

Ref:-MSEDCL/PP/ 25429

Date:- 25/10/2018

To,
Mr. Sandeep Naik,
The Director, Ministry of Power, Govt. of India,
Shram Shakti Bhawan, Rafi Marg, New Delhi.

Subject: Comments on recommendations regarding incentives to Thermal Power
Plants for early installation of Pollution Control Equipment.

Reference: 1) Ministry of Power, GoI's letter No. 23/22/2018-R&R dated 18.10.2018
2) CEA's letter No. 7/X/VIP/GM/2015/1517-20 dated 26.09.2018

Dear Sir,

Central Electricity Authority has prepared recommendation regarding incentives to thermal power plants for early installation of pollution control equipment vide ref. (2). The Ministry of Power, Govt. of India vide letter under ref. (1) has sought the comments of Discoms on the recommendations.

In this regards, MSEDCL's comments are as follows:

1) It is proposed in the recommendations that for already compliant plant, incremental O&M charges due to pollution control equipment would be deducted from the variable charges of such plant for the purpose of deciding its location in the merit order.

In this regards, it is submitted that MSEDCL recommends to include per unit O&M charges due to pollution control equipment in variable charges for the purpose of deciding its location in the merit order as these charges are similar to other Change in Law charges like Tax, Levies, duties, etc. and are payable when the plant is running.

2) MSEDCL proposes that the incremental O&M charges arrived at by the plant i.e. submitted by the generator should be supported by the actual audited expenditure. These charges will have the prudent check by Hon. Commission. This is required as the position of generation plant or station in MOD varies even by fraction of paisa which may affect the position of other generators in the MOD stack.

3) It is recommended in proposal that the TPP, which does not complete installation of Pollution Control Equipment as per the schedule given in the notice of CPCB, may be taken to the bottom of MOD until it installs FGD and other pollution control equipment and becomes compliant to new environmental norms.

It is submitted that due to this proposed action, Discoms will be depriving of firm contracted power and shall be constrained to procure power on exchange or through short term where present rates has reached to new high.

Also, in line with the proposed recommendation, there may be possibility of receiving other proposals in future regarding exclusion of such charges from variable charges for preparation of MoD stack.

Hence, it is requested not to consider the proposed recommendation of exclusion of O& M charges of already compliant plants from the variable charges for the purpose of deciding its location in the merit order.

Thanking you,

Yours faithfully,



Director (Commercial)

MSEDCL

Copy s.w.rs.to:-

Chairman & Managing Director, MSEDCL, Mumbai