Regulation 9(2) of the 2024 Tariff Regulations provides that the tariff Petitions for the existing generating stations must be filed by 30.11.2024. It is pertinent to mention that the Commission vide its order dated 28.11.2024 in Petition No. 443/MP/2024 (PGCIL v UPPCL & ors) had extended the time period for filing the true up petitions in respect of the existing generating stations for the period 2019-24 (along with tariff Petition for the period 2024-29), till 28.2.2025, where the final orders have been issued till 31.3.2024. We note that the tariff in respect of the CTPS Unit-III, for the period 2019-24, was determined by the Commission vide its order dated 27.4.2023 in Petition No. 565/GT/2020.

9. The Petitioner has indicated that it is unable to finalize the true-up petitions in respect of the aforesaid Projects since the decommissioning activities on the site are still ongoing and several costs arising due to the said decommissioning activities, to



which it is fully entitled, are yet to be finalized. Accordingly, the Petitioner has sought the extension of time by 9 months (from 30.11.2024) for filing the true-up petition in respect of CTPS Unit-III for the period 2019-20. Regulation 102 of the 2024 Tariff Regulations empowers the Commission to relax the provisions on its own motion or on an application made by an interested person. In view of the difficulties faced by the Petitioner, as brought out in the submissions above, we, in the exercise of power under Regulation 102 of the 2019 Tariff Regulations, relax the provisions of Regulation 9(2) of the 2024 Tariff Regulations and extend the time period for filing the true-up petition for the period 2019-20, in respect of Unit-III of the generating station, till 30.8.2025. We direct accordingly. However, the issues regarding the Petitioner's entitlement to the expenses incurred by it in operating the said unit till the date of its de-commissioning and the applicability of the carrying cost for the delayed period of filing the true-up petition shall be considered in accordance with law, in the petition to be filed by the Petitioner in terms of the above.

10. Petition No. 174/MP/2025 is disposed of in terms of the above, at the admission stage.

Sd/-
(Ravinder Singh Dhillon)
Member

Sd/-
(Harish Dudani)
Member

Sd/-
(Ramesh Babu V)
Member

Sd/-
(Jishnu Barua)
Chairperson

