IN THE JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION AT RANCHI

Case No. 31 of 2024

Inland Power Limited (IPL)..... Petitioner

Versus

Jharkhand Bijli Vitran Nigam Limited..... Respondent

CORAM: HON'BLE MR. JUSTICE NAVNEET KUMAR, CHAIRPERSON
HON'BLE MR. MAHENDRA PRASAD, MEMBER (LAW)
HON'BLE MR. ATUL KUMAR, MEMBER(TECHNICAL)

For the Petitioner : Mr. Saket Upadhyay, Advocate

For the Respondent : Mr. Mrinal Kanti Roy, Sr. Standing Counsel

Date – 30th January, 2026

1. The Petitioner-Inland Power Limited (IPL) has filed the instant petition under Section 14.4 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulation 2020 for approval of Capital Cost for installation of bed ash handling and conveying pond with construction of dry ash dumping pond for 1×63 MW Coal Fired CFBC Thermal Power plant.

2. The prayers of the Petitioner are as under:

   a. To approve the additional capital expenditure towards installation of bed ash handling and conveying system with construction of dry ash dumping pond.

   b. To Condone any inadvertent omissions/errors/rounding off differences/shortcomings and permit IPL to add/ change/ modify this filing and make further submission as may be at a future date; and

   c. To Pass such further and other orders, as the Commission may deem fit and proper, keeping in view the facts and circumstances of the case.

   The factual matrix of the case as submitted by the parties may be appreciated in the following manner:

3. The Respondent-JBVNL in the aforesaid Case No. 31 of 2024 appeared

and contested the claim of the Petitioner by filing their reply and notes of submission before the Commission.

Submissions of the Petitioner

4. Learned counsel for the Petitioner- Inland Power Limited (IPL) submitted that IPL has been using Circulating Fluidized Bed Combustion (CFBC) Technology for their power plant and the main advantage of this technology is that almost any type of fuel can be burned, however, as any type of fuel can be burned in a CFBC plant, the O&M costs are higher as compared to Pulverised fuel fired power plants.Fuels used in a CFBC plant are generally coal, coal rejects, dolochar, other rejects etc. Since, such type of fuel have very high content of ash, the costs associated with ash collection, handling and disposal are higher as compared to other plants and proper management and disposal of ash are essential to minimize environmental impact and comply with regulatory requirements

5. Learned Counsel pointed out that the Government of India mandates the utilization and proper disposal of fly ash through various notifications. Despite efforts to achieve 100% ash utilization, persistent challenges have arisen over the past three years, including delays in evacuation by transporters, user agencies, and local issues and to address these issues and ensure compliance, the Petitioner proposes for constructing of an emergency ash storage pond with a capacity of 15,000 m^3 within the plant premises.

6. Learned Counsel apprised that in the existing systems, they have two 25 TPH Rotary bed ash cooler whose cooling media is raw water. They also have bed ash conveying system, which consists of: i) Bucket conveyor ii) Bucket elevators iii) storage vessels &iv) pneumatic conveying systems. It was submitted that the present arrangement is not economical as it does not have appropriate utilization of hot water while still consuming energy to cool it down for reuse. Moreover, the existing ash handling system is having frequent break downs of the Rotary bed ash cooler, which is due to tube leakages caused by raw water being used as cooling media. Also, more break downs in existing conveying systems are due to wear & tear equipment's which requires external pay-loader & hyva for handling of bed ash.

7. Learned Counsel further submitted that the proposed system will have two 20 TPH Rotary bed ash cooler whose cooling media is TG Condensate and Bed ash conveying is only Belt Conveyors up to the bed

ash silo.Further, this system being very economical as waste heat can be utilized for heating of condensate. Hence, no steam will be required to heat the condensate water at LP-1 heater and IPL will save the steam cost by utilization of waste heat

8. It was apprised that the Petitioner presently have two silos with capacities of 1200 m^3 and one silo of 800 m^3, plus seven days of emergency storage in the fly ash brick manufacturing area, sufficient for ten days.

9. Learned Counsel for the Petitioner submitted that unutilized fly ash must be stored as per MOEF & CC guidelines and EC provisions and EC letter specifies that fly ash must be collected in dry form and stored in silos. Alternatively, unutilized fly ash should be disposed of in an ash pond as slurry. The Petitioner's current provisions include disposal in in-house brick plants, cement manufacturing plants, road projects, and block development projects. However, during prolonged emergencies, the existing storage is insufficient. Hence, under the prevalent arrangements the storage facilities of fly ash are not abundant enough to ensure seamless operation of power plant.

10. Learned Counsel highlighted that as per theinspection report by the Regional Officer of the Jharkhand State Pollution Control Board (JSPCB), the need for an emergency ash storage pond to comply with environmental regulations was emphasized. The Counsel highlighting the notification of MOEFCC dated 31st December 2021, stated that there is an introduction of Environmental Compensation based on the polluter pays principle i.e. If a thermal power plant has not achieved at least 80% ash utilization in the first two years of a three- year cycle, it is fined Rs. 1000 per ton on unutilized ash. If 100% utilization is not achieved in the third year, the same penalty applies to previously un-penalized quantities.

11. Learned Counsel apprised that the Petitioner in order to comply with the aforementioned statutory mandates and address the challenges,proposes for construction of an emergency ash storage pond with a capacity of 15,000 m^3 within the plant premises.

12. Learned Counsel detailing the proposed design submitted that the ash pond will be lined with HDPE/LDPE or another suitable impermeable material to prevent leachate. Reinforced dyke structures will ensure protection against breaches. Also, Mercury and other heavy metals (As, Hg, Cr, Pb, etc.) will be monitored in the bottom ash and effluents from the ash pond to ensure compliance with environmental regulations.

13. Learned Counsel for the Petitioner submitted the total capital expenditure outlay of Rs. 6,89,02,914 is proposed towards installation of bed ash handling and conveying system with construction of dry ash dumping pond.

Submission of the Respondent

14. Learned Counsel for the Respondent raised objections with respect to the increase in the O&M costs and its impact in the overall cost efficiency of the plant.

15. Learned Counsel for the Respondent further raised objections Detailed Project Report, cost-benefit analysis, details of tendering process carried out for procurement of various capital items required for implementing the proposed work, source of financing the project, details of loan availed by the Petitioner detailing the rate of interest and tenure of loan etc.

16. The Petitioner filed its rejoinder and replied to the objections raised by the Respondent.

Commission's Observations and findings

17. The Commission has considered the submissions made by the parties and perused the materials available on records.

18. Clause 14.4 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 reads as under:

> *"14.4 The capital expenditure, in respect of existing generating station incurred or projected to be incurred on the following counts beyond the original scope, may be admitted by the Commission, subject to prudence check:*
>
> > *a) Liabilities to meet award of arbitration or for compliance of order or directions of any statutory authority, or order or decree of any court of law;*
> >
> > *b) Change in law or compliance of any existing law;*
> >
> > *c)Force Majeure events;*
> >
> > *d) Any additional works/services, which have become necessary for efficient and successful operation of the generating station, but not included in the original project cost;*
> >
> > *e) Need for higher security and safety of the plant as advised or directed by appropriate Indian Government Instrumentality or statutory authorities responsible for national or internal*

security;

f) Deferred works relating to ash pond or ash handling system in addition to the original scope of work, on case to case basis: Provided also that if any expenditure has been claimed under Renovation and Modernization or repairs and maintenance under O&M expenses, the same shall not be claimed under this Regulation;

g) Usage of water from sewage treatment plant in thermal generating station

19. The Commission noted that that Clause 14.4(d) and Clause 14.4(f) explicitly permit admission of capital expenditure for additional works and deferred works relating to ash handling systems, provided such expenditure has become necessary for efficient and successful operation of the generating station and was not included in the original project cost.

20. The Commission is of the view that the proposed capital expenditure relates to operational necessity and environmental compliance and falls within the scope of Regulation 14.4(d) and 14.4(f) of the 2020 Regulations.

21. The Commission examined the value of de-capitalization of assets submitted by the Petitioner for the existing 'Bed Ash Coolers' till FY 2024-25 and noted that existing 'Bed Ash Cooler' was capitalized on 31.03.2016 and the initial asset value was Rs. 93,54,591, and after depreciation, the balance asset value till FY 2024-25 is Rs. 45,63,557.31.

22. Furthermore, in compliance of the Commission's order dated 18.07.2025, wherein it was pointed out by the Respondent that all the issues raised by the Respondent was not replied by the Petitioner in their counter affidavit, the Petitioner submitted supplementary affidavit dated 16.10 2025.

23. The Commission examined the reply of the Petitioner submitted on the objection/comments raised by the Respondent on the following points:

a. overall cost (O&M costs) and its impact on cost efficiency

b. Cost justification of the investment with DPR, tendering process and cost-benefit analysis.

c. Source of financing of the project

The Commission scrutinized the Detailed Project Report (DPR), the comparative statement of quotations for the 'Ash Pond' as well as the

'Bed Ash Cooler', which adequately justifies that the proposed expenditure is just and reasonable.

O R D E R

24. Considering the submission of the parties and on the basis of materials available on records, the prayers of the Petitioner are allowed. The Commission finds that the proposed capital expenditure of the Petitioner falls within the scope of Clause 14.4(d) and 14.4(f) of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020. The expenditure for installation of bed ash handling and conveying pond with construction of dry ash dumping pond is provisionally allowed, subject to prudent check at the time of Truing-up.

25. Accordingly, the petition stands disposed off.

Sd/-	Sd/-	Sd/-
Member (T)	Member (L)	Chairperson