

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION  
AT GANDHINAGAR**

**PETITION NO. 2175 OF 2023**

**In the matter of:**

**Petition under Section 86 of the Electricity Act, 2003 read with Article 10 of SLPP-I Power Purchase Agreement dated 15.04.1997 and Article 13 of SLPP-II Power Purchase Agreement dated 13.08.2013 executed between Gujarat Industries Power Company Limited and Gujarat Urja Vikas Nigam Limited seeking approval for pass through of the additional capital expenditures to comply with new environmental norms for Thermal Power Plants and per Environment norms for Thermal Power Plants as per Environment Protection (Amendment) Rules, 2015 and subsequent amendment notifications by Ministry of Environment, Forest & Climate Change (MoEF & CC) Government of India, which is a change in law event.**

Petitioner : Gujarat Industries Power Company Limited

Represented by : Mr. S.V. Mani and Mr. Keyur Shah

V/s.

Respondent : Gujarat Urja Vikas Nigam Limited

Represented by : Ld. Adv. Mr. Utkarsh Singh along with Mr. H.P. Patel

**CORAM:**

**Shri Mehul M Gandhi, Member**

**Shri S.R. Pandey, Member**

**Date: 01/09/2025**

**DAILY ORDER**

1. The matter was kept for hearing on 26.08.2025.

2. Mr. S.V. Mani, appearing on behalf of the Petitioner, Gujarat Industries Power Company Limited (GIPCL), submitted that the present Petition has been filed by the Petitioner under Section 86 of Electricity Act, 2003 read with GERC (Multi Year Tariff), Regulations 2006 and GERC (Conduct of Business) Regulations, 2004 and Article 10 of PPA dated 15.04.1997 and Articles 7 & 13 of PPA dated 13.08.2013 seeking approval of Commission to pass through the additional capital expenditure necessary to upgrade the Electro static Precipitators (ESPs) and Limestone Storage facility of SLPP Stations to comply with revised Emission norms as per the Environmental Protection (Amendment) Rules, 2015, Amendment Rules, 2021 and Second Amendment Rules, 2022 which constitutes the “Change in Law” event as per PPAs and Notification issued by Ministry of Power, Government of India.
  - 2.1. It is submitted that the Ministry of Environment, Forest and Climate Change (MoEF & CC), Government of India notified the Environment (Protection) Amendment Rules, 2015 on 07.12.2015 amending the Environment (Protection) Rules, 1986 which is applicable for the Petitioner’s Power Plant Phase - I & II located in Dist. Surat.
  - 2.2. It is submitted that Petitioner’s lignite power plant at Surat is based on environment friendly Circulating Fluidized Bed Combustion (CFBC) technology. The Petitioner was required to carry out certain modifications and upgradations to comply with the particulate emission norms. The Petitioner had taken up the activity from 2016 onwards after approval of the Respondent, and the estimated cost for the upgradation of ESP in all the four units was ₹ 86 Crores.
  - 2.3. It is submitted that in CFBC boiler, the Petitioner is having Auxiliary consumption of around 13%, whereas the allowed Auxiliary consumption is 10% for SLPP-I and 11.5% for SLPP-II. So, there is an increase of 0.125% in Auxiliary consumption which was done based on a study.

2.4. Further, it is submitted that there will also be increase in O&M cost as due more stringent norms the Petitioner have to carry out more frequent refurbishment of the ESPs. Hence, the Petitioner has claimed ₹ 0.96 Lakhs / MW / annum in SLPP-II and as per PPA terms in case of SLPP-I from FY 2024-25 onwards to meet the increased O&M requirement.

3. Ld. Adv. Mr. Utkarsh Singh, on behalf of the Respondent, Gujarat Urja Vikas Nigam Limited (GUVNL), submitted that the Petitioner is seeking some increase in Auxiliary consumption and O&M norms, which is not provided in the MYT Regulations, and which is also not given to other generators.

3.1. It is submitted that the Respondent would file its written submission in this regard.

4. Heard the parties.

5. We note that the present Petition is filed under Section 86 of Electricity Act, 2003 read with GERC (Multi Year Tariff), Regulations 2006 and GERC (Conduct of Business) Regulations, 2004 and Article 10 of PPA dated 15.04.1997 and Articles 7 & 13 of PPA dated 13.08.2013 seeking approval of Commission to pass through the additional Capital Expenditure for upgradation of the Electro static Precipitators (ESPs) and Limestone Storage facility of SLPP Stations to comply with revised emission norms as per the Environmental Protection (Amendment) Rules, 2015 read with Amendment Rules, 2021 and Second Amendment Rules, 2022 which constitutes the "Change in Law" event as per PPAs and Notification issued by Ministry of Power, Government of India.

5.1. We note that due to modifications and upgradation work carried out by the Petitioner, there is increase in O&M cost.

5.2. We are of the view that a public hearing is required to be conducted to take into the suggestions/objections/comments of the stakeholders before deciding the matter. The Petitioner is, therefore, directed to issue a public notice in two daily Gujarati Newspapers and one English Newspaper having wide circulation in the State and invite comments/suggestions/objections from the Stakeholders stating that they have filed Petition No. 2175 of 2021 before the Commission along with its subject matter and relief sought therein. The Petitioner is also directed to upload the present Petition with all the relevant documents on its website and invite comments and suggestions from the Stakeholders on the Petition on affidavit within 10 days from the date of issue of public notice. The Petitioner shall state in the public notice that the stakeholders shall file their comments/objections/suggestions to the Secretary, Gujarat Electricity Regulatory Commission, 6<sup>th</sup> Floor, GIFT ONE, Road 5C, Zone 5, GIFT City, Gandhinagar - 382050, Gujarat in five copies along with affidavit in support of their submissions with a copy to the Petitioner. The staff of the Commission is also directed to upload the Petition along with all relevant documents on the website of the Commission inviting comments/objections/suggestions/views from stakeholder after a compliance affidavit stating that public notices as directed above are issued in newspaper and uploading of Petition on website of the Petitioner, is filed by the Petitioner along with published copy of public notices issued by the Petitioner is provided to the Commission.

5.3. We also direct the staff of the Commission to provide the copy of representation/suggestions/objections, if any, received in the present matter to the Petitioner to enable filing reply/response to the same and to inform/issue hearing notice for the present Petition to such stakeholders/objectors who file their submissions/objections/comments before the Commission in the matter.

6. The Respondent, GUVNL, is directed to file their reply in the present Petition, if any, within one weeks' time from the date of this Order with a copy to the Petitioner.
7. The next date of hearing will be intimated separately.
8. We order accordingly.

Sd/-  
**[S. R. Pandey]**  
**Member**

Sd/-  
**[Mehul M. Gandhi]**  
**Member**

Place: Gandhinagar  
Date: 01/09/2025

