



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW**

Petition No. 2124 of 2024 along with IA 1/2025

(Date of Order: 4.07.2025)

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF

Petition under Section 86(1)(b) of the Electricity Act, 2003 and Article 14 of the Power Purchase Agreement dated 12.11.2006 read with Supplementary Power Purchase Agreement dated 31.12.2009, seeking approval that the developments under the new environment Rules, promulgated by the Ministry of Environment Forest and Climate Change vide notification dated 07.12.2015 along with its amendment dated 28.06.2018, as events of Change in Law and seeking in-principle approval from this Hon'ble Commission for the expenditure that shall be incurred towards the installation of Flue-gas Desulfurization equipment on account of such Change in Law events.

AND

IN THE MATTER OF

MEIL Anpara Power Limited

H. No. C/02/P7, Sector C Pocket 2, Sushant Golf City, Lucknow-226030

..... Petitioner

VERSUS

1. U.P. Power Corporation Ltd. (UPPCL)

Shakti Bhawan, 14-Ashok Marg, Lucknow-226001

2. Paschimanchal Vidyut Vitran Nigam limited (PVVNL),

Urja Bhawan, Victoria Park, Meerut, U.P. – 250001

4.





3. Purvanchal Vidyut Vitran Nigam Limited (PuVVNL),

DLW Bikhariपुर, Varanasi, Uttar Pradesh – 221004

4. Madhyanchal Vidyut Vitran Nigam Limited (MVVNL),

4A, Gokhale Marg, Block-I, Gokhale V har, Butler Colony, Lucknow – 226001

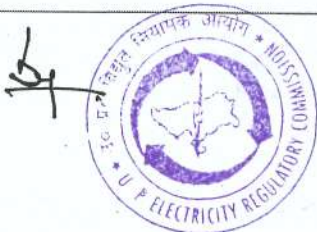
5. Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL)

Urja Bhawan, Agra Mathura Bypass Road, Agra, Uttar Pradesh - 282007

..... Respondents

ORDER

1. The Petitioner, MEIL Anpara Power Limited, has filled the instant Petition under Section 86(1)(b) of the Electricity Act, 2003 and Article 14 of the Power Purchase Agreement dated 12.11.2006 read with Supplementary Power Purchase Agreement dated 31.12.2009 executed between Petitioner and Respondents. The Petitioner is seeking declaration of new environment rules issued by MoEF&CC vide notification dated 07.12.2015 along with its amendment dated 28.06.2018, as 'Change in Law' events and in-principle approval of expenditure to be incurred on account of the installation of Flue-Gas Desulfurization (FGD) equipment necessitated by 'Change in Law' events.
2. The Petitioner has made following prayers:
 - a. Declare new environment Rules, promulgated by the Ministry of Environment Forest and Climate Change ("MoEF&CC") vide notification dated 07.12.2015, being S.O. 3305(E) and its subsequent amendment notifications dated 28.06.2018, being G.S.R. 593(E), 19.10.2020, being G.S.R 662(E) and 05.09.2022, being G.S.R 682(E), as events of Change in Law.
 - b. Grant in-principle approval to the Petitioner under Article 14 of the PPA towards expenditure that shall be incurred towards the installation of Flue-gas desulfurization/ FGD equipment on account of Change in Law events brought forth by the Notifications issued by MOEF&CC dated 07.12.2015, 28.06.2018 and 19.10.2020.
 - c. Allow the Petitioner to approach the Commission to claim appropriate relief for change in law under Article 14 of the PPA upon installation of the FGD system; and





d. Pass such other orders that the Commission deems fit in the facts of this case.

Background of the case as submitted by the Petitioner:

3. On 07.12.2015, the MOEF&CC issued a notification amending the Environment (Protection) Rules, 1986 ("2015 Notification"). Through the said notification, the MOEF&CC introduced new norms of water consumption and air emissions for Thermal Power Plants. In July 2017, the Petitioner filed a Petition No. 1216/2017 before the Commission, seeking approval of the cost to be incurred for installation of wet limestone based FGD system and other associate system for compliance with the 2015 Notification. The Commission, vide its Order dated 18.12.2017, while refusing to grant in-principle approval to the Petitioner, directed the Petitioner to approach CEA to decide specific optimum technology, and major issues to be faced in the installation of different system like SCR etc. The Commission also granted liberty to the Petitioner to file a petition, if required in this regard, at an appropriate stage.
4. The Petitioner approached the CEA and CEA issued an advisory for preparation of the Feasibility Report. The Petitioner in compliance with the advice issued by CEA, appointed Black & Veatch Technologies to prepare the Feasibility Report. Black & Veatch, vide its Feasibility Report dated 31.07.2019, recommended FGD based on the Wet Limestone System for SO₂ control. CEA, vide its letter dated 09.09.2019, approved the Feasibility Report and stated that the actual cost of retrofitting FGD needed to be discovered through open competitive bidding in consultation with the lead procurer. The Petitioner conducted ICB process by inviting bids on an EPC basis for setting up a Wet limestone-based FGD system and auxiliaries. Megha Engineering and Infrastructure Ltd. (MEIL) was selected as successful bidder and Petitioner issued Award dated 07.08.2024 in favour of MEIL. The break-up of the awarded EPC cost excluding taxes and duties is as under:

S.N.	Description	Amount (Rs/Crore)
a.	Imported Plant & equipment including technological and misc. structures with all accessories (on CIF basis) including forwarding charges, ocean freight and marine insurance.	42.19
b.	Ex-works price including type test charges for equipment and mandatory spares	800.09

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c.	Price for inland transportation including inland transit insurance for equipment and mandatory spares	21.85
d.	Price for Installation Services	438.67
	Total	1302.80

5. In the above background, the Petitioner has filed the present Petition seeking in-principle approval under Article 14 of the PPA for the EPC Cost amounting to INR 1302.80 Crore on account of the 2015 Notification and its subsequent amendments to avail necessary financial arrangements.

Record of Proceedings:

6. During the hearing on 12.11.2024, the Commission observed that the issues raised by the Petitioner pertained to adjudication of disputes with respect to expenditure that would be incurred towards the installation of FGD system and declaration of change in law. Therefore, Section 86(1)(f) of the Electricity Act, 2003 is attracted to the present Petition. Further, considering the vacant position of the Member (Law) in the quorum, the Commission decided to list the matter for hearing after joining of Member (Law). The Commission allowed UPPCL to file its reply within four weeks and thereafter three weeks for the Petitioner to file its rejoinder. On 09.04.2025, the UPPCL submitted its reply.
7. Subsequently, the Petitioner, vide IA dated 03.04.2025, made the following prayers:
- Allow the instant application; and
 - Allow the Petitioner to withdraw the captioned petition with liberty to approach the Commission at an appropriate stage later.
 - Pass such further or other order(s) as the Commission may deem fit in the facts and circumstances of the case.
8. Vide said IA, the Petitioner has submitted that after filing of the present Petition certain developments in the matter have taken place that materially impact the compliance timeline. The MoEF&CC, vide notification dated 30.12.2024, has extended the compliance deadline for FGD installation for Thermal Power plants, including that of Petitioner, to 31.12.2028. Therefore, the Petitioner would re-issue the bids for the FGD system with

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revised timelines. The Petitioner has, therefore, prayed to withdraw the present Petition, with liberty to approach the Commission at a later stage.

Commission's View

9. Considering the submissions made by the Petitioner, the Petitioner is permitted to withdraw the present Petition with liberty to approach the Commission in accordance with the law. Accordingly, the present Petition is disposed of in terms of being withdrawn.

Petition No. 2124 of 2024 along with IA 1/2025 is disposed of in terms of above.


(Sanjay Kumar Singh)
Member




(Arvind Kumar)
Chairman

Place: Lucknow

Dated: 04.07.2025