



DAMODAR VALLEY CORPORATION

Submission of Rejoinder/ Clarification /additional information in compliance with Reply submitted by the Respondent, M/s KSEBL i.r.o. Petition No. 227/MP/2023 for determination of tariff on installation of various Emission Control Systems in MTPS U#7&8 (2x500 MW) in compliance of Revised Emission Standards.



**BEFORE THE HONOURABLE
CENTRAL ELECTRICITY REGULATORY COMMISSION
3RD & 4TH FLOOR, CHANDERLOK BUILDING,
36, JANPATH, NEW DELHI-110001**

Petition No. 227/MP/2023

IN THE MATTER OF:

Submission of Rejoinder/ Clarification /additional information in compliance with Reply submitted by the Respondent, M/s KSEBL i.r.o. 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 MTPS U#7&8 (2x500 MW) of DVC in compliance of Revised Emission Standards.

AND

IN THE MATTER OF:

Damodar Valley Corporation
DVC Towers, VIP Road,
Kolkata – 700054

-----Petitioner

VERSUS

1. BSES-Yamuna Power Ltd
Shakti Kiran Building,
Karkardooma, Delhi- 110092
2. Haryana Power Purchase Centre
Uttar Haryana Bijli Vitran Nigam Ltd
4th Floor, Plot No. IP-3&4, Sector - 14
Panchkula – 134113, Haryana

And Others

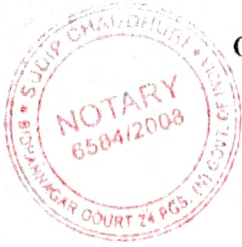
-----Respondents



INDEX:

Sl. No.	Particulars	Page No.
1.	Affidavit	4-5
2.	Submission of Rejoinder i.r.o. Petition No. 227/MP/2023	6-8
3.	Annexure-I: Tariff Form-13	9
4.	Annexure-II: Certificate for ODe i.r.o. ECS of MTPS Unit#7	10





**BEFORE THE HONOURABLE
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36, JANPATH, NEW DELHI-110 001**

Petition No. 227/MP/2023

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VERSUS

1. BSES-Yamuna Power Ltd
Shakti Kiran Building,
Karkardooma, Delhi- 110092
2. Haryana Power Generation Corporation Ltd
Shakti Bhawan, Sector - 6,
Panchkula – 134109

And Others

-----Respondents

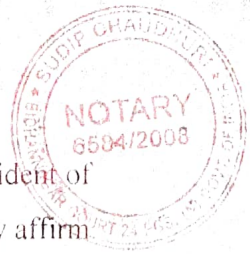
64 MAR 2024



BEFORE THE NOTARY PUBLIC
AT BIDHANNAGAR
DIST.-NORTH 24 PARGANAS

SL. NO. 571 24

AFFIDAVIT



I, Kazi Md Hanif, son of Late Kazi Md Nuruddin aged about 59 years and resident of 67, Sukanta Sarani, Badra, PO - Italgacha, Kolkata- 700079 do hereby solemnly affirm and state as under:

1. That I am the Deputy General Manager (Commercial) of Damodar Valley Corporation, the Petitioner and well conversant with the facts of the case. I am authorized to swear this affidavit on behalf of the Petitioner.
2. That I have gone through the reply submitted by the Respondent, M/s KSEBL in respect of Tariff Petition No. 227/MP/2023 and the Petitioner, Damodar Valley Corporation (DVC) is filing herewith Rejoinder /clarification /additional information relating to petition for determination of tariff on installation of various Emission Control Systems in MTPS U#7&8 (2x500 MW) of DVC in compliance of Revised Emission Standards.
3. That I have read and understood the contents of the additional submission along with all annexures and the same are based on the records maintained by the Petitioner in the normal course of business and believed by the deponent to be true.

Hanif Kazi
Deponent
उप महाप्रबंधक (वाणि.)
Dy. General Manager (Comm.)
वाणिज्यिक विभाग/Commercial Deptt.
दा.पा.नि., कोल-54/D.V.C., Kol-54

VERIFICATION

I, the above-named deponent, do hereby verify that the facts stated in the above Affidavit are true to the knowledge of the deponent and nothing has been concealed there from.

Hanif Kazi
Deponent

Verified at Kolkata

On the Date: 4th Day of March, 2024

उप महाप्रबंधक (वाणि.)
Dy. General Manager (Comm.)
वाणिज्यिक विभाग/Commercial Deptt.
दा.पा.नि., कोल-54/D.V.C., Kol-54

S. CHAUDHURI
NOTARY
GOVT. OF INDIA
Regn. No.-6584/08
Bidhannagar Court
Dist.-North 24 Pgs

Identified by me

MANO

Enrolment No
Bidhan Na
Kolkata-



04 MAR 2024

Rejoinder of Damodar Valley Corporation in compliance of Reply of M/s KSEBL

Rejoinder/ clarification /additional information in compliance to specific issues raised by the Beneficiary, M/s Kerala State Electricity Board Limited are as follows:

Sl.no.1 to 7 (Ref: Page no.331-334): Information.

Sl.no.8 (Ref: Page no.334): “However, the actual cost claimed by the petitioner is much higher than CERC approved rate. ----- Hence, it is submitted that additional capital cost claimed the petitioner may be allowed only after the prudence check”.

Reply of Sl.no.8:

Clarification in respect of additional capital cost claimed are as follows:

- Hard cost for FGD as approve by Hon’ble Commission through in-principle approval is Rs. 45.6 Lakh /MW, i.e. Rs. 456 Cr.
- Details of EPC Cost claimed for FGD System are as follows [\[Ref: Form-B, Pg. no.260-261\]](#):

Hard Cost allowed (Rs. Cr.)	Hard Cost including GST @18% (Rs. Cr.)	Price Variation (PV) incl. GST on PV (Rs. Cr.)	Total Cost incl. PV (Rs. Cr.)	EPC Cost claimed (Rs. Cr.)
456	538.08	47.33	585.41	585.4

- As shown in the above table, variation in EPC cost claimed for FGD system w.r.t. Hard cost allowed occurs only due to applicable PV Clause as per Contract Agreement.
- However, our cost seems very competitive and comparable with other generator, like NTPC. EPC cost claimed by DVC for this 2x500 MW project is **Rs. 585.4 Cr.**, whereas EPC Cost claimed by NTPC for its Dadri Ph-II (2x490 MW) project is **Rs. 586.4 Cr.** [\[Ref: Form-B at Pg.36 of Petition No. 348/GT/2022\]](#).
- Sanction Order comprising price variation data has already been submitted [\[Ref: Pg.no.258\]](#).
- Total cost claimed including IDC & IEDC for ECS (FGD + De-NOx) = Rs.672.87 Cr. Detailed cost breakup already furnished [in Form-B at Pg. no.260-261](#).

Note: Price variation data may vary. After completion of project work revised PV data will be provided at the time of true-up petition.

Sl.no.9 to 11 (Ref: Page no.334-335): Information.

Sl.no.12 (Ref: Page no.335): “The petitioner has claimed the capital cost including ‘undischarged liabilities’ for ----- Undischarged liabilities may be excluded from the capital cost for determining the tariff components”.



Reply of Sl.no.12:

As per payment terms 10% payment will be released after PG test, issuance of completion certificate & final delay analysis. It will take maximum six months after ODe of 2nd unit. As true-up petition and issuance of tariff order will take considerable time. So, we have claimed interim tariff considering undischarged liability. However, we will welcome whatever decision be taken by the Hon'ble CERC.

Sl.no.13 (Ref: Page no.336): Information.

Sl.no.14 (Ref: Page no.336): *"Since Mejia U#7 and U#8 achieved COD during the period ----- Hence, it is requested that additional claim in the depreciation may be disallowed".*

Reply of Sl.no.14:

There is special provision for DVC for depreciation in Tariff Regulation 2024-29 as below:

"Regulation 72: Special Provisions relating to Damodar Valley Corporation:

(2)(iii) Depreciation: *The depreciation rate stipulated by the Comptroller and Auditor General of India in terms of section 40 of the Damodar Valley Corporation Act, 1948 shall be applied for computation of depreciation of projects of DVC".*

DVC claimed rate of depreciation as per above provision.

Sl.no.15 (Ref: Page no.337-338): Information.

Sl.no.16 (Ref: Page no.338): *"Since the capital cost and depreciation are not claimed in line with regulation, it is requested ----- compute depreciation as per regulation".*

Reply of Sl.no.16:

Kindly consider clarification as already furnished above against **Sl.no.12 & 14.**

Sl.no.17 (Ref: Page no.338): *"Also, it is submitted that the weighted average rate of interest ----- The petitioner has not furnished any document / evidence for the same".*

Reply of Sl.no.17:

Data / information provided in Tariff **Form-13** in Excel file, uploaded in CERC Saudamini Portal during filing petition. However, the same is again furnished in **Annexure-I.**

Sl.no.18 (Ref: Page no.338): *"Further it is submitted that, the petitioner has requested that even after installation of FGD ----- The request of the petitioner is against the principle of merit order and may be rejected".*



Reply of Sl.no.18:

As FGD system has not yet been commissioned most of the units in the country, consideration of supplementary ECR in merit order dispatch can not be practicable. This is why, DVC prayed not to consider the Supplementary energy charge for Merit Order Dispatch for this station.

Further to above DVC humbly submits as follows:

- Emission Control System (FGD & De-NOx) of U#7 has already been commissioned and date of operationalization (ODe) declared w.e.f. 26.01.2024 which has already been intimated to Hon'ble Commission as well as all the beneficiaries. Certificate of ODe is enclosed in **Annexure-II**.
- ECS of U#8: De-NOx system has already been installed in Jan'21. Initial operation of FGD has been started on 01.03.2024 and ODe is expected to be declared after continuous running of 72 hours with compliance of norms in any day in Mar'24.


 उप महाप्रबंधक (वाणि.)
 Dy. General Manager (Comml.)
 वाणिज्यिक विभाग / Commercial Deptt.
 द.वा.नि., कोल-54/D.V.C., Kol-54

For and on behalf of
Damodar Valley Corporation



Annexure-I

PART-I FORM-13			
<u>Calculation of Weighted Average Rate of Interest on Actual Loans</u>			
Name of the Petitioner:		DAMODAR VALLEY CORPORATION	
Name of the Generating Station:		MEJIA TPS UNIT-7&8	
(Rs. Lakh)			
S. No.	Particulars	2022-23	2023-24
(1)	(2)	(3)	(4)
Loan - Syndicated Loan for FGD (500 & 600 MW Units)			
1	Gross loan - Opening	1,03,694.01	1,72,954.03
2	Cumulative repayments of Loans upto previous year		10,325.00
3	Net loan - Opening	1,03,694.01	1,62,629.03
4	Add: Drawal (s) during the Year	69,260.02	-
5	Less: Repayment (s) of Loans during the year	10,325.00	10,325.00
6	Net loan - Closing	1,62,629.03	1,52,304.03
7	Average Net Loan	1,33,161.52	1,57,466.53
8	Rate of Interest on Loan on annual basis	8.13%	8.13%
9	Interest on loan	10,829.05	-
Total Loan			
1	Gross loan - Opening	1,03,694.01	1,72,954.03
2	Cumulative repayments of Loans upto previous year	-	10,325.00
3	Net loan - Opening	1,03,694.01	1,62,629.03
4	Add: Drawal (s) during the Year	69,260.02	-
5	Less: Repayment (s) of Loans during the year	10,325.00	10,325.00
6	Net loan - Closing	1,62,629.03	1,52,304.03
7	Average Net Loan	1,33,161.52	1,57,466.53
8	Interest on loan	10,829.05	-
9	Weighted average Rate of Interest on Loans	8.13%	8.13%
Note:			
1. In case of Foreign Loans, the calculation in Indian Rupees is to be furnished. However, the calculation in Original currency is also to be furnished separately in the same form.			
A. Loan for 500 MW & 600 MW Units of DVC has been taken from Consortium of bankers led by UNION Bank of India. Therefore, Loan data has been shown in totality for all 500 MW & 600 Units.			
(Petitioner)			





दामोदर घाटी निगम / DAMODAR VALLEY CORPORATION
सचिवालय विभाग / Secretariat Department
डीवीसी टावर्स / DVC Towers
वीआईपी रोड, कोलकाता / VIP Road, Kolkata - 700 054
दूरभाष / Phone : (033) 2355 1935 / 1937, 6607 2600



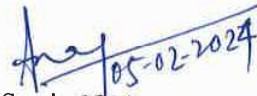
No.: S/E-1/1/24(Pt.)/119

Date: 05.02.2024

CERTIFICATE

This is to certify that the following Emission Control Systems (ECS) have been successfully commissioned and put into use in the Unit # 7, Mejia Thermal Power Station, DVC, Dist: Bankura, West Bengal, after meeting all applicable Technical and Environmental Standard as per the Revised Emission Standard specified in the Environment (Protection) Amendment Rules, 2015, 2018 & 2020 notified by the MoEF & CC on 07.12.2015, 28.06.2018 & 19.10.2020 respectively as follows:

Sl.N:	Station:	Unit	Capacity	Name of the ECS Scheme / System / Element	Date of Operation (ODe)
1	MTPS, Dist: Bankura, West Bengal	Unit # 7	500 MW	Wet Limestone based Flue Gas De-Sulpharization System (without Gas to Gas Heater)	00:00 hrs. of 26/01/2024
2				De-Nox (Modified Combustion) System	


(Sumita Nag)
Additional Secretary

Distribution:

1. The Member (Technical), DVC, Kolkata.
2. The Member (Finance), DVC, Kolkata.
3. The Member Secretary, DVC, Kolkata.
4. The Executive Director (System), DVC, Kolkata.
5. The Executive Director (Operation), DVC, Kolkata.
6. The Executive Director (Commercial), DVC, Kolkata.
7. The Executive Director (Project), DVC, Kolkata.
8. The Executive Director (Finance), DVC, Kolkata.
9. The Chief General Manager, Chairman's Office, DVC, Kolkata.
10. The Chief. General Manager, MTPS, DVC, Mejia.
11. The Chief. General Manager, DSTPS, DVC, Andal.
12. The Chief General Manager, RTPS, DVC, Raghunathpur.
13. The Sr. General Manager, BTPS, DVC, Bokaro.
14. The Sr. General Manager, CTPS, DVC, Chandrapura.
15. The Sr. General Manager, DTPS, DVC, Durgapur.
16. The Sr. General Manager, KTPS, DVC, Koderma.
17. The Sr. General Manager (Civil), Projects, DVC, Kolkata.
18. The Sr. General Manager (M), EMPC, DVC, Kolkata.
19. The Sr. General Manager (ALDC), DVC, Maithon.
20. The Sr. General Manager (SLDC), DVC, Kolkata.

