

FRIDAY | 17 NOVEMBER 2023

Case Update



BEFORE THE HON'BLE CENTRAL ELECTRICITY REGULATORY COMMISSION AT NEW DELHI

PETITION NO. 166/MP/2021



1. Central Electricity Regulatory Commission ("CERC") by way of Order dated 14.11.2023 has held that NTPC is entitled for compensation amounting to Rs. 12.65 Crores towards degradation of parameters due to part load operation of Kudgi Super Thermal Power Station ("KSTPS") in FY 2017-18 in terms of the Detailed Operating Procedure and Regulation 6.3 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010.

In the instant case, the beneficiaries raised the contention that part load compensation does not form part of Tariff or of the Tariff Regulations and moreover, the compensation mechanism does not envisage any retrospective settlement. CERC has specifically observed that due to reduction in normative SHR to 2210.66 kCal/kWh from 2241.41 kCal/kWh, compensation mechanism kicked in as energy charges based on actual operating parameters on account of partial loading of units were higher than the energy charges calculated on normative SHR of 2210.66 kCal/kWh.

CERC has rightly held that NTPC is entitled to retrospective revision of the part load compensation in terms of the Compensation Mechanism dated 05.05.2017, therefore, the compensation amount shall be paid by the beneficiaries along with the simple interest.

Link of the Order is produced [here](#).

NTPC Limited was represented by Mr. Shri Venkatesh (Managing Partner), Mr. Siddharth Joshi (Senior Associate), Mr. Abhishek Nangia (Senior Associate) and Mr. Punyam Bhutani (Associate).